

**Metropolitan Transportation Commission
Programming and Allocations Committee**

April 13, 2022

Agenda Item 3a - 22-0344

**Regional Approach and Prioritization Principles for Bay Area Senate Bill 1 (SB1)
Competitive Program Nominations**

Subject:

Proposed Regional Approach and Prioritization Principles for Bay Area SB1 competitive program nominations, including Solutions for Congested Corridors, Trade Corridor Enhancement, and Local Partnership Programs.

Background:

The Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1, Beall), provides over \$5 billion in new transportation revenues annually to both new and existing funding programs. Since then, the State has programmed two rounds of SB1 competitive funding; the selected Bay Area projects are shown in Attachment A. In general, the Bay Area was quite successful in earlier rounds.

The California Transportation Commission (CTC) is now preparing for the next round of grants covering Fiscal Years (FYs) 23-24 and 24-25, with applications due in late 2022.

Below is a summary of upcoming programs and their expected application due dates.

| Program | MTC Role* | Funding Amount (Years: FY 23-24 and FY 24-25) | Application Due Date |
|---|------------------------|---|---------------------------------|
| Solutions for Congested Corridors (SCCP) | Nominate | \$500 M Statewide Over Two Years | ~12/2022 (to CTC) |
| Trade Corridor Enhancement Program (TCEP) | Compile Nominations | ~\$1.0 B Statewide Over Two Years (Assumes federal funds) | ~12/2022 (to CTC) |

| Program | MTC Role* | Funding Amount (Years: FY 23-24 and FY 24-25) | Application Due Date |
|---|---------------------|---|--------------------------|
| Local Partnership Competitive Program (LPP-C) | Regional Support | \$144 M Statewide Over Two Years | ~12/2022 (to CTC) |

** For all programs, MTC also confirms that nominated projects are consistent with the region's RTP/SCS.*

To maximize the region's grant performance and competitiveness, MTC staff proposes continuing a regional approach to prioritize grant applications based on principles that closely align with the state's project selection criteria and program goals, and with regional plans, policies, and priorities. Common prioritization principles include deliverability, full funding plans, improving mobility, demonstrated partnership, and alignment with the state's Climate Action Plan for Transportation Infrastructure (CAPTI). The proposed prioritization principles (Attachment B) would inform the region's competitive program nominations and endorsements in July 2022.

MTC staff envisions a comprehensive look at the programs over the next few months to ensure better coordination and consistency, including alignment with discretionary funding opportunities from the Bipartisan Infrastructure Law (BIL), integration with the Bay Area's transportation Major Project Advancement Policy (which is the topic of the next agenda item), and working with Caltrans to understand and coordinate priorities. MTC staff previewed the proposed principles with the Bay Area County Transportation Agency Directors and Bay Area Partnership Board in March. Based on the expected due dates for applications, MTC programming or endorsement actions would be planned in July 2022. An anticipated timeline of actions is included on the last slide of Attachment C.

MTC adopted the 2022 Regional Transportation Improvement Program (RTIP) policies and procedures in September 2021. In it, MTC requires sponsors to use RTIP (or other local) funds

as match to SB1 competitive program applications before MTC will commit other regional discretionary funding.

Issues:

1. Regional Measure 3. RM3 is currently under litigation, with toll revenue being held in escrow and unavailable for use until litigation is resolved. While some SB1 competitive program project candidates may include RM3 in their funding plans, MTC cannot guarantee a backup funding source if RM3 is not available. Therefore, MTC will not nominate projects that require RM3 funds to fully fund the project unless the sponsor can identify a backup funding source and request a RM3 Letter of No Prejudice if successful in securing SB1 funds.

2. State Guidelines. The State has not yet finalized guidelines for any of the programs discussed in this memo. If the final guidelines affect the proposed prioritization principles, staff will return to this committee to propose revising the principles.

Recommendations:

Staff recommends the Committee:

- Provide feedback to staff on prioritization principles; and
- Refer the Proposed Prioritization Principles (Attachment B) to the Commission for approval in preparing staff's recommended Bay Area SB1 Competitive Program Project Nominations for MTC Commission consideration in July 2022.

Attachments:

- Attachment A: List of Previous Bay Area SB1 Awards
- Attachment B: Proposed Prioritization Principles
- Attachment C: Principle Discussion Slide Presentation



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SB 1 Competitive Programs - Bay Area Projects (Cycles 1 and 2)

Attachment A

Bay Area Awards - All figures in \$millions

\$1,500 available

Solutions for Congested Corridors Program (SCCP)

Bay Area Share of State: 29.5%

| Project Titles | County | Sponsor | Cycle | SCC Award |
|--|-----------------------|-----------------|-------|-----------|
| San Mateo US-101 Exp Lns / Santa Clara US-101 Exp Lns Ph 3 | San Mateo/Santa Clara | Caltrans / VTA | 1 | \$233 |
| Sonoma US-101 Marin-Sonoma Narrows, Segment C2 | Sonoma | Caltrans / SCTA | 1 | \$85 |
| BART Train Control Modernization Program | MTC Region | BART | 2 | \$60 |
| Marin US-101 Marin-Sonoma Narrows, Contract B7 | Marin | Caltrans / TAM | 2 | \$40 |
| SR-29/SR-221 Soscot Junction Interchange Project | Napa | NVTA | 2 | \$25 |
| Total | | | | \$443 |

\$2,745 available

Trade Corridor Enhancement Program (TCEP)

Bay Area Share of State: 17.1%

| Project Titles | County | Sponsor | Cycle | TCEP Award |
|--|--------------|-----------------|-------|------------|
| Port of Oakland 7th Street Grade Separation (East) | Alameda | Port of Oakland | 1 | \$175 |
| Port of Oakland ITS Elements (Go Port) | Alameda | Port of Oakland | 1 | \$12 |
| At-Grade Rail Crossing Improvements (Emeryville) | Alameda | Emeryville | 1 | \$4 |
| Solano I-80/I-680/SR-12 Interchange (Ph 2a) | Solano | Caltrans / STA | 1 | \$53 |
| US-101/SR-25 Interchange Improvements (design) | Santa Clara | VTA | 1 | \$4 |
| I-680/SR-4 Interchange Improvements (design) | Contra Costa | CCTA | 2 | \$18 |
| US-101/SR-25 Interchange Improvements (construction) | Santa Clara | VTA | 2 | \$55 |
| I-80 Westbound Cordelia Truck Scales (design) | Solano | Caltrans / STA | 2 | \$24 |
| Solano I-80 Managed Lanes | Solano | Caltrans / STA | 2 | \$123 |
| Total | | | | \$469 |

\$496 available

Local Partnership Program (LPP) Competitive Program

Bay Area Share of State: 31.7%

| Project Titles | Applicant | Implementor | Cycle | LPP Award |
|---|---------------|-----------------|-------|-----------|
| Purchase Hybrid Buses | AC Transit | AC Transit | 1 | \$15 |
| I-680/SR4 Interchange Improvements – Phase 3 | CCTA | CCTA | 1 | \$34 |
| Rumrill Blvd. Complete Streets | San Pablo | San Pablo | 1 | \$3 |
| Jefferson Street Improvements Phase II | SFCTA | SF DPW | 1 | \$7 |
| San Mateo US-101 Express Lanes | C/CAG, SMCTA | C/CAG, SMCTA | 1 | \$20 |
| Mathilda Avenue Improvements at SR-237 and US-101 | VTA | VTA | 1 | \$17 |
| I-680 Southbound Express Lane from SR-84 to Alcosta Blvd. | ACTC | Caltrans | 2 | \$25 |
| Mission/Geneva Safety Improvements | San Francisco | SF Public Works | 2 | \$9 |
| US-101/De La Cruz Boulevard/Trimble Road Interchange Improvements | VTA | VTA | 2 | \$25 |
| Windsor River Road/Windsor Road Intersection Improvement | Windsor | City of Windsor | 2 | \$3 |
| Total | | | | \$157 |

| | Statewide Avail. | SB 1 Award |
|------------------|------------------|------------|
| Bay Area Totals: | \$4,741 | \$1,070 |

Note: MTC took action on SCCP and TCEP programs. MTC took no action for LPP Competitive program.

Overall: 22.6%

Attachment B: Prioritization Principles for Bay Area 2022 SB1 Competitive Program Nominations

Subject:

This document includes the proposed prioritization principles for each Senate Bill 1 competitive program for which MTC has a role. The prioritization principles will be used to select and rank projects for MTC's nomination in the Solutions for Congested Corridors Program, and to refine projects for MTC's compilation of projects for the Trade Corridor Enhancement Program.

Solutions for Congested Corridors Program (SCCP):

Senate Bill 1 identifies \$250 million per year for the Solutions for Congested Corridors Program (SCCP). The SCCP funds projects that make specific performance improvements designed to reduce congestion in highly traveled corridors. MTC and Caltrans are the only eligible nominating agencies in the Bay Area.

| Prioritization Principle | Discussion |
|---|---|
| Projects listed in SB1 legislation | Example projects/corridors in SB1 legislation strongly meet SB1's legislative intent |
| Addresses mobility in key congested corridors | Supports overall program intent; potential to use Vital Signs Top Congested Corridors data, Caltrans data, and other regional planning documents |
| Demonstrates Benefits to EPCs | Emphasizes projects that provide meaningful benefits to residents of Equity Priority Communities (EPCs) |
| Reduces Greenhouse Gas Emissions/ Advances Governor's Executive Order and CAPTI | The Governor's Executive Order N-19-19 directs the California State Transportation Agency (CalSTA) to prioritize projects that lower fuel consumption and greenhouse gas emissions from transportation. Climate Action Plan for Transportation Investments (CAPTI) similarly outlines priorities for state investments, including VMT reduction, inclusion in a multimodal corridor plan, climate adaptation, and advancing equity goals. |

| Prioritization Principle | Discussion |
|---|--|
| Deliverability by FY 24-25 and Leveraging/Full Funding | Emphasize ready-to-go projects that have at least 35% design, and leverages other funds to complete funding plan |
| Partnership | Demonstrate Caltrans and other partner support; Caltrans joint-nomination is preferred (announcement expected mid-2022) |
| Small/Rural Project (Optional) | If final program guidelines continue to include a set-aside for small/rural projects, MTC may include this as a principle |

Trade Corridor Enhancement Program (TCEP):

Senate Bill 1 identifies \$300 million per year to be deposited into the Trade Corridor Enhancement Account (TCEA). The TCEA, along with any federal freight formula funds for California, form the basis for the Trade Corridor Enhancement Program. The TCEP funds infrastructure improvements on corridors that have a high volume of freight movement. MTC compiles project nominations from the region.

| Prioritization Principle | Discussion |
|---|---|
| Address mobility in key freight corridors | Emphasize projects on Primary Highway Freight Network, multi-modal/ rail/ port projects, and projects in MTC's Goods Movement Investment Strategy |
| Demonstrates Benefits to EPCs | Emphasizes projects that provide meaningful benefits to residents of Equity Priority Communities (EPCs) |

| Prioritization Principle | Discussion |
|---|---|
| Address community impacts from freight corridors / Advances CAPTI | Encourage mode shift from highway to rail, emission reduction projects. Climate Action Plan for Transportation Investments (CAPTI) outlines priorities for state investments, including toward climate adaptation, advancing equity goals, and technologies that reduce emissions at or near Port facilities (such as zero-emissions infrastructure, technologies, and vehicles). |
| Deliverability by FY 24-25 and Leveraging/ Full Funding | Emphasize ready-to-go projects that have at least 35% design; Support projects that previously received TCEP funds and leverages other funds to complete funding plan |
| Partnership | Demonstrate Caltrans and other partner support; Caltrans joint-nomination is preferred (announcement expected mid-2022) |

Local Partnership Program (LPP):

Senate Bill 1 identifies \$200 million per year for the Local Partnership Program. The California Transportation Commission first takes \$20 million off the top each year for an incentive program (awarding immediate funds for a new or renewed tax, toll, or fee dedicated solely to transportation), and splits the remaining money 60% to a formulaic share based on population and revenue generated, and 40% to a competitive program. LPP allows local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects. MTC has no formal role in nominating projects, aside from projects using regional bridge tolls to qualify for LPP funds.

Proposal:

Provide MTC letters of support for projects that further the goals and priorities of MTC's Regional Transportation Plan / Sustainable Communities Strategy, *Plan Bay Area 2050*, and that address funding gaps.