



Arroyo Verdugo Communities Joint Powers Authority

DATE: October 5, 2023
TO: Governing Board
FROM: Alex Hernandez, Treasurer
SUBJECT: I-5 HOV Capacity Enhancement Surplus Funds

RECOMMENDATION:

That the Governing Board provide direction to staff on Metro request for I-5 HOV Capacity Enhancement funds, as follows:

- Option 1: Support the allocation of I-5 HOV Capacity Enhancement surplus funds in the amount of \$128,549,218 to be reprogrammed to the East San Fernando Valley Project, with the same amount in local (Prop C) funds to be programmed to the Arroyo Verdugo Communities Joint Powers Authority; or
- Option 2: Not Support the allocation of I-5 HOV Capacity Enhancement surplus funds to be reprogrammed to the East San Fernando Valley Project and instead request the funds in the amount of \$128,549,218 be made available to the Arroyo Verdugo Communities Joint Powers Authority.

BACKGROUND:

The Los Angeles County Traffic Relief and Rail Expansion Ordinance (Measure R) is a voter approved half-cent sales tax for Los Angeles County that finances new transportation multi-modal projects and programs. The associated expenditure plan includes a list of projects to benefit from the sales tax revenue with the ordinance providing stipulations for use of such funds, amongst other conditions to be adhered to. Section 7 outlines uses of the funds including sub-section 4 which stipulates that any surplus net revenues allocated to a particular project shall be credited and expended within the same subregion the initial funds were allocated to.

In August 2023, Los Angeles County Metropolitan Transportation Authority (Metro) contacted Arroyo Verdugo Communities Joint Powers Authority (AVCJPA) staff notifying staff of available surplus funds associated with the I-5 HOV Capacity Enhancement Project (I-5 Project) and requesting support for allocating the available funds to the East San Fernando Valley Project (ESFV). The ESFV Project is a 9.2 mile light rail transit line serving the San Fernando Valley community. The surplus funds would be exchanged for the same amount of Prop C funds to be programmed to the Arroyo Verdugo Communities Joint Powers Authority.

I-5 SURPLUS FUNDING

Approximately \$250,729,900 is available in I-5 surplus funds to be split proportionally between the San Fernando Valley and the Arroyo Verdugo subregions. The \$250,729,900 available is comprised of Measure R surplus, and Prop C funds that Metro swapped with the Measure R in 2016 and refers to this funding as “replacement credits.” Per Metro, approximately 51.27%, or \$128,549,218 would be apportioned for the AVCJPA subregion, based on the miles of the I-5 project within each subregion. Assuming the same per-capita methodology of distributing Measure M Multi-Year Subregional Program Funding is applied, each AVCJPA community would potentially receive the amounts as listed in the table below.

AVCJPA Reprogrammed Surplus Funds			
Agency	Population	Per Capita	Surplus Funds
Burbank	105,451	20.94%	\$ 26,920,956
Glendale	193,116	38.35%	\$ 49,301,262
La Canada Flintridge	20,081	3.99%	\$ 5,126,549
Pasadena	138,310	27.47%	\$ 35,309,646
South Pasadena	26,580	5.28%	\$ 6,785,702
County of LA 5th District	19,997	3.97%	\$ 5,105,104
Total	503,535	100.00%	\$ 128,549,220

I-5 surplus funds are scheduled to be available for the Arroyo Verdugo subregion in the third decade of Measure R funding (FY2030 – FY2039). Although the funding guidelines for these surplus funds are not yet finalized, it is anticipated they would follow the current Measure R funding guidelines.

METRO REQUEST FOR RE-ALLOCATION

To advance the ESFV Project, Metro has requested that the AVCJPA support their request to reprogram the sub-region’s share of the I-5 surplus funds to the ESFV project, to be used as a match to a federal grant. The request is time sensitive as the Metro Board will be considering the matter at the October 26, 2023 board meeting.

In exchange for the sub-region forgoing the surplus funds, Metro staff is prepared to recommend to the Metro Board that the reprogrammed amount of \$128,549,218 be programmed in non-federal funds in Metro’s Long Range Transportation Plan to be made available to the AVC sub-region in the third decade of Measure R (FY 2030 – FY 2039). This fund exchange would return the full \$128,549,218 in Prop C funds for the same time period originally identified for the surplus funds, FY2030 – FY2039. Funding related guidelines and eligible uses would follow the existing Prop C funding eligibility. Metro currently plans to program Prop C 25% transit-related uses on freeways and state highways funding to the AVC sub-region. The Prop C 25% is eligible for uses including signal synchronization, freeway service patrol, construction of HOV lanes, and bus lanes and operational and interchange improvements on freeways and state highways used by public transit.

Metro staff has identified that the reallocation of surplus funds to the ESFV Project is permitted since the AVCJPA was part of the San Fernando Valley sub-region when the funds were originally allocated. As such, the surplus funds can be allocated within the San Fernando Valley sub-region and are not required to remain within the AVCJPA area.

FISCAL IMPACT:

Should the Governing Board approve Option 1, pending Metro Board approval, surplus funds attributable to the AVC sub-region in the amount of \$128,549,218 would be reprogrammed to the East San Fernando Valley Project, with a fund exchange allowing for the same amount in local (Prop C) funds to be programmed to the Arroyo Verdugo Communities Joint Powers Authority in FY2030-2039.

Should the Governing Board approve Option 2, staff will request that Metro not use surplus funds and or replacement credits in the amount of \$128,549,218 attributable to the AVC sub-region and instead these funds would be made available to the Arroyo Verdugo Communities Joint Powers Authority in FY 2030 -2039.

Attachment:
Metro Presentation

An illustration of a city street scene. In the foreground, a yellow and grey light rail train with the Metro logo is moving from right to left. The train has a black front with a white 'M' logo. To the left of the train, several cars are parked or driving on the street. In the background, there are modern buildings with large windows, palm trees, and a clear blue sky. A yellow banner is at the top left, and a dark red banner is at the top right. A black banner across the middle contains the main title.

Next stop: light rail for the Valley.

EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT



Metro

Meeting with AVCJPA

October 5, 2023

Project Overview



- ESRV cleared for 9.2 miles and broken into 2 Phases
 - Phase 1 – 6.7 miles to be built first
 - Phase 2 – 2.5 miles under study
- Light rail at-grade for 6.7 miles in the center of Van Nuys Blvd.
- Removing one lane of traffic in each direction and removing all on-street parking
- 11 new center platform stations, with double entrances and no new station parking
- Maintenance and Storage Facility (MSF) located on 21 acres, heavy maintenance and storage for 34 Project vehicles
- Daily Project Transit Trips (Boardings)
 - Yr. 2035 – 37,759
- Metro’s target RSD 2030
- Proposed FFGA/EPD Budget – \$3.574B



- *Goal: need all funding committed by April 2024 to receive up to \$908M “EPD” grant*
 - *Project envisioned in Measure R and Measure M Ordinances*
 - *\$2.6B cost in Expedited Project Delivery request Nov 2021*
 - *\$3.6B current cost in Letter of Intent*
 - *Working with FTA now to complete LOI requirements*
 - *Will be nation’s first EPD project grant*

- *State portion addressed with \$600M TIRCP award in Jan 2023*

- *Local portion from surplus Measure R and Proposition C “replacement credits”*

Local Funding Sources



Funding Source	Funding Available	Key Considerations
I-5 North Capacity Enhancements Measure R Surplus/Credits*	\$253 million	Metro Board to deem project complete and reprogram funds in the subregion; seeking action by both SFVCOG and AVJPA to redirect project surplus/credits
Canoga Corridor Measure R Surplus*	\$182 million	Metro Board to deem project complete and reprogram funds in the subregion; seeking action by SFVCOG to redirect project surplus

* San Fernando Valley subregional funds per Uniform Cost Management Policy.

Next Steps



- Metro secures (i.e., commits) additional local funds for the project
 - Obtains support for use of subregional funds (October 2 SFVCOG meeting, October 5 AVCJPA meeting)

- Metro Board will consider an action at its October 26, 2023 meeting to:
 - program \$432.7 million of surplus funds/credits to ESFV
 - program \$128.5 million to Arroyo Verdugo subregion in the third decade of Measure R

- Metro to submit EPD application requirements by December 1, 2023