

Meeting Agenda

Bay Area Partnership Board

Friday, October 20, 2017

9:00 AM

Yerba Buena – 1st Floor

1 Call to Order / Introductions (Chair Rick Ramacier)

2 Consent Agenda – Approval

[17-2980](#) Minutes - October 18, 2016 Meeting.

Action: Board Approval

Attachments: [2_MeetingMinutes12-Oct-2017.pdf](#)

3 Partnership Technical Advisory Committee Update (Diane Feinstein)

DISCUSSION / ACTION ITEMS

4 [17-2981](#) SB1 Implementation

Update of Senate Bill 1 funding programs - formula and competitive - and discuss regional policy proposals and upcoming actions.

Action: Information

Presenter: Anne Richman

Attachments: [4a SB1 Implementation State Transit Asst Pop Based Program.pdf](#)
[4a_STA_Pop-Based-HANDOUT.pdf](#)
[4b SB1 Implementation STIP x1.pdf](#)
[4c_SB1 Implementation Statewide Comp Programs and Reg Approach.pdf](#)

INFORMATION ITEMS

5 [17-2984](#) Legislative Session Update and Next Steps

Update of key legislative actions and next steps for regional implementation.

Action: Information

Presenter: Rebecca Long

Attachments: [5_Legislative Session Update and Next Steps.pdf](#)

6 [17-2987](#) 2018 Safety Performance Targets - Options

Overview of new federal safety target-setting requirements as well as a recommended approach that the region could pursue to comply with new regulations.

Action: Information

Presenter: Dave Vautin

Attachments: [6_2018 Safety Performance Targets_Options.pdf](#)

7 Public Comments / Other Business**8 Adjournment / Next Meeting**

The next meeting of the Bay Area Partnership Board will be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

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可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者, 請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知, 以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2980 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 10/16/2017 **In control:** Bay Area Partnership Board
On agenda: 10/20/2017 **Final action:**
Title: Minutes - October 18, 2016 Meeting.
Sponsors:
Indexes:
Code sections:
Attachments: [2_MeetingMinutes12-Oct-2017.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes - October 18, 2016 Meeting.

Recommended Action:
Board Approval

Attachments:

Meeting Minutes

Bay Area Partnership Board

Tuesday, October 18, 2016

1:00 PM

Yerba Buena Confere Room

1. Call Meeting to Order

Consent Calendar

Upon the motion by Board Member Zabaneh and second by Board Member Tree, the Consent Calendar was unanimously approved.

2. [15-2035](#) Minutes of the July 21, 2016 meeting*

Action: Board Approval

3. Partnership Technical Advisory Committee Update (Anthony Adams)

DISCUSSION / ACTION ITEMS

4. [15-2036](#) Plan Bay Area 2040: Investment Strategy Discussion*

Presentation on the Draft Preferred Scenario and Investment Strategy for Plan Bay Area 2040, including detailed funding assumptions on transit operations, transit capital maintenance, and local streets and roads maintenance.

Presenter: Ken Kirkey and Matt Maloney

5. [15-2037](#) Cap & Trade Update*

Overview of legislative activity, funding allocations and proposed changes to CalEnviroScreen.

Presenter: Rebecca Long

6. Public Comments / Other Business

7. Adjourn / Next Meeting

The next meeting of the Bay Area Partnership Board will on a date and time to be duly noticed.

*** Item is available to view on the MTC website.**

**** To be provided as a handout at the meeting.**

John Ristow, (408) 321-5713, email: john.ristow@vta.org – Chair

Rick Ramacier, (925) 680-2050, email: ramacier@ccta.net – Vice Chair

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2981 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 10/16/2017 **In control:** Bay Area Partnership Board
On agenda: 10/20/2017 **Final action:**
Title: SB1 Implementation

Update of Senate Bill 1 funding programs - formula and competitive - and discuss regional policy proposals and upcoming actions.

Sponsors:

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Attachments: [4a SB1 Implementation State Transit Asst Pop Based Program.pdf](#)
[4a STA Pop-Based-HANDOUT.pdf](#)
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[4c SB1 Implementation Statewide Comp Programs and Reg Approach.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

SB1 Implementation

Update of Senate Bill 1 funding programs - formula and competitive - and discuss regional policy proposals and upcoming actions.

Presenter:

Anne Richman

Recommended Action:

Information

Attachments:



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Bay Area Partnership

DATE: October 16, 2017

FR: Anne Richman, Director, Programming and Allocations

RE: SB 1 and State Transit Assistance (STA) Population-Based Funds

SB 1 and State Transit Assistance

Senate Bill (SB) 1 provides a significant infusion of funding for public transit, including formula-based and competitive funding. The State Transit Assistance (STA) program will be boosted by approximately \$250 million per year from an increase in the diesel sales tax rate of 3.5 percent. These funds would augment the existing STA program (around \$294 million statewide). It is not presently known whether the state will impose additional requirements or conditions; state guidelines are expected to be developed this fall. MTC estimates the Bay Area would receive approximately \$94 million per year from this augmentation of the STA program.

Another \$105 million per year derived from a new Transportation Improvement Fee (TIF) would also be distributed using the STA Revenue-Based and Population-Based formula but would be targeted at capital improvements focused on modernizing transit vehicles and facilities, although operational costs are also eligible under this STA Capital program. The Bay Area would receive approximately \$39 million per year total from the STA Capital program.

Background

A. The STA Program

STA is the state's flexible transit funding program which may be used for capital or operating purposes. STA provides an important source of operations funding for the Bay Area's transit operators and is a key funding source for regional priorities such as Clipper® and the Lifeline Transportation Program.

The statewide STA program is split equally between a Revenue-Based program (Public Utilities Code 99314) and a Population-Based program (Public Utilities Code 99313). The Revenue-Based program distributes funds directly to transit operators based on each transit operator's share of statewide qualifying revenues used for transit operations, while the Population-Based program distributes funds to regional transportation planning agencies (such as MTC) based on their share of California's population. The Bay Area currently receives 56% of Revenue-Based funds and 19% of Population-Based funds.

B. STA Population-Based Funds in the Bay Area

Of the new STA funding expected to flow to the Bay Area as a result of SB 1, approximately \$34 million per year (\$24 million through existing STA program and \$10 million through the new STA Capital program) will flow through the Population-Based program which is subject to MTC's discretion.

MTC Resolution No. 3837, Revised established MTC's policy for allocating funds from the Population-Based program. Resolution 3837 was originally adopted in January 2008 and designated four major programs as recipients of the Population-Based funding: a Northern Counties/Small Operators Program (28.3% of funds), a Regional Paratransit Program (15.6% of funds), the Lifeline Transportation Program (29.2% of funds), and the MTC Regional Coordination Program (26.9% of funds). Coincidentally, Resolution 3837 called for reevaluating the STA Population-Based distribution in 2017.

This memo presents possible options for the distribution of STA Population-Based funds and STA Capital Population-Based funds.

C. Funding Needs for Multi-Operator Transit Programs

In 2015, MTC launched a study of potential options for a regional Means-Based fare discount program. Several transit operators participated in the study's Technical Advisory Committee, along with other interested regional stakeholders. The study is concluding, and MTC staff have been in contact with some of the transit operators regarding advancing toward implementing a program. While many of the details of a full program are yet to be developed, there seems to be interest around the region in moving ahead, and staff is considering possible funding sources for a program. The study examined several alternative program designs, with costs (lost fare revenue) generally around \$16 million per year, based on a 50% discount and about 20% of eligible riders participating, on all operators in the region. MTC would propose to split this cost 50/50 with the operators. Thus, the MTC contribution would be expected to total around \$8 million per year. Information on the study and potential next steps is expected to be brought to the Commission this fall.

Another program that affects all transit operators in the region is Clipper®. With the upcoming implementation of Clipper® 2.0, staff are anticipating significant capital funding deficits that are expected to exceed \$50 million by FY 2021-2022. Similarly, operating costs are expected to exceed available revenue by FY 2021-22 even with the SB1 increase anticipated under the current framework.

Options for Regular STA Program

Below is a summary of the current Resolution 3837 STA framework and an alternative option for consideration.

Current Framework/Status Quo

			Est. FY 2018-19 STA Population Based	Est. FY 2017-18 STA Population Based (pre-SB 1)	Increase	Percent Increase
Local Program	<i>Northern Counties / Small Operators</i>	28%	\$14,840,000			
	<i>Marin</i>		\$1,573,447			
	<i>Napa</i>		\$850,311			
	<i>Solano</i>		\$2,560,771			
	<i>Sonoma</i>		\$3,009,381			
	<i>CCCTA</i>		\$2,982,792			
	<i>ECCTA</i>		\$1,801,740			
	<i>LAVTA</i>		\$1,232,646			
	<i>Union City</i>		\$431,522			
	<i>WCCTA</i>		\$397,390			
	<i>Regional Paratransit/Mobility Management</i>	16%	\$8,480,000			
	<i>Lifeline / Means-Based</i>	29%	\$15,370,000			
	Subtotal		\$38,690,000			
Regional Program	MTC Regional Coordination	27%	\$14,310,000			
FY 2018-19 TOTAL			\$53,000,000	\$28,291,433	\$24,708,567	87%

As described above, Resolution 3837, Revised established the funding framework for STA Population-Based revenue that is in place today. As shown in the table above, with the passage of SB1, the population based funds increased by approximately 87% over FY 2017-18 baseline revenue.

Staff does not recommend folding the new revenue into the existing framework – following the status quo - for the following reasons:

- While the STA Population-based policy last underwent a major update in 2008 with the adoption of MTC Resolution 3837, the types of projects funded have their roots in MTC policy dating back to 1991.
- The significant increase in funds that SB 1 will bring to the region's transit operators – through the increase in the STA *Revenue-Based* program and the creation of a new STA Capital Program - provides an opportunity to take a fresh look at this three-decade old funding policy.
- Consideration should be given to the funding of programs for which there is a significant need across all operators in the region such as Means-Based fare programs and implementation of Clipper® 2.0.

Proposed Framework: STA Population-Based Distributed Through a County Block Grant Program

				Est. FY 2018-19 STA Population Based	Est. FY 2017-18 STA Population Based (pre-SB 1)	Increase	Percent Increase
Local Program	70%	Alameda	18%	\$6,546,447	\$3,651,329	\$2,895,118	79%
		Contra Costa	22%	\$8,262,187	\$4,608,294	\$3,653,892	
		Napa	4%	\$1,300,377	\$725,295	\$575,082	
		Marin	6%	\$2,129,276	\$1,187,619	\$941,657	
		San Francisco	8%	\$3,109,937	\$1,734,590	\$1,375,347	
		San Mateo	5%	\$1,866,459	\$1,041,031	\$825,428	
		Santa Clara	14%	\$5,193,795	\$2,896,877	\$2,296,918	
		Solano	11%	\$3,913,788	\$2,182,944	\$1,730,844	
		Sonoma	13%	\$4,777,734	\$2,664,816	\$2,112,918	
		Subtotal			\$37,100,000	\$20,692,795	
Regional Program	30%	Subtotal		\$15,900,000	\$7,598,638	\$8,301,362	109%
FY 2018-19 TOTAL				\$53,000,000	\$28,291,433	\$24,708,567	87%

This proposed framework would replace MTC Resolution 3837 with a new OBAG-style county block grant for STA Population-Based funds. Under this option each county CMA would receive a specified share of STA Population-Based funds each year which could be prioritized by the CMA for use by transit operators within their county or in coordination with other counties/the region. This would allow each county to determine how best to invest in paratransit, transit operating, and Lifeline program needs. Each county's share in the table above was calculated based on the county's share of STA funds from the current Resolution 3837 formula, totaled across all categories (Northern Counties/Small Operators Program, Regional Paratransit Program, and the Lifeline Transportation Program) – see Attachment 1. The regional program would continue to support existing regional programs like Clipper® 2.0 and could provide seed funding for a regional means-based fare program. The local and regional shares allow significant funding increases for local programs while providing the roughly \$8 million expected to be needed for the regional contribution to the Means-Based program.

Similar to OBAG, the additional funding and flexibility would be accompanied by policy conditions and initiatives:

1. Direct local program funding to CMAs to develop a coordinated TDA/STA claim
 - A coordinated claim, already in use in Sonoma and Solano Counties, allows for all transit operators in a county to jointly plan their annual operations budgets and coordinate investments of TDA Local Transportation Fund ¼ cent sales tax revenues and STA funds. The coordinated claim also allows for streamlined allocations of funds to transit operators. MTC would still determine the amounts available for TDA and

STA Revenue-Based funds through the annual Fund Estimate process. The CMAs would be expected to play a role in this coordination effort.

2. Northern Counties (Marin, Napa, Solano, and Sonoma) to meet Transit Sustainability Project (TSP) performance requirements similar to the large operators (cost efficiency/effectiveness) or plan to consolidate to a single county operator (e.g. Napa) and establish a timeframe for operators to meet the TSP requirements.
 - The TSP was intended to identify strategies to enable transit operators to remain financially viable so that they can continue to provide service to the public. While the performance measures requiring a 5% real reduction in cost per service hour, cost per passenger, or cost per passenger mile currently only apply to the region's larger transit operators, this initiative would include smaller operators to further incentivize financial sustainability.
 - Sonoma and Solano Counties have already expressed interest in pursuing consolidation and this initiative would support those efforts and encourage other counties to investigate consolidation.
3. The five other counties (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara) to meet TSP performance requirements and establish or enhance mobility management programs.
 - As noted above, apply the TSP performance measures requiring a 5% real reduction in cost per service hour, cost per passenger, or cost per passenger mile to small and medium operators to further incentivize financial sustainability.
 - Each county, working with the transit operations, should establish or enhance mobility management programs within their county to help provide equitable and effective access to transportation.

Priorities for STA Capital Program

As noted on page 1 of this memo the Bay Area can expect to receive approximately \$39 million per year from a new STA Capital program, \$10.2 million of which will be Population-Based funds. The following priorities should inform how to invest these STA Capital Population-Based funds.

STA Capital Priority 1: Clipper ® 2.0

	Est. FY 2018-19 STA Population Based	Description
Clipper ® 2.0	\$10,200,000	Funds directed to support the development and deployment of Clipper ® 2.0

Capital priority 1 would allow MTC to invest in the development and deployment of the Bay Area's next generation transit fare payment system, Clipper ® 2.0. Clipper ® is funded jointly by MTC and transit operators, however there are significant unfunded anticipated capital and operating costs associated with Clipper ® 2.0 which will need to be funded to ensure a successful deployment. If Regional Measure 3 is approved by the voters, these funds would likely not be needed to support the development and deployment of Clipper ® 2.0.

STA Capital Priority 2: Green Transit Capital Priorities

	Est. FY 2018-19 STA Population Based	Description
Local Program	\$10,200,000	100% used for Transit Capital Priorities program local match to fund the cost increment for zero emission buses (ZEB) or to pay for related ZEB infrastructure.

If not needed for Clipper ® 2.0, the Population-Based funds from the new STA Capital program could fund the acquisition of zero emission buses (ZEB) by the Bay Area's transit operators. The STA Capital funds would be used to pay for the cost increment of ZEBs over diesel or hybrid vehicles or for charging or hydrogen infrastructure to support ZEBs. This would assist operators in meeting the expected California Air Resources Board (CARB) mandates. Staff is working with the Air District in an effort to leverage this investment with their funding and be able accelerate the conversion of the transit fleet toward zero emission. With a 1:1 leverage, the region could replace roughly 65 buses to ZEBs annually based on current ZEB costs.

We look forward to your feedback on these options and priorities for both STA programs.

Attachment 1

Calculation Methodology of STA Population-Based Proposed Framework County Program Shares

**STA Population-Based Distribution per MTC Res. 3837, Revised
Estimated Fiscal Year 2017-18 (pre-SB 1)**

Bay Area Transit Operators Estimates	Annual Amount	%
Statewide STA Funding	\$ 293,792,000	
Northern Counties/Small Operators		
Marin	\$ 839,907	11%
Napa	\$ 453,897	6%
Solano/Vallejo	\$ 1,366,941	17%
Sonoma	\$ 1,606,409	20%
CCCTA	\$ 1,592,216	20%
ECCTA	\$ 961,770	12%
LAVTA	\$ 657,987	8%
Union City	\$ 230,347	3%
WCCTA	\$ 212,127	3%
SUBTOTAL	\$ 7,921,601	28%
Regional Paratransit		
Alameda	\$ 904,551	20%
Contra Costa	\$ 640,316	14%
Marin	\$ 123,546	3%
Napa	\$ 100,195	2%
San Francisco	\$ 717,688	16%
San Mateo	\$ 353,855	8%
Santa Clara	\$ 1,013,480	22%
Solano	\$ 276,687	6%
Sonoma	\$ 396,311	9%
SUBTOTAL	\$ 4,526,629	16%
Lifeline		
Alameda	\$ 1,857,922	23%
Contra Costa	\$ 1,174,872	14%
Marin	\$ 215,085	3%
Napa	\$ 166,822	2%
San Francisco	\$ 1,028,602	13%
San Mateo	\$ 691,694	8%
Santa Clara	\$ 1,896,908	23%
Solano	\$ 525,316	6%
Sonoma	\$ 647,293	8%
SUBTOTAL	\$ 8,204,515	29%
MTC Regional Coordination Program	\$ 7,638,687	27%
Transit Emergency Service Contingency Fund		
Total Population-Based Funds	\$ 28,291,433	100%

**STA Population-Based County Program Shares
Proposed Framework**

County (color coded to rows to left)	Sum of total from all three county/operator programs in 3837	Overall share
Alameda	\$ 3,650,808	18%
Contra Costa	\$ 4,581,301	22%
Napa	\$ 720,914	3%
Marin	\$ 1,178,538	6%
San Francisco	\$ 1,746,290	8%
San Mateo	\$ 1,045,549	5%
Santa Clara	\$ 2,910,388	14%
Solano	\$ 2,168,945	11%
Sonoma	\$ 2,650,013	13%
Total of county/operator programs	\$ 20,652,745	100%



State Transit Assistance Population-Based Program

Bay Area Partnership
October 20, 2017
Item 4a

State Transit Assistance (STA)



Funded by the sales tax on diesel fuel
SB 1 doubles sales tax rate



Eligible for use by only transit operators, CTSAs, and MTC



\$162 million to the Bay Area in FY 2017-18;
\$200 million by FY 2018-19



\$147 million in Revenue-Based funding
directly to transit operators by FY 2018-19



\$53 million in Population-Based funding
programmed by MTC by FY 2018-19



STA Capital State of Good Repair



New program established by SB 1, funded by annual Transportation Improvement Fee (registration fee)



Eligible for use by only transit operators, CTSAs, and MTC. Unlike regular STA, this program is restricted to state of good repair projects and requires pre-approval by Caltrans



\$39 million to the Bay Area in FY 2017-18 and onwards



\$29 million in Revenue-Based funding directly to transit operators



\$10 million in Population-Based funding programmed by MTC



STA Population-Based Program

2007: Commission adopts Resolution 3837, establishes current STA Population-Based Program, calls for review in 10 years.

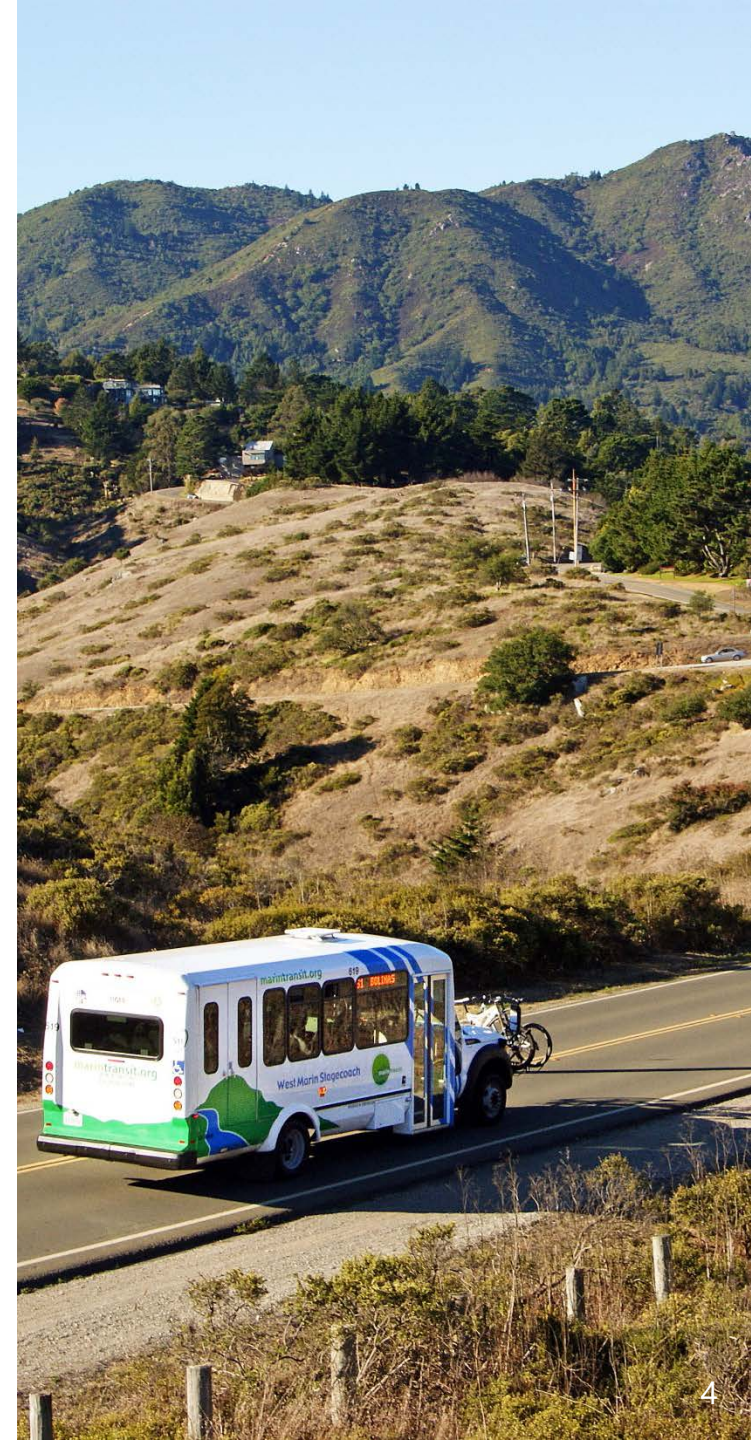
- Northern Counties/Small Operators Program (28%)
- Lifeline Transportation Program (29%)
- Regional Paratransit Program (16%)
- Regional Coordination Program (e.g. Clipper and 511) (29%)

FY 2006-07 Bay Area receives \$220 million in STA funding

2008-2016: Bay Area STA funding fluctuates between \$101 million to \$156 million depending on the price of diesel fuel.

2017: Legislature approves SB 1, doubles diesel sales tax. 10 year review of Resolution 3837 initiated by MTC staff.

New STA Capital State of Good Repair program established



Proposed STA Framework

Replace Resolution 3837 with an OBAG-style county block grant receiving 70% of Population-Based funds.

Funds can only go to eligible transit operators.

County shares based on the total amount received by a county across all three current program categories.

		County Share	Est. FY 2018-19 STA Population Based Millions \$
County/Local Program 70%	Alameda	18%	\$6.5
	Contra Costa	22%	\$8.2
	Napa	4%	\$1.3
	Marin	6%	\$2.1
	San Francisco	8%	\$3.1
	San Mateo	5%	\$1.8
	Santa Clara	14%	\$5.2
	Solano	11%	\$3.9
	Sonoma	13%	\$4.8
	County/Local Program Subtotal		\$37.1
Regional Program Subtotal			\$15.9

30% of Population-Based funds to a Regional Program to support Clipper and a proposed Means-Based transit fare



Proposed Policy Conditions & Initiatives



Coordinated TDA/STA Claims

Provide funding to CMAs to support coordinated funding claims to enhance coordination between operators and streamline the process



TSP Performance Requirements for all Small and Medium Sized Operators or Develop Plan to Consolidate Transit Operators (North Bay Counties only)

Extend TSP Performance Requirements (cost efficiency and effectiveness) to all small and medium sized operators or in the North Bay move to consolidate bus operators within the county



Establish/Enhance a Mobility Management Program (Alameda, Contra Costa, SF, San Mateo, Santa Clara)

CMAs work with operators to establish/enhance a Mobility Management program within their county



STA Capital State of Good Repair Proposed Framework

STA Capital State of Good Repair
\$10.2 million annually



CLIPPER

STA Capital Priority 1: Clipper ® 2.0

Invest in the development and deployment of the next generation fare payment system, Clipper ® 2.0.

Funds would likely not be needed should RM 3 pass.



STA Capital Priority 2: Green Transit Capital Priorities

If not needed for Clipper ® 2.0, use the STA Capital State of Good Repair funds to fund the acquisition of zero emission buses or infrastructure.

- Partner with Air District for 1:1 leverage and \$20 million total annually
- Could support conversion of 65 buses annually



MTC Means Based Fare Study

Study Goals



Make transit more **affordable** for the Bay Area's low-income residents



Move toward a more **consistent regional standard** for fare discount policies



Define a transit affordability solution that is **financially viable and administratively feasible**, and does not adversely affect the transit system's service levels and performance



Study Overview

- **May 2015:** Peer Program Review
- **July 2015:** Scenario Development
- **December 2015:** Selection of Five Scenarios for Analysis
- **2016:** Qualitative and Quantitative Analysis
- **Now:** Evaluation and Selection of preferred Alternative(s)
- **Late 2017:** Draft Report



Overall Draft Study Findings

- All the transit discount scenarios resulted in a **revenue loss** for transit operators at full implementation; the revenue generation proposals could cover about 1/2 to 2/3 of the costs
- Ridership **impacts vary considerably** by operator depending on existing capacity
- All scenarios require **means-testing**, which requires up-front costs and ongoing costs to administer
- Experience from agencies with low income transit fare discounts demonstrate approximately **25% of those eligible transit riders sign up**/ participate in the program.



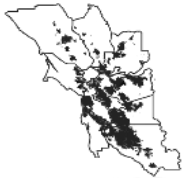
Proposed Regional Means Based Program Framework



50% discount on transit fares



Offered through Clipper



Regional Program offered on all transit operators



Funding: Invest \$16 M/year, estimated to result in a 20% program participation rate

- \$8 M from regional monies (SB 1 STA Pop-Based or other)
- \$8 M from operator match (50%)



Next Steps

- **November 8, 2017:** Proposed STA Framework and Means-Based Fare Study presented as information items to the Programming and Allocations Committee
- **November/December 2017:** Continued stakeholder outreach
- **December 2017:** MTC Commission considers STA Population-Based framework and STA Capital State of Good Repair framework for approval
- **Spring 2018:** First allocation of STA Capital State of Good Repair funds available for use
- **July 2018:** Start of Fiscal Year 2018-19, full SB 1 funding levels expected to be available for STA Population-Based program





METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
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Memorandum

TO: Commission

DATE: October 18, 2017

FR: Executive Director

W.I. 1515

RE: MTC Resolution No. 4308 – 2018 RTIP Policies and Procedures

Background

Every two years, California adopts a State Transportation Improvement Program (STIP) that directs how the state will spend a portion of the state's transportation revenues for the next five years. MTC, as the Regional Transportation Planning Agency (RTPA) for the Bay Area, is responsible for developing the Regional Transportation Improvement Program (RTIP), which is part of the STIP. The region's RTIP is due to the California Transportation Commission (CTC) by December 15, 2017. The 2018 RTIP includes roughly \$291 million in new programming capacity available for the Bay Area thanks to the passage of Senate Bill 1.

Staff presented the proposed 2018 RTIP policies document to the Programming and Allocations Committee on October 11. Staff's proposal included various policy updates for the 2018 RTIP, and policy options to link RTIP funding to housing policies and outcomes. A summary of those options together with correspondence from stakeholders is included in Attachment A to this memorandum. Further discussion is detailed in the attached materials presented to the October Programming and Allocations Committee.

Committee Recommendation

After a spirited debate on the proposed options, Committee Chair Josefowitz chose to separate out the Committee's recommendations and vote on each individually. Note that two Committee members were absent at the October Committee meeting.

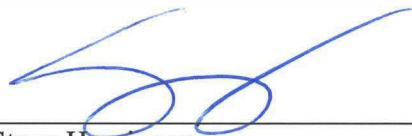
1. Carrot Option (recommended: 7-years; 0-nays; 0-abstain). The Committee voted unanimously to recommend the carrot option that would increase the *80k by 2020* challenge grant to \$76 million using discretionary RTIP funds, along with a few minor program changes.
2. Stick Option B: 15% with Corridor Averaging (recommended: 4-years; 1-nay; 2-abstain). The Committee voted to recommend that MTC condition 2018 RTIP funds such that a highway corridor project would be ineligible if the cities it traverses, on average, have produced less than 15% of their RHNA allocations for very low, low, and moderate income housing for the past two cycles (1999-2014) or the most recent cycle (2007-2014).
3. Reporting on Compliance with State Housing Requirements (recommended: 6-years; 0-nays; 1-abstain). The Committee voted to direct staff to survey local jurisdictions on compliance with four different state housing requirements by July 1, 2018.
4. Intention to Develop Supplemental Criteria for the 2020 RTIP (recommended: 5-years; 0-nays; 2-abstain). The Committee voted to recommend MTC announce its intent to develop supplemental criteria for jurisdictions to be eligible for 2020 and subsequent RTIP funding,

with staff to develop and propose additional criteria by July 1, 2018 for public and stakeholder review.

Additional Considerations

It is important to note that the 2018 RTIP policies will apply only to the current program, and that the Commission may choose to amend the policies in the future. It is expected that the corridor averaging approach proposed in item 2 on the prior page will affect no pending project in the 2018 RTIP. However, without knowing which projects will be proposed in the 2020 and future RTIPs, it is impossible to determine the impact of any new policy requirements on future programs. Still, the Committee's recommendations are consistent with the policy objectives laid out in the action element of *Plan Bay Area 2040* and serve as an additional linkage between housing and transportation funding beyond the existing OBAG program.

Attachment A also includes a brief PowerPoint presentation that staff has prepared to describe the Committee's multi-part recommendation.



Steve Heminger

SH:kk

Attachments:

Attachment A to Memorandum

RTIP Policies Presentation

Comment Letter(s)

Revised 2018 RTIP Policies and Procedures (MTC Resolution 4308)

J:\COMMITTEE\Commission\2017\10_October_2017_Commission\7b_1a_2018_RTIP_ED_Memo to Commission_v3.docx

Attachment A

Options Presented to Programming Committee

Staff presented the following options for consideration:

Option A: Carrot Plus Stick with No Exceptions

Option A would implement the “carrot” option and set a 15% housing production target for the 2018 RTIP. Specifically, any project that has not previously been programmed in the STIP must also be located within a jurisdiction that has met one or both of the following:

- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the previous two RHNA cycles between 1999-2006 and 2007-2014; or
- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the most recent RHNA cycle between 2007-2014.

Option A does not provide for exceptions to this policy, so a project that spans multiple cities would be ineligible for STIP funds if any of the cities within the project limits does not meet the 15% RHNA production target. Based on the draft project lists staff received from CMAs, five projects potentially would be ineligible for programming under Option A, as depicted in the Committee powerpoint presentation.

Option B: Carrot Plus Stick with Corridor Averaging

Option B is the same as Option A, but would allow an exception for corridor projects. Under this option the nominating CMA may aggregate the production/permit levels among all jurisdictions in the project corridor limits to meet the 15% target. A corridor is defined either by the project limits of the proposed project, or the limits of the corridor if a project is defined in a Corridor System Management Plan (CSMP) approved by Caltrans. Other definitions will be considered by MTC on a case-by-case basis. Based on the draft project lists staff received from CMAs, no projects are expected to be ineligible for programming in the 2018 RTIP under Option B, as shown in the Committee powerpoint presentation.

Option C: Carrot Plus Prospective Stick

Option C would not establish a threshold target for the 2018 RTIP. Instead, it would establish the “carrot” option, and put local jurisdictions and project sponsors “on notice” that a housing production condition would be imposed for the 2020 RTIP. This option provides jurisdictions and counties with advance notification to meet the housing threshold, and allows for additional evaluation and input to establish an acceptable production threshold.

2018 State Transportation Improvement Program Policy Proposals

Metropolitan Transportation Commission

Item 7b

October 25, 2017

2018 STIP

- Significant augmentation from SB1
- Approx. \$290 million available to the Bay Area
- Generally funds are apportioned to counties, MTC submits regional program (RTIP) to CTC for approval
- Prior Commitments in this cycle:
 - MTC \$46 million for Caltrain Electrification Contingency
 - Some other counties have project commitments
- Timeline
 - October: MTC Guidelines
 - November: County Projects due to MTC
 - December 15: MTC program due to CTC



2018 RTIP – Potential Strategies

"The Carrot" and "The Stick"

- ▶ MTC dedicates \$46 million in discretionary RTIP funds* to augment the *80k by 2020* challenge grant → **the carrot**
 - Grant funds to top producers of Very Low, Low and Moderate housing during 2015-2020; funds must be used for transportation projects
 - Increases program size to \$76 million (from \$30M established in OBAG 2)
 - Expands awards to 15 jurisdictions (from 10)
 - Adds preservation of existing affordable housing as eligible for challenge
- ▶ MTC conditions new RTIP funds on jurisdictions making a reasonable effort in meeting their RHNA housing production targets → **the stick**
 - Looks at affordable housing performance from last two completed RHNA cycles
 - Targets could be 10%, 15%, 20% of affordable RHNA production

**If not needed for Caltrain contingency, or if Caltrain can be funded from another source*

Jurisdictions Not Meeting Thresholds of RHNA Production - Very Low, Low, & Moderate (Better of 1999-2014, or 2007-2014)

% of RHNA	# Not Met	% of Region's Jurisdictions	Jurisdictions	
20%	18	17%	Newark Concord Moraga Martinez Tiburon Fairfax American Canyon San Mateo Belmont	Burlingame Menlo Park San Mateo County Millbrae Brisbane San Carlos Mountain View Cupertino Vallejo
15%	10	9%	Newark Concord Moraga Martinez Tiburon	Fairfax Burlingame Millbrae Brisbane San Carlos
10%	8	7%	Newark Moraga Martinez Tiburon	Fairfax Millbrae Brisbane San Carlos

Average for all jurisdictions 1999-2014 = 41%

2018 RTIP – Potential Strategies

Options Presented to Committee

- **Option A: Carrot + Stick | 2018 RTIP**
 - 15% eligibility threshold with no exceptions
 - 5 projects potentially ineligible in 2018 RTIP
- **Option B: Carrot + Stick | 2018 RTIP**
 - 15% eligibility threshold with corridor averaging
 - No projects expected to be ineligible in 2018 RTIP
- **Option C: Carrot + Prospective Stick | 2020 RTIP**
 - 2018 RTIP not affected
 - Additional evaluation on framework for 2020 RTIP

2018 RTIP – Potential Strategies

Carrot + Current Stick Options

County	Project	<u>Option A</u> : Jurisdictions less than 15% Production	<u>Option B</u> : Average Production Over the Corridor
Contra Costa	BART Station Modernization	Concord (13%)	33%
Contra Costa	I-680/SR-4 Interchange Improvements	Martinez (9%)	42%
Contra Costa	SR-4 Operational Improvements	Concord (13%)	80%
San Mateo	ITS Improvements in Daly City/Brisbane	Brisbane (4%)	25%
San Mateo	US 101 Managed Lanes	Brisbane (4%), Burlingame (12%), Millbrae (9%), San Carlos (6%)	25%

Committee Recommendation 1

1. “The Carrot”

- Dedicate \$46 million in discretionary RTIP funds to augment 80k by 2020 challenge grant
 - Expand award to top 15 jurisdictions (from 10)
 - Include preservation of affordable housing as eligible for challenge

2018 RTIP – Potential Strategies

Committee Recommendation 2

2. “The Stick,” with corridor averaging

- Sets 15% eligibility threshold in 2018 RTIP
- Allows corridors to average production over multiple jurisdictions to meet threshold
- No project expected to be ineligible in 2018 RTIP

Committee Recommendation 3

3. Reporting on compliance with state housing requirements

- MTC to survey jurisdictions for compliance with state housing requirements:
 - State Housing Element Law
 - Surplus Land Act
 - State Density Bonus Law (AB 2135)
 - Accessory Dwelling Unit Streamlining (SB1069, AB2299, AB2406)
- Due by July 1, 2018

Committee Recommendation 4

4. Intention to Develop Supplemental Criteria for 2020 RTIP

- Put jurisdictions on notice that MTC will examine new housing criteria for next RTIP
- Criteria may include:
 - Compliance with state housing laws
 - Compliance with regional policies and goals
 - Performance related to housing supply, security, planning
- Staff Recommendations on supplemental criteria to Commission by July 1, 2018 for public and stakeholder review.

2018 RTIP – Potential Strategies

Committee Recommendations* – 4 Actions for Commission Consideration

1. “The Carrot” – Dedicate \$46 million in discretionary RTIP funds to augment *80k by 2020* challenge grant

2. “The Stick” – 15% threshold in 2018 RTIP, with corridor averaging

3. Reporting – Survey Jurisdictions for Compliance with State Housing Requirements

4. Supplemental Criteria – Intention to Develop Supplemental Criteria for 2020 RTIP

Yeas	Nays	Abstain
7	0	0
4	1	2
6	0	1
5	0	2

**Seven of the nine Committee members were present at the October meeting.*

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae •
Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

October 12, 2017

Steve Heminger
Bay Area Metro Center
375 Beale Street Suite 800
San Francisco, CA 94105

RE: Proposal to condition the State Transportation Improvement Program (STIP) on Regional
Housing Need Allocation (RHNA) production

Dear Mr. Heminger:

On September 19, 2017 MTC staff hosted a discussion with CMA Directors and introduced a new proposal to incentivize and condition the programming of 2018 STIP funds on housing production at the local jurisdictional level. While C/CAG shares your sense of urgency with regard to the Bay Area's housing situation, we have some concern about the fairness and efficacy of this current proposal.

C/CAG supports your proposed incentive to award jurisdictions with the best performance in housing production, permitting, and streamlining, but strongly urges that MTC reconsider its proposed strategy to penalize jurisdictions who have not produced sufficient housing units by conditioning new STIP funding eligibility to those jurisdictions producing at least 10-15% of their RHNA numbers for low, very low, and moderate income housing, using the 1999-2014 and 2007-2014 cycles.

A principle concern with this approach is that MTC would be changing the eligibility rules after the fact. The RHNA process requires cities and counties to identify sufficient sites, policies and programs to support the total number of housing units (by affordability level) that each jurisdiction has been assigned for the cycle, and which must be accommodated in its Housing Element. It is designed to provide opportunities (and remove obstacles) for housing production, but does not require "production", since that is beyond a local jurisdiction's ability. Therefore, to "punish" jurisdictions that have not produced sufficient housing during the past RHNA cycles, even though that was never a requirement, appears unfair. If a stick is to be considered, fairness dictates that it should be one that is used only after clear rules are laid out, so a jurisdiction has an opportunity to take corrective action to avoid its imposition.

Another concern is the time frame in which the housing production would be evaluated. As you are aware, the true severity of the housing shortage was not really fully evident until a few years ago, after a severe economic downturn in 2008 and 2009. Compounding this, the dissolution of redevelopment agencies throughout the state in 2012, as well as some unfavorable court decisions (ex. Palmer), removed many local affordable housing tools during this timeframe. Most jurisdictions began to seriously address the housing shortfall through policies in the last several years, many in response to

the efforts of ABAG and MTC in their promotion (and funding) of Priority Development Area planning. As a result, many housing developments are currently either in the pipeline or under construction, but the fact remains that it takes several years to actually produce housing. Therefore, using affordable housing production data during the 1999-2014 period as a threshold does not line up well with current and future efforts of local jurisdictions with regard to housing promotion.

We recognize that the Bay Area is in a crisis situation with regard to low and moderate income housing and we strongly support MTC's programs to incentivize, through loans, land purchases and other means, the production of very low, low and moderate income housing. However, we do not believe that the STIP is the appropriate program to provide disincentives to influence individual local jurisdiction housing production.

Housing production is dependent on local policy, developers, and markets. It is a false assumption that constraining our use of STIP funds will incentivize the production of housing. We cannot support any constraint to our STIP application rights and responsibilities that has the potential to damage our local economy by preventing investments that address our county transportation needs. C/CAG has been investing the STIP on projects that are regional in nature and serve regional needs. Subjecting a STIP project to the housing policies of one or two local jurisdictions who fail to produce their RHNA housing would inadvertently hinder large transportation projects that serve wider regional benefits.

It should also be noted that several of the jurisdictions that are not meeting the housing production thresholds MTC has suggested are in counties that have already advanced their STIP shares for many cycles, and would therefore have no influence on their housing policy at all. The probability of influencing city policies using the STIP is very weak, if not non-existent, and would only hinder regional type projects that often serve those targeted populations of concern in their daily commute.

A final concern is timing. Issuing regional STIP policy and procedures in late October and expecting county CMAs to submit final lists on November 1, 2017 does not allow time for the proper public engagement process that MTC promotes.

C/CAG believes that there is room to collaborate with us and local jurisdictions to develop effective policies such as those that resulted in 100% of San Mateo County jurisdictions having a certified Housing Element; it is our belief that cities are currently setting sound housing policies, and will continue to do so regardless of how the STIP is appropriated. We believe that there are more effective ways to encourage local housing production and would be happy to collaborate with MTC on developing incentives to address the affordable housing issue.

Sincerely,



Alicia C. Aguirre, Chair

City/County Association of Governments of San Mateo County

October 17, 2017

Steve Heminger, Executive Director
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Subject: 2018 Regional Transportation Improvement Program Policies

Dear Mr. Heminger:

On October 25, the MTC Commission will consider taking action to link the approval of the 2018 Regional Transportation Improvement Program (RTIP) priorities to the region's affordable housing and anti-displacement goals. The development of policies to connect transportation funding to housing production was a near-term recommendation in the Action Plan for implementing Plan Bay Area, which the Commission approved earlier this year. The One Bay Area Grant (OBAG) program has demonstrated the effectiveness of these types of strategies, and as a region we must explore how to build on those successes to incentivize even greater change given the magnitude of the housing crisis.

Given the robust discussion that took place at the Programming and Allocations Committee, we urge the Commission to recognize that the RTIP is an appropriate fund source that can be used to incentivize housing, and to direct staff to work collaboratively and expeditiously with local partners around the region on the best way to do that for 2020, as well as addressing the other recommendations enumerated below. Our recommendations differ slightly from the recommendations of the Programming and Allocations Committee, as a result of further consideration:

1. Augment the \$30 million "race to the top" OBAG 80k by 2020 challenge grant program with up to \$46 million in RTIP funds for a total purse of \$76 million.
2. Require local jurisdictions to report on compliance with four different state housing laws, and report the results to the Commission by July 1, 2018.
3. Direct MTC staff to develop a criterion for linking the 2020 RTIP to the region's housing goals by July 1, 2018 for public and stakeholder review.
4. Direct MTC staff to provide a separate review of all the fund sources where MTC has some level of control in order to identify the most appropriate way for each funding source to incentivize housing construction and protect current residents from displacement.

We share your commitment to implementing Plan Bay Area and identifying ways to leverage housing production, protection, and preservation in light of the current crisis. We look forward to working with you to advance these actions.

Sincerely,



Tilly Chang
Executive Director

cc: Chair Peskin
Commissioner Kim – MTC, SFCTA
Commissioner Josefowitz, MTC
A. Richman – MTC



Plan, Fund, Deliver

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Jane Kim

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Ahsha Safai

Jeff Sheehy

Norman Yee

Tilly Chang
EXECUTIVE DIRECTOR



Solano Transportation Authority

... working for you!

HANDOUT (Correspondence) - Agenda Item 4a
Programming and Allocations Committee
SOLANO TRANSPORTATION AUTHORITY

Member Agencies:

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One Harbor Center, Ste. 130, Suisun City, CA 94585-2473 • Phone (707) 424-6075 / Fax (707) 424-6074

Email: info@sta.ca.gov • Website: sta.ca.gov

October 11, 2017

Via Facsimile & US Mail

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission (MTC)
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

RE: Programming and Allocation Committee – Resolution 4308 – Policies, Procedures and Selection Criteria for 2018 Regional Transportation Improvement Program (RTIP) – Proposed New Linkage of Housing Production

Dear Mr. Heminger:

On October 11, 2017, the Programming and Allocations Committee is scheduled to consider Metropolitan Transportation Commission (MTC) staff's new recommendation to link housing production to the programming of the 2018 State Transportation Improvement Program (STIP). I am requesting that the Programming and Allocation Committee not to take action on this recommendation to condition the programming of Regional Transportation Improvement Program (RTIP) funds based on housing production and refer this issue to the MTC Planning Committee and Association of Bay Area Governments' Administrative Committee to allow for more thoughtful discussion of options among MTC and ABAG Commissioners, and our transportation and land use partners, the Bay Area Congestion Management Agencies (CMAs) and local government prior to regional adoption of a programming policy pertaining to the 2018 STIP.

This proposal has come late in the 2018 STIP adoption process as all of the Bay Area CMAs, in accordance with the California Transportation Commission (CTC)'s schedule for the 2018 STIP, have already adopted their 2018 RTIPs, are scheduled to do so prior to or just after MTC adopts their regional guidelines, or do not have RTIP programming capacity in this cycle.

There is general concurrence that the region faces a housing crisis, both in terms of supply and affordability. At the same time, there are a number of factors that can encourage and incentivize the production of housing supply and affordability. Per the recent guidelines of the CTC, the STIP program is more focused on on-system highway improvements and intercity rail and regional transit projects, while the production of housing is focused on the local city level. From my perspective, the next critical cycle is the next Regional Housing Needs Assessment (RHNA), which will be the first since the consolidation of MTC and ABAG's planning staffs. As noted in the staff report, there are several other transportation funding sources that may be better suited to linking transportation investment to the future production of housing.

In recent years, MTC has worked successfully through an incentivized based approach with the Bay Area CMAs and local governments through the Transportation for Livable Communities (TLC) Program, Transportation Planning and Land Use Solutions (TPLUS), and Priority Development Areas (PDAs) to better link local land use decisions and transportation investments. Cities throughout Solano

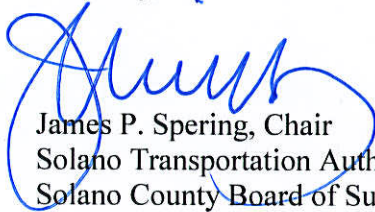
STA Ltr. MTC's SHeminger dated Oct. 11, 2017

RE: Proposed Linkage of Housing Production to the 2018 STIP Guidelines

County and the region have demonstrated an interest in working with CMAs and MTC to foster better land use planning with transportation investment and there is also a strong interest in providing for housing supply and affordability.

Thank you for your consideration of this matter and accommodation of this request.

Sincerely,



James P. Spering, Chair
Solano Transportation Authority
Solano County Board of Supervisors

cc: MTC Commissioners
STA Board Members
Solano County Board of Supervisors
Mayor and City Council, City of Benicia
Mayor and City Council, City of Dixon
Mayor and City Council, City of Fairfield
Mayor and City Council, City of Rio Vista
Mayor and City Council, City of Suisun City
Mayor and City Council, City of Vacaville
Mayor and City Council, City of Vallejo
Daryl K. Halls, STA Executive Director
Bernadette Curry, STA Legal Counsel

San Francisco Office
312 Sutter Street, Suite 510
San Francisco, CA 94108
(415) 543-6771

October 10, 2017

Commissioner Nick Josefowitz, Chair
Programming and Allocation Committee
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale St.
San Francisco, CA 94105

Subject: 2018 RTIP Policies and Procedures

Dear Chair Josefowitz and Commissioners:

Thank you for the opportunity to comment on the development of policies and procedures for the 2018 Regional Transportation Improvement Program (RTIP). This letter builds upon our comments outlined in a joint letter submitted on October 6, 2017 regarding item 4a on the Programming and Allocations Committee agenda for October 10, 2017.

We applaud MTC's leadership in taking steps to better align our region's transportation and land use decisions. In particular, MTC's actions to prioritize funding for jurisdictions that are accommodating homes for residents across the income spectrum within locally-nominated Priority Development Areas (PDAs) and that are complying with state housing laws deserve commendation. By providing new homes near jobs and transit to serve our diverse region, the Bay Area can provide a bulwark against more traffic, address the region's crushing housing affordability crisis, and help sustain the region's long-term economic viability. If we fail to do so, and instead sprawl outward, everyone in the region will suffer from unsustainable housing conditions, worsened commutes, air pollution, stress on our drinking water sources, lost farmland and habitats, increasingly hazardous conditions at the Wildland-Urban Interface, and increased economic competition from more affordable regions.

Now is the time for MTC to continue its leadership by adopting prudent policies that align the 2018 RTIP with the agency's interrelated land use and transportation priorities. **We strongly encourage MTC to take meaningful action this fall by adopting new incentives and baseline compliance and reporting conditions for RTIP funds, rather than deferring action to the 2020 RTIP.** The challenges that the Bay Area faces are simply too great to wait an additional twenty-four months and forgo the opportunity to leverage tens of millions of dollars toward solving the region's intertwined growth and transportation challenges.

MTC should ensure that the 2018 RTIP significantly increases the investment in the "80k by 2020" challenge grant program. In addition, it should institute baseline conditions that reward jurisdictions that are providing homes for low-income residents to demonstrate progress toward their RHNA requirements within PDAs and are taking action to address displacement.

Explicitly focusing on housing production within PDAs is the right approach to ensure that MTC is rewarding growth that aligns with the regional goals and priorities—rather than on "business as usual" housing trends that

result in new moderate-income housing being constructed at the farthest edges of the region on our natural and agricultural lands while communities near jobs and transit become increasingly unaffordable. Such a focus would also align well with Plan Bay Area 2040, which envisions nearly 80% of future housing located within PDAs.

MTC should take these actions as part of the 2018 RTIP *and* commit to further action for the 2020 RTIP.

This phased approach will ensure that the region is increasingly aligning its resources to create a more sustainable, equitable, affordable, and economically prosperous region for all Bay Area residents.

Thank you for your consideration of these comments. We look forward to working with MTC commissioners, regional agency staff, and other stakeholders to finalize the RTIP framework.

Sincerely,



Matt Vander Sluis

Deputy Director

mvandersluis@greenbelt.org

October 6, 2017

From: NPH, Public Advocates, Urban Habitat, Greenbelt Alliance
To: Commissioner Nick Josefowitz, Chair, Programming and Allocations
Bay Area Metro
375 Beale St.
San Francisco, CA 94105
Re: Conditioning STIP Funding and Expanding 80K by 2020 Program

Dear Commissioner Josefowitz,

We write to register our support for MTC's proposal to adopt housing-related conditions on \$144 million in new STIP funding and to offer recommendations on how MTC can most effectively establish performance requirements that promote equitable and sustainable local outcomes.

MTC's leadership in using regional transportation funding to incentivize better affordable housing and anti-displacement outcomes has been an innovative and effective tool for furthering regional objectives. Conditioning OBAG funds on possession of a state-certified housing element, for instance, resulted in 28 previously noncompliant jurisdictions coming into compliance. Recently, MTC expanded OBAG requirements to include passage of local Surplus Land Act Resolutions attesting compliance with the Act and increasing the funding competitiveness of projects in jurisdictions with anti-displacement policies in place (MTC Resolution 4202).

Continuing to link transportation funding to local housing outcomes will be a key strategy to achieve successful implementation of the Plan Bay Area 2040 Action Plan and CASA recommendations.

RECOMMENDATIONS

We applaud MTC's proposal to place housing-related conditions on STIP funding and expand the *80K by 2020* program. We continue to seek comprehensive conditioning of all possible transportation funding towards achieving a more equitable and sustainable region for all.

We offer the following recommendations as friendly amendments to the MTC staff first proposed at CASA:

A) Minimum Requirements for \$97 million of STIP Funding:

To make best use of limited resources, additional STIP funding should build on OBAG's requirements and be consistent with the CASA process by promoting the 3Ps: *protection* of tenants, *preservation* of existing affordability, and *production* of new homes with an emphasis on homes affordable to low and very low-income residents. We make the following recommendations for future STIP funding:

- 1. *Require jurisdictions to be compliant with all relevant state housing laws***, including the following:
 - a. State Housing Element Law: Jurisdictions must have rezoned or show progress towards rezoning housing sites identified by local housing elements at appropriate minimum densities (30 du/ac, or 20 du/ac in certain areas.);
 - b. AB 2135, State Density Bonus Law: Jurisdictions must have adopted local density bonus implementation ordinances and Surplus Land Act implementation ordinances.

- c. SB 1069, AB 2299, AB 2406: Jurisdictions must have adopted local Auxiliary Dwelling Unit streamlining ordinances to the extent required by state law.
 - d. Newly Enacted State Law: Jurisdictions must commit to implementing recently adopted legislation that requires local implementation.
2. ***At a threshold level, require that all jurisdictions must have at least two of the following tenant protection policies in place:*** rent stabilization, just cause eviction ordinances, right to counsel in eviction proceedings, anti-harassment policies, relocation and rental assistance, and living wage ordinances. Prioritize jurisdictions that have adopted multiple policies. Alternatively, at a minimum include meaningful prioritization in the scoring criteria for jurisdictions that have adopted effective tenant protection policies.
 3. ***At a threshold level, require that all jurisdictions have at least one local program to preserve the existing affordability of their housing stock,*** such as local acquisition/rehab/conversion programs, condo conversion ordinances, SRO preservation, mobile home preservation, and 1-to-1 replacement of restricted or unrestricted housing units that are demolished or otherwise removed from the market. Prioritize jurisdictions that have adopted multiple policies. Alternatively, at a minimum, include meaningful prioritization in the scoring criteria for jurisdictions that have adopted effective preservation programs or policies.
 4. ***Require that all jurisdictions build a certain baseline of their RHNA—with an emphasis on low- and very-low income allocations—within PDAs or within a half mile of high quality public transit (20-minute headways in peak times) in existing urban areas.*** Base this calculation on a 3-year average.

B) Minimum Requirements for the 80K by 2020 Program:

We support MTC's proposal for allocating \$47 million to augment the *80K by 2020* program. The additional \$47 million slated to go into the 80K by 2020 program should be subject to all the same general conditions as above with the following additions:

1. ***Create a funding set-aside for small- and medium-sized jurisdictions to promote best practices and sustainable growth throughout the region.***
2. ***Reward jurisdictions that build affordable housing within their PDAs with a set-aside of the funding. Grant additional weighting to those with higher densities and lower parking ratios (less than 1:1) for multi-family units in these locations.***

C) Adopt principle and schedule for regular updates to funding conditions and requirements

This resolution should also commit MTC to periodically updating funding requirements as state housing laws change. Given the many recent state laws related to housing, MTC should adopt a schedule for applying requirements that local government comply with those recently adopted housing laws that require local implementation (e.g., AB 1521, SB 166, AB 879, etc.).

Lastly, we are concerned about the speed at which MTC is moving forward on these important programs. We strongly encourage MTC to take more time to consult with CASA and with community members before moving forward.

These modest changes to staff's proposal will allow the region to prioritize resources towards a robust implementation of Plan Bay Area 2040 and help the region grow in a way that is more equitable and sustainable for all.

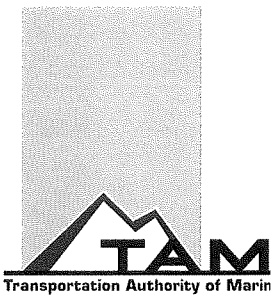
We look forward to continuing our ongoing partnership,

Pedro Galvao
Non-Profit Housing Association of Northern California (NPH)

David Zisser
Public Advocates

Mashael Majid
Urban Habitat

Matt Vander Sluis
Greenbelt Alliance



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County of Marin

Damon Connolly
Katie Rice
Kathrin Sears
Dennis Rodoni
Judy Arnold

October 6, 2017

Honorable Jake Mackenzie, Chair
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Dear Chair Mackenzie:

I am writing on behalf of the Transportation Authority of Marin's (TAM) Board of Commissioners. MTC staff is developing the 2018 STIP Guidelines and have proposed conditions on the use of STIP funds. The STIP conditions center around county CMA's programming STIP funds only in those jurisdictions in each county that meet a housing production threshold. The threshold being considered is each jurisdiction meeting either 10% or 15% of its RHNA-based levels of very low-, low-, and moderate-income housing. Those thresholds would pertain to actual production of housing units, in terms of permits issued.

TAM fundamentally objects to constraining transportation funding that is essential to meeting severe and ongoing regional congestion relief needs in the manner that MTC staff is proposing.

TAM fully recognizes the need for low- and moderate-income housing around the Bay Area. As an example, TAM assigned over 50% of One Bay Area Grant funds to PDA's in Marin over two cycles of OBAG. TAM has also established and kept in place a three-to-one grant requirement for PCA's. We have been able to deliver PCA projects - access, land acquisition, and land protection - leveraging a 300% increase over MTC's grant of PCA funds.

We recognize that low and moderate-income housing is in short supply. We strongly support MTC's programs to incentivize, through loans and land purchases, the production of very low-, low- and moderate-income housing. It is a false assumption, however, that constraining our use of STIP funds will incentivize the production of housing.

Since Marin's STIP funds were wholly dedicated over the last 20 years to regionally significant projects and we intend to continue that type of investment, the potential damage in our ability to address the transportation needs of our businesses and residents is a very high risk. Enabling one jurisdiction to effectively stop a major transportation corridor investment is not acceptable. Moreover, the STIP proposal on the table misses the point that the level of housing production in a given jurisdiction is often beyond that jurisdiction's control based on a variety of factors.

Much is changing right now with the investments and incentives around low- and moderate-income housing, with State lawmakers advancing and the Governor approving major housing bills. As you know, Senate Bill 2 would add a \$75 fee on specified real

estate recordations, and funnel the money toward low-income housing financing. Senate Bill 3 would place a \$3 billion bond on the 2018 statewide ballot also to help build affordable housing projects. We know MTC will give these upcoming efforts its attention and be in a good position to capture these opportunities.

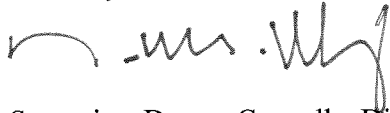
As you are aware, no new funding resulted from the 2016 STIP cycle. In fact, \$9.5 million in cumulative RTIP funding was rescinded from the four North Bay Counties. The 2018 STIP is the first robustly-funded STIP in quite a few years and is allowing counties to catch up and fund a significant inventory of shelf-ready projects. The CMA's have been working since May with your staff on the eagerly anticipated 2018 STIP. Consequently, most county programs are in full swing or have already been adopted by CMA boards. Not only is this the first cycle with meaningful funding amounts, it also is late in the program cycle to introduce new policies.

We support working closely with MTC to consider options to incentivize housing production. As well, if any county wants to screen its programming of STIP funds to jurisdictions producing housing, that should be clearly established **as that county's option**.

We cannot support any constraint to applying our state gas tax funds that has the potential to damage our local economy by preventing investment that addresses vital transportation needs. We have utilized STIP funds over the past 20 years on major improvements that address regional needs and enable goods, workers, and visitors to move in and out of our county. We plan to continue that trend.

We look forward to looking at options regarding the need to address the housing crisis in the Bay Area.

Sincerely,



Supervisor Damon Connolly, District 1
Marin County Board of Supervisors
TAM Board of Commissioners

cc: Steve Heminger, Executive Director

**Proposed Amendments by Commissioner Libby Schaaf
to
Programming and Allocations Committee
Agenda Item 4a
10/11/17**

1. Guidelines, pg. 21: Planning Prerequisites

Add Planning Prerequisite, as follows:

“Reporting on Compliance with State Housing Requirements. Prior to the Commission recommending RTIP projects to the CTC, jurisdictions shall report on compliance with current state housing law. The content of the compliance report **will not** affect the 2018 RTIP recommendations. Compliance reporting should include the following:

- State Housing Element Law: status of required rezoning of housing sites identified in local housing elements at appropriate minimum densities;
- Surplus Land Act: status of required local implementation ordinances;
- State Density Bonus Law (AB 2135): status of required local density bonus implementation ordinances; and
- Accessory Dwelling Unit Streamlining (SB 1069, AB 2299, AB 2406): status of required local accessory dwelling unit streamlining ordinances.”

2. Guidelines, pg. 8: Regional Policies

Add Option D, as follows:

“Option D: Develop Supplemental Criteria for the 2020 RTIP”

“Local jurisdictions and project sponsors may need to comply with additional criteria to be eligible for 2020 and subsequent RTIP funding. Criteria may include compliance with state housing laws, compliance with regional policies, and performance related to housing supply, housing security, and planning consistent with regional goals. To provide jurisdictions and counties sufficient advance notification, staff shall develop and propose additional criteria for Commission consideration by the end of FY18. This Option may be adopted along with Options A, B, or C, or any combination thereof.”

Public Involvement Process

MTC is committed to having the CMAs as full partners in development of the RTIP. That participation likewise requires the full commitment of the CMAs to a broad, inclusive public involvement process consistent with MTC's adopted Public Participation Plan (available online at <http://mtc.ca.gov/about-mtc/public-participation/public-participation-plan>) and federal regulations, including Title VI of the Federal Civil Rights Act of 1964. Federal regulations call for active outreach and public comment opportunities in any metropolitan planning process, and such opportunities an important step to any project selection process for the RTIP. CMAs shall document their public involvement opportunities, including how they included communities covered under Title VI, and submit the documentation along with their list of candidate projects.

RTIP Projects in the Transportation Improvement Program (TIP)

In accordance with state and federal requirements, RTIP-funded projects must be programmed in the TIP prior to seeking a CTC allocation. In addition, a federal authorization to proceed (E-76) request must be submitted simultaneously with the RTIP allocation request to Caltrans and the CTC when the request includes federal funds. In the 2018 RTIP, all projects are subject to be a mix of federal and state funds, and may require a federal authorization to proceed. Additionally, all STIP projects are to be included in the TIP and must have funds escalated to the year of expenditure, in accordance with federal regulations.

Regional Policies

Regional Set-Aside Programming

In order to expedite obligation and expenditure of American Recovery and Reinvestment Act of 2009 (ARRA) funds, and to address the State's lack of funding at the time, MTC programmed \$31 million in ARRA funds to backfill unavailable STIP funds for the Caldecott Tunnel Fourth Bore project. Of the \$31 million, \$29 million came from Contra Costa's STIP county share, and \$2 million from Alameda's STIP county share. Further, in 2012, MTC programmed \$15 million to the Improved Bicycle/Pedestrian Access to the San Francisco-Oakland Bay Bridge project from a portion of each county's STIP share (from former Transportation Enhancement (TE) funds). To address lack of funding in the 2016 STIP, MTC de-programmed both the \$31 million and \$15 million commitments to regional projects (total \$46 million). In January 2017 MTC committed the \$46 million to additional contingency for the Caltrain Peninsula Corridor Electrification Project (PCEP), through MTC Resolution No. 4267. If any of the funds are de-programmed, the RTIP funds will be re-programmed to another regional priority project(s) at MTC's discretion. These funds have the highest priority for funding in the RTIP, after GARVEE, AB 3090, and PPM projects.

Housing Production and Preservation Incentive

Note: This is a proposed addition to the RTIP Policies pending action at the October 25 Commission meeting.

The One Bay Area Grant (OBAG 2) program (MTC Resolution No. 4202) includes a challenge grant program for the production of affordable housing. The purpose of the program is to reward local jurisdictions that produce the most housing at the very low, low, and moderate levels. This challenge grant program sets a six year target for production of low and moderate income housing units (2015 through 2020), based on the housing unit needs identified through the Regional Housing Needs Allocation (RHNA) for 2015-22. The target for the proposed challenge grant period is

approximately 80,000 low and moderate income units (35,000 very low, 22,000 low and 25,000 moderate units, for a total of 82,000 units, derived from the years of the current RHNA cycle). The units must be located in PDAs or in Transit Priority Areas (TPAs). Additionally, to be credited towards reaching the production targets, very low and low income units must be deed restricted; moderate income units do not require deed restriction to be credited in the program. In addition, the number of existing affordable housing units a jurisdiction preserves is also included for the purposes of this incentive program. At the end of the production and preservation challenge cycle, MTC will distribute grant funds to the jurisdictions that contribute the most toward reaching the regional production target.

As part of the 2018 RTIP, staff is providing as an option an augmentation to the OBAG 2 Housing Production Incentive challenge grant program (also known as 80k by 2020) with \$46 million of regionally-controlled RTIP funds identified in the previous section, should the funds not be needed for Caltrain's project contingency, either because the project can be completed within budget or because substitute contingency funds are identified. The increased incentive amount at \$76 million allows the 80k by 2020 top ten producers of affordable housing to be increased to the top fifteen producers and preservers of affordable housing among the region's 109 local jurisdictions. Staff will provide progress reports on production of affordable housing units as part of OBAG 2 implementation updates.

The RTIP funding provided may be either federal or state funds, must be used only for federally- or State Highway Account-eligible transportation purposes, and must meet CTC STIP Guideline requirements.

Housing Production Target Conditions

Note: This section includes conditions for inclusion in the RTIP Policies as referred by the Programming and Allocations Committee and pending action at the October 25 Commission meeting.

As the Regional Transportation Planning Agency (RTPA) for the Bay Area, MTC is responsible for developing RTIP project priorities consistent with the region's Regional Transportation Plan and also shares responsibility with the Association of Bay Area Governments (ABAG) for developing and implementing a Sustainable Communities Strategy (SCS) that integrates transportation, land use, and housing policies to meet greenhouse gas (GHG) reduction goals (Government Code Section 65080(b) 2(B)). A key component of the combined RTP/SCS, per state statutory requirements, is that the plan demonstrate how the region can house 100% of the region's projected growth at all income levels. MTC's statutory responsibilities also require the RTP to consider the impact of transportation systems on a variety of facets of the region, including housing (Government Code Section 66509(b)), as well as the short- and long-term needs identified by plans prepared and adopted by ABAG (Government Code Section 66509(c)).

Consistent with the strategies and policies set forth in the current combined RTP/SCS, Plan Bay Area 2040, and MTC's statutory responsibilities to further encourage the production of affordable housing to meet identified needs, the programming of new RTIP funds will be approved only for jurisdictions that have demonstrated a reasonable effort in meeting housing production targets.

RTIP project eligibility is proposed to be based on a jurisdiction making a reasonable effort in meeting its RHNA housing production targets. In particular, the “stick” focuses on areas that are falling well behind the regional average of 41% with respect to very low, low, and moderate housing production per their RHNA. The Committee forwarded the following “stick” recommendation for consideration:

Permit Threshold with Corridor Averaging

This recommendation would set a 15% housing production target for the 2018 RTIP, but would allow an exception for corridor projects. Specifically, any project that has not previously been programmed in the STIP must also be located within a jurisdiction that has met one or both of the following:

- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the previous two RHNA cycles between 1999-2006 and 2007-2014; or
- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the most recent RHNA cycle between 2007-2014.

The nominating CMA may aggregate the production/permit levels among all jurisdictions in the project corridor limits to meet the 15% target. A corridor is defined either by the project limits of the proposed project, or the limits of the corridor if a project is defined in a Corridor System Management Plan (CSMP) approved by Caltrans. Other definitions will be considered by MTC on a case-by-case basis.

Develop Supplemental Criteria for 2020 RTIP

Note: This section was added by the Programming and Allocations Committee on October 11 and referred to the Commission for consideration at the October 25 Commission meeting.

Supplemental housing criteria will be examined for the 2020 RTIP. Criteria may include:

- Compliance with state housing laws;
- Compliance with regional policies;
- Performance related to housing supply, housing security, and planning consistent with regional goals.

Staff recommendations on supplemental housing criteria are due to Commission by July 1, 2018 for public and stakeholder review.

County Programming Priorities

Alameda County

Alameda County Transportation Commission (ACTC) Resolution No. 14-007 (Revised) identifies RTIP funds as a source to meet ACTC’s \$40 million commitment to AC Transit’s East Bay Bus Rapid Transit (BRT) project. Further, Commission action for the Regional Measure 2 (RM2) Strategic Plan in May 2014, and the March 2015 RM2 allocation to AC Transit for the BRT project require that ACTC commit the RTIP or other funds for the BRT project in order to retire the BRT commitment by the 2018 STIP cycle. MTC may program funds directly from Alameda County’s STIP share if no other fund source is identified by the 2018 STIP.

**2018 Regional Transportation Improvement Program
Policies, Procedures and Project Selection Criteria
Appendix A-3: 2018 RTIP Project Screening Criteria**

Eligible Projects

- A. Eligible Projects.** SB 45 (Chapter 622, Statutes 1997) defined the range of projects that are eligible for consideration in the RTIP. Eligible projects include, state highway improvements, local road improvements and rehabilitation, public transit, intercity rail, grade separation, pedestrian and bicycle facilities, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety. Due to the current fund make up of the STIP, sponsors should expect that all projects programmed in the STIP include a mix of state and federal funds.

Planning Prerequisites

- B. RTP Consistency.** Projects included in the RTIP must be consistent with the adopted Regional Transportation Plan (RTP), which state law requires to be consistent with federal planning and programming requirements. Each project to be included in the RTIP must identify its relationship with meeting the goals and objectives of the RTP, and where applicable, the RTP ID number.
- C. CMP Consistency.** Local projects must also be included in a County Congestion Management Plan (CMP), or in an adopted Capital Improvement Program (CIP) for counties that have opted out of the CMP requirement, prior to inclusion in the RTIP.
- D. PSR or PSR Equivalent is Required.** Projects in the STIP must have a complete Project Study Report (PSR) or, for a project that is not on a state highway, a project study report equivalent or major investment study. The intent of this requirement is to ensure that the project scope, cost and schedule have been adequately defined and justified. Projects with a circulating draft or final environmental document do not need a PSR. This requirement is particularly important in light of SB 45 timely use of funds requirements, discussed below.

The required format of a PSR or PSR equivalent varies by project type. Additional guidance on how to prepare these documents is available on the internet at the addresses indicated within Part 3 (PSR, or equivalent) of Appendix A-4: 2018 RTIP Project Application, which includes a table categorizing PSR and PSR equivalent requirements by project type.

- E. Consistency with Regional Housing Production Targets/Goals.** Projects in the RTIP can only be located in a jurisdiction or corridor that has met the eligibility threshold for its Regional Housing Needs Allocation (RHNA) production target in the very low, low, and moderate levels

F. Reporting on Compliance with State Housing Requirements

Note: This section was added by the Programming and Allocations Committee on October 11 and referred to the Commission for consideration at the October 25 Commission meeting.

MTC will survey jurisdictions on compliance with state housing requirements. Compliance reporting should include the following:

- State Housing Element Law: status of required rezoning of housing sites identified in local housing elements at appropriate minimum densities;
- Surplus Lands Act: status of required local implementation ordinances;
- State Density Bonus Law (AB 2135): status of required local density bonus implementation ordinances; and
- Accessory Dwelling Unit Streamlining (SB 1069, AB 2299, AB 2406): status of required local accessory dwelling unit streamlining ordinances.

Compliance reporting is due to MTC in time for MTC staff to compile and review the information by July 1, 2018. This will not affect 2018 RTIP funding recommendations.

Project Costs and Phases

G. Escalated Costs. All projects will count against share balances on the basis of their fully escalated (inflated) costs. All RTIP project costs must be escalated to the year of expenditure.

As required by law, inflation estimates for Caltrans operations (capital outlay support) costs are based on the annual escalation rate established by the Department of Finance. Local project sponsors may use the state escalation rates or their own rates in determining the escalated project cost in the year programmed.

H. Project Phases. Projects must be separated into the following project components:

1. Completion of all studies, permits and environmental studies (ENV)
2. Preparation of all Plans, Specifications, and Estimates (PS&E)
3. Acquisition of right-of-way (ROW)
4. Construction and construction management and engineering, including surveys and inspections.” (CON)

Note: Right-of-way and construction components on Caltrans projects must be further separated into capital costs and Caltrans support costs (ROW-CT and CON-CT).

The project sponsor/CMA must display the project in these four components (six for Caltrans projects) in the final submittal. STIP funding amounts programmed for any component shall be rounded to the nearest \$1,000. Additionally, unless substantially justified, no project may program more than one project phase in a single fiscal year. Caltrans-sponsored projects are exempt from this prohibition. Additionally, right of way (ROW) funds may be programmed in the same year as final design (PS&E) if the environmental document is approved. ROW funds may be programmed in the same year as construction (CON) only if the project does not have significant right of way acquisition or construction costs that require more than a simple Categorical Exemption or basic permitting approvals (see section L). The CTC will not allocate PS&E, ROW, or CON funding until CEQA and NEPA (if federalized) documents are complete and submitted to CTC.

All requests for funding in the RTIP for projects on the state highway system and implemented by an agency other than the Department must include any oversight fees within each project component cost, as applicable and as identified in the cooperative agreement. This is to ensure sufficient funding is available for the project component.

Metropolitan Transportation Commission Programming and Allocations Committee

October 11, 2017

Agenda Item 4a

Resolution No. 4308

Subject:	Policies, Procedures and Project Selection Criteria for the 2018 Regional Transportation Improvement Program (RTIP), which includes approximately \$291 million in new programming capacity for the Bay Area and a proposed new linkage to housing production.
Background:	<p>MTC is responsible for developing the region's funding priorities for the Regional Transportation Improvement Program (RTIP), and for submitting the proposed projects to the California Transportation Commission (CTC) for adoption into the State Transportation Improvement Program (STIP). Resolution No. 4308 establishes MTC's policies, procedures, criteria, schedule, and funding targets for the 2018 RTIP, and will include the program of projects due to the CTC by December 15, 2017. The 2018 STIP covers the fiscal years 2018-19 through 2022-23.</p> <p>The 2018 RTIP provides about \$291 million in new program capacity to the nine-county MTC-region. Senate Bill (SB) 1, passed in April 2017, stabilized the funding for the State Highway Account that is directed to fund the STIP.</p> <p>In addition to the new programming capacity in the 2018 RTIP, sponsors have the opportunity to update existing project funding plans and schedules. In order to meet the CTC deadline, the Congestion Management Agencies (CMAs) must submit their project nominations to MTC in early November. This Committee will review the project listing on December 13, 2017. The Commission is scheduled to consider adoption of the final 2018 RTIP at its December 20, 2017 meeting, via amendment to this resolution.</p> <p>The 2018 guidance includes the latest updates to the CTC STIP guidelines adopted on August 16, 2017 (see Attachment 1), and proposes MTC policy revisions and options as presented in the attached memorandum from the Executive Director. For the 2018 RTIP, staff proposes several options for consideration related to additional funding incentives and conditions to encourage the production and preservation of housing, consistent with MTC's statutory responsibilities.</p>
Issues:	Staff has met with the region's CMAs to solicit input and the CMAs are on target to submit their project nominations by November. Although CMAs have provided preliminary project lists, MTC staff will evaluate the final nominations against all regional policies including any housing conditions recommended, and return to the Commission in December with any eligibility issues and a final program of projects.

Recommendation: Refer MTC Resolution No. 4308 with the recommended policy option to the Commission for approval at its October 25th meeting.

Attachments: Presentation
Executive Director Memorandum
Attachment 1 – CTC STIP Guideline Changes
MTC Resolution No. 4308

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2018 State Transportation Improvement Program Policy Proposals

Programming and Allocations Committee

Item 4a

October 11, 2017

2018 STIP

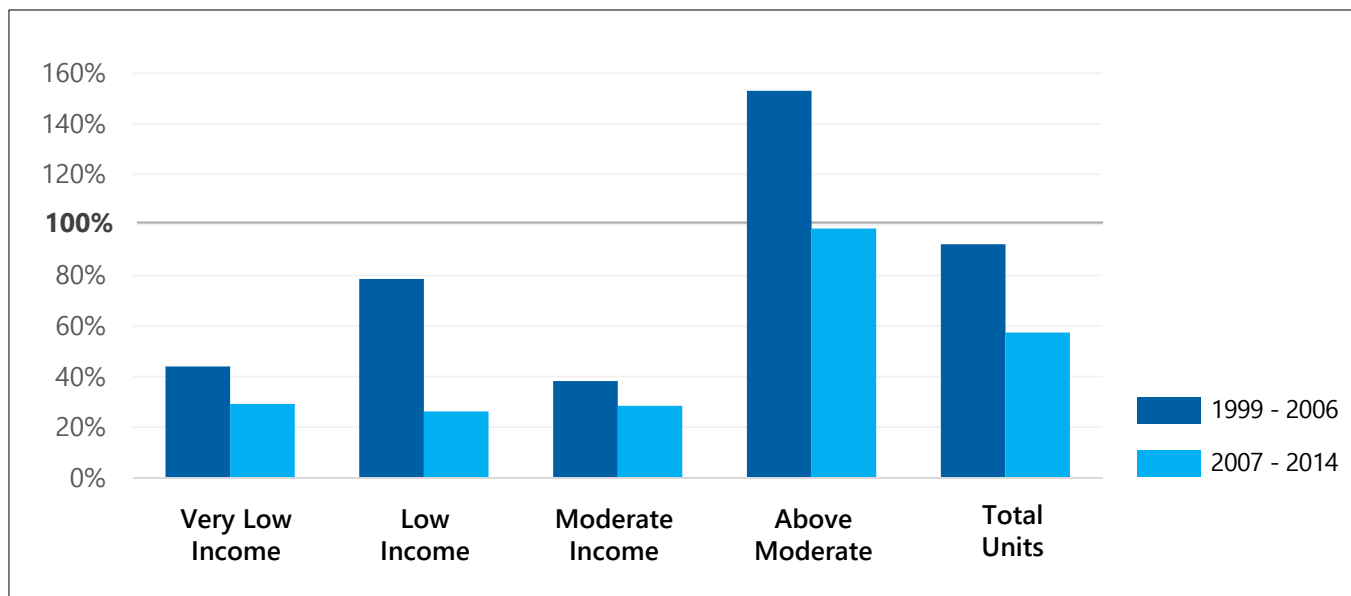
- Significant augmentation from SB1
- Approx \$290 million available to the Bay Area
- Generally funds are apportioned to counties, MTC submits regional program (RTIP) to CTC for approval
- Flexible funds, but some eligibility restrictions
- Prior Commitments in this cycle:
 - MTC \$46 million for Caltrain Electrification Contingency
 - Some other counties have project commitments



2018 STIP Timeline

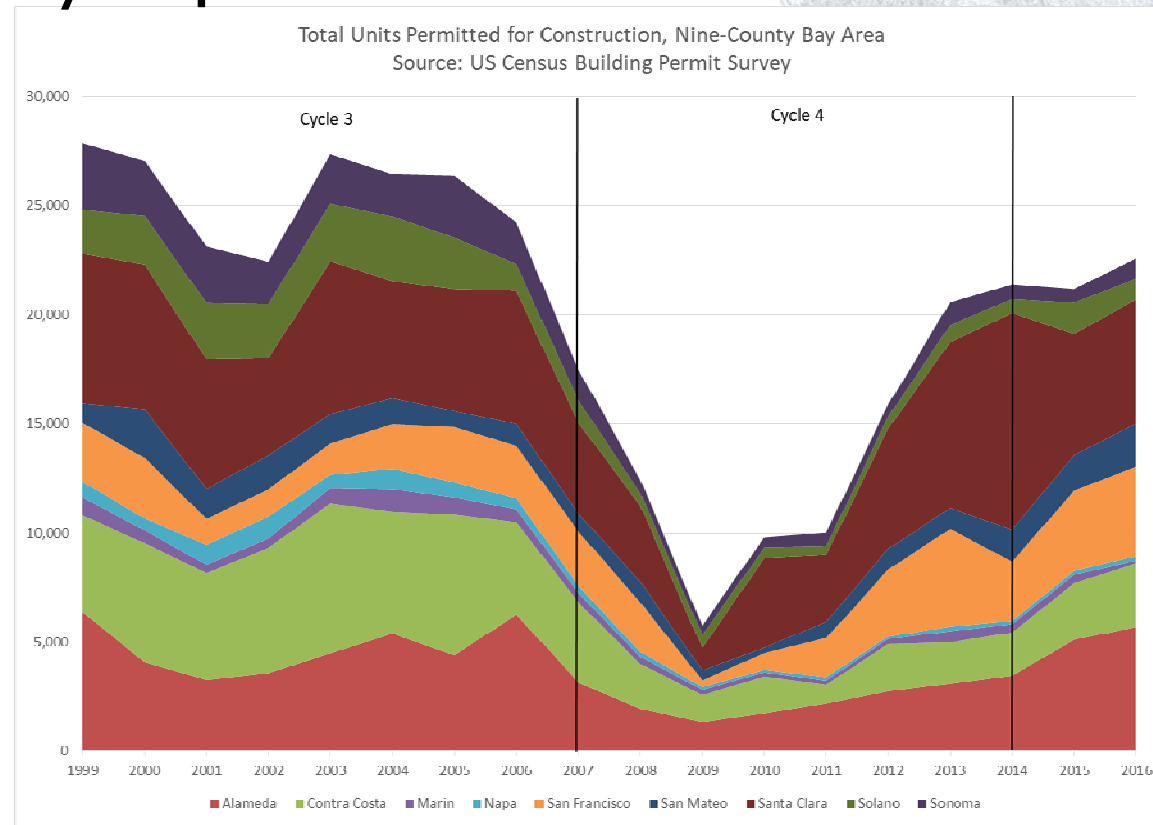
- CTC approved statewide guidelines – August 2017
- MTC to approve regional guidelines – October 2017
- Counties submit projects to MTC – November 2017
- MTC to approve regional program – December 2017
 - Due to CTC by December 15
- CTC Approves statewide program, including regional programs – March 2018

Share of Regional Housing Needs Allocation Permitted 1999-2014 San Francisco Bay Area



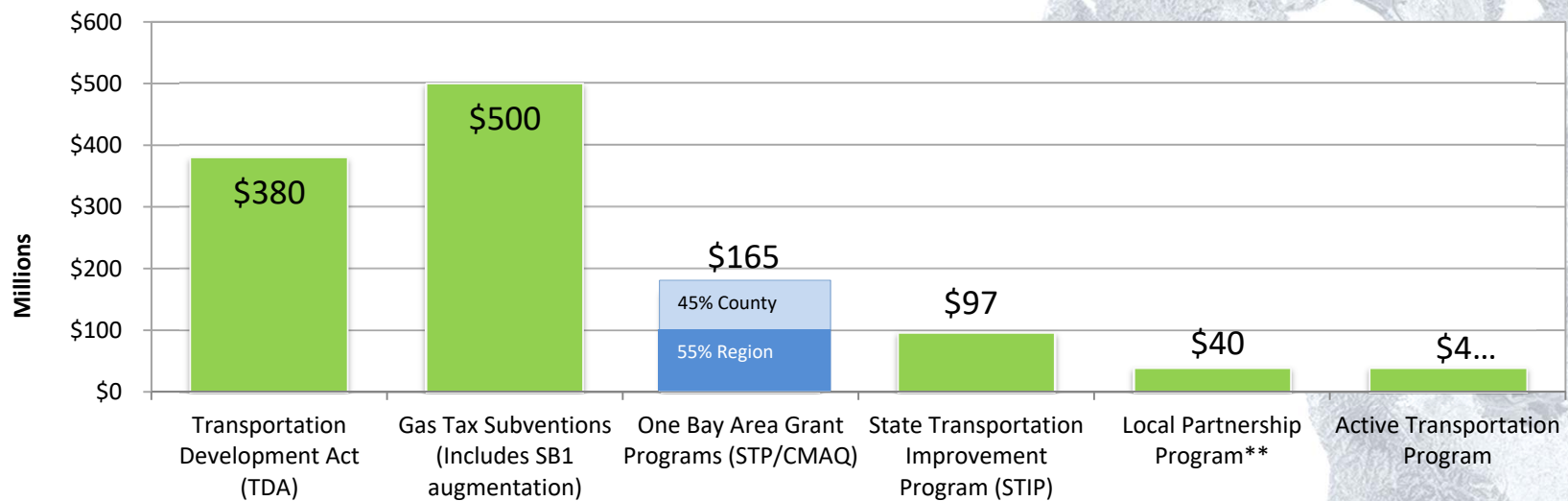
Regional average = 41%

Comparison of Building Permit Activity: Cycle 3 vs. Cycle 4



Best Candidates for Leverage

(Estimated annual revenue amounts, in millions)*

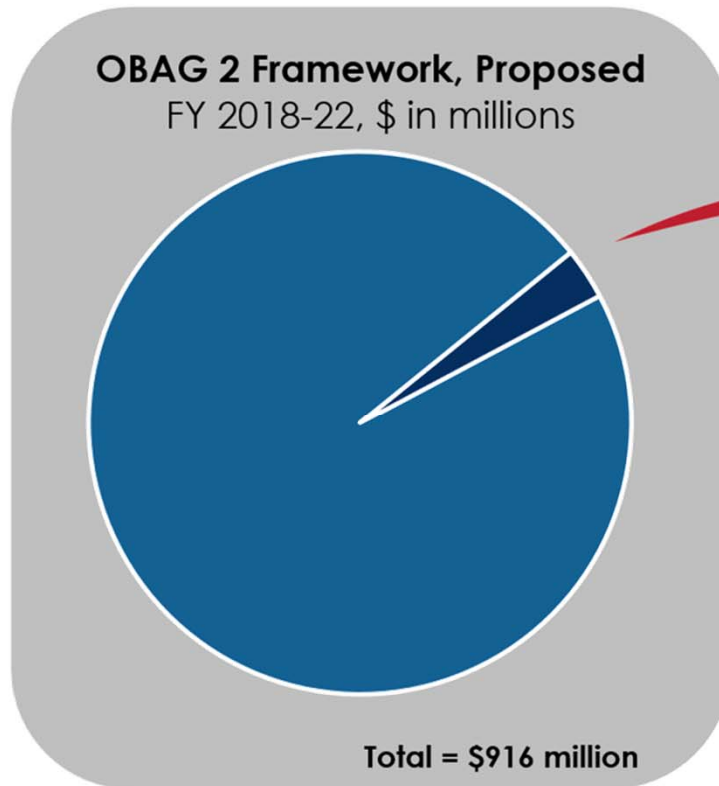


Notes:

*Includes SB1 formula funding augmentation where applicable; Does not include SB1 competitive programs

**Regional share is undetermined. Estimate assumes Bay Area receives 20% of statewide funding

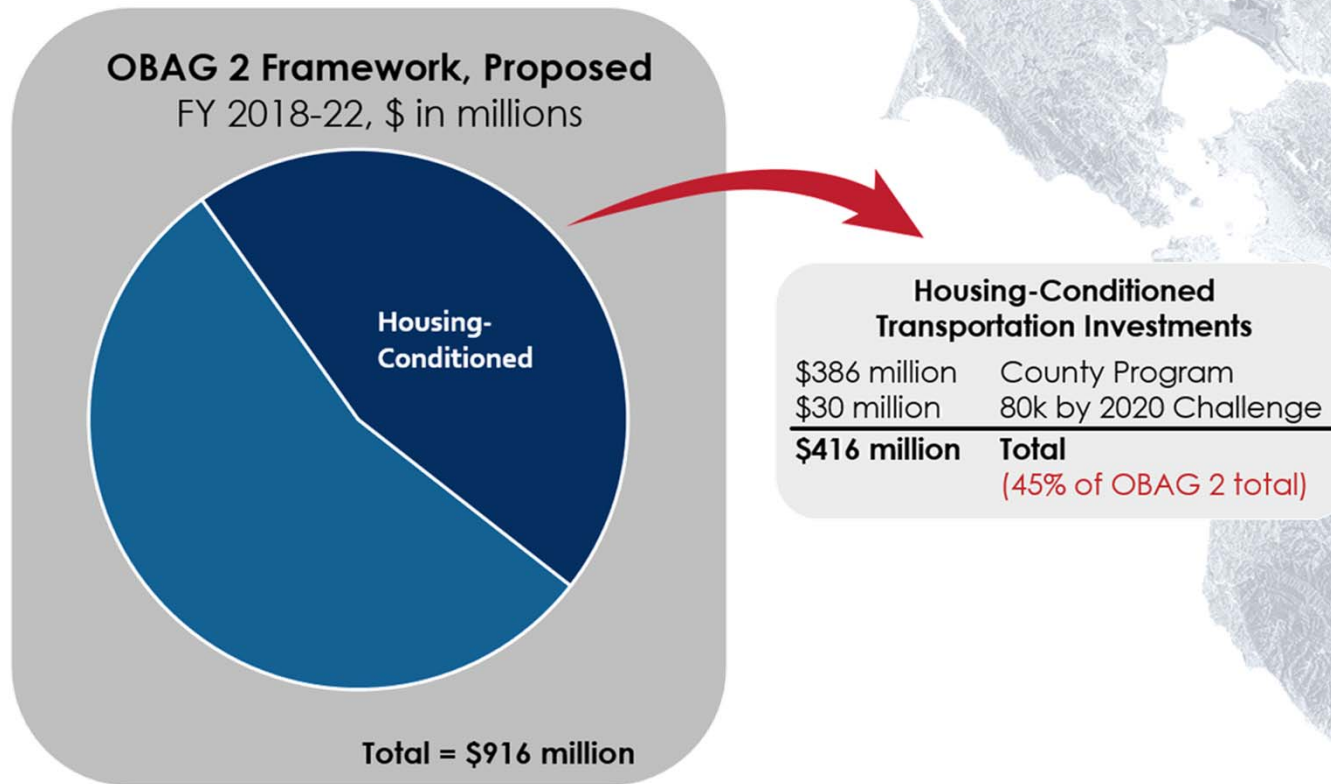
Previous Policies: 1. Limited Strategic Housing Investments



Housing Investments	
\$18 million	PDA Planning Grants
\$10 million	NOAH*
\$28 million	Total
	(3% of OBAG 2 total)

*Leveraging at 5:1

Previous Policies: 2. Transportation Investments Incentivizing Housing Production



80k by 2020 Challenge Grant

- Created in One Bay Area Grant (OBAG) 2
- OBAG sets aside \$30 million for top 10 producers of housing
 - Targets 80,000 new units between 2015 and 2020
 - Very Low* (35,000 units), Low* (22,000), and Moderate (25,000)
 - * VL/L must be deed restricted to receive credit towards challenge
 - Units must be in Priority Development Areas (PDAs) or Transit Priority Areas (TPAs)
- Top 10 producers of housing will receive grant funds
- Projects must be federal-aid eligible

2018 RTIP – Potential Strategies

The Carrot

- ▶ MTC dedicates \$46 million in discretionary RTIP funds* to augment the *80k by 2020* challenge grant → **the carrot**
 - Increases program size to \$76 million (from \$30M)
 - Expands awards to 15 jurisdictions (from 10)
 - Adds preservation of existing affordable housing as eligible for challenge
 - Projects must meet STIP rules

**If not needed for Caltrain contingency, or if Caltrain can be funded from another source*

2018 RTIP – Potential Strategies

The Stick

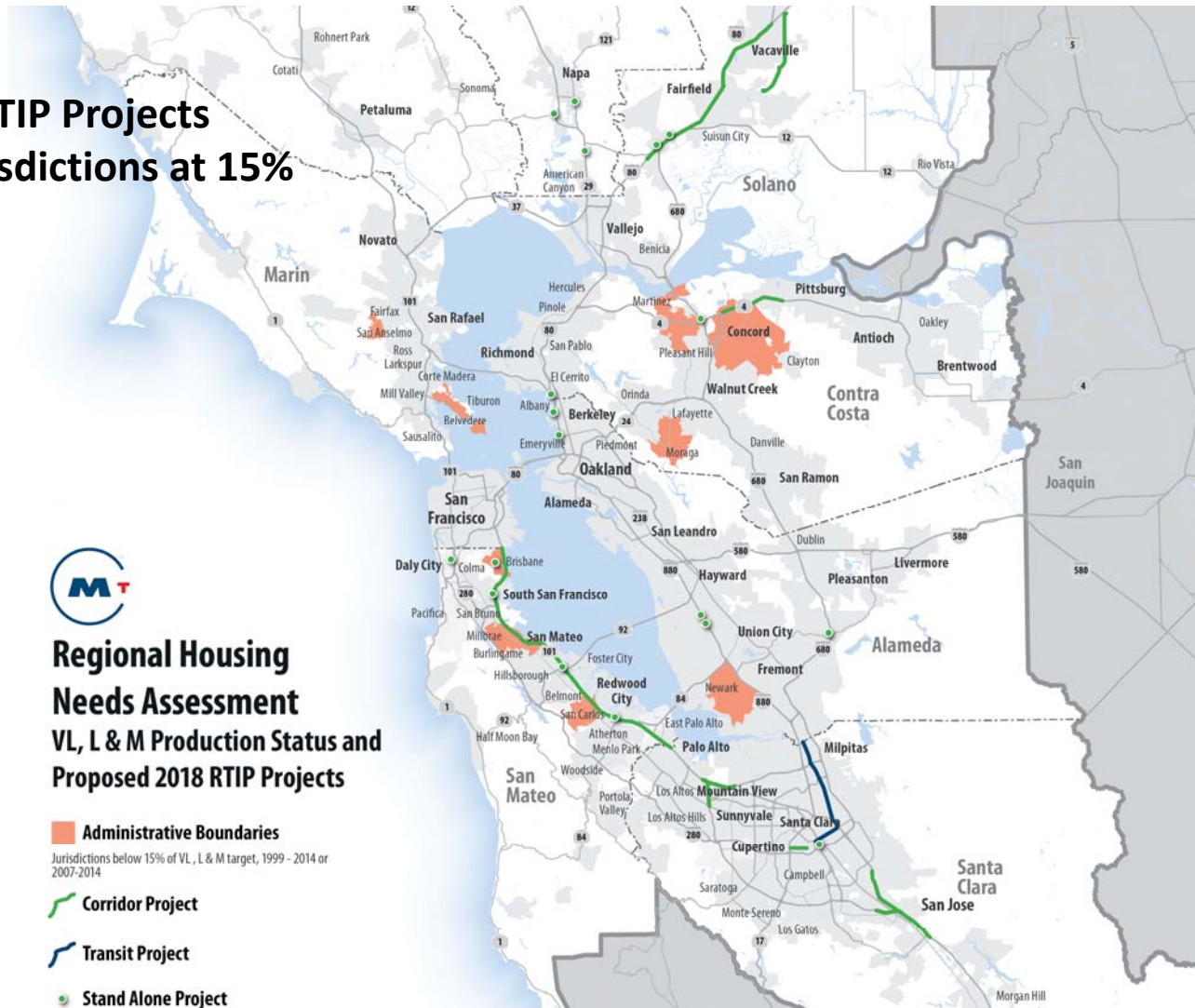
- ▶ MTC conditions new RTIP funds on jurisdictions making a reasonable effort in meeting their RHNA housing production targets → **the stick**
 - Looks at performance from last two completed RHNA cycles
 - 2007-2014, or combined 1999-2014
 - Very Low, Low, and Moderate production only
 - Targets could be 10%, 15%, 20% of VL/L/M RHNA production

Jurisdictions Not Meeting Thresholds of RHNA Production - Very Low, Low, & Moderate (Better of 1999-2014, or 2007-2014)

% of RHNA	# Not Met	% of Region's Jurisdictions	Jurisdictions	
20%	18	17%	Newark Concord Moraga Martinez Tiburon Fairfax American Canyon San Mateo Belmont	Burlingame Menlo Park San Mateo County Millbrae Brisbane San Carlos Mountain View Cupertino Vallejo
15%	10	9%	Newark Concord Moraga Martinez Tiburon	Fairfax Burlingame Millbrae Brisbane San Carlos
10%	8	7%	Newark Moraga Martinez Tiburon	Fairfax Millbrae Brisbane San Carlos

Average for all jurisdictions 1999-2014 = 41%

Potential 2018 RTIP Projects vs. Ineligible Jurisdictions at 15%



Carrot + Current Stick Option

15% Eligibility threshold with no exceptions

- Sets 15% eligibility threshold for jurisdictions to meet in very low, low, and moderate housing production over **1999-2014** or **2007-2014**

Projects Potentially Affected in 2018 RTIP

County	Project	Option A: Ineligible Jurisdiction(s)
Contra Costa	BART Station Modernization	Concord (13%)
Contra Costa	I-680/SR-4 Interchange Improvements	Martinez (9%)
Contra Costa	SR-4 Operational Improvements	Concord (13%)
San Mateo	ITS Improvements in Daly City/Brisbane	Brisbane (4%)
San Mateo	US 101 Managed Lanes	Brisbane (4%), Burlingame (12%), Millbrae (9%), San Carlos (6%)

Carrot + Current Stick Option

15% Eligibility threshold, but averaged over the corridor

- Sets 15% eligibility threshold
- Allows corridor projects to average production over multiple jurisdictions to meet threshold

Likely No Projects Affected in 2018 RTIP

County	Project	<u>Option A:</u> Jurisdictions less than 15% Production	<u>Option B:</u> Average Production Over the Corridor
Contra Costa	BART Station Modernization	Concord (13%)	33%
Contra Costa	I-680/SR-4 Interchange Improvements	Martinez (9%)	42%
Contra Costa	SR-4 Operational Improvements	Concord (13%)	80%
San Mateo	ITS Improvements in Daly City/Brisbane	Brisbane (4%)	25%
San Mateo	US 101 Managed Lanes	Brisbane (4%), Burlingame (12%), Millbrae (9%), San Carlos (6%)	25%

Carrot + Prospective Stick Option

- ▶ Retains carrot of additional funding for *80k by 2020* Challenge Grant
- ▶ Sets no eligibility threshold for 2018 RTIP
- ▶ Anticipates a to-be-determined threshold for the 2020 RTIP
 - Could be 15%-20% or higher; based on additional evaluation
 - Would include more production information from the current RHNA cycle (2015-2022)
 - Allows non-compliant jurisdictions to improve housing production in current RHNA cycle

- ▶ No 2018 RTIP projects would be affected under Option C

STIP Strategy Pros & Cons

The Carrot

\$46M incentive augmentation (\$76 million total) to *80k by 2020* Challenge

Pros

- New money for an existing program that has support
- Does not affect current or proposed RTIP projects
- Larger carrot could exert more influence on municipal behavior
- Likely to be more positively received

Cons

- Less money for other regional commitments/needs
- Leaves programming capacity on the table in the 2018 STIP
- Projects must be STIP-eligible and follow STIP rules
- Difficult for jurisdictions to change current behavior in two years

STIP Strategy Pros & Cons

The Stick

Condition STIP funds on meeting a minimum housing production threshold

Pros

- Moves beyond housing promises to housing production
- Will get attention of jurisdictions and other stakeholders; with additional SB1 funding, STIP is now robust source
- Sets precedent for future strengthening of target threshold
- Using longer-term data will account for economic cycles

Cons

- Weak link between individual jurisdictions and system approach to transportation improvements
- Few jurisdictions receive STIP funds so may not create desired change
- Little time for public input
- Could disrupt prior county commitments

Summary of Options

- **Option A**
 - Carrot plus Current Stick (2018), No Exceptions
- **Option B**
 - Carrot plus Current Stick (2018), Corridor Averaging
- **Option C**
 - Carrot plus Prospective Stick (2020)
- Recommend Committee select an option to forward to Commission for inclusion in the RTIP Policies and Procedures, MTC Resolution No. 4308



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4a

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Programming and Allocations Committee

DATE: October 5, 2017

FR: Executive Director

W.I. 1515

RE: MTC Resolution No. 4308 – 2018 RTIP Policies and Procedures

Background

Every two years, California adopts a State Transportation Improvement Program (STIP) that directs how the state will spend a portion of the state's transportation revenues for the next five years. MTC, as the Regional Transportation Planning Agency (RTPA) for the Bay Area, is responsible for developing the Regional Transportation Improvement Program (RTIP), which is part of the STIP. The region's RTIP is due to the California Transportation Commission (CTC) by December 15, 2017. The 2018 RTIP includes roughly \$291 million in new programming capacity available for the Bay Area thanks to the passage of Senate Bill 1.

This memo discusses the staff's recommendation for various policy updates for the 2018 RTIP, including policies that aim to address the region's severe housing production shortfall.

Previous Regional Commitments

MTC's 2018 RTIP includes a discussion on previous regional priorities to memorialize and help guide future RTIP programming. They include:

- In 2017, MTC committed \$46 million to Caltrain Peninsula Corridor Electrification Project (PCEP) (MTC Resolution No. 4267), with funding coming from the ARRA backfill related to the Caldecott Tunnel Fourth Bore project and former Transportation Enhancement (TE) funds from the Improved Bicycle/Pedestrian Access to the San Francisco-Oakland Bay Bridge project. If any funds are de-programmed from those projects, the RTIP funds will be re-programmed to a regional priority project(s) at MTC's discretion.
- Reservation of San Francisco County STIP shares for Central Subway and Freeway Performance Initiative (FPI)/Columbus Day Initiative (CDI) projects.
- Reservation of Alameda County STIP shares for the AC Transit East Bay Bus Rapid Transit (BRT) project.

These priorities will continue to remain in each RTIP until the commitments are met.

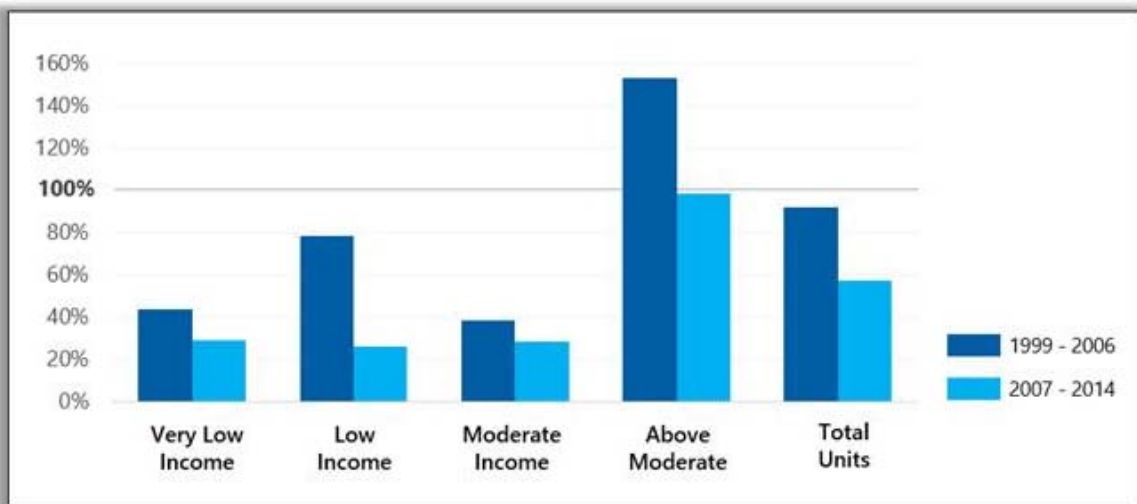
Housing

In recent decades, the Bay Area has not produced sufficient housing to accommodate the region's population growth, particularly in the provision of housing that is affordable for low and moderate income households. It is widely acknowledged throughout the region that this housing shortfall has reached crisis proportions.

As the Regional Transportation Planning Agency (RTPA) for the Bay Area, MTC is responsible for developing RTIP project priorities consistent with the region's Regional Transportation Plan and also shares responsibility with the Association of Bay Area Governments (ABAG) for developing and implementing a Sustainable Communities Strategy (SCS) that integrates transportation, land use, and housing policies to meet greenhouse gas (GHG) reduction goals (Government Code Section 65080(b) 2(B)). A key component of the combined RTP/SCS, per state statutory requirements, is that the plan demonstrate how the region can house 100% of the region's projected growth at all income levels. MTC's statutory responsibilities also require the RTP to consider the impact of transportation systems on a variety of facets of the region, including housing (Government Code Section 66509(b)), as well as the short- and long-term needs identified by plans prepared and adopted by ABAG (Government Code Section 66509(c)).

The Regional Housing Needs Allocation process (RHNA) establishes housing production targets for all jurisdictions in the Bay Area. However, the region is only producing on average about 41% of its RHNA targets for housing affordable to very low, low, and moderate income households over the past two decades. The chart below shows housing production (permitting) by income category for the last two RHNA cycles.

Share of Regional Housing Needs Allocation Permitted 1999-2014 San Francisco Bay Area



Further exacerbating both the housing and the transportation woes in the region, the region has added some 500,000 jobs since the end of the Great Recession, and has added only 65,000 new homes.

To further encourage the production of affordable housing within the region, staff is providing policy options with a two-prong approach to address the shortfall. The first is a “carrot” approach that would commit additional RTIP funds to an incentive program established under the One Bay Area Grant (OBAG 2) program. The second is a “stick” approach that would condition the programming of new RTIP funds on the demonstration of a reasonable effort to meet a jurisdiction's very low, low, and moderate housing production targets, as established through RHNA. These two approaches and options for consideration are described below.

“The Carrot”: Housing Production and Preservation Incentive

The One Bay Area Grant (OBAG 2) program (MTC Resolution No. 4202) includes a challenge grant program for the production of affordable housing. The purpose of the program is to reward local jurisdictions that produce the most housing at the very low, low, and moderate levels. This challenge grant program sets a six year target for production of low and moderate income housing units (2015 through 2020), based on the housing unit needs identified through the Regional Housing Needs Allocation (RHNA) for 2015-22. The target for the proposed challenge grant period is approximately 80,000 low and moderate income units (35,000 very low, 22,000 low and 25,000 moderate units, for a total of 82,000 units, derived from the years of the current RHNA cycle). The units must be located in PDAs or in Transit Priority Areas (TPAs). Additionally, to be credited towards reaching the production targets, very low and low income units must be deed restricted; moderate income units do not require deed restriction to be credited in the program. In addition, the number of existing affordable housing units a jurisdiction preserves is also included for the purposes of this incentive program. At the end of the production and preservation challenge cycle, MTC will distribute grant funds to the jurisdictions that contribute the most toward reaching the regional production target.

As part of the 2018 RTIP, staff is providing as an option an augmentation to the OBAG 2 Housing Production Incentive challenge grant program (also known as *80k by 2020*) with \$46 million of regionally-controlled RTIP funds identified in the previous section, should the funds not be needed for Caltrain’s project contingency, either because the project can be completed within budget or because substitute contingency funds are identified. The increased incentive amount at \$76 million allows the *80k by 2020* top ten producers of affordable housing to be increased to the top fifteen producers and preservers of affordable housing among the region’s 109 local jurisdictions. Staff will provide progress reports on production of affordable housing units as part of OBAG 2 implementation updates.

The RTIP funding provided may be either federal or state funds, must be used only for federally- or State Highway Account-eligible transportation purposes, and must meet CTC STIP Guideline requirements.

“The Stick”: Housing Production Target Conditions

To further spur the region’s housing production and put some teeth in RHNA, staff proposes conditioning RTIP project eligibility based on a jurisdiction making a reasonable effort in meeting its RHNA housing production targets. In particular, the “stick” focuses on areas that are falling well behind the regional average of 41% with respect to very low, low, and moderate housing production per their RHNA. Staff is providing the following “stick” options for consideration:

Option A: Carrot Plus Stick with No Exceptions

Option A would implement the “carrot” option and set a 15% housing production target for the 2018 RTIP. Specifically, any project that has not previously been programmed in the STIP must also be located within a jurisdiction that has met one or both of the following:

- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the previous two RHNA cycles between 1999-2006 and 2007-2014; or
- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the most recent RHNA cycle between 2007-2014.

Option A does not provide for exceptions to this policy, so a project that spans multiple cities would be ineligible for STIP funds if any of the cities within the project limits does not meet the 15% RHNA production target. Based on the draft project lists staff received from CMAs, five projects would be ineligible for programming under Option A, as depicted in the attached powerpoint presentation.

Option B: Carrot Plus Stick with Corridor Averaging

Option B is the same as Option A, but would allow an exception for corridor projects. Under this option the nominating CMA may aggregate the production/permit levels among all jurisdictions in the project corridor limits to meet the 15% target. A corridor is defined either by the project limits of the proposed project, or the limits of the corridor if a project is defined in a Corridor System Management Plan (CSMP) approved by Caltrans. Other definitions will be considered by MTC on a case-by-case basis. Based on the draft project lists staff received from CMAs, no projects would be ineligible for programming in the 2018 RTIP under Option B, as shown in the attached powerpoint presentation.

The corridor averaging approach mirrors the requirement for Transit Oriented Development for transit expansion projects included in MTC Resolution No. 3434, which allowed projects to meet the TOD minimums by averaging performance across the whole corridor.

Additionally, the corridor approach reflects the fact that many transportation projects affect or are used by people who are using a miles-long system and not just the particular element that happens to be located in a particular place. For example, people traveling on a freeway segment may or may not be from or even stopping in the city that the segment is located in; in fact they may be travelling from a neighboring city or county.

Option C: Carrot Plus Prospective Stick

Option C would not establish a threshold target for the 2018 RTIP. Instead, it would establish the “carrot” option, and put local jurisdictions and project sponsors “on notice” that a housing production condition would be imposed for the 2020 RTIP. This option provides jurisdictions and counties with advance notification to meet the housing threshold, and allows for additional evaluation and input to establish an acceptable production threshold.

Staff is soliciting direction from the Committee on which option to include in the final 2018 RTIP Policies and Procedures for Commission approval on October 25.

Public Involvement Process

MTC is committed to having the CMAs as full partners in development of the RTIP. That participation likewise requires the full commitment of the CMAs to a broad, inclusive public involvement process consistent with MTC’s adopted Public Participation Plan (available online at <http://mtc.ca.gov/about-mtc/public-participation/public-participation-plan>) and federal regulations, including Title VI of the Federal Civil Rights Act of 1964. Federal regulations call for active outreach and public comment opportunities in any metropolitan planning process, and such opportunities an important step to any project selection process for the RTIP. CMAs shall document their public involvement opportunities, including how they included communities covered under Title VI, and submit the documentation along with their list of candidate projects.

MTC Resolution No. 3606 Compliance – Regional Project Delivery Policy

SB 45 established strict timely use of funds and project delivery requirements for transportation projects programmed in the STIP. Missing critical milestones could result in deletion of the project from the STIP, and a permanent loss of the funds to the county and region. Therefore, these timely use of funds deadlines must be considered in programming the various project phases in the STIP. While SB 45 provides some flexibility with respect to these deadlines by allowing for deadline extensions under certain circumstances, the CTC is very clear that deadline extensions will be the exception rather than the rule. MTC Resolution No. 3606, Revised, details the Regional Project Delivery Policy for Regional Discretionary Funding, which may be more restrictive than the State's delivery policy.

Schedule

Recognizing both the timing of the adoption of the 2018 RTIP Policies and Procedures, as well as the potential for new housing-related elements, staff recommends a somewhat later than usual project list due date from the Congestion Management Agencies to facilitate further discussion with both the public and CMA boards. The date is November 8, 2017 for CMAs to provide their final project lists to MTC staff.

Recommendations

MTC staff recommends referral to the Commission of the above policy changes in the 2018 RTIP Policies and Procedures, as well as the selection of an option related to the carrot and stick approaches to housing production and preservation for approval as part of MTC Resolution No. 4308.



Steve Heminger

SH:kk

Highlighted CTC 2018 STIP Guideline Changes

- **Uncommitted funding for STIP projects**

The CTC may program a project component funded from a combination of committed and uncommitted funds. The CTC will regard funds as committed when they are programmed by the CTC or when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. Uncommitted funds may only be nominated from the following competitive programs: Active Transportation Program, Local Partnership Program, Solutions for Congested Corridors Program, Trade Corridor Enhancement Program, or Transit and Intercity Rail Capital Program. The agency must indicate its plan for securing a funding commitment, explain the risk of not securing that commitment, and its plan for securing an alternate source of funding should the commitment not be obtained. If a project with uncommitted funds is programmed, all funding commitments must be secured prior to July 1 of the year in which the project is programmed. Projects programmed by the CTC in the STIP will not be given priority for funding in other programs under CTC's purview.

- **Consideration of Reversible Lanes**

Pursuant to Streets and Highways Code Section 100.15, any new capacity increasing project or a major street or highway lane realignment project proposed in an RTIP and ITIP shall demonstrate that reversible lanes were considered for the project. The lead agency shall demonstrate that reversible lanes were considered when submitting the project's environmental documents for consideration of future funding.

- **RTIP and Project-Level Performance Evaluation: Updated Metrics**

The 2018 STIP Guidelines include updated performance evaluation metrics suggested for the RTIP-level and project-level evaluations. These metrics are based on a joint study by the Strategic Growth Council (SGC) and the San Diego Association of Governments (SANDAG), which recommended a cohesive and consistent set of performance measures for statewide use. MTC staff supported this list of performance measures, as they are clearly defined and already analyzed for MTC's Regional Transportation Plan, *Plan Bay Area 2040*.

- **Advance Project Development Element (APDE)**

The 2018 STIP Fund Estimate identifies funding for APDE. APDE provides funding for the environmental and permits and plans, specifications and estimates phases. The target for APDE is determined by calculating 25% of the STIP formula share of the estimated capacity in the next STIP cycle. Projects programmed using APDE capacity will be identified and tracked separately as they will be treated as advances of regular future county shares. APDE funds may be proposed in any year of the 2018 STIP. Counties must identify projects using APDE separately when submitting their project lists to MTC.

Date: October 25, 2017
W.I.: 1515
Referred by: PAC

ABSTRACT

Resolution No. 4308

This resolution adopts the policies, procedures, project selection criteria, and program of projects for the 2018 Regional Transportation Improvement Program (RTIP) for the San Francisco Bay Area, for submission to the California Transportation Commission (CTC), consistent with the provisions of Senate Bill 45 (Chapter 622, Statutes 1997).

- Attachment A – Policies, Procedures and Project Selection Criteria for the 2018 RTIP (with appendices)
- Attachment B – 2018 RTIP Program of Projects
- Attachment C – STIP Amendment / Extension Rules and Procedures

Further discussion of these actions is contained in the Summary Sheet to the MTC Programming and Allocations Committee dated October 11, 2017.

Date: October 25, 2017
W.I.: 1515
Referred by: PAC

RE: Adoption of 2018 Regional Transportation Improvement Program (RTIP)
Program Policies, Procedures, Project Selection Criteria, and Program of Projects

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4308

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC has adopted and periodically revises, pursuant to Government Code Sections 66508 and 65080, a Regional Transportation Plan (RTP); and

WHEREAS, MTC shares responsibility with the Association of Bay Area Governments (ABAG) for developing and implementing a Sustainable Communities Strategy (SCS) that integrates transportation, land use, and housing to meet greenhouse gas (GHG) reduction goals (Government Code Section 65080(b) 2(B)).

WHEREAS, MTC adopts, pursuant to Government Code Section 65082, a Regional Transportation Improvement Program (RTIP) when additional State Transportation Improvement Program funding is available, that is submitted, pursuant to Government Code Section 14527, to the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans); and

WHEREAS, MTC has developed, in cooperation with Caltrans, operators of publicly owned mass transportation services, congestion management agencies, countywide transportation planning agencies, and local governments, policies, procedures and project selection criteria to be used in the development of the 2018 RTIP, and a five-year program for the funding made available for highways, roadways and state-funded mass transit guideways and other transit capital improvement projects, to include projects programmed in fiscal years 2018-19 through 2022-23; and

WHEREAS, using the process and criteria set forth in the Attachments to this resolution, attached hereto as though set forth at length, a set of capital priorities for the 2018 Regional Transportation Improvement Program (RTIP) was developed; and

WHEREAS, the 2018 RTIP has been developed consistent with the policies and procedures outlined in this resolution, and with the STIP Guidelines adopted by the CTC on August 16, 2017; and

WHEREAS, the 2018 RTIP will be subject to public review and comment; now, therefore, be it

RESOLVED, that MTC approves the process and criteria to be used in the evaluation of candidate projects for inclusion in the 2018 RTIP, as set forth in Attachment A of this resolution, and be it further

RESOLVED, that MTC adopts the 2018 RTIP Program of Projects, attached hereto as Attachment B and incorporated herein as though set forth at length, and finds it consistent with the RTP; and, be it further

RESOLVED, that MTC approves the STIP Amendment / Extension Rules and Procedures to be used in processing STIP amendment and extension requests, as set forth in Attachment C of this resolution, and be it further

RESOLVED, that the Executive Director may make adjustments to Attachment B in consultation with the respective Congestion Management Agency (CMA) or County Transportation Planning Agency, to respond to direction from the California Transportation Commission and/or the California Department of Transportation; and, be it further

RESOLVED, that MTC's adoption of the programs and projects in the 2018 RTIP is for planning purposes only, with each project still subject to MTC's project review and application approval pursuant to MTC Resolution Nos. 3115 and 3757; and, be it further

RESOLVED, that the Executive Director shall forward a copy of this resolution, and such other information as may be required to the CTC, Caltrans, and to such other agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on October 25, 2017.

Date: October 25, 2017
W.I.: 1515
Referred by: PAC

Attachment A
Resolution No. 4308
Page 1 of 32

2018 Regional Transportation Improvement Program

Policies, Procedures, and Project Selection Criteria

October 25, 2017

**MTC Resolution No. 4308
Attachment A**

**Metropolitan Transportation Commission
Programming and Allocations Section
<http://www.mtc.ca.gov/our-work/fund-invest>**

**2018 RTIP
Regional Transportation Improvement Program
Policies, Procedures and Project Selection Criteria
Table of Contents**

Background	4
2018 RTIP Development.....	4
Key Policies and Guidance.....	4
Key Eligibility Policies.....	4
Consistency with Regional and Local Plans	4
CTC Guidance	5
2018 RTIP Development Schedule.....	5
RTIP County Share Targets	5
Project Eligibility	5
RTIP Project Solicitation	5
Public Involvement Process	6
RTIP Projects in the Transportation Improvement Program (TIP)	6
Regional Policies	6
Regional Set-Aside Programming	6
Housing Production and Preservation Incentive.....	6
Housing Production Target Conditions	7
County Programming Priorities	8
Regional Advanced Mitigation Program (RAMP)	9
Regional Planning, Programming, and Monitoring (PPM) funds	9
Caltrans Project Nomination.....	9
Title VI Compliance	9
Intelligent Transportation Systems Policy	10
MTC Resolution No. 4104 Compliance – Traffic Operations System Policy.....	10
Columbus Day Initiative, Managed Lanes Implementation Plan and Regional Express Lane (HOT) Network.....	10
Bay Area Interregional Transportation Improvement Program (ITIP) Priorities	11
MTC Resolution No. 3866 Compliance – Transit Coordination Implementation Plan ...	11
Accommodations for Bicyclists, Pedestrians and Persons with Disabilities	11
State Policies	13
Grant Anticipation Revenue Vehicle (GARVEE) Bonding	13
AB 3090 Project Replacement or Reimbursement	13
SB 184 Advance Expenditure of Funds.....	13
AB 608 Contract Award Provisions	14
Federal and State-Only Funding	14
Article XIX Compliance for Transit Projects	14
Matching Requirements on Highway and Transit Projects	15

Governor's Executive Orders	15
General Guidance	15
Project Advancements	15
Advance Project Development Element (APDE)	15
Unprogrammed Shares.....	16
Countywide RTIP Listing	16
Project Screening Criteria, Including Readiness	16
RTIP Applications	16
STIP Performance Measures: Regional and Project-Level Analyses.....	16
Completed Project Reporting.....	17
Regional Projects	17
85-115% Adjustments.....	17
MTC Resolution No. 3606 Compliance – Regional Project Delivery Policy	17
Allocation of Funds - Requirements	18
Notice of Cost Increase	18
Cost Escalation for Caltrans-Implemented Projects	18
Notice of Contract Award	18
Appendix A-1: 2018 RTIP Development Schedule.....	19
Appendix A-2: 2018 RTIP County Targets	20
Appendix A-3: 2018 RTIP Project Screening Criteria.....	21
Eligible Projects.....	21
Planning Prerequisites.....	21
Project Costs and Phases.....	21
Readiness Standards	23
Other Requirements	25
Appendix A-4: 2018 RTIP Project Application	26
Part 1: Sample Resolution of Local Support	26
Part 2: Project Study Report (PSR), or equivalent.....	29
Part 3: Project Programming Request (PPR) Form	30
Part 4: Performance Measures Worksheet.....	30
Part 5: Complete Streets Checklist	30

2018 Regional Transportation Improvement Program (RTIP) Policies, Procedures and Project Selection Criteria

Background

The State Transportation Improvement Program (STIP) provides funding for transportation projects around the State. As the Regional Transportation Planning Agency (RTPA) for the Bay Area, the Metropolitan Transportation Commission (MTC) is responsible for developing regional STIP project priorities for the nine counties of the Bay Area.

The Regional Transportation Improvement Program (RTIP) is the region's proposal to the State for STIP funding, and is due to the California Transportation Commission (CTC) by December 15, 2017. The 2018 STIP will include programming for the five fiscal years from 2018-19 through 2022-23.

2018 RTIP Development

The following principles will frame the development of MTC's 2018 RTIP, the region's contribution to the 2018 STIP.

- MTC will work with CTC staff, CMAs, transit operators, Caltrans, and project sponsors to prepare the 2018 STIP.
- Investments made in the RTIP must carry out the objectives of the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), and be consistent with its improvements and programs.
- MTC may choose to consult with counties to consider programming a portion of their RTIP shares for projects that meet a regional objective.
- MTC will continue to work with CMAs, transit operators, Caltrans and project sponsors to aggressively seek project delivery solutions. Through the use of AB 3090 authority, GARVEE financing, and federal, regional, and local funds and funding exchanges, MTC will work with its transportation partners to deliver projects in the region.
- Each county's project list must be constrained within the county share limits unless arrangements have been made with other counties to aggregate the county share targets. MTC continues to support aggregation of county share targets to deliver ready-to-go projects in the region. CMAs that submit a list that exceeds their county share must identify and prioritize those projects that exceed the county share target.

Key Policies and Guidance

The following policies serve as the primary guidance in the development of the 2018 RTIP.

Key Eligibility Policies

Consistency with Regional and Local Plans

RTP/SCS Consistency

Plan Bay Area 2040, the 2017 Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), lays out a vision of what the Bay Area land use patterns and transportation network could look like in 2040. An objective of *Plan Bay Area 2040* is to encourage and promote the safe and efficient management, operation and development of a regional intermodal transportation system that will serve the mobility needs of people and goods. Programming

policies governing the STIP and other flexible, multi-modal discretionary funding sources such as the federal Surface Transportation Block Grant Program (STBG), Congestion Mitigation and Air Quality Improvement (CMAQ), and Regional Transportation Improvement Program (RTIP) funds must be responsive to the strategies and goals of the Plan. New projects submitted for RTIP consideration must include a statement addressing how the project meets the strategies and goals set forth in the RTP.

Local Plans

Projects included in the RTIP must be included in a Congestion Management Plan (CMP) or Capital Improvement Program (CIP).

CTC Guidance

The California Transportation Commission (CTC) 2018 STIP guidelines were adopted on August 16, 2017. The MTC 2018 RTIP Policies, Procedures and Project Selection Criteria includes all changes in STIP policy implemented by the CTC. The entire CTC STIP Guidelines are available on the internet at: <http://www.dot.ca.gov/hq/transprog/ocip.htm> or <http://www.catc.ca.gov/programs/stip.htm>. All CMAs and project sponsors must follow the MTC and CTC STIP guidelines in the development and implementation of the 2018 RTIP/STIP.

2018 RTIP Development Schedule

Development of the 2018 RTIP under these procedures will be done in accordance with the schedule outlined in Appendix A-1 of these policies and procedures.

RTIP County Share Targets

Appendix A-2 of the Policies and Procedures provides the county share targets for each county for the 2018 RTIP. Each county's project list, due to MTC in draft form by October 20, 2017, should be constrained within these county share limits; however, advancement of future county shares is possible through Advance Project Development Element (for more detail on project advancement please refer to the APDE section on page 13). It is expected that MTC's RTIP will be developed using a region-wide aggregate of county-share targets and advancement of future county shares.

Project Eligibility

SB 45 (Chapter 622, Statutes 1997) defines the range of projects that are eligible for consideration in the RTIP. Eligible projects include state highway improvements, local road improvements and rehabilitation, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety.

RTIP Project Solicitation

Each county congestion management agency (CMA), or countywide transportation planning agency for those counties that have opted out of the CMA requirement, is responsible for soliciting projects for its county share of the RTIP where the county target is greater than \$0. The CMA must notify all eligible project sponsors, including Caltrans and transit operators, of the process and deadlines for applying for RTIP funding.

Public Involvement Process

MTC is committed to having the CMAs as full partners in development of the RTIP. That participation likewise requires the full commitment of the CMAs to a broad, inclusive public involvement process consistent with MTC's adopted Public Participation Plan (available online at <http://mtc.ca.gov/about-mtc/public-participation/public-participation-plan>) and federal regulations, including Title VI of the Federal Civil Rights Act of 1964. Federal regulations call for active outreach and public comment opportunities in any metropolitan planning process, and such opportunities an important step to any project selection process for the RTIP. CMAs shall document their public involvement opportunities, including how they included communities covered under Title VI, and submit the documentation along with their list of candidate projects.

RTIP Projects in the Transportation Improvement Program (TIP)

In accordance with state and federal requirements, RTIP-funded projects must be programmed in the TIP prior to seeking a CTC allocation. In addition, a federal authorization to proceed (E-76) request must be submitted simultaneously with the RTIP allocation request to Caltrans and the CTC when the request includes federal funds. In the 2018 RTIP, all projects are subject to be a mix of federal and state funds, and may require a federal authorization to proceed. Additionally, all STIP projects are to be included in the TIP and must have funds escalated to the year of expenditure, in accordance with federal regulations.

Regional Policies

Regional Set-Aside Programming

In order to expedite obligation and expenditure of American Recovery and Reinvestment Act of 2009 (ARRA) funds, and to address the State's lack of funding at the time, MTC programmed \$31 million in ARRA funds to backfill unavailable STIP funds for the Caldecott Tunnel Fourth Bore project. Of the \$31 million, \$29 million came from Contra Costa's STIP county share, and \$2 million from Alameda's STIP county share. Further, in 2012, MTC programmed \$15 million to the Improved Bicycle/Pedestrian Access to the San Francisco-Oakland Bay Bridge project from a portion of each county's STIP share (from former Transportation Enhancement (TE) funds). To address lack of funding in the 2016 STIP, MTC de-programmed both the \$31 million and \$15 million commitments to regional projects (total \$46 million). In January 2017 MTC committed the \$46 million to additional contingency for the Caltrain Peninsula Corridor Electrification Project (PCEP), through MTC Resolution No. 4267. If any of the funds are de-programmed, the RTIP funds will be re-programmed to another regional priority project(s) at MTC's discretion. These funds have the highest priority for funding in the RTIP, after GARVEE, AB 3090, and PPM projects.

Housing Production and Preservation Incentive

Note: This is a proposed addition to the RTIP Policies pending Discussion at the October 11 Programming and Allocations Committee meeting

The One Bay Area Grant (OBAG 2) program (MTC Resolution No. 4202) includes a challenge grant program for the production of affordable housing. The purpose of the program is to reward local jurisdictions that produce the most housing at the very low, low, and moderate levels. This challenge grant program sets a six year target for production of low and moderate income housing units (2015 through 2020), based on the housing unit needs identified through the Regional Housing Needs Allocation (RHNA) for 2015-22. The target for the proposed challenge grant period is approximately 80,000 low and moderate income units (35,000 very low, 22,000 low and 25,000

moderate units, for a total of 82,000 units, derived from the years of the current RHNA cycle). The units must be located in PDAs or in Transit Priority Areas (TPAs). Additionally, to be credited towards reaching the production targets, very low and low income units must be deed restricted; moderate income units do not require deed restriction to be credited in the program. In addition, the number of existing affordable housing units a jurisdiction preserves is also included for the purposes of this incentive program. At the end of the production and preservation challenge cycle, MTC will distribute grant funds to the jurisdictions that contribute the most toward reaching the regional production target.

As part of the 2018 RTIP, staff is providing as an option an augmentation to the OBAG 2 Housing Production Incentive challenge grant program (also known as 80k by 2020) with \$46 million of regionally-controlled RTIP funds identified in the previous section, should the funds not be needed for Caltrain's project contingency, either because the project can be completed within budget or because substitute contingency funds are identified. The increased incentive amount at \$76 million allows the 80k by 2020 top ten producers of affordable housing to be increased to the top fifteen producers and preservers of affordable housing among the region's 109 local jurisdictions. Staff will provide progress reports on production of affordable housing units as part of OBAG 2 implementation updates.

The RTIP funding provided may be either federal or state funds, must be used only for federally- or State Highway Account-eligible transportation purposes, and must meet CTC STIP Guideline requirements.

Housing Production Target Conditions

Note: This section provides options for inclusion in the RTIP Policies pending Discussion at the October 11 Programming and Allocations Committee meeting

As the Regional Transportation Planning Agency (RTPA) for the Bay Area, MTC is responsible for developing RTIP project priorities consistent with the region's Regional Transportation Plan and also shares responsibility with the Association of Bay Area Governments (ABAG) for developing and implementing a Sustainable Communities Strategy (SCS) that integrates transportation, land use, and housing policies to meet greenhouse gas (GHG) reduction goals (Government Code Section 65080(b) 2(B)). A key component of the combined RTP/SCS, per state statutory requirements, is that the plan demonstrate how the region can house 100% of the region's projected growth at all income levels. MTC's statutory responsibilities also require the RTP to consider the impact of transportation systems on a variety of facets of the region, including housing (Government Code Section 66509(b)), as well as the short- and long-term needs identified by plans prepared and adopted by ABAG (Government Code Section 66509(c)).

Consistent with the strategies and policies set forth in the current combined RTP/SCS, Plan Bay Area 2040, and MTC's statutory responsibilities to further encourage the production of affordable housing to meet identified needs, the programming of new RTIP funds will be approved only for jurisdictions that have demonstrated a reasonable effort in meeting housing production targets.

RTIP project eligibility is proposed to be based on a jurisdiction making a reasonable effort in meeting its RHNA housing production targets. In particular, the "stick" focuses on areas that are falling well

behind the regional average of 41% with respect to very low, low, and moderate housing production per their RHNA. Staff is providing the following “stick” options for consideration:

Option A: Carrot Plus Stick with No Exceptions

Option A would implement the “carrot” option and set a 15% housing production target for the 2018 RTIP. Specifically, any project that has not previously been programmed in the STIP must also be located within a jurisdiction that has met one or both of the following:

- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the previous two RHNA cycles between 1999-2006 and 2007-2014; or
- Permitted at least 15% of its very low, low, and moderate level housing targets as identified in the most recent RHNA cycle between 2007-2014.

Option A does not provide for exceptions to this policy, so a project that spans multiple cities would be ineligible for STIP funds if any of the cities within the project limits does not meet the 15% RHNA production target.

Option B: Carrot Plus Stick with Corridor Averaging

Option B is the same as Option A, but would allow an exception for corridor projects. Under this option the nominating CMA may aggregate the production/permit levels among all jurisdictions in the project corridor limits to meet the 15% target. A corridor is defined either by the project limits of the proposed project, or the limits of the corridor if a project is defined in a Corridor System Management Plan (CSMP) approved by Caltrans. Other definitions will be considered by MTC on a case-by-case basis.

Option C: Carrot Plus Prospective Stick

Option C would not establish a threshold target for the 2018 RTIP. Instead, it would establish the “carrot” option, and put local jurisdictions and project sponsors “on notice” that a housing production condition would be imposed for the 2020 RTIP. This option provides jurisdictions and counties with advance notification to meet the housing threshold, and allows for additional evaluation and input to establish an acceptable production threshold.

County Programming Priorities

Alameda County

Alameda County Transportation Commission (ACTC) Resolution No. 14-007 (Revised) identifies RTIP funds as a source to meet ACTC’s \$40 million commitment to AC Transit’s East Bay Bus Rapid Transit (BRT) project. Further, Commission action for the Regional Measure 2 (RM2) Strategic Plan in May 2014, and the March 2015 RM2 allocation to AC Transit for the BRT project require that ACTC commit the RTIP or other funds for the BRT project in order to retire the BRT commitment by the 2018 STIP cycle. MTC may program funds directly from Alameda County’s STIP share if no other fund source is identified by the 2018 STIP.

San Francisco County

MTC Resolution No. 4035, Revised, which sets forth the second cycle of federal Surface Transportation Program/Congestion Mitigation and Air Quality Improvement (STP/CMAQ) funding, advanced \$34 million in federal funds for the Doyle Drive Replacement / Presidio Parkway project. In exchange, \$34 million San Francisco’s STIP share shall be reserved for regional Freeway Performance Initiative (FPI)/Columbus Day Initiative (CDI)/Express Lanes projects. San Francisco

shall commit these funds after PPM programming and the remaining commitment to the Central Subway project (about \$75.5 million).

Regional Advanced Mitigation Program (RAMP)

As a part of *Plan Bay Area 2040* and through MTC Resolution No. 4290, MTC identified Regional Advance Mitigation Program (RAMP) as a mitigation strategy for the Bay Area. RAMP would mitigate certain environmental impacts from groups of planned transportation projects, rather than mitigating on an inefficient per-project level. RTIP funds may be used to implement RAMP, including purchasing mitigation land bank credits, establishing a greenfield mitigation site, contributing to an existing Habitat Conservation Plan, and purchasing conservation land easements and their endowments, as allowed under state and federal law. In instances where RTIP funds are not eligible for RAMP implementation, MTC encourages sponsors to exchange RTIP funds with eligible non-federal funds for RAMP. Such exchanges must be consistent with MTC's fund exchange policy, MTC Resolution No. 3331.

Regional Planning, Programming, and Monitoring (PPM) funds

Passage of Assembly Bill 2538 (Wolk, 2006) allows all counties to program up to 5% of their county share to Planning, Programming, and Monitoring (PPM) purposes in the STIP. Appendix A-2 identifies PPM amounts each county may program. As agreed with the CMAs, MTC will program a portion of each county's PPM for regional PPM activities each year. MTC's currently programmed amounts for regional PPM activities in FY 2018-19 and FY 2019-20 will not change in the 2018 RTIP; the CMAs may choose to respread their county portion of the PPM funds programmed in FY 2018-19 and FY 2019-20. Due to county share period restrictions, new PPM amounts may only be programmed in FY 2020-21, FY 2021-22, and FY 2022-23.

Caltrans Project Nomination

Senate Bill 1768 (Chapter 472, Statutes 2002) authorizes the Department of Transportation to nominate or recommend projects to be included in the RTIP to improve state highways using regional transportation improvement funds. To be considered for funding in the RTIP, the Department must submit project nominations directly to the applicable CMA (or countywide transportation planning agency for those counties that have opted out of the CMA requirement). The Department should also identify any additional state highway improvement needs within the county that could be programmed within the 3 years beyond the end of the current STIP period. The Department must submit these programming recommendations and identification of state highway improvement needs to the CMA within the timeframe and deadline prescribed by the applicable CMA. In addition, the Department must also provide a list of projects and funding amounts for projects currently planned on the State Highway System over the 2018 STIP period to be funded with local and regional funds.

Title VI Compliance

Investments made in the RTIP must be consistent with federal Title VI requirements. Title VI prohibits discrimination on the basis of race, color, disability, and national origin in programs and activities receiving federal financial assistance. Public outreach to and involvement of individuals in low income and minority communities covered under Title VI of the Civil Rights Act and the Executive Order pertaining to Environmental Justice is critical to both local and regional decisions.

The CMA must consider equitable solicitation and selection of project candidates in accordance with federal Title VI and Environmental Justice requirements.

Intelligent Transportation Systems Policy

In collaboration with federal, state, and local partners, MTC developed the regional Intelligent Transportation Systems (ITS) Architecture. The San Francisco Bay Area Regional ITS Architecture is a roadmap for integrated and collaborative ITS projects in the Bay Area over the next 10 years and beyond. The Architecture provides the knowledge base necessary to make the most out of technological advances for planning and deployment of intelligent transportation systems that are connected and standardized across the region and beyond.

MTC, state and federal agencies require projects funded with federal highway trust funds to meet applicable ITS Architecture requirements. Since the 2006 RTIP, MTC requires all applicable projects to conform to the regional ITS architecture. Through the on-line Fund Management System (FMS) application process, 2018 RTIP project sponsors will identify the appropriate ITS category, if applicable. Information on the regional ITS architecture can be found at: <http://mtc.ca.gov/our-work/operate-coordinate/intelligent-transportation-systems-its>.

MTC Resolution No. 4104 Compliance – Traffic Operations System Policy

All major new freeway projects included in *Plan Bay Area 2040* and subsequent regional transportation plans shall include the installation and activation of freeway traffic operations system (TOS) elements to effectively operate the region's freeway system and coordinate with local transportation management systems. MTC requires all applicable RTIP projects to conform to the regional policy. For purposes of this policy, a major freeway project is a project that adds lanes to a freeway, constructs a new segment of freeway, upgrades a segment to freeway status, modifies a freeway interchange, modifies freeway ramps, or reconstructs an existing freeway. TOS elements may include, but are not limited to, changeable message signs, closed-circuit television cameras, traffic monitoring stations and detectors, highway advisory radio, and ramp meters.

As set forth in MTC Resolution No. 4104, for any jurisdiction in which MTC finds that ramp metering and TOS elements are installed but not activated or in operation, MTC will consider suspending fund programming actions for STIP funding until the Ramp Metering Plan is implemented and the ramp meters and related TOS elements are activated and remain operational, and MTC deems the requirements of the regional TOS policy have been met. Furthermore, in any county in which a jurisdiction fails to include the installation and activation of TOS elements in an applicable freeway project, including ramp metering as identified in the Ramp Metering Plan, projects to install and activate the appropriate ramp meters and TOS elements omitted from the project shall have priority for programming of new STIP funding for that county. STIP projects that do not meet the provisions of MTC Resolution No. 4104 are subject to de-programming from the federal TIP.

Columbus Day Initiative, Managed Lanes Implementation Plan and Regional Express Lane (HOT) Network

All projects on the state highway system must demonstrate a scope and funding plan that includes Traffic Operations System (TOS) elements, consistent with the section above. Projects must also include any additional traffic operations recommendations resulting from MTC's Columbus Day

Initiative (CDI) and/or Managed Lanes Implementation Plan (MLIP). As part of CDI, advanced technologies to support connected vehicles (dedicated short-range communications equipment, advanced wireless communications, advanced vehicle-sensors, etc.) should be included where possible. Additionally, projects on the State Highway System proposed for programming in the 2018 RTIP should be consistent with the planned Regional Express Lane (High-Occupancy Toll) Network and the MLIP. For new RTIP funding commitments on the Regional Express Lane Network, the CMAs should work with MTC to determine the appropriateness of advance construction elements (such as structures and conduit) to support the future conversion of general purpose/HOV lanes to express lanes if identified.

Bay Area Interregional Transportation Improvement Program (ITIP) Priorities

In order to support Caltrans District 4 in successfully programming ITIP projects in the Bay Area, MTC worked with the CMAs and District to formulate four guiding principles for prioritizing ITIP projects. The principles are:

- Support high cost-benefit ratio projects on the State Highway System
- Support High-Occupancy Vehicle (HOV) lane gap closures, with emphasis on those that support the Regional Express Lane Network.
- Support high speed rail early investments and intercity/commuter rail
- Support future goods movement and trade corridors

These principles are consistent with *Plan Bay Area 2040* assumptions. MTC supported these principles in a comment letter to Caltrans regarding the 2015 Interregional Transportation Strategic Plan (ITSP), which was adopted in August.

MTC Resolution No. 3866 Compliance – Transit Coordination Implementation Plan

On February 24, 2010, MTC approved Resolution No. 3866, which documents coordination requirements for Bay Area transit operators to improve the transit customer experience when transferring between transit operators and in support of regional transit projects. *If a transit operator fails to comply with Res. 3866 requirements, MTC may withhold, restrict or reprogram funds or allocations.* Res. 3866 supersedes MTC's earlier coordination plan, Res. 3055.

One goal in establishing Res. 3866 was to incorporate detailed project information through reference rather than directly in the resolution in order to facilitate future updates of project-specific requirements. Transit operators must comply with these more detailed documents in order to comply with Res. 3866. MTC may periodically update these documents in consultation with transit agencies.

Accommodations for Bicyclists, Pedestrians and Persons with Disabilities

Federal, state and regional policies and directives emphasize the accommodation of bicyclists, pedestrians, and persons with disabilities when designing transportation facilities. Of particular note is Caltrans Deputy Directive 64 which stipulates: "pedestrians, bicyclists and persons with disabilities must be considered in all programming, planning, maintenance, construction, operations, and project development activities and products." In addition, MTC's Resolution No. 3765 requires project sponsors to complete a checklist that considers the needs of bicycles and pedestrians for applicable projects. MTC's Regional Bicycle Plan, adopted as a component of the 2001 RTP, requires that "all

regionally funded projects consider enhancement of bicycle transportation consistent with Deputy Directive 64”.

In selecting projects for inclusion in the RTIP, the CMAs and project sponsors must consider federal, state and regional policies and directives regarding non-motorized travel, including, but limited to, the following:

Federal Policy Mandates

The Federal Highways Administration Program Guidance on bicycle and pedestrian issues makes a number of clear statements of intent, and provides best practices concepts as outlined in the US DOT “Policy Statement on Bicycle and Pedestrian Accommodation Regulations and Recommendations.” (https://www.fhwa.dot.gov/environment/bicycle_pedestrian/guidance/policy_accom.cfm)

State Policy Mandates

The California Complete Streets Act (AB 1358) of 2008 encourages cities to make the most efficient use of urban land and transportation infrastructure, and improve public health by encouraging physical activity to reduce vehicle miles traveled (VMT). Government Code Section 65302(b)(2)(A) and (B) states that any substantial revision of the circulation element of the General Plan to consider all users.

California Government Code Section 65089(b)(1)(B)(5) requires that the design, construction and implementation of roadway projects proposed for funding in the RTIP must consider maintaining bicycle access and safety at a level comparable to that which existed prior to the improvement or alteration.

Caltrans Deputy Directive 64 (http://www.dot.ca.gov/hq/tpp/offices/bike/sites_files/DD-64-R1_Signed.pdf), states: “the Department fully considers the needs of non-motorized travelers (including pedestrians, bicyclists, and persons with disabilities) in all programming, planning, maintenance, construction, operations, and project development activities and products. This includes incorporation of the best available standards in all of the Department’s practices. The Department adopts the best practices concept in the US DOT Policy Statement on Integrating Bicycling and Walking into Transportation Infrastructure.”

Regional Policy Mandates

All projects programmed during the RTIP must consider the impact to bicycle transportation, pedestrians and persons with disabilities, consistent with MTC Resolution No. 3765. The Complete Streets Checklist (also known as “Routine Accommodations Checklist”) is incorporated as Part 5 of the Project Application. Furthermore, it is encouraged that all bicycle projects programmed in the RTIP support the Regional Bicycle Network. Guidance on considering bicycle transportation can be found in MTC’s 2009 Regional Bicycle Plan (a component of Transportation 2035) and Caltrans Deputy Directive 64. MTC’s Regional Bicycle Plan, containing federal, state and regional policies for accommodating bicycles and non-motorized travel, is available on MTC’s Web site at: <http://mtc.ca.gov/our-work/plans-projects/bicycle-pedestrian-planning>.

To be eligible for RTIP funds, a local jurisdiction with local streets and roads must have either a complete streets policy or resolution, or general plan updated after 2010, that complies with the Complete Streets Act of 2008 prior to January 31, 2016. Further information is available online at: http://mtc.ca.gov/sites/default/files/OBAG_2_Reso_Guidance_Final.pdf.

State Policies

Grant Anticipation Revenue Vehicle (GARVEE) Bonding

Chapter 862 of the Statutes of 1999 (SB 928) authorizes the State Treasurer to issue GARVEE bonds and authorizes the California Transportation Commission (CTC) to select projects for accelerated construction from bond proceeds. Bond repayment is made through annual set asides of the county share of future State Transportation Improvement Program (STIP) funds. Bond repayments are typically made over several STIP programming periods.

In accordance with state statute and the CTC GARVEE guidelines, GARVEE debt repayment will be the highest priority for programming and allocation within the particular county Regional Improvement Program (RIP) share until the debt is repaid. In the event that the RIP county share balance is insufficient to cover the GARVEE debt service and payment obligations, the RIP county share balance for that particular county will become negative through the advancement of future RIP county share. Should a negative balance or advancement of capacity be unattainable, then funding for other projects using RIP county share within that particular county would need to be reprogrammed or deleted, to accommodate the GARVEE debt service and payment obligations.

The CTC is responsible for programming the funds, derived from federal sources, as GARVEE debt service and the State Treasurer is responsible for making the debt service payments for these projects. In the 2018 STIP, CTC will consider new GARVEE projects via STIP amendment only, and not during the 2018 STIP process.

AB 3090 Project Replacement or Reimbursement

AB 3090 (Statutes of 1992, Chapter 1243) allows a local jurisdiction to advance a project included in the STIP to an earlier fiscal year through the use of locally-controlled funds. With the concurrence of the appropriate CMA, MTC, the California Transportation Commission and Caltrans, one or more replacement state transportation project shall be identified and included in the STIP for an equivalent amount and in the originally scheduled fiscal year or a later year of the advanced project. Alternately, the advanced project can be reimbursed in the originally scheduled fiscal year or a later year.

Projects approved for AB 3090 consideration must award a contract within six months of the CTC approval. The allocation of AB 3090 reimbursement projects is the highest priority in the MTC region. In the 2018 STIP, CTC will consider new AB 3090 requests via STIP amendment only, and not during the 2018 STIP process. Sponsors wishing to use AB 3090s for their projects should contact MTC and CTC for inclusion in the AB 3090 Plan of Projects, which is updated on an as-needed basis.

SB 184 Advance Expenditure of Funds

SB 184 (Statutes of 2007, Chapter 462) authorizes a regional or local entity to expend its own funds for any component of a transportation project within its jurisdiction that is programmed in the

current fiscal year and for which the Commission has not made an allocation. The amount expended would be authorized to be reimbursed by the state, subject to annual appropriation by the Legislature, if (1) the commission makes an allocation for, and the department executes a fund transfer agreement for, the project during the same fiscal year as when the regional or local expenditure was made; (2) expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures; and (3) the regional or local entity complies with all legal requirements for the project, as specified.

MTC discourages the use of SB 184 since allocation of funds is not guaranteed. Therefore, sponsors are exposing themselves to the risk of expending local funds with no guarantee that the STIP funds will be allocated.

Should a sponsor want to proceed with an SB 184 request, the sponsor must notify the CMA, MTC and Caltrans in writing on agency letterhead in accordance with Caltrans Local Assistance procedures.

AB 608 Contract Award Provisions

AB 608 authorizes the adjustment by the CTC of a programmed project amount in the STIP if the Caltrans-sponsored construction contract award amount for a project is less than 80% of the engineer's final estimate, excluding construction engineering.

The CTC will not approve any AB 608 request after 120 days from the contract award. Sponsors intending to take advantage of AB 608 project savings must notify Caltrans and the CMA within 30 days of the contract award, to ensure the request to the CTC can be processed in time to meet the CTC's deadline.

Federal and State-Only Funding

In 2011, the State adopted AB 105, which eliminates the sales tax on gasoline and replaces it with a commensurate increase in the excise tax on gasoline. Excise taxes are deposited into the State Highway Account, which also includes federal funds. Therefore, projects programmed in the 2018 STIP may receive a combination of state and federal funds. Project sponsors must federalize their projects by completing NEPA documentation and complying with federal project delivery rules, if they are assigned federal funds.

In 2017, Senate Bill 1 passed into law, which reset the price-based excise tax to 17.3 cents starting in FY 2019-20, with annual adjustments for inflation. SB 1 stabilizes STIP revenues, though Caltrans will determine the funding split between state-only and federal funding for projects funded in the STIP.

Article XIX Compliance for Transit Projects

Article XIX of the California State Constitution restricts the use of State Highway Account (SHA) funds on transit projects. In order for existing and new projects to be programmed in the STIP, the project sponsor or the CMA must provide documentation that verifies the STIP transit project is either 1) eligible for federal funds, or 2) meets Article XIX requirements that only fixed guideway projects in a county that has passed a measure authorizing the use of SHA funds on transit projects may use SHA funds. Also refer to the next section regarding "Matching Requirements."

Matching Requirements on Highway and Transit Projects

A local match is not required for projects programmed in the STIP, except under special situations affecting projects subject to Article XIX restrictions established by the State Constitution. Article XIX limits the use of state revenues in the State Highway Account (SHA) to state highways, local roads, and fixed guideway facilities. Other projects, such as rail rolling stock and buses, are not eligible to receive state funds from the SHA. Article XIX restricted projects must therefore be funded with either a combination of federal STIP funding and matching STIP funds from the Public Transportation Account (PTA), or with 100 percent federal STIP funds in the State Highway Account (which requires a non-federal local match of 11.47% from a non-STIP local funding source or approved use of toll credits).

Project sponsors wishing to use STIP PTA funds as matching funds for Article XIX restricted projects must note such a request in the “Special Funding Conditions” section of the RTIP Application Nomination sheet, and obtain approval from Caltrans through the state-only approval process as previously described. Otherwise, the CTC may assume any Article XIX restricted STIP project will be funded with 100 percent federal funds.

Governor’s Executive Orders

The STIP Guidelines adopted by the CTC recognizes two proclamations and executive orders by Governor Brown. First, in recognition of the historic drought, the CTC expects any landscape projects currently programmed but not yet allocated and awarded, or any new landscape projects, will include drought tolerant plants and irrigation. Second, consistent with Executive Order B-30-15 (April 29, 2015), projects proposed for RTIP funds must consider the State’s greenhouse gas emission reduction targets. Projects subject to a project-level performance evaluation are expected to include measures and analyses that address greenhouse gas emission reductions.

General Guidance

Project Advancements

If a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the STIP, the implementing agency may request an allocation in advance of the programmed year. The CTC will consider making advanced allocations based on a finding that the allocation will not delay availability of funding for other projects programmed in earlier years than the project to be advanced and with the approval of the responsible regional agency if county share funds are to be advanced. In project and financial planning, sponsors should not expect the CTC to advance any projects.

Advance Project Development Element (APDE)

The 2018 STIP Fund Estimate identifies funding for APDE. This will provide funding for environmental and permits and plans, specifications and estimates. The target for APDE is determined by calculating 25% of the STIP formula share of the estimated capacity in the next STIP cycle. Projects programmed using APDE capacity will be identified and tracked separately as they will be treated as advances of regular future county shares. APDE funds may be proposed in any year of the 2018 STIP. Counties must identify projects using APDE separately when submitting their project lists to MTC.

Unprogrammed Shares

The counties and the region may propose to leave county share STIP funds unprogrammed for a time to allow adequate consideration of funding options for future projects. The CTC particularly encourages Caltrans and the regional agencies to engage in early consultations to coordinate their ITIP and RTIP proposals for such projects. Counties intending to maintain an unprogrammed balance of its county share for future program amendments prior to the next STIP must include a statement of the intentions for the funds, including the anticipated use of the funds, as well as the amount and timing of the intended STIP amendment(s). However, access to any unprogrammed balance is subject to availability of funds, and is not expected to be approved by the CTC until the next STIP programming cycle.

Countywide RTIP Listing

By October 20, 2017, each county Congestion Management Agency or countywide transportation planning agency must submit to MTC a draft proposed countywide RTIP project listing showing the proposed programming of county shares. The final list is due to MTC by November 8, 2017, and must include the final project applications for any new projects added to the STIP (or any significantly revised existing STIP projects), identification of projects using APDE, details of projects completed since the last STIP, and appropriate project level performance measure analysis.

Project Screening Criteria, Including Readiness

In addition to the CTC Guidelines, all projects included in the 2018 RTIP must meet all MTC project-screening criteria listed in Appendix A-3 of this guidance, including the planning and the project readiness requirements.

RTIP Applications

Project sponsors must complete an application for each new project proposed for funding in the RTIP, consisting of the items included in Appendix A-4 of this guidance. In addition to MTC's Fund Management System (FMS) application, project sponsors must use the latest Project Programming Request (PPR) forms provided by Caltrans for all projects. CMAs should submit PPRs for all projects (including existing projects with no changes) on the revised form provided by Caltrans. The nomination sheet must be submitted electronically for upload into the regional and statewide databases. Existing projects already programmed in the STIP with proposed changes should propose an amendment in MTC's FMS, and submit both electronically and in hard copy a revised PPR provided by Caltrans.

STIP Performance Measures: Regional and Project-Level Analyses

The CTC continues to require performance measures in the RTIP and ITIP review process for the 2018 RTIP. According to the STIP guidelines, a regional, system-level performance report must be submitted along with the RTIP submission. MTC staff will compile this report, focusing on applying the measures at the Regional Transportation Plan (RTP) level.

In addition, the 2018 STIP Guidelines require a project-level performance measure evaluation on all projects with total project costs over \$50 million or over \$15 million in STIP funds programmed. The project-level evaluation should address performance indicators and measures identified in Table A of the 2018 STIP Guidelines (see Appendix A-4 Part 4). The evaluation should also include a

Caltrans-generated benefit/cost estimate, estimated impacts the project will have on the annual cost of operating and maintaining the state's transportation system, and estimated impact to greenhouse gas reduction efforts. The project-level evaluation must also be completed, if it has not already, on existing STIP projects with construction programmed, that exceed \$50 million in total project cost/\$15 million in STIP programming, and have had CEQA completed after December 2011. The CMAs are required to submit the project-level performance measures to MTC by the final application due date.

Completed Project Reporting

The 2018 STIP Guidelines require a report on all RTIP projects over \$20 million in total project cost completed between the adoption of the RTIP and the adoption of the previous RTIP (from December 2015 to December 2017). The report must include a summary of the funding plan and programming/allocation/expenditure history, as well as a discussion of project benefits that were anticipated prior to construction compared with an estimate of the actual benefits achieved. The CMAs are required to submit the completed project reporting information to MTC by the final application due date.

Regional Projects

Applications for projects with regionwide or multi-county benefits should be submitted to both MTC and the affected county CMAs for review. Regional projects will be considered for programming in the context of other county project priorities. MTC staff will work with the interested parties (CMAs and project sponsors) to determine the appropriate level of funding for these projects and negotiate county contributions of the project cost. County contributions would be based on population shares of the affected counties, or other agreed upon distribution formulas.

85-115% Adjustments

MTC may, pursuant to Streets and Highways Code Section 188.8 (k), pool the county shares within the region, provided that each county shall receive no less than 85 percent and not more than 115 percent of its county share for any single STIP programming period and 100 percent of its county share over two STIP programming cycles.

MTC may recommend use of the 85%-115% rule provided for in SB 45 to ensure, as needed, that the proper scope of projects submitted for programming can be accommodated. MTC will also work with CMAs to recommend other options, such as phased programming across STIP cycles, to ensure that sufficient funding and concerns such as timely use of funds are adequately addressed.

MTC Resolution No. 3606 Compliance – Regional Project Delivery Policy

SB 45 established strict timely use of funds and project delivery requirements for transportation projects programmed in the STIP. Missing critical milestones could result in deletion of the project from the STIP, and a permanent loss of the funds to the county and region. Therefore, these timely use of funds deadlines must be considered in programming the various project phases in the STIP. While SB 45 provides some flexibility with respect to these deadlines by allowing for deadline extensions under certain circumstances, the CTC is very clear that deadline extensions will be the exception rather than the rule. MTC Resolution No. 3606, Revised, details the Regional Project Delivery Policy for Regional Discretionary Funding, which may be more restrictive than the State's

delivery policy. See Attachment C to MTC Resolution No. 4308 for additional extension and amendment procedures.

Allocation of Funds - Requirements

To ensure there is no delay in the award of the construction contract (which CTC guidelines and MTC Resolution No. 3606 require within six months of allocation), STIP allocation requests for the construction phase of federally-funded projects must be accompanied by the complete and accurate Request for Authorization (RFA) package (also known as the E-76 package). Concurrent submittal of the CTC allocation request and the RFA will minimize delays in contract award. Additionally, for the allocation of any non-environmental phase funds (such as for final design, right of way, or construction), the project sponsor must demonstrate that both CEQA and NEPA documents are completed and certified for federalized projects.

Notice of Cost Increase

For projects with a total estimated cost over \$25 million, the implementing agency must perform quarterly project cost evaluations. If a cost increase greater than 10 percent of the total estimated cost of the particular phase is identified, the implementing agency must notify and submit an updated Project Programming Request (PPR) form to the appropriate CMA and MTC. In the event that a project is divided into sub-elements, the implementing agency will include all project sub-elements (i.e. landscaping, soundwalls, adjacent local road improvements) in the quarterly cost evaluation.

Early notification of cost increases allows the CMA and MTC to assist in developing strategies to manage cost increases and plan for future county share programming.

Cost Escalation for Caltrans-Implemented Projects

CTC remains very critical of unexpected cost increases to projects funded by the STIP. In order to ensure that the amounts programmed in the STIP are accurate, MTC encourages the CMAs to consult with Caltrans and increase Caltrans project costs by an agreed-upon escalation rate if funds are proposed to be shifted to a later year. This will currently only apply to projects implemented by Caltrans.

Notice of Contract Award

Caltrans has developed a procedure (Local Programs Procedures LPP-01-06) requiring project sponsors to notify Caltrans immediately after the award of a contract. Furthermore, Caltrans will not make any reimbursements for expenditures until such information is provided. Project sponsors must also notify MTC and the appropriate CMA immediately after the award of a contract. To ensure proper monitoring of the Timely Use of Funds provisions of SB 45, project sponsors are required to provide MTC and the county CMA with a copy of the LPP-01-06 "Award Information for STIP Projects – Attachment A" form, when it is submitted to Caltrans. This will assist MTC and the CMA in maintaining the regional project monitoring database, and ensure accurate reporting on the status of projects in advance of potential funding lapses. In accordance with CTC and Caltrans policies, construction funds must be encumbered in a contract within six months of allocation.

METROPOLITAN TRANSPORTATION COMMISSION
2018 Regional Transportation Improvement Program
Draft Development Schedule (Subject to Change)
September 26, 2017

March 15, 2017	Caltrans presentation of draft STIP Fund Estimate Assumptions (CTC Meeting – Los Angeles)
May 17, 2017	CTC adoption of STIP Fund Estimate Assumptions (CTC Meeting – San Diego)
June 28, 2017	Caltrans presentation of the draft STIP Fund Estimate and draft STIP Guidelines (CTC Meeting – Sacramento)
June 19, 2017	Partnership Technical Advisory Committee (PTAC) / Programming and Delivery Working Group (PDWG) discussion and review of initial schedule for 2018 RTIP
June 27, 2017	Governor signed State Budget
July 17, 2017	PDWG discussion of proposed RTIP Policies and Procedures
July 20, 2017	STIP Fund Estimate and Guidelines Workshop (Sacramento)
August 16, 2017	CTC adopts STIP Fund Estimate and STIP Guidelines (CTC Meeting – Oakland)
October 4, 2017	Draft RTIP Policies and Procedures published online and emailed to stakeholders for public comment
October 11, 2017	MTC Programming and Allocations Committee (PAC) scheduled review and recommendation of final proposed RTIP Policies and Procedures
October 20, 2017	CMAs submit to MTC, RTIP projects summary listings and identification of projects requiring project-level performance measure analysis. Deadline to submit Complete Streets Checklist for new projects.
October 25, 2017	MTC Commission scheduled adoption of RTIP Policies and Procedures
November 8, 2017	Final Project Programming Request (PPR) forms due to MTC. Final RTIP project listing and performance measure analysis due to MTC. Final PSR (or PSR Equivalent), Resolution of Local Support, and Certification of Assurances due to MTC (Final Complete Applications due)
November 20, 2017	PTAC scheduled review of draft RTIP
December 6, 2017	Draft RTIP scheduled to be available for public review
December 13, 2017	PAC scheduled review of RTIP and referral to Commission for approval
December 15, 2017	2018 RTIP due to CTC (PAC approved project list will be submitted)
December 20, 2017	MTC Commission scheduled approval of 2018 RTIP (Full RTIP to be transmitted to CTC within one week of Commission approval)
January 25, 2018	CTC 2018 STIP Hearing – Southern California (TBD)
February 1, 2018	CTC 2018 STIP Hearing – Northern California (TBD)
February 28, 2018	CTC Staff Recommendations on 2018 STIP released
March 21, 2018	CTC adopts 2018 STIP (CTC Meeting – Orange County)

Shaded Area – Actions by Caltrans or CTC

2018 RTIP Fund Estimate County Targets

10/25/2017

Metropolitan Transportation Commission

All numbers in thousands

Table 1: County Guaranteed Minimum (Base)

	2018 STIP FY 2019-20 Base Share
Alameda	8,789
Contra Costa	15,815
Marin	0
Napa	2,847
San Francisco	0
San Mateo	11,938
Santa Clara	20,982
Solano	7,167
Sonoma	0
County Totals	67,538

Table 2: County Share Targets

	a	b	c	a+b+c=d	e	d+e=f
	Through FY 2022-23 New Distrib.	2016 STIP Carryover Balance	Regional Set-aside*	2018 STIP Target Capacity	2018 STIP APDE Formula Dist.	2018 STIP Target + APDE
Alameda	40,024	8,789	(5,063)	43,750	8,950	52,700
Contra Costa	27,372	44,039	(31,090)	40,321	6,121	46,442
Marin	7,484	(32,447)	(571)	0	1,674	0
Napa	4,927	6,514	(376)	11,065	1,102	12,167
San Francisco	20,304	(3,989)	(1,548)	14,767	4,540	19,307
San Mateo	20,661	30,068	(1,598)	49,131	4,620	53,751
Santa Clara	47,354	20,982	(3,632)	64,704	10,589	75,293
Solano	12,404	11,198	(945)	22,657	2,774	25,431
Sonoma	15,197	(16,876)	(1,177)	0	3,408	552
County Totals	195,727	68,278	(46,000)	246,395	43,778	285,643

Note: Counties with negative balance have a "\$0" new share.

* Regional set-aside includes \$31 million from ARRA/Caldecott payback, and \$15 million from SFOBB Bike/Ped Access projects (both deleted in 2016 STIP)

Table 3: Planning, Programming, and Monitoring Amounts

FY 2020-21, FY 2021-22, and FY 2022-23

	g	h	g-h=i	j	i-j=k	f-i=m
	PPM Limit FY 2020-21 FY 2021-22 FY 2022-23	Currently Programmed for FY 2020-21	PPM Available for Programming MTC+CMA	MTC Share for FY 2020-21 FY 2021-22 FY 2022-23**	CMA Share for FY 2020-21 FY 2021-22 FY 2022-23	2018 STIP CMA Target Capacity less PPM***
Alameda	2,001	0	2,001	466	1,535	41,749
Contra Costa	1,369	0	1,369	302	1,067	38,952
Marin	374	0	374	87	287	0
Napa	246	0	246	53	193	10,819
San Francisco	1,015	0	1,015	237	778	13,752
San Mateo	1,033	0	1,033	246	787	48,098
Santa Clara	2,368	0	2,368	544	1,824	62,336
Solano	620	0	620	143	477	22,037
Sonoma	762	0	762	171	591	0
County Totals	9,788	0	9,788	2,249	7,539	237,743

** MTC's PPM share includes escalation rate of 3.5% per year

*** Assumes CMA programs up to PPM limit.

**2018 Regional Transportation Improvement Program
Policies, Procedures and Project Selection Criteria
Appendix A-3: 2018 RTIP Project Screening Criteria**

Eligible Projects

- A. Eligible Projects.** SB 45 (Chapter 622, Statutes 1997) defined the range of projects that are eligible for consideration in the RTIP. Eligible projects include, state highway improvements, local road improvements and rehabilitation, public transit, intercity rail, grade separation, pedestrian and bicycle facilities, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety. Due to the current fund make up of the STIP, sponsors should expect that all projects programmed in the STIP include a mix of state and federal funds.

Planning Prerequisites

- B. RTP Consistency.** Projects included in the RTIP must be consistent with the adopted Regional Transportation Plan (RTP), which state law requires to be consistent with federal planning and programming requirements. Each project to be included in the RTIP must identify its relationship with meeting the goals and objectives of the RTP, and where applicable, the RTP ID number.
- C. CMP Consistency.** Local projects must also be included in a County Congestion Management Plan (CMP), or in an adopted Capital Improvement Program (CIP) for counties that have opted out of the CMP requirement, prior to inclusion in the RTIP.
- D. PSR or PSR Equivalent is Required.** Projects in the STIP must have a complete Project Study Report (PSR) or, for a project that is not on a state highway, a project study report equivalent or major investment study. The intent of this requirement is to ensure that the project scope, cost and schedule have been adequately defined and justified. Projects with a circulating draft or final environmental document do not need a PSR. This requirement is particularly important in light of SB 45 timely use of funds requirements, discussed below.

The required format of a PSR or PSR equivalent varies by project type. Additional guidance on how to prepare these documents is available on the internet at the addresses indicated within Part 3 (PSR, or equivalent) of Appendix A-4: 2018 RTIP Project Application, which includes a table categorizing PSR and PSR equivalent requirements by project type.

- E. Consistency with Regional Housing Production Targets/Goals.** Projects in the RTIP can only be located in a jurisdiction or corridor that has met the eligibility threshold for its Regional Housing Needs Allocation (RHNA) production target in the very low, low, and moderate levels.

Project Costs and Phases

- F. Escalated Costs.** All projects will count against share balances on the basis of their fully escalated (inflated) costs. All RTIP project costs must be escalated to the year of expenditure.

As required by law, inflation estimates for Caltrans operations (capital outlay support) costs are based on the annual escalation rate established by the Department of Finance. Local project sponsors

may use the state escalation rates or their own rates in determining the escalated project cost in the year programmed.

G. Project Phases. Projects must be separated into the following project components:

1. Completion of all studies, permits and environmental studies (ENV)
2. Preparation of all Plans, Specifications, and Estimates (PS&E)
3. Acquisition of right-of-way (ROW)
4. Construction and construction management and engineering, including surveys and inspections.” (CON)

Note: Right-of-way and construction components on Caltrans projects must be further separated into capital costs and Caltrans support costs (ROW-CT and CON-CT).

The project sponsor/CMA must display the project in these four components (six for Caltrans projects) in the final submittal. STIP funding amounts programmed for any component shall be rounded to the nearest \$1,000. Additionally, unless substantially justified, no project may program more than one project phase in a single fiscal year. Caltrans-sponsored projects are exempt from this prohibition. Additionally, right of way (ROW) funds may be programmed in the same year as final design (PS&E) if the environmental document is approved. ROW funds may be programmed in the same year as construction (CON) only if the project does not have significant right of way acquisition or construction costs that require more than a simple Categorical Exemption or basic permitting approvals (see section L). The CTC will not allocate PS&E, ROW, or CON funding until CEQA and NEPA (if federalized) documents are complete and submitted to CTC.

All requests for funding in the RTIP for projects on the state highway system and implemented by an agency other than the Department must include any oversight fees within each project component cost, as applicable and as identified in the cooperative agreement. This is to ensure sufficient funding is available for the project component.

H. Minimum Project Size. New projects or the sum of all project components per project cannot be programmed for less than \$500,000 for counties with a population over 1 million (from 2010 U.S. Census data: Alameda, Contra Costa, and Santa Clara Counties), and \$250,000 for counties with a population under 1 million (Marin, Napa, San Francisco, San Mateo, Solano, and Sonoma Counties), with the following exceptions:

- (a) Funds used to match federal funds;
- (b) Planning, Programming and Monitoring (PPM);
- (c) Projects for landscaping and mitigation of State highway projects, including soundwalls;
- (d) Caltrans project support components not allocated by the Commission; and
- (e) Right-of-way capital outlay for Caltrans, which is not allocated by the Commission on a project basis.

Other exceptions may be made on a case-by-case basis.

I. Fiscal Years of Programming. The 2018 STIP covers the five-year period from FY 2018-19 through 2022-23. If a project will not be ready for allocation in a certain year, project sponsors should delay funds to a later year of the five-year STIP period.

Readiness Standards

- J. Project Phases Must Be Ready in the Year Proposed.** Funds designated for each project component will only be available for allocation until the end of the fiscal year in which the funds are programmed in the STIP. Once allocated, the sponsor will have two additional years beyond the end of the programmed fiscal year to expend pre-construction STIP funds. For construction, the sponsor will have six months to award a contract and three years to expend funds after project award. Project sponsors must invoice at least once in a six-month period following the allocation of funds. It is therefore very important that projects be ready to proceed in the year programmed.
- K. Completion of Environmental Process.** Government Code Section 14529(c) requires that funding for right-of-way acquisition and construction for a project may be included in the STIP only if the CTC makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five year STIP period. Furthermore, in compliance with Section 21150 of the Public Resources Code, the CTC may not allocate funds to local agencies for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) for federally-funded projects. Therefore, project sponsors must demonstrate to MTC that these requirements can be reasonably expected to be met prior to programming final design, right-of-way, or construction funds in the RTIP. Final CEQA documents (aside from Categorical Exemptions, or CEs) must be submitted to CTC prior to allocation. Additional information is available at: <http://www.catc.ca.gov/programs/environ.htm>.
- L. Programming Project Components in Sequential STIP Cycles.** Project components may be programmed sequentially. That is, a project may be programmed for environmental work only, without being programmed for plans, specifications, and estimates (design). A project may be programmed for design without being programmed for right-of-way or construction. A project may be programmed for right-of-way without being programmed for construction. The CTC recognizes a particular benefit in programming projects for environmental work only, since projects costs and particularly project scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. As the cost, scope and schedule of the project is refined, the next phases of the project may be programmed with an amendment or in a subsequent STIP.
- When proposing to program only preconstruction components for a project, the implementing agency must demonstrate the means by which it intends to fund the construction of a useable segment, consistent with the regional transportation plan or the Caltrans interregional transportation strategic plan. The anticipated total project cost and source of any uncommitted future funding must be identified.
- M. Sequential Phasing.** For most projects, the different project phases should be programmed sequentially in the STIP, i.e. environmental before design before right of way before construction. Projects with significant right of way acquisition or construction costs that require more than a simple Categorical Exemption or basic permitting approvals, must not be programmed with the right of way and construction components in the same year as the environmental. Project sponsors must provide sufficient time between the scheduled allocation of environmental funds and the start of

design, right of way or construction. As prescribed in Section F, projects may not have more than one phase programmed per fiscal year, with the exceptions of Caltrans-sponsored preconstruction phases, and right of way (ROW) funds programmed with final design (PS&E) or construction (CON) where there are no significant ROW acquisitions necessary.

- N. The Project Must Have a Complete Funding Commitment Plan.** All local projects must be accompanied by an authorizing resolution stating the sponsor's commitment to complete the project as scoped with the funds requested. A model resolution including the information required is outlined in Appendix A-4 - Part 1 of this guidance.

The CTC may program a project component funded from a combination of committed and uncommitted funds. Uncommitted funds may only be nominated from the following competitive programs: Active Transportation Program, Local Partnership Program, Solutions for Congested Corridors Program, Trade Corridor Enhancement Program, or Transit and Intercity Rail Capital Program. All local projects requesting to be programmed with uncommitted funds must be accompanied with a plan for securing a funding commitment, explain the risk of not securing that commitment, and its plan for securing an alternate source of funding should the commitment not be obtained. If a project with uncommitted funds is programmed, all funding commitments must be secured prior to July 1 of the year in which the project is programmed. Projects programmed by the Commission in the STIP will not be given priority for funding in other programs under the Commission's purview.

The CTC will regard non-STIP funds as committed when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including STP, CMAQ, and Federal formula transit funds, the commitment may be by Federal TIP adoption. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or by grant approval.

All regional agencies with rail transit projects shall submit full funding plans describing each overall project and/or useable project segment. Each plan shall list Federal, State, and local funding categories by fiscal year over the time-frame that funding is sought, including funding for initial operating costs. Moreover, should the project schedule exceed the funding horizon, then the amount needed beyond what is currently requested shall be indicated. This information may be incorporated in the project application nomination sheets.

- O. Field Review for Federally Funded Local Projects.** One way to avoid unnecessary STIP amendment and extension requests is to conduct a field review as early as possible, so potential issues may be identified with sufficient time for resolution.

For all projects in the 2018 RTIP (anticipated to be a mix of federal and state funding), the project sponsor agrees to contact Caltrans and schedule and make a good faith effort to complete a project field review within 6-months of the project being included in the Transportation Improvement Program (TIP). For the 2018 STIP, Caltrans field reviews should be completed by September 1, 2018 for federal aid projects programmed in 2018-19 and 2019-20. The requirement does not apply to planning activities, state-only funded projects, or STIP funds to be transferred to the Federal Transit Administration (FTA).

Other Requirements

- P. Availability for Audits.** Sponsors must agree to be available for an audit if requested. Government Code Section 14529.1 “The commission [CTC] shall request that the entity receiving funds accept an audit of funds allocated to it by the commission, if an audit is deemed necessary.”
- Q. Interregional Projects May Be Proposed Under Some Restrictive Circumstances.** The project must be a usable segment and be more cost-effective than a Caltrans alternative project. Government Code Section 14527 (c) “A project recommended for funding by the RTPA in the Interregional Improvement Program shall constitute a usable segment, and shall not be a condition for inclusion of other projects in the RTIP.” Government Code Section 14529 (k) “... the commission [CTC] must make a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by the department....”
- R. Premature Commitment of Funds.** The project sponsor may not be reimbursed for expenditures made prior to the allocation of funds by the CTC (or by Caltrans under delegation authority), unless the provisions of Senate Bill 184 are met in accordance with the CTC Guidelines for Implementation of SB 184. Under no circumstances may funds be reimbursed for expenditures made prior to the funds being programmed in the STIP or prior to the fiscal year in which the project phase is programmed. In addition, the sponsor must make a written request to Caltrans prior to incurring costs, in accordance with Caltrans Locals Assistance Procedures for SB 184 implementation.
- S. State-Only Funding.** The 2018 RTIP is expected to be funded with a mix of federal and state funds. Project sponsors must federalize their projects by completing NEPA documentation and complying with federal project delivery rules. Project sponsors are expected to meet all requirements of Article XIX in selecting projects receiving state-only funding. This includes sponsors or the CMA providing documentation verifying the county passed a measure allowing for the use of state-only State Highway Account funds on fixed guideway projects, should RTIP funds be proposed for use on non-federalized fixed guideway transit projects.
- T. Federal Transportation Improvement Program.** All projects programmed in the STIP must also be programmed in the federal Transportation Improvement Program (TIP), regardless of fund source. Project sponsors are encouraged to submit TIP amendment requests immediately following inclusion of the project into the STIP by the CTC. The project listing in the TIP must include total project cost by phase regardless of the phase actually funded by the CTC. STIP projects using federal funds will not receive federal authorization to proceed without the project being properly listed in the TIP.
- U. Agency Single Point of Contact.** Project sponsors shall assign a single point of contact within the agency to address programming and project delivery issues that may arise during the project life cycle. The name, title, and contact information of this person shall be furnished to the CMA and MTC at the time of project application submittal. This shall also serve as the agency contact for all FHWA-funded projects.

2018 Regional Transportation Improvement Program (RTIP)
Appendix A-4: 2018 RTIP Project Application

Project sponsors must submit a completed project application for each project proposed for funding in the 2018 RTIP. The application consists of the following five parts and are available on the Internet (as applicable) at: <http://www.mtc.ca.gov/funding/>

1. Resolution of local support
2. Project Study Report (PSR), or equivalent
3. RTIP Project Programming Request (PPR) form (with maps) (must be submitted electronically)
4. Performance Measures Worksheet (if applicable)
5. Complete Streets Checklist (if applicable: check with CMA or on MTC's website, listed above)

Part 1: Sample Resolution of Local Support

Note: Use the latest version of the Resolution of Local Support at: <https://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2>

Resolution No. _____

**Authorizing the filing of an application for funding assigned to MTC and
committing any necessary matching funds and stating assurance to complete the project**

WHEREAS, (INSERT APPLICANT NAME HERE) (herein referred to as APPLICANT) is submitting an application to the Metropolitan Transportation Commission (MTC) for (INSERT FUNDING \$ AMOUNT HERE) in funding assigned to MTC for programming discretion, which includes federal funding administered by the Federal Highway Administration (FHWA) and federal or state funding administered by the California Transportation Commission (CTC) such as Surface Transportation Block Grant Program (STP) funding, Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding, Transportation Alternatives (TA) set-aside/Active Transportation Program (ATP) funding, and Regional Transportation Improvement Program (RTIP) funding (herein collectively referred to as REGIONAL DISCRETIONARY FUNDING) for the (INSERT PROJECT TITLE(S) HERE) (herein referred to as PROJECT) for the (INSERT MTC PROGRAM(S) HERE) (herein referred to as PROGRAM); and

WHEREAS, the United States Congress from time to time enacts and amends legislation to provide funding for various transportation needs and programs, (collectively, the FEDERAL TRANSPORTATION ACT) including, but not limited to the Surface Transportation Block Grant Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) and the Transportation Alternatives (TA) set-aside (23 U.S.C. § 133); and

WHEREAS, state statutes, including California Streets and Highways Code §182.6, §182.7, and §2381(a)(1), and California Government Code §14527, provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA); and

WHEREAS, pursuant to the FEDERAL TRANSPORTATION ACT, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal or state funds for a regionally-significant project shall submit an application first with the appropriate MPO, or RTPA, as applicable, for review and inclusion in the federal Transportation Improvement Program (TIP); and

WHEREAS, MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of REGIONAL DISCRETIONARY

FUNDING; and

WHEREAS, APPLICANT is an eligible sponsor for REGIONAL DISCRETIONARY FUNDING; and

WHEREAS, as part of the application for REGIONAL DISCRETIONARY FUNDING, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- the commitment of any required matching funds; and
- that the sponsor understands that the REGIONAL DISCRETIONARY FUNDING is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional REGIONAL DISCRETIONARY FUNDING; and
- that the PROJECT will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
- the assurance of the sponsor to complete the PROJECT as described in the application, subject to environmental clearance, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); and
- that the PROJECT will have adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application; and
- that the PROJECT will comply with all project-specific requirements as set forth in the PROGRAM; and
- that APPLICANT has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT; and
- in the case of a transit project, the PROJECT will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and
- in the case of a highway project, the PROJECT will comply with MTC Resolution No. 4104, which sets forth MTC's Traffic Operations System (TOS) Policy to install and activate TOS elements on new major freeway projects; and
- in the case of an RTIP project, state law requires PROJECT be included in a local congestion management plan, or be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and

WHEREAS, that APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT; and

WHEREAS, there is no legal impediment to APPLICANT making applications for the funds; and

WHEREAS, there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT; and

WHEREAS, APPLICANT authorizes its Executive Director, General Manager, or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution; and

WHEREAS, MTC requires that a copy of this resolution be transmitted to the MTC in conjunction with the filing of the application.

NOW, THEREFORE, BE IT RESOLVED that the APPLICANT is authorized to execute and file an application for funding for the PROJECT for REGIONAL DISCRETIONARY FUNDING under the FEDERAL TRANSPORTATION ACT or continued funding; and be it further

RESOLVED that APPLICANT will provide any required matching funds; and be it further

RESOLVED that APPLICANT understands that the REGIONAL DISCRETIONARY FUNDING for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the APPLICANT from other funds, and that APPLICANT does not expect any cost increases to be funded with additional REGIONAL DISCRETIONARY FUNDING; and be it further

RESOLVED that APPLICANT understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) and APPLICANT has, and will retain the expertise, knowledge and resources necessary to deliver federally-funded transportation and transit projects, and has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT; and be it further

RESOLVED that PROJECT will be implemented as described in the complete application and in this resolution, subject to environmental clearance, and, if approved, for the amount approved by MTC and programmed in the federal TIP; and be it further

RESOLVED that APPLICANT has reviewed the PROJECT and has adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application; and be it further

RESOLVED that PROJECT will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the PROGRAM; and be it further

RESOLVED that, in the case of a transit project, APPLICANT agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, revised; and be it further

RESOLVED that, in the case of a highway project, APPLICANT agrees to comply with the requirements of MTC's Traffic Operations System (TOS) Policy as set forth in MTC Resolution No. 4104; and be it further

RESOLVED that, in the case of an RTIP project, PROJECT is included in a local congestion management plan, or is consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and be it further

RESOLVED that APPLICANT is an eligible sponsor of REGIONAL DISCRETIONARY FUNDING funded projects; and be it further

RESOLVED that APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT; and be it further

RESOLVED that there is no legal impediment to APPLICANT making applications for the funds; and be it further

RESOLVED that there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT; and be it further

RESOLVED that APPLICANT authorizes its Executive Director, General Manager, City Manager, or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution; and be it further

RESOLVED that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and be it further

RESOLVED that the MTC is requested to support the application for the PROJECT described in the resolution, and if approved, to include the PROJECT in MTC's federal TIP upon submittal by the project sponsor for TIP programming.

RTIP Project Application

Part 2: Project Study Report (PSR), or equivalent

The required format of a PSR or PSR equivalent varies by project type. The following table categorizes PSR and PSR equivalent requirements by project type. Additional guidance on how to prepare these documents is available on the Internet at the addresses indicated below, or from MTC.

Project Study Report (PSR) Requirements PSR and Equivalents by Project Type

Project Type	Type of Document Required *	Where to get more information
State Highway	Full PSR or PD/ENV Only	http://www.dot.ca.gov/design/manuals/pdpm.html
Local Roadway a. rehabilitation b. capacity increasing or other project	PSR for local rehabilitation PSR equivalent – project specific study with detailed scope and cost estimate	http://www.dot.ca.gov/design/manuals/pdpm.html In most cases completing the Preliminary Environmental Study and Field Review forms in the Local Assistance Procedures Manual should be sufficient. These forms can be found at: <u>Preliminary Environmental--</u> http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm then look in chapter 6 pg 6-31. <u>Field Review --</u> http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm then look in chapter 7 pg 7-13.
Transit	State of California Uniform Transit Application	http://www.dot.ca.gov/drmt/docs/spstip/UTA_Application_rev111308.pdf
Other	PSR equivalent with detailed scope and cost estimate	To be determined on a case by case basis

* In some instances a Major Investment Study (MIS) prepared under federal guidance may serve as a PSR equivalent where information provided is adequate for programming purposes.

RTIP Project Application

Part 3: Project Programming Request (PPR) Form

Applicants are required to submit a Project Programming Request (PPR) form in order to be considered for funding from the 2018 RTIP.

The PPR for new projects can be downloaded from the following location:

http://www.dot.ca.gov/hq/transprog/allocation/ppr_new_projects_9_13_17.xls

The PPRs for existing projects can be downloaded from the following location:

<http://www.dot.ca.gov/hq/transprog/newctips.html>

Part 4: Performance Measures Worksheet

Applicants submitting nominations for projects with total project costs exceeding \$50 million, or have over \$15 million in STIP funds programmed, are required to submit a Performance Measure Worksheet.

The Worksheet template is available at the following location:

<http://www.catc.ca.gov/programs/stip.htm>

Select the “2018 STIP Guidelines” document. The template begins on page 43 of the guidelines, under “Appendix B: Performance Indicators and Measures”.

Part 5: Complete Streets Checklist

Applicants are required to include the Complete Streets (Routine Accommodations) Checklist with the application submittal to MTC for projects that will have an impact on bicycles or pedestrians. The Checklist is available from the Congestion Management Agencies and at the MTC website at

<http://mtc.ca.gov/our-work/plans-projects/bicycle-pedestrian-planning/complete-streets>.

MTC 2018 Regional Transportation Improvement Program

2018 RTIP, as amended

October 25, 2017

(all numbers in thousands)

Note: Project information will be included via amendment to this resolution in December 2017

County	Agency	PPNO	Project	2018 RTIP	2018 RTIP Funding by Fiscal Year					
				Total	18-19	19-20	20-21	21-22	22-23	
Alameda County Shares										
					-	-	-	-	-	-
Alameda County Total					-	-	-	-	-	-
Contra Costa County Shares										
Contra Costa Total					-	-	-	-	-	-
Marin County Shares										
Marin County Total					-	-	-	-	-	-
Napa County Shares										
Napa County Total					-	-	-	-	-	-
San Francisco County Shares										
San Francisco County Total					-	-	-	-	-	-
San Mateo County Shares										
San Mateo County Total					-	-	-	-	-	-
Santa Clara County Shares										
Santa Clara County Total					-	-	-	-	-	-
Solano County Shares										
Solano County Total					-	-	-	-	-	-
Sonoma County Shares										
Sonoma County Total					-	-	-	-	-	-
2018 RTIP Total - Bay Area					-	-	-	-	-	-

J:\PROJECT\Funding\RTIP\18 RTIP\PPs\4a-6_tmp-4308_B_Program of Projects.xlsx\MTC 2017-10

Note: Detail on project programming by year and phase will be submitted to CTC

Date: October 25, 2017
W.I.: 1515
Referred by: PAC

Attachment C
Resolution No. 4308
Page 1 of 13

**2018
Regional Transportation Improvement Program**

**STIP Amendments / Extensions
Rules and Procedures**

October 25, 2017

**MTC Resolution No. 4308
Attachment C**

**Metropolitan Transportation Commission
Programming and Allocations Section
<http://mtc.ca.gov/our-work/fund-invest>**

RTIP
Regional Transportation Improvement Program
STIP Amendments / Extensions
Rules and Procedures
Table of Contents

What is the STIP?	3
When are Amendments and Extensions Allowed?	3
STIP Amendments	3
One-time Extension Requests	3
Roles and Responsibilities	4
Requesting STIP Amendments and Extensions	5
Step 1: Project Sponsor Requests STIP Amendment or Extension	5
<i>For currently programmed Caltrans projects:</i>	<i>5</i>
For a STIP Amendment:	5
For an Extension:	6
<i>For currently programmed local projects:</i>	<i>6</i>
For a STIP Amendment:	6
For an Extension:	7
<i>For all new projects:</i>	<i>8</i>
Step 2: MTC Review and Concurrence	8
<i>Major versus minor changes</i>	<i>9</i>
Additional/Supplemental Funds	9
Allocation of Funds	10
Timeline for STIP Amendment/Extension Approval	12
STIP Amendment Form/TIP Amendment Form	12
Contacts for STIP Amendments/Extensions:	13

Regional Transportation Improvement Program (RTIP) STIP Amendments / Extensions Rules and Procedures

What is the STIP?

The State Transportation Improvement Program (STIP) is the State's spending program for state and federal funding. The STIP is comprised of the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). The program is updated every two years and covers a five-year period. STIP funded projects, like all other state and federally funded projects, must be listed in the TIP in order for the sponsor to access the funding.

Seventy-five percent (75%) of the funding in the STIP flows to regions by formula through their RTIPs. Regions throughout the state are charged with developing an expenditure plan for the funds. Eligible project types include improvements to state highways, local roads, public transit, intercity rail, pedestrian and bicycle facilities, grade separations, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety.

The remaining 25% of the funding flows to the ITIP, which is a statewide program managed by Caltrans. This funding is directed to projects that improve interregional transportation. Eligible project types include intercity passenger rail, mass transit guideways, grade separation, and state highways.

When are Amendments and Extensions Allowed?

STIP Amendments

An amendment may change the cost, scope or schedule of a STIP project and its components. For instance, if the final cost estimate for a project is higher (or lower) than the amount programmed, a STIP amendment may be requested to increase or (decrease) the amount programmed. Or, as a project progresses through project development, it may be time to add the next component or phase. Likewise, if the project schedule is delayed significantly, an amendment may be warranted to request a change in program year of the funding in order to prevent a funding lapse. STIP amendments may also be requested to delete project funding or to add a new project into the STIP.

Important Tip: Once a state fiscal year (July 1 – June 30) has begun, the CTC will not allow STIP amendments to delete or change the funding programmed in that fiscal year. Instead, the project sponsor may request a one-time extension as described below.

One-time Extension Requests

SB 45 established deadlines for allocation, contract award, expenditure and reimbursement of funds for all projects programmed in the STIP. The CTC may, upon request, grant a one-time extension to each of these deadlines for up to 20 months. However, the CTC will only grant an extension if it finds that an unforeseen and extraordinary circumstance beyond the control

of the responsible agency has occurred that justifies the extension. Furthermore, the extension will not exceed the period of delay directly attributable to the extraordinary circumstance. Generally, the CTC does not grant extensions longer than 12 months. Additionally, project sponsors must be present at the CTC meeting where action is taken on any extension request, to answer questions the CTC staff or commissioners may have.

Roles and Responsibilities

The STIP Amendment and Extensions process requires review and approval by various agencies to ensure the action requested is appropriate, and consistent with state statutes, CTC guidance, Caltrans procedures and regional policies. Projects must be included in a county Congestion Management Program (CMP) or county Capital Improvement Program (CIP), and must be consistent with the Regional Transportation Plan (RTP) to be programmed in the RTIP. Therefore, any additions or changes that may impact the priorities established within these documents must be reviewed and approved by the appropriate agency. Furthermore, improperly programmed funds or missed deadlines could result in funding being permanently lost to the region.

Project sponsors are responsible for reviewing and understanding the procedures, guidance and regulations affecting projects programmed in the STIP. Project sponsors must also assign a Single Point of Contact – an individual responsible for submitting documentation for STIP amendments and extensions that must have read and understood these policies and procedures, particularly the CTC STIP Guidelines available on the internet at <http://www.dot.ca.gov/hq/transprog/ocip.htm> and the MTC RTIP Policies and Application Procedures posted on the internet at: <http://mtc.ca.gov/our-work/fund-invest/investment-strategies-commitments/transit-21st-century/funding-sales-tax-and>. Project sponsors are ultimately responsible for ensuring the required documentation is provided to Caltrans by the deadlines established by MTC's Regional Project Delivery Policy (MTC Resolution No. 3606) and Caltrans for all allocations, extensions, and additional supplemental funds requests.

The Congestion Management Agencies/Transportation Authorities are responsible for ensuring the packages submitted by the project sponsors are complete, and the proposed changes are consistent with the Regional Transportation Plan (RTP), and Congestion Management Plans (CMPs) or Capital Improvement Program (CIP). The CMAs/TAs check to ensure the proposed changes meet MTC, CTC and other state or federal guidance and regulations. As mentioned in the Guiding Principles of the 2018 RTIP Policies and Procedures, the CMA must consider equitable distribution of projects in accordance with Title VI. Following CMA/TA concurrence of the request, the complete package is forwarded to MTC.

The Metropolitan Transportation Commission (MTC), as the Regional Transportation Planning Agency (RTPA) for the nine counties of the San Francisco Bay Area, provides concurrence for the STIP requests and formally submits all STIP Amendments to Caltrans for approval by the CTC. MTC also verifies compliance with established state and regional policies. Although MTC provides concurrence on extensions, additional supplemental funds requests and some allocation requests, it is the responsibility of the project sponsor, not MTC,

to ensure the required documentation is submitted to Caltrans by the established deadlines for these action requests.

The California Department of Transportation (Caltrans) processes the requests and makes recommendations to the California Transportation Commission (CTC) in accordance with Department procedures and CTC policies and guidelines.

The California Transportation Commission (CTC) approves or rejects the requests based on state statutes and its own established guidance and procedures.

Requesting STIP Amendments and Extensions

As described below, the procedures for processing STIP amendments and extensions vary depending on whether the project is sponsored by Caltrans or a local agency, and whether it has already received STIP funding. Extension Requests and STIP Amendments to delay projects programmed in the following fiscal year must be submitted to MTC and Caltrans by January 31 for CTC action no later than April.

Step 1: Project Sponsor Requests STIP Amendment or Extension

For currently programmed Caltrans projects:

- Caltrans and the appropriate CMA identify and discuss the issue(s) that may require an amendment or extension and notify MTC Programming and Allocations (P&A) Section staff that a change to the current STIP may be necessary and is being considered.
- Caltrans and CMA agree on proposed change(s).
- Where necessary, CMA staff requests policy board approval of proposed change.
- Once approved by the CMA, CMA notifies Caltrans in writing of the county's concurrence, with a copy sent to MTC P&A.
- Caltrans requests MTC concurrence for the STIP Amendment/Extension by transmitting the following to MTC P&A:
 - Letter requesting the STIP Amendment or Extension with explanation and justification of the need for the action with the following attachments:

For a STIP Amendment:

- Copy of CMA's letter of concurrence
- Revised Project Programming Request (PPR) Form – <http://mtc.ca.gov/our-work/fund-invest>
- Submittal of TIP Revision Request through FMS – <http://fms.mtc.ca.gov>
- A construction 'STIP History' for each amendment that would delay the year of construction. The 'STIP History' outlines the project's construction history as programmed in the STIP with particular attention to any previous delays and reason for the previous and current delay. It must note the original inclusion of the project construction component in the STIP and each prior

project construction STIP amendment delay including for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delay. It must also include a statement on the financial impact of the construction delay on the project, and an estimated funding source for the additional funds necessary to complete the project under the delayed schedule. (A STIP History is only required for amendments to delay the year of construction.)

For an Extension:

- Copy of CMA's letter of concurrence
- A construction 'STIP History' for each extension that would delay construction as described above for a STIP Amendment.

For currently programmed local projects:

- Sponsor and the appropriate CMA identify and discuss the issue(s) that may require an amendment or extension and notify Caltrans and MTC Programming and Allocations Section staff that a change to the current STIP may be necessary and is being considered.
- Sponsor and CMA agree on proposed change(s).
- Sponsor requests CMA concurrence for the STIP Amendment/Extension by submitting the following to the CMA by January 31:
 - Letter requesting the STIP Amendment or Extension with explanation and justification of the need for the action with the following attachments:

For a STIP Amendment:

- Revised Project Programming Request (PPR) Form - <http://mtc.ca.gov/our-work/fund-invest>
- Submittal of TIP Revision Request through FMS – <http://fms.mtc.ca.gov>
- A construction 'STIP History' for each amendment that would delay the year of construction. The 'STIP History' outlines the project's construction history as programmed in the STIP with particular attention to any previous delays and reason for previous and current delay. It must note the original inclusion of the project construction component in the STIP and each prior project construction STIP amendment delay including for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delay. It must also include a statement on the financial impact of the construction delay on the project, and an estimated funding source for the additional funds necessary to complete the project under the delayed schedule. (A STIP History is only required for amendments to delay the year of construction.)
- Any other documentation required by the CMA or Caltrans

For an Extension:

- Copy of completed Request for Time Extension form (Exhibit 23-B, located on the internet at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/lapg-forms/g23forms.docx>).
 - A construction ‘STIP History’ for each extension that would delay construction, as described above for a STIP Amendment.
 - A listing showing the status of all SB 45 and regional project delivery policy (MTC Resolution 3606) deadlines for all of the project sponsors’ allocated STIP projects, and all active projects funded through the Federal Highway Administration (FHWA), including but not limited to Surface Transportation Program (STP), Congestion Mitigation Air Quality Improvement (CMAQ), and Active Transportation Program (ATP) projects. This is to ensure project sponsors are aware of the other deadlines facing other projects, and so that sponsors will work to meet those deadlines. A template is available online at: http://mtc.ca.gov/sites/default/files/Template_FHWA_Funded_Projects_Status.xlsx.
 - Any other documentation required by the CMA or Caltrans
- Where necessary, CMA staff requests policy board approval of proposed request.
 - Sponsor submits Caltrans’ “Request for Time Extension” form and any other required documentation to Caltrans.
 - CMA requests MTC concurrence for the STIP Amendment/Extension by transmitting a letter to MTC P&A requesting the STIP Amendment or Extension with explanation and justification of the need for the action along with the documentation submitted by the project sponsor. A copy of the request is also sent to Caltrans.
 - Sponsor must be present at the CTC meeting where action is being taken on the extension request to justify the reasons for the extension. Failure to be present may result in the CTC denying the extension request, and risk losing the programmed funds permanently due to missed deadlines. In limited instances, a project sponsor may request that their CMA be available in place of the project sponsor. The CMA and MTC must concur with this request via email.

Important Tip: For STIP Extensions, the CTC will only grant an extension if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. Furthermore, the extension will not exceed the period of delay directly attributable to the extraordinary circumstance, up to a maximum of 20 months (although the Commission generally does not grant any extension longer than 12 months). It is therefore absolutely necessary that the letter and supporting documentation clearly explains and justifies the extension request. Failure to provide adequate justification and not being present at the CTC meeting will most likely result in an extension not being approved.

For all new projects:

- Sponsor and the appropriate CMA identify and discuss the issue(s) that may require a new project to be added to the STIP and notify Caltrans and MTC Programming and Allocations (P&A) Section staff an amendment to the current STIP may be necessary and is being considered.
- Sponsor and CMA agree on proposed addition.
- Sponsor requests CMA concurrence for the STIP Amendment by submitting the following to the CMA:
 - Letter requesting the STIP Amendment with explanation and justification of the need for the project to be added to the STIP.
 - Submittal of TIP Revision Request through FMS – <http://fms.mtc.ca.gov>
 - RTIP Application form including: - <http://www.mtc.ca.gov/our-work/fund-invest/>
 - Resolution of local support
 - Project Programming Request (PPR) forms (with maps)
 - Transportation Improvement Program (TIP) amendment
 - Project Study Report (PSR), or equivalent.
 - Complete Streets Checklist and Performance Measures form, as applicable
 - Copy of State-Only Funding Request Exception Form (Only if requesting state-only funding and project is not on pre-approved state-only eligible funding list. Original request is to be submitted directly to Caltrans HQ Budgets for processing and approval prior to MTC submittal of the request to Caltrans/CTC).
- CMA staff obtains policy board approval of proposed addition.
- CMA requests MTC concurrence for the new project by transmitting a letter to MTC P&A requesting the STIP Amendment with an explanation and justification of the need for the project along with a copy of the CMA Resolution approving the project, and the documentation listed above provided by the project sponsor.

Step 2: MTC Review and Concurrence

- Once a complete request has been received, MTC P&A staff will place the request on the MTC Programming and Allocations Committee (PAC) meeting agenda for concurrence of major changes, or prepare a letter of concurrence for the Executive Director's signature for minor changes.
- Following approval by PAC and/or the Executive Director, MTC send a Letter of Concurrence to Caltrans District 4 with a copy to the appropriate CMA. (District 4 will ensure that the request is copied to the appropriate contacts at Caltrans Headquarters and CTC.) MTC may concur with minor extensions administratively at the staff level, and with minor changes on Caltrans-sponsored projects administratively via email.

Major versus minor changes

- All major changes, including any requests to program a new project, will be presented to MTC's Programming and Allocations Committee (PAC) to determine MTC's concurrence. Major changes include:
 - request to program a new project (or delete a project)
 - schedule delay that affects air quality conformity analysis
 - project advance with reimbursement or replacement project per AB 3090
 - request to use Grant Anticipation Revenue Vehicle (GARVEE) financing
 - For minor changes, MTC staff may write a letter of concurrence for the Executive Director's signature. Minor changes include:
 - Extension requests for allocation, award, expenditure and reimbursement/project completion deadlines (minor extensions may be concurred administratively by MTC staff)
 - schedule changes, except where change implies major cost or delivery ramifications
 - changes in implementing agency or project sponsor
 - changes to project budget that are less than 20% of the total project cost or less than \$1 million.
 - redirection of funds from one project component to another (e.g. from project engineering into environmental)
 - changes considered routine and not impacting project delivery
- * Amendments or extensions based on new federal or state requirements may need to go to MTC's PAC

Additional/Supplemental Funds

On occasion it may be necessary to provide additional 'Supplemental' funding to a project as a result of cost increases or revised cost estimates. There are several different processes to follow depending on where the project is within its delivery schedule. The various methods to add STIP funding to a project are as follow:

Biennial STIP Cycle: If additional funding is identified years before the actual allocation, the project sponsor may request the funding through the biennial STIP adoption process. This process is outlined in MTC's RTIP Policies and Application Procedures, and is the preferred method of requesting additional/supplemental funds.

STIP Amendment: If additional funding is identified prior to the allocation of funds, but is required prior to the next biennial STIP adoption, a STIP amendment adding the funds to the project may be requested as outlined in the STIP Amendment procedures above. However, in most cases the additional funds could be added at the time of allocation, thus foregoing the STIP amendment process.

Additional Funds at Time of Allocation: Often the simplest way to add supplemental funds is at the time of allocation. The process is the same as the procedures outlined above for a time extension, except that instead of a “Request for Time Extension” form, a “Request for STIP Funding Allocation” form is used (Exhibit 23-O, located on the internet at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/lapg-forms/g23forms.docx>). In all supplemental funding requests, the additional funding must be approved by the CTC.

Additional Funds After Allocation: It may be necessary to seek additional funds after an allocation, either to award the project or due to unforeseen cost increases while the project is under construction. In either case, an analysis should be performed to determine whether re-engineering (sometimes called “value engineering”) could achieve cost reductions to accommodate the increase. If additional funds are still necessary, a funding source outside the STIP should be pursued prior to seeking additional STIP funding. If it is determined that additional STIP funds are needed, then the project sponsor should proceed as with the procedures outlined for “Additional Funds at Time of Allocation”. It should be noted that once the funds are allocated, the project sponsor does not have the option to add the funds through a STIP amendment since the CTC does not allow amendments to change the programming for a given component after the funds have been allocated.

Allocation of Funds

Project sponsors request an allocation of funds directly to Caltrans, with Caltrans placing the request on the CTC Agenda for approval. The completed request package is due to Caltrans 60 days prior to the CTC meeting where the funds are anticipated to be allocated. MTC requires sponsors to obtain MTC concurrence on allocation requests in addition to the circumstances noted below:

Local Road Rehabilitation Projects: Allocation of funds for local road rehabilitation projects requires certification from MTC. Project sponsors should submit the “Pavement Management System Certification” form with the “Local Road Rehabilitation Project Certification” form attached (Exhibits 23-L and 23-K, both found on the internet at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/lapg-forms/g23forms.docx>) directly to MTC for signature. MTC will then transmit the signed form to Caltrans District 4 – Local Assistance. All other allocation request documentation should be sent directly to Caltrans District 4 – Local Assistance.

Allocation of State-Only Funds: MTC concurs with all State-Only funds allocations that are listed in the STIP as State-Only. Projects without State-Only funding pre-approved by CTC must request a State-Only Funding Exception form (Exhibit 23-F, found on the internet at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/lapg-forms/g23forms.docx>). MTC must concur with the exception request, and the form is submitted to Caltrans.

Funds Allocated Differently than Programmed: In some instances it may be necessary to allocate funds differently from what is programmed in the STIP. These situations

generally still require MTC concurrence. Fortunately a STIP amendment may not be required, and the funding may be revised at the time of the allocation, thus avoiding the long STIP amendment process. However, A TIP amendment is still required, especially if federal funds are involved. Changes that are allowed at the time of allocation are noted below; however, project sponsors should consult with Caltrans District 4 Local Assistance, the CMA and/or MTC to determine whether a change at the time of allocation is permissible before preparing the allocation request.

- Change in implementing agency
- Cost savings (allocation less than program amount)
- Redirection of funds among project components or phases within the project as long as total STIP funding has not increased or previously been allocated.
- Advancement of funding from future years (transit projects with funds to be transferred to FTA require a TIP amendment to advance funds)
- Change in funding type (a change to state-only funding requires approval from Caltrans with their “State-Only Funding Request Exception” form if the project type is not on the pre-approved state-only eligible funding list – see “Allocation of State-Only Funds” above).

STP/CMAQ Match Reserve: Project sponsors must work with the applicable CMA/TA to obtain programming approval for STP/CMAQ match made available in the STIP. The CMA develops a countywide list for the use of the reserved funds and submits the list to MTC, who in turns provides Caltrans with the region-wide Match Program. Any deviation from this program, whether in the funding amount, project sponsor, or funding year, requires the CMA to resubmit an updated plan for the county to MTC. Caltrans cannot allocate the matching funds if they are inconsistent with the approved STIP - STP/CMAQ Match Program.

Funds allocated as programmed in the STIP: The allocation of funds as they are programmed in the STIP and TIP should receive MTC concurrence. Project sponsors work with Caltrans District 4 local assistance and MTC programming staff in obtaining the allocation. STIP projects using federal funds will not receive federal authorizations to proceed without the project being properly listed in the TIP. Federal authorization to proceed (E-76) requests must be submitted to Caltrans concurrently with the STIP allocation package to avoid delays to authorization.

Important Tip: Although some minor changes in the allocation of funds may not require a full STIP amendment, most changes still require MTC concurrence, and possibly a TIP amendment and a vote of the CTC. Project sponsors are encouraged to consult with the CMA, and Caltrans District 4 prior to preparing any allocation request, to ensure sufficient time is allowed for processing the allocation request, particularly toward the end of the year when the Timely Use of Funds provisions of SB 45 are of critical concern.

Timeline for STIP Amendment/Extension Approval

Completed documentation requesting MTC concurrence must be received by MTC staff no later than the first day of the month prior to the month in which the request will be heard by the Programming and Allocations Committee (PAC). (For example, requests received by January 1 will be reviewed at the February PAC meeting). Subsequently, requests with completed documentation and MTC concurrence must be submitted to the Caltrans District Office 60 to 90 days prior to the CTC meeting where the item will be considered. Therefore, requests for concurrence need to be submitted to MTC generally 150 days prior to CTC action for STIP Amendments and 120 days prior to CTC action for extensions.

For example, a STIP amendment request to add a new STIP project (considered a major amendment) is due to MTC by January 1, so it may be approved at the February PAC Meeting, and then submitted to Caltrans in time for the 60-day due date of March 2, so it may be noticed at the May 2 CTC meeting for action at the June 6 CTC meeting.

Important Tip: The CTC will not amend the STIP to delete or change the funding for any project component after the beginning of the fiscal year in which the funding is programmed. Therefore, all amendments to delay a project component must be approved by the CTC by the June meeting in the year prior to the programmed year of funding. To meet this deadline, amendments to delay delivery must be submitted to MTC no later than January 1 of the fiscal year prior to the fiscal year of the funding subject to delay.

Timely Delivery of Programmed Funds

Projects programmed in the STIP must adhere to the delivery policies established in MTC Resolution 3606. Unless coordination with other funding sources and programs require a later date, requests for STIP extensions, amendments to delay existing STIP projects and STIP allocations are due to Caltrans Local Assistance no later than January 31 of the fiscal year the funds are programmed in the STIP. This is to ensure STIP projects do not miss the June 30 end-of year delivery deadlines imposed by the CTC.

A due date schedule is prepared each year for the submittal of STIP requests. This schedule is posted on the internet at: <http://www.dot.ca.gov/hq/transprog/ctcliaison.htm> In addition, [MTC Resolution 3606](#) imposes regional deadlines in advance of state and federal timely use of funds deadlines, to ensure funds are not lost to the region.

STIP Amendment Form/TIP Amendment Form

The forms necessary to initiate the STIP Amendment process may be downloaded from the MTC website at: <http://www.mtc.ca.gov/our-work/fund-invest>. TIP Amendments should be processed through the Fund Management System, also available at the website mentioned above.

Contacts for STIP Amendments/Extensions:

Name	Area	Phone	Email
Karl Anderson	STIP/TIP Amendments	415.778.6645	kanderson@bayareametro.gov
Kenneth Kao	STIP	415.778.6768	kkao@bayareametro.gov
Ross McKeown	STIP	415.778.5242	rmckeown@bayareametro.gov
Adam Crenshaw	TIP Amendments	415.778.6794	acrenshaw@bayareametro.gov



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4c
Bay Area Metro Center
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San Francisco, CA 94105
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WEB www.mtc.ca.gov

Memorandum

TO: Bay Area Partnership

DATE: October 16, 2017

FR: Anne Richman, Programming & Allocations Director

RE: Senate Bill 1 (SB 1) Implementation: Statewide Competitive Programs

Background

The Road Repair and Accountability Act of 2017 (also known as Senate Bill (SB) 1, Beall), created new transportation programs and augmented funding for existing transportation programs. SB 1 is the first significant stable, on-going increase in transportation funding in over two decades. Many SB 1 transportation funding programs are administered by the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans).

Competitive Programs

SB 1 directs CTC and Caltrans to implement transportation programs over the next few months. Each program is described below, and is also summarized in Attachment 1 to this memo.

- **Solutions for Congested Corridors.** SB 1 sets aside \$250 million per year for the Solutions for Congested Corridors (SCC) program to fund projects identified in a comprehensive corridor plan designed to reduce congestion in highly-traveled corridors. CTC held multiple workshops to formulate guidelines, which will be considered for adoption on December 6. The first SCC program includes a total of \$1 billion for programming over four years ending in FY 2020-21. Applications are due to CTC by February 16, 2018. More information is at <http://www.catc.ca.gov/programs/SB1.html>.
- **Trade Corridor Enhancement Program.** SB 1, along with SB 103, directs CTC to create a Trade Corridor Enhancement Program (TCEP) that includes both federal funds (from the Fixing America's Surface Transportation (FAST) Act) and state funds (\$300 million annually from SB 1). CTC held multiple workshops to formulate guidelines, which will be considered for adoption on October 18. The first TCEP will include over \$1.3 billion for programming through FY 2019-20. Applications are due to CTC by January 30, 2018, and nominations must be submitted through the Metropolitan Planning Organization (MPO) (MTC for the Bay Area), other than by Caltrans. More information is at <http://www.catc.ca.gov/programs/SB1.html>.
- **State Transportation Improvement Program.** SB 1 stabilizes the State Transportation Improvement Program (STIP) by resetting the price-base excise tax to 17.3 cents starting in FY 2019-20 and annual inflation adjustments thereafter. MTC will submit the Regional Transportation Improvement Program (RTIP) in December, and CTC is scheduled to include MTC's RTIP into the STIP in March 2018. More information is at <http://www.catc.ca.gov/programs/stip.htm> and <https://mtc.ca.gov/our-work/fund-invest/investment-strategies-commitments/transit-21st-century/funding-sales-tax-and>.

- **Local Partnership Program.** SB 1 created the Local Partnership Program (LPP) providing \$200 million annually to jurisdictions that have sought and received voter approval of taxes or imposed fees solely dedicated to transportation. CTC held multiple workshops to formulate guidelines, which will be considered for adoption on October 18. CTC proposes to split the program into a \$100 million formula program (50%), and a \$100 million competitive program (50%). Applications for the formula program are due to CTC by December 15. Applications for the competitive program are due to CTC by January 30, 2018. More information is at <http://www.catc.ca.gov/programs/SB1.html>.
- **Active Transportation Program.** SB 1 provides an additional \$100 million annually for the Active Transportation Program (ATP). CTC is scheduled to adopt the statewide competitive program of projects on October 18, which includes \$10 million in new funding for Bay Area projects. MTC adopted the regional competitive program of projects in September, which included \$16 million in new funding. CTC is scheduled to approve MTC's regional program in December. More information is at <http://www.catc.ca.gov/programs/ATP.htm> and <https://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/protect-our-climate/active-transportation>.
- **Caltrans Planning Grants.** SB 1 provides additional funding for two planning grant programs administered by Caltrans for Sustainable Communities and Adaptation. Applications for both programs are due to Caltrans on October 20. More information is at <http://www.dot.ca.gov/hq/tpp/grants.html>.
- **Transit and Intercity Rail Capital Program.** SB 1 augments the funding to the existing Transit and Intercity Rail Capital Program (TIRCP), originally created through Cap and Trade. The California State Transportation Agency (CalSTA) is expected to publish final program guidelines and issue a call for projects on October 13. Project applications for the estimated \$2.4 billion 5-year program will be due in mid-January 2018, and CalSTA anticipates publishing its list of approved projects at the end of April 2018. More information is at <http://www.dot.ca.gov/drmt/sptircp.html>.

MTC staff submitted comment letters for various programs above, which are included as Attachments 2, 3, and 4.

Regional Approach

In preparation for the SB 1 competitive programs, MTC is working with the county Congestion Management Agencies (CMAs) to coordinate a regional approach to applications. Over the past two months, the CMAs provided MTC with anticipated candidate projects for the competitive programs. Based on these candidate projects, MTC staff is considering prioritizing projects based on the following criteria:

- Deliverability within program timeframe;
- Match/leveraging of other funds;
- Highlighting in legislation (SCC included 5 specific examples, including the Marin-Sonoma US-101 and San Mateo US-101 corridors); and
- Location in a highly-congested corridor (such as the "Top 10" most congested corridors for SCC - <https://mtc.ca.gov/whats-happening/news/bay-area-vital-signs-freeway-congestion-hits-new-record-0>), or in a highly-traveled freight corridor (for TCEP).

Additionally, MTC has an adopted framework for the TIRCP program, prioritizing certain transit investments (MTC Resolution 4130, see Attachment 5). MTC staff will work with the region's transit operators to understand how applications for this round can support the framework.

MTC staff will bring any prioritization principles and endorsement lists for Commission consideration in December 2017 or January 2018.

For additional information on MTC's SB 1 approach, please contact me at (415) 778-6722, or via email at arichman@bayareametro.gov.

Attachments

- 1 – Summary of SB 1 Program Schedules
- 2 – Large MPO SB 1 Implementation Comment Letter, August 16, 2017
- 3 – MTC SB 1 LPP and TCEP Guidelines Comment Letter, October 6, 2017
- 4 – MTC SB 1 TIRCP Guidelines Comment Letter, August 18, 2017
- 5 – MTC Resolution No. 4130 - TIRCP Framework

SH:kk

SB 1 Selected Programs Summary

October 12, 2017

Program Name	Required Match	Matching Sources	Notes	Guideline Adoption	Applications Due to CTC	Program Adoption
State Transportation Improvement Program (STIP)						
2018 STIP	None	• Matching funds included in STIP		August 16, 2017	December 15, 2017	March 21, 2018
Local Partnership Program						
2018 Local Partnership - Formula	50%	• Any funds not allocated by CTC on a project specific basis, except STIP.	• Award savings do not return to source	October 18, 2017	December 15, 2017	January 31, 2018
2018 Local Partnership - Competitive	50%		• Incentive program for tax measures only	October 18, 2017	January 30, 2018	May 16, 2018
Trade Corridors Enhancement Account						
2018 Trade Corridors Enhancement Program	30%	• Any funds not allocated by CTC on a project specific basis. • Projects nominated by Caltrans require no match	• CTC to allocate up to regional target as match for any INFRA Grant, if awarded prior to May • Corridor coalitions/MPOs need project lists in advance of CTC deadline • Capital funds not programmed until environmental complete	October 18, 2017	January 30, 2018	May 16, 2018
Solutions for Congested Corridors Program						
2018 Solutions for Congested Corridors Program	0%	• Leveraging of other funds is an evaluation metric	• Funds only for captial phases • Contingency list might be helpful • Savings return to Program	December 6, 2017	February 16, 2018	May 16, 2018

J:\PROJECT\Funding\SB1\[SB 1 Schedules.xlsx]SB1 Summary

Local Partnership Program

Information required to be submitted by taxing authority to confirm eligibility.

Due by October 27, 2017

- Ballot information
- Copy of the ordinance or resolution seeking voter approval of the tax, toll, or fee.
- Election results (Official Statement of Votes Cast).
- Copy of the relevant section of the jurisdiction's most recent audited financial statements indicating the revenue generated by the tax, toll, or fee, including posting location on the internet and information about how the revenues are reported to the state



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375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700



818 West 7th Street, 12th Floor
Los Angeles, CA 90017
213.236.1800



1415 L Street, Suite 300
Sacramento, CA 95814
916.321.9000

Attachment 2



401 B Street, Suite 800
San Diego, CA 9210
619.699.1900

August 16, 2017

Mr. Bob Alvarado
Chair
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814

RE: Item 18: Update on the Implementation of the Road Repair and Accountability Act of 2017 (Senate Bill 1)

Dear Chair Alvarado:

The Metropolitan Transportation Commission (MTC), Southern California Association of Governments (SCAG), Sacramento Area Council of Governments (SACOG), and San Diego Association of Governments (SANDAG) are submitting this joint letter in response to the CTC's preliminary implementation proposals for various Senate Bill 1 (SB 1) funding programs.

Collaborative Process

The passage of SB 1 presents the CTC and its transportation partners statewide with a significant opportunity to begin to address the \$139 billion backlog in deferred maintenance on the state highway system and local streets and roads. We appreciate the CTC's commitment to implement the various new and expanded funding programs through a collaborative process, including the series of workshops with regional partners, local agencies and other interested stakeholders. These workshops have been invaluable for regions to provide comments and feedback on SB 1 program development.

We urge the CTC to consider adopting the following improvements to ensure that SB 1's increased revenues are directed to the state's highest transportation needs.

No Large MPO Limitations for Congested Corridors

We recommend the CTC add a "geographic consideration" to the Solutions for Congested Corridors program evaluation criteria, similar to the Proposition 1B Corridor Mobility Improvement Account (CMIA) program. The CMIA program considered geographic and congestion metrics for project recommendations, allowing for flexibility to strategically invest throughout the state.

The straw man proposal discussed at the Friday, July 21 workshop currently proposes a 50% target for MPOs over 1 million. The Large MPOs represent over 80% of the state's population,

and account for over 90% of the state's congestion. As reflected in its name, the major goal of the program is to reduce congestion. Limiting these major metropolitan areas to only 50% of the program's funding will hamper the state's ability to bring relief to the corridors that are affected by the highest levels of congestion.

Flexibility in Project Evaluation

In developing guidelines for many of the programs, much of the conversation has centered around specific metrics and assigning points to evaluation criteria. We recommend the CTC instead consider adopting a flexible project evaluation system based on important indicators such as project deliverability, leveraging of other funds, and performance in achieving federal, state, and regional goals (such as greenhouse gas emission and vehicle miles traveled reduction) through implementation of the region's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). In addition, the CTC should consider a voluntary role for MPOs in the evaluation processes.

Support Operational Improvements in SHOPP

SB 1 provides a substantial funding increase to the State Highway Operations and Protection Program (SHOPP), administered by Caltrans. Caltrans uses SHOPP funds to ensure a state of good repair on state highway assets, including pavement, bridges, and other infrastructure. Importantly, SHOPP funds may also be used for operational improvements on the state highway system where there is no increase in capacity. Operational projects are cost-effective ways to improve the congestion and safety of the state highway system. With the significant SHOPP funding increase from SB1, we continue to press the state to put the 'O' back in SHOPP.

We encourage the state to prioritize collaborative operational projects in the SHOPP, especially in partnership with regional agencies, to deliver greater benefits to the traveling public. This is consistent with Caltrans's Transportation Asset Management Plan, which focuses on pavement, bridges, and Intelligent Transportation System elements. Operational projects should also be eligible for funding under the Solutions for Congested Corridors program as these low-cost investments often provide the best solution to congestion relief for a corridor.

Leveraging Other Funding

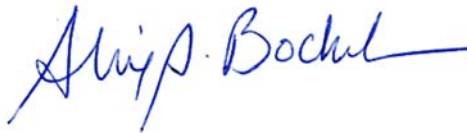
Transportation projects competing for SB 1 funds may be eligible for funding from multiple programs, including formula and discretionary programs such as the State Transportation Improvement Program (STIP) and the Local Partnership Program (LPP). The CTC should consider adopting a policy to allow projects to compete for multiple funding sources, and allow additional consideration for projects that leverage other funding (such as local, federal, STIP, or LPP formula) on a project.

Additionally, the CTC should allow funding that is reasonably anticipated, but uncommitted, to be used in a project's funding plan. Given the potential uncertainty, reasonably anticipated funding could be weighted less than committed funding. As suggested by CTC staff in earlier guideline workshops, CTC could overprogram funds in a given program, with contingency projects clearly identified, and should anticipated funding not materialize, allow the sponsor of contingency projects to find other funding or de-program the project. We support CTC staff's

August 7 proposal to allow nomination of projects with uncommitted funding, with appropriate risk controls in place.

Thank you for the opportunity to provide feedback on the implementation of various SB 1 funding programs currently underway. We are eager to partner with the CTC, Caltrans, and other regions and local agencies across California to begin putting SB 1's new investments to work.

Sincerely,



Alix Bockelman
Deputy Executive Director, Policy
Metropolitan Transportation Commission



Hasan Ikhrata
Executive Director
Southern California Association of Governments



James Corless
Chief Executive Officer
Sacramento Area Council of Governments



Kim Kawada
Chief Deputy Executive Director
San Diego Association of Governments



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Attachment 3

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Sonoma County and Cities

October 6, 2017

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Cities of San Mateo County

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U.S. Department of Housing
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Andrew B. Fremier
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Ms. Susan Bransen
Executive Director
California Transportation Commission
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Sacramento, CA 95814

RE: SB 1 Guidelines for Consideration at the October 2017 CTC Meeting


Dear Ms. Bransen:

Thank you for the opportunity to comment on Senate Bill 1 (SB 1) Guidelines planned for adoption at the October 2017 California Transportation Commission (CTC) meeting. Over the course of the past few months, you and your staff have solicited input from a variety of stakeholders statewide, and the Bay Area region appreciates your consideration of our comments.

The Metropolitan Transportation Commission (MTC) offers the following comments related to two programs: the Local Partnership Program (LPP) and the Trade Corridor Enhancement Program (TCEP).

Local Partnership Program (LPP)

LPP: Section 6 – Incentive for New and Renewed Sales Tax Measures

MTC applauds CTC for the inclusion of an incentive amount for jurisdictions to pass new voter-approved measures. The effort to create additional funding through a ballot measure is not an easy undertaking, and an immediate share of funds from the LPP serves as a strong incentive. MTC encourages the CTC to include voter-approved tolls and fees in addition to sales taxes as being eligible for the incentive program. Not only does this make the incentive consistent with the LPP formula program, but it also encourages jurisdictions to examine other transportation revenue-generating sources.

LPP: Section 5 – Distribution (Formula)

While Proposition 1B used population as the main distribution factor for formula funds, population does not account for the additional revenue generated by jurisdictions that have asked voters to approve multiple transportation taxes. MTC supports the proposed 50/50 weighting split between revenue and population as a reasonable and fair distribution that recognizes the effort to pass multiple voter-approved taxes while also moderating the swing from past programs. As a region, the Bay Area stands to gain additional formula funds due to the 50/50 split (compared to a population-only formula), which acknowledges the amount of revenue Bay Area residents generate for transportation purposes.

LPP: Section 7 – Matching Requirements

CTC staff proposes that the one-to-one match come from sources not allocated by CTC. However, this does not consider smaller jurisdictions that may have already committed local and federal sources to other priorities, or to pre-construction phases of a project. In these situations, county shares from the State Transportation Improvement Program (STIP) are an important source to match LPP formula funds. To recognize the diverse methods of fully funding transportation projects, and to be able to make the fullest advantage of SB 1 funding, MTC suggests the following changes:

- Expand the fund sources that may be used as match to include STIP funds and legislatively-approved fund sources pending voter approval; and
- Recognize previously-expended funds used for the pre-construction phases in the definition for matching or leveraging of funds.

LPP: Section 8 – Funding Restrictions

The current guidelines propose to return cost savings at contract award and project completion to the program proportionally, and re-distribute using the formula specified in Section 5. Since the formula funds are already distributed based on established factors, MTC recommends that any savings from the formula program be returned to that jurisdiction's share, and not re-distributed to the program. This will ensure that jurisdictions are not penalized if costs are lower than expected, and meets the intent of the formula program to serve as an incentive for seeking voter approval for transportation taxes, tolls, and fees, and incentivize value engineering and cost reduction opportunities.

Trade Corridor Enhancement Program (TCEP)

TCEP: Section 5- Distribution

The proposed guidelines state that any project savings will be returned proportionally to the program. MTC suggests adding language to specify that cost savings generated by a project in the regional corridor program will be returned to that regional corridor for future projects. This is consistent with the successful model of the corridors established under the Proposition 1B Trade Corridor Improvement Fund (TCIF) program, and will ensure the corridor is not penalized if costs are lower than expected.

TCEP: Section 7 – Matching Requirements

Similar to the LPP, CTC staff proposes the match come from sources not allocated by the CTC. However, this does not consider smaller jurisdictions that may not have other sources of funding to use as match besides State Transportation Improvement Program (STIP) funds, or that have proceeded with pre-construction phases with their own discretionary funds. To recognize the diverse methods of fully funding transportation projects, and to be able to make the fullest advantage of SB 1 funding, MTC suggests the following changes:

- Expand the fund sources that may be used as match to include STIP funds and legislatively-approved fund sources pending voter approval;
- Reduce the match *requirement* from 30% to 10%, and assign an evaluation metric to over-match and/or leveraging of funds; and
- Recognize previously-expended funds used for the pre-construction phases in the definition for matching or leveraging of funds.

TCEP: Section 10 – Eligible Projects

The region appreciates the need to select capital projects that have cost, scope, and schedule well defined. However, MTC encourages the CTC to vary this requirement based on the level of environmental document required. For instance, a project requiring a CEQA Categorical Exemption (CE) or Mitigated Negative Declaration (MND) should be able to program capital funding if they are in the process of completing the document. However, a more involved document, like an Environmental Impact Report (EIR) may need full adoption before programming capital funding.

LPP and TCEP

Extension Limitations

The guidelines for both LPP and TCEP allow for only one extension for allocation and award, limited to six months directly attributable to unforeseen delays. Given the large number of potential unforeseen delays, including high bids and bid challenges, MTC suggests adding language to state the CTC's expectation of extensions not to exceed six months, but that extensions longer than six months will be considered on a case-by-case basis.

Thank you for your consideration of MTC's comments in the SB 1 Guidelines being considered at this month's CTC meeting. The region is committed to working with the State and our regional partners to deliver transportation benefits from SB 1 to the public as expeditiously as possible. If you have any questions on our comments, please contact Anne Richman, Director of Programming and Allocations, at (415) 778-5722.

Best regards,



Steve Heminger
Executive Director

cc: Bijan Sartipi, Caltrans District 4 Director
Bay Area Congestion Management Agency Directors

SH:kk



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August 18, 2017

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Jeannie Bruins
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Mr. Brian C. Annis
Undersecretary
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RE: Transit and Intercity Rail Capital Program

Dear Undersecretary Annis:

The Metropolitan Transportation Commission — the metropolitan planning organization for the nine-county San Francisco Bay Area — respectfully offers the following comments on the draft 2018 guidelines for the Transit and Intercity Rail Capital Program (TIRCP). We submit these comments based on the discussion draft guidelines.

MTC supports the program objectives, as detailed through the primary evaluation criteria, to fund projects that reduce greenhouse gas emissions, expand and improve transit service, integrate rail service, and improve safety. To that end, MTC has developed a \$3 billion TIRCP framework to strategically invest in key transformative projects in our region such as an updated train control system for BART and fleet expansions for AC Transit, BART and San Francisco Muni. We look forward to your continued support of this framework.

MTC encourages the state to commit to multiyear funding agreements with projects such as BART to San Jose Phase 2. Additionally, MTC encourages the use of Letters of No Prejudice to accelerate project delivery.

Finally, MTC encourages the state to leverage funding across Senate Bill 1 transportation funding programs, including TIRCP, where possible. For example, allowing for the inclusion of uncommitted funds in a TIRCP application from other competitive programs, similar to the recently adopted 2018 STIP Guidelines. With the arrival of major new and ongoing funding sources, we look forward to partnering with you to fund transformative projects across multiple competitive programs.

Thank you for giving these recommendations your thorough consideration.

Sincerely,

Anne Richman
Director, Programming and Allocations

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Metropolitan Transportation Commission

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Legislation Details (With Text)

File #: 17-2984 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 10/16/2017 **In control:** Bay Area Partnership Board
On agenda: 10/20/2017 **Final action:**
Title: Legislative Session Update and Next Steps

Update of key legislative actions and next steps for regional implementation.

Sponsors:

Indexes:

Code sections:

Attachments: [5 Legislative Session Update and Next Steps.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Legislative Session Update and Next Steps

Update of key legislative actions and next steps for regional implementation.

Presenter:

Rebecca Long

Recommended Action:

Information

Attachments:



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Agenda Item 5
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Memorandum

TO: Bay Area Partnership Board

DATE: October 16, 2017

FR: Rebecca Long, Legislation and Public Affairs

RE: 2017 Legislative Update: Housing Package, Cap and Trade & SB 595 (Beall)

Housing & Cap and Trade

Sacramento set a record for enacting bold legislation in 2017. Not only did the Legislature pass the most significant transportation funding bill in a generation, it followed that up with an infusion of \$4 billion in new one-time and \$250 million in new annual revenue for affordable housing, plus a dozen other housing reform-related bills designed to ease the housing shortage in California, as detailed in Attachment A. The Legislature also enacted AB 398, extending Cap and Trade program by ten years and appropriated \$1.6 billion in Cap and Trade funds, much of which was targeted at emissions from the transportation sector through clean vehicle rebates applicable to passenger and heavy-duty vehicles, including buses. The Cap and Trade funding for FY 2017-18 and related legislation is described in Attachment B.

Regional Measure 3: Next Steps

From a Bay Area transportation perspective, the most significant piece of legislation enacted in 2017 was Senate Bill 595 (Beall). The Regional Measure 3 authorizing bill allows MTC to place a \$4.5 billion expenditure plan on the ballot in the nine Bay Area Counties to be funded by a bridge toll increase of up to \$3, as shown in Attachment C. Now that the bill is enacted, MTC, acting as the Bay Area Toll Authority, faces two key decisions: 1) Whether to place RM 3 on the June 2018 ballot; and 2) The amount and schedule of a proposed toll increase, including phase-in options.

While SB 595 includes a \$4.5 billion capital expenditure plan that was sized based on a \$3 toll increase, a gradual phase-in of the toll increase over a number of years is not expected to materially affect the delivery of the expenditure plan due to the timing of the new toll revenue stream relative to cash-flow needs. Alternatively, if a lesser toll increase amount is placed on the ballot, BATA is authorized to adjust the expenditure plan to account for the smaller revenue stream such that each project's funding allotment would be reduced proportionately as a result of the lower toll increase amount.

Attachment:

- Attachment A: Housing Package Analysis
- Attachment B: Cap and Trade Funding Memo
- Attachment C: RM 3 Expenditure Plan

SH/rl

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Summary of Significant Housing Bills Enacted in 2017

On September 29, 2017, Governor Edmund G. Brown, Jr. signed a suite of housing bills intended to begin addressing the state's chronic housing shortage. The bills include new ongoing revenue, a one-time jolt of new money and various proposals designed to expedite new housing construction.

SB 2 (Atkins): The Building Homes and Jobs Act

SB 2 would create a permanent revenue stream for affordable housing funded through a new \$75 document recording fee on certain real estate transactions, excluding home sales. The fee is capped at \$225 per transaction. It is estimated to generate \$200 million - \$300 million annually on a statewide basis to be appropriated for housing-related purposes.

In the first year, 50 percent of the funds would be reserved for local agencies to assist in planning to accelerate housing production. The Department of Housing and Community Development (HCD) would be required to allocate the other 50 percent to assist persons experiencing or at risk of homelessness.

Beginning in 2019, 70 percent of fee proceeds would be available to local governments, distributed primarily via formula to cities and counties. Though not identical, the specified formulas are related to the federal Community Development Block Grant (CDBG) distributions. Staff anticipates Bay Area jurisdictions would receive approximately 20 percent of these formula dollars, based on fiscal year 2016 CDBG allocation data from the U.S. Department of Housing and Urban Development. HCD would also allocate a portion of the proceeds to small cities and counties. Funds could support a range of activities, including preservation and creation of low- to moderate-income housing, combatting homelessness, and homeownership support. In order to receive allocations, local governments would be required to develop an expenditure plan and comply with other applicable HCD reporting requirements. HCD would administer the remaining 30 percent of revenues to fund farmworker and mixed-income housing and fiscal incentives or matching funds for local agencies to support more affordable housing. Additionally, 20 percent of total program funds must be expended for affordable owner-occupied workforce housing.

Of note, a related bill, AB 166 (Salas), would exempt low-income homeowners from paying the SB 2 document recording fee, if they meet certain "hardship" requirements. The bill was under consideration as part of the larger housing package, but did not pass the Assembly by the September 15th deadline. According to the author's office, an agreement was reached with legislative leadership and the Governor's office to take up the bill early next year.

ABAG has no position on SB 2. MTC has a support position on SB 2.

SB 3 (Beall): The Affordable Housing Bond Act of 2018

SB 3 would authorize a \$4 billion general obligation bond for housing, subject to voter approval. Similar to Proposition 46 (2002) and Proposition 1C (2006), bond proceeds would fund a range of affordable housing preservation and construction activities, including park and infrastructure investments to facilitate transit-oriented development and infill development. It would also subsidize home loans for California veterans. Funds would be allocated to existing programs as follows:

ABAG/MTC Summary of Significant Housing Bills Passed by Legislature in 2017

Page 2

- Multifamily Housing Program (\$1.5 billion)
- Cal-Vet Home Loan Program (\$1 billion)
- Local Housing Trust Fund Matching Grant Program (\$300 million)
- Infill Incentive Grant Program (\$300 million)
- Joe Serna, Jr. Farmworker Housing Grant Fund (\$300 million)
- CalHome Program (\$300 million)
- Transit-Oriented Development Implementation Program (\$150 million)
- Home Purchase Assistance Program (\$150 million)

The Local Housing Trust Fund Matching Grant (LHTF), Infill Incentive Grant (IIG) and Transit-Oriented Development Implementation (TOD Housing) programs were established more than a decade ago and funded by Proposition 1C bond proceeds. HCD administers these programs and awards funds on a competitive basis. The LHTF Program provides matching grants (dollar for dollar) to local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs. The IIG Program provides gap funding to developers and/or local governments for infrastructure improvements necessary to facilitate new infill housing development. Project examples include development or rehabilitation of parks or open space; water, sewer or other utility service improvements; and transportation infrastructure improvements required as a condition of, or approved in connection with, certain infill housing developments. Similarly, the TOD Housing Program provides grants to local governments, as well as other eligible applicants, for infrastructure improvements necessary for the development of specified housing projects. The program may also directly fund transit-oriented affordable housing development and homeownership assistance.

The Bay Area grant share ranged between 37 percent to 53 percent of total program funding in each of the program's most recent award years (2014 for the LHTF and IIG Programs and 2015 for the TOD Housing Program).

ABAG and MTC have a "support" position on SB 3.

SB 35 (Wiener): Housing for a Growing California

SB 35 would expedite approval of qualified zoning-compliant projects in a local jurisdiction that falls short of its Regional Housing Needs Allocation (RHNA) target until their RHNA goals are met. Specifically, the bill would allow a qualified multifamily housing development project to be approved on the basis of a ministerial approval, rather than a conditional use permit if it satisfies a detailed list of objective planning standards, as described below. The bill would also ease parking minimums for eligible developments and make updates to HCD's annual housing reporting requirements for cities and counties, which would bring the rest of the state more in line with Bay Area reporting practices.

Applicability of Streamlining Provisions and RHNA

Jurisdictions that are on track to meet RHNA housing goals within a given income category would continue to retain full control of project approvals for projects in that category, in contrast to Governor Brown's 2016 "by-right" proposal, which would have applied regardless of how a jurisdiction was performing with respect to its RHNA goals. As a region, the Bay Area permitted 57 percent of the total units needed to meet housing targets for the 2007-2014 RHNA cycle, but only 26 percent of the needed low-income units. Notably, there was significant variation within local jurisdictions and between income categories with countywide averages ranging from 9 percent in the "very low-income" category to 109 percent in the "above moderate-income" category.

Project Eligibility – Objective Planning Standards

In order to qualify for a ministerial permit review, a project would be required to meet a long list of conditions and objective planning standards. The project must be located in one of the following:

- 1) A jurisdiction HCD has deemed eligible because the locality issued less building permits than the number required to meet its RNHA targets for a four-year reporting period; or
- 2) A jurisdiction that has not submitted the annual housing element report for two consecutive years before the development submitted an application for streamlined ministerial approval.

In addition, the project must be a multifamily development, the developer of the project must certify that a prevailing wage requirement is included in all contracts for the performance of the work, and the project must be:

- 1) located on a parcel that is zoned for residential or residential mixed-use development, with at least two-thirds of the square footage of the development designated for residential use;
- 2) located in an urban area or urban cluster on a site in which at least 75 percent of the perimeter adjoins parcels that are developed with urban uses;
- 3) located outside all of the 11 environmentally-sensitive areas listed in the bill, including the California coastal zone, wetlands, prime farmland, protected lands, and designated hazard areas;
- 4) a development that does not require the demolition of a national, state or local historic structure, affordable housing, or rental units; and
- 5) consistent with objective zoning standards and objective design review standards in effect at the time of the application's submittal.

Developments that meet the above requirements and are in jurisdictions not meeting RHNA goals for low-income housing would be required to make at least 50 percent of new units affordable for households earning below 80 percent area median income (AMI). Projects built in jurisdictions not meeting market-rate RNHA development goals would be required to, at a minimum, dedicate 10 percent of the total number of units to housing affordable to households earning below 80 percent AMI. To address concerns by affordable housing advocates that the bill could weaken inclusionary zoning or density bonus requirements in effect today, the bill conditions eligibility for streamlining on minimum affordability standards for housing developments in localities that do not already have such policies, but would not preempt stronger local policies in any jurisdiction that has adopted them.

ABAG and MTC have no position on SB 35.

SB 166 (Skinner): Residential density and affordability

SB 166 would modify the No Net Loss Zoning law to require a local government to ensure that its housing element inventory or housing element program make sites available that can accommodate, at all times through the planning period, its unmet regional housing need at all income levels, with certain exceptions.

ABAG and MTC have no position on SB 166.

SB 167 (Skinner)/AB 678 (Bocanegra): Housing Accountability Act

SB 167 and AB 678 are identical bills which would each amend the Housing Accountability Act (HAA) by increasing the legal standard of proof required for a local agency to justify a denial of an affordable housing development project from "substantial evidence" to "preponderance of evidence" and imposing a minimum \$10,000 per unit fine if the court finds a violation of the HAA, among other changes.

ABAG has an "oppose" position on SB 167. MTC has no position on SB 167.

SB 540 (Roth): Workforce Opportunity Zone

SB 540 (Roth) would authorize local governments to establish “workforce housing opportunity zones” by adopting a specific plan for the area covered by the zone. Environmental review and public engagement would occur up front during the establishment of the workforce housing opportunity zone. After specific plan adoption, a local agency would be prohibited from denying a development proposal meeting certain criteria within the area, including affordability and prevailing wage requirements. The bill would also authorize the state to provide financial assistance, upon appropriation by the Legislature, to local governments to support the creation of specific plans. SB 540 is sponsored by the League of California Cities.

ABAG and MTC have no position on SB 540.

AB 72 (Santiago)

AB 72 would provide HCD new authority to review any action by a city, county, or city and county that it determines is inconsistent with an adopted housing element, allows HCD to find a housing element out of substantial compliance, and permits HCD to notify the Attorney General of violations of the law.

ABAG and MTC have no position on AB 72.

AB 73 (Chiu): Housing Sustainability District

AB 73 would provide incentive funding to local governments that voluntarily establish "housing sustainability districts" (HSD) in which housing projects are subject to a ministerial, or “by-right” approval process and subject to prevailing wage requirements. Specifically, the bill would authorize a city or county to adopt an ordinance establishing an HSD, upon approval from HCD and after conducting upfront zoning and environmental review. The HSD must meet minimum density, affordability, and relocation assistance requirements and be located in an area well-suited for residential or mixed-use development. Incentive payments would be issued in two stages: first, following the creation of a new district and second, once the city permits new housing units.

ABAG and MTC have no position on AB 73.

AB 571 (E. Garcia): Farmworker housing tax credits

AB 571 would make changes to the farmworker housing set-aside from the state low-income housing tax credit (LIHTC) program, the state’s complement to the federal LIHTC program. Since 1996, \$500,000 in LIHTC allocations have been reserved for farmworker housing. According to the Assembly Housing and Community Development Committee bill analysis, the farmworker housing set-aside has been underutilized in recent years; there is currently \$5.5 million available, yet since 2008 only one applicant has successfully sought the credit. AB 571 would make several changes intended to make projects more feasible and increase the supply of farmworker housing, including increased flexibility related to occupancy requirements and expanded eligibility for state credits.

ABAG and MTC have no position on AB 571.

AB 879 (Grayson): Planning and zoning – housing element

AB 879 would make changes to housing element law to require a city, in its analysis of governmental constraints, to include an analysis of any currently-authorized, locally-adopted ordinances that directly impact the cost and supply of residential development. Additionally, the bill would provide HCD new authority to evaluate the reasonableness of local fees charged to new developments. The League of California Cities is the bill sponsor.

ABAG and MTC have no position on AB 879.

AB 1397 (Low): Inventory of land for residential development

AB 1397 would make a number of changes to housing element law by revising what may be included in a jurisdiction's inventory of land suitable for residential development. The changes would require parcels on a jurisdiction's Housing Element site list to have "realistic and demonstrated potential" for development during the planning period. For example, parcels in the inventory would be required to have sufficient water, sewer, and dry utilities infrastructure to support housing development or be included in a jurisdiction's existing general plan program or other mandatory plan – including a public or private utility provider's plan – to secure sufficient infrastructure to support housing development.

ABAG and MTC have no position on AB 1397.

AB 1505 (Bloom): Palmer Fix

Assembly Bill 1505 would affirm the right of a local jurisdiction to establish, as a condition of development, inclusionary housing ordinances. According to the ABAG regional housing policy inventory, 78 Bay Area jurisdictions utilize an inclusionary or below market rate housing policy as an affordable housing production strategy. However, the ability of Bay Area jurisdictions to implement inclusionary requirements specifically for rental housing was adversely impacted in 2009 with the California Appellate Court ruling in *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (Palmer), which found that rental inclusionary requirements conflict with state rent control regulations. AB 1505, known as the "Palmer Fix," would clarify that local jurisdictions may require, as a condition of approval, inclusion of affordable units in a multi-family residential rental development.

Recent amendments to AB 1505 would authorize HCD to assess certain new inclusionary policies for their impact. In short, jurisdictions would need to demonstrate that the policies will not limit new market rate development. HCD's review authority would be triggered if both the proposed inclusionary rate is above 15% affordable and the policy is in a jurisdiction that is not making progress toward meeting at least 75% of the jurisdictions' market rate (above moderate-income) RHNA. If HCD determines the policy would inhibit market rate housing development, the policy would need to be revised to require no more than 15% of new rental units in a new development meet affordability restrictions.

ABAG has a "support" position on AB 1505. MTC has no position on AB 1505.

AB 1515 (Daly): Planning and zoning - housing

AB 1515 would make changes to the Housing Accountability Act to require that a housing development or emergency shelter be deemed consistent, compliant, and in conformity with an applicable plan if there is substantial evidence that would allow a reasonable person to conclude that to be the case.

ABAG and MTC have no position on AB 1515.

AB 1521 (Bloom): Land use: notice of proposed change: assisted housing developments

AB 1521 would make changes to the state's Affordable Housing Preservation Law by requiring owners of certain expiring affordable rental properties to accept any market-rate purchase offer from a qualified preservation entity that intends to maintain the property's affordability restrictions. Current state law provides preservation purchasers limited priority to purchase affordable rental properties, if the owner intends to sell. AB 1521 would go further by establishing a right of first refusal for qualified housing agencies or organizations intending to purchase the housing developments at fair market value and maintain affordability. The bill additionally requires HCD to monitor compliance with the law and allows affected tenants and local governments the right to enforce the law.

ABAG and MTC have no position on AB 1521.

2017 Session Cap and Trade Update

FY 2017-18 Cap and Trade Funding

In the last week of session, the Legislature enacted two trailer bills to the FY 2017-18 State Budget, AB 109 and AB 134, that collectively appropriate \$1.6 billion in Cap and Trade funds as shown below. From a transportation funding perspective, there was some disappointment that none of these funds were directed at the existing continuously appropriated transit and housing programs which receive 60 percent of total funds. Nonetheless, there is a minimum of \$35 million provided for zero emission bus, plus \$50 million for the Bay Area's portion of the Carl Moyer Program, which funds various transportation related air quality grants ranging from engine replacement to electric vehicle charging infrastructure.

Program Category	Amount (in \$1,000s)
Greening Transportation Fleet Incentives	810,000
<i>Freight Equipment Advanced Demo & Pilot Program</i>	<i>140,000</i>
<i>Hybrid & Zero-Emission Truck and Bus Voucher Program (minimum \$35 million for zero emission bus)</i>	<i>180,000</i>
<i>Clean Vehicle Rebate Program</i>	<i>140,000</i>
<i>Enhanced Fleet Modernization Program</i>	<i>100,000</i>
Carl Moyer (\$50 million for Bay Area)	250,000
Agriculture & Waste Reduction	290,000
Forestry/Fire Prevention	319,805
Wildlife Restoration, Climate Adaptation & Research	57,195
Grant Programs (weatherization, solar, urban greening, etc.)	59,000
Other	30,199
Total	1,566,199

Cap and Trade Policy Bills

In July, the Legislature enacted AB 398 (E. Garcia), providing a 10-year extension of the state's Cap and Trade program. The Legislature also passed two related measures on the same day – AB 617 (C. Garcia) and ACA 1 (Mayes) – which are described in further detail below. In addition to the climate protection benefits expected from the program and the important global leadership that its extension represents, AB 398 will benefit transportation and affordable housing as a result of the various programs funded by cap-and-trade allowances. This includes the Affordable Housing and Sustainable Communities Program, which receives 20 percent of funds, the Transit Capital and Intercity Rail Capital Program, which receives 10 percent of funds, and the Low Carbon Transit Operations Program, which

receives 5 percent of funds. In addition, the California High Speed Rail Authority receives 25 percent of annual allowance revenue.

A much-debated provision of the bill prohibits a local air district from adopting or implementing an emission reduction rule specifically targeted at reducing carbon dioxide from stationary sources that are also subject to the cap-and-trade program. The Bay Area Air Quality Management District strongly opposed this provision.

Assembly Bill 617 (C. Garcia)

In response to a significant push by environmental justice advocates, AB 398 was enacted along with a companion bill – AB 617 – focused on reducing criteria air pollutants that harm public health. Key provisions of AB 617 include:

- Requires local air districts to adopt an expedited schedule for implementing “best available control technology” retrofits to stationary sources with a deadline of December 31, 2023.
- Increases penalties from \$1,000/day to \$5,000/day for specified air pollution violations to account for inflation since the penalties were established in 1975. Requires local and statewide penalties to be increased annually according to the California Consumer Price Index.
- Requires ARB identify sites for the preparation of Community Emission Reduction Programs to be adopted by local air quality management districts.

Assembly Constitutional Amendment 1 (Mayes)

As part of the cap-and-trade extension, the Legislature also passed ACA 1 (Mayes), which puts before California voters a June 2018 ballot measure requiring a one-time, two-thirds vote of the Legislature to appropriate cap-and-trade revenue. The two-thirds vote requirement would apply to the first appropriation of any moneys resulting from allowances sold after January 1, 2024. Importantly, this requirement for supermajority support applies to the continuously appropriated transportation and housing programs referenced above.

Senate Bill 595 (Beall) Final RM 3 EXPENDITURE PLAN <i>(all amounts \$ millions)</i>		
OPERATING PROGRAM		
All- Corridor Annual Operating Program		
All Corridors		
Transbay Terminal		5
Ferries (Funding ramps up to \$35 m over five years)		35
Regional Express Bus		20
	Annual Operating Program Total	\$ 60
CAPITAL PROJECTS		
Regional Programs		
BART Expansion Cars		500
Bay Area Corridor Express Lanes		300
Goods Movement and Mitigation		160
San Francisco Bay Trail / Safe Routes to Transit		150
Ferry Enhancement Program		300
BART to San Jose Phase 2		375
Sonoma-Marin Area Rail Transit District (SMART)		40
Capitol Corridor		90
Next Generation Clipper Transit Fare Payment System		50
	Regional Programs Subtotal	\$ 1,965
Corridor-Specific Capital Projects		
Central (SFOBB)		
Caltrain Downtown Extension		325
Muni Fleet Expansion and Facilities		140
Core Capacity Transit Improvements		140
AC Transit Rapid Bus Corridor Improvements		100
Transbay Rail Crossing		50
Interstate 80 Transit Improvements		25
	Central Subtotal	\$ 780
South (San Mateo-Hayward, Dumbarton)		
Tri-Valley Transit Access Improvements		100
Eastridge to BART Regional Connector		130
San Jose Diridon Station		100
Dumbarton Corridor Improvements		130
Highway 101/State Route 92 Interchange		50
Interstate 680/SR 84 Interchange Reconstruction		85
Interstate 680/Interstate-880/Route 262 Freeway Connector		15
	South Subtotal	\$ 610
North (Richmond-San Rafael, Benicia-Martinez, Carquinez, Antioch)		
Contra Costa 680/State Route 4 Interchange Improvements		210
Marin-Sonoma Narrows		120
Solano County Interstate 80/Interstate 680/State Route 12 Interchange Project		150
Interstate 80/Westbound Truck Scales		105
State Route 37 Improvements		100
San Rafael Transit Center		30
Richmond-San Rafael Bridge Access Improvements		210
North Bay Transit Access Improvements		100
SR 29 Improvements		20
East Contra Costa County Transit Intermodal Station		15
Byron Highway-Vasco Road Airport Connector		10
Vasco Road Safety Improvements		15
Interstate 680 Transit Improvements		10
	North Subtotal	\$ 1,095
	Corridor-Specific Capital Projects Subtotal	2,485
	Capital Projects Total	4,450

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2987 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 10/16/2017 **In control:** Bay Area Partnership Board
On agenda: 10/20/2017 **Final action:**
Title: 2018 Safety Performance Targets - Options

Overview of new federal safety target-setting requirements as well as a recommended approach that the region could pursue to comply with new regulations.

Sponsors:

Indexes:

Code sections:

Attachments: [6 2018 Safety Performance Targets Options.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

2018 Safety Performance Targets - Options

Overview of new federal safety target-setting requirements as well as a recommended approach that the region could pursue to comply with new regulations.

Presenter:

Dave Vautin

Recommended Action:

Information

Attachments:



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Partnership Board

DATE: October 16, 2017

FR: David Vautin, MTC/ABAG

RE: 2018 Safety Performance Targets – Recommendation and Options Evaluated

The Moving Ahead for Progress in the 21st Century Act (MAP-21) transformed the policy and programmatic framework for surface transportation investments by establishing new requirements for performance management to ensure the most efficient investment of Federal transportation funds. To implement MAP-21 and the Fixing America's Surface Transportation (FAST) Act, the Federal Highway Administration (FHWA) has established a Transportation Performance Management program to provide a framework to support improved investment decision-making by focusing on national transportation goals, increasing the accountability and transparency of the Federal highway programs, and establishing performance-based planning and programming.

As part of Transportation Performance Management, between April 2016 and January 2017, FHWA finalized all performance management rules to fulfill MAP-21 and FAST Act requirements. The rules established 28 transportation performance measures covering the following federal goal areas: Safety; Infrastructure Condition; System Reliability; Freight Movement and Economic Vitality; Congestion Reduction; and Environmental Sustainability. Under the final rules, State DOTs are required to set performance targets for each measure to comply with the regulations. MPOs have the choice to either support the State targets or set their own, depending on the specific rule. MTC is coordinating with Caltrans on target-setting processes.

While transit asset management targets were set in coordination with Bay Area operators earlier this year, the safety performance measures are the first to be set in coordination with Caltrans. In August 2017, Caltrans set the statewide safety performance targets for the state as a whole. Since MPOs must establish targets within 180 days of the State, MTC is required to set its 2018 targets for safety measures by February 2018, repeating this process on an annual basis going forward.

This memorandum focuses on the target-setting process for the Safety Performance Measures Final Rule. It provides an update on statewide targets set by Caltrans and identifies three potential safety target-setting options. Staff is seeking feedback from partners, stakeholders, and the public on which target-setting approach is most appropriate. MTC intends to adopt safety targets by the end of 2017, in advance of the February 2018 deadline.

Safety Performance Measures Final Rule

What are the safety performance measures?

The final rule established five performance measures to assess safety on all public roads:

1. Number of fatalities
2. Rate of fatalities per 100 million VMT (vehicle miles traveled)
3. Number of serious injuries
4. Rate of serious injuries per 100 million VMT (vehicle miles traveled)
5. Number of non-motorized fatalities and non-motorized serious injuries (bicyclists and pedestrians)

The measures are reported using 5-year rolling averages to capture long-term performance trends. The first performance period, calendar year 2018, represents the annual average for 2014 to 2018.

What are the safety target requirements?

State DOTs must set annual numerical targets each year for each safety measure to comply with the regulation. MPOs have the option of supporting State targets, setting their own region-specific numerical targets, or a combination of both. The measures and targets should inform agency planning and funding decisions to carry out the Highway Safety Improvement Program (HSIP). MPOs will report annual targets to Caltrans each year and report progress on these measures in future Regional Transportation Plans (RTPs) and Transportation Improvement Programs (TIPs).

How are State DOTs and MPOs evaluated on safety targets?

State DOTs and MPOs meet or make “significant progress” towards their safety goal if they achieve the target or improve performance in at least four out of five of the safety measures. If a State DOT does not meet or make “significant progress” then it will lose flexibility in spending HSIP funds. FHWA *will not* evaluate MPOs on their progress towards targets. However, FHWA will review MPO performance as part of the triennial review process.

Caltrans Statewide Safety Targets

Caltrans used a vision-based approach to set the 2018 statewide safety targets. The methodology the State used was to identify existing trends for measures through 2016, forecast performance for 2017, then estimate annual targets for 2018 using annual vision based goals. Fatalities and the rate of fatalities targets reflect the State’s Towards Zero Deaths (TZD) goal for zero traffic fatalities by 2030. Serious injuries and the rate of serious injuries targets reflect the State Highway Safety Plan (SHSP) vision based concept of 1.5% annual reductions in serious injuries. The non-motorized safety target reflects the vision based goal of 10% annual reductions in non-motorized fatalities and serious injuries.

The statewide targets for 2018, all of which reflect five-year rolling average values, are:

1. 3,591.8 fatalities
2. 1.029 fatalities per 100 million VMT
3. 12,823.4 serious injuries

4. 3.831 serious injuries per 100 million VMT
5. 4,271.1 non-motorized fatalities + serious injuries

Regional Safety Performance

As part of the target setting process, traffic collision data has been analyzed to identify current safety trends in the Bay Area. Economic conditions are strong determinants for road safety performance. One effect of the Great Recession was a decrease in fatalities and serious injuries due to lower rates of driving, whereas the subsequent economic boom can partially explain the rise in fatalities and serious injuries since 2013. However, it is important to recognize that non-motorized fatalities and serious injuries have had an upward trajectory for the past decade-plus.

Existing Road Safety Targets and Policies in the Bay Area

As part of Plan Bay Area 2040, MTC has adopted a regional Healthy and Safe Communities target, which aims to adverse health impacts by making roads safer, by supporting active transportation, and by improving air quality. Many Bay Area cities and counties have also adopted their own road safety policies and targets. In recent years, Vision Zero and Towards Zero Deaths initiatives have gained momentum around the country. Bay Area jurisdictions that have adopted Vision Zero policies include the cities of San Francisco, San Jose, Fremont, San Mateo, and Oakland.

Target-Setting Options

To provide MPOs with flexibility, federal rules state that MPOs may: support all the State targets, establish their own specific numeric targets for all the performance measures, or pursue any combination of these actions on a measure-by-measure basis. Targets will be updated annually, meaning that MTC can revisit its target-setting methodology annually, if needed. Staff evaluated three potential options for setting 2018 safety targets, as shown below and recommends Option 1 with monitoring of regional progress toward statewide target. Staff recommends Option 1 as being easiest to explain to the public and decision-makers, while providing strong alignment with the state on safety targets. It also supports the Vision Zero approach adopted by several Bay Area jurisdictions.

Option 1: Support Caltrans statewide targets

MTC supports all five State targets by agreeing to plan and program projects so that they contribute towards the accomplishment of the statewide targets.

Strengths: simple; easy to explain; aligns directly with State targets, including Towards Zero Deaths

Weaknesses: safety trends will be monitored but no region-specific targets will be identified

Option 2: Set Bay Area targets based on Caltrans methodology

MTC establishes numerical targets for the Bay Area mirroring the methodology Caltrans used to set the statewide targets.

Strengths: leverages State methodology but quantifies Towards Zero Deaths goal for the region; demonstrates stronger commitment to safety and performance-based planning

Weaknesses: unlikely that the region would achieve targets; 2018 targets would remain higher than 2016 baseline due to 5-year rolling average calculation

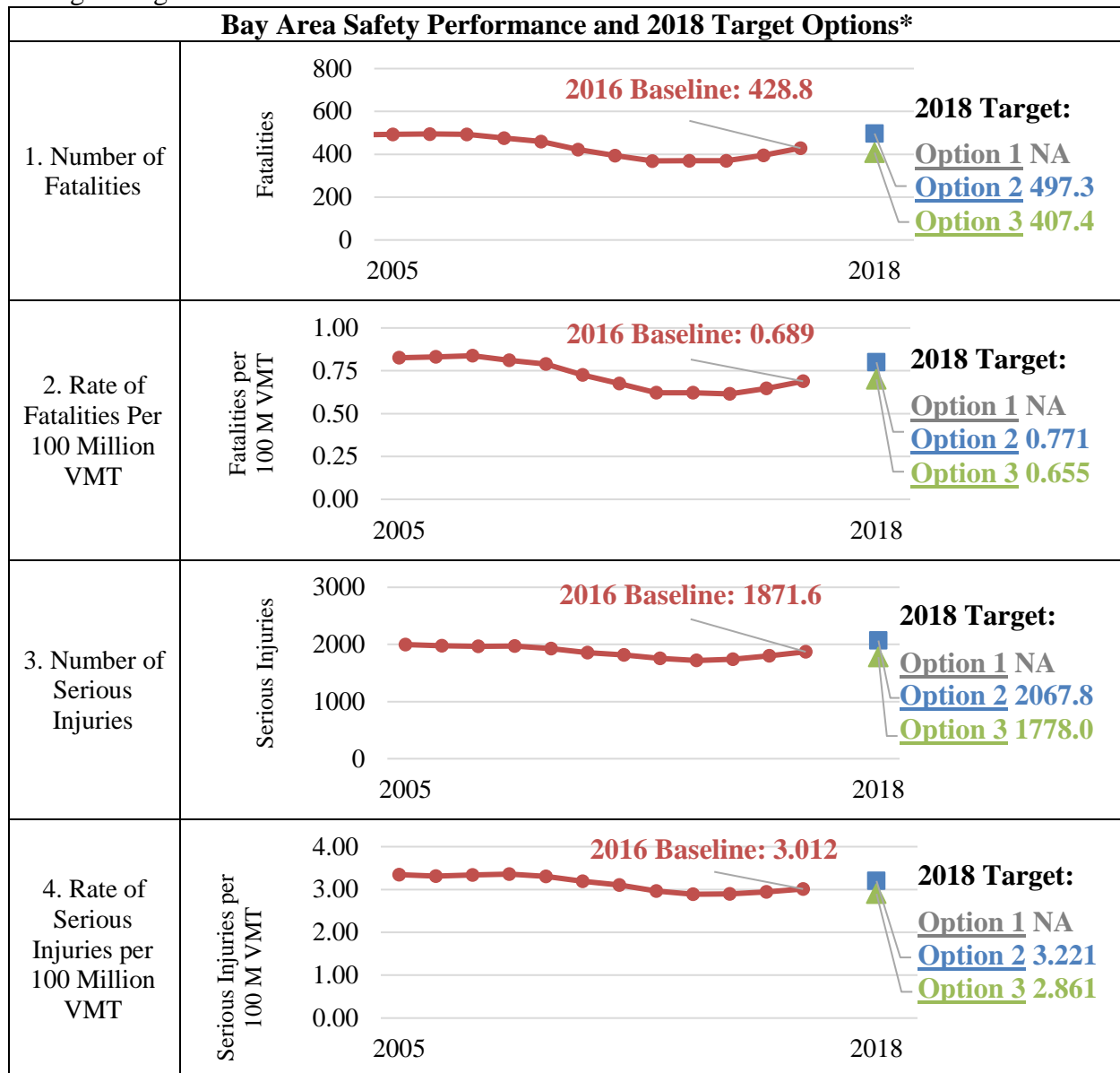
Option 3: Set more ambitious Bay Area targets based on region-specific methodology

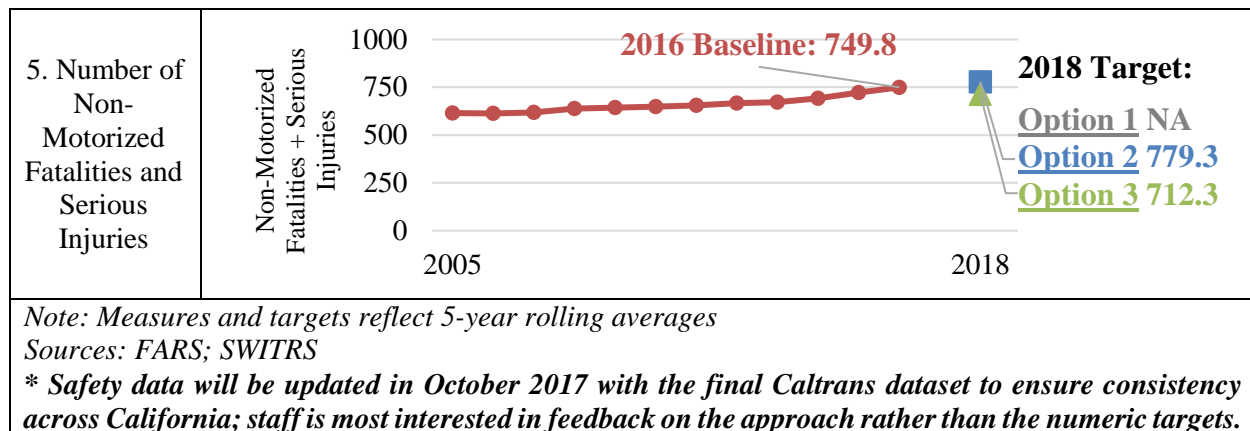
MTC establishes numerical targets for the Bay Area using a different methodology where 2018 targets are set lower than the 2016 baseline – for example, a 5% reduction across all measures from the 2016 baseline.

Strengths: most ambitious option; targets identified would improve performance for 2018

Weaknesses: extremely unlikely that the region would achieve ambitious targets; difficult to identify the appropriate percent reduction goal

Under Option 1, MTC does not need to set numerical targets for the Bay Area. The numerical targets for each measure for Option 2 and Option 3 are shown alongside historical 5-year rolling averages:





Next Steps

Staff is seeking feedback on staff's recommendation and the alternative safety target options through early November, meeting with stakeholders through several Partnership working groups. Based on feedback received, staff will finalize a preferred alternative and update numeric targets using the final Caltrans dataset. Monitoring data, as well as any adopted targets, will ultimately be reported through the Vital Signs performance monitoring website and will be incorporated into future long-range plans (RTPs/TIPs). Staff will also be seeking input on future target-setting activities related to asset management and system performance in the months ahead.

Setting Safety Targets for Federal Performance Requirements



October 20, 2017

Partnership Board

Dave Vautin, MTC/ABAG

Background

- MAP-21 and the FAST Act established a performance- and outcome-based transportation program
- The objective is for States to make investments that make progress towards
 - **Safety**
 - Infrastructure condition
 - Congestion reduction
 - System reliability
 - Freight movement and economic vitality
 - Environmental sustainability
 - Reduced project delivery delays

Safety Performance Management Final Rule

- FHWA issued a final rule under MAP-21 for highway safety planning in April 2016
- The rule established 5 safety performance measures:
 1. Number of Fatalities
 2. Rate of Fatalities per 100 Million VMT
 3. Number of Serious Injuries
 4. Rate of Serious Injuries per 100 Million VMT
 5. Number of Non-Motorized Fatalities and Non-Motorized Serious Injuries (Bicycles and Pedestrians)

Safety Target Setting

State DOTs

- State DOTs must set numerical targets for all five safety measures
- Targets should inform planning and funding decisions to carry out the Highway Safety Improvement Plan (HSIP)
- State DOTs coordinate with MPOs on statewide targets

MPOs

- MPOs can support state targets, set their own region-specific numerical targets, or a combination of both
- Targets should inform planning and funding decision to carry out the Highway Safety Improvement Plan (HSIP)
- MPOs coordinate with State DOTs on target setting process

Safety Target Evaluation

State DOTs

- State DOTs report performance data and targets to FHWA
- FHWA determines if State has met or made significant progress towards meeting targets
- If a State does not meet or make significant progress towards meeting the targets for at least 4 out of 5 measures, it will be required to use obligation authority equal to the HSIP apportionment for highway safety projects and submit a HSIP Implementation Plan

MPOs

- MPOs do not report performance data and targets to FHWA
- FHWA does not determine if MPO has met or made significant progress towards meeting targets
- MPOs report targets to State DOT
- MPOs report performance measures and target achievement in future RTP and TIP
- FHWA will evaluate MPO performance as part of ongoing transportation planning process reviews

California's Targets

- State DOTs had to set 2018 targets by August 2017
- Caltrans selected the statewide targets using a vision-based target setting approach
 - Total fatalities targets are set based on a 'Towards Zero Deaths' vision
 - Serious injuries targets are set based on the goal of 1.5% annual reduction from the Highway Safety Improvement Plan (HSIP)
 - Non-motorized fatalities + serious injuries target is set based on a vision of 10% annual reduction

Caltrans Statewide Targets

Methodology
For 2017, assume

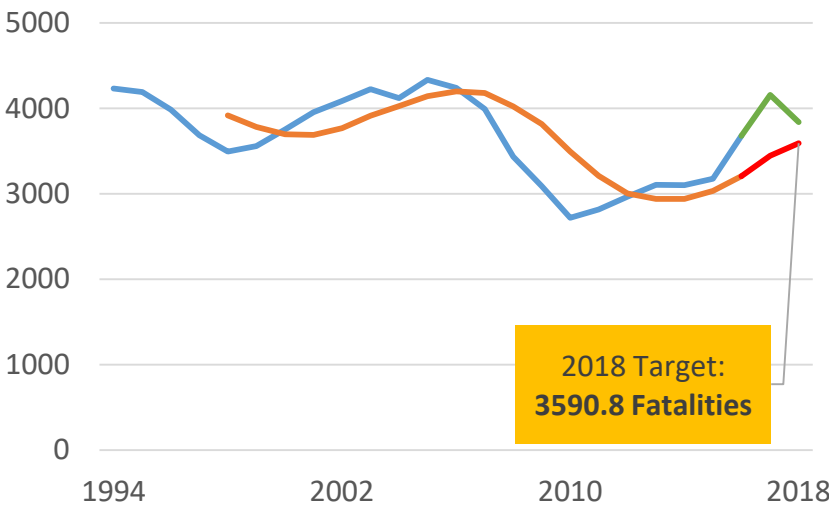
- VMT: +2%
- Fatalities: +13%
- Serious Injuries: +10%
- Non-motorized fatalities + serious injuries: 0%

For 2018, aim for

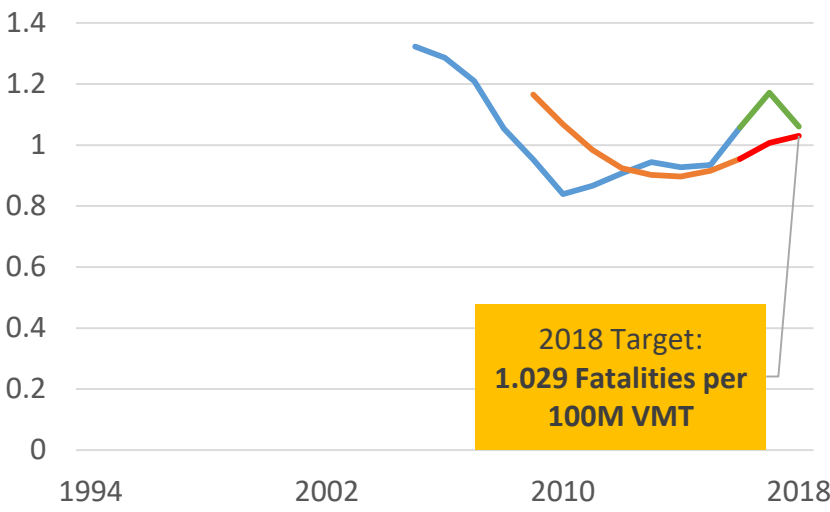
- VMT: +2%
- Fatalities: -7.69% (based on zero deaths by year 2030)
- Serious injuries: -1.5%
- Non-motorized fatalities + serious injuries: -10%

For 2018 Target, calculate the 5-YR Rolling Average

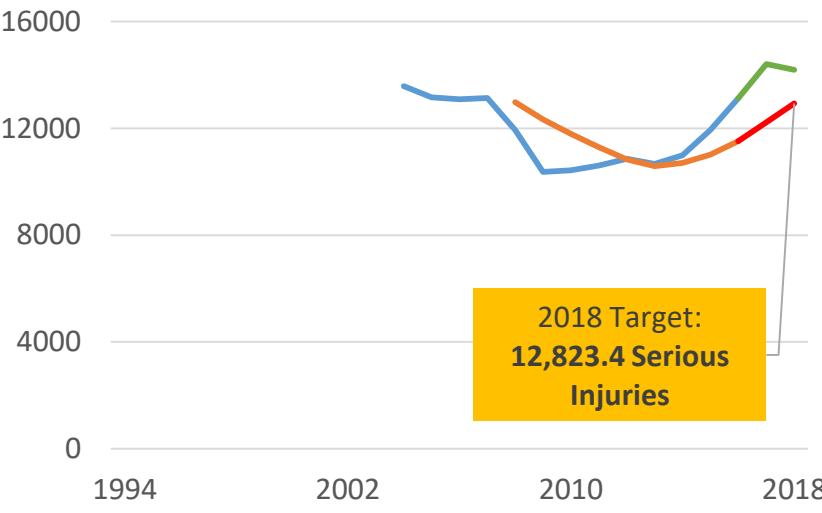
1. Number of Fatalities



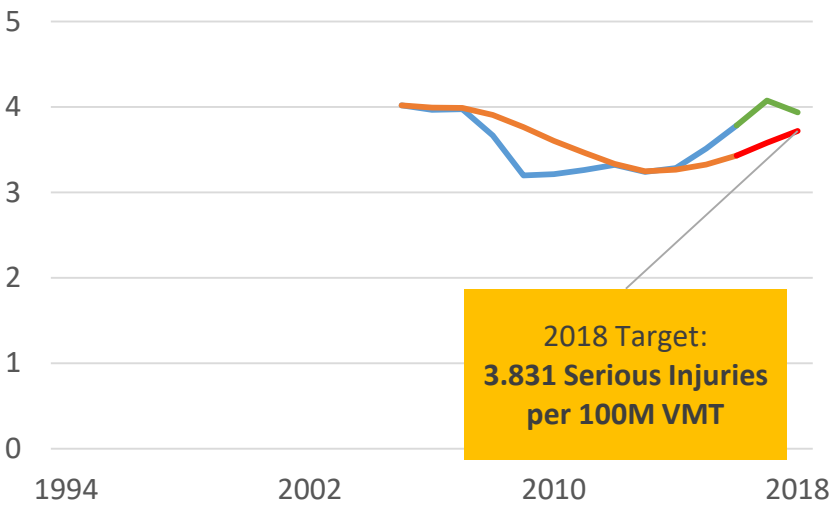
2. Rate of Fatalities per 100M VMT



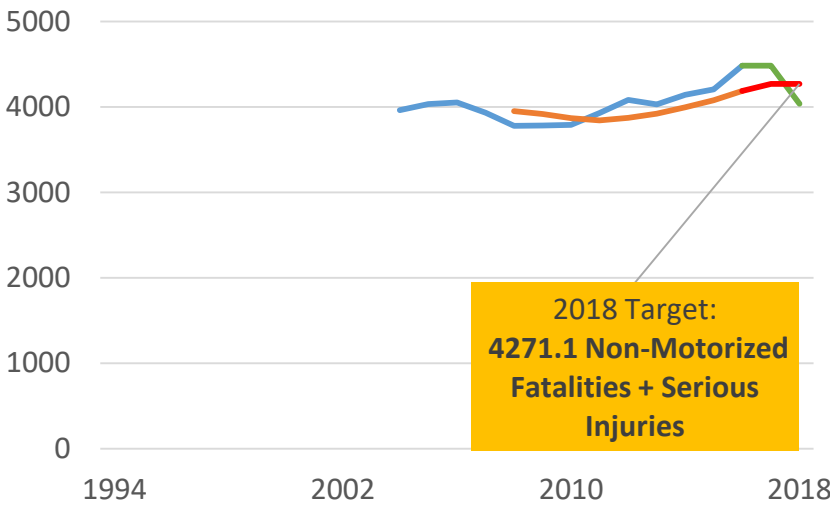
3. Number of Serious Injuries



4. Rate of Serious Injuries per 100M VMT



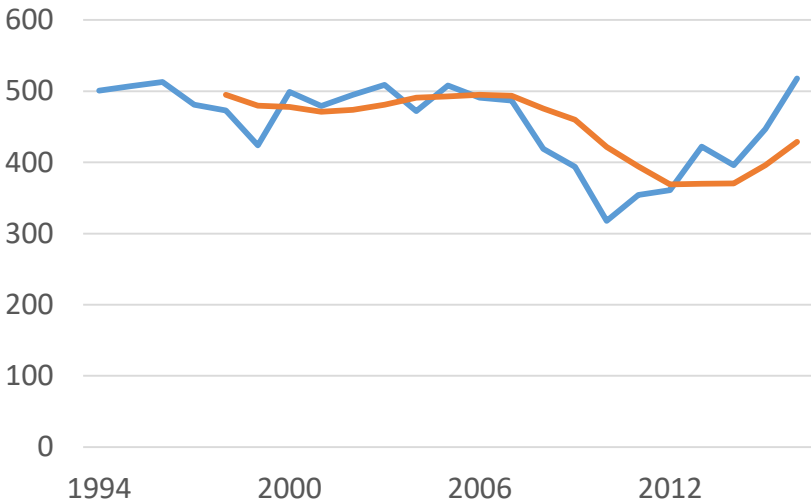
5. Number of Non-Motorized Fatalities and Serious Injuries



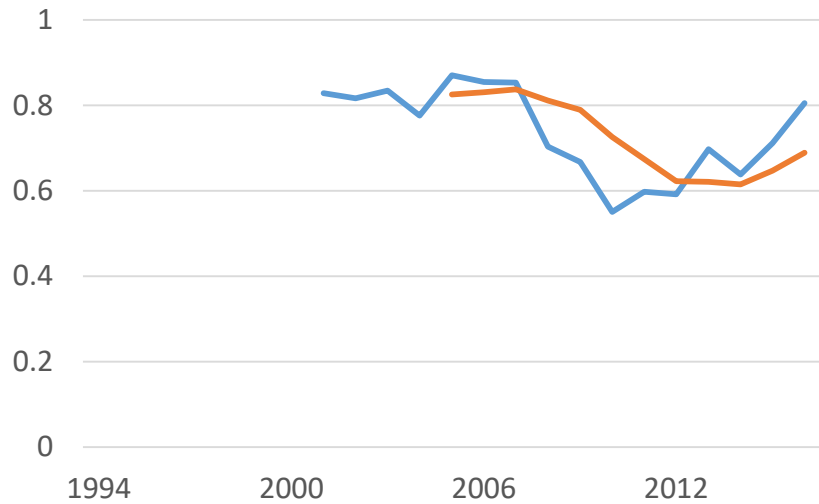
Regional Safety Performance

- Although there have been upticks in the last 5 years, road fatalities and serious injuries have decreased over the long-term
- However, non-motorized fatalities and serious injuries have grown since the 2000s
- The 5-year rolling average smooths year-to-year variation and help us gauge long-term trends.
- Economic conditions are strong determinants for these safety measures. More fatalities and serious injuries occur when the economy grows and fewer when it shrinks.
- Overall, the Bay Area and California have similar safety performance trends

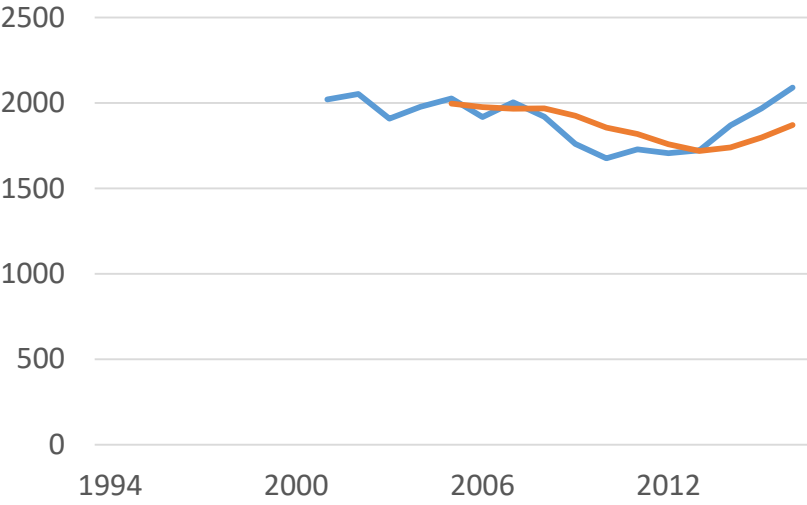
1. Number of Fatalities



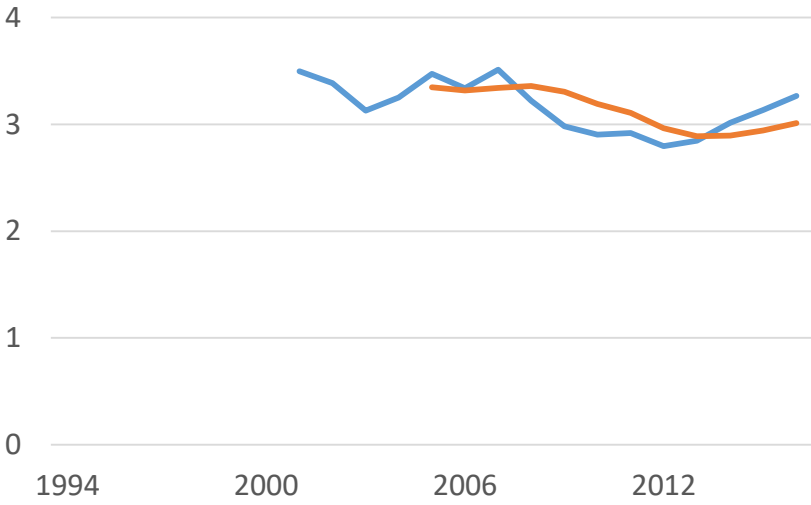
2. Rate of Fatalities per 100M VMT



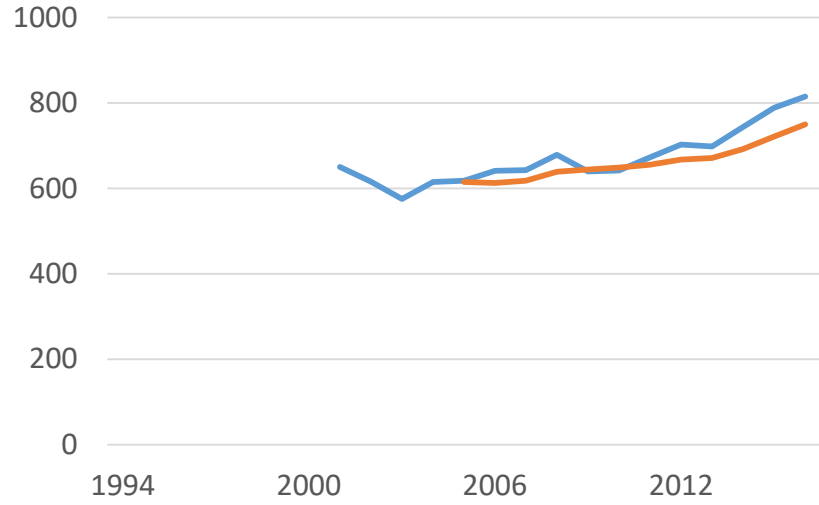
3. Number of Serious Injuries



4. Rate of Serious Injuries per 100M VMT



5. Number of Non-Motorized Fatalities and Serious Injuries



Three Options for Safety Target-Setting

Option	Approach
1	Support the State's statewide targets
2	Set Bay Area targets based on State's methodology
3	Set Bay Area targets based on own methodology



Option 1: Support the State's statewide targets

MTC will not need to report new performance data or set a region-specific numeric target.

Strengths

- simple
- easy to explain
- aligns directly with State's targets, including Towards Zero Deaths

Weaknesses

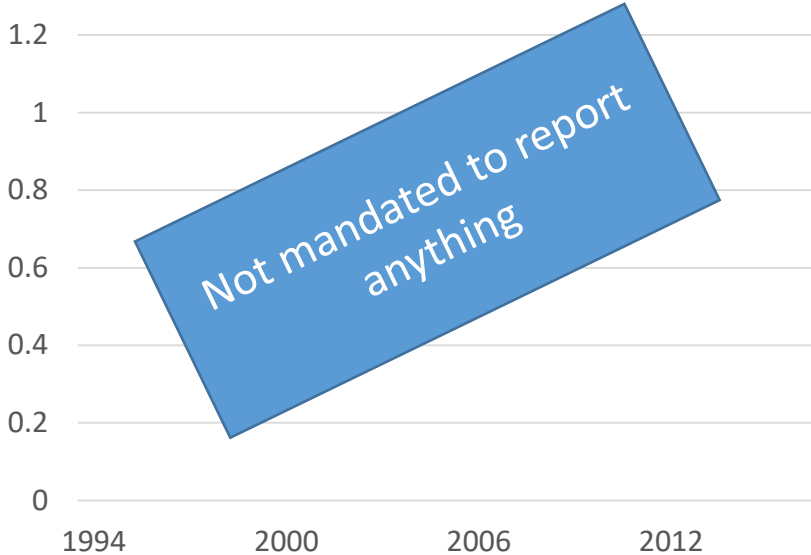
- safety trends will be monitored but no region-specific targets will be identified

Recommended

1. Number of Fatalities



2. Rate of Fatalities per 100M VMT



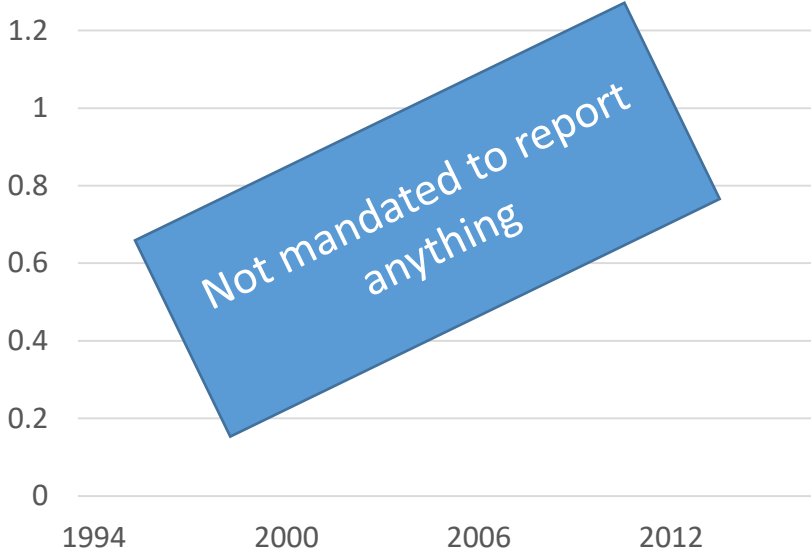
3. Number of Serious Injuries



4. Rate of Serious Injuries per 100M VMT



5. Number of Non-Motorized Fatalities and Serious Injuries



Option 2: Set Bay Area targets based on State's methodology

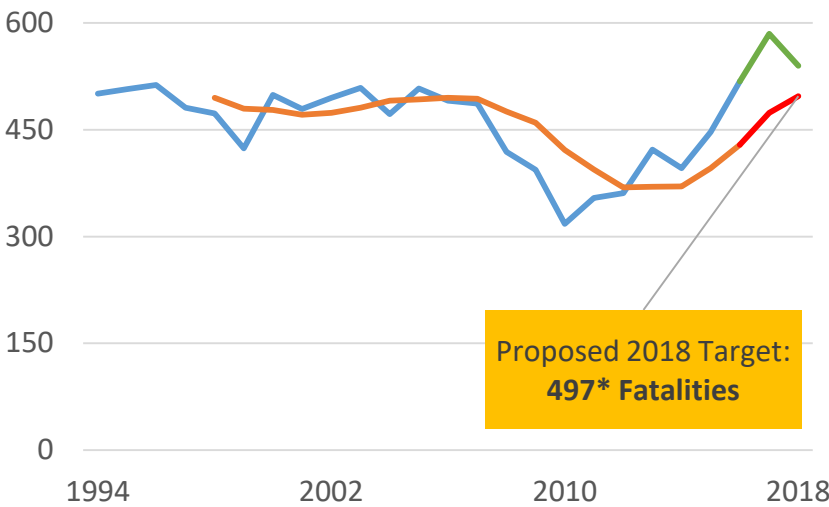
Strengths

- leverages State methodology but quantifies Towards Zero Deaths goal for the region
- demonstrates stronger commitment to safety and performance-based planning

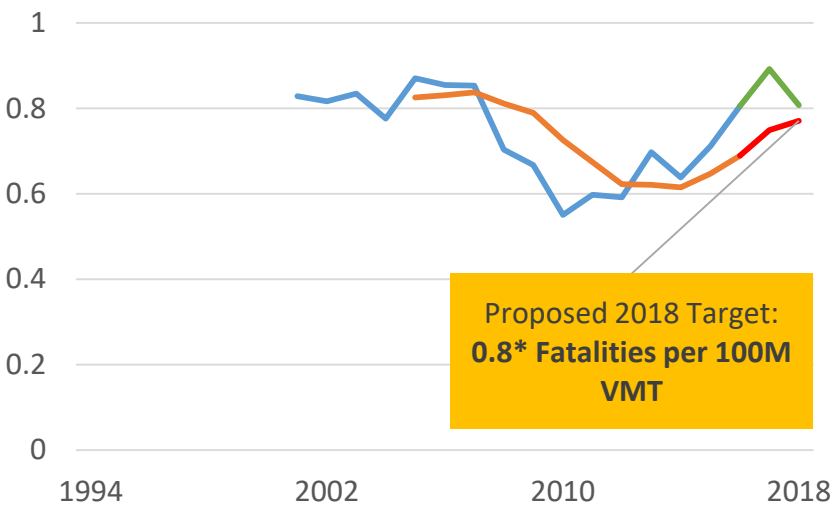
Weaknesses

- unlikely that the region would achieve targets
- 2018 targets would remain higher than 2016 baseline due to 5-year rolling average calculation

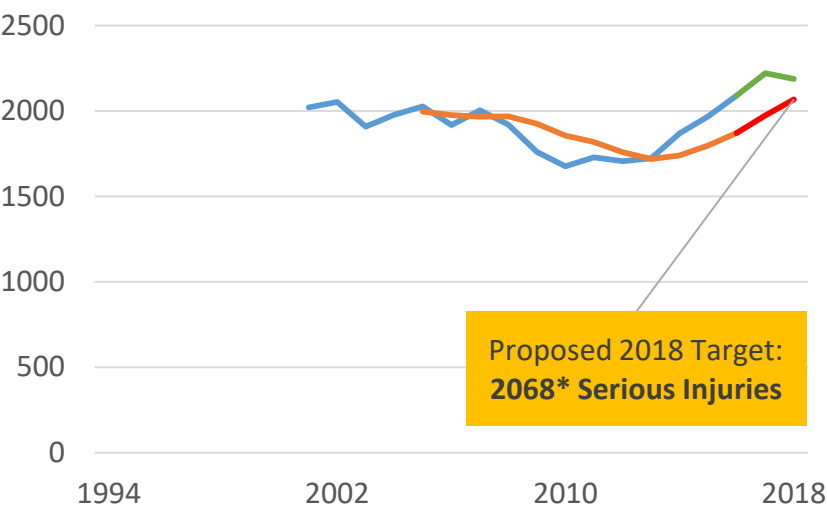
1. Number of Fatalities



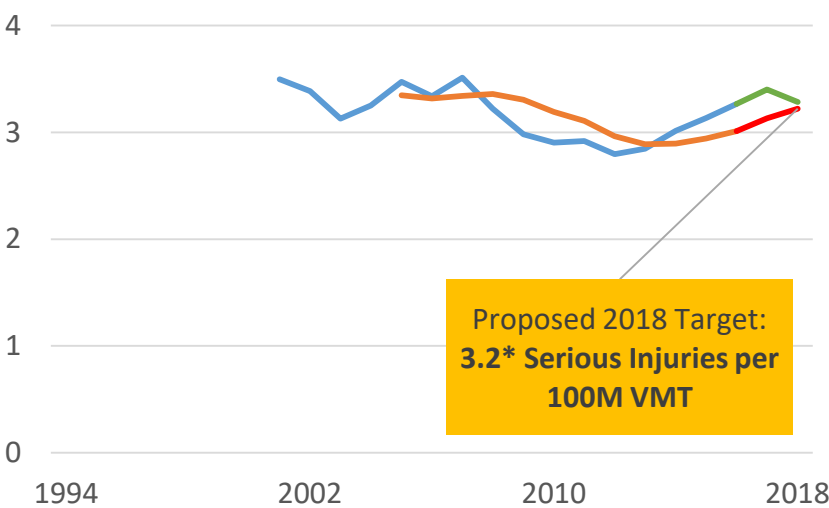
2. Rate of Fatalities per 100M VMT



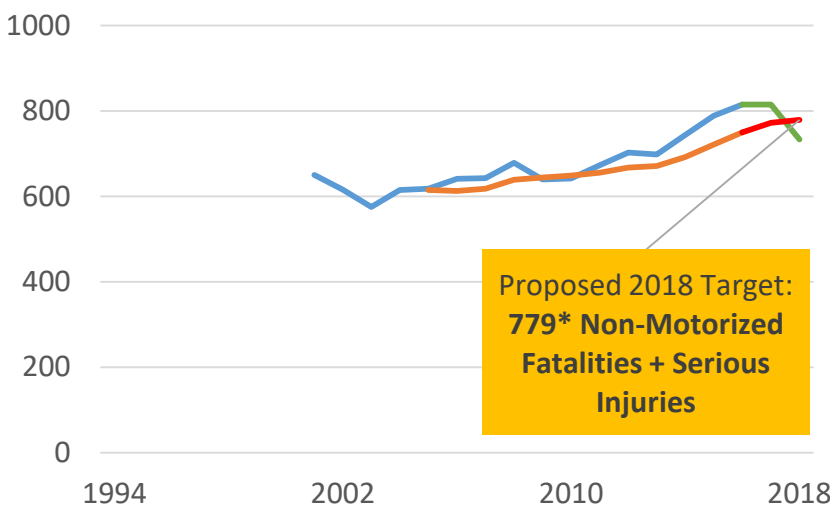
3. Number of Serious Injuries



4. Rate of Serious Injuries per 100M VMT



5. Number of Non-Motorized Fatalities and Serious Injuries



— Historic Data — Historic Data 5-YR Rolling Avg. — Forecast/Target — Forecast/Target 5-YR Rolling Avg.

* Note all data is preliminary; targets will be based on final data provided by Caltrans

Option 3: Set Bay Area targets based on own methodology –

for example 5% reduction from baseline year across all measures

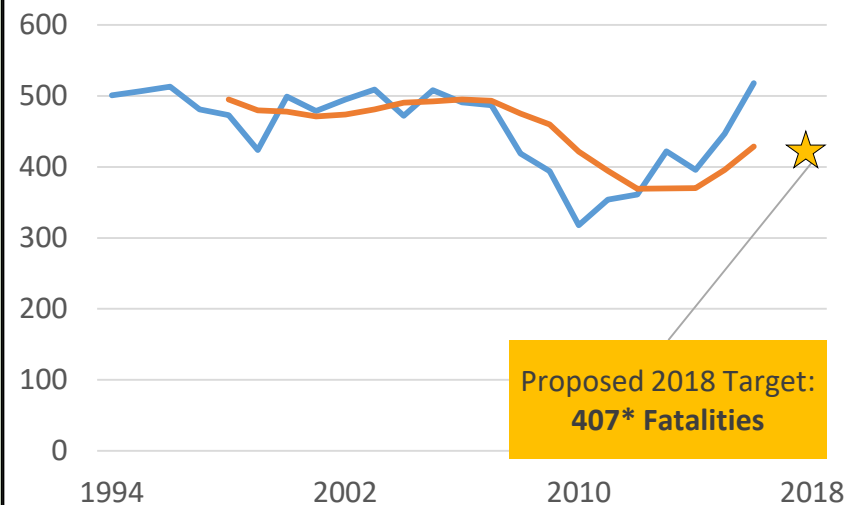
Strengths

- most ambitious option
- targets identified would improve performance for 2018

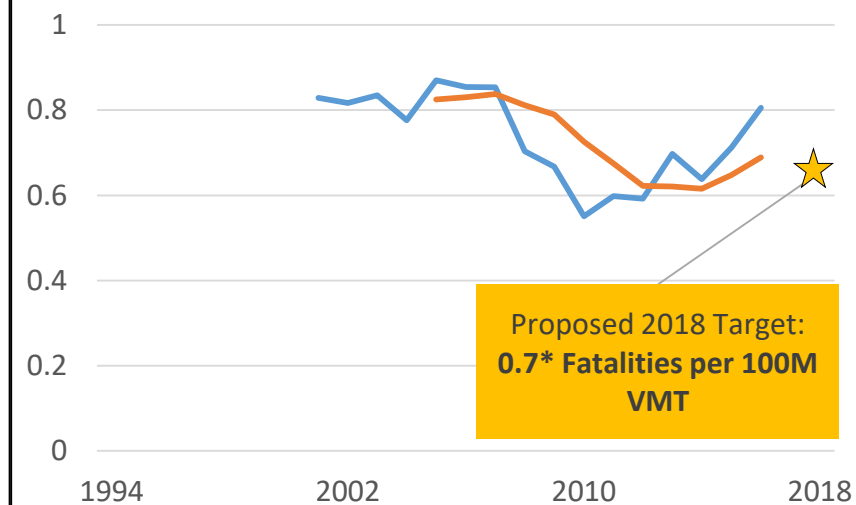
Weaknesses

- extremely unlikely that the region would achieve ambitious targets
- difficult to identify the appropriate percent reduction goal

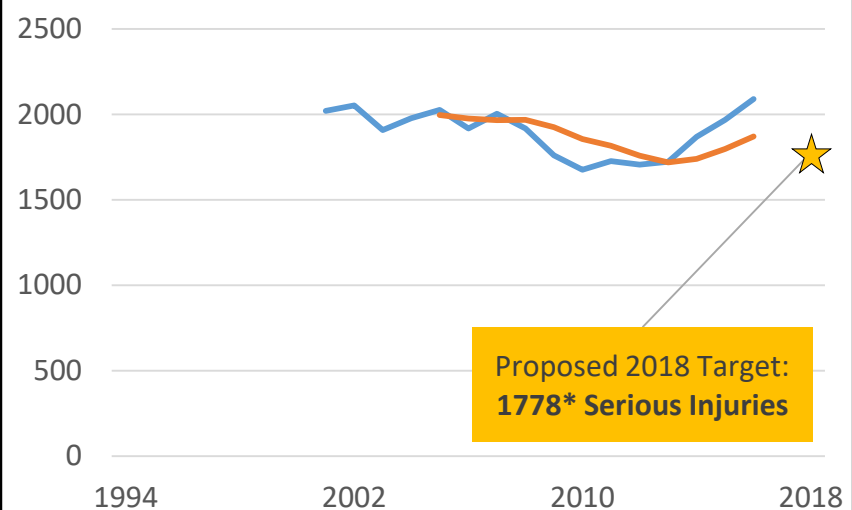
1. Number of Fatalities



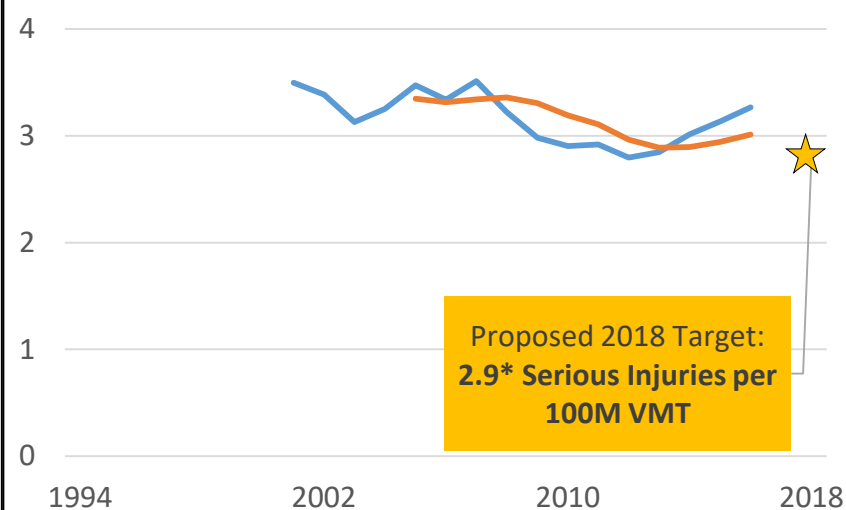
2. Rate of Fatalities per 100M VMT



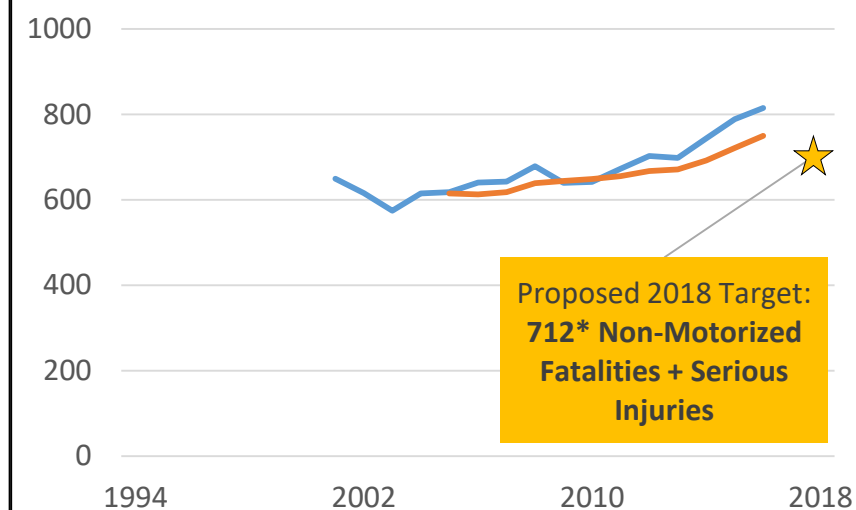
3. Number of Serious Injuries



4. Rate of Serious Injuries per 100M VMT



5. Number of Non-Motorized Fatalities and Serious Injuries



— Historic Data

— Historic Data 5-YR Rolling Avg.

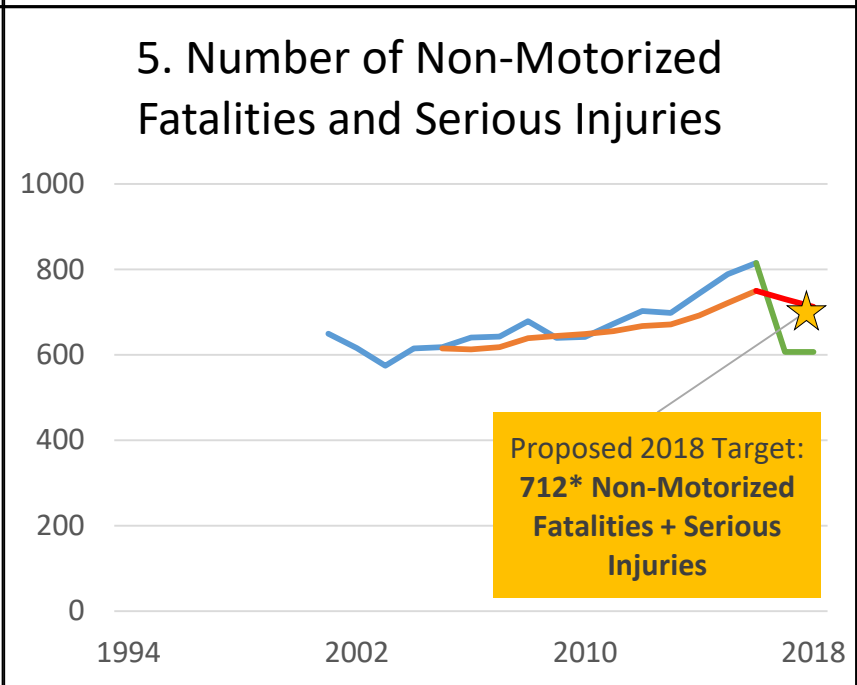
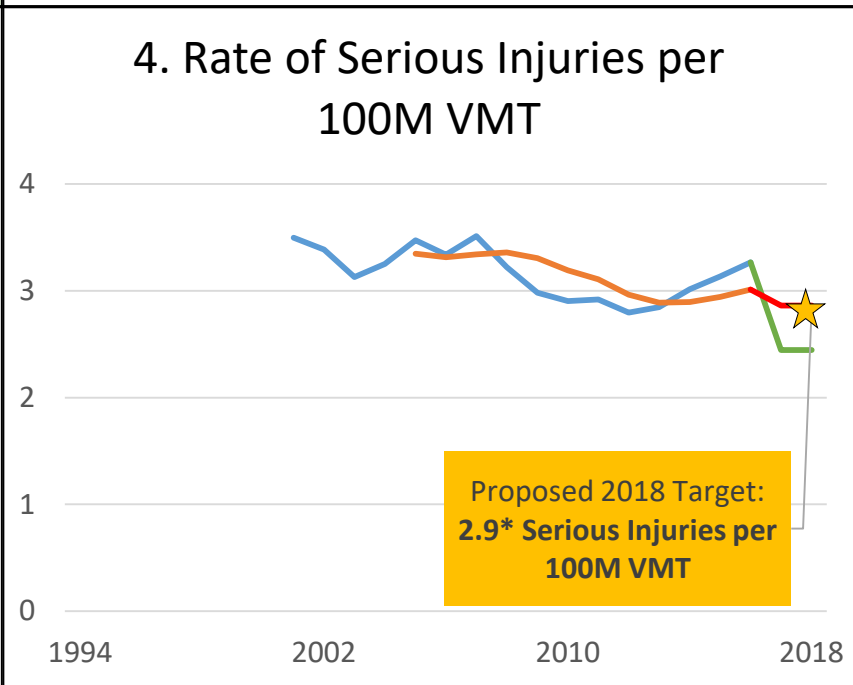
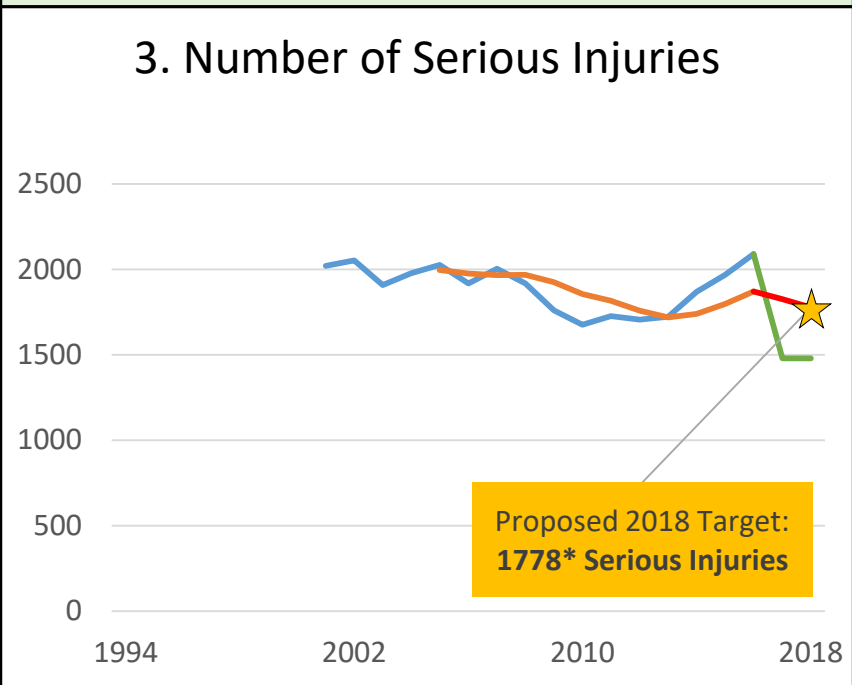
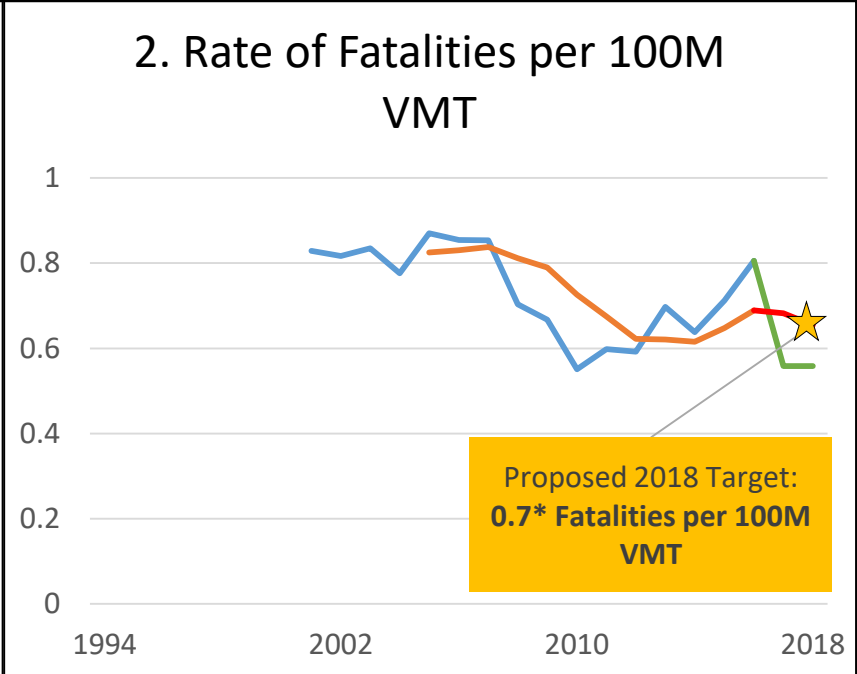
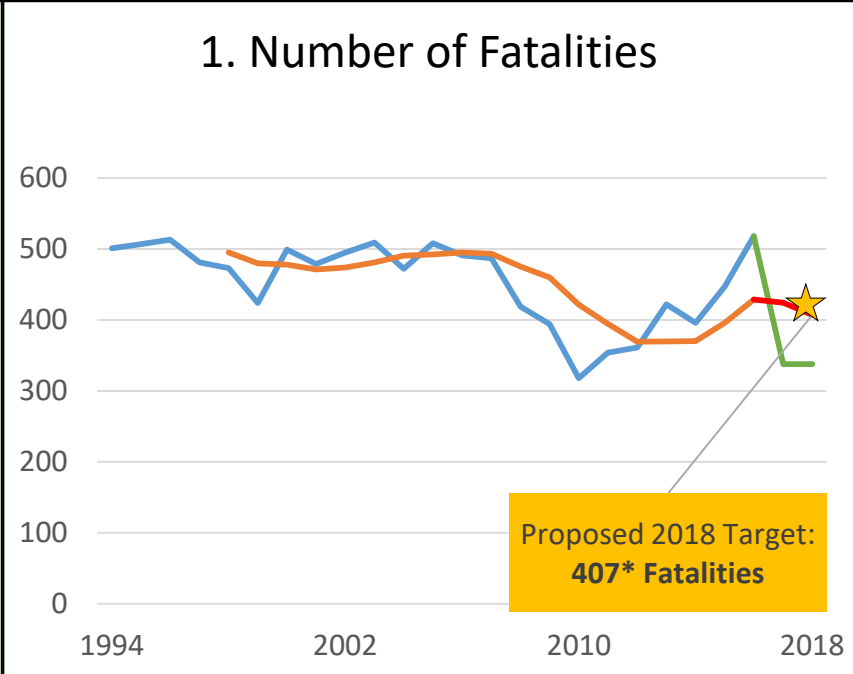
— Forecast/Target

— Forecast/Target 5-YR Rolling Avg.

* Note all data is preliminary; targets will be based on final data provided by Caltrans

Option 3: Set Bay Area targets based on own methodology – for example 5% reduction from baseline year across all measures

The Bay Area would need to have record-low annual safety performance measures in 2017 and 2018 to achieve the targets



Next Steps

- Seek feedback on recommended target and alternatives from partners, stakeholders, and public
 - Programing and Delivery Working Group
 - Local Streets and Roads Working Group
 - Active Transportation Working Group
 - CMA Planning Directors
- Finalize preferred alternative based on feedback received
- If needed, update numeric targets using final Caltrans dataset
- Adopt final safety targets by the end of the year
- Report performance measures and targets to Vital Signs website and incorporate targets in future RTPs/TIPs