



Board Report

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Agenda Number: 17.

PLANNING AND PROGRAMMING COMMITTEE MARCH 20, 2024

SUBJECT: APPROVAL OF CMAQ/STBG/CRP PROJECT PRIORITIZATION AND FUNDING RECOMMENDATIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) or their designee to submit to SCAG the project prioritization and funding recommendations for Los Angeles County for CMAQ/STBG/CRP funding (Attachment A).

ISSUE

In early January 2024, the Southern California Association of Governments (SCAG) released a call for nominations inviting agencies within Los Angeles County to submit applications for Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Surface Transportation Block Grant Program (STBG) and Carbon Reduction Program (CRP) funding apportionments available for the SCAG region for federal fiscal year (FFY) 2023 through FFY 2026. Metro staff has reviewed and prioritized applications for Los Angeles County and is seeking Board approval of the project rankings. SCAG will make the final project funding awards at their June 2024 Regional Council (RC) Meeting.

DISCUSSION

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Association (FTA) issued a corrective action to Caltrans on the administration of the Surface Transportation Block Grant (STBG) and Congestions Mitigation and Air Quality (CMAQ) Improvement Programs. The findings require Caltrans to ensure that sub-recipients of STBG and CMAQ funds throughout the state are administering 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 the STBG and CMAQ 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 STBG/CMAQ Compliance Action Plan

outlines the regional approach for addressing corrective action. The specific issues the SCAG compliance 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).

The Carbon Reduction Program (CRP) is a new program established by the Infrastructure Investment and Jobs Act (IIJA). The CRP provides funding for transportation projects that reduce carbon dioxide emissions from on-road transportation sources. SCAG has recently adopted CRP program guidelines for the competitive selection of CRP-funded projects like those used to program CMAQ and STBG funds.

As part of the regional call for nominations, all County Transportation Commissions (CTCs) in the SCAG region, which includes Metro will assist in the process by providing initial project screening using the SCAG-developed ranking criteria. Following Metro's submittal of the ranked projects for Los Angeles County, SCAG staff will 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, STBG, and CRP funds available through this call process Los Angeles County's target is approximately \$150 million. This funding target will only guide the nomination submittals from each county, it is not a guaranteed funding level, nor does it set a nomination ceiling.

Project Solicitation Process and Schedule

SCAG released the project application for funding on January 8, 2024. Metro staff then notified all cities and eligible agencies of the release of the application and the condensed schedule to submit applications. To meet the March 29, 2024 deadline for CTCs to submit their prioritized projects to SCAG Metro set an application deadline of February 16, 2024, to provide time for staff to review and rank the submitted projects.

Staff also reached out to the Council of Governments (COGs) and subregions to notify them of the grant opportunity. Office hours were set for Tuesday and Thursday morning where agencies could schedule time to answer questions about project eligibility and the application process.

Project Ranking Criteria

Following the SCAG program guidelines, which allow each county to determine the review process

and participants and given the two-week turnaround from application submittal to rank the applications, Metro Countywide Planning staff familiar with these federal fund sources and the Federal Transportation Improvement Program (FTIP) process evaluated each project.

The SCAG guidelines require each county to apply the following four criteria to rank each project into one of three categories; Highly Recommended, Recommended, and Contingency.:

1. Eligibility: Screen implementing agencies and projects for eligibility with federal and regional requirements. Projects must be eligible for STBG, CMAQ, and/or CRP funds.
 2. Alignment: Evaluate projects for alignment with relevant federal and regional plans and policies. Prioritize projects that implement SCAG's adopted RTP/SCS, including future adopted Plan policies and strategies;
 - Advance Connect SoCal Performance Measures, including Federal Transportation Performance Management Goals for safety, asset management, environmental sustainability, and system performance;
 - Demonstrate direct and/or indirect benefits that positively impact Priority Equity Communities.
 3. Community/Stakeholder Engagement: Prioritize project nomination applications with demonstrated community support from Priority Equity Communities. Community support may be determined through a variety of means, including (but not limited to):
 - Responses to public outreach, including comments received at public meetings or hearings, feedback from community workshops, survey responses, etc.; and/or
 - Endorsement by a Community-Based Organization (CBO) representing Priority Equity Communities.
 4. Deliverability and Readiness: Evaluate potential implementing agencies and projects for deliverability issues. CTCs should consider if potential implementing agencies have sufficient capacity and technical expertise to meet deadlines. CTCs should encourage projects with demonstrated readiness within the programming period.
- Attachment A is a summary of the projects submitted and their rankings. Metro's rankings of Los Angeles County projects are considered to be an "Initial Screening" for SCAG staff who will review each project application using similar criteria and ultimately determine project funding for all projects submitted in the six-county SCAG region.

As this will be a regular biennial funding opportunity in the future, staff will include the participation of representatives from Councils of Government (COGs) in the project review and ranking process.

Discussion of Projects

A total of 29 applications from 13 agencies, including Metro, seeking approximately \$214 million were submitted in Los Angeles County. Metro is also eligible to apply for these funds. The Metro projects identified for funding were existing projects with Board approval and were eligible to spend CMAQ, STBG or CRP and met all the ranking criteria.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no direct impact on the safety of Metro customers or employees. However, as some of the projects eligible for these funds include safety enhancements, avoiding potential risks to maintaining the grant funding helps to ensure the timely realization of the projects' anticipated safety benefits.

FINANCIAL IMPACT

Adoption of the recommendations would allow Metro to take action to potentially secure up to approximately \$214 million for Metro and subregional projects. Although SCAG has targeted \$150 million, this funding target will only guide the nomination submittals from each county, it is not a guaranteed funding level, nor does it set a nomination ceiling.

Impact to Budget

Projects approved by the SCAG Regional Council for funding will be programmed in the FTIP consistent with adopted FTIP Guidelines

EQUITY PLATFORM

CMAQ, STBG, and CRP 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 that is 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. SCAG has embedded justice, equity, diversity, and inclusion considerations into the CMAQ/STBG/CRP Call for Nominations process by requiring project applicants to demonstrate direct and/or indirect benefits that positively impact Priority Equity Communities.

Nearly all Metro Equity Focus Communities (EFCs) overlap with one or more of the indicators included in SCAG's mapping tool used to identify Priority Equity Communities (PECs). SCAG's Priority Equity Communities (PECs) are census tracts in the six-county region that have a greater concentration of populations that have been historically marginalized and are susceptible to inequitable outcomes based on several socioeconomic factors. Census tracts identified as PECs are similar to Metro's EFCs in that they are determined using a combination of the following socioeconomic factors: both low-income households and people of color; and people of vulnerable ages, with disabilities, limited English proficiency, limited vehicle, and transit access, single-parent households and burdened housing costs.

All four Metro projects submitted will serve EFCs as they are either fully or partially located within EFCs and create connections, services, or programs that target or provide disproportionate benefits to EFC residents. Each project sponsor was required to describe how it would advance equity by benefiting disadvantaged and historically underserved communities, discuss existing and planned partnerships and stakeholder engagement in project development and throughout the project lifecycle, and identify location criteria satisfied by the project. Metro staff recommendations are anticipated to advance equitable outcomes in Los Angeles County based on the regional criteria

elements of each project.

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 that will 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. Staff does not recommend this alternative because without an executed agreement Metro will be unable to comply with federal program guidelines and regulations as SCAG as the Metropolitan Planning Organization (MPO) is prioritizing and selecting CMAQ/STBG, and CRP-funded projects.

NEXT STEPS

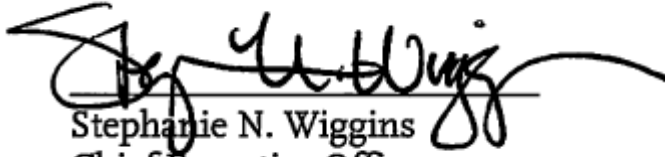
Upon Board approval of these recommendations, Metro staff will transmit to SCAG the project prioritization and funding recommendations by the March 29, 2024 deadline.

ATTACHMENTS

Attachment A - Summary of Projects for CMAQ/STBG/CRP Funding for Los Angeles County

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