



Board Report

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REGULAR BOARD MEETING DECEMBER 1, 2022

SUBJECT: TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM CYCLE 6 GRANT APPLICATION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING a report on Metro's Transit and Intercity Rail Capital Program (TIRCP) Cycle 6 prioritized ranking of projects based on project readiness with an equity lens (Attachment A); and
- B. AUTHORIZING the Chief Executive Officer to send a letter of support for the prioritized projects signed by all Board members.

ISSUE

CalSTA published its 2023 TIRCP Cycle 6 Final Guidelines and Call for Projects on November 15, 2022. Grant applications for "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" are due to CalSTA by December 6, 2022. CalSTA requires applicants to prioritize their requests if submitting multiple project applications or a program of projects. This Board Report provides information on Metro's priorities and approach to submitting competitive, construction ready projects, with an equity lens, for this TIRCP application by the stated deadline.

BACKGROUND

Los Angeles County voters overwhelmingly approved Measure R (2008) and M (2016) to provide a significant source of local funding to support the delivery of a transformative, multimodal set of transportation projects to improve mobility, decrease air pollution, and increase the quality of life for all 10 million county residents. These local sales tax measures were designed to provide local match to leverage significant state and federal funds to fully fund and implement the priority projects found in their respective expenditure plans. The TIRCP is the best source of state discretionary funding available, eligible, and with sufficient capacity to leverage local sales tax dollars for major rail transit capital projects.

Assembly Bill (AB) 180, approved by Governor Newsom in June 2022, amended the Budget Act of 2021 to appropriate a one-time allotment of \$3,630 million of General Fund for the TIRCP to be administered by CalSTA. Of this total, AB 180 allocated \$1,831.5 million for CalSTA to administer set-aside programs, including a new TIRCP cycle (Cycle 6), to award multi-year grants to high-priority transit projects in Southern California (comprising the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura) following an application review and prioritization process.

Of the Southern California subtotal, AB 180 requires that no less than \$900 million be set-aside for “Existing TIRCP Projects Leveraging Federal & Local Funds Reserve” (“Existing TIRCP Projects”) that have previously received TIRCP grants and can demonstrate that a supplemental state grant would “leverage” or “maintain” an identified source of significant local or federal investment, including through the federal Capital Investment Grants (CIG) Program, Expedited Project Delivery (EPD) Program, or other such federal funding sources. This provision for an “Existing TIRCP Projects” funding opportunity is unprecedented for TIRCP. This program previously has not allowed projects receiving a TIRCP award in a prior cycle to receive supplemental program funding in a subsequent cycle. Any funding not allocated to an “Existing TIRCP Project” in Southern California will then be made available for new TIRCP projects.

Senate Bill (SB) 198 expresses the Legislature’s intent to provide an additional \$4,000 million over Fiscal Year (FY) 23-24 and FY 24-25 to be allocated statewide by a population formula that, if secured by the Legislature, could provide additional funding for CalSTA to consider when awarding Cycle 6 funding to “Existing TIRCP Projects.” LA County, which has a 25% share (approximately) of the state’s population, would stand to receive a total of \$1,000 million from SB 198 funds.

Metro’s ability to submit competitive applications to the TIRCP has resulted in CalSTA awarding \$1,513.8 million in discretionary TIRCP grant funds from the program’s first five cycles (FY 2015 to FY 2022) to support the delivery of 11 transit capital projects, including \$1,081.5 million in Cycle 3 (FY 2018) for a program of six Measure M priority transit capital projects. TIRCP Cycle 6 represents a unique and much-needed one-time opportunity to supplement funding for construction-ready, competitive projects previously awarded TIRCP funds and deliver Measure M priorities for LA County.

DISCUSSION

On November 7, 2022, Metro submitted a comment letter to CalSTA on the Draft TIRCP Cycle 6 Guidelines seeking four modifications to be incorporated in the Final TIRCP Cycle 6 Guidelines published on November 15, 2022. The letter and the changes made by CalSTA to the final guidelines can be found in Attachments B and C, respectively. The final guidelines can be found at <https://calsta.ca.gov/-/media/calsta-media/documents/tircp-cycle-6-final-guidelines.pdf>.

The “Existing TIRCP Projects” TIRCP Cycle 6 competition will provide Metro with a one-time opportunity to secure supplemental state funding for high priority transit projects previously awarded TIRCP funding from Cycles 1 through 4. Cycle 5 projects are excluded from this opportunity.

Additionally, CalSTA will allow applicants to include proposed SB 198 formula TIRCP funds (approximately \$1,000 million for Metro) in cash flow assumptions put forth in Cycle 6 applications for

“Existing TIRCP Project” funding. Metro will assume in its application that these SB 198 funds will be secured in FY 2024 and FY 2025 to support cash flow needs for the entire program of projects.

Combining the total possible funding made available for the TIRCP Cycle 6 “Existing TIRCP Projects” through AB 180 and SB 198 formula funds, staff believes that the maximum capacity available to Metro through this grant opportunity could reach \$2,680 million, recognizing that there will be other projects in Southern California also competing for these funds that make securing the total amount available unlikely.

Cycle 6 Guidelines - Key Elements to Consider

Staff has evaluated the Final TIRCP Cycle 6 Guidelines to help guide the development of its approach to submitting a competitive Program of Projects application for TIRCP Cycle 6 “Existing TIRCP Projects” funding. Some of the key elements from the final guidelines Metro considered are as follows:

- Applicants for “Existing TIRCP Projects” must be the same as those that submitted the original TIRCP application.
- Applicants submitting a program of projects for the “Existing TIRCP Projects” competition must prioritize their projects.
- Only projects that received prior funding in TIRCP Cycles 1 through 4 are eligible for the “Existing TIRCP Projects” Cycle 6 competition.
- As the funds identified in AB 180 for this new TIRCP opportunity derive from the General Fund, TIRCP Cycle 6 funds awarded must be expended or encumbered and liquidated by June 30, 2027. TIRCP is a reimbursement-based program, creating longer lead times to liquidate funding—a factor which needs to be considered given the statutory requirement for funds to be liquidated by the end of FY 2027. In response to Metro’s guidelines comment letter, CalSTA has provided additional flexibility to re-order the expenditure of local and prior TIRCP funds to help the total cash flow meet this requirement.
- Cycle 6 TIRCP funding cannot be used to supplant other committed funds - applications must establish an existing funding gap that requires supplemental state funding to maintain or leverage federal or local funds.
- Construction readiness is a vital criterion. Most highly rated projects will have an approved environmental document.

To be eligible for consideration as an “Existing TIRCP Project,” CalSTA has established that projects must either (1) maintain or (2) leverage an identified source of significant local or federal funds, as defined below:

Maintain: Projects under construction that will lose access to committed federal funds unless additional non-federal funds are identified. It also includes retaining

access to local funds committed to a portion of the project not yet fully funded.

Leverage: Projects that need additional state funds to receive a significant future federal or local funding commitment.

The extent to which a potential Cycle 6 project can demonstrate its need for supplemental state funding to maintain or leverage funding as defined above will be a vital factor in how CalSTA evaluates that project for funding consideration.

Review of potential “Existing TIRCP Projects.”

CalSTA has previously awarded Metro grant funding from TIRCP Cycles 1 through 5 for 11 projects (Attachment D). As Cycle 5 projects are excluded from this opportunity, staff then evaluated the remaining 10 projects to assess their eligibility and competitiveness for the “Existing TIRCP Projects” competition, as follows:

Projects already completed (1):

- Willowbrook/Rosa Parks Station & Blue Line Light Rail Operational Improvements

Projects already under construction (2):

- Airport Metro Connector 96th Street Station / Metro Green Line Extension to LAX
- Metro Red & Purple Line Core Capacity Improvements

Projects neither construction ready nor competitive for Cycle 6 (3):

- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Connector
- Vermont Transit Corridor

Projects without significant federal or local funds to maintain or leverage with supplemental state funding (1):

- Metrolink Antelope Valley Line Capital and Service Improvements Project

Projects eligible and competitive for TIRCP Cycle 6 “Existing TIRCP Projects” competition (3):

- East San Fernando Valley (ESFV) Light Rail Transit Project
- Metro L (Gold) Line Foothill Extension to Montclair Project
- West Santa Ana Branch Project

Findings

Staff assessed all projects potentially eligible for the TIRCP Cycle 6 “Existing TIRCP Projects” competition against the evaluation criteria and CalSTA requirements established in the final guidelines.

Staff also reviewed the financial plans for the projects and assessed whether a supplemental TIRCP grant award would allow these projects to return to a fully funded status taking into consideration all

existing and expected funding sources and current cost estimates. Staff reviewed the project delivery sequencing per Measure M and evaluated Equity Focused Community benefits. Staff also reviewed how these projects would be evaluated by CalSTA as a project that “maintains” or “leverages” federal and/or local funding, and that is considered “construction ready” for the purposes of Cycle 6 eligibility. While some projects are technically eligible for TIRCP Cycle 6, they would not be considered competitive due to risks associated with these projects lacking a completed environmental document or being construction ready.

Staff also reviewed opportunities to secure funding for these projects through the upcoming AB 180-funded Major Projects-Project Development Reserve set-aside program which will provide planning funds to support the delivery of capital projects and programs of projects that have entered or have applied to enter federal project development processes for at least a portion of the project or program of projects, and that expect to receive federal funding in the future once complete with project development. This program excludes “Existing TIRCP Projects”, as the guidelines state that if the project would not be eligible to apply for TIRCP as a new project, it will not qualify for funding for program development.

Consequently, staff determined that Metro should submit the following Program of Projects (in priority order) to CalSTA for the TIRCP Cycle 6 “Existing TIRCP Projects” competition:

1. *East San Fernando Valley (ESFV) Light Rail Transit (LRT) Project*
 - **Scope:** Initial Operating Segment from the Van Nuys/G-Line Station to the Van Nuys/San Fernando Station.
 - **Federal funding at risk:** \$908.8 million
 - **Total amount to be requested:** \$600 million

2. *Metro L (Gold) Line Foothill Extension LRT Project:*
 - **Scope:** Pomona Station to Montclair Station.
 - **Local funding at risk:** \$39 million
 - **Total amount to be requested:** \$798 million

3. *West Santa Ana Branch (WSAB) Transit Corridor Project*
 - a. **Scope:** Locally Preferred Alternative from Pioneer Station to Slauson/A Line Station
 - b. **Federal funding to be leveraged:** FTA Capital Investment Grant
 - c. **Total amount to be requested:** \$500 million

Staff’s assessment of these projects in relation to their prioritization in this Program of Projects is as follows:

ESFV LRT Project: Maintaining Federal Funding

This project (a) is environmentally cleared and will break ground for advanced utility relocation on December 2, 2022 and (b) is at risk of losing up to \$908.75 million in Expedited Project Delivery federal funding-which was announced by the FTA in a Letter of Intent (LOI) in May 2022-if supplemental state funding is not secured by May 2024, per the terms of the LOI. Additionally,

the ESFV LRT Project provides significant and targeted benefits for a federally designated area of persistent poverty and for Equity Focused Communities (63% identified as Very High Need or High Need) along the project corridor and links these communities to the Metro G (Orange) Line and the Metrolink/LOSSAN system.

These factors contributed to this project being prioritized #1 by Metro.

Metro L (Gold) Line Foothill Extension LRT Project: Maintaining Local Funding

This project is (a) construction ready, (b) environmentally cleared, and (c) at risk of losing access to \$39 million in committed local San Bernardino County funds if CalSTA does not award supplemental state funding to the project. This project also serves Equity Focused Communities (4% identified as Very High Need or High Need) within the corridor, although not as extensively as the ESFV LRT Project.

These factors contributed to this project being prioritized #2 by Metro.

WSAB Transit Corridor Project: Leveraging Federal Funding

While this project serves Equity Focused Communities (71% identified as Very High Need or High Need) within the corridor from Artesia to Los Angeles, this project is (a) not yet construction ready but still eligible for Cycle 6, (b) not yet environmentally cleared, and (c) potentially at risk of losing access to a future CIG award if supplemental state funding is not secured.

These factors contributed to this project being prioritized #3 by Metro.

As encouraged by CalSTA, staff will include in this single program of projects application the overall TIRCP grant request for each project and discuss the timing for funding across all projects.

Outlook

Metro recognizes that these three projects will need to secure supplemental funding to ensure that these priority Measure M projects will be able to maintain and/or leverage significant federal and local funds to allow them to go to construction and deliver benefits for all LA County residents. (Attachment F)

As these projects are all “Existing TIRCP Projects” and uniquely positioned to secure one-time supplemental funding from the state through this well-aligned discretionary grant program. Metro does not expect CalSTA to allow these projects to secure supplemental funding from future TIRCP cycles that typically exclude such projects from consideration, without future legislation allowing such a change. Therefore, it is imperative that Metro work with its stakeholders and legislative delegation to ensure that (1) CalSTA programs as much AB 180 funding as possible to the “Existing TIRCP Projects,” (2) the full amount of funding intended by SB 198 is secured by the Legislature and remains available to supplement AB 180 funding for this application, (3) the entire Program of Projects submitted by Metro for TIRCP Cycle 6 is given as much support and prioritization as

possible for CalSTA consideration, and (4) future TIRCP cycles do not exclude existing TIRCP projects from additional funding.

FINANCIAL IMPACT

Funding made available through the TIRCP Cycle 6 competition would provide a much-needed, major source of supplemental state funding for Measure M Light Rail Transit projects to maintain existing or leverage future federal and/or local funding. These projects are the ESFV LRT Project, the Metro L (Gold) Line Foothill Extension LRT Project, and the WSAB Transit Corridor Project.

EQUITY PLATFORM

CalSTA seeks to award at least 25% of the funds allocated for its TIRCP Cycle 6 competitive grant process for projects that provide a direct, meaningful, and assured benefit to disadvantaged communities and priority populations, consistent with the objectives of SB 535 and AB 1550. CalSTA also directs applicants to demonstrate how their projects are consistent with the CalSTA's Statement on Racial Equity, Justice, and Inclusion in Transportation, including projects that will help achieve a cleaner, safer, and more accessible and connected future.

Staff has assessed CalSTA's Final Guidelines to identify the project(s) for which we may seek supplemental TIRCP grant awards among those approved by the Board of Directors. The three projects put forth by Metro provide a significant opportunity to deliver high quality light rail transit for priority populations.

ESFV LRT Project

The ESFV LRT Project will pass through or within one-half mile of 33 disadvantaged communities, connecting these communities with high quality north-south transit service that will increase travel speeds, increase capacity, improve on-time performance, and provide enhanced connectivity to local and regional transit services. These services include the Orange (G) Bus Rapid Transit Line, which connects to the Chatsworth Transportation Center and the Metro Red Line, and two Metrolink Lines- the Ventura County and Antelope Valley Line, which extend to Downtown Los Angeles and Hollywood -Burbank Airport and Ventura County and North LA County, respectively. Additionally, the Van Nuys Metrolink Station also provides access to the Amtrak Los Angeles-San Diego-San Luis Obispo Rail Corridor, the region's intercity rail service. The corridor features a high level of transit dependent priority populations that need better access to mobility in a corridor that suffers degraded bus service as a result of increased traffic congestion along Van Nuys Boulevard.

Metro L (Gold) Line Foothill Extension LRT Project

The Metro L (Gold) Line Foothill Extension LRT Project will link several disadvantaged communities located in Pomona, which has a high level of poverty and a very diverse population (70% Hispanic and 7% African American) with the entire length of the Metro L Line which runs through the San Gabriel Valley to Downtown Los Angeles / Los Angeles Union Station. Additionally, the project will connect these communities to the Montclair Transit Center, which provides a public transportation link

into the Inland Empire and connections with several Foothill Transit, Omnitrans, and RTA bus and bus rapid services. The project is located within 0.5 miles of seven communities identified as AB 1550 Low Income Communities by the California Air Resources Board - of these, four communities are also SB 535 Disadvantaged Communities. The project seeks to reduce GHG emissions by increasing transit ridership, reducing vehicle miles traveled, and increasing transit-oriented development opportunities which will all accrue to the local communities within the corridor.

WSAB Transit Corridor Project

The WSAB will connect underserved, densely populated, low income and heavily transit dependent communities between the City of Artesia and unincorporated Florence-Firestone in the southeast part of LA County as well as connect these communities with the rest of the Metro Rail system with transfers with the A (Blue) Line and the C (Green) Line. Of the 238 census tracts in the project area, 181 are identified as SB 535 Disadvantaged Communities, 203 are identified as AB 1550 Low-Income Communities, and 177 census tracts are both Disadvantaged and Low-income Communities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Securing supplemental TIRCP funding for Metro high-priority transit capital projects will help to implement Goal 1 to provide high-quality mobility options that enable people to spend less time traveling and Goal 3 to enhance communities and lives through mobility and access to opportunity. The awards will also help address funding shortfalls and allow the projects to proceed toward construction and/or leverage federal grants that depend on the commitment of additional state and local funding. The projects, when completed, will significantly expand transportation options and improve the quality of the transit network in our region.

ALTERNATIVES CONSIDERED

Staff considered submitting one project rather than multiple projects. However, staff does not recommend submitting only one project given the ability to leverage federal funding. Staff considered submitting the WSAB Transit Corridor Project for consideration for the Major Projects - Project Development Reserve program. Upon reviewing the guidelines, staff determined that CalSTA's intent for this program is to provide planning funds for new TIRCP project that are attempting to enter the Federal Transit Administration (FTA) Capital Investment Grant (CIG) pipeline, not for projects-like the WSAB-that have already received prior TIRCP funds.

NEXT STEPS

The implementation of our funding program will be coordinated with a legislative strategy that stresses three key components. First, we will need to aggressively advocate for maximum funding from the current round of TIRCP funding. Staff will submit the TIRCP Cycle 6 application by the December 6, 2022, deadline. In LA County, other non-Metro led projects are also eligible for TIRCP. Metro, as has been past practice, will provide a letter of support upon request. CalSTA is anticipated to announce the "Existing TIRCP Projects" awards on January 31, 2023. Secondly, we will need to encourage the Los Angeles County Legislative Delegation to actively support the necessary budget actions to allocate the future year surplus funds in a future budget action. Thirdly we will continue to

look at future TIRCP cycles and be prepared to address any structural reforms that may be needed to ensure Metro's projects can continue to compete.

Staff will provide additional information in a future Board Box on other funding opportunities made available by funding appropriated by AB 180 (Attachment E), including the potential to submit the Metro Gold Line Eastside Extension as a candidate project for Major Project-Project Development Reserve funding.

ATTACHMENTS

Attachment A - TIRCP Cycle 6 "Existing TIRCP Projects" Prioritized Program of Projects

Attachment B - CEO Comment Letter on TIRCP Guidelines

Attachment C - Changes Made by CalSTA in Final Guidelines

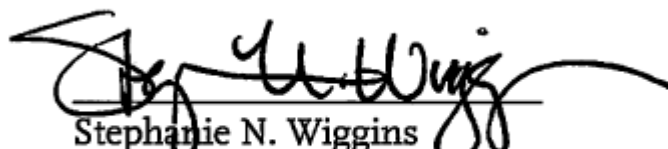
Attachment D - Prior TIRCP Awards

Attachment E - Other AB 180 Programs

Attachment F - Funding Plans for ESFV, Gold Line Extension, and WSAB

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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Proposed TIRCP Cycle 6 Program of Projects

Metro will submit the following projects for consideration by CalSTA in the TIRCP Cycle 6 competition for the “Existing TIRCP Projects Leveraging Federal and Local Funds Reserve”, in priority order:

1. East San Fernando Valley (ESFV) Light Rail Transit Project
2. Metro L (Gold) Line Foothill Extension Light Rail Transit Project
3. West Santa Ana Branch (WSAB) Transit Corridor Project

These three projects are the most competitive and construction ready projects eligible for this funding opportunity.

Metro will seek \$1,898 million from TIRCP Cycle 6 to support these three priority Measure M projects’ ability to maintain or leverage significant federal and local funding. These projects will be able to draw down funds before the end of FY 2027, as shown in Table 1.

Table 1. Combined Cash Flow: AB 180 and 198 Funds

(\$ in millions)

Priority	Project	FY 2024	FY 2025	FY 2026	FY 2027	Total
#1	ESFV	\$223.5	\$226.5	\$122.8	\$27.2	\$600.0
#2	Gold Line	--	\$248.0	\$300.0	\$250.0	\$798.0
#3	WSAB	--	--	\$200.0	\$300.0	\$500.0
TOTAL		\$223.5	\$474.5	\$622.8	\$577.2	\$1,898.0

In this combined cash flow scenario, all funds requested, whether AB 180 or SB 198, are planned to be encumbered and liquidated before the June 30, 2027, liquidation deadline associated with the AB 180 funds provided through Cycle 6.

This proposal requires the following assumptions to be realized:

- The \$1,000 million in proposed SB 198 funds that would be received by Metro via population formula will need to be secured by the State Legislature to support this cash flow assumption.
- CalSTA will need to allocate between \$898 million and the full \$1,680 million from AB 180 funds available for Southern California for “Existing TIRCP Projects”. CalSTA has full discretion to allocate more than \$900 million minimum identified for the program by AB 180, going up to and beyond the \$1,300 million upper range published in the Cycle 6 Final Guidelines to include all Southern California Cycle 6 funds provided by AB 180 (est. \$1,680 million) to “Existing TIRCP Projects”.



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November 7, 2022

The Honorable Toks Omishakin
Secretary
California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

**COMMENTS ON 2022 TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM
CYCLE 6 DRAFT GUIDELINES FOR GENERAL FUND AUGMENTATION**

Dear Secretary Omishakin:

Thank you for the opportunity to comment on the California State Transportation Agency's (CalSTA) 2022 Transit and Intercity Rail Capital Program (TIRCP) Cycle 6 Draft Guidelines for General Fund Augmentation. The Los Angeles County Metropolitan Transportation Authority (Metro) is the transportation planning, programming, construction, and transit operation authority for Los Angeles County. Metro is the largest transit agency in California by ridership, servicing more trips than the next two largest transit agencies combined. Located in the South Coast Air Basin, Los Angeles County is in non-attainment for particulate matter and ozone and currently has the nation's worst air quality – resulting in great part from our traffic congestion, which is the worst in California. Los Angeles County is also home to the state's most priority populations (disadvantaged communities, low-income communities, and low-income households) that who primarily rely on Metro's transit service to access employment, medical, educational, and other ladders of opportunity and services.

We appreciate our ongoing partnership with your agency and recognize how prior TIRCP grants awarded by CalSTA – approximately \$1.5 Billion for 11 projects in total – have helped Metro to leverage locally-generated sales tax dollars – most notably from Measures R (2008) and M (2016) – to advance several of the agency's major transit capital projects that serve our communities seeking clean, safe, and reliable transit service. As a "Self-Help County," Los Angeles County voters have approved a total of four half-cent sales taxes since 1980 to help fund the planning and implementation of transportation projects and programs that help Metro and CalSTA address our myriad goals and objectives for mobility, equity, air quality, climate, and economic growth for the county and the state and uplift the most disadvantaged communities in need of clean, quality transportation options.

By working together, Metro and CalSTA can deliver transformative capital projects that will modernize California's transit systems to significantly reduce emissions of greenhouse gases (GHG), vehicle miles traveled, and congestion. Metro is supportive of CalSTA's 2022 TIRCP Draft Guidelines in its effort to achieve these goals, as well as other key statewide goals related to equity, economic development, and job creation. In support of our partnership, we offer the following comments on CalSTA's 2022 Cycle 6 Draft Guidelines for your consideration:

1. Metro appreciates CalSTA's encouragement for applicants to identify what role the expected FY23-24 and FY24-25 TIRCP formula funding identified in Senate Bill (SB) 198 of the Budget Act of 2021 can play in addressing funding needs for "Existing TIRCP Projects." Cycle 6 funds and the two subsequent TIRCP formula funding opportunities will help applicants deliver complex, large-scale transit projects that require additional funding and flexibility.

CalSTA should allow County Transportation Commissions, Regional Transportation Planning Agencies, and Metropolitan Planning Organizations (as applicable) to include multi-cycle funding plans in their grant applications that include TIRCP formula funding to be appropriated in FY23-24 and FY24-25 in addition to FY22-23 Cycle 6 funds to deliver an "Existing TIRCP Project." The combination of discretionary TIRCP funding from AB 180 and future formula TIRCP funding to be appropriated in FY23-24 and FY24-25 would allow for a multi-cycle/multi-year programming of TIRCP funds that will support larger-scale "Existing TIRCP Projects" that the state has already identified as generating great mobility, environmental, and air quality benefits for these regions and California.

2. CalSTA should not limit eligibility to seek supplemental TIRCP awards from the "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" category to only projects that would leverage future local or federal funds. CalSTA should expand the eligibility to include projects with previous funding commitments for prior segments of the overall project from local revenue measures adopted by Self-Help counties.

Self-Help Counties, such as Los Angeles County, have greatly supported the development of the state's transportation system by making numerous financial commitments through voter-approved sales tax increases and other initiatives to support the delivery of much-needed transit capital projects that, in turn, move California forward by spurring economic development, reducing GHG emissions, and increasing regional mobility and accessibility to jobs and other opportunities, especially for residents of disadvantaged communities. Like other Self-Help Counties, Los Angeles County successfully raised voter-approved funds by promising our residents that they would serve as a down payment on future state funding commitments. Metro strongly urges CalSTA not to dismiss that act of good faith by allowing only "future" funds to be considered in its definition of "leveraging" new, windfall Cycle 6 TIRCP funds allocated from the General Fund surplus.

3. CalSTA should allow recipients of prior TIRCP grant awards that apply for supplemental TIRCP grant awards from the "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" category to have as much flexibility as is needed to encumber and liquidate awarded Cycle 6 TIRCP funds before the June 30, 2027, statutory deadline specified in AB 180 and included in the draft guidelines.

Such flexibility would allow Metro and other agencies to expedite project delivery, leverage federal funds, and meet the statutory deadline for the encumbrance and liquidation of supplemental TIRCP Cycle 6 awards. This flexibility supports options such as employing a programmatic approach and a tapered funding contribution like what is allowed by federal grantor agencies.

4. CalSTA should prioritize applicants for the TIRCP Cycle 6 awards that demonstrate a commitment to workforce development and small business opportunities by identifying inclusive procurement programs.

On behalf of the Metro Board of Directors, I appreciate your consideration and response to our comments, which we hope will strengthen the 2022 TIRCP Guidelines for General Fund Augmentation. Thank you for your continued commitment to working collaboratively with Metro to uplift our LA County residents by leveraging state and local funding to deliver our vital transit projects. Should you have any questions about these comments, please contact Laurie Lombardi, Senior Executive Officer for Countywide Planning and Development, at lombardil@metro.net or 213-418-3251.

Sincerely,



Stephanie N. Wiggins
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority

C: Metro Board of Directors

Attachment C

Metro's Comments on the Draft TIRCP Cycle 6 Guidelines and Changes Made by CalSTA in the Final Guidelines

A letter submitted by the Metro CEO to Secretary Omishakin on November 7, 2022, made four specific requests for consideration by CalSTA to modify the Draft Cycle 6 Guidelines, as follows:

- 1) CalSTA should allow County Transportation Commissions, Regional Transportation Planning Agencies, and Metropolitan Planning Organizations (as applicable) to include multi-cycle funding plans in their grant applications that include TIRCP formula funding to be appropriated in FY23-24 and FY24-25 in addition to FY22-23 Cycle 6 funds to deliver an "Existing TIRCP Project". The combination of discretionary TIRCP funding from AB 180 and future formula TIRCP funding to be appropriated in FY23-24 and FY24-25 would allow for a multi-cycle/multi-year programming of TIRCP funds that will support larger-scale "Existing TIRCP Projects" that the state has already identified as generating great mobility, environmental, and air quality benefits for these regions and California.

Final Guidelines Response: CalSTA refined draft guidelines language as follows – "Applicants are also encouraged to identify what role the expected FY23-24 and FY24-25 funding identified in SB 198 of the Budget Act of 2021 (totaling \$4 billion and allocated regionally) could play in addressing a portion of the need for existing project funding, and how the use of such funds would apply to the funding proposal."

Staff appreciates this refinement and believes the extra funding capacity possible with the SB 198 funds will support Metro's ability to submit a competitive program of projects for Cycle 6 funds.

- 2) CalSTA should not limit eligibility to seek supplemental TIRCP awards from the "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" category to only projects that would leverage future local or federal funds. CalSTA should expand the eligibility to include projects with previous funding commitments for prior segments of the overall project from local revenue measures adopted by Self-Help counties.

Final Guidelines Response: CalSTA added language that "maintain funding also includes retaining access to local funds committed to a portion of the project that is not yet fully funded."

- 3) CalSTA should allow recipients of prior TIRCP grant awards that apply for supplemental TIRCP grant awards from the "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" category to have as much flexibility as is needed to encumber and liquidate awarded Cycle 6 TIRCP funds before the

June 30, 2027, statutory deadline specified in AB 180 and included in the draft guidelines.

Final Guidelines Response: CalSTA made the following clarification in the final guidelines – “A project cash flow should be included that demonstrates the proposed draw down schedule for the General Fund resources. Such proposals can include re-timing the already awarded TIRCP funds to enable prompt use of General Fund monies. For projects that are expected to have construction extending beyond June 30, 2027, applicants are encouraged to propose funding plans that use General Fund monies early even if match funding or non-General Fund TIRCP funding is utilized after the 2027 deadline.”

Staff appreciates this modification and believes it provides necessary flexibility to submit a competitive grant application that meets both the statutory deadline for liquidation of Cycle 6 TIRCP funds and the cashflow needs of potential projects that will complete construction after the liquidation deadline.

- 4) CalSTA should prioritize applicants for the TIRCP Cycle 6 awards that demonstrate a commitment to workforce development and small business opportunities by identifying inclusive procurement programs.

Final Guidelines Response: While new language was not added by CalSTA, the guidelines recognize as a competitive evaluation criterion under project benefits the way in which a project will “provide employment and workforce development and training benefits to the community, particularly to priority populations.”

Attachment D

Metro TIRCP Grant Awards since 2015 (Cycle 1)

Project	TIRCP Cycle	Year	TIRCP Award
Willowbrook/Rosa Parks Station & Blue Line Light Rail Operational Improvements	1	2015	\$38,494,000
Airport Metro Connector 96th Street Transit Station/Metro Green Line Extension to LAX Project	2	2016	\$40,000,000
Metro Red Line and Purple Line Core Capacity Improvements Project	2	2016	\$69,209,000
East San Fernando Valley Light Rail Transit Project	3	2018	\$205,000,000
West Santa Ana Branch Transit Corridor Project	3	2018	\$300,000,000
Metro Gold Line Foothill Extension to Montclair Project	3	2018	\$290,200,000
Green Line Light Rail Extension to Torrance Project	3	2018	\$231,300,000
Orange/Red Line to Gold Line BRT Connector Project	3	2018	\$50,000,000
Vermont Transit Corridor Project	3	2018	\$5,000,000
Metrolink Antelope Valley Line Capital and Service Improvements Project	4	2020	\$107,050,000
NextGen and Zero Emission Bus Implementation Project	5	2022	\$177,500,000
TOTAL	N/A	N/A	\$1,513,753,000

Attachment E

Other funding programs created through AB 180 are:

Major Projects – Project Development Reserve:

This program is intended to provide multiyear grants to support the delivery of capital projects and programs of projects that have entered or have applied to enter federal project development processes, such as the Capital Investment Grant Program at the Federal Transit Administration or the Corridor Development Program at the Federal Railroad Administration, for at least a portion of the project or program of projects, and that expect to receive federal funding in the future once complete with project development. Contingent awards that provide the match necessary to leverage federal planning funds shall be encouraged.

While projects and programs of projects do not need to be ready for construction, applicants are required to identify how their project or program of projects will be eligible to apply for TIRCP construction funding in the future. If the project would not be eligible to apply for TIRCP as a new project, it will not qualify for funding for project development. Therefore, “Existing TIRCP Projects” are not eligible to seek funding from this program.

Funding Capacity: Up to \$150 million statewide

High-Priority Grade Crossing Improvement and Separation Projects

This program is intended to provide multiyear grants to support the delivery of projects that maximize safety benefits and reduce or eliminate conflicts between road users and railroads, including those anticipated with future rail service growth. Such projects may benefit existing or proposed rail passenger services. Contingent awards that provide the match necessary to leverage federal funds shall be encouraged. Additional detail on project objectives is provided in the addendum to the main guidelines.

Funding Capacity: \$350 million total statewide

- \$100 million administered by CalSTA
- \$250 million administered by California Department of Transportation (Caltrans)
- Southern California possible range: \$140 million to \$280 million

Eligible projects including highway-rail or pathway-rail grade crossing improvement and separation projects that focus on improve the safety and mobility of people and goods including:

- Grade separation or closure, including through the use of a bridge, embankment, tunnel, or combination thereof;
- Track relocation;
- The improvement or installation of protective devices signals, signs, or other measures that improve safety, provided that such activities are related to a separation or relocation project
- Other means to improve the safety and mobility of people and goods at highway-rail grade crossings

ATTACHMENT F
Funding Plans for ESFV, Gold Line Extension, and WSAB

Funding Plan (Southern Segment) (Dollars in Millions)

	<u>TOTAL</u>
Project Cost	3,597.1
Total Uses	<u>\$ 3,597.1</u>

Yet-To-Be-Secured Funding

Section 3005(b) Expedited Project Delivery	908.8
Transit and Intercity Rail Capital Program	600.0
Measure R	212.0
Prop C	223.5
Other Local (incl. Value Capture)	-

Secured Funding

Section 5339 Alternatives Analysis	1.0
Prop A/C	152.5
Measure R	68.5
Measure M	810.5
Local Agency Transit Project Contributions	111.3
Repayment of Capital Project Loans	-
Traffic Congestion Relief Program Funds	27.0
Transit and Intercity Rail Capital Program	205.0
Other State Funds	-
Regional Improvement Program Funds	202.1
SB1 - Local Partnership Program	74.9
Total Sources	<u>\$ 3,597.1</u>

West Santa Ana Branch

Funding Plan (Pioneer to Slauson) (Dollars in Millions)

	<u>TOTAL</u>
Project Cost	7,112.6
Total Uses	<u>\$ 7,112.6</u>

Yet-To-Be-Secured Funding

Section 5309 New Starts/Grant Bonds*	3,098.2
National Infrastructure Project Asst. (Mega)	400.0
Transit and Intercity Rail Capital Program (Cycle 6)	500.0
Future cycle, earmark, other State	500.0
Other Local (incl. Value Capture)	-

Secured Funding

Other Federal Funds	2.0
Prop A/C	349.9
Measure R	348.4
Measure M	1,355.5
Local Agency Transit Project Contributions	234.6
Transit and Intercity Rail Capital Program	300.0
SB1 - Local Partnership Program	23.9
Total Sources	<u>\$ 7,112.6</u>

* Net of interest cost

Foothill Gold Line Extension

Funding Plan (Pomona to Montclair) (Dollars in Millions)*

	<u>TOTAL</u>
Project Cost	878.0
Allocation to Pomona Project	328.5
Total Uses	<u>\$ 1,206.5</u>

Yet-To-Be-Secured Funding

Transit and Intercity Rail Capital Program	798.0
Other Local (incl. Value Capture)	-
Measure M (committed to Pomona)	328.5

Secured Funding

San Bernardino CTA Contribution	39.0
Local Agency Transit Project Contributions	-
Transit and Intercity Rail Capital Program	41.0
Total Sources	<u>\$ 1,206.5</u>

* Amounts provided by Foothill Gold Line Construction Authority.



Transit & Intercity Rail Capital Program
GENERAL FUND AUGMENTATION
Cycle 6 (FY 2022-23) Grant Application

Item #49: TIRCP Cycle 6 Recommendation

Receive and File report on Metro's Transit & Intercity Rail Capital Program (TIRCP) Cycle 6 prioritized Program of Projects for California State Transportation Agency (CalSTA) consideration.

Metro's programmatic application seeking a total of \$1,898 M will rank its included projects as follows:

1. **East San Fernando Valley (ESFV) Light Rail Transit (LRT): IOS**
2. **Metro L (Gold) Line Foothill Extension LRT: Pomona to Montclair**
3. **West Santa Ana Branch (WSAB) Transit Corridor: LPA**

Approve the CEO sending a letter of support for the prioritized projects signed by all Board members.



AB 180/SB 198: An Unprecedented TIRCP Funding Opportunity

Combined, **AB 180** (\$1.83 B) and **SB 198** (\$1.0 B) provide up to **\$2.83 B** in funding programs available for Metro to pursue for our priority projects.

AB 180 provides **\$1.83 B** for Southern California for three programs:

- Existing TIRCP Projects
- New TIRCP Projects
- Major Projects – Project Development Reserve (SoCal awards)

AB 180 provides a **minimum of \$900 M** from the \$1.83 B identified for Southern California to fund an FY 23 set-aside competition for Existing TIRCP Projects (Cycle 6)

- CalSTA's published Cycle 6 (SoCal) target range is between \$900 M and \$1.35 B.
- CalSTA has discretion to allocate more funding from the remainder of AB 180 Southern California funds to Existing TIRCP Projects, up to the total **\$1.83 B*** available for all AB 180 programs, excluding funds for the other two programs.



** Prior staff estimate of \$1.68 B was based on understanding that CalSTA would preserve \$150 M in capacity for Major Projects – Project Development program awards*

AB 180/SB 198: An Unprecedented TIRCP Funding Opportunity

SB 198 expresses legislative intent to provide counties across the state with new formula funds (by pop.) in FY 2024 and FY 2025 to augment AB 180 funds.

- Metro stands to receive **\$1 B** in SB 198 funds if secured by the legislature.
- CalSTA allows Metro to indicate the role SB 198 funds could play in supporting cashflow assumptions for the overall Cycle 6 programmatic application.

AB 180 + SB 198 combined offer (potentially) **up to \$2.83 B** for Metro projects in TIRCP Cycle 6 for Existing TIRCP Projects, if CalSTA decides not to fund projects in the “New TIRCP Projects” & “Major Projects – Project Development Reserve” programs.

The total amount reasonable to expect CalSTA to award Metro in Cycle 6 for Existing TIRCP Projects will be **significantly less than \$2.83 B** due to competition for AB 180 funds with other Southern California agencies and CalSTA’s desire to fund projects in these other two AB 180 programs.

TIRCP Cycle 6: Purpose of the “Existing TIRCP Projects” competition

TIRCP Cycle 6 is an unprecedented program – first time CalSTA is providing supplemental TIRCP funding for projects previously awarded a grant (Cycles 1 through 4).

Purpose: (a) **maintain** or (b) **leverage** an identified source of significant federal or local funds.

- **“Maintaining” funding:**
 - Projects that are under construction and will lose access to committed federal funds unless additional non-federal funds are identified.
 - Also includes retaining access to local funds committed to a portion of the project not yet fully funded.
- **“Leveraging” funding:**
 - Projects that need additional state funds to receive (leverage) a **future** federal or local funding commitment.

N.B.: AB 180 General Fund dollars must be fully encumbered & liquidated by June 30, 2027. Supplemental SB 198 funds do not have the same liquidation deadline.

TIRCP Cycle 6 Guidelines: Key Evaluation Considerations

- Construction readiness is vital. CalSTA will rate most highly projects that are environmentally approved and will demonstrate a high degree of project readiness with few risks related to proceeding into construction and operating services that achieve the proposed benefits once the project is completed.
- Applicants for “Existing TIRCP Projects” must be the same as those that submitted the original TIRCP application.
- Applicants submitting multiple applications or a program of projects for the “Existing TIRCP Projects” category must prioritize their projects.
- TIRCP funds cannot be used to supplant other committed funds.
- Applicants are encouraged to identify the role potential FY 2023-24/2024-25 funding (SB 198) could play to address a portion of funding request.

Review of Metro's 11 Potential "Existing TIRCP Projects"

Staff reviewed the guidelines for eligibility/competitiveness criteria and determined that the following eight (8) projects would be either ineligible or non-competitive due to a lack of sufficient construction readiness.

Projects already completed: (1)

- Willowbrook/Rosa Parks Station & Blue Line Light Rail Op. Improvements

Projects already under construction: (2)

- Airport Metro Connector 96th Street Station/Metro Green Line Ext. to LAX
- Metro Red & Purple Line Core Capacity Improvements

Projects awarded Cycle 5 funds: (1)

- NextGen and Zero Emission Bus Implementation Project

Projects without significant federal / local funds to maintain / leverage: (1)

- Metrolink AVL Capital and Service Improvements Project

Projects not sufficiently construction ready: (3)

- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Connector
- Vermont Transit Corridor

Prioritized Program of Projects for TIRCP Cycle 6

Based on staff review of project eligibility, committed federal/local funding at risk, timing of risk and cashflow needs, construction readiness, and equity considerations, Metro intends to submit the following prioritized Program of Projects for the TIRCP Cycle 6 – “Existing TIRCP Projects” Southern California competition:

1. East San Fernando Valley (ESFV) LRT: Initial Operating Segment
Federal Funding at risk: \$908.8 million
Total amount to be requested: \$600 million
2. Metro L (Gold) Line Foothill Extension LRT: Pomona to Montclair
Local Funding at risk: \$39.0 million
Total amount to be requested: \$798 million
3. West Santa Ana Branch (WSAB) Transit Corridor: LPA
Federal Funding to be leveraged: FTA CIG
Total amount to be requested: \$500 million

Total Metro TIRCP Cycle 6 funding request: \$1,898 M



Metro

Proposed Combined Cash Flow for Cycle 6 (AB 180 + SB 198)

The Proposed Cash Flow assumes a combination of \$1, 898 M in AB 180 funds for Southern California and SB 198 funds (yet to be secured) for LA County (Metro)

Priority Rank	Project	FY 24	FY 25	FY 26	FY 27	Total
#1	ESFV	223.5	226.5	122.8	27.2	600.0
#2	Gold Line Foothill Extension	--	248.0	300.0	250.0	798.0
#3	WSAB	--	--	200.0	300.0	500.0
TOTAL		323.5	254.5	472.8	827.2	1,898.0

Next Steps: Process

TIRCP Cycle 6 – Existing TIRCP Projects

2022-23

- | | |
|---|-------------|
| • Applicant Submittal of Preliminary Information to CalSTA: | December 6 |
| • CalSTA Transmittal of Follow-Up Questions to Applicants: | December 20 |
| • Applicant Submittal of Answers to CalSTA Questions: | January 13 |
| • CalSTA Anticipated Announcement of Awards: | January 31 |

Additional AB 180 Programs

Staff will identify potential projects for these upcoming programs and report back to the Board in January 2023.

- ✓ New TIRCP Projects – maximum of \$900 M for SoCal, contingent upon Cycle 6 outcome
- ✓ Major Projects – Project Development Reserve
- ✓ High Priority Grade Crossing Improvement & Separation Projects
 - Project Applications Due: February 10
 - CalSTA Anticipated Announcement of Awards: April 24

Next Steps: Legislative Program

- (1) Advocacy:** LA County must aggressively seek the maximum funding for our entire package of projects.
- (1) Legislation:** Engage the LA County Legislative Delegation to actively support the necessary budget actions to allocate the future FY 2024 and FY 2025 SB 198 surplus funds.
- (2) Future Opportunities:** Review current and support the creation of new opportunities to secure additional funding for the WSAB project when the project is environmentally cleared and construction ready through various State programs and funding streams to leverage existing Measure M and future federal USDOT Capital Investment Grant (CIG) funds.