

## ***Local Allocation Program Policies***

*The Local Allocation Program (LAP) is funded through a 10% allocation of MSP funds available each year and allocated to each SBCCOG member agency per a formula. The remaining 90% of funding is available as part of the regular competitive program. The LAP was established to allow cities with less ability or capacity to apply for projects through the competitive process to still access MSP funds for eligible city projects. The LAP set-aside begins with FY27-28 allocations.*

### **Local Allocation Program (LAP) Formula:**

- The initial allocation formula was developed through an equally weighted formula consisting of a city's percentage of SBCCOG dues and its percentage of centerline road miles<sup>1</sup> in the South Bay. (% of dues + % of centerline road miles) divided by two.
  - SBCCOG dues are based on a combination of city population and city budget.
  - Centerline road miles in this case are defined as follows:
    - City centerline road miles include: 1) All public roadways that intersect with the municipality or are maintained by the agency; 2) State highways; and 3) Walk streets, multi-use trails, or any public pathways that are not traditional automobile rights-of-way but are eligible for Measure M funding. Private roads and alleys are excluded.
    - Roadways bordering two jurisdictions are attributed 100% to both agencies. For example, a portion of Western Ave is shared between Rancho Palos Verdes and the City of Los Angeles (and is Caltrans-owned). For the purposes of the LAP, the same segment of Western Ave is included in calculations for both Rancho Palos Verdes and City of Los Angeles.)
    - Roadways with divided medians are counted as a single centerline.

### **Eligibility and Project Review:**

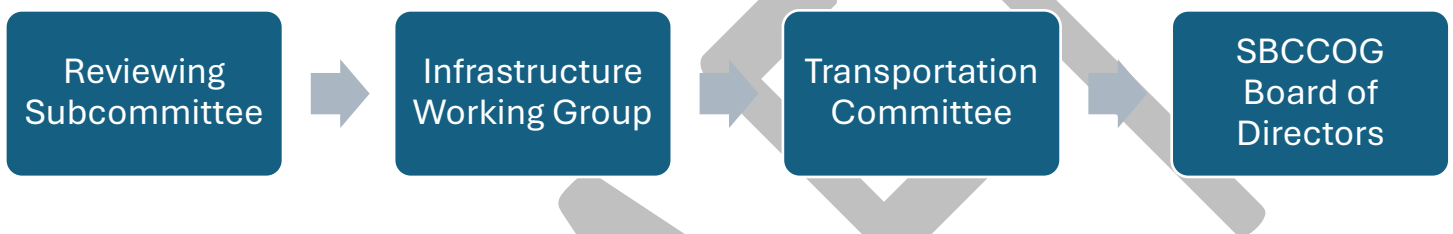
- LAP funded projects must meet Measure M MSP eligibility requirements. SBCCOG member cities may utilize LAP funds by submitting a Measure M MSP application for review and approval by both the SBCCOG and Metro Board of Directors as part of the annual program update process.

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<sup>1</sup> Centerline road mile data was determined through a comparison exercise between city self-reported data and a GIS analysis generated by SBCCOG. SBCCOG staff used existing GIS layers and publicly available pavement management data to produce a uniform analysis. The agency self-reported centerline miles were used if they were within 5% of SBCCOG-generated calculations. If there was a greater than 5% discrepancy between the number generated by the SBCCOG and self-reported by an agency, agencies were asked to provide additional information to reconcile the anomalies and reach a consensus.

### Reviewing Subcommittee Formation and Role:

- A Reviewing Subcommittee shall be formed annually to be composed of three to five IWG members, one of whom is the IWG chair, with representation from South Bay cities of various sizes and no more than two SBCCOG staff representatives who is responsible for:
  - Evaluating projects under both the LAP and competitive programs.
  - Monitoring the timely use of allocated funds.
  - Making funding and process recommendations to the IWG, which then advises the Transportation Committee. *(See flow chart below)*



### Five-Year Funding Retention Limit:

- Cities may retain annual LAP allocations for a maximum of five years. At the end of the five-year period, if funds have not been committed to an eligible project, the earliest (oldest) year's allocation reverts to the competitive program. Funds are considered committed when a city has submitted a Measure M MSP application and received approval by the SBCCOG Board through the annual Measure M annual cycle. A city in jeopardy of losing unused funds will be notified as part of the annual Fall one-on-one meetings with the SBCCOG.

### Transfer of Funds Between Jurisdictions:

- Cities are allowed to transfer LAP funds to another member agency either as a gift or loan, subject to the Reviewing Subcommittee's approval. Such transfers must be accompanied by documentation (facilitated by the SBCCOG) detailing the purpose and terms of the transfer to maintain accountability and eligibility. Transferred funds are subject to their original five-year retention limits.

### Acceleration of Future Allocations:

- Cities may request to accelerate their future LAP allocations up to three years in advance if additional funds are available. SBCCOG staff would be required to review the request and determine funding availability. This would be a no interest loan against their future allocations.

#### **Regular Program Reviews:**

- A review of the LAP will be conducted along with the adopted policies to assess the effectiveness of the allocation mechanism, including its impact on more equitable access to Measure M MSP dollars for jurisdictions of all sizes. The first review should be made after three years and should be conducted every two years following the first review. SBCCOG staff will make the assessment in consultation with the Reviewing Subcommittee and present it to the IWG, Transportation Committee, and Board of Directors. If any changes are suggested, they will be made to the IWG, who will then make a formal recommendation to the Transportation Committee.

#### **Matching Funds to MSP Competitive Applications:**

- LAP allocations can be used as a local match to Measure M MSP or Measure R competitive program project applications.
- MSP competitive funds shall not be used for cost overruns/unanticipated expenses of LAP projects. The lead agency must either use additional LAP or other outside funding.

#### **Pooling of LAP Funds:**

- Cities may pool LAP funds to obtain maximum return on investments. Documentation should be submitted to the SBCCOG by each participating city agreeing to pool their funds. One lead agency should be identified on the application.