



File #: 2020-0435, File Type: Program

Agenda Number: 47.

REVISED
PLANNING AND PROGRAMMING COMMITTEE
AUGUST 19, 2020

SUBJECT: COUNTYWIDE CALL FOR PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECERTIFYING \$137.2 million in existing Fiscal Year (FY) 2020-21 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 \$4.1 million of previously approved Call funding, as shown in Attachment B, and hold in RESERVE;
- C. REALLOCATING:
1. ~~\$1.67 million of Call funds originally programmed to the City of Los Angeles: 1) Westlake MacArthur Park Pedestrian Improvement – partial (#F3631), 2) Last Mile Folding Bike Incentive Program (#F7707), and 3) Building Connectivity with Bicycle Friendly Business Districts (#F9803), to the City of Los Angeles: 1) Exposition West Bikeway-Northvale Project (#F3514) and 2) L.A. River Bike Path, Headwaters Section (#F5518);~~
 2. ~~\$13.39 million of Call funds originally programmed to the City of Los Angeles: 1) Alameda Street Downtown LA: Goods Movement, Phase I (#F5207) and 2) Alameda Street Widening– North Olympic Boulevard to I-10 Freeway (#F9207), to the Metro’s Rail to Rail Project;~~
 1. \$3.85 million of Call funds remaining in the City of Los Angeles Victory Boulevard Widening from Topanga Canyon Boulevard to De Soto Avenue, Phase II (#F1141), to the City of Los Angeles: 1) Widening San Fernando Road at Balboa Road (#F1129), 2) Olympic Boulevard and Mateo Street Goods Movement Improvement Phase II (#F1205), and 3) Burbank Boulevard Widening from Lankershim Boulevard to Cleon Avenue (#8046);
 2. \$456,144 of Call funds originally programmed to the County of Los Angeles Willowbrook Area Bikeway Improvements (#F3521), to Metro’s Willowbrook/Rosa Parks Station Improvement Project, to complete the planned bikeway improvements; and
 3. \$582,739 of Call funds originally programmed to the City of Long Beach Park or Ride (#F9808), to the City of Long Beach San Gabriel River Bike Path Gap Closure at Willow Street (#F1528);

D. AUTHORIZING the CEO to:

1. Negotiate and execute all necessary agreements and/or amendments for previously awarded projects; and
2. Amend the FY 2020-21 budget, as necessary, to include the 2020 Countywide Call Recertification and Extension funding in the Subsidies budget;

E. APPROVING changes to the scope of work for:

1. City of El Monte - El Monte Regional Bicycle Commuter Access Improvements (#F7520);
2. City of Los Angeles - Westlake MacArthur Park Pedestrian Improvement Project (#F3631);
3. City of Los Angeles - Magnolia Boulevard Widening (North Side) - Cahuenga Boulevard to Vineland (#F7123);
4. City of Los Angeles - Walk Pico! A Catalyst for Community Vitality & Connectivity (#F7624); and
5. City of Santa Clarita - 13th Street/Dockweiler Drive Extension (#F7105);

F. RECEIVING AND FILING:

1. Time extensions for 62 projects shown in Attachment D;
2. Reprogramming for one project shown in Attachment E; and
3. Update on future countywide Call considerations

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 2020 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 3, 2020, TAC heard sponsor appeals on the deobligation of funding from four projects (Attachment F). TAC recommended one-year extensions with certain reporting conditions on all appeals. 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.

Metro Financial Capacity for Future Calls

The Call process was initiated in the early 1990s and has changed significantly in its policy emphasis over the years, as has the environment for transportation investments that were underwritten by Call-related funding in the past. Specifically, levels of anticipated available funding have markedly changed. In August 2016, any future Call programming was put on hold due to the pending outcome of the Measure M ballot initiative and the update of the LRTP.

The latest 2015 Call cycle programmed funding through FY 2020-21. These commitments remain. Last July, 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, 2020 (see below). There are approximately 244 active and/or upcoming Call projects totaling \$498 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, 2020

Cycle	# of Awarded Projects	Original Programming Years	Total Prog Amount (\$000')	# of Active/ Upcoming Projects	Funding Sources	Remaining Balance By Programming Years *				
						Prior Yr	FY19	FY20	FY21	TOTAL
2007 Call	169	FY08 - FY13	\$ 454,520	31	PC 25 CMAQ	\$ 22,302	\$ 19,466	\$ 3,219	\$ 18,731	\$ 63,718
2009 Call	133	FY12 - FY15	337,551	41	PC 25 CMAQ RSTP	33,949	8,684	13,405	35,783	91,821
2011 Call	72	FY15 - FY17	123,516	37	PC 25 CMAQ RSTP	33,355	7,388	6,603	2,346	49,692
2013 Call	96	FY15 - FY19	199,390	62	PC 25 CMAQ RSTP	61,471	36,594	9,189	21,146	128,400
2015 Call	88	FY17 - FY21	201,923	73	PC 25 CMAQ	22,720	37,941	38,559	65,567	164,787
	558		\$1,316,900	244		\$173,797	\$110,073	\$70,975	\$143,573	\$498,418

* Programming Years may have been updated due to prior Board approved reprogramming actions.

The capacity for Metro to fund existing and future Calls is dependent on expected revenues and competing demands for those revenues. Metro has primarily relied on Proposition C 25% Transit-Related Streets and Highways (Prop C) and the federal Congestion Mitigation and Air Quality (CMAQ) program to fund prior and existing Calls, as these sources were projected to be available and are eligible for a range of highway and transit uses that meet the criteria of the Call. Since the last Call was awarded, Metro has issued almost \$1 billion of Prop C debt for new projects and

implemented the Measure M Expenditure Plan. The Expenditure Plan has accelerated the planned opening date for several rail projects that utilize CMAQ funding for operations. The following table shows the uses of Prop C and CMAQ (over 15 years) in the 2016 Long Range Transportation Plan Financial Forecast (2016 LRTP) in comparison to the 2019 Short Range Financial Forecast (2019 SRFF), which includes the Measure M Expenditure Plan. The total sources of funding are approximately the same, but the amount needed for debt service and rail operations is higher in the 2019 SRFF and this diverts funding from a potential future Call. The 2019 SRFF estimated financial capacity for a future Call is just \$80 million from Prop C and CMAQ funding. The financial forecast is also being updated using much lower sales tax and other revenue estimates due to the current global pandemic and related recession.

Call For Projects				
Largest Funding Sources and Uses (Over 15 Years)				
(\$ in millions)				
	2016 LRTP		2019 SRFF	
	\$	%	\$	%
Prop C 25 - Cash	\$ 3,923.0	51.3%	\$ 4,226.6	55.0%
Prop C 25 - Debt	2,428.1	31.8%	1,428.0	18.6%
CMAQ	1,295.6	16.9%	2,032.9	26.4%
Total Sources	\$ 7,646.7	100.0%	\$ 7,687.5	100.0%
Debt Service	\$ 1,958.8	25.6%	\$ 2,277.8	29.6%
Metro Projects	209.9	2.7%	237.0	3.1%
Rail Operations	293.8	3.8%	625.2	8.1%
Bus and Rail Capital	1,168.4	15.3%	1,881.2	24.5%
Highway Capital	2,844.1	37.2%	1,962.2	25.5%
Call For Projects - Existing	665.0	8.7%	409.8	5.3%
Call For Projects - New	570.6	7.5%	80.0	1.0%
Fund Balance and Future Uses	(63.9)	-0.8%	214.4	2.8%
Total Uses	\$ 7,646.7	100.0%	\$ 7,687.6	100.0%

Equity Platform

Consistent with Metro's Equity Platform, projects funded under Call are inherently intended to improve equity by increasing access to opportunity. Metro staff will be actively working with the jurisdictions to ensure delivery of those projects.

DETERMINATION OF SAFETY IMPACT

The 2020 Call Recertification and Deobligation will not have any adverse safety impacts on Metro's employees or patrons.

FINANCIAL IMPACT

The amount of \$50.2 million is requested in the FY 2020-21 Budget in Cost Centers 0441 (Subsidies

to Others) and 0442 (Highway Subsidies) for the Countywide Call. Upon approval of this action, staff will reallocate necessary funds to appropriate projects within Cost Centers 0441 and 0442 in coherence with the Continuing Resolution until the FY21 budget is adopted in September. 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.

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 2020-21 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 to ensure policy objectives are achieved in expending the funds as intended by the Call program.

NEXT STEPS

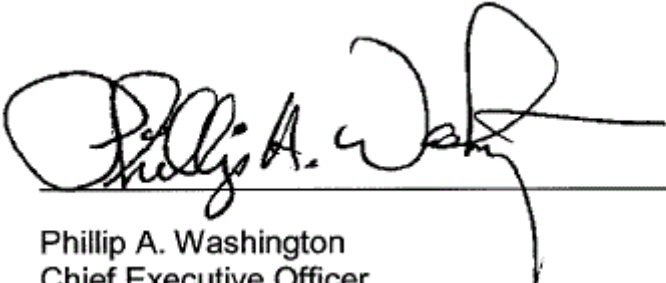
With Board approval of the 2020 Countywide Call Recertification, Deobligation and Extension process, project sponsors will be notified and Funding Agreements (FAs) and Letters of Agreement (LOAs) will be executed with those who have received their first year of funding through the Recertification process. 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 2020-21 Countywide Call Recertification
- Attachment B - FY 2019-20 Countywide Call Deobligation
- Attachment C - Background/Discussion of Each Recommendation
- Attachment D - FY 2019-20 Countywide Call Extensions
- Attachment E - FY 2019-20 Countywide Call Reprogramming
- Attachment F - Result of TAC Appeals Process

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