


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 26, 2026

TO: Streets and Transportation Project Oversight Committee

FROM: Keith Mozee, Executive Director and General Manager  for
 Bureau of Street Services

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SUBJECT: RESOURCES NEEDED FOR THE DELIVERY OF THREE ACTIVE TRANSPORTATION PROGRAM (ATP) CYCLE 6 PROJECTS

RECOMMENDATIONS

1. AUTHORIZE the approval of the following 25 resolution position authorities to deliver the three Active Transportation Program (ATP) projects described in this report:

<u>Position</u>	<u>Class Code</u>	<u>Agency</u>	<u>Quantity</u>
Environmental Supervisor I	7304-1	BOE	2
Civil Engineer Drafting Technician	7232-0	BSL	1
Street Lighting Engineer Associate II	7527-2	BSL	4
Street Lighting Engineer Associate III	7527-3	BSL	2
Street Lighting Engineer/Project Manager I	7527-B	BSL	1
Landscape Architectural Associate IV	7933-4	BSS	1
Civil Engineering Associate III	7246-3	BSS	2
Civil Engineer	7237	BSS	2
Senior Management Analyst I	9171-1	BSS	1
Senior Accountant	1523	BSS	1
Transportation Engineer Associate II	7280-2	DOT	2

Transportation Engineering Associate III	7280-3	DOT	3
Transportation Engineer	7278	DOT	1
Senior Transportation Engineer	9262	DOT	1
Senior Accountant	1523	DOT	1
		TOTAL	25

2. INSTRUCT the Bureau of Street Services, Bureau of Street Lighting, Bureau of Engineering, Department of Transportation, City Administrative Officer, and Personnel Department to take all necessary actions to facilitate the immediate filling of the positions described in this report;
3. AUTHORIZE a revolving front fund account in the amount of \$8.5 million from the Public Works Trust Fund or other non-Transportation Grant Fund (TGF) funding source to the Bureau of Street Services to serve as a front funding source to be paid back with grant receipts;
4. INSTRUCT the Bureau of Street Services to submit invoices to the State of California no later than 90 days after all required information has been received and to report quarterly to the Streets and Transportation Project Oversight Committee (STPOC) on the status and progress of invoicing and reimbursements for the three projects;
5. INSTRUCT the Bureau of Street Services, Bureau of Street Lighting, and Bureau of Engineering, and Department of Transportation to report back in 30 days on the City's transportation grant portfolio, including but not limited to, current grant programs, staffing and resource challenges, and recommendations on how to address structural deficiencies in the City's efficient delivery of grant projects;
6. INSTRUCT the Bureau of Street Services to submit annual Capital & Technology Improvement Expenditure Program (CTIEP) requests to fund the City's local match commitments as required by the ATP Cycle 6 projects; and
7. INSTRUCT the Bureau of Street Services to report back on the action of the California Transportation Commission (CTC) for the three ATP Cycle 6 projects.

BACKGROUND

In 2013, the State of California consolidated the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SRTS) into the Active Transportation Program (ATP) grant program which provides both state and federal money to municipalities across California to implement transportation projects that encourages increased biking and walking. ATP funds are distributed through grant cycles issued every two years.

On May 11, 2022, Council authorized the Bureau of Street Services (BSS) to apply for six projects totaling \$207 million from the State of California through the Cycle 6 Active Transportation Program (ATP) including the following three projects:

<u>Project Name</u>	<u>Total Estimated Project Cost</u>	<u>ATP Funding</u>	<u>Local Match</u>
Boyle Heights Community Connectivity Project	\$37,725,000	\$32,019,000	\$5,706,000
Skid Row Connectivity and Safety Project	\$47,566,000	\$38,599,000	\$8,967,000
Wilmington Safe Streets: A People First Approach	\$40,784,000	\$32,331,000	\$8,453,000

In December 2022, the California Transportation Commission (CTC) as a part of the statewide competition approved funding for Skid Row and Wilmington. Subsequently, the CTC approved funding for the Boyle Heights project in June 2023 with funding reserved for the large Metropolitan Planning Organizations (MPO) portion of the grant cycle.

ATP funding is programmed over four federal fiscal years by project phase: Project Approval & Environmental Documentation (PA&ED), Plans, Specifications & Estimates (PS&E), Right of Way (R/W), and Construction (CON). ATP guidelines require an agency to complete each project phase by established deadlines approved by the CTC or risk loss of awarded grant funds.

<u>Project Name</u>	<u>FY24</u>	<u>FY26</u>	<u>FY27</u>
Boyle Heights Community Connectivity Project	\$3,395,000	\$2,886,000	\$25,738,000
Skid Row Connectivity and Safety Project	\$4,260,000	\$3,246,000	\$31,093,000
Wilmington Safe Streets: A People First Approach	\$3,823,000	\$1,748,000	\$26,760,000

Based on the required project deadlines, the PA&ED phase for these projects must be completed by April 30, 2026. Due to lack of staffing in multiple departments, the project's PA&ED deadline will not be met. On February 13, 2026, a motion under CF 14-0499-S6 was introduced, instructing BSS to cancel California Active Transportation Program (ATP) projects in Skid Row, Boyle Heights, and Wilmington totalling \$102,949,000 in grant funding due to lack of staffing. After introduction of the motion, the bureaus and departments have been requested to provide information on the steps needed to not cancel the projects and deliver them as described in the grant applications.

Internal departmental discussions have resulted in identifying the following primary actions needed to insure timely delivery of the projects that comply with grant conditions:

1. Approve the resolution authority positions outlined in this report and authorize the immediate filling of all positions required; and

2. Work with CTC staff to modify the current Timely Use of Funds Policy to extend the maximum allowable one-time extension per each phase from 2 years (24 months) to 5 years (60 months) for projects that exceed a grant award of \$20 million.

Without resources and additional time to implement these projects, it is highly recommended that the City cancel the projects to prevent penalization of the City on future ATP applications.

PROJECT OVERVIEWS

Combined, the three projects will provide substantial active transportation investments in the communities of Boyle Heights, Skid Row, and Wilmington as further defined below:

<u>Improvement</u>	<u>Quantity</u>
Curb Ramps	467
Curb Extensions	152
Trees	922
Pedestrian Lights	1,338
Bike Facilities (Linear Feet)	89,578
Sidewalk (Square Footage)	218,226
Traffic Signals & New Crosswalks	26

Specific examples of improvements include street trees on streets in Skid Row that lack shade, pedestrian lighting adjacent to HACLA public housing in Boyle Heights, and traffic calming measures to prevent cut-through truck traffic in Wilmington.

STAFFING RESOURCES

The successful delivery of all capital projects involves coordination amongst multiple agencies. Staffing levels to deliver projects have not kept up with the pace of grant funding secured by the city, leading to the city receiving funding, but being unable to deliver the projects on the timelines expected by the granting agencies.

Existing Staff Limitations

The Bureaus and Departments have concluded an assessment to determine if existing staff could be used to deliver the three ATP projects. As of the approved FY25-26 budget, BSS currently has 63 filled non-construction-related positions (12 general funded and 51 special funded) for 42 grant projects totaling over \$660 million in improvements. A large subset of those projects are ATP projects with strict grant deadlines imposed by the CTC. Given the size and timelines of the existing projects, BSS does not have sufficient resources to allocate to the three projects described in this report.

The Department of Transportation (DOT) reviewed its 55 general funded engineering positions that are assigned to a myriad of department priorities, and is not able to repurpose these positions to support additional grant funded work. These positions are either already assigned to support grant funded projects similar to the three in question, or are supporting constituent services, supporting parking management related revenue generating activities, supporting liability claims, supporting safety and the 2028 Games, or are using general funds as a front funding source to deliver on its other obligations.

For the Bureau of Engineering (BOE), the Environmental Management Division (EMD), which processes environmental documents for all projects, is operating below the staffing levels needed to deliver BOE's own Capital Improvement Program (CIP) projects. EMD currently has 13 technical staff for a CIP workload requiring an estimated 17 technical staff. One vacant position is in the process of being filled. However, EMD is already strategically delaying projects with longer design phases and using consultants to supplement staff and will need that vacancy to work on the projects being postponed. In addition to CIP environmental documentation, EMD also supports private development services projects, special urgent projects, such as Housing and Shelter projects, and implements the Local Coastal Development Permit program under the purview of the City Engineer.

For the Bureau of Street Lighting (BSL), it is operating below the minimum staffing level required to fulfill its current obligations. BSL has one critical vacancy, which must be filled to prevent further delays on existing inter-agency commitments and to avert the financial risk associated with governmental funds tied to current project deliverables. As a result of this capacity shortfall, no personnel are currently available to support the three proposed ATP projects (Boyle Heights, Skid Row, and Wilmington). The requested resources are necessary to first shore up its operational stability and then place BSL on firm footing to deliver both our existing and the three new ATP projects.

After determining that existing staff cannot be reallocated to deliver these projects, the bureaus and departments have done an analysis of the three projects above and collectively have identified the following positions that are required immediately and in future years in order to deliver the projects by the state mandated deadlines.

Positions Required at Different Phases

Due to the duration needed to complete the projects outlined in this report, different staffing resources are needed at different times during the life of the projects. Staff needed for environmental review and initial engineering are needed before staffing is needed for construction. Successful delivery of the projects requires the right classifications to be filled at the right time in order to meet grant deadlines.

Positions Requiring Immediate Authorization

Bureau of Engineering

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Environmental Supervisor I	2	\$35,753	\$143,012	\$23,268	\$93,072

Bureau of Street Lighting

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Civil Engineer Drafting Technician	1	\$30,314	\$121,253	\$21,274	\$85,096
Street Lighting Engineer Associate II	4	\$162,272	\$649,084	\$113,884	\$455,528
Street Lighting Engineer Associate III	2	\$90,248	\$360,984	\$63,336	\$253,340
Street Lighting Engineer/Project Manager I	1	\$53,366	\$213,462	\$37,452	\$149,808

Bureau of Street Services

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Landscape Architect Associate IV	1	\$37,307	\$149,229	\$62,583	\$250,332
Civil Engineer Associate III	2	\$77,396	\$309,582	\$129,831	\$519,324
Civil Engineer	2	\$84,903	\$339,612	\$142,425	\$569,699
Senior Management Analyst I	1	\$37,873	\$151,493	\$63,532	\$254,130
Senior Accountant	1	\$35,152	\$140,608	\$56,783	\$227,131

Department of Transportation

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Transportation Engineering Associate II	2	\$67,517	\$270,067	\$109,063	\$436,253
Transportation Engineering Associate III	3	\$112,648	\$450,590	\$181,965	\$727,862
Transportation Engineer	1	\$40,815	\$163,259	\$65,930	\$263,721
Senior Transportation Engineer	1	\$47,991	\$191,963	\$77,522	\$310,088
Senior Accountant	1	\$35,152	\$140,608	\$56,783	\$227,131

During periods of time that these staff are not working on these three specific projects, the Department of Public Works has sufficient grant funding to support their full-time work on similar projects, advancing important safety improvements and ensuring additional projects can meet their grant deadlines.

Positions Needed in Fiscal Year 2026-2027

Bureau of Street Lighting

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Civil Engineer Drafting Technician	2	\$60,628	\$242,506	\$42,548	\$170,192

Bureau of Street Services

<u>Position</u>	<u>Quantity</u>	<u>3 months Salary</u>	<u>Annual Salary</u>	<u>3 months of Indirect Cost</u>	<u>Annual Indirect Cost</u>
Principal Civil Engineer	1	\$61,782	\$247,127	\$103,639	\$414,556
Senior Civil Engineer	1	\$49,552	\$198,209	\$83,124	\$332,496
Civil Engineer	1	\$42,452	\$169,806	\$71,212	\$284,850
Civil Engineering Associate III	3	\$116,093	\$464,373	\$194,747	\$778,986

FISCAL IMPACT

Front Funding

ATP funding is provided on a reimbursement basis and requires the City to identify front funding sources to cover all project expenses. Council File 23-1201 authorized funding from the Transportation Grant Fund (TGF) in order to provide funding for direct project costs. While the three projects have received TGF appropriations, the health and stability of TGF is based upon receiving timely reimbursement from granting agencies. Due to lack of staffing at all agencies, reimbursement requests have lagged and reduced the cash flow of TGF. The Department of Transportation is proposing one new position authority in this report in order to rectify this backlog and improve the health of TGF.

In order to provide cash flow for the ATP projects detailed in this report, the Bureau of Street Services is recommending a revolving-fund loan be established in the amount of \$8.5 million from the Public Works Trust Fund (PWTF) or other non-TGF funding source. This funding will be used to front fund both City staff costs and consultant costs.

Local Match

The grant applications approved by the CTC require the city to contribute \$23.126 million in local funding between now and FY33-34, with \$3.976 million being needed between FY25-26 and FY29-30 and \$19.15 million needed between FY30-31 and FY33-34. This funding is non-reimbursable and must be identified by the city in order to receive the funding from the CTC. As the PWTF loan must be fully reimbursed, funding outside of the PWTF loan is needed to cover local match costs. CF14-0499-S6, which authorized the submission of the grant applications, identified Prop C and Vision Zero funding as local match sources. BSS intends to request matching funding annually through the Capital Technology Improvement Expenditure Program (CTIEP) given the nature of the funding being required over multiple fiscal years.

Current Expenditures

The Bureau of Street Services has confirmed that no expenses have been charged to the three ATP projects and should the projects be cancelled, no funding will need to be returned to the state.

Future Fiscal Impacts

Should the City successfully receive extensions from the CTC and approve the positions detailed in this report, it must deliver the project scope as detailed in the grant agreements. The projects' engineer's estimates were developed in 2022 and are reflective of 2022 pricing for materials and labor. Since 2022, the Consumer Price Index (CPI) has increased 16%. It is highly likely that the costs for all three projects have increased between 16% to 50% so additional funding beyond the required local match will be required in order to award the construction contracts in 2031.

Additionally, failure to meet future CTC deadlines will require the city to pay back all costs incurred up until the point of project termination. The further along the city goes with the projects, the money that will need to be returned will increase.

Impact to Future Grant Cycles

ATP guidelines state that failure to deliver on any phase of a project will result in the entity being penalized on future applications. Given the competitive nature of ATP funding (the cut-off score for funded projects is regularly in the low 90s), failure to meet the deadlines approved by the CTC will have a significant impact on the city's future ability to secure grant funding from the program. Should the city decide to cancel the projects now, Caltrans has indicated that the city will not be penalized on future ATP grant applications.

SUMMARY

External funding for capital infrastructure improvements is critical to the City's ability to address the backlog of infrastructure needs. The three projects described in this report will provide over \$100 million of non-City funding to perform public right of way improvements. While the City is required to contribute \$23 million in local funds to cover the local match commitments, the return on investment for the city is substantial, most especially in uncertain financial times. This return on investment can only be accomplished by providing the respective agencies the staffing needed to deliver the projects on State mandated deadlines. Should staffing resources and the CTC extensions not be approved, the City will be unable to meet these deadlines and lose the opportunity to provide these critical improvements for the City.

Should you have any questions regarding this report, please contact Shirley Lau at shirley.lau@lacity.org or (213) 847-3333.

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