

**Board Report**

File #: 2025-0040, **File Type:** Plan**Agenda Number:** 8.

**PLANNING AND PROGRAMMING COMMITTEE
MARCH 19, 2025****SUBJECT: ADOPTION OF THE PROJECT PRIORITIZATION FRAMEWORK FOR THE 2025
SCAG CMAQ/STBG CALL FOR PROJECTS****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the CEO or their designee to submit to SCAG the Project Prioritization Framework Metro will use to evaluate and rank projects for Los Angeles County as part of the 2025 SCAG CMAQ/STBG Call for Projects.

ISSUE

On March 31, 2025, the Southern California Association of Governments (SCAG) will release a call for nominations inviting agencies within Los Angeles County to submit applications for Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Block Grant (STBG) funding apportionments available for the SCAG region for federal fiscal year (FFY) 2027 and FFY 2028. Metro staff will be required to review and rank the applications for Los Angeles County. Staff is seeking Board approval of the project ranking criteria to be utilized in this process. The ranked projects for Los Angeles County will be presented for Board adoption at the July 2025 meeting. SCAG will then prioritize projects received from all six counties in the SCAG region and will make the final project funding awards at their November 2025 Regional Council (RC) Meeting.

BACKGROUND

The Congestion Mitigation and Air Quality Improvement (CMAQ) Program and Surface Transportation Block Grant (STBG) Program Guidelines, scheduled for adoption by the Southern California Association of Governments (SCAG) Regional Council in March 2025, establish the framework for project selection and allocation of CMAQ and STBG funds within the SCAG region in accordance with 23 CFR § 450.332(c) et al. These guidelines outline the SCAG-administered project selection process in compliance with federal requirements for the CMAQ and STBG programs.

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) issued a Corrective Action to Caltrans on the administration of the CMAQ and STBG. The findings require Caltrans to ensure that sub-recipients of CMAQ and STBG funds throughout the state administer these programs in compliance with federal program guidance and regulations. Subsequently, in August 2022, FHWA and FTA jointly issued a corrective action to SCAG, requiring a

review of Caltrans' CMAQ and STBG administrative policies and the development of a process that ensures compliance with federal program guidelines and regulations for the administration of these two programs.

The program guidelines adopted by SCAG to comply with the federal Corrective Action require that any new project or new project phase funded with CMAQ and/or STBG funds are subject to a competitive project selection process. SCAG's adopted CMAQ/STBG Compliance Action Plan outlines the regional approach for addressing the Corrective Action. The specific issues the SCAG Compliance Action Plan addresses are:

- Replacing the current federal transportation funding suballocations by population or mode to cities and counties with a performance-based approach.
- Modifying the eligibility screening conducted for compliance with Federal program guidance and regulations.
- Modifying the project selection process so federally funded transportation projects are selected by SCAG as the designated Metropolitan Planning Organization (MPO).

As part of the 2025 SCAG Call for Projects, all County Transportation Commissions (CTCs) in the SCAG region, which includes Metro, will assist in the process by providing initial project screening using the proposed project evaluation and ranking criteria described below. Following the Board's adoption of the ranked projects for Los Angeles County this July, SCAG staff will then evaluate all nominations against program criteria and recommend a list of projects and funding amounts for final SCAG Regional Council approval of the selected projects.

As part of the Corrective Action guidelines, SCAG developed performance-based funding nomination targets for each county in the SCAG region. For the CMAQ and STBG funds available through this call process, Los Angeles County's target is approximately \$660 million. This funding target will only guide the nomination submittals from each county; it is not a guaranteed funding level nor a nomination ceiling.

DISCUSSION

For the 2025 CMAQ/STBG Call for Projects process, SCAG will open the project application for funding on March 31, 2025. Metro staff then notify all cities and eligible agencies of the release of the application and the schedule to submit applications. To meet the August 1, 2025, deadline for CTCs to submit their prioritized projects to SCAG, agencies must submit their applications by May 16, 2025, to provide time for staff to review and rank the submitted projects.

Staff will also notify the Council of Governments (COGs) and subregions of the grant opportunity. Office hours will be available on Tuesday and Thursday mornings from 10 am to noon, during which agencies can schedule time to answer questions about project eligibility and the application process.

Project Ranking Criteria

The SCAG guidelines require each county to adopt and apply a Project Prioritization Framework consisting of criteria to evaluate and rank each project. Projects will be evaluated into four categories: Highly Recommended, Recommended, Contingency List, and Not Recommended.

Staff is proposing the following four criteria be used to evaluate and rank projects submitted in Los Angeles County:

1. **Eligibility:** Potential implementing agencies and projects must be eligible for CMAQ and/or STBG funds.
2. **Alignment with Metro Plans and Policies:** Projects must support adopted Metro plans, policies, and objectives
 - a. Given the Metro Boards' commitment to providing world-class mobility options during the 2028 Olympic and Paralympic Games, priority will be given to the projects that support the Games Mobility Concept Plan.
3. **Community/Stakeholder Engagement:** Project nomination applications must demonstrate community support. Community support may be determined through a variety of means, including (but not limited to):
 - a. Responses to public outreach, including comments received at public meetings or hearings, feedback from community workshops, survey responses, etc.; and/or
 - b. Endorsement by community-based organizations
 - c. Subregional support. Endorsement by Council of Government or Subregional Board
4. **Deliverability and Readiness:** Implementing agencies must demonstrate sufficient capacity and technical expertise to meet deadlines. Projects must demonstrate readiness and the ability to obligate the funds within the programming period.
 - a. To maximize the timely obligation of CMAQ/STBG funds and to provide maximum mobility benefits to support the 2028 Olympic and Paralympic Games, priority will be given to projects that can be delivered (i.e., open to public use) before June 2028.

To address the concerns raised by the Councils of Government (COG) during the previous SCAG Call process and to ensure transparency in the project ranking process, staff will ask two representatives from the COGs to participate in reviewing and ranking the applications submitted for projects in Los Angeles County. This collaboration will enhance transparency in evaluating all projects and ensure that the COGs are involved in the rankings for all projects seeking CMAQ/STBG funding. Ultimately, the Southern California Association of Governments (SCAG) will make the final decisions regarding project funding awards.

DETERMINATION OF SAFETY IMPACT

Approving this item will not directly impact the safety of Metro customers or employees. However,

since some of the projects eligible for these funds include safety enhancements, avoiding potential risks associated with maintaining the grant funding is essential for ensuring the timely realization of the anticipated safety benefits these projects will provide.

FINANCIAL IMPACT

There is no financial impact with this action.

EQUITY PLATFORM

CMAQ and STBG funds are intended to provide a flexible funding source to State and local governments for transportation projects and programs to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards. The Board action will help secure funding from a program intended to advance transit and other multimodal plans, programs, and infrastructure improvements within and for lower-resourced communities, areas of concentrated poverty, historically disadvantaged communities, and/or areas with lost or reduced service.

The proposed project ranking criteria in the CMAQ/STBG Call for Nominations process require applicants to assess project benefits to populations living in Areas of Persistent Poverty and Historically Disadvantaged Communities. These benefits include air quality improvements, infrastructure for safer active transportation and improvements to local transit services. The types of projects funded through the CMAQ/STBG Call include improvements to local transit, clean transportation technology, and transportation demand management strategies.

Nearly all Metro EFCs overlap with one or more of the indicators included in the U.S. Department of Transportation's BUILD Grant mapping tool used to identify Areas of Persistent Poverty and Historically Disadvantaged Communities in the evaluation of Community Economic Development Benefits. Census tracts identified as Areas of Persistent Poverty are similar to Metro's EFCs in that they are determined using socioeconomic factors, including a significant percentage of the population living in poverty.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT by providing funding to enhance transit systems and to support various multimodal plans, programs, and infrastructure improvements throughout the region. These investment activities will benefit and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding to conduct planning, create and enhance programs, and build infrastructure that accelerates infill development that facilitates housing supply, choice, and affordability, affirmatively further fair housing, and reduce VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefits.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended actions. SCAG requires each County Transportation Commission (CTC) to adopt project ranking guidelines. The Board can modify the guidelines for Los Angeles County or use the SCAG-adopted guidelines.

NEXT STEPS

Staff will ensure that all eligible agencies in Los Angeles County are aware of the opportunity to apply for CMAQ and STBG through the 2025 SCAG's Call for Projects by hosting workshops and regular "office hours" on Tuesday and Thursday mornings from 10 am to noon to answer questions until the application window closes.

Prepared by: Michael Richmai, Senior Manager, Countywide Planning and Development,
(213) 922-2558
Nancy Marroquin, Senior Director, Countywide Planning and Development, (213) 418-3086
Mark Yamarone, Executive Officer, Countywide Planning and Development, (213) 418-3452
Laurie Lombardi, Senior Executive Officer, Countywide Planning and Development,
(213) 418-3251

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins
Chief Executive Officer