



Board Report

File #: 2025-0235, File Type: Program

Agenda Number: 9.

PLANNING AND PROGRAMMING COMMITTEE APRIL 16, 2025

**SUBJECT: COMPLETION OF SURFACE TRANSPORTATION PROGRAM-LOCAL (STP-L)
ANNUAL APPORTIONMENTS TO LOCAL AGENCIES**

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE:

- A. the reallocation of \$25.74 million of Proposition C discretionary funds from the Access Services (Access) budget to fulfill unprogrammed STP-L funding program balances; and
- B. the Chief Executive Officer (CEO) or their designee to execute STP-L balance fulfillment agreements with local agencies, allowing them to receive their unprogrammed STP-L balances using available non-federal Metro funds.

ISSUE

Metro had historically apportioned, on an annual basis, \$31 million of Federal (STBG) formula funding by Metro to agencies in Los Angeles County based on population through the STP-L funding program to deliver basic maintenance projects that did not have air quality impacts, such as pavement rehabilitation and slurry seal projects. In 2021 and 2022, the federal government issued Corrective Actions to Caltrans and the Southern California Association of Governments (SCAG), respectively, finding that this practice was out of compliance with STBG funding requirements. While Metro can no longer apportion STBG funds to agencies based on population, several agencies still have STP-L fund balances from previous apportionments.

During the outreach process for the first SCAG Corrective Action Call for Project Nominations, several agencies and subregions requested that Metro develop a method by which the STP-L balances could be fulfilled by Metro with non-federal funds. The proposed action will shift an equivalent amount of local discretionary funds from Access, the Consolidated Transportation Services Agency (CTSA) that provides paratransit services throughout Los Angeles County, Proposition C budget to fulfill the fund balances from the former STP-L program to local jurisdictions.

BACKGROUND

Since the early 1990s, Metro has, on an annual basis, subvented approximately \$31 million of the STBG funding apportioned to Los Angeles County to all 88 agencies and the County of Los Angeles based on each agency's share of the County's population. This program was called the Surface Transportation Program-Local (STP-L). Each agency was responsible for obligating those funds to projects through the Federal Transportation Improvement Program (FTIP) process. Agencies were allowed to accumulate their annual STP-L apportionments until they had sufficient funding to complete a project. It was common for agencies to carry a balance of STP-L funds over from year to year. Attachment A lists the existing STP-L balances for each agency grouped by subregion.

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) issued a Corrective Action to Caltrans on the administration of the STBG and Congestions Mitigation and Air Quality (CMAQ) Improvement Programs. The findings require Caltrans to ensure that sub-recipients of STBG and CMAQ funds throughout the state administer these programs in compliance with federal program guidance and regulations. Subsequently, in August 2022, FHWA and FTA jointly issued a Corrective Action to SCAG, requiring a review of Caltrans' STBG and CMAQ administrative policies and the development of a process that ensures compliance with federal program guidelines and regulations for the administration of the STBG and CMAQ programs. Also, Metro has discontinued the STP-L funding program because of these Corrective Actions.

SCAG developed and adopted a STBG/CMAQ Compliance Action Plan, which outlines the regional approach for addressing the Corrective Action to ensure that any new project or new project phase funded with CMAQ and/or STBG funds are subject to a competitive project selection process. The specific issues the SCAG compliance plan addresses are:

- Replacing the current federal transportation funding suballocations by population or mode to agencies and counties with a performance-based approach.
- Modifying the eligibility screening conducted for compliance with Federal program guidance and regulations.
- Modifying the project selection process so federally funded transportation projects are selected by SCAG as the designated Metropolitan Planning Organization (MPO).

In 2024 SCAG held its first nomination process for STBG and CMAQ funds, and Board approval was obtained in March 2024 for the project ranking list for Los Angeles County.

DISCUSSION

With the Corrective Action, STP-L funds that were programmed in the first four years of 2023 FTIP (FFY23-FFY26) before July 1, 2023, are considered "Grandfathered.". In the current 2025 FTIP, Grandfathered STP-L are only allowed to be programmed in FFY25 and FFY26, which must be obligated with an E-76 through Caltrans by December 31, 2026, or the funds will be lost permanently.

Conversely, the \$25.74M of STP-L balances are funds that are not programmed, grandfathered, or allowed to enter the FTIP. Per Board action in June 2023, local funds for Access operating and

capital budget can be replaced with federal STBG. Through this Board action, Metro staff coordinated with Access to allocate an equivalent amount of STBG in exchange for its Proposition C discretionary funds to fulfill STP-L balances.

Adoption of the recommendations would allow Metro to provide a one-time fulfillment of the unprogrammed STP-L balances to agencies using Proposition C discretionary funds from the Access budget.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not directly impact the safety of Metro customers or employees. However, as some of the projects eligible for these funds include safety enhancements, avoiding potential risks and maintaining the grant funding helps to ensure the timely realization of the projects' anticipated safety benefits.

FINANCIAL IMPACT

Adoption of the recommendations would allow Metro to provide a one-time fulfillment of the unprogrammed STP-L balances to agencies with Proposition C discretionary funds from the Access budget.

Impact to Budget

This fulfillment does not impact Metro's or Access's budgets, given that Access had previously received an equivalent amount of Surface Transportation Block Grant (STBG) funds. Per Board action in June 2023, local funds for Access's operating and capital budget can be replaced with federal STBG. The source of funding for this action will come from local funding sources that are eligible for bus and rail operations.

EQUITY PLATFORM

STP-L funds are intended to provide a flexible funding source to local agencies for transportation projects and programs. The Board action will provide one-time funding to advance transit and other multimodal plans, programs, and infrastructure improvements throughout Los Angeles County, including lower-resourced communities, areas of concentrated poverty, and historically disadvantaged communities. The types of projects historically funded by local agencies with STP-L include street and sidewalk maintenance as well as the operation of local transit services. These projects have provided benefits to bicyclists, pedestrians, and transit riders.

SCAG's competitive grant process implements a process that allows agencies to secure funding based on the merit of their project as opposed to the STP-L program, which apportioned funds based on population. Through the competitive CMAQ/STBG grant process a small city can now compete for a much larger funding amount than they would have received based solely on their population.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This initiative provides funding for surface transportation projects, typically pavement maintenance projects. Some projects may include active transportation and pedestrian safety treatments that may help reduce VMT. Local agencies have historically funded projects such as street and sidewalk maintenance and the operation of local transit services with STP-L. These projects have benefitted bicyclists, pedestrians, and transit riders. Traditionally, projects funded with STP-L do not increase capacity by adding new lanes but rather focus on improving the pavement conditions on local roadway safety through pavement maintenance and resurfacing.

Overall, this project may increase Vehicle Miles Traveled (VMT), as improvements in travel time could encourage more vehicle trips. However, any increase in VMT resulting from these projects is expected to be minimal. Additionally, the safety improvements and the benefits for cyclists, pedestrians, and transit users will help offset any potential growth in VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding to conduct planning, create and enhance programs, and build infrastructure that accelerates infill development, facilitates housing supply, choice, and affordability, affirmatively furthers fair housing, and reduces VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefits.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended actions. Staff does not recommend this alternative because without the reallocation of \$25.74M of Proposition C 40% from the Access Services budget to the STP-L program, local agencies will not be able to receive their unprogrammed STP-L balances.

NEXT STEPS

Staff will contact cities with unprogrammed STP-L balances and provide them with a deadline of December 31, 2026, and directions for the final one-time opportunity for Metro to fulfill their STP-L

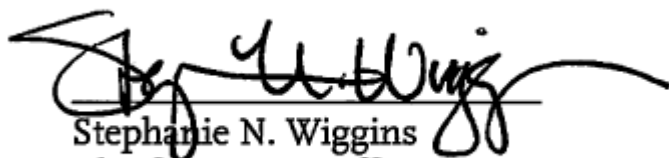
balances with local funds. Staff will also ensure that all eligible agencies in Los Angeles County are aware of future CMAQ/STBG/ funding through SCAG's Call for Nomination. The next SCAG Call for Nominations will start in the Spring of 2025, and Metro, as the County Transportation Commission, will lead the competitive call for projects for the Los Angeles County region.

ATTACHMENTS

Attachment A - Summary STP-L Balances for Agencies in Los Angeles County

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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

#	AGENCY	FULFILLMENT BALANCE	SUBREGION
1	Agoura Hills	\$ -	Las Virgenes/Malibu
2	Alhambra	\$ 248,698	San Gabriel Valley
3	Arcadia	\$ 169,622	San Gabriel Valley
4	Artesia	\$ 49,177	Gateway Cities
5	Avalon	\$ 30,562	Gateway Cities
6	Azusa	\$ 151,224	San Gabriel Valley
7	Baldwin Park	\$ 215,114	San Gabriel Valley
8	Bell	\$ -	Gateway Cities
9	Bellflower	\$ 234,692	Gateway Cities
10	Bell Gardens	\$ 117,259	Gateway Cities
11	Beverly Hills	\$ 281,504	Westside
12	Bradbury	\$ 8,033	San Gabriel Valley
13	Burbank	\$ 1,446,029	Arroyo-Verdugo
14	Calabasas	\$ 69,204	Las Virgenes/Malibu
15	Carson	\$ 281,969	South Bay
16	Cerritos	\$ 146,346	Gateway Cities
17	Claremont	\$ 331,086	San Gabriel Valley
18	Commerce	\$ 36,783	Gateway Cities
19	Compton	\$ 2,964,096	Gateway Cities
20	Covina	\$ 88,976	San Gabriel Valley
21	Cudahy	\$ 67,946	Gateway Cities
22	Culver City	\$ -	Westside
23	Diamond Bar	\$ 162,985	San Gabriel Valley
24	Downey	\$ 339,952	Gateway Cities
25	Duarte	\$ 196,754	San Gabriel Valley
26	El Monte	\$ 325,096	San Gabriel Valley
27	El Segundo	\$ 214,802	South Bay
28	Gardena	\$ 182,781	South Bay
29	Glendale	\$ 1,183,526	Arroyo-Verdugo
30	Glendora	\$ 156,537	San Gabriel Valley
31	Hawaiian Gardens	\$ 124,832	Gateway Cities
32	Hawthorne	\$ 262,300	South Bay
33	Hermosa Beach	\$ 171,137	South Bay
34	Hidden Hills	\$ 15,353	Las Virgenes/Malibu
35	Huntington Park	\$ 162,830	Gateway Cities
36	Industry	\$ 3,815	San Gabriel Valley
37	Inglewood	\$ 325,046	South Bay
38	Irwindale	\$ 27,699	San Gabriel Valley
39	La Canada Flintridge	\$ 60,907	Arroyo-Verdugo
40	La Habra Heights	\$ 50,629	Gateway Cities
41	La Mirada	\$ 165,340	Gateway Cities
42	La Puente	\$ 113,822	San Gabriel Valley
43	La Verne	\$ 98,399	San Gabriel Valley
44	Lakewood	\$ 244,957	Gateway Cities
45	Lancaster	\$ 529,697	North County
46	Lawndale	\$ 94,081	South Bay

ATTACHMENT A

#	AGENCY	FULFILLMENT BALANCE	SUBREGION
47	Lomita	\$ 61,851	South Bay
48	Long Beach	\$ 1,102,418	Gateway Cities
49	Los Angeles (CITY)	\$ -	n/a
50	Los Angeles (COUNTY)	\$ 945,648	n/a
51	Lynwood	\$ 202,398	Gateway Cities
52	Malibu	\$ 32,126	Las Virgenes/Malibu
53	Manhattan Beach	\$ 1,645	South Bay
54	Maywood	\$ 75,014	Gateway Cities
55	Monrovia	\$ 114,787	San Gabriel Valley
56	Montebello	\$ 188,392	Gateway Cities
57	Monterey Park	\$ 181,512	San Gabriel Valley
58	Norwalk	\$ 1,210,672	Gateway Cities
59	Palmdale	\$ 506,958	North County
60	Palos Verdes Estates	\$ 113,830	South Bay
61	Paramount	\$ 297,669	Gateway Cities
62	Pasadena	\$ 418,646	Arroyo-Verdugo
63	Pico Rivera	\$ 186,322	Gateway Cities
64	Pomona	\$ 458,569	San Gabriel Valley
65	Rancho Palos Verdes	\$ 125,517	South Bay
66	Redondo Beach	\$ 1,747,973	South Bay
67	Rolling Hills	\$ 15,101	South Bay
68	Rolling Hills Estates	\$ 73,315	South Bay
69	Rosemead	\$ 153,186	San Gabriel Valley
70	San Dimas	\$ 104,721	San Gabriel Valley
71	San Fernando	\$ 71,778	San Fernando Valley
72	San Gabriel	\$ 117,754	San Gabriel Valley
73	San Marino	\$ 108,421	San Gabriel Valley
74	Santa Clarita	\$ 704,957	North County
75	Santa Fe Springs	\$ 56,443	Gateway Cities
76	Santa Monica	\$ 280,703	Westside
77	Sierra Madre	\$ 297,850	San Gabriel Valley
78	Signal Hill	\$ 66,572	Gateway Cities
79	South El Monte	\$ 59,823	San Gabriel Valley
80	South Gate	\$ 1,197,204	Gateway Cities
81	South Pasadena	\$ 244,843	Arroyo-Verdugo
82	Temple City	\$ 109,389	San Gabriel Valley
83	Torrance	\$ 887,289	South Bay
84	Vernon	\$ 7,433	Gateway Cities
85	Walnut	\$ 84,510	San Gabriel Valley
86	West Covina	\$ 330,249	San Gabriel Valley
87	West Hollywood	\$ 106,330	Westside
88	Westlake Village	\$ 70,945	Las Virgenes/Malibu
89	Whittier	\$ 468,169	Gateway Cities
	TOTAL	\$ 25,740,531	



COMPLETION OF SURFACE TRANSPORTATION PROGRAM-LOCAL ANNUAL APPORTIONMENTS TO LOCAL AGENCIES

Planning and Programming
Committee

April 16, 2025

File No. 2025-0235



Metro

RECOMMENDATION

Authorize:

- A. The reallocation of \$25.74 million of Proposition C discretionary funds from the Access Services (Access) budget to fulfill unprogrammed STP-L funding program balances and;
- B. The Chief Executive Officer (CEO) or their designee to execute STP-L balance fulfillment agreements with local agencies, allowing them to receive their unprogrammed STP-L balances using available non-federal Metro funds.

BACKGROUND

- Federal STBG (includes STP-L) formula funding that had previously been apportioned to agencies in Los Angeles County by population can no longer be programmed by those agencies due to the federal Corrective Action. While Metro can no longer apportion STBG to agencies, several agencies have fund balances from previous apportionments that staff proposes to fulfill with local funds.
- As a result of the Corrective Action, local agencies who had not programmed their STP-L balances in the 2023 or 2025 Federal Transportation Improvement Program (FTIP) will not be able to access those STP-L funds.
- During the outreach process for the first 2024 SCAG Corrective Action Call for Project Nominations, several agencies and subregions requested that Metro develop a process by which the STP-L balances could be fulfilled by Metro with non-federal funds.

NEXT STEPS

- Staff will contact cities with unprogrammed STP-L balances and provide them with a timeline and directions for the final one-time opportunity for Metro to fulfill their STP-L balances with local funds.
- Staff will also ensure that all eligible agencies in Los Angeles County are aware of future CMAQ/STBG/CRP funding through SCAG's Call for Nomination.