

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 18-19, 2021

From: MITCH WEISS, Executive Director

Reference Number: 4.22, Action - **REVISED**

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Subject: 2020 Local Partnership Formulaic Program Funding Distribution Amendment,  
Resolution LPP-P-2122-02, Amending Resolution LPP-P-2021-16

## **Replacement Item Change:**

The August 6, 2021 version of this item is being replaced to reflect the following:

1. A new action has been added to the Recommendation section:
  - a. Allow taxing authorities to program the redistributed incentive funds to projects currently programmed in the 2020 Local Partnership Formulaic Program.
2. Additional information has been added to the Issue section.
3. The Resolution LPP-P-2122-02 section has been revised to reflect the new recommended action.

## **Recommendation:**

Staff recommends the California Transportation Commission (Commission) approve an amendment to the 2020 Local Partnership Formulaic Funding Distribution with the following actions:

- Add formulaic funding for Caltrain, totaling \$5,791,000 in Fiscal Year 2021-22 and \$5,791,000 in Fiscal Year 2022-23.
- Redistribute the unused Fiscal Year 2020-21 Incentive Funding of \$10,000,000 by adding \$6,000,000 to the 2020 Local Partnership Formulaic Program in Fiscal Year 2021-22 and \$4,000,000 to the 2020 Local Partnership Competitive Program for the Contingency List projects.
- Allow taxing authorities to program the redistributed incentive funds to projects currently programmed in the 2020 Local Partnership Formulaic Program.

## **Issue:**

### **Caltrain**

Caltrain informed Commission staff of their new, 30-year, voter-approved, one-eighth cent sales tax measure (Measure RR), which is effective July 1, 2021.

Revenues from Measure RR will be used to support the operation of Caltrain commuter rail, including infrastructure, rolling stock and capital projects as necessary to maintain and enhance commuter rail service. Commission staff reviewed the documents submitted by the agency to verify eligibility and establish the formulaic funding amount.

Approval of this amendment to the Local Partnership Formulaic Program Funding Share Distribution will add formulaic funding totaling \$11,582,000 for Caltrain. This funding will be distributed as \$5,791,000 in Fiscal Year 2021-22 and \$5,791,000 in Fiscal Year 2022-23. The formulaic funding is available for programming through June 30, 2023. To account for this addition of formulaic funding to Caltrain in the current program, a proportional reduction of funding available to all taxing authorities will occur in the subsequent formulaic program cycle, pursuant to the 2020 Local Partnership Program Guidelines.

### Incentive Funding

Pursuant to the 2020 Local Partnership Program Guidelines, Incentive Funding remaining at the end of a fiscal year shall be redistributed in the following fiscal year. Sixty percent to the Formulaic Program and forty percent to the Competitive Program shall be redistributed in this manner. At the conclusion of Fiscal Year 2020-21, the unused Incentive Funding balance was \$10,000,000. Approval of this amendment will redistribute the remaining Incentive Funding and add \$6,000,000 to the 2020 Local Partnership Formulaic Program and \$4,000,000 to the 2020 Local Partnership Competitive Program for the Contingency List projects. The \$6,000,000 added to the 2020 Local Partnership Formulaic Program will be assigned to forty-six taxing authorities' Funding Distribution in Fiscal Year 2021-22 as shown in Attachment A.

The simultaneous actions to add formulaic funding for an eligible tax authority and redistribute the unused incentive funding will be approved with this amendment. Moving forward, different ways of executing these simultaneous actions will be considered to allow for offsetting formulaic funding to eligible taxing authorities mid-cycle with available unused incentive funding.

The redistribution of unused incentive funds will provide a relatively small amount of funding to each taxing authority. In order to streamline the programming process, staff recommends the Commission allow taxing authorities to program the redistributed incentive funds to projects currently programmed in the 2020 Local Partnership Formulaic Program if the required match is met.

### Background:

Senate Bill 1 (SB 1) (Chapter 5, Statutes of 2017) created the Local Partnership Program. Assembly Bill 115 (Chapter 20, Statutes of 2017) clarified SB 1 language regarding local and regional transportation agency eligibility and expanded the types of projects eligible for the program. SB 1 authorizes \$200 million annually to fund the Local Partnership Program. The Local Partnership Formulaic Program provides funding to counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes dedicated solely

to transportation improvements. Only agencies with Commission-adopted funding and committed local matching funds are eligible to receive the Local Partnership Formulaic Program funding.

On March 25, 2020, the Commission adopted the 2020 Local Partnership Formulaic Funding Distribution for Fiscal Years 2020-21 through 2022-23, which included formulaic funding for forty-four agencies and set-aside incentive funding of \$20,000,000 annually.

The Commission has adopted the following amendments to the 2020 Local Partnership Formulaic Funding Distribution:

- On June 24, 2020, the Commission adopted an amendment to add incentive funding in the amount of \$5,000,000 for the City and County of San Francisco.
- On May 12, 2021, the Commission adopted an amendment to add formulaic funding for the City of El Paso de Robles for Fiscal Years 2020-21 through 2022-23.
- On June 23, 2021, the Commission adopted an amendment to add incentive funding in the amount of \$5,000,000 for the Sonoma County Transportation Authority.

### **Resolution LPP-P-2122-02**

Be it Resolved, that the Commission does hereby approve the amendment to the Local Partnership Formulaic Funding Distribution to add formulaic funding for Caltrain, totaling \$5,791,000 in Fiscal Year 2021-22 and \$5,791,000 in Fiscal Year 2022-23; and redistribute the remaining Fiscal Year 2020-21 Incentive Funding of \$10,000,000 by adding \$6,000,000 to the 2020 Local Partnership Formulaic Program and \$4,000,000 to the 2020 Local Partnership Competitive Program for the Contingency List projects; and assign aforementioned formulaic funding totaling \$6,000,000 to forty-six taxing authorities' Funding Distribution in Fiscal Year 2021-22 as shown in Attachment A; and allow taxing authorities to program the redistributed incentive funds to projects currently programmed in the 2020 Local Partnership Formulaic Program.

Attachment:

- Attachment A: Amended Local Partnership Formulaic Funding Distribution