

Memorandum

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To: CHAIR AND COMMISSIONERS

CTC Meeting: May 17, 2017

Reference No.: 4.14
Action

From: SUSAN BRANSEN
Executive Director

Prepared By: Dawn Cheser
Assistant Deputy Director

Subject: **TRAFFIC CONGESTION RELIEF PROGRAM CLOSE-OUT POLICY**
RESOLUTION G-17-13

ISSUE:

In light of the passage of Senate Bill (SB) 1 (Beall, 2017), should the California Transportation Commission (Commission) approve a policy, as outlined in this book item, to close-out the existing Traffic Congestion Relief Program authorized pursuant to the Traffic Congestion Relief Act of 2000?

RECOMMENDATION:

In light of the passage of SB 1, Staff recommends the Commission approve the following Traffic Congestion Relief Program close-out policy:

- The Commission will only consider programming amendments and allocations prior to June 30, 2017, therefore, any programming amendments and allocations must be approved at the June 2017 Commission meeting.
- Programming amendments and allocations will only be considered to shift identified savings to another Traffic Congestion Relief Program project with a previously approved application within the same county. Identified savings may also be transferred between counties only upon agreement of both applicants.
- Programming amendments and allocations will not be considered if the total Traffic Congestion Relief Program funding allocated to the project will exceed the amounts in statute.
- Programming amendments and allocations will not be considered if the project is already fully funded. That is, Traffic Congestion Relief Program funding will not be used to supplant other funds.
- The Commission will consider funding cost increases on projects that are on-going only if a fund source for the cost increases has not been identified.
- The Commission will only consider programming amendments for projects if the scope of the project is consistent with the approved legislative project description.
- The Commission will apply the timely use of funds policy adopted in the 2016 State Transportation Improvement Program Guidelines to Traffic Congestion Relief Program allocations approved following the enactment of SB 1.

To date, the Commission has been unable to program and allocate the full \$4.9 billion of Traffic Congestion Relief Program funds made available under the Traffic Congestion Relief Act of 2000 due to the enactment of statutes to loan or delay the receipt of a portion of these funds. The Traffic Congestion Relief Program has approximately \$334 million of outstanding repayments.

SB 1 deems the Traffic Congestion Relief Program to be complete and final as of June 30, 2017. This aligns with the Commission's Annual Report recommendations to close-out the program. SB 1 directs the repayment of all outstanding loans that were made from the Traffic Congestion Relief Fund to the General Fund and directs the repayments that would have funded Traffic Congestion Relief Program projects to the Public Transportation Account, the State Highway Operation and Protection Program, and to the State Controller for apportionment to cities and counties for local streets and roads.

Based on the 2016 Traffic Congestion Relief Program Annual Report and recently received updates from the California Department of Transportation and the implementing agencies, the Traffic Congestion Relief Program estimated savings are \$95.4 million as shown in Attachment B. The savings amount may change based on new information provided by the implementing agencies as a result of this proposed policy.

BACKGROUND:

The Traffic Congestion Relief Act of 2000 committed \$4.9 billion to 141 specific projects. Various statutes were enacted to loan or delay the receipt of funds between 2001 and 2006. In 2008, the Commission adopted an allocation plan to meter the allocation of funds because of the funding uncertainties. The allocation plan consisted of two tiers: Tier 1 included projects that had a higher priority for funding and Tier 2 included all remaining projects. The remaining Tier 2 projects included those with programmed Traffic Congestion Relief Program funds and those that were not yet fully programmed.

In March 2016, Assembly Bill 133 (Budget Act of 2015) authorized a \$148 million partial repayment to the Traffic Congestion Relief Fund, leaving a balance of \$334 million to be repaid.

In June 2016, the Commission adopted additional guidance utilizing the existing Allocation Plan to direct the use of the \$148 million. Given the limited amount of approved funding, the policy directed the \$148 million to only be used for existing programmed projects in Tier 2.

SB 1 states, in pertinent part, that "as of June 30, 2017, projects in section 14556.4 for the Traffic Congestion Relief Program shall be deemed complete and final, and funding levels shall be based on actual amounts requested by the designated lead applicant pursuant to section 14556.12. Projects without approved applications in accordance with section 14556.12 shall no longer be eligible for program funding. Traffic Congestion Relief Program savings shall be transferred to other transportation accounts for the purposes specified in section 16321." All references to code sections are specifically to the Government Code.

Attachments:

- Attachment A: Resolution G-17-13
- Attachment B: Traffic Congestion Relief Program Estimated Savings

CALIFORNIA TRANSPORTATION COMMISSION

**Adoption of the Traffic Congestion Relief Program Close-out Policy
May 17, 2017**

RESOLUTION G-17-13

- 1.1 WHEREAS the Traffic Congestion Relief Act of 2000 committed \$4.9 billion to 141 specific projects. Various statutes were enacted to loan or delay the receipt of funds between 2001 and 2006.
- 1.2 WHEREAS the California Transportation Commission (Commission) adopted an allocation plan to meter the allocation of funds because of the funding uncertainties on September 17, 2008.
- 1.3 WHEREAS the allocation plan consisted of two tiers: Tier 1 included projects that had a higher priority for funding and Tier 2 included all remaining projects. The remaining Tier 2 projects included those with programmed Traffic Congestion Relief Program funds and those that were not yet fully programmed.
- 1.4 WHEREAS Assembly Bill 133 (Budget Act of 2015) authorized a \$148 million partial repayment to the Traffic Congestion Relief Fund, leaving a balance of \$334 million to be repaid.
- 1.5 WHEREAS on June 29, 2016 the Commission adopted additional guidance to direct the use of the \$148 million to existing programmed projects in Tier 2.
- 1.6 WHEREAS Senate Bill 1 (Chapter 5, Statutes of 2017) deemed the Traffic Congestion Relief Program to be complete and final as of June 30, 2017.
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission hereby adopts the below policy to close-out the Traffic Congestion Relief Program.

The Commission will close-out the Traffic Congestion Relief Program and maximize the use of identified savings based on the following criteria:

- The Commission will only consider programming amendments and allocations prior to June 30, 2017, therefore, any programming amendments and allocations must be approved at the June 2017 Commission meeting.
- Programming amendments and allocations will only be considered to shift identified savings to another Traffic Congestion Relief Program project with a previously approved application within the same county. Identified savings may also be transferred between counties only upon agreement of both applicants.
- Programming amendments and allocations will not be considered if the total Traffic Congestion Relief Program funding allocated to the project will exceed the amounts in statute.
- Programming amendments and allocations will not be considered if the project is already fully funded. That is, Traffic Congestion Relief Program funding will not be used to supplant other funds.
- The Commission will consider funding cost increases on projects that are on-going only if a fund source for the cost increases has not been identified.
- The Commission will only consider programming amendments for projects if the scope of the project is consistent with the approved legislative project description.
- The Commission will apply the timely use of funds policy adopted in the 2016 State Transportation Improvement Program Guidelines to Traffic Congestion Relief Program allocations approved following the enactment of Senate Bill 1.

TCRP Program Estimated Savings Summary

Project #	TCRP Project Title	Dist	Co	Approved (Programmed) (\$1,000's)	Allocated (\$1,000's)	Estimated Savings (\$1,000's)
40	Rte 10; add HOV In on San Berdu Fwy over Kellogg Hill, nr Pomona,	7	LA	\$90,000	\$69,382	\$20,618
146	Construction of Palm Drive Interchange	8	RIV	\$10,000	\$5,733	\$4,267
26	Livermore Valley Siding	4	ALA	\$1,000	\$0	\$1,000
52	Route 405; HOV & aux. lanes in West LA, from Waterford Ave to Rte	7	LA	\$25,000	\$9,648	\$15,352
55.3	Alameda Corridor East; build grade sep on BNSF & UPRR lines, LA	8	SBd	\$34,410	\$33,359	\$1,051
56	Metrolink; track and signal improvements on Metrolink; San	8	SBd	\$15,000	\$14,188	\$812
61	Rte 10; reconst Apache Trail IC east of Banning in Riverside County.	8	RIV	\$3,900	\$1,222	\$2,678
74.10	Pacific Surfliner; Santa Margarita River Bridge and Doubletrack	75	SD	\$1,480	\$1,074	\$406
98	Peach Ave; widen to 4-ln arterial & add ped overxings for 3 schools	6	FRE	\$10,000	\$2,050	\$7,950
99.2	San Joaquin Corridor; improve track & signals (Stockton to Escalon)	75	SJ	\$10,257	\$0	\$10,257
102.3	Rte 101 access; State Stt smart corridor Advanced Traffic Corridor	5	SB	\$1,032	\$110	\$922
109	Rte 132; build 4 miles of new 4-lane expway in Modesto from Dakota	10	STA	\$12,000	\$608	\$11,392
115	South Line Light Rail; extend South Line 3 miles towards Elk Grove,	3	SAC	\$70,000	\$62,100	\$7,900
116	Rte 80 Light Rail Corridor; double-track Rte 80 light rail line for	3	SAC	\$25,000	\$19,900	\$5,100
129	Rte 62; utility undergrounding project in ROW of Rte 62.	8	SBd	\$3,200	\$990	\$2,210
158.2	Remodel the intersection of Olympic Blvd & Lemon St & install a new	7	LA	\$1,275	\$680	\$595
113	Rte 46; widen to 4 ln for 33 miles from Rte 5 to SLO Co line in Kern	6	KER	\$7,570	\$5,941	\$1,629
114	Rte 65; add 4 passing ln, intersection imp & conduct env studies for	6	KER	\$1,674	\$376	\$1,298
						\$95,437
Notes: Savings are based on estimates. Actual savings will be determined upon further investigation with any submitted plans. Project potential savings based on the difference between programmed amounts and actual allocations.						