




**October 2, 2017**

**To:** Regional Planning and Highways Committee  
**From:** Darrell Johnson, Chief Executive Officer   
**Subject:** SB 1 (Chapter 5, Statutes of 2017) Competitive Programs

### **Overview**

SB 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, will provide an estimated \$52.5 billion for transportation purposes over the next ten years, with investments targeted towards fix-it-first purposes on local streets and roads, highways, transit operations and maintenance, capital investments, and active transportation. An update on the status and general requirements of key competitive programs are presented for review.

### **Recommendation**

Receive and file as an information item.

### **Background**

SB 1 provides significant supplemental funding to many existing programs and creates several new funding programs. At its core, SB 1 is about maintaining existing state and local transportation infrastructure. In addition, SB 1 provides significant supplemental public transit funding to stem the declining trend in traditional transit funding. SB 1 will nearly double local street and roads funding for each city and county, with an emphasis on projects that improve pavement condition, enhance safety, implement complete street elements, and upgrade traffic control devices.

With respect to transit, SB 1 provides an additional \$18 million in new transit funding per year for Orange County (County). This doubles the amount of transit funding provided to the County when compared to existing State Transit Assistance funding. Lastly, SB 1 stabilized the State Transportation Improvement Program, which the Orange County Transportation Authority (OCTA) typically uses for a mix of highway and commuter rail projects. In addition, SB 1 provides competitive funding opportunities for a wide range of transportation projects.

The California Transportation Commission (CTC), the California State Transportation Agency (CalSTA) and the California Department of Transportation (Caltrans) are working on guideline development for many of the SB 1 competitive programs. Both competitive and non-competitive programs are summarized in the table below (also referenced in Attachment A):

<b>Program</b>	<b>Guideline Development/Lead</b>	<b>Distribution Method</b>
2017 Active Transportation Program	CTC	Competitive
2019 Active Transportation Program	CTC	Competitive
Advance Mitigation (Environmental)	Caltrans	To Be Determined
Caltrans Planning Grants	Caltrans	Competitive
Freeway Service Patrol	Various	Non-Competitive
Local Partnership Program	CTC	Competitive/ Non-Competitive
Local Streets and Roads	CTC	Non-Competitive
Solutions for Congested Corridors	CTC	Competitive
State Highway Operation and Protection Program	CTC	Non-Competitive
State Transit Assistance Capital	CalSTA/Caltrans	Non-Competitive
State Transit Assistance Flexible	State Controllers	Non-Competitive
State Transportation Improvement Program	CTC	Non-Competitive
Trade Corridor Enhancement Program	CTC	Competitive
Transit and Intercity Rail Capital Program	CalSTA	Competitive

### ***Discussion***

There are six competitive SB 1 programs which are the focus of this report and further described below.

- Active Transportation Program (ATP) SB 1 Augmentation (2017),
- Caltrans Planning Grants,
- Local Partnership Program (LPP) - 50 percent competitive,
- Solutions for Congested Corridors (SCC),
- Trade Corridor Enhancement Program (TCEP),
- Transit and Intercity Rail Capital Program (TIRCP).

#### **Active Transportation Program (ATP)**

The CTC developed guidelines and issued the call for projects (call) to provide \$200 million for ATP Cycle 3 SB 1 Augmentation. Applications were due August 1. Only projects which were previously submitted for consideration through ATP Cycle 3 could apply. There were 11 projects submitted from Orange County for consideration of funding (Attachment B).

CTC staff is recommending two projects for statewide ATP Cycle 3 SB 1 Augmentation funds.

The First Street pedestrian improvements in the City of Santa Ana is recommended to receive \$4.572 million in SB 1 ATP funds, and the Buena Park School District Safe Routes to School improvements in the City of Buena Park is recommended to receive \$1.644 million in SB 1 ATP funds. The CTC will act on the staff's recommendation at the October 18, 2017, CTC meeting.

The regional component in the ATP SB 1 Cycle 3 Augmentation call will provide the County projects with approximately \$6.5 million in additional funding. The Southern California Association of Governments region will select projects to prioritize for funding from the ATP Cycle 3 standby list based on existing scores. CTC approval of projects is anticipated to occur at the December 6, 2017, CTC meeting. The next ATP Cycle 4 is expected to be released in spring 2018.

#### Caltrans Planning Grants

Caltrans has held four workshops on the development of two funding programs, the Sustainable Communities grants, which will provide \$25 million annually, and Adaptation Planning grants, which will provide \$20 million over three years. The Sustainable Communities grants are being distributed 50 percent, or \$12.5 million, to Metropolitan Planning Organizations (MPO) based on population, and 50 percent through a competitive process to local agencies to directly benefit multi-modal transportation systems in ways that also improve public health, social equity, environmental justice, and provide other important community benefits. The Adaptation Planning grants are awarded competitively and are expected to fund plans that address adapting the transportation system to climate change impacts and also to benefit multi-modal transportation systems. Guidelines were issued in September, and applications are due to Caltrans October 20, 2017. Staff is considering submitting an intersection study, and also climate adaptation studies, for commuter rail and bus facilities.

#### Local Partnership Program (LPP) Competitive

The CTC has held five workshops on the LPP which will provide \$300 million for projects (\$100 million annually for fiscal year {FY} 2017-18 through FY 2019-20). The CTC intends to hold a call every three years. Only agencies with voter-approved transportation sales tax, tolls, and parcel taxes are eligible for both formula and competitive funds. Fifty percent of the funds will be distributed via formula, and 50 percent of the funds will be distributed through a competitive process. Entities with other transportation fees can participate in the competitive

program. A dollar for dollar match from the fund source that makes the agency eligible to apply is required.

The CTC issued draft guidelines for consideration at the August 16, 2017, CTC meeting. The primary criteria for project selection is cost-effectiveness, project delivery, leveraging of other funds, quantifiable air quality improvements, community project support, and projects that further the implementation of the sustainable communities strategies. The draft guidelines are based on the original Proposition 1B State Local Partnership Program, but have incorporated more recent state goals into the criteria and required submittals.

The guidelines for this program will be approved at the October 18, 2017, CTC meeting. Applications for formula funds are due December 11, 2017, and applications for competitive funds are due January 31, 2018.

#### Solutions for Congested Corridors (SCC)

The CTC has held four workshops on the SCC, which will provide \$1 billion in this call (\$250 million annually for FY 2017-18 through FY 2020-21). The CTC intends to hold a call every other year. This funding program requires projects to be nominated from a corridor plan that includes multi-modal options for congested corridors.

The SCC funds will support the following types of projects.

- State highways (limited to managed {high-occupancy toll or high-occupancy vehicle} auxiliary and truck climbing lanes),
- Local Streets and Roads,
- Public transit facilities, including rail,
- Bicycle and pedestrian facilities,
- Restoration and preservation work that protects critical habitat or open space.

Priority will be given to projects that are jointly nominated by Caltrans and a local agency. The projects will be ranked based on factors that include congestion, safety, accessibility, efficient land use, economic development/job retention or growth, emissions, matching funds, project delivery, and collaboration. The CTC is proposing to limit competition so that agencies from large MPOs compete with other agencies from large MPOs and small MPO agencies compete against small MPO agencies. A match will be required for this program, but it has not yet been determined.

Draft guidelines will be released on September 20, 2017 with approval of final guidelines expected at the December 6, 2017 CTC meeting. Applications will be due February 23, 2018, and program adoption is planned for the CTC meeting on May 16, 2018.

#### Trade Corridor Enhancement Program (TCEP)

The CTC has held four workshops on the TCEP, which will provide up to \$1.75 billion in this call (\$300 million annually for FY 2017-18 through FY 2020-21 and \$550 million in Federal Freight Program funds). The guidelines for this program will be based on the guidelines that were previously developed for the Trade Corridors Improvement Fund and the California Freight Investment programs. The emphasis for the funding is to improve the freight network and may be spent on:

- State highway and local road capital and operations improvements;
- Freight rail systems;
- Enhancements to the ports (with limitations);
- Truck corridor improvements including dedicated truck facilities, zero emission trucks, truck information technology systems elements;
- Border access improvements;
- Surface transportation to and from land ports, sea ports, and airports to facilitate goods movement;
- Pilot projects in the sustainable freight plan.

Priority will be given to projects that are jointly nominated by Caltrans and a local agency. The projects will be ranked based on factors that include throughput, velocity, reliability, safety, bottleneck relief, multi-modal strategy, interregional benefits, air quality impacts, community impact mitigation, economic development/job growth, overall need, cost/benefit, project readiness, match, commitment of multiple partnerships and innovative technology. A match is expected to be required, and CTC staff have indicated that they may consider recommending funding project phases, which include final design through construction, but would not recommend funding environmental phase work.

Draft guidelines are expected to be released in late November/early December 2017, with approval of final guidelines scheduled for the January 31, 2018 CTC meeting. Applications will be due March 2, 2018, and program adoption is planned for the CTC meeting on May 16, 2018.

---

**Transit and Intercity Rail Capital Program (TIRCP)**

CalSTA has held six workshops divided evenly between Northern California and Southern California. The TIRCP under SB 1 provides an additional \$245 million annually to the TIRCP call which will augment the existing greenhouse gas (GHG) reduction funds awarded through the program.

The estimate of funding will be made available with the release of the call which is expected October 13, 2017. Funding will be awarded to projects through FY 2022-23, and CalSTA will issue a new call covering the next five-year span every two years. Eligible projects include.

- Rail capital projects that expand or improve existing rail systems and connectivity to existing and future transit systems,
- Intercity, commuter and urban rail projects that increase service levels, improve reliability, or decrease travel times,
- Rail, bus, and ferry integration implementation,
- Bus rapid transit and other bus and ferry transit investments.

The TIRCP provides funding for transformative capital improvements that modernize intercity, commuter and urban rail systems, bus transit systems that reduce GHG emissions, increase transit ridership, integrate transit services, and improve safety. Secondary evaluation criteria include reducing vehicle miles of travel, promoting housing development near transit, increasing attractiveness of transit, expanding transit systems, project delivery or acceleration, connectivity and coordination of transit systems, and clean vehicle technology implementation.

Applications will be due January 12, 2018. CalSTA will publish the list of approved projects on April 30, 2018, and program adoption is planned for the CTC meeting on May 16, 2018.

A list of projects being considered for funding under the SB 1 competitive programs is provided in Attachment C. For competitive programs, staff will submit projects based on the program criteria, project readiness and the Capital Programming Policies (CPP), and will return to the Board of Directors (Board) for grant acceptance following grant award.

The Measure M2 (M2) Ordinance requires that every effort be made to maximize matching state and federal transportation dollars. Also, the CPP last adopted by the Board in May 2017, enforces the M2 Ordinance directive that the first priority of all funding sources is to fulfill commitments to M2020 and/or Next 10 projects, specifically M2 projects, and to maintain existing OCTA assets in a state of good repair.

**Next Steps**

OCTA will continue to participate in SB 1 workshops and work with CTC, Caltrans, and CalSTA on the draft and final guidelines. After guidelines are adopted, OCTA will incorporate projects into specific plans as required and work with the various local agencies to submit projects for applicable programs.

**Summary**

Information regarding the CTC Implementation Plan for SB 1 competitive funding programs is provided for Board review and consideration.

**Attachments**

- A. SB 1 (Chapter 5, Statutes of 2017) Application Development and Guidelines Schedule ( Preliminary)
- B. ATP Cycle 3 SB 1 (Chapter 5, Statutes of 2017) Augmentation List of Submitted Projects from Orange County
- C. 2017 Funding Needs Assessment – Orange County Transportation Authority Near Term Projects

**Prepared by:**

Adriann Cardoso  
Capital Programming Manager  
(714) 560-5915

**Approved by:**

Kia Mortazavi  
Executive Director, Planning  
(714) 560-5741