



Board Report

File #: 2021-0407, File Type: Program

Agenda Number: 7.

PLANNING AND PROGRAMMING COMMITTEE JULY 14, 2021

SUBJECT: COUNTYWIDE CALL FOR PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECERTIFYING \$12.78 million in existing Fiscal Year (FY) 2021-22 commitments from previously approved Countywide Call for Projects (Call) and AUTHORIZING the expenditure of funds to meet these commitments as shown in Attachment A;
- B. DEOBLIGATING \$12.47 million of previously approved Call funding, as shown in Attachment B, and hold in RESERVE;
- C. AUTHORIZING the Chief Executive Officer (CEO) or their designee to:
 - 1. negotiate and execute all necessary agreements and/or amendments for previously awarded projects; and
 - 2. amend the FY 2021-22 budget, as necessary, to include the 2021 Countywide Call Recertification and Extension funding in the Subsidies budget;
- D. APPROVING changes to the scope of work for:
 - 1. City of Glendale - Purchase of Alternative Fuel Buses for Glendale Beeline (#F9435)
 - 2. City of Lawndale - Redondo Beach Boulevard Improvements (#F9101)
 - 3. City of Los Angeles - Stocker/MLK Crenshaw Access to Expo LRT Station (#F3409)
 - 4. City of Los Angeles - Interactive Bicycle Board Demo Project (#F7708)
 - 5. City of Los Angeles - LADOT Streets for People: Parklets and Plazas (#F7814); and
 - 6. City of Los Angeles - Slauson Avenue: Western Avenue to Crenshaw Boulevard Project (#F9204); and
- E. RECEIVING AND FILING:
 - 1. time extensions for 66 projects shown in Attachment D; and
 - 2. reprogram for nine projects shown in Attachment E.

ISSUE

Each year the Board must recertify funding for projects that were approved through prior Calls in order to release the funds to the project sponsors. The Board must also approve the deobligation of lapsing project funds after providing project sponsors with the opportunity to appeal staff's preliminary deobligation recommendations to Metro's Technical Advisory Committee (TAC). The Board must also receive and file the extensions and reprogrammed funds granted through previously delegated Board authority. The background and discussion of each of these recommendations can be found in Attachment C.

DISCUSSION

The Call process implements Metro's multi-modal programming priorities and implements the adopted Long Range Transportation Plan (LRTP). The 2021 Call Recertification and Deobligation process reinforces the annual authorization and timely use of funds policies. Specifically, Board policy calls for consideration of deobligation of funding from project sponsors who have not met lapsing deadlines, have not used the entire grant amount to complete the project (project savings) or have formally notified Metro that they no longer wish to proceed with the project (cancellation).

Technical Advisory Committee (TAC) Appeals

On June 2, 2021, TAC heard sponsor appeals on the deobligation of funding from four projects (Attachment F). TAC recommended one-year extensions with certain reporting conditions. Staff concurs with these recommendations. Therefore, no projects would involuntarily lose funding due to the lapsing schedule and would have the timeline to completion lengthened under this proposed Board action.

Additionally, all proposed deobligated funds included in Attachment B are due primarily to project savings or cancellation requested by the project sponsors and would not be involuntarily deobligated by this proposed Board action, as further described in the attachment.

Active Call for Projects as of June 30, 2021

In August 2016, Call programming was put on hold due to limited funding capacity and the potential for over a half billion of pending/outstanding approved project scope to require additional support in Southern California's somewhat volatile construction market. Last August, Metro staff reported the completed assessments of the past and current recipient performance in project delivery (2007 to 2015 Call cycles). We updated the table as of June 30, 2021 (see below). There are approximately 220 active and/or upcoming Call projects totaling \$440.5 million, yet to be fully implemented. Staff will continue working with the project sponsors in expediting the delivery of those projects.

Table 1 - Active and Upcoming Call for Projects as of June 30, 2021

Cycle	# of Awarded Projects	Original Programming Years	Total Prog Amount (\$000')	# of Active/Upcoming Projects	Remaining Balance (\$000')
2007 Call	169	FY08 - FY13	\$ 454,520	30	\$ 58,790
2009 Call	133	FY12 - FY15	337,551	36	82,107
2011 Call	72	FY15 - FY17	123,516	30	36,270
2013 Call	96	FY15 - FY19	199,390	56	112,622
2015 Call	88	FY17 - FY21	201,923	68	150,715
	558		\$ 1,316,900	220	\$ 440,504

DETERMINATION OF SAFETY IMPACT

The 2021 Call Recertification and Deobligation will not have any adverse safety impacts on Metro’s employees or patrons.

FINANCIAL IMPACT

The amount of \$50.5 million is included in the FY 2021-22 Adopted Budget in Cost Centers 0441 (Subsidies to Others) and 0442 (Highway Subsidies) for the Countywide Call. Since these are multi-year projects, the cost center managers, Chief Planning Officer and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

The sources of funds for these activities are Proposition C 25%, State Repayment of Capital Project Loan Funds, Congestion Mitigation and Air Quality (CMAQ), and Regional Surface Transportation Program (RSTP). The Proposition C 25% funds are not eligible for Metro bus and rail operating and capital expenditures.

CMAQ funds can be used for both transit operating and capital. However, there are no additional operating expenses that are eligible for CMAQ funding. Los Angeles County must strive to fully obligate its share of CMAQ funding by May 1 of each year, otherwise it risks its redirection to other California Regional Transportation Planning Agencies by Caltrans. Staff recommends the use of long lead-time CMAQ funds as planned to insure utilizing Metro’s federal funds.

RSTP funds in this action could be used for Metro’s transit capital needs. Also, while these funds cannot be used directly for Metro’s bus or rail operating needs, these funds could free up other such

eligible funds by exchanging the funds used for Metro's paratransit provider, Access Services Incorporated. Since these RSTP funds originate in the Highway portion (Title 23) of MAP-21, they are among the most flexible funds available to Metro and are very useful in meeting Call projects' requirements.

EQUITY PLATFORM

The Call, an existing competitive grant program dating back to the early 1990s, programs transportation funds to local jurisdictions for regionally significant projects that are often beyond the fiscal capabilities of local sponsors. The latest Call cycle, including all funding commitments and project scopes of work, was approved by the Metro Board in September 2015 and the projects (and scopes) included in this action predate the Equity Platform (adopted in 2018). As such, Equity Platform criteria was not included in the evaluation of these projects. However, the third pillar of the Equity Platform, "Focus and Deliver" is applicable to these community driven projects. Metro staff will be actively working with the jurisdictions to ensure delivery of those projects, including ongoing stakeholder engagements as part of the project development. To the degree possible, Metro staff will ensure that project sponsors are listening to community needs to support the "Listen and Learn" pillar of the Equity Platform.

Given that no equity analysis occurred during the initial grant process, staff is working to evaluate the equity impacts to the existing grants now. The Equity Focus Communities ("EFCs", adopted as part of the 2020 Long Range Transportation Plan for equity evaluation) are being applied to all current Call grants to support the first pillar of the Equity Platform "Define and Measure." Specifically, the EFCs are a mapping tool being added to the newly created Call administration database. The initial analysis of the EFC layer to the Call grants (within a 1 mile radius) provides information about the make-up of the communities being served by these projects. See Attachment G for details regarding the 72.7% of \$440 million in EFCs and other demographic details.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the projects.

Goal 4: Transform LA County through regional collaboration with the subregions and local jurisdictions in implementation of the projects.

ALTERNATIVES CONSIDERED

The Board could cancel all or some of the FY 2021-22 funding commitments rather than authorize their continued expenditures. This would be a change to the previous Board-approved Countywide Calls programming commitments and would disrupt ongoing projects that received multi-year funding.

With respect to deobligations, the Board could choose to deobligate funds from one or more project

sponsors whose projects are beyond the lapse dates and are not moving forward consistent with the adopted Revised Lapsing Policy rather than extending the deadlines. A much stricter interpretation of the Revised Lapsing Policy might encourage project sponsors in general to deliver them in a more timely fashion. However, this would be disruptive to the process of delivering the specific projects currently underway, many of which are now very close to being delivered. On balance, the appeals process between the project sponsors and the Metro TAC is a significant reminder to project sponsors that these funded projects should not be further delayed ensuring policy objectives are achieved in expending the funds as intended by the Call program.

NEXT STEPS

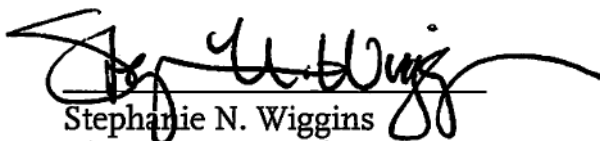
With Board approval of the 2021 Countywide Call Recertification, Deobligation and Extension process, project sponsors will be notified and Funding Agreements (FAs) and Letters of Agreement (LOAs) will be executed with those who have received their first year of funding through the Recertification process. Amendments to existing FAs and LOAs will be completed for those sponsors receiving time extensions. Project sponsors whose funds are being deobligated will be formally notified of the Board action as well as those receiving date certain time extension deadlines for executing their agreements.

ATTACHMENTS

- Attachment A - FY 2021-22 Countywide Call Recertification
- Attachment B - FY 2020-21 Countywide Call Deobligation
- Attachment C - Background/Discussion of Each Recommendation
- Attachment D - FY 2020-21 Countywide Call Extensions
- Attachment E - FY 2020-21 Countywide Call Reprogramming
- Attachment F - Result of TAC Appeals Process
- Attachment G - CFP and Equity Focused Communities Map

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