

GATEWAY CITIES COUNCIL OF GOVERNMENTS

Transportation Committee

AGENDA

Wednesday, April 6, 2022

Note Start Time - 4:00 P.M. Meeting

Gateway Cities Council of Governments

MEETING REMOTE LOCATION: VIA ZOOM

Register Here:

https://us02web.zoom.us/webinar/register/WN_KzBp3x0RT_qbQFDF7HU-Vg

or call in

Phone: 669.900.6833

Meeting ID: 847 0952 7374

AGENDA REPORTS AND OTHER WRITTEN DOCUMENTS ARE AVAILABLE ON THE GATEWAY CITIES COG WEBSITE AT WWW.GATEWAYCOG.ORG.

PUBLIC COMMENTS: To address the Transportation Committee on any agenda item or a matter within the Transportation Committee's purview, you may provide written comments by 1:00 p.m. of the day of the meeting, via email to info@gatewaycog.org. All written comments timely received will be distributed to the Transportation Committee and will become part of the official record. You may also make oral public comment during the Public Comment period on the agenda.

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **AMENDMENTS TO THE AGENDA** - This is the time and place to change the order of the agenda, delete or add any agenda item(s).
- IV. **PUBLIC COMMENTS** – The Transportation Committee will hear from the public on any item on the agenda or an item that is not on the agenda but within its subject matter jurisdiction. The Transportation Committee cannot discuss or take action on any item not on the agenda. The limit for each speaker is three minutes unless otherwise specified by the Chair. Please use the "Raise Hand" feature on Zoom to indicate that you wish to make a comment. If you are calling in, please dial *9 to use the "Raise Hand" feature.

V. MATTERS FROM STAFF

VI. CONSENT CALENDAR: All items under the Consent Calendar may be enacted by one motion. Any item may be removed from the Consent Calendar and acted upon separately by the Transportation Committee.

- A. Approval of Minutes – Minutes of the Transportation Committee Meeting of March 2, 2022

CONSENT CALENDAR ACTION: A MOTION TO APPROVE THE RECOMMENDATIONS FOR CONSENT CALENDAR ITEMS.

VII. REPORTS

- A. Metro Update, Report by Councilmember Fernando Dutra, Metro Director

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT.

- B. West Santa Ana Branch Advocacy Plan Update, Report by Councilmember Fernando Dutra, Metro Director

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

- C. Metro Subregional Equity Program (SEP) Guidelines Recommendation, Staff Report by Karen Heit, COG Transportation Analyst

SUGGESTED ACTION: REVIEW AND APPROVE SEP LETTER AND RECOMMEND THE COG BOARD FORWARD THE LETTER TO METRO

- D. Metro Rio Hondo Confluence Study Update, Report by Ivan Gonzalez, Senior Manager, County wide Planning & Development Mobility Corridors, Metro

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

- E. Metro Eastside Phase 2 Update, Report by Jenny Cristales-Cevallos, Senior Manager, Transportation Planning Mobility Corridors, Metro

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

- F. Metro I-710 EIR/EIS No Build Closeout Update, Report by Michael Cano, Executive Officer (Interim), Federal/State Policy & Programming, and Ernesto Chaves, Interim Sr. Executive Officer, Roads & Highway, Metro

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

- G. Metro Federal and State Legislative/Budget Updates, Report by Raffi Haig Hamparian, Deputy Executive Officer Government Relations, and Michael Turner, Senior Director for Federal Affairs/Government Relations, Metro

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

- H. Metro Technical Advisory Committee Update, Report by Ed Norris, Deputy Director of Public Works, Downey

SUGGESTED ACTION: A MOTION TO RECEIVE AND FILE REPORT

VIII. MATTERS FROM TRANSPORTATION COMMITTEE MEMBERS

IX. ADJOURNMENT

NOTICE: New items will not be considered after 5:30 P.M. unless the Transportation Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Transportation Committee meeting scheduled for Wednesday, May 4, 2022.

IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE COG OFFICE AT (562) 663-6850. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE COUNCIL OF GOVERNMENTS TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

**VI. REPORTS
ITEM A.
MINUTES
MARCH 2, 2022**

**MINUTES OF THE MEETING
 OF THE GATEWAY CITIES COUNCIL OF GOVERNMENTS
 TRANSPORTATION COMMITTEE
 Wednesday, March 2, 2022
 4:00 P.M. Meeting**

Gateway Cities Council of Governments
 MEETING REMOTE LOCATION: VIA ZOOM

Chair - MTA Director, Whittier Councilmember – Fernando Dutra

Meeting called to order at 4:08. Meeting called to order at by MTA Director Councilmember Fernando Dutra – City of Whittier. Roll call was taken by self-introduction.

| # | | City/Agency | Present | Absent |
|----------------|---------------------------------------|---|---------|--------|
| 1. | Cinde MacGugan-Cassidy | COG Board President | X | |
| 2. | Ali Saleh | COG 1 st Vice President | X | |
| 3. | Marisela Santana | Board of Directors Member Appointed by the President | X | |
| 4. | Fernando Dutra, Chair | MTA Board of Directors | X | |
| 5. | Emma Sharif | Board of Directors Member Appointed by the President | X | |
| 6. | Maria Davila | Board of Directors Member Appointed by the President | X | |
| 7. | Luke Klipp | Office of Sup. Hahn | X | |
| 8. | Martin Reyes | Office of Sup. Solis | X | |
| 9. | Lisa Patton | Transit Operator/Long Beach Transit | X | |
| 10. | Sharon Weissman | Port of Long Beach | X | |
| 11. | Thaddeus McCormack | CM Steering Committee, Chair | X | |
| 12. | Ernie Hernandez | City Manager | | X |
| 13. | Kevin Jackson/Tyler Bonnano-Curley | City of Long Beach | X | |
| 14. | Bill Pagett | Public Works Officer | X | |
| 15. | Ed Norris | Public Works Officer | X | |
| Total = | | | 14 | 1 |

OTHERS PRESENT: Nancy Pfeffer, Joel Arevalos, Sandra Mora, Marisa Perez, Karen Heit, Aileen Qin, Nancy Michali - GCCOG Staff: Norman Emerson – Emerson & Associates: Michael Kodama, Raffi Hamparian, Michael Turner, Maritza Romero, Steven Lee, Mark Dierking – LA Metro, Lorry Hempe, Laura Ochoa – City of Lynwood, Andrew

Transportation Committee Minutes
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Ross – LA County, Philip Crabbe, Denise Peralta Gailey – AQMD: Nina Turner. Christina Skacan, Theresa Dau-Ngo – Port of Long Beach, Lynda Bybee – LSA, Wally Shidler – Metro Service Council, Karen Lee – City of Artesia, Viviana Gomez – Supervisor Hahn's Office, Vanessa Bautista – Senator Lena Gonzalez Office, Natasha DeBenon – Ghirardelli Assoc.

The meeting was called to order at 4:03, attendance was taken by self-introduction. There were no public comments or amendments to the agenda. There were no matters from staff. Director Dutra requested the departure date for Joel Arevalos which is April 15th. Various Committee members expressed regret that Mr. Arevalos is leaving.

The Consent Calendar was approved as presented.

Director Dutra gave a summary of the February Metro Board of Directors meeting, The Metro Board received an update on the Metro Gold Line Eastern Extension Phase 2 (MGLEE2) and the development of two Initial Operational Segments (IOS). They are IOS-1 to from Atlantic to the City of Commerce for 3.2 miles and IOS-2 from Atlantic to Greenwood. There is \$3.5 billion in funding available for the project. Metro staff will be developing a funding plan for this project. Director Dutra complimented the Washington Blvd. Coalition on their continued work to secure funding and support the project. The group has requested a funding timeline to use as an advocacy tool much like the WSAB.

Director Dutra went on to report on the recommendations put forth by the Public Safety Advisory Committee (PSAC) on reimagining transit law enforcement, and reported on CEO Wiggins delivering a survey of riders and employees. Safety, and the perception of safety and the presence of homeless individuals impacts the potential growth in ridership.

Director Dutra presented the key milestones schedule for the West Santa Ana Branch Light Rail Corridor Project (WSAB) which has been accepted for the project development phase for the federal Capital Investment Grants program, the first step towards federal funding eligibility. He gave a recap of the WSAB Advocacy Plan and the work done by both COG staff and the Eco-Rapid Transit JPA staff. He thanked Huntington Park Councilmember Karina Macias for her testimony at the California state budget hearing. He went over next steps which include the MTA requesting \$850 million from the state's 2022 Cycle 5 Transit and Intercity Rail Capital Program (TIRCP) and subregional funding. He asked that support letters be sent out on behalf of each COG city to support the project. The COG has also developed a COG delegation letter to Mitch Landrieu, White house Senior Advisor and Infrastructure Implementation Coordinator to ensure that the Justice 40 principles help give our disadvantaged communities maximum support for funding our project.

Director Dutra went on to discuss the contract modification for the WSAB for the completion of the environmental clearance of the alignment and the completion and analysis of the Downtown project phase. COG staff is drafting an Op-Ed piece for use by the COG. He also requested that COG and JPA members reserve March 16 at 9:30 am in support of the state budget actions. Staff to provide testimony and talking points.

Luke Klipp, Transportation Deputy for Supervisor Janice Hahn, will be leading a delegation to Washington DC to encourage funding for the project. He also announced that the Supervisor is seeking to rename and rebrand the project from West Santa Ana Branch. Maria Davila mentioned that the project has been called the Eco-Rapid Transit for many years. The historical data of the existing name will be provided. There was general discussion on the name.

Director Dutra introduced Craig Hoshijima, Metro Capital Planning staff, who gave a presentation and background on the development of policy and guidelines for the Subregional Equity Program (SEP) in the Multi-year Subregional Program section of the Measure M Expenditure Plan. Mr. Hoshijima went over the history of the SEP and how the funding was not included in the original Measure M funding plan. He went over the various Metro Board Motions that restrict Metro staff allocation of SEP for overruns. Funding is interchangeable for MSP programs. He went over the schedule for the SEP. Director Dutra asked if the funds would be available this October. Mr. Hoshijima stated that the amounts would be released for five-year increments beginning in October of 2022.

Nancy Pfeffer indicated that Wally Shidler had additional information on the name of the WSAB/PE. Returning to the SEP program, Ms. Pfeffer asked when the actual Guidelines can be released. Mr. Hoshijima indicated that the Guidelines are part of a larger report and will be released along with that report. The report was received and filed.

Director Dutra asked for the Metro Federal and State report. Raffi Hamparian talked about the federal process and the granting of a Full Funding Grant Agreement (FFGA). Mr. Hamparian indicated that the project would be examined carefully to make sure it is environmentally and financially viable. Mr. Hamparian indicated that there's a special emphasis on Justice40 criteria. The guidance is probably coming out this fall. Director Dutra called for questions for Mr. Hamparian, seeing none he introduced Michael Turner who began by thanking people who testified before the state budget subcommittee hearings. He indicated that the hearings are largely administrative and information gathering. He mentioned that Assembly Transportation Committee Chair Laura Friedman and Senator Lena Gonzales as well as Senator Maria Elena Durazo would be making recommendations. Director Dutra asked what the Tiger Team is doing as far as qualifying for appropriate funding. Mr. Hamparian mentioned that Laurie Lombardi and Heather Raepening would be the leads in seeking funding. Director Dutra asked how many people are on these teams and Mr. Hamparian indicated that there are a "lot". Director Dutra called for a Motion to receive and file this report.

Next Director Dutra called for the Metro TAC meeting report. TAC Member Ed Norris started with the standard reports from subcommittees. The BOS was the only reporting subcommittee. The BOS reported on a countywide issue with not having enough operators to run service during COVID.

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Mr. Norris went over the state Active Transportation (AT) Cycle 5 workshop to help LA County jurisdictions to improve the effectiveness and competitiveness of their projects. He went over the schedule for the workshop and the application. Metro will be providing assistance with applications.

Mr. Norris went over the funding for MGLEE2 and gave more detail, as well as the alignments that had been determined. He reviewed the Measure M funding dates, the IOS determination and the next steps including follow-up for the document and decisions about IOS selection. He discussed community meetings ahead of the document and the actual CEQA-mandated public meetings required by the EIR. He concluded his report with the schedule of the informational reports.

Director Dutra called for questions, seeing none he asked for a motion to receive and file the report.

The meeting adjourned at 5:08.

**VII. REPORTS
ITEM C.
METRO SUBREGIONAL EQUITY
PROGRAM (SEP) GUIDELINES
RECOMMENDATION**

TO: Transportation Committee

FROM: Nancy Pfeffer, Executive Director by

BY: Karen Heit, Transportation Analyst

SUBJECT: Subregional Equity Program (SEP) Guideline Comments

Background

The Subregional Equity Program was added to the Measure M Expenditure Plan on July 24, 2016 with the adoption of the Measure M Ordinance. The SEP was added at the last minute to the Expenditure Plan after all other projects and programs were included and after the financial plan was developed. Funding is currently programmed in the Long Range Transportation Plan (LRTP) financial forecast beginning in FY 2043 using Measure M revenues or other funds if available.

This action resulted in the addition of \$1.2 billion to the Measure M plan. SEP may be funded from sales tax revenue or other funds that become available. Attachment “A”, Summary of SEP Actions, provides additional details on the creation of the SEP.

In 2019, the Gateway Cities requested an allocation of \$60 million in SEP for the following uses (see letter, Attachment “B”):

- Active Transportation (AT) projects or project elements from the Gateway Cities COG I-605 “Hot Spots” Multi-year Subregional Program (MSP) Fund deemed ineligible from highway funds*
- Prioritized AT Projects to fund the Measure M Expenditures Plan Line 53 Active Transportation Program (currently listed as TBD)
- Subsidize Local Return Funds for the eight jurisdiction that currently receive less than \$300,000/per year.

*This request was resolved by a change in the highway program definition.

A decision on funding the COG’s request was deferred by MTA pending the development of a policy and guidelines for the distribution of SEP funds.

Issue

In response to an MTA Board motion, MTA staff has created Guidelines for the use of Subregional Equity Program funds. Subregions (COGs) have been afforded the opportunity to comment on the Draft Policy. This letter is included for your review as Attachment “C”. These guidelines are necessary for the subregion to access this funding source. MTA plans to program five years of SEP funding estimates no later than October

31, 2022. These estimates will include inflation adjustments in accordance with the Measure M Ordinance.

The West Santa Ana Branch (WSAB) Light Rail Corridor City Manager Technical Advisory Committee has asked the COG to request the SEP funds to assist with the 3% Local Contribution requirement under Measure M. This request may be timely for COG consideration once the five-year funding allocation is determined and the COG Board has a chance to act upon this request pending the adoption of SEP Guidelines.

Proposed Allocation Rules

Metro staff proposed process for allocating SEP funds to the subregions will be comparable to the process for other Multi-year Subregional Programs (MSP). Metro will prepare five-year SEP funding estimates for the subregions, adjusting by inflation. The five-year estimate will be updated each October and reflect any funding capacity that Metro staff has identified and could allow the programming of SEP funds during the five-year period. The subregions are expected to present or compile a program of eligible transportation projects for this funding. The proposed methodology is consistent with the rules covering the general allocation of other MSP programs. The Gateway Cities COG has one funded MSP program found on Line 61 of the Measure M Expenditure Plan. This line allocates \$1 billion of Measure M revenues to the I-605 Corridor “Hot Spots” Interchange Improvements Project over the 40-year Measure M initial period. Also programmed is \$240 million in state, local and federal funds.

In general, the guidelines are consistent with the MSP program and will work for our subregion. The attached letter requests a few additions to the guidelines as well asks some questions and clarifications.

Examples of issues the letter addresses are as follows:

- Expand SEP project eligibility to all MSP categories; expand from highway and transit to specifically include active transportation, goods movement, technology, and multi-modal connectivity.
- Require collaboration between the subregion and MTA for the development of a public participation program.
- The policy paper includes the following: “Metro staff has identified additional funding capacity for SEP from the November 2021 Bipartisan Infrastructure Law.” What federal programs has Metro identified in the new federal funding bill? What is the amount of the “funding capacity”? Is this projected increase in “funding capacity” over a five-year period?
- Has consideration been given for Metro to consider inclusion of MSP debt (including SEP) into MTA borrowing for major project delivery as well as financing project overruns?
- Is there a competitive element to programming of SEP funds? Should the subregions over program SEP projects to cover projects that may fall by the wayside?

The draft letter is attached with all comments for consideration.

Recommendation

Review and approve SEP comment letter and recommend the COG Board forward the letter to Metro.

Attachments

- “A” Summary of SEP Actions
- “B” Gateway Cities 2019 Request
- “C” Draft Letter

Summary SEP Actions

Background for the Development of Subregional Equity Funds

During the June, 2016 adoption of the Measure M Ordinance and placement on the November – 2016 ballot, the following Motion to give the San Fernando Valley subregion an additional \$180 million was approved

49.2 APPROVED Motion by Directors Garcetti, Kuehl, Antonovich, Krekorian and Antonovich AS AMENDED that the Board direct the CEO to add a new "Multi-Year Subregional Program" in the Los Angeles County Transportation Expenditure Plan named "North San Fernando Valley Bus Rapid Transit Improvements" and provide the following:

A. Designate the "North San Fernando Valley Bus Rapid Transit Improvements" as a System Connectivity ("sc") sub-regional category;

B. Funds for the North San Fernando Valley Bus Rapid Transit Improvements will be programmed from the System Connectivity portion of the Transit Construction subfund at \$180 million under the "Measure__ Funding 2015\$" for this program;

C. A "Schedule of Funds Available" in Fiscal Year 2019 and an "Expected Opening Date" of Fiscal Year 2023;

D. Designate the modal code for this program as a transit category, or "T"

E. Add a footnote to state the following:

1. This project will increase system connectivity in the North San Fernando Valley and the Metro transit system. Environmental planning work shall begin no later than six months after passage of Measure __.

F. Remove the North San Fernando Valley BRT project from footnote ¹¹m" (Line 39) as an eligible expenditure.

In order to achieve equity for the other subregions, Director John Fasana amended the Motion to provide equivalent funding to the other subregions. The Amendment read:

FASANA AMENDMENT: To provide equivalent funding based on the original allocation of funding (i.e. \$180 million is 13% of such funding based

**on the San Fernando Valley's share) to each of
the other subregions to assure and maintain equitable
funding.**

This funding had not been previously requested nor was it part of any financial analysis developed for the tax measure. Director John Fasana amended the Motion with the bolded language to provide equivalent funding to all other subregions based upon the subregional formula for funding. This created the Subregion Equity Fund which appears in the Expenditure Plan as a footnote.

These Subregional Equity Fund allocations are as follows:

| | |
|-------------------------|------------------|
| Arroyo Verdugo | \$96,000 |
| Westside Cities | \$160,000 |
| Central City Area | \$235,000 |
| North County | \$115,000 |
| Las Virgenes/Malibu | \$17,000 |
| Gateway Cities | \$244,000 |
| <u>South Bay Cities</u> | <u>\$130,000</u> |
| Total | \$997,000 |
| Total with SFV | \$1,177,000 |

The footnote further states:

“Environmental plan work (on the SFV transit Project) shall begin no later than six months after passage of Measure M. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here:”

The adopted Measure M Guidelines has an Allocation Methodology for these funds:

ALLOCATION METHODOLOGY

Funding for this program will be identified as part of the Cashflow Management evaluation. The funds identified may be any combination of federal, state, or Metro controlled funds including, but not limited to, Measure M. Prior to each five-year review Countywide Planning will provide a forecast of the amount of funding, if any, that is forecasted to be available for this program over the subsequent five-years. Once funding is identified, each subregion will be afforded an opportunity to submit their project to Metro staff for evaluation based on project readiness provisions outlined in these Guidelines.

Allocations of SEP Funds

In four prior instances, SEP funds have been programmed for use prior to FY 2043 – for cost overruns on Foothill 2B in July 2019, Crenshaw/LAX in May 2020, Eastside Access in March 2021, and Westside Section 1 in May 2021.



GATEWAY CITIES
COUNCIL OF GOVERNMENTS

November 26, 2019

Artesia

Avalon

Bell

Bellflower

Bell Gardens

Cerritos

Commerce

Compton

Cudahy

Downey

Hawaiian Gardens

Huntington Park

Industry

La Habra Heights

La Mirada

Lakewood

Long Beach

Lynwood

Maywood

Monterey Park

Norwalk

Paramount

Pico Rivera

Santa Fe Springs

Signal Hill

South Gate

Vernon

Whittier

County of Los Angeles

Port of Long Beach

The Honorable James Butts, Chair
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Attn: James de la Loza, Chief Planning Officer

Honorable Mayor Butts:

Gateway Cities Council of Governments Request for the Advance of Subregional Equity Funds

At its regular meeting of November 6, 2019, The Gateway Cities Council of Governments (COG) Board of Directors voted to request the release of \$60 million worth of Subregional Equity Funds (SEF) over a five-year period in support of financing three groups of projects:

1. Active Transportation (AT) projects or project elements from the Gateway Cities COG I-605 "Hot Spots" Multi-year Subregional Program (MSP) Fund.
2. Prioritized AT Projects to fund the Measure M Expenditure Plan Line 53 Active Transportation Program.
3. Subsidize Local Return Funds for eight jurisdictions that currently receive less than \$300,000/per year.

The Gateway Cities COG has worked with Metro staff to approve "I-605 Corridor Hot Spots" projects for the initial five-year MSP allocation. During the process, Metro staff has identified projects and elements of projects that are ineligible for MSP funding. These projects or portions of projects are critical pieces of the congestion relief projects even if they are not eligible for MSP "I-605 Hot Spots" funding. There are also active transportation projects or project elements that were not submitted as it was predetermined that they would not meet the criteria.

Additionally, the COG is prioritizing active transportation projects for funding for all COG cities. Prioritization is developing within the context of the Gateway COG "Strategic Transportation Plan". The COG wishes to create a funding stream for these projects as well as funding other congestion relief projects or portions of projects that do not fit MSP criteria.

The COG Board also recognizes the need to subsidize Local Return Fund (LRF) allocations to some of its cities with smaller populations, some of whom nevertheless have complex transportation issues that require more funding. Using \$300,000/year as minimum LRF helps balance need regardless of population; this requires an allocation of approximately \$1.3 million per year.

In summary, the Gateway COG is requesting \$60 million of the \$244 million Gateway COG Subregional Equity Funds allocated in footnote "s" of the Measure M Expenditure Plan; in order to fund the ineligible "Hot Spots" active transportation projects at the same time as the highway congestion relief projects; fund additional Active Transportation initiatives; and subsidize Local Return Funds.

This request has the concurrence of the SR-91/I-605/I-405 TAC and Committee and the I-710 TAC as well as the Gateway Cities COG Transportation Committee and Board. We realize that the allocation of these funds will be deducted from future funding availability and may not be Measure M funding.

If there are any questions regarding this request, please contact Nancy Pfeffer, COG Executive Director, at 562 663 6850.

Sincerely,



Diane DuBois, President
Gateway Cities Council of Governments

cc:

Gateway Cities Council of Governments – Board of Directors
Long Beach Mayor Robert Garcia
First District Supervisor Hilda Solis
Second District Supervisor Mark Ridley-Thomas
Fourth District Supervisor Janice Hahn
Board of Directors - LACMTA

Transportation Committee Agenda
April 6, 2022

To: James De La Loza, Chief Planning Officer
Countywide Planning
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Dear Mr. De La Loza:

Re: Gateway Cities Council of Governments (GCCOG) Comments on the Subregional Equity Program Draft Guidelines

The GCCOG is pleased to offer a few suggestions and request clarifications for the draft SEP Guidelines. In general, we find the guidelines to be fair and equitable and the programming of funds will be beneficial to the COG and COG jurisdictions in meeting mobility goals. We are looking forward to the allocation of SEP funds in October.

We appreciate the efforts by Metro Staff, particularly Craig Hoshijima and Laurie Lombardi, to present the proposed draft guidelines as well as the Subregional Equity Program (SEP) Guidelines White Paper to our COG Transportation Committee and COG Board.

The attachment details a few requested changes to language and asks clarification of various issues and potential processes for structuring the funding.

If there are any questions, please call GCCOG Executive Director, Nancy Pfeffer at 562 663-6850.

Sincerely,

Cinde MacGugan-Cassidy, President
Gateway Cities Council of Governments

cc: GCCOG Board of Directors

Subregional Equity Program Comments

| Program Element (From Draft Guidelines) | Questions/Comment/Issues |
|---|---|
| <p>INTRODUCTION The Subregional Equity Program (SEP) is an MSP on row 68 of the Measure M Expenditure Plan. It has Guidelines separate from the MSP Guidelines because the amount of Local, State, Federal, Other and Measure M funding is not specified. A total amount of spending for each subregion is identified, <u>and any spending can be for either transit or highway uses. (1)</u> Projects that subregions submit for this program are subject to the definitions provided in the Ordinance and these Guidelines, and are limited to capital projects.</p> | <p>The majority of MSP Funding in Attachment A to the Expenditure Pan does not have local, state or other funding identified. As the SEP has been designated MSP funding, spending should be open to all MSP uses; transit highway as indicated as well as Active Transportation, goods movement, ITS/Technology and multi-modal Connectivity that are MSP eligible. Suggested change (1): and any spending must be consistent with all MSP Projects and Programs</p> |
| <p>Process The SEP will go through a subregional program development process similar to the other subregional MSP. The amount of SEP funding available will be consistent with the most recent Long Range Transportation Plan or Short Range Transportation Plan financial forecast presented to the Metro Board, subject to any changes in Metro's financial capacity during the intervening period from the most recent financial forecast and the distribution of SEP funding amounts. (2) It will be adjusted for inflation in accordance with the Ordinance and Board motion 36.1 (Board file #2019-0598).</p> | <p>Suggested addition (2): Additional funding capacity may be incorporated into the SEP from one-time funding such as the federal infrastructure allocation.</p> |
| <p>Step 2: Subregional entities will develop a preliminary list of subregional projects for inclusion in five-year plan.** <u>The plan</u></p> | <p>Suggested addition (3): Add...parameters developed collaboratively by the subregion and Metro.</p> |

| | |
|---|---|
| <p><u>development will include public participation based on parameters developed by (3) Metro.</u> The final list of projects will be included in the five-year programming plans.</p> | |
| <p>Steps 4 and 5.</p> | <p>Suggested addition (4): There should be feedback or a reporting mechanism, between MTA and the subregional entity on the status of funding agreements and the status of project implementation with the “project sponsors”.</p> |
| <p><i>** Coordination with Metro staff is required to ensure project eligibility, as determined by Metro and the applicable State or federal grant criteria. Administrative review procedures developed specific to each MSP program area (<u>Highways, Transit</u>) (5) will be applied to projects submitted and include plan requirements and eligible use of funds within each MSP program area.</i></p> | <p>Suggested addition (5): Consistent with Suggestion no. (1) strike the reference to transit highway and extend project eligibility to all MSP projects and Programs</p> |
| <p>Advancing Funds SEP funding can also be advanced and included in the five-year funding forecast described in Table IX.i. This can occur if Measure M or other local, State, federal, or other funding is made available during the five-year period due to a reduction in funds programmed for a capital project resulting from a decrease in project cost, cancellation or defunding of the project, or provision of other local funds to supplant the funds, as identified and requested by a subregion. In addition, if new local, State, federal, or other funding, that is not already programmed by Metro for another use, is made available, this could be included in the five-year SEP funding forecast and credited against the balance available. (6)</p> | <p>(6) Question/Clarification: Will SEP be given a priority for these funds should they materialize? Is use of one-time funding (as discussed in the Policy Paper) still an option for funding SEP?</p> |

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| <p>The programming of SEP funds can be considered for acceleration if requested by a subregion and in compliance with existing Board policies, including the (7) Measure M Early Project Delivery Strategy (EPD) from November 2017 and the MSP inter-program borrowing provisions in the Measure M Final Guidelines. The EPD requires scoring of proposals to accelerate funds based on factors including the amount of local match and the status of the project in its development process, so long as the acceleration does not negatively impact the funding of other Measure M projects and programs.(8) Metro staff will evaluate the financial impact of any proposed SEP programming and consider the potential use of debt to finance the SEP that may reduce the immediate cash flow requirement. Metro will accept all proposals by subregions, provide recommendations, and submit the proposals and recommendations to the Metro Board for consideration, which could involve an amendment to the Measure M ordinance. (9)</p> | <p>(7) Question/Clarification: There is a disconnect between the guideline language and what is proposed in the Board agenda item, which calls for accelerating availability of SEP funds before their previously identified availability starting in FY 2043. Can we revise this language based on the Board agenda item action language which appears to approve acceleration of SEP availability without meeting additional acceleration requirements?</p> <p>Why is compliance with the Measure M Early Project Delivery Strategy (EPD) requirements included? The SEP-related requirements should be revised and/or expanded. The requirement of a “local match” appears to be redundant if SEP funding is sought for the 3% Local Contribution. Could local funding be expanded to include availability and/or timing of Measure M funding for the capital project the SEP funding would be used to enhance?</p> <p>SEP requirements should be revised to reflect the “project level equity-related issues or concerns” identified as required in the Metro Board agenda item asking for approval of the revised SEP guidelines.</p> <p>(8) Question/Clarification: If the amount of SEP funding is identified for each Subregion, shouldn’t the text read “impact the funding of other Measure M projects and programs in each subregion”?</p> <p>(9) Question/Clarification: What are the parameters for debt financing? Does the subregion bear the cost of debt financing from future MSP revenues? What is the subregion’s role in debt financing.</p> <p>What conditions would involve an amendment to the Measure M Ordinance other than a change project delivery date?</p> |
| <p>The subregions may also request SEP funding to deliver a project by</p> | <p>(10) Question/Clarification: Will the subregion be responsible for loss in</p> |

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| <p>borrowing or exchanging, from another MSP that has programmed funding in earlier years, in accordance with the “Cashflow Management” section of the Measure M Final Guidelines. Metro staff will be available to provide technical assistance to the subregions in preparing any proposal to borrow SEP funds. (10)</p> | <p>interest on the MSP funding accruing for the subregion? Will that require reimbursement?</p> <p>Has consideration been given for Metro to consider inclusion of MSP debt (including SEP) into MTA borrowing for major project delivery as well as financing project cost overruns?</p> |
| <p>If project sponsors are able to fully fund projects identified in their five-year plans, consistent with procedures established within these Guidelines with SEP funds, the <u>project sponsor</u> may proceed to request disbursement of those funds. (11)</p> | <p>(11) Question/Clarification: Procedurally, how does this work with the project sponsor requesting disbursement of these funds? Does the subregional entity have to make the initial request? How does this get reconciled?</p> <p>The relationship between the “Subregions” and the “Project Sponsors” needs clarification. Previous guideline text identifies that the subregions will be responsible for requesting SEP funding – they should also be responsible for “allocating” SEP funding with project sponsors applying to them.</p> |
| <p>The SEP funds are subject to the cash flow parameters within these Guidelines. Project sponsors must notify Metro by the last day of February of each year of the amount of subregional funding they plan to use, by project, in the subsequent fiscal year, which for Metro begins July 1. This is needed for Metro budget purposes, and the cash flow expenditure estimate provided may differ from the initial Metro funding forecast or amounts programmed in the funding agreements between Metro and the subregions. <u>When notice is not provided, funding availability will be on a first-come, first-served basis in the subsequent fiscal year.</u> (12)</p> | <p>(12) Question/ Clarification: Is there a competitive element to programming of SEP funds? Should the subregions have control or responsibility over program SEP projects to assure cover projects that may fall by the wayside?</p> |

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| <p>Readiness The timing of the actual distribution of funds will be determined on project readiness. The Timely Use of Fund principle applies to the MSP and SEP and <u>requires establishing project readiness to access program funds.</u> (13)</p> <p>Project readiness will apply to separate phases of a project. <u>Readiness thresholds will be determined for planning, environmental, right of way, and construction and will be defined as appropriate for each funding category as determined by Metro.</u> (13)</p> | <p>(13) Question/Clarification: When will project readiness thresholds related to accessing program funds be provided?</p> |
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