

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: December 5, 2014

To: The Honorable City Council, City of Los Angeles
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **AUTHORITY TO SUBMIT GRANT APPLICATIONS TO THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR THE 2015 CALL FOR PROJECTS**

RECEIVED
CITY CLERK'S OFFICE
2014 DEC - 8 AM 8:37
BY  CITY CLERK
PLS DEPUTY

The Los Angeles County Metropolitan Transportation Authority (Metro) has initiated a new Transportation Improvement Program Call for Projects grant award process for 2015. The Los Angeles Department of Transportation (LADOT) is requesting authority to submit grant applications for projects recommended by the City's interdepartmental task force committee ("committee") to the 2015 Metro Call for Projects (CFP) grant cycle.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. APPROVE the City's final list of projects (attached) as the City's priorities for funding in the 2015 CFP;
2. AUTHORIZE the General Manager of LADOT, on behalf of the City, to submit grant applications for all projects above the cut-off line in the city's final list of projects (attached) to Metro for possible funding;
3. AUTHORIZE the general managers and/or directors of the City departments or bureaus to execute and submit the necessary funding and contractual agreements, subject to the approval of the City Attorney as to form and legality, for each project funded as part of this CFP; and
4. DIRECT the general managers and/or directors of the City departments or bureaus to submit to LADOT, for inclusion in the Transportation Grant Fund Report, resource needs (including but not limited to match and front-funding, staff and overtime funding), for the implementation of projects funded by Metro through this CFP.

DISCUSSION

Opportunity

Metro will not know the amount of funding that will be made available to fund this CFP until spring of 2015. However, they have indicated for planning purposes, to use the 2013 CFP funding marks as a guide. With that, there may be an estimated \$200 million in new local, federal and state funding for qualified projects in this CFP. The City of Los Angeles should submit the most competitive applications to secure the most funding possible.

Deadline

Metro requires applications to be submitted no later than 3:00 p.m. on Friday, January 16, 2015. LADOT is seeking approval as soon as possible so that LADOT and other City departments can complete all required submittal materials to Metro before the deadline.

Recommended Projects

On October 3, 2014, LADOT reconvened the City's interdepartmental task force committee for the 2015 Call. The committee, which had also been organized for the previous Calls, has the main responsibility to direct and oversee the City's process for determining which projects will be submitted to Metro to compete in the Call.

The committee included representatives from City departments and agencies involved in the planning and implementation of transportation projects, the Mayor's Office, council offices, CLA, and CAO. The goal was to have a completed list of competitive projects, prioritized in each modal category by December 5, 2014.

The recommended projects (attached) reflect the consensus view of the committee after conducting a technical assessment of candidate projects. The committee considered the following City policies as well as Metro's evaluation criteria when scoring and ranking candidate projects:

- Great Streets for Los Angeles, LADOT's 2014 Strategic Plan
- Mobility Plan 2035 (draft), the proposed Mobility Element of the City's General Plan
- Mayor Eric Garcetti's Great Streets Initiative

The candidate projects determined to be the most consistent with City policies and most competitive under Metro's evaluation criteria are recommended for submittal to Metro's 2015 CFP. A more detailed discussion of the evaluation process is below in the "Background" section of this report.

The committee evaluation process is a continuation of the process used in past years. Committee members included representatives from the Office of the Mayor, council offices, Chief Legislative Analyst (CLA), City Administrative Officer (CAO), LADOT, Department of City Planning, Department of Public Works, and the Port of Los Angeles.

Alternatives

The City Council may modify the recommended project list by motion. This could include adding, deleting, and/or re-prioritizing projects. While re-prioritizing projects may better reflect policy makers' priorities, it will also reduce the likelihood that the City will secure maximum funding. Adding projects at this stage is not recommended because staff will have insufficient time to evaluate those projects or to prepare a quality application. The final project list included the participation of all City Council offices. Finally, the City Council could reject the recommended project list, which would provide insufficient time for staff to develop another list, secure City Council approval, and submit before Metro's deadline.

Staffing Impacts

Should the City be successful in securing funds through this Call for Projects, the funds will be made available beginning in FY 2019-20. At this time, should department's existing staffing levels remain unchanged, no additional priorities or additional projects be added to the work-load of each department, or there are other priorities that would drain from these existing resources, it is anticipated that there will be no staffing impacts. However, each department will be asked to re-assess their needs after notification and awards **and**

prior to execution of agreements with Metro.

Fiscal Impact

There will be no impact on the General Fund. There is also no immediate impact on special funds; however, future appropriations by the Mayor and City Council will be required to finalize approved grant memorandum of understanding and to deliver the projects (i.e. design, project management, construction and inspection).

For projects awarded grant funding by Metro, LADOT, in conjunction with the CAO and CLA, will identify the required matching funds and recommend appropriate sources of funds from available revenues during the development of each fiscal year budget, as well as multi-year schedules for transportation special funds.

Historically, City matching funds have come from the following sources:

- Proposition A Local Return
- Proposition C Local Return
- Measure R Local Return
- Private Developer Fees
- Community Development Block Grants (CDBG)

In addition, Proposition C funds have been used as front funding because Metro transfers funding on a reimbursement basis only.

The specific future funding needs will not be known until Metro approves the 2015 CFP project list, which is anticipated to be in early fall of 2015.

BACKGROUND

Metro is mandated by the federal and state laws to prepare Los Angeles County's Transportation Improvement Program (TIP) and to develop a multi-year plan on the transportation improvements that are going to be implemented in the county. Metro is also required to program its revenues in the TIP across a variety of transportation modes. Metro meets this requirement by planning and programming funds on a multi-modal basis through their Long and Short Range Transportation Plans (LRTP and SRTP), and funding transportation projects and awarding grants to cities and the County through a competitive grant award process called the Call for Projects (Call). Nearly every two years Metro allocates various federal, state, and regional transportation funds to 88 cities and the County of Los Angeles through this competitive grant award process.

Metro has conducted eleven Call for Projects since 1993. Funding for prior Calls has ranged in value from \$120 to \$800 million, and was programmed over a 4 to 6 year period. Through the Calls, Metro has programmed approximately \$4.6 billion in local, state and federal revenues to over 1,400 projects countywide.

Since 1993, the City has submitted 1,116 applications and competed in all Call for Projects grants across all modal categories, except the Freeways and Rail categories. To date, the City has been awarded over \$854 million in grant funds for 454 projects worth over \$1.7 Billion. The City's share of the County has ranged from 11% to 40%.

Schedule

In April, Metro initiated the 2015 Transportation Improvement CFP. Applications are due to Metro by 3:00 pm on Friday, January 16, 2015.

General Process

The CFP is a countywide competitive process by which Metro awards anticipated federal, state, and regional transportation funds to 88 cities and the Los Angeles County for transportation improvement projects. Metro typically conducts a CFP every two years.

Available Revenue

Metro staff has estimated that the funds available in the 2015 Call are about \$200 million for the entire county. The funds are expected to become available beginning Fiscal Year 2019-20 and will be allocated for five years. The competition for the funds is in seven categories mentioned below. The funding marks in each category will be announced in the spring of 2015 and after all applications have been evaluated by Metro staff. As a reference, the 2013 funding percentages and Metro's Long Range Transportation Plan (LRTP) have been used to estimate the level of funding in each category for this Call.

Estimated figures are as follows:

Modal Category	% *	Estimated Funding (millions)
<i>Regional Surface Transportation Improvements (RSTI)</i>	21	\$42
<i>Signal Synchronization and Bus Speed Imp. (SSBSI)</i>	17	\$34
<i>Transportation Demand Management (TDM)</i>	3	\$6
<i>Bikeway Improvements (BI)</i>	13	\$26
<i>Pedestrian Improvements (PI)</i>	12	\$24
<i>Transit Capital (TC)</i>	16	\$32
<i>Goods Movement Improvements (GMI)</i>	15	\$30
<i>Project Appeal Process **</i>	3	\$6
Estimated Total		\$200

* Percentages are estimated using Metro's LRTP and 2013 Call for Projects funding marks.

** Appeals process is available to the sponsors through Metro Board's Technical Advisory Committee

Development of the Recommended Projects

As a starting point, the committee considered the projects that were not funded in the 2009, 2011, and 2013 Calls. These projects were reviewed to determine if they were still viable and desirable projects. If the projects were still viable, they were included in the list of projects considered for submission in the 2015 Call. New projects were also proposed and added to the list by various departments, council offices and the Mayor's Office. The additional projects came through a series of meetings and discussions with council and Mayor's offices in conjunction with consistency with Community and Transportation Specific Plans, the Capital Improvement Program, and the Bicycle Plan. These were also reviewed for consistency with the City's proposed Mobility Plan, LADOT's Strategic Plan, and Great Streets and Complete Streets concepts.

Due to the time and staffing constraints, LADOT proposed that each council office limit their proposals to a maximum of four projects; this did not include projects that were being proposed by City departments. The

proposal was discussed at the committee's first meeting and was approved unanimously.

The committee also created evaluation subcommittees to review and evaluate proposed projects and establish project rankings in each modal category. Each evaluation subcommittee consisted of technical staff from departments responsible for projects in that category. The intent of this structure was to provide a prioritized list that represents the City's best technical assessment of the projects. The projects were ranked based upon the City's priorities and Metro's stated evaluation criteria in the 2015 grant application manual.

During the course of the evaluation, LADOT and Metro staff met to discuss improvements to the operation and capacity of the Metro Orange Line in response to a recent motion from the 2nd and 3rd Council Districts (CF 14-1352). During this meeting, the agencies committed to pursuing these improvements as a high priority and identifying a separate Metro funding source. Accordingly, two projects related to the Metro Orange Line were removed from consideration for the 2015 Call in order to pursue implementing these improvements on a faster track.

The committee met three times over the past two months to discuss issues that had come up during the project development process, review criteria, and ultimately review the proposed ranked project list. At its last meeting on December 5, 2014, the committee approved and recommended the attached list of projects that are above the cut-off line in each category for the 2015 Call for Projects.

Metro's Evaluation Criteria

In their application package, Metro outlines the criteria to be used in their evaluation of applications. While the criteria are generally the same across all modal categories, the weights and specific measures may differ from mode to mode. Metro has six general criteria in 2015 Call:

1. Regional Significance and Intermodal Integration
2. First/Last Mile Improvements
3. Project Need and Benefit to Transportation System
4. Local Match
5. Cost-Effectiveness
6. Land Use and Sustainability Policies/Principals

In the earlier Calls, when the City's evaluation process was not as refined, Metro would often skip the City's top-ranked projects and choose projects further down in priority. In the most recent Calls, the committee had ranked the projects based on Metro's stated criteria for that particular category. As the City refined its process, the City's top-ranked projects have closely matched Metro's top-ranked projects, thereby maximizing the City projects funded by Metro.

Final Project Approval Process

The matching funds on the attached final list of projects and the matching funds on the individual applications are not requested to be approved by the Mayor and the City Council in this report. Also, approvals of the additional staff resources that will be needed to implement the approved projects are not included here. A separate report (the Transportation Grant Fund report) is prepared annually to provide for matching funds, front-funding, staffing needs, and additional Proposition C Local Transit Assistance (PCLTA) requests for shortfalls. The current action is only to approve the submittal of the funding applications to Metro, authorize the appropriate department or agency heads to execute funding and contractual documents for the awarded funds, and provide a commitment by the City to make available the necessary matching funds if Metro awards funds to these projects.

Potential changes to future Call for Projects

On October 23, 2014, the Metro Board adopted a motion that instructed Metro's CEO and Planning staff to (a) revise and improve future Call for Projects past the 2015 Call; (b) return to their Board by February 2015 with examination and recommendations on the possibility of converting the Call for Projects Process into a new sub-regional, multi-modal subvention formula program; and further amended to (c) solicit an assessment of both strengths and weaknesses of the Call process through a countywide survey.

LADOT convened a meeting on December 1, with all affected City departments, the Mayor's Office, representatives from various Council Offices, and the CLA's office to discuss the recommendation on the Metro motion and begin completing the survey request. LADOT plans on finalizing the City's unified position and respond directly to Metro by their December 19, 2014 deadline.

COORDINATION

Coordination efforts were conducted through the interdepartmental task force committee, which included staff from the Mayor's Office, Council offices, CLA, CAO, the Department of Transportation, Public Works, City Planning, and the Port of Los Angeles.

SJR/DM:am

Attachments

- c: Borja Leon, Office of the Mayor
- Marcel Porras, Office of the Mayor
- Maria Souza-Rountree, Chief Legislative Analyst
- Ida Rubio, City Administrative Officer
- Gary Lee Moore, Bureau of Engineering
- Nazario Saucedo, Bureau of Street Services
- Ed Ebrahimian, Bureau of Street Lighting
- Gene Seroka, Port of Los Angeles
- Enrique C. Zaldivar, Bureau of Sanitation
- Michael LoGrande, City Planning Department
- Selwyn Hollins, Department of Transportation
- Daniel Mitchell, Department of Transportation