



Metropolitan
Transportation
Authority

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April 3, 2003

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: JAMES L. de la LOZA
EXECUTIVE OFFICER, COUNTYWIDE PLANNING
AND DEVELOPMENT

SUBJECT: EXTENSIONS FOR LAPSING SURFACE TRANSPORTATION
PROGRAM-LOCAL FUNDS

ISSUE

By notice dated June 1, 2002, MTA staff advised cities that had lapsing Surface Transportation Program-Local (STP-L) fund balances to obligate or trade the funds to other cities. Out of 89 jurisdictions, 70 jurisdictions successfully obligated or traded their lapsing balances. However, there were 19 cities with approximately **\$3.7 million** of lapsing STP-L funds as of December 31, 2002 that could not do so. The adopted Board policy requires that the \$3.7 million of lapsing STP-L funds be deobligated and reallocated through the population formula, or that the lapsing deadline be extended.

On February 20, 2003, the Streets and Freeways Subcommittee (Subcommittee) of the MTA Technical Advisory Committee (TAC) heard appeals from those cities with STP-L funds subject to lapse. After hearing all appeals, and based on Staff's recommendations to extend, the Subcommittee voted unanimously to provide extensions for all 19 cities subject to lapse. On March 5, 2003, TAC concurred with the Subcommittee's decision. Therefore, with the support of both the Subcommittee and TAC, staff agreed to provide administrative extensions to all 19 cities with funds subject to lapse.

BACKGROUND

On November 2002, MTA staff granted three-month administrative extensions to all cities with funds subject to lapse. These extensions were based on the expectation that the cities would provide the MTA with some documentation regarding their commitment to obligate their STP-L lapsing balances no later than December 31, 2002. Once the December extension passed, those cities with remaining lapsing balances were notified in writing again in January 2003, advising them of the status of their STP-L lapsing balances and of their opportunity to appeal lapsing of funds

before the Subcommittee in February 2003. (TAC approved the motion to delegate the STP-L appeals process to the Subcommittee at their November 2002 meeting.)

Attachment 1 lists the cities that were granted extensions. Extensions are granted only for those cities that have indicated in writing those delays that were beyond their control, consistent with the MTA justification criteria, and have explained in front of the Subcommittee how they plan to obligate or trade the lapsing funds within the extension period.

Attachments 2 and 3 contain the STP-L lapsing policy and process. Attachment 4 is a list of reasons that, if relevant to a city's situation, justify an appeal. Finally, Attachment 5 addresses sub-allocation of STP funds from the Code of Federal Regulations – 23 CFR 450.324(L).

ATTACHMENTS

Attachment 1: STP-L Approved Lapsing Extensions

Attachment 2: MTA Lapsing Policy for Surface Transportation Local Funds

Attachment 3: Justifications For Appeal Of Surface Transportation Program - Local (STP-L)
Lapsing Policy

Attachment 4: 23 CFR 450.324(L)

**SURFACE TRANSPORTATION PROGRAM - LOCAL
APPROVED LAPSING EXTENSIONS**

Agency	Annual Apportionment	Unobligated Balance	Funds Subject to Lapse	Number of Years Subject to Lapse	Justification for Appeal of STP-L Lapsing Policy	Date of Extension
Diamond Bar	\$175,285	\$583,795	\$53,177	0.3	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2003
Hawaiian Gardens	\$16,461	\$151,725	\$12,677	0.8	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2003
Malibu	\$39,618	\$158,626	\$39,631	1.0	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2004
Rancho Palos Verdes	\$128,502	\$426,848	\$34,424	0.3	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2003
Rosemead	\$167,874	\$845,694	\$335,722	2.0	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2003
South Pasadena	\$75,762	\$308,374	\$78,413	1.0	(2) Agency has a project that requires more than three years worth of STP-L to complete.	September 30, 2003
Glendora	\$154,350	\$541,876	\$70,634	0.5	(3) Agency has experienced delays beyond their control. Agency has submitted request to transfer funds to County and is awaiting approval.	September 30, 2003
La Habra Heights	\$18,020	\$77,472	\$20,756	1.2	(3) Agency has experienced delays beyond their control. Agency has submitted request to transfer funds to County and is awaiting approval.	September 30, 2003
Alhambra	\$267,121	\$1,324,814	\$508,893	1.9	(3) Agency has experienced delays beyond their control. Request for Authorization to Obligate funds has been submitted to Caltrans and is awaiting approval.	September 30, 2003
Commerce	\$39,366	\$199,499	\$79,996	2.0	(3) Agency has experienced delays beyond their control. Request for Authorization to Obligate funds has been submitted to Caltrans and is awaiting approval.	September 30, 2003
Glendale	\$607,735	\$2,399,069	\$568,935	0.9	(3) Agency has experienced delays beyond their control. Request for Authorization to Obligate funds has been submitted to Caltrans and is awaiting approval.	September 30, 2004
Montebello	\$193,564	\$782,361	\$196,604	1.0	(3) Agency has experienced delays beyond their control. Agency has been delayed in requesting authorization for one project due to delay on another project.	September 30, 2003
Monterey Park	\$190,160	\$739,808	\$156,274	0.8	(3) Agency has experienced delays beyond their control. Request for Authorization to Obligate funds has been submitted to Caltrans and is awaiting approval.	September 30, 2003
Pomona	\$467,404	\$2,072,726	\$687,305	1.5	(3) Agency has experienced delays due to litigation. Request for Authorization to Obligate funds has been submitted to Caltrans but has been placed on hold due to litigation.	September 30, 2003

Agency	Annual Apportionment	Unobligated Balance	Funds Subject to Lapse	Number of Years Subject to Lapse	Justification for Appeal of STP-L Lapsing Policy	Date of Extension
South El Monte	\$65,933	\$363,785	\$162,470	2.5	(3) Agency has experienced delays beyond their control. Request for Authorization to Obligate funds has been submitted to Caltrans and is awaiting approval.	September 30, 2003
Arcadia	\$166,689	\$848,338	\$353,196	2.1	(5) Agency previously obligated funds towards a particular phase of the project and it needs to use lapsing part to continue next phase.	September 30, 2003
Monrovia	\$115,258	\$558,795	\$204,053	1.8	(5) Agency previously obligated funds towards a particular phase of the project and it needs to use lapsing part to continue next phase.	September 30, 2003
Sierra Madre	\$32,959	\$140,549	\$39,447	1.2	(5) Agency previously obligated funds towards a particular phase of the project and it needs to use lapsing part to continue next phase.	September 30, 2003
South Gate	\$301,115	\$1,028,757	\$135,363	0.4	(5) Agency previously obligated funds towards a particular phase of the project and it needs to use lapsing part to continue next phase.	September 30, 2003
Total			\$3,737,970			

Total Amount Recommended for Extension

\$3,737,970

ATTACHMENT 2

MTA LAPSING POLICY FOR SURFACE TRANSPORTATION PROGRAM LOCAL FUNDS

Adopted July 24, 1996

*Amended November 12, 1998 **

To encourage the timely use of funds and prompt completion of projects, federal Surface Transportation Program Local (STP-L) funds are subject to the following lapsing policy:

*Local Agencies must obtain obligation of STP-L funds from Caltrans, the Federal Highway Administration or the Federal Transit Administration (FTA) within three (3) years from October 1 of the fiscal year in which the funds are apportioned. The MTA will lapse STP-L funds not obligated within three years and reprogram such funds using the STP-L allocation formula. **

STP-L funds apportioned in FY 1994-95 and prior years shall lapse on September 30, 1997.

STP-L funds apportioned in FY 1995-96 and prior years shall lapse on September 30, 1998.

STP-L funds apportioned in FY 1996-97 and prior years shall lapse on September 30, 1999.

FY 1996-97 is the last year of the federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) that created the STP funding program.

Any STP-L funds apportioned in later years as a result of the reauthorization of ISTEA (the Transportation Equity Act for the 21st Century or "TEA-21") and continuation of the STP-L program shall be subject to this same STP-L lapsing policy.

ATTACHMENT 3

JUSTIFICATIONS FOR APPEAL OF SURFACE TRANSPORTATION PROGRAM - LOCAL (STP-L) LAPSING POLICY

The following reasons are justifications for not lapsing STP-L funds:

1. The Local Agency was mis-informed that it did not have funds subject to lapse as part of the most recent Annual Lapsing Packet as provided by the MTA.
2. The Local Agency has a project that requires more than three years worth of STP-L to complete. The preferable way to document this is to have obtained preliminary engineering (PE) authorization from Caltrans for the project. Other methods of documenting commitment to a large project include inclusion in an approved local agency Capital Improvement Program or having formal and explicit Council action identifying the reservation for a specific project.
3. The Local Agency project (in environmental or right-of-way phases) has experienced delays due to litigation exceeding one year on the project that will use all of the potential lapsing funds being appealed, or the local agency has experienced delays beyond their control (e.g., review time by Caltrans).
4. The funds subject to lapse represent a residual amount that has been returned to the Local Agency's account upon completing an STP-L project. However, the funds must be returned within the 12 months before the end of the federal fiscal year in which the funds are subject to the MTA Lapsing Policy. For example, a Local Agency having scheduled a project in the third year of its program obligates \$200,000 for the project. The project costs only \$100,000; therefore, \$100,000 remains and is available to the Local Agency with less than one year before it is subject to the MTA Lapsing Policy. This would give the Local Agency an opportunity to develop a new project on which to use the remaining funds.
5. The Local Agency previously obligated funds towards a particular phase of the project, and it needs to use the lapsing part to continue the next phase.
6. The MTA determines that is in the best interests of Los Angeles County not to lapse STP-L funds.

To receive a waiver from the STP-L Lapsing Policy, the MTA will require that a Local Agency obligate funds within 6 months after the effective date of the waiver.

ATTACHMENT 4

23 CFR 450.324(L)

FEDERAL-AID POLICY GUIDE
March 31, 1994, Transmittal 9

23 CFR 450C
OPI: HEP-21

SUBCHAPTER E - PLANNING
PART 450 - PLANNING ASSISTANCE AND STANDARDS
SUBPART C - METROPOLITAN TRANSPORTATION PLANNING AND PROGRAMMING

Sec. 450.324 Transportation improvement program: General.

"(l) Procedures or agreements that distribute sub allocated Surface Transportation Program or section 9 funds to individual jurisdictions or modes within the metropolitan area by predetermined percentages or formulas are inconsistent with the legislative provisions that require MPOs in cooperation with the State and transit operators to develop a prioritized and financially constrained TIP and shall not be used unless they can be clearly shown to be based on considerations required to be addressed as part of the planning process. "