

South Bay Cities Council of Governments

Transportation Committee

**Redondo Beach Main Library
2nd Floor Meeting Room,
303 N. Pacific Coast Highway
Redondo Beach, CA 90277**

Please Note: The Redondo Beach Main Library will be undergoing elevator replacement and will not have convenient accommodation for disability access. Please contact DavidL@southbaycities.org if you will need disability access.

AGENDA

Monday, February 10, 2020

10:30 a.m. – 11:45 a. m.

10:30 a.m. Welcome / Self-Introductions

10:32 a.m. Consent Calendar

- a. January 13, 2019 Transportation Committee Minutes (Attachment A) - Approve**
- b. February 2020 Transportation Update (Attachment B) – Receive and File**

10:35 a. m. Transportation Working Group Updates

- a. Infrastructure Working Group**
- b. Transit Operators Working Group**
- c. Metro Service Council**

10:45 a. m. Annual Performance Evaluation Report (To be distributed separately)

10:55 a. m. Evaluation Criteria, Match Formula, Project Ranking for Recommended FY 20-21 Metro Budget Request Project Applications (Attachment C) – Approve

11:25 a. m. Metro Next Gen Transit Study Update – Receive and File

11:40 a. m. Three-Month Look Ahead (Attachment D) – Receive and File

11:45 a. m. Announcements / Adjournment

Next Transportation Committee meeting –Monday, March 9, 2020, 10:30 a. m.

*To include an item in the agenda, e-mail to: lantzsh10@gmail.com by **February 28, 2020.***

THIS PAGE LEFT INTENTIONALLY BLANK

South Bay Cities Council of Governments

Transportation Committee
January 13, 2020
Meeting Minutes

COMMITTEE CHAIR HORVATH CALLED THE MEETING TO ORDER AT 10:39 A.M.

I. Welcome / Self-Introductions

In attendance were the following voting SBCCOG Board Members:

Christian Horvath, Chair (Redondo Beach)	Olivia Valentine (Hawthorne)
Drew Boyles (El Segundo)	Geoff Rizzo (Torrance)
Dan Medina (Gardena)	

In attendance were the following non-voting elected officials:

Chris Pimentel (El Segundo)

Non-Voting Representatives

Ted Semaan, IWG (Redondo Beach)

Also in attendance were the following persons:

Jason Jo (Carson)	Sergio Carvajal (Caltrans)
Louis Atwell (Inglewood)	Mike Bohlke (Metro Deputy to James Butts)
Nasser Razepoor (Rancho Palos Verdes)	Mark Dierking (Metro)
Ernie Crespo (GTrans)	Julie Ann Anopol (Willdan Fin. Services)
Leslie Scott (Beach Cities Transit)	David Leger (SBCCOG)
Maryam Adhami (LACDPW)	Natalie Champion (SBCCOG)
Jimmy Shih (Caltrans)	Steve Lantz (SBCCOG)
Daniel Kopulsky (Caltrans)	Jacki Bacharach (SBCCOG)
Olivia Harris (Caltrans)	

II. Consent Calendar

A. December 9, 2019 Transportation Committee Minutes - APPROVED

B. January 2020 Transportation Update – RECEIVED AND FILED

MOTION by Committee Member Valentine, seconded by Committee Member Boyles, to **APPROVE** the consent calendar. No objection. So ordered.

III. SBCCOG Transportation Working Group Updates

A. Infrastructure Working Group Update

Mr. Semaan reported that the IWG met on January 8th and discussed the diminished funding availability in the Measure R program. Mr. Semaan added that in light of this new information, the IWG would largely support completing active projects and not awarding any new projects at this time.

B. Transit Operators Working Group Update

No update given. Mr. Lantz reported that he briefed the working group on the same information provided to the IWG the day before.

C. Metro Service Council

Committee Member Medina reported that the Service Council is continuing to work on service issues to LAX.

IV. Annual Performance Evaluation Report

Mr. Lantz explained that historically, Metro has required monthly and quarterly reports for Measure R and M projects. They have recently eliminated the monthly reporting requirement. The monthly reports have provided the data for the Annual Performance Evaluation Report. Mr. Lantz asked the Committee if they would like to continue receiving monthly status updates on the projects, in a different format than the APE, or if they would like to continue the APE provided quarterly. The Committee preferred that monthly reports be given.

V. Evaluation Process for Applications Submitted for FY20-21 Metro Budget Request – APPROVED

Ms. Bacharach informed the Committee that Metro staff provided the SBCCOG with revised funding availability for the Measure R South Bay Highway Program (SBHP) and Measure M Multi-Year Subregional Programs (MSPs). *Links to the handouts are below.* Ms. Bacharach explained that there is only about \$50M in new SBHP funding over the next five years which is significantly less than previously projected and severely reduces the funding available to transfer. Ms. Bacharach then reviewed the Attachment C Exhibit 1 which shows an approximate cost to complete active SBHP projects (for project phases not covered in the current funding agreement). Ms. Bacharach noted that SBCCOG staff will likely recommend completing current projects with the limited funding available and will likely not recommend funding any transit projects until the Measure R Transfer Policy is adopted by L. A. Metro and there is more certainty about the amount of funding available and eligible uses. Mr. Lantz added that there is still funding available in Measure M for new highway projects through 2027. At that point, Measure M MSPs would be eligible for a transit transfer like the Measure R transfer.

Mr. Lantz then reviewed a handout (*link to document is below*) that showed Measure R funding allocation changes in three versions of Metro's financial forecast for the SBHP. Mr. Lantz explained that when Measure R was passed, the SBHP was allocated \$906M by the ordinance. In 2012, the SBHP was forecast \$881M; in 2014 it was forecast \$902.5M; and in 2016 it was forecast \$861.4M. These are relatively close to what was expected. However, the draft financial forecast provided by Metro staff last week only forecast \$577.2M, more than \$300M less than what voters approved in 2008. Mr. Bohlke will be working with Metro Chair Butts and Metro staff to find out the reason for the shortfall and how it will be remedied. Mr. Bohlke also noted that the Transfer process should not be impacted as it is a very flexible process and that projects can be reviewed and can be ready for when the funding is available.

Mr. Lantz moved on to discuss the SBHP and MSP match policies. He explained the MSPs do not currently have a required match and that SBHP has a graduated match policy in which Measure R covers the first \$2M of all projects; then 80% of the portion between \$2M - \$10M; and 50% of the portion above \$10M. These brackets were designed for smaller, early action projects maxing out at \$20-\$30M. However, the SBCCOG is being asked to provide a match for the Inglewood Transit Connector, a nearly \$1B project. Mr. Lantz reviewed a proposed new matching policy as outlined in the memo. SBCCOG Board Member Butts' motion to recommend a Transfer also requested the SBCCOG consider eliminating the match requirement in the SBHP to be consistent with Measure M MSPs. This item was discussed at both the IWG and TOWG meetings and both groups did not recommend elimination of matching requirements. Each program will be able to fund more projects by requiring some sort of matching funds. Although there is not yet a new matching policy, a subcommittee consisting of IWG and TOWG representatives will meet to discuss the topic and will make a recommendation to the Transportation Committee at an upcoming meeting.

- Measure R SBHP Funding Availability handout:
http://southbaycities.org/sites/default/files/transportation_committee/HANDOUT_SBHP%20Funding%20Availability.pdf
- Measure M MSP Funding Availability handout:
http://southbaycities.org/sites/default/files/transportation_committee/HANDOUT_MSP%20Funding%20Availability.pdf
- Measure R SBHP Allocation changes handout:
http://southbaycities.org/sites/default/files/transportation_committee/HANDOUT_SBHP%20allocation%20changes.pdf

Committee Member Medina asked Ms. Bacharach to clarify if these recent changes eliminated the need to vote on this item today. Ms. Bacharach noted that the Committee could vote to eliminate the match per the Butts Motion.

Mr. Lantz continued reviewing Recommendation 2b from the memo and explained that during the project scoring and project selection process, it is being recommended that a portion of the score be based on the cumulative SBHP/MSP share of total project costs. Chair Horvath suggested this item be included in the subcommittee agenda. Committee Member Rizzo suggested that matching funds should be considered "bonus points" during

the evaluation process. Ms. Bacharach added that beyond bonus points for a match, the sub-committee may also want to consider geographic equity be considered (for those cities that have been ineligible for SBHP funds), etc.

Chair Horvath shared his thoughts that 1) anything being discussed or acted on at this Committee should first be run through the sub-committee and 2) IWG and TOWG make a recommendation to the Committee as related to Recommendations 2a and 2b as well as discuss concerns related to the of funding to regional highway projects. He believes that it is a big ask of a subregion to fully fund the improvement to a regional freeway system such as the I-405 with no funding from the State or Federal governments. Improvements along PCH could be considered differently as it serves mostly local traffic, but a regional highway like the I-405 serves residents throughout the Southern California area as pass through the South Bay every day. Mr. Lantz cautioned that although he does not disagree with this sentiment, the line item in the Measure R ordinance listed the 91, 110, 105, and 405 freeways, not the SBHP. The local arterial street improvements were approved after the SBCCOG lobbied the Metro Board to expand eligibility to include State Highways (such as PCH and Western Avenue) which traverse much of the South Bay. The Metro Board agreed and created the SBHP and allowed for improvements on local arterials within a mile of a freeway or state highway to also be eligible. Ms. Bacharach echoed the Chair's comments and noted that the SBCCOG will be visiting Sacramento to meet with legislators on a variety of issues, one of which will be State funding to build these Caltrans projects.

Chair Horvath also wanted to find out if other subregions have identified other reductions in funding like the SBCCOG identified in the SBHP.

With no further discussion, Chair Horvath called for a motion on the item.

MOTION by Committee Member Medina, seconded by Committee Member Valentine, to request the IWG and TOWG subcommittee develop recommendations for a single match policy for SBHP and MSP projects and consider using the matching funds as bonus points during the project selection process, No objection. So ordered.

VI. Transit Operator Working Group Recommended DRAFT Selection Criteria for Measure R SBHP Transfer Policy Transit Projects – RECEIVED AND FILED

Motion by Committee Member Rizzo, seconded Committee Member Medina, to Receive and File. No objection. So ordered.

VII. Three Month Look-Ahead

No discussion on this item.

VIII. Announcements / Adjournment

Committee Chair Horvath adjourned the meeting at 11:49 a.m. to February 10, 2020.

THIS PAGE LEFT INTENTIONALLY BLANK

February 10, 2020

TO: SBCCOG Transportation Committee
SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering January 2020

Adherence to Strategic Plan:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

FEDERAL

Democrats Propose Federal Infrastructure Plan Sans Funding Plan

The \$760-billion infrastructure package released by House of Representatives Democrats on January 29th would shift America towards more sustainable transportation (meaning active transportation, more trains and buses) and away from highway construction.

The plan would mandate that states adopt policies and make investments that will reduce transportation-sector pollution. To help, the House specifically mandates increasing investment in cycling, walking, and public transportation and use of “complete streets” standards to improve safety and reduce vehicle miles travelled. The plan also would fund a national pilot program to replace gas taxes with vehicle miles travelled taxes.

The plan requires recipients of federal funds to prioritize buses, trains, and transportation access and to consider during the planning process all system users, job access, connections to housing, and creation of transportation options in underserved communities.

The Democrat’s plan also would prioritize maintenance over new construction and tighten federal standards around tolling and congestion pricing. Democratic leaders did not propose how to pay for the \$760 billion package.

House Bill Would Provide Funds To Connect America's Active Transportation System

The 'Connecting America's Active Transportation System Act' (H.R. 5696) introduced on January 28th would provide \$500 million annually in funding for a federal competitive grant program to help communities and regions build connected active-transportation routes—trails, sidewalks, bikeways and other infrastructure—to ensure people can get where they want to go safely by foot, bike or wheelchair.

Currently, funding for walking and bicycling facilities comprises less than 2% of the federal surface transportation budget, with limited policy direction to strategically prioritize those funds to fill critical infrastructure gaps and make the active transportation system more effective and efficient.

White House Proposes Guidelines for Regulating AI Use, Including in Transportation

The Trump administration is proposing new rules to guide future federal regulation of artificial intelligence used by the private sector in medicine, transportation and other industries. A document from the White House said that in deciding regulatory action, U.S. agencies “must consider fairness, non-discrimination, openness, transparency, safety and security.”

The White House said the proposals unveiled January 7th are meant to promote private sector applications of AI that are safe and fair, while also pushing back against stricter regulations favored by some lawmakers and activists. There’s a monthlong public comment period before the rules take effect.

Bill Would Boost Electric-Vehicle Adoption

The USA Electrify Forward Act (HR 5558) introduced on January 6th would direct the U.S. Transportation Secretary to accelerate domestic manufacturing efforts directed toward the improvement of batteries, power electronics and other technologies for use in plug-in electric vehicles.

The bill would appropriate \$2 billion annually for the U.S. Department of Energy's Advanced Technology Vehicles Manufacturing Incentive Program from 2021 to 2035 and would direct the US DOT to update residential and commercial building codes to encourage the installation of electric-vehicle charging stations and would order states to consider measures to encourage charging stations.

FHWA Approves Red Street Paint Option For Bus Lanes

The Federal Highway Administration (FHWA) on December 9th approved the optional use of red paint on city streets to signify bus priority lanes. Giving buses their own lane is intended to remove the vehicles from the rest of traffic, speeding up service and boosting reliability. The red lanes have been sought by local agencies to assist in enforcing no stopping or standing restrictions during rush hour.

Any jurisdiction that requests and receives approval from FHWA will be able to use the red pavement paint for bus travel lanes in designated locations and at transit stops. States may also request permission for all their jurisdictions. The guidelines also clarify that, because this colored pavement has been used to regulate, warn, or guide traffic, it is serving as more than an aesthetic treatment and is, by definition, a traffic control device.

Because instances have been reported during FHWA pilot projects of drivers being confused and not sure if they could park in red bus lanes, FHWA recommends that agencies installing red paint consider educational campaigns and signage to reduce confusion among road users, and to increase compliance.

STATE

Judge Temporarily Exempts Truckers From California’s New Gig-Work Law

After California’s new gig-work law, AB5, took effect on January 1st, a federal judge issued an injunction on January 16th blocking the state from enforcing it for motor carriers until the court reaches a final verdict in the case brought by the California Trucker’s Association. The Judge agreed with the California Trucking Association’s contention that AB5 was preempted by a 1994 federal statute that prohibits states from making laws that affect the price, route or service of freight-hauling motor carriers.

Assembly Bill 5 (AB 5) ushers in a new test for what constitutes an independent contractor. The new standard (called the ABC test) is intended to keep businesses from avoiding providing overtime pay and benefits to contract workers who work near full-time hours or make an equivalent contribution as a full-time employee. Unions, ride-sharing drivers and the AFL-CIO have hailed the legislation as a win for worker's rights.

But the implementation presents a major shift for supply chains in California that experts expect to affect trucking capacity and eventually rates. As of 2016, owner-operators, hired as contractors by carriers and shippers, made up 28% of the registered trucks in California, according to government numbers cited in a report conducted for the California Trucking Association (CTA) on the impacts of AB5.

Many in the trucking industry are at a loss for how to comply with AB5, saying the state has not provided any guidance and suggesting the correct approach will ultimately be decided in court. Transportation economy experts have suggested paths for compliance including converting to an all-employee fleet, establishing new companies that separate the driver from the truck, moving the fleet out of California, and doing nothing different while AB 5 is in court.

Starting in 2020, California Carpool-lane Access Is More Equitable

A new California law effective January 1st allows low income drivers of used electric cars to use carpool lanes with one occupant in the vehicle. The stickers granting access were previously only available for those who bought new electric vehicles. The change is designed to address concerns that only wealthier people buying high-priced EVs can drive solo in a high-occupancy-vehicle (HOV) lane.

The new law allows people who earn less than \$65,777 a year, which is 80% of California's median income, to receive a new sticker when they first register a used electric vehicle.

As the number of zero-emission vehicles on California roads grows from about 600,000 today – to a goal of 5 million by 2030 — carpool-lane access would diminish to keep travel speeds higher than the adjacent travel lanes. The red decals issued in 2018 will no longer work in 2022, but low-income buyers of vehicles could receive new stickers attached to those and other used EVs. White decals expired on January 1, 2019.

In another move to improve equity, starting December 3, 2019, California EV buyers purchasing vehicles with a price exceeding \$60,000 do not qualify for the state's \$2,500 clean-vehicle rebate. The change eliminates rebates for the Audi e-tron and Jaguar I-PACE — as well as many models from BMW, Mercedes-Benz, and Tesla. Also, single taxpayers who earn \$150,000 or more are no longer eligible for state rebates, but they still qualify for carpool-lane stickers.

REGION

L.A. Metro Is Hosting Next Gen Transit Plan Workshops To Fix Plummeting Ridership

L. A. Metro on January 13th unveiled an ambitious plan to increase ridership by up to 15% without increasing service hours by shifting service hours and service frequency from low demand routes to higher demand corridors, a change the agency said could help reverse a 25% decline in bus trips over the past decade.

If approved, the Metropolitan Transportation Authority's plan would be the first overhaul of the region's bus network in more than 25 years. Riders would see changes on the street by the end of the year. The plan calls for buses that arrive every 10 minutes or less — and in some cases, as frequently as every five minutes — on 29 major routes. About 83% of Metro riders could walk to a bus stop with that level of service, compared with 48% now, officials said.

To achieve ridership growth projections in the plan, Metro will need to implement a \$1-billion, five-year capital program to improve bus reliability, speed and comfort. The average speed of a Metro bus has dropped 12.5% over the last 25 years as buses have gotten stuck in the same worsening traffic with cars.

Bus speeds have dropped, hurting Metro's image and operational costs. When traffic slows, Metro puts more buses on the street to stay on schedule. Each year, Metro spends \$10 million more than in the previous year to provide the same level of service. If the five-year capital investment plan to speed up buses were completed, Metro could run more than 5 million additional hours of bus service per year for the same cost as today's network.

The plan relies on a network of bus-only lanes that would be essential if Metro is going to promise transit riders frequent, reliable and fast bus service. The proposal includes \$750 million for the bus-only lanes, synchronized traffic signals to provide priority for buses, and other improvements, and about \$150 million for improved shelters and other rider amenities at busy stops. In addition to finding the funding, Metro will need to partner with local jurisdictions to create bus priority on local streets. Neither specific capital projects nor funding has been identified.

To create the more frequent service without additional operating costs, the plan would eliminate or reduce service on some Metro bus lines. A key part of the proposal involves consolidation of most of Metro's rapid bus lines, which would merge with "local" buses that serve similar routes but make more stops. Instead of two versions of the same route, operating on two different schedules, Metro plans to run more consistent all-day service on these routes, with fewer stops than a local line but more stops than a rapid line.

Most of the network of red Rapid buses would be eliminated, with the exception of Wilshire Boulevard, Vermont Avenue and Van Nuys Boulevard. Metro would also reduce the number of stops along the lines where buses would run every 10 minutes or less. Bus stops placed every quarter-mile would mean slightly longer walks, but shorter door-to-door travel times due to increased service frequency. Metro would also expand all-door boarding to shorten the time it takes to load passengers onto buses. About 0.3% of Metro's riders would lose their ability to walk to a line with a bus every 10 minutes or less.

Metro Seeks State Funds To Extend Green Line Platforms

In anticipation of increased demand due to the opening of the Crenshaw/LAX Line and the LAX automated people mover system, Metro is seeking state funds to expand passenger capacity on Green Line platforms and power upgrades to accommodate three-car trains. Proposed improvements include platform extensions at the Redondo Beach, Douglas, Mariposa, and Aviation/LAX Stations to accommodate three-car trains and two new traction power substations for the Crenshaw/LAX Line.

L. A. Metro To Study Free Bus Rides For LA County Students Beginning with LAUSD

L.A.'s Metro has a ridership problem. The Los Angeles Unified School District has a poverty problem. More than 80% of its students live below the poverty line. Their families often

struggle to cover the basic expenses, including transportation. What if these two public agencies could work together to help solve each other's problem? That's the idea behind a proposal, floated by LAUSD Supt. Austin Beutner and transit advocates, to provide free transit passes to the District's more than 600,000 K-12 students.

To begin exploring the question, the L. A. Metro Board on January 23rd approved an initial study of ways to make bus services free for students throughout the county beginning with the Los Angeles Unified School District and eventually potentially expanding the policy to include primary, secondary and city college students in all Metro service areas throughout the county. The study would also explore incorporation of an equity-based eligibility criteria.

The board directed Metro staff to work with LAUSD and other school districts, cities, the state and other stakeholders to return to the board in April with a report that includes:

- A review of the performance of existing free transit programs for K-12 students, including the Los Angeles DASH to Class program, Metro's Just Transit pilot with LAUSD and other school districts, and the city of Sacramento's RydeFreeRT program;
- Cost estimates of providing free Metro transit services for LAUSD and other school districts' students and potential subsidies to phase the program based on Metro's Equity Platform;
- Forecasts of effects to Metro fare revenues as a result of the free service;
- A survey of various schools to determine transit dependency and interest of students switching to transit as a result of potential free fares;
- Mapping of various school district boundaries throughout the county in relation to existing and planned transit services utilizing Metro's Equity Platform to identify high-need communities;
- Analysis of effects on ridership, inclusive of effects to operations on transit lines that may experience overcrowding during peak hours and potential impacts to school bus ridership;
- Outreach to municipal operators that have transit service supported by Metro formula funds connecting to K-12 schools; and
- Recommended actions to minimize or eliminate barriers for Los Angeles County households to take advantage of potential free transit for students, including partnering with LAUSD and other school districts for administrative support.

The Metro Board also instructed staff to return in June with a separate report on a partnership with community college districts within Metro's service area to provide no-cost transit programs for campuses that have imposed student fees to cover the cost of transportation.

TRENDS

Oregon Lets Low Emission Vehicles Choose Higher Registration Fee Or Mileage Fee
Oregon drivers will not only pay a higher gas tax starting in January but those driving fuel-efficient vehicles will have a higher registration fee to account for the lower amount of gas taxes they pay. The 2-cent-per-gallon gas tax increase and change in registration fees are part of legislation enacted in 2017 to better fund the state's roads and bridges. There will also be an increase in fees for commercial trucks and buses.

Fuel-efficient vehicle drivers, however, will have the option to pay a lower registration fee, if they sign up for the state's fee-per-mile program known as **OReGO**. The program charges participants monthly based on the number of miles they drive. They then receive credits on their monthly bills for any state gas taxes they paid. The volunteer OReGO program is available for cars that get at least 20 mpg, but only those with at least 40 mpg can get a break on the registration fee by joining OReGO.

How To Cope with Curbside Congestion Driven by E-Commerce Deliveries

In one to three years, cities will be "severely challenged" by e-commerce-driven delivery traffic, but existing technology and policy fixes can help quell the resulting carbon emissions and congestion if implemented quickly, according to a January 10th report from the World Economic Forum (WEF) with input from DHL, Llamasoft, McKinsey, Uber Freight, Unilever, UPS and Walmart among others.

The study analyzed 24 last-mile technologies including drones, robots and unmanned deliveries, drop boxes, locker systems and other ways of consolidating orders, along with non-tech changes including increased double-parking enforcement, delivery time shifts, traffic light interventions and road lane changes.

The best scenario, according to WEF, is one that takes into account the carriers' interest in fewer disruptions and faster deliveries alongside cities' desire for lower emissions and less congestion. This combined scenario would include electric vehicles, night deliveries, multi-brand parcel lockers, dynamic re-routing and load pooling. These interventions could reduce emissions by 35%, unit costs by 15% and congestion by 25%, according to the report.

Report Finds L. A., Miami Travelers Have Biggest Commute Challenges

According to a new report from Moovit, using Big Data from millions of trip requests performed in 99 cities across the Americas, Asia, and Europe in 2019:

- Los Angeles and Miami travelers tie in first place for the longest commutes in North America with an average of 56 minutes for a single trip
- Miami and Los Angeles tie for the longest average wait times, with an average of 16 minutes per trip
- About 1 in 4 L. A. travelers make three or more transfers and 27% of L. A. commuters wait more than 20 minutes
- An average commute time in L. A. is 56 minutes, compared to other large metro area, London, United Kingdom, with an average commute taking 45 minutes
- Ten percent of Los Angeles commuters average two hours, compared to 1% of commuters in Madrid, Spain
- Los Angeles and Rio de Janeiro, Brazil both have 32% of local commuters walking more than 0.6 miles per commute

South Bay Cities Council of Governments

Attachment C

February 10, 2020

To: SBCCOG Transportation Committee

From: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director

Subject: Evaluation of Applications Submitted for FY 20-21 Metro Budget Request

Adherence to Strategic Plan:

Goal A: Environment, Transportation, and Economic Development. Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay. Strategy 5 – Actively pursue opportunities for infrastructure funding for member agencies.

BACKGROUND

Updated cost-to-complete estimates for active projects and new project requests have been provided by lead agencies for FY 2020-21 and through FY 2024-25. A subcommittee of the Infrastructure Working Group and Transit Operators Working Group is evaluating and scoring the applications. SBCCOG staff will assign funding for the recommended projects based on their anticipated cashflow needs over the next five years of each project's implementation schedule. Staff will present the recommended FY 2020-21 Metro Budget Request (MBR) and five-year projection to the Transportation Committee at its February 10, 2020 meeting and will ask the Transportation Committee to recommend the MBR to the SBCCOG Board of Directors at its February 27, 2020 meeting. The SBCCOG Board recommendation should be transmitted to L.A. Metro by February 28, 2020 for inclusion in L. A. Metro's FY 2020-21 budget which begins July 1, 2020.

The MBR agenda item will include a projection of the annual reimbursements requested by project lead agencies from the Measure R South Bay Highway Program and three Measure M Multi-Year Sub-Regional Programs for each active and new project through FY 2025. Although L. A. Metro only approves allocations one year at a time, the five-year projection provides project lead agencies a basis for establishing reasonable funding reimbursement schedules in their project funding agreements. In addition, because Metro also structures its funding agreements based on anticipated progress on major tasks/phases within a project (e.g.: environmental clearance, design, right-of-way acquisition, and construction), SBCCOG must request funding for the entire task, even if it will take more than one year to complete. A few projects also anticipate project completion schedules that extend beyond the upcoming five years. However, these projects have discreet tasks that Metro can include in a funding agreement within the five-year window. Future project phases can be added in subsequent annual Metro Budget Requests and amended into the project funding agreement,

In addition to the recommended SBHP and MSP funding for completion of active projects and new projects, the Metro Budget Request item includes a line item in the Measure R and M requests for SBCCOG project development and administration. The agenda item will also

include a list of requested projects that are recommended to be deferred or denied, and a list of assumptions used in compiling the recommendations. The three exhibits will be provided separately once the sub-committee has completed its project evaluation and scoring process which is expected by February 6th.

L.A. Metro previously approved funding agreements using more Measure M TSMIP I funding than is available in the next five years. In order to avoid amending the affected project funding agreements, the Metro Budget Request includes a line item that requests Metro to lend sufficient funding from the Measure M TSMIP II program to the TSMIP I program to ensure that all active projects have sufficient funding available over the upcoming five years. The loan will be reimbursed from the TSMIP I program to the TSMIP II program in future Metro Budget Requests as additional funding is available in the TSMIP I program beyond the five-year horizon.

At the December 2019 Transportation Committee and Board meetings, SBCCOG staff was instructed to consider recommending a new matching share formula for funding agreements that use Measure R SBHP and Measure M MSP funds. The current formula is as follows:

<u>SBHP / MSP Incremental Cost</u>	<u>SBHP/MSP Funding Share</u>
Under \$2 million	100%
\$2 million to \$10 million	80%
\$10 million +	50%

The SBCCOG project evaluation sub-committee recommends that the SBHP and MSP share of project costs in the FY 20-21 Metro Budget Request be revised as follows:

<u>SBHP / MSP Incremental Cost</u>	<u>SBHP/MSP Funding Share</u>
Under \$20 million	100%
\$20 million to \$40 million	80%
\$40 million to \$100 million	50%
\$100 million +	20%

Maximum cumulative SBHP/MSP funding share for each project: \$250 million

SBCCOG staff is concerned that the proposed formula provides a higher sub-regional share of project costs than the current formula therefore resulting in fewer projects being funded. Staff recommends continued use of the existing SBHP formula with the addition of the \$250 million cap for the current submitted projects and new project applications which applied under that match requirement. This way the SBCCOG will be able to fund more projects.

The recommended project list assigns funding based on the current formula and cap. If the SBCCOG adopts the new formula, projects that score lowest on the recommended list will be deferred by staff in order to assign available funds to higher scoring projects using the more generous matching policy.

The SBCCOG Board needs to approve any FY 2020-21 Metro Budget Request by its February 2020 Board meeting in order for Metro staff to include the requests in the Metro FY 2020-21 Metro Budget item to be considered by the Metro Board in April or May 2020. Metro's fiscal year begins July 1, 2020.

SBCCOG received 14 transit project applications in anticipation of a new Metro Measure R SBHP Transfer Policy that would make transit and highway projects eligible for Measure R SBHP funding for the first time. The sub-committee evaluated the projects with the understanding that recommended projects would be committed consistent with the L.A. Metro Board of Directors adopting a countywide Measure R Transfer Policy. SBCCOG has assigned recommended transit projects SBHP funding consistent with the existing Measure R SBHP matching formula and contingent on Metro Board approval of a Measure R Transfer Policy. The Metro Board is expected to adopt a policy by May 2020.

The recommended Metro Budget Request and other information described above will be distributed once the sub-committee has completed its evaluation of applications and SBCCOG staff has assigned funding to the recommended projects which is expected by February 6, 2020.

RECOMMENDATION

The SBCCOG Transportation Committee recommends to the Board that:

1. The projects on the list that are noted as defer or deny be removed from the list and further consideration this year.
2. The Board of Directors approves of the current funding share formula noted above to calculate SBHP/MSP commitments needed to complete active and new SBHP and MSP projects with the addition of a \$250M maximum SBHP/MSP cumulative funding share.
3. The SBCCOG Board of Directors approves the FY 2020-21 Metro Budget Request with the understanding that:
 - a. Included transit projects are contingent on approval of the Metro Measure R Transfer Policy.
 - b. Should a new funding share formula be adopted by the SBCCOG Board of Directors, SBCCOG staff is authorized to defer projects scoring lowest on the list to match application amounts with available SBHP or MSP funding.
4. The SBCCOG Board of Directors directs staff to transmit the Metro Budget Request to Metro by February 28, 2020.

THIS PAGE LEFT INTENTIONALLY BLANK

South Bay Measure R / Measure M Highway Programs

February 2020	March 2020	April 2020
<p>10. SBCCOG Transportation Committee</p> <ul style="list-style-type: none"> • FY 2020-21 Metro Budget Request Approval • SBHP Project APE Report • Next Gen Bus Study <p>10. SBCCOG Steering Committee</p> <p>12. IWG Open to the Public Meeting</p> <ul style="list-style-type: none"> • SBHP Project APE Report • FY 20-21 Metro Budget Request review • Spotlight: Pavement Preservation and Rehabilitation <p>13. Transit Operators Working Group</p> <p>14. Metro South Bay Service Council</p> <p>27. Metro Board meeting</p> <p>27. SBCCOG Board Meeting</p> <ul style="list-style-type: none"> • FY 2020-21 Metro Budget Request Approval 	<p>9. SBCCOG Transportation Committee</p> <ul style="list-style-type: none"> • SBHP Project APE Report <p>9. SBCCOG Steering Committee</p> <p>11. IWG Staff Only Meeting</p> <ul style="list-style-type: none"> • SBHP Project APE Report • Spotlight: Illegal Dumping Collaboration • Measure R Transfer Policy <p>12. Transit Operators Working Group</p> <ul style="list-style-type: none"> • Measure R Transfer Policy <p>13. Metro South Bay Service Council</p> <p>19. SBCCOG General Assembly</p> <p>26. Metro Board meeting</p> <p>SBCCOG Board Meeting is Dark in March</p>	<p>8. IWG Staff Only Meeting</p> <ul style="list-style-type: none"> • SBHP Project APE Report • Spotlight: TBD <p>10. Metro South Bay Service Council</p> <p>13. SBCCOG Transportation Committee</p> <ul style="list-style-type: none"> • SBHP Project APE Report • Measure R Transfer Policy <p>13. SBCCOG Steering Committee</p> <p>TBD. Transit Operators Working Group</p> <p>23. Metro Board meeting</p> <p>23. SBCCOG Board Meeting</p>

THIS PAGE LEFT INTENTIONALLY BLANK