



# **CALIFORNIA TRANSPORTATION COMMISSION**

## **LOCAL PARTNERSHIP PROGRAM**

### **2018 DRAFT GUIDELINES**

**AUGUST 11, 2017**

NOTE: These draft Local Partnership Program Guidelines are currently under development pending consultation with the California Department of Transportation, regional and local agencies, and other interested stakeholders to address the statutory requirements set forth in state law relating to the Local Partnership Program. This information is published herein in draft form, and is subject to further modification and refinement. Publication of this information does not represent any final determination by the California Transportation Commission on any of the issues addressed in these draft guidelines.

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#### [Table of Contents](#)

1.	Authority and purpose of guidelines.....	3
2.	Program of Projects.....	4
3.	Annual Funding Shares.....	7
4.	Formula Portion: Project Nominations.....	9
5.	Balance of funding share for Formula Portion.....	10
6.	Project selection.....	11
7.	Project applications.....	12
8.	Project selection criteria.....	14
9.	Balance of grant program funds.....	14
10.	Amendments to program of projects.....	14
11.	Allocations.....	15
12.	Timely Use of Funds.....	16
13.	Semiannual delivery reports: .....	16
14.	Final delivery report.....	17
15.	Audit of project expenditures and outcomes.....	17
16.	Workforce Development Requirements and Project Signage.....	17

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#### GENERAL PROGRAM POLICY

##### 1. Authority and Purpose of Guidelines.

~~The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorized \$1 billion to be deposited in the State Local Partnership Program (SLPP) Account to be available, upon appropriation by the Legislature, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. The Bond Act required a dollar for dollar match of local funds for an applicant agency to receive state funds under the program.~~

The Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1, Chapter 5, Statutes of 2017) created the Local Partnership Program and continuously appropriates two hundred million dollars (\$200,000,000) annually to be allocated by the California Transportation Commission (Commission) to local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely for transportation improvements.

These guidelines, modeled after the Commission's Proposition 1B State-Local Partnership Guidelines for Fiscal Year 2010-11, describe the policy, standards, criteria, and procedures the Commission will use to develop, adopt, and manage the 2017 Local Partnership Program. Pursuant to Streets and Highways Code Section 2033, these guidelines were developed in cooperation with the California Department of Transportation (Caltrans), transportation planning agencies, county transportation commissions, local agencies and other transportation stakeholders. The Commission may amend these guidelines after first giving notice of the proposed amendments. The Commission will make a reasonable effort to amend the guidelines prior to a call for projects or may extend the deadline for project submission in order to comply with the amended guidelines.

~~In 2008, the Legislature enacted implementing legislation (AB 268) to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code. Article 11 defines the purpose and intent of the program, defines the~~

eligibility of applicants, projects, and matching funds, and provides that In the initial programming cycle, program funds will be distributed as follows:

- Formulaic Portion: For the two-year cycle covering Fiscal Years 2017-18 and 2018-19, 50% ~~95%~~ of program funds will be distributed by formula to match:
  - Voter-approved transportation taxes, tolls and fees.
- Competitive Grant Portion: For the three-year cycle covering Fiscal Years 2017-18, 2018-19 and 2019-20, 50% ~~5%~~ of the remaining program funds will be available for a competitive grant application program that will be divided in two groups:
  - To match voter-approved taxes, tolls and fees; and
  - To match imposed fees.

The Competitive Grant Program will be divided into the above two groups based on the relative tax, toll, and fee revenue of the applicants. In no case will the portion to match imposed fees be less than 10% of the Competitive Grant Program.

The formulaic and competitive grant portions will be revisited after a two-year period to evaluate whether future changes are needed. The Local Partnership Program will consist of (1) projects nominated by eligible applicants for the formulaic program and (2) projects selected by the Commission from projects nominated by eligible applicants under the competitive grant program.

**2. Program of Projects.**

The Commission will adopt an ~~annual~~ initial program of projects for the Local Partnership Program, by June 30, 2018. Future formulaic programs will be adopted by October of each even-numbered year. Future competitive programs will be adopted every three years by October. The program will consist of projects nominated by eligible applicants for the formulaic program and projects selected by the Commission under the competitive grant program ~~to match uniform developer fees.~~

Program Schedule:

Draft guidelines presented to the Commission	August 16, 2017
Commission adopts guidelines	October 18-17, 2017
Commission adopts formula funding shares	December 6-7, 2017
Applications due	January 31, 2018
Release staff recommendations (formulaic program)	March 1, 2018
Release staff recommendations (competitive program)	June 4, 2018
Program adoption (formulaic program)	March 21-22, 2018
Program adoption (competitive program)	June 27-28, 2018

The Local Partnership Program project funding will match eligible local funding for project construction ~~or equipment acquisition~~, consistent with Government Code Section 8879.70 [A through F below] and Streets and Highways Code Section 2032(a) [G through I below].

Eligible projects shall include all of the following:

- A. Improvements to the state highway system including, but not limited to, all of the following:
  - Major rehabilitation of an existing segment that extends the useful life of the segment by at least 15 years;
  - New construction to increase capacity of a highway segment that improves mobility or reduces congestion on that segment; and
  - Safety or operational improvements on a highway segment that are intended to reduce accidents and fatalities or improve traffic flow on that segment.
- B. Improvements to transit facilities, subject to the restrictions of Article XIX of the California Constitution, including guideways, that expand transit services, increase transit ridership, improve transit safety, enhance access or convenience of the traveling public, or otherwise provide or facilitate a viable alternative to driving.

~~The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment, including, but not limited to maintenance facilities, transit stations, transit guideways, passenger shelters, and fare collection equipment with a useful life of at least 10 years;~~

  - ~~○ The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies is an eligible project under this paragraph.~~
- C. Improvements to the local road system, including, but not limited to, both of the following:
  - Major roadway rehabilitation, resurfacing, or reconstruction that extends its useful life by at least 15 years; and
  - New construction and facilities to increase capacity, improve mobility, or enhance safety.
- D. Improvements to bicycle or pedestrian safety or mobility with a useful life of at least 15 years.
- E. Improvements to mitigate the environmental impact of new transportation infrastructure on a locality's or region's air quality or water quality, commonly known as "urban runoff," including, management practices for capturing or treating urban runoff.
- F. For purposes of the Local Partnership Program, a separate phase or stage of construction for an eligible project may include mitigation of the project's environmental impacts, including, but not limited to, sound walls, landscaping,

wetlands or habitat restoration or creation, replacement plantings, and drainage facilities.

- G. Sound walls for a freeway that was built prior to 1987 without sound walls and with or without high occupancy vehicle lanes if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.
- H. Road maintenance and rehabilitation.
- I. Other transportation improvement projects.

The Commission will not program or allocate Local Partnership Program funding to match local funding for preconstruction work for the competitive grant programs; however, preconstruction work will be allowed for the formulaic programs.

The program of projects for each fiscal year cycle will include the following for each project:

- The amount to be funded from the Local Partnership Program;
- The source of the dollar-for-dollar match of Local Partnership Program funding;
- The estimated total cost of project construction or equipment acquisition, including any additional supplementary funding.
- The source of the dollar-for-dollar match will include only revenues from the transportation tax or fee that qualifies the applicant for Local Partnership Program funding.
- The match must be in the Construction component, the same component as Local Partnership Program funds, except in the case of a design build project, where a portion of the match may be in design (Plan, Specifications, and Estimates). Eligible match funds must be expended after Commission allocation of the Local Partnership Program funds, and concurrently and proportionally to the Local Partnership Program funds.
- For projects allocated funding for preliminary engineering under the formulaic program, in the event that right-of-way acquisition or construction is not started by the close of the tenth fiscal year after the initial allocation of Local Partnership Program funds, the local agency must repay the Commission the Local Partnership Program funds granted to the local agency.

In the formulaic program, the Commission will program and allocate funding to a project ~~in whole thousands of dollars and will include a project~~ only if it is fully funded from a combination of Local Partnership Program and other committed funding.

The Commission will regard funds as committed when they are programmed by the Commission or 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 but not limited, to

Regional Surface Transportation, Congestion Mitigation and Air Quality, and federal formula transit funds, the commitment may be by federal Transportation Improvement Program adoption. For federal discretionary funds, the commitment may be documented by federal approval of a full funding grant agreement or by grant approval.

In the Competitive Grant Program, an applicant may nominate a project funded from a combination of committed and uncommitted funds. Uncommitted funds may be only 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 applicant 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. Uncommitted funds may be nominated only 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 Commission in the STIP will not be given priority for funding in other programs under the Commission's purview.

~~The Commission's annual program of projects will also include multiyear programs of projects for the SLPP funding that eligible applicants may elect to adopt and submit to the Commission. The Commission will include these multiyear programs for informational purposes, acknowledging the future plans and intent of the eligible applicants. The inclusion of an applicant multiyear program, however, will not constitute a programming commitment by the Commission for future year funding.~~

### **Formulaic Portion for Voter-approved Taxes and Fees**

#### **3. Annual Funding Shares.**

The Commission will adopt the ~~annual~~ funding share for each eligible applicant ~~for the voter approved taxes and fees subaccount~~ with the adoption of these guidelines and at the beginning of each ~~subsequent fiscal year~~ programming cycle. These shares will be determined in accordance with Government Code Section 8879.72(a) and rounded to the nearest whole thousand dollars:

- A. The Commission will establish a northern California and southern California share by attributing the proportional share of revenues from voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements and imposed in counties in northern California to the northern share, and by attributing the proportional share of revenues from voter-approved sales taxes imposed in counties located in southern California to the southern share. The determination of whether a county is located in northern or southern California shall be based on the definitions set forth in Section 187 of the Streets and Highways Code.



- B. Program funds made available to the southern share will be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of southern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purpose of calculating population, the Commission will use the most recent information available from the Department of Finance.
- C. Program funds made available to the northern share will be distributed as follows:
  - o Program funds generated by voter-approved bridge tolls and voter-approved parcel or property taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the toll or tax based on the proportional share of revenues generated by the toll or tax by that entity in comparison to the total revenues generated by voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements in northern California.
  - o Program funds generated by voter-approved sales taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of the northern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purposes of calculating population, the Commission shall use the most recent information available from the Department of Finance.

In establishing funding shares, the Commission will use the most current data available ~~through June 30 of each year~~, as follows:

- For toll revenues, the sum of revenues ~~from~~ for the most recent fiscal year, as reported in audited financial statements from the Bay Area Toll Authority.
- For parcel and property tax revenues, the revenues for the most recent fiscal year, as reported to the State Controller pursuant to Government Code Section 53891.
- For local sales tax revenues, the sum of gross revenues for the most recent four quarters as reported for each local tax by the Board of Equalization.
- For population, the annual population estimate for cities and counties issued by the Department of Finance in May prior to the beginning of each fiscal year.

The Commission will determine a funding share for each eligible applicant with a voter-approved tax or toll that was approved prior to the adoption of the funding shares and will be collected during the fiscal year. Where a city has a voter-approved local sales tax and is located within a county without a countywide sales tax, the Commission will adopt a funding share for the city based on the city's population. Where there are multiple eligible applicants with a voter-



approved local sales tax within a county with a countywide sales tax, the Commission will adopt a single countywide funding share based on the population for the county.

~~The Commission will set aside up to 2 percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may establish the funding shares based on its best estimate of the amount that the Legislature will appropriate to the SLPP Account, subject to adjustment based on the final appropriation in the Budget Act.~~

#### 4. Project nominations.

The Commission will include in the annual program of projects each project nominated by an eligible applicant for a formulaic funding share provided that the Commission finds that the nomination meets the requirements of statute and that the project has a commitment of the required match ~~and any supplementary funding needed for full funding.~~ **Following the initial programming cycle,** each applicant shall submit its nomination by August 15 of each year. The Commission's program of projects shall not include a project nomination that exceeds the applicant's formula funding share. ~~,except in the case where an agreement has been reached among agencies to pool shares or borrow from existing formula shares, with repayment to be made out of future formula shares. In the case such an agreement, a copy of the agreement shall be attached to the project nomination.~~ A nomination shall include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board. Where the project is to be implemented by an agency other than the applicant, the nomination shall also include the signature of the Chief Executive Officer or other authorized officer of the implementing agency. Applicants for funding from a formulaic share should submit **one electronic copy and three hard copies** of each nomination. **Nomination for the Local Partnership Program's Formula Portion** nominations shall ~~should~~ be addressed or delivered to:

Susan Bransen, Executive Director  
California Transportation Commission  
1120 N Street, MS-52  
P.O. Box 942873  
Sacramento, CA 95814

A project nomination may be for supplemental funding of a project that was allocated **Local Partnership Program** funding in a prior year, provided that the supplemental **Local Partnership Program** funding and the match for that supplemental funding will not be expended until after the allocation of the supplemental funding. The supplemental **Local Partnership Program** funding may be to replace local funding already committed to the project, subject to the required one-to-one match.

For each nominated project, the applicant should submit project information using the Project Programming Request form ~~in use for STIP Projects.~~ **An excel template of this form may be found at <http://www.dot.ca.gov/hq/transprog/ocip.htm>.** The nomination should identify the implementing agency, which may be different from the applicant agency. ~~As specified in statute,~~ The nomination shall include:

- The project title, which should be a brief non-technical description of the project type, scope, and location, and a map (or maps) of the project location denoting the project site.
- A description of the nominated project, including its cost and scope and the specific improvements and benefits it is anticipated to serve. The description should identify the project's useful life. Each applicant should provide documentation of the expected benefits of the proposed project utilizing the latest version of Caltrans' LifeCycle Benefit-Cost Analysis Model. This model can be found at: [http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC\\_Analysis\\_Model.html](http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC_Analysis_Model.html).
- A description of the project's current status, including the current phase of delivery, and the schedule for the completion of construction.
- A description of how the project would support transportation, land use and housing planning goals within the region.
  - For projects within a region with an adopted Sustainable Communities Strategy (SCS), the eligible applicant will discuss how their project relates to its SCS. This will include a quantitative and/or qualitative assessment of how the project will facilitate the implementation of the SCS and also identify any challenges the region is facing in implementing the SCS. In a region served by a multi-county transportation planning organization, the report will address the portion of the SCS relevant to that region.
- A description of the greenhouse gas impacts and the community impacts of the project and how those impacts are mitigated to a less than significant level.
- The amount of Local Partnership Program funds requested.
- The amount and source of matching funds.
- The amount and source of other funds. Each nomination must list each federal, state, local, and private funding source by project component and fiscal year. For uncommitted funds, the applicant 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 or the project will be removed from the program.

~~3. An eligible applicant may adopt and submit a multiyear program for SLPP funding either in addition to or in lieu of project nomination for the program year. As described in section 2, the Commission's acknowledgement of an applicant's multiyear program will not constitute a Commission programming commitment of future year SLPP funding.~~

## **5. Balance of funding share.**

If the program of projects adopted by the Commission does not program the full amount of an applicant's formulaic funding share, the balance will remain available for later program

amendments supported by eligible project nominations. A balance not programmed in one ~~fiscal year programming cycle~~ will carry over and be available in the following ~~fiscal year programming cycle~~.

## **Competitive Grant Program: Application Submission to Match Uniform Developer Fees**

### **6. Project Selection.**

The Commission will select projects from among eligible project nominations for the Competitive Grant Program ~~from the Uniform Developer Fees Subaccount~~ modeled after ~~pursuant to~~ Government Code Section 8879.73. The Competitive Grant Portion will be divided in two groups:

- To match voter-approved taxes, tolls and fees; and
- To match imposed fees.

The competitive grant program will be divided into these two groups based on the relative revenue of the applicants. In no case will the portion to match imposed fees be less than 10% of the Competitive Grant Program.

Eligible applicants are the entities responsible for programming and allocating revenue from taxes or fees dedicated solely for transportation improvements arising from voter-approved sales taxes, voter-approved parcel or property taxes, voter-approved bridge tolls, and imposed fees.

To ensure a more equitable competition, the Commission will compare projects based on the population of jurisdiction across which the tax or fee is applied. In most cases, this will be a county or city. For voter-approved tolls, the population will be the sum of the population of the jurisdictions that voted on the toll. The following population categories will be used below:

#### Population:

- Category I:  $\geq 1,500,000$
- Category II: 700,000 to 1,499,999
- Category III: 300,000 to 699,999
- Category IV: 100,000 to 299,999
- Category V:  $<100,000$

~~No single competitive grant for the SLPP may exceed \$1 million~~ To maximize the effectiveness of program funds, the minimum request for the Competitive Grant Program funds that will be considered is indicated below based on the aforementioned population totals:

#### Minimum Project Size:

- Category I (population  $\geq 1,500,000$ ): \$5,000,000
- Category II (population 700,000 to 1,499,999): \$3,000,000
- Category III (population 300,000 to 699,999): \$2,000,000
- Category IV (population 100,000 to 299,999): \$1,000,000
- Category V (population  $<100,000$ ): No minimum requirement.

The Commission will consider approval of a competitive grant ~~only when it finds upon a determination~~ that the grant request meets the requirements of ~~these guidelines statute~~ and that the project has a commitment of the required match ~~and any supplementary funding needed for full funding~~. The selected projects will be included in the Commission's ~~annual~~ program of projects for the Local Partnership Program. The Commission will consider only projects for which ~~one electronic copy~~ and five hard copies of a complete ~~and accurate~~ nomination ~~package~~ are received in the Commission office by August 15 ~~of each even-numbered year~~. A nomination shall include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board. Where the project is to be implemented by an agency other than the applicant, the nomination shall also include the signature of the Chief Executive Officer or other authorized officer of the implementing agency. ~~Nominations for the Local Partnership Program's Competitive Portion nominations should all~~ shall be addressed or delivered to:

Susan Bransen, Executive Director  
California Transportation Commission  
1120 N Street, MS-52  
P.O. Box 942873  
Sacramento, CA 95814

## **7. Project Applications.**

For each project nominated for the Competitive Grant Portion, the applicant should submit project information using the Project Programming Request form ~~in use for the STIP projects~~. The nomination should identify the implementing agency, which may be different from the applicant agency. ~~As specified in statute,~~ The nomination shall include:

- The project title, which should be a brief non-technical description of the project type, scope, and location, and a map (or maps) of the project location denoting the project site, and identifying impacted communities that meet either of the following criteria:
  - An area identified as among the most disadvantaged 25% in the state according to the California Environmental Protection Agency and based on the California Communities Environmental Health Screening Tool 3.0 (CalEnviroScreen 3.0) scores (score must be greater than or equal to 36.62). This list can be found at the following link under SB 535 List of Disadvantaged Communities: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>.
  - An area with a median household income (reference Table B19013) that is less than 80% of the statewide median based on the most current Census Tract level data (reference Table 140) from the 2010-2014 American Community Survey (<\$49,191). Communities with a population of less than 15,000 may use data at the Census Block Group level data (reference Table 150). Unincorporated communities may use data at the Census Place level (Table 160). Data and table are available at <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.
- A description of the nominated project, including its cost and scope and the specific improvements and benefits ~~the project~~ is anticipated to serve. The description should

identify the project's useful life of at least 15 years. Each applicant should provide documentation of the expected benefits of the proposed project utilizing the latest version of Caltrans' LifeCycle Benefit-Cost Analysis Model. This model can be found at: [http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC\\_Analysis\\_Model.html](http://www.dot.ca.gov/hq/tpp/offices/eab/LCBC_Analysis_Model.html).

- A description of the project's current status, including the current phase of delivery, and the schedule for ~~the completion~~ construction ~~completion~~ ~~or acquisition~~.
- A description of how the project would support transportation, ~~and~~ land use and housing planning goals within the region.
  - For projects within a region with an adopted Sustainable Communities Strategy (SCS), the eligible applicant will discuss how their project relates to its SCS. This will include a quantitative and/or qualitative assessment of how the project will facilitate the implementation of the SCS and also identify any challenges the region is facing in implementing the SCS. In a region served by a multi-county transportation planning organization, the report will address the portion of the SCS relevant to that region.
- A description of the reductions in greenhouse gas, air pollution and community impacts anticipated from the project.
- A description of the community and regional support for the project.
- The amount of Local Partnership Program funds requested.
- The amount and source of matching funds.
- The amount and source of other funds. Each nomination must list each federal, state, local, and private funding source by project component and fiscal year. For uncommitted funds, the applicant 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 or it will be removed from the program.

In addition, ~~for an imposed fee~~, the grant request should include a copy of the ordinance or resolution adopted by a city, county or city and county that establishes ~~the the uniform developer~~ fee to be matched by the grant and a copy of the relevant section of the jurisdiction's most recent financial statements indicating the revenue generated by the imposed fee.

An agency applying for multiple competitive grants must prioritize its applications. The Commission may elect to only evaluate the highest priority application(s) submitted by each agency.

~~An agency may apply for supplemental funding of up to \$1 million for a project that was allocated SLPP funding in a prior year or years, provided that the supplemental SLPP funding~~

~~and the match for that supplemental funding will not be expended until after the allocation of the supplemental funding. The supplemental SLPP funding may be to replace local funding already committed to the project, subject to the required one to one match. Prior year funding of a project under the SLPP discretionary grant program is not a selection criterion for funding in a subsequent year. The Commission will evaluate applications competitively in each year.~~

## **8. Project Selection Criteria.**

In approving grants for inclusion in the program of projects, the Commission will give consideration to geographic balance ~~over multiple programming cycles~~ and to demonstrated project cost-effectiveness. The Commission will give higher priority to projects that are more cost-effective, that can commence construction or implementation earlier, that leverage more ~~uniform developer fees and other~~ committed funds per program dollar, and that can demonstrate quantifiable air quality improvements, including a significant reduction in vehicle-miles traveled, that can demonstrate regional and community project support, and within a MPO, projects that further the implementation of the sustainable communities strategy. In addition, the Commission intends to give higher priority to projects nominated by agencies that are located in areas without formula funding shares.

## **9. Balance of Grant Program Funds.**

If the program of projects adopted by the Commission does not program the full amount of the share for the Competitive Grant Program, the balance will ~~remain available for later program amendments supported by eligible project grant requests. A balance not programmed in one fiscal year will carry over and be available for the Competitive Grant Program in the following fiscal year programming cycle.~~

## **Project Allocations and Delivery**

### **10. Amendments to Program of Projects.**

The Commission may approve an amendment of the Local Partnership Program of projects at any time. ~~An~~ Subject to the requirements of the Bagley-Keene Open Meeting Act, an amendment need only appear on the agenda published 10 days in advance of the Commission meeting. It does not require the 30-day notice that applies to a STIP amendment.

Project amendments requested by implementing agencies shall receive the approval of all partner and funding entities before presentation to the Commission. Amendment requests should be submitted in a timely manner and include documentation that supports the requested change and its impact on the scope, cost, schedule and benefits initially provided to the Commission for consideration.

Caltrans shall coordinate all amendment requests and utilize the Project Programming Request to help document the change. Implementing agencies must notify Caltrans in writing of proposed project scope changes. This notification must include the following:

- An explanation of the proposed scope change.



- The reason for the proposed scope change.
- The impact the proposed scope change would have on the overall cost of the project.
- An estimate of the impact the proposed scope change would have on the potential of the project to deliver the project benefits as compared to the benefits identified in the project application (increase or decrease in benefit) and an explanation of the methodology used to develop the aforementioned estimates.

Caltrans will review the proposed scope change and forward the proposed scope change with Caltrans' written analysis and recommendation to the Commission for the Commission's approval. Commission staff will present recommended scope changes deemed by staff to be minor changes, such as those with little or no impact to project benefits or which increase the benefits of the project, to the Commission as a part of the project allocation request. Staff will present recommendations to disapprove minor scope changes and recommendations to approve or disapprove more significant scope changes to the Commission as project amendments. Projects with scope changes that materially reduce the anticipated benefits as presented in the application at the time of programming are subject to removal by the Commission from the Local Partnership Program.

#### **11. Allocations from the SLPP Account.**

The Commission will program and allocate funding to projects in whole thousands of dollars. The Commission will consider the allocation of funds ~~funds from the SLPP Account~~ for a project when it receives an allocation request and recommendation from the Department of Transportation, in the same manner as for the STIP (see section 64 of the STIP guidelines). The recommendation will include a determination of the availability of appropriated funding from the ~~Local Partnership Program~~ Account and the availability of all identified and committed matching and supplementary funding. The Commission will approve the allocation if the funds are available, the allocation is necessary to implement the project as included in the adopted ~~Local Partnership Program~~, and the project has the required environmental clearance.

#### ~~12. Letter of No Prejudice.~~

~~The Commission will consider approval of a Letter of No Prejudice (LONP) to advance a programmed SLPP formula project. Approval of the LONP will allow the agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines were adopted in December 2009 and are available on the Commission's website.~~

~~The Commission shall establish, using the distribution formula set forth in Government Code Section 8879.71, subdivision (a), projected targets for distribution of those funds not yet appropriated for the purpose of planning consistent with Section 8879.501 (LONP). These projected targets will be annually reviewed and revised. If an implementing agency requests and receives approval for a LONP against future, not yet appropriated formula funds, that agency proceeds at its own risk, as there is no guarantee of when those future funds will be made available for allocation. Allocations to reimburse expenses under an approved LONP cannot occur prior to appropriation and availability of formula funds in each funding cycle. In no case shall an allocation exceed the agency's formula share in that funding cycle year.~~



**12. ~~13.~~ Timely Use of Funds.**

Local Partnership Program allocations must be requested in the fiscal year of project programming, and construction allocations are valid for award for six months from the date of allocation unless the Commission approves an extension.

After award of the contract, the implementing agency has up to 36 months to complete the contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project.

The Commission may extend the deadlines for allocation of funds, for award of a contract, or for contract completion no more than one time, only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

Where a project component will not be ready for allocation as programmed in the current fiscal year, the implementing agency should request an extension of the allocation deadline rather than a project amendment.

~~Under statute, projects receiving a SLPP allocation shall encumber the funds no later than two years after the end of the fiscal year in which the Commission makes the allocation. Commission policy, however, is that SLPP allocations are requested in the fiscal year of project programming, and are valid for award for six months from the date of approval unless the commission approves an extension. Applicants may submit and the Commission will evaluate extension requests in the same manner as for STIP projects (see section 66 of the STIP guidelines).~~

**13. ~~14.~~ Semiannual Delivery Reports:**

As a condition of the project allocation, the Commission will require the implementing agency to submit semiannual reports on the activities and progress made toward implementation of the project.

~~As mandated by Government Code Section 8879.50, the Commission shall forward these reports to the Department of Finance.~~ The purpose of the reports is to ensure that the project is being executed in a timely fashion and is within the scope and budget identified when the decision was made to fund the project. If it is anticipated that project costs will exceed the approved project budget, the implementing agency shall provide a plan to the Commission for achieving the benefits of the project by either downscoping the project to remain within budget **while delivering the benefits set forth in the application** or by identifying an alternative funding source to meet the cost increase. The Commission may either approve the corrective plan or direct the implementing agency to modify its plan.

**14. 15. Final Delivery Report.**

Within six months of the project becoming operable, the implementing agency shall provide a final delivery report to the Commission on the scope of the completed project, its final costs as compared to the ~~approved project budget in the project nomination~~, its duration as compared to the project schedule ~~in the project agreement nomination~~, and ~~performance outcomes derived from benefits of the project as compared to those described in the project agreement nomination~~. ~~The Commission shall forward this report to the Department of Finance as required by Government Code Section 8879.50.~~

For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

**15. 16. Audit of Project Expenditures and Outcomes.**

Caltrans must audit, in accordance with Generally Accepted Government Auditing Standards, a representative sample of Local Partnership Program projects to evaluate the performance of the project, and determine the following:

~~The Department of Transportation will ensure that project expenditures and outcomes are audited. Fr each SLPP project, the commission expects the Department to provide a semifinal audit report within 6 months after the final delivery report and a final audit report with 12 months after the final delivery report. The Commission may also require interim audits at any time during the performance of the project.~~

~~Audits will be performed in accordance with Generally Accepted Government Auditing Standards promulgated by the United States Government Accountability Office. Audits will provide a finding on the following:~~

- ~~Whether project costs incurred and reimbursed are in compliance with the executed project agreement or approved amendments thereof; state and federal laws and regulations; contract provisions; and Commission guidelines.~~
- ~~Whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in the executed project agreement or approved amendments thereof.~~

~~A report on the projects audited, their findings and status of any corrective action must be submitted to the Commission by October 1 of each year.~~

**16. Workforce Development Requirements and Project Signage.**

Pursuant to Streets and Highways Code Section 2038, by July 1, 2023, cities and counties receiving Road Maintenance and Rehabilitation Account (RMRA) funds will need to describe how projects will address participation and investment in new or existing pre-apprenticeship training programs that focus on outreach to women, minority participants, underrepresented subgroups, formerly incarcerated individuals, and local residents to access employment

opportunities. Therefore, this information should be included in the semi-annual reports submitted to the Commission.

To demonstrate to the public that RMRA funds are being put to work, the implementing agency must, for all projects, include signage stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017. The signage should be in compliance with applicable federal or state law, and Caltrans’ manual and guidelines, including but not limited to the provisions of the California Manual on Uniform Traffic Control Devices.

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