

**SB 1 (Chapter 5, Statutes of 2017) – Non-Competitive Programs**

**Formula Programs**

The Orange County Transportation Authority (OCTA) will monitor formula programs to ensure that the Orange County's funding needs and potential uses are not precluded. The formula funding programs are:

- Local Partnership Program (LPP) (50 percent formula)
- Local Streets and Roads Program
- State Transportation Improvement Program (STIP)
- State Transit Assistance (STA)

**LPP**

It is anticipated that the LPP will be relatively flexible and the formula may be based on the formula used to distribute funds under the Proposition 1B State-Local Partnership Program. The LPP program is expected to provide \$200 million per year statewide.

This program was included in SB 1 (Chapter 5, Statutes of 2017) to reward existing self-help counties and agencies that have passed developer fee programs on their own, and encourage aspiring agencies to achieve the voter thresholds required to impose local sales tax and developer fees for transportation. OCTA staff is monitoring this program and actively involved in the development of guidelines for both the formula and competitive programs.

**Local Streets and Roads Program**

The SB 1 Local Streets and Roads Program is expected to provide \$1.5 billion annually. OCTA is working directly with the local agencies through the Technical Advisory Committee to ensure that they are aware of the requirements for the Local Streets and Roads Program. This will be the first time that the cities and the County are required to submit a project list, Pavement Condition Index (PCI), maintenance of effort, and project reports for state funds through the California Transportation Commission (CTC). Funding may be limited to supporting only road maintenance/rehabilitation, safety, railroad grade separation, complete street and traffic control device projects, if the local agency's average PCI is below 80, based on what was reported in the 2016 Statewide Local Streets and Roads Needs Assessment.

**STIP**

Funding provided through SB 1 is expected to stabilize the STIP. A STIP overview will be presented to the Board of Directors in August to kick off the 2018 STIP cycle. No new requirements were added to the STIP based on SB 1.

## State Highway Operation and Protection Program (SHOPP)

SB 1 is expected to provide \$1.9 billion annually for the SHOPP. OCTA will monitor guideline development and submittals for the SHOPP to ensure that the California Department of Transportation (Caltrans) is considering Measure M2 projects in the development of potential projects for funding.

Projects included in the SB 1 SHOPP shall be limited to improvements relative to the maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system. SHOPP funds are usually disbursed around the state based on statewide needs. Caltrans will be required to submit a list of projects to the CTC for programming by January 31 of each year. Prior to submitting its proposed program, according to SB 1, Caltrans is required to make a draft of its proposed program available to transportation planning agencies for review and comment, and to include the comments from the regional agency in its submittal to the commission. Caltrans will also be required to develop and report on project specific performance metrics in order to improve accountability for funds spent.

## State Transit Assistance

SB1 is expected to provide \$355 million annually for State Transit Assistance (STA). STA shall be used towards capital projects, operations, and maintenance and rehabilitation of existing assets. The funding will be distributed through the existing STA formula to transit operators. The OCTA and the City of Laguna Beach are eligible recipients of STA funds. OCTA currently has an existing cooperative agreement with the City to accept STA funds on behalf of the City in exchange for local funds. OCTA and the City of Laguna Beach will review the existing cooperative agreement and determine if changes need to be made.

CalSTA is in the process of developing guidelines. Staff will return to the Board as information becomes available.