



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2932

(213) 922-2000

PLANNING & PROGRAMMING COMMITTEE  
FEBRUARY 17, 2000

**SUBJECT: RECOMMENDATION ON APPEALS TO LAPSING SURFACE  
TRANSPORTATION PROGRAM-LOCAL FUNDS**

**ACTION: DEOBLIGATE SURFACE TRANSPORTATION PROGRAM-  
LOCAL FUNDS FROM CITIES WITH LAPSING BALANCES  
AND EXTEND LAPSING DEADLINE FOR OTHERS**

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors take the following actions concerning cities with balances of Surface Transportation Program-Local (STP-L) funds subject to lapse as of September 30, 1999:

- A. Deobligate a total of **\$580,925** in lapsing 1999 STP-L fund balances (as shown in Attachment 1) and, reallocate these funds through the STP-L allocation formula; and,
- B. Allow a six-month extension from April 1, 2000 to September 30, 2000 for all cities to obligate or trade a total STP-L lapsing funding balance of **\$831,040** as shown in Attachment 2.

**ISSUE**

By notice dated February 23, 1999, MTA staff advised cities that had lapsing STP-L fund balances to obligate or trade the funds to other cities. Out of 89 cities, 69 cities successfully obligated or traded their lapsing balances. However, there were twenty cities with approximately \$1.5 million of lapsing STP-L funds as of September 30, 1999 that could not do so. The adopted Board policy requires that the \$1.5 million of lapsing STP-L funds be deobligated and reallocated through the population formula, or the lapsing deadline extended for six more months.

**POLICY IMPLICATIONS**

The MTA Board adopted a lapsing policy dated July 24, 1996 and an appeals process for lapsing STP-L fund balances dated November 12, 1998 (see Attachments 3, 4 and 5). Last year, there was a total unobligated balance of \$12.9 million and a lapsing balance of \$3.5 million. This year, the unobligated balance is \$1.8 million and a lapsing balance of \$1.5 million.

**CITIES WITH 1998 ADMINISTRATIVE DEOBLIGATIONS AND  
RECOMMENDED FOR DEOBLIGATIONS OF 1999 LAPSING BALANCES**

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
ESTIMATED BALANCES AND APPORTIONMENTS OF  
SURFACE TRANSPORTATION PROGRAM-LOCAL (STP-L) FUNDS**

ATTACHMENT 1

AGENCY	STP-L APPORTIONMENT [1]				STP-L ACTIVITY DISTRICT 7 DATA			FUNDS SUBJECT TO LAPSE [7] (If Not Obligated by 9/30/99)	12/31/98 AMOUNT SUBJECT TO ADMINISTRATIVE DEOBLIGATION	ADDITIONAL RECOMMENDED DEOBLIGATION (99 LAPSING-1998 ADMIN DEOB)
	FY 92- FY98	FY98-99	FY 2000-FY2003	TOTAL	OBLIGATED AMOUNT	FUND ADJUSTMT	UNOBLIGATED BALANCE			
	[2]		[4]		[5]	[6]	(September 30, 1999)			
AVALON *	\$72,324	\$10,810	\$43,240	\$126,374	\$14,566		68,568	\$46,927	\$36,093	\$10,834
BELL	\$905,786	\$115,397	\$461,588	\$1,482,771	\$2,370,115		346,968	\$115,899		\$115,899
CALABASAS	\$399,115	\$60,727	\$242,908	\$702,750	\$1,073,494		124,305	\$3,305		\$3,305
HAWTHORNE *	\$2,324,123	\$244,151	\$976,604	\$3,544,878	\$6,235,791		736,548	\$164,113	\$3,986	\$160,127
HUNTINGTON PARK	\$1,347,381	\$193,209	\$772,836	\$2,313,426	\$3,605,081		439,034	\$54,588		\$54,588
INGLEWOOD	\$3,424,993	\$368,090	\$1,472,360	\$5,265,443	\$9,495,948	\$814,800	778,292	\$41,373		\$41,373
IRWINDALE	\$24,090	\$3,634	\$14,536	\$42,260	\$64,787		7,464	\$177		\$177
LA VERNE	\$685,396	\$104,059	\$416,236	\$1,205,691	\$1,848,060		208,696	\$1,146		\$1,146
MONTEREY PARK *	\$1,409,265	\$203,459	\$813,836	\$2,426,560	\$3,746,421		481,604	\$74,916	\$42,915	\$32,001
SAN MARINO *	\$263,107	\$42,556	\$170,224	\$475,887	\$647,336	\$2,898	141,904	\$56,711	\$14,043	\$42,668
TEMPLE CITY	\$726,416	\$105,302	\$421,208	\$1,252,926	\$1,968,500		210,770	\$188		\$188
VERNON *	\$2,439	\$264	\$1,056	\$3,759	\$4,623		2,700	\$2,178	\$1,920	\$258
WEST HOLLYWOOD	\$2,073,335	\$117,882	\$471,528	\$2,662,745	\$5,865,320		354,405	\$118,361		\$118,361
<b>TOTAL</b>	<b>13,657,770</b>	<b>1,569,540</b>	<b>6,278,160</b>	<b>21,505,470</b>	<b>36,940,042</b>	<b>817,698</b>	<b>3,901,258</b>	<b>679,882</b>	<b>98,957</b>	<b>580,925</b>

[1] Apportionments are approximately 10% higher than the obligating authority provided by the federal government to Caltrans. Agencies who fail to spend federal funds promptly may experience funding delays if lapsing funds are not sufficient to return the 10% difference between apportionment and the obligating authority.

[2] Includes FAU balances according to Caltrans, February 6, 1996.

[4] The sum of the next 4 years allocation for each city's share of \$29.8 million based on percent of county population using the CA dept of finance tables for 1998 population 12/98.

FY 00-03 Apportionments will be revised with future pop. data. Previously shown thru FY04 assuming reauthorization

[5] Obligated amounts include obligations and funds assigned to others agencies.

[6] Fund adjustments outside agency STP-L apportionment.

[7] Per MTA "Estimated Balances and Apportionments" Memo to City Managers and Public Works Directors, dated February 23, 1999.

\* Cities granted extensions from December 31, 1998 Lapsing Deadline and did not obligate lapsing balances by September 30, 1999.

## CITIES RECOMMENDED FOR 6-MONTH EXTENSION OF THE LAPSING DEADLINE

### LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY ESTIMATED BALANCES AND APPORTIONMENTS OF SURFACE TRANSPORTATION PROGRAM LOCAL (STPL) FUNDS

ATTACHMENT 2

AGENCY	STP-L APPORTIONMENT [1]						STP-L ACTIVITY DISTRICT 7 DATA			FUNDS SUBJECT TO LAPSE [7] <small>by 9/30/99</small>
	FY 92- FY96 [2]	FY 96-97	FY 97-98	FY98-99	FY 2000-FY2003 [4]	TOTAL	AMOUNT [5]	ADJUSTMT [6]	BALANCE (September 30, 1999)	
ARCADIA	\$886,570	\$165,752	\$165,355	\$163,078	\$652,312	\$2,033,067	\$977,269		403,486	\$75,053
BELLFLOWER	\$1,055,682	\$207,780	\$207,480	\$206,876	\$827,504	\$2,505,322	\$1,198,382		479,436	\$65,080
BEVERLY HILLS	\$509,889	\$105,940	\$105,956	\$105,768	\$528,839	\$1,356,392	\$573,629	\$21,100	253,924	\$42,200
HERMOSA BEACH	\$409,403	\$59,474	\$59,483	\$59,329	\$237,316	\$825,005	\$435,189		152,500	\$33,688
LAWNDALE	\$460,401	\$93,829	\$93,996	\$93,809	\$375,236	\$1,117,271	\$460,401	\$34,099	281,634	\$93,829
PASADENA	\$2,357,172	\$436,597	\$436,795	\$436,117	\$1,744,468	\$5,411,149	\$2,273,266		1,393,415	\$520,503
ROSEMEAD	\$1,472,945	\$173,469	\$173,328	\$173,329	\$693,316	\$2,686,387	\$1,645,727		347,344	\$687
<b>TOTAL</b>	<b>7,152,062</b>	<b>1,242,841</b>	<b>1,242,393</b>	<b>1,238,306</b>	<b>5,058,991</b>	<b>15,934,593</b>	<b>7,563,863</b>	<b>55,199</b>	<b>3,311,739</b>	<b>831,040</b>

[1] Apportionments are approximately 10% higher than the obligating authority provided by the federal government to Caltrans. Agencies who fail to spend federal funds promptly may experience funding delays if lapsing funds are not sufficient to return the 10% difference between apportionment and the obligating authority.

[2] Includes FAU balances according to Caltrans, February 6, 1996.

[4] The sum of the next 4 years allocation for each city's share of \$29.8 million based on percent of county population using the CA dept of finance tables for 1998 population 12/98. FY 00-03 Apportionments will be revised with future pop. data. Previously shown thru FY04 assuming reauthorization

[5] Obligated amounts include obligations and funds assigned to others agencies.

[6] Fund adjustments outside agency STP-L apportionment.

[7] Per MTA "Estimated Balances and Apportionments" Memo to City Managers and Public Works Directors, dated February 23, 1999.

### Attachment 3

## 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.\**

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

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

*STPL 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 21<sup>st</sup> Century or "TEA-21") and continuation of the STP-L program shall be subject to this same STP-L lapsing policy.*

**Attachment 4**

**1998 LAPSING PROCESS FOR  
SURFACE TRANSPORTATION PROGRAM LOCAL FUNDS**

- (1) MTA STAFF DETERMINES FINAL BALANCES SUBJECT TO LAPSE.**
- (2) MAIL NOTICES TO RELEVANT AGENCIES**
- (3) MTA STAFF RECEIVES APPEALS AND MAKES RECOMMENDATIONS**
- (4) MTA TECHNICAL ADVISORY COMMITTEE RECEIVES STAFF RECOMMENDATIONS AND DIRECTS A RESPONSE TO THE MTA BOARD IF NECESSARY**
- (5) MTA STAFF PRESENTS RECOMMENDATIONS TO MTA BOARD**
- (6) MTA STAFF REALLOCATES ANY LAPSED FUNDS BACK THROUGH THE STP-L ALLOCATION FORMULA**

## Attachment 5

### 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 it 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 6

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 suballocated 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. "**

**Attachment 7**

**CRITERIA FOR TRADING STP-L FUNDS BETWEEN  
LOCAL AGENCIES**

1. WRITTEN NOTIFICATION OF ALL STP-L TRADES SHALL BE SENT TO THE MTA TO UPDATE THE BALANCES OF THE TRADING AGENCIES.
2. TRADED STP-L FUNDS SHALL HAVE AT LEAST A 12-MONTH EXTENSION OF THEIR LAPSING DEADLINE, AND NO MORE THAN A 24-MONTH EXTENSION. TRADED STP-L FUNDS SHALL LAPSE ON OCTOBER 1ST OF THE FEDERAL FISCAL YEAR FOLLOWING THE NEXT FEDERAL FISCAL YEAR AFTER THE TRADE WAS MADE.