

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 29-30, 2022

From: MITCH WEISS, Executive Director

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Subject: Presentation of the Draft 2022 Local Partnership Formulaic Program Guidelines

Summary:

The 2022 Local Partnership Program will include two years of programming with \$400 million in funds (\$40 million formulaic incentive funding set-aside; \$216 million via Formulaic; and \$144 million via Competitive) covering Fiscal Years 2023-24 and 2024-25. The 2022 Local Partnership Program represents the fourth cycle of the Formulaic Program.

The draft guidelines were prepared by California Transportation Commission (Commission) staff in consultation with the California Department of Transportation (Caltrans), the Commission's Equity Advisory Roundtable, regional transportation planning agencies, local agencies, and other public stakeholders. Following the initial Senate Bill (SB) 1 Programs kick-off workshop in August 2021, the Commission held seven public workshops to solicit stakeholder input and inform the 2022 Local Partnership Program Guidelines (formulaic and competitive). Each workshop was recorded and posted to the Commission's website.

Various topics were discussed during the workshops to inform the draft guidelines, including several suggestions to clarify language for existing policies. Key changes in these draft guidelines include: separated guidelines for the Formulaic and Competitive Programs; incorporation of the Technical Performance Measurement Methodology Guidebook which provides guidance on the quantification of program performance metrics; revised matching requirements for small jurisdictions; expanded project amendments section; a new deadline for programming project cost savings; and a streamlined project nomination form for supplemental funding requests. Commission staff wholistically considered equity and climate updates in the SB 1 program guidelines updates, and those changes are described in more detail in Book Item Reference 4.6.

Below is additional detail on key changes included in the draft 2022 Local Partnership Formulaic Program guidelines. In addition to the changes noted below, several changes were made to make the guidelines as clear as possible. Each of the guidelines changes listed below were developed through a collaboration with stakeholders and consensus on these changes was achieved through the Commission's public workshop process.

Revised Matching Requirements for Small Jurisdictions

The Local Partnership Program (formulaic and competitive) requires a match for all projects. Currently, taxing authorities with a voter-approved tax, toll, or fee that generates annual revenues of \$100,000 or less are only required to provide a match equal to twenty-five percent of the requested Formulaic Program funds. Only one taxing authority qualifies for the twenty-five percent match rate. Commission staff updated the policy to expand its impact, allowing taxing authorities that generate annual revenues of \$2 million or less to utilize the twenty-five percent match. This update will allow more small jurisdictions to better leverage their local funds.

Utilize Unused Incentive Funding to Offset Funding for New Taxes, Tolls, and Fees

The Formulaic Program includes incentive funding to reward new or renewed voter-approved self-help efforts and to incentivize jurisdictions to pursue future voter-approved tax measures, tolls, or fees. Commission staff updated the guidelines policy to ensure the amount of unused incentive funding redistributed to the Formulaic Program will first be used to offset the formulaic funding distribution of new taxes, tolls, or fees, and then to redistribute the remaining balance to eligible taxing authorities.

Allow Additional Flexibility for Supplemental Funding Requests

The Local Partnership Formulaic Program allows eligible taxing authorities to request supplemental funding for programmed projects. Due to the existing policy requirement that projects must be programmed in a previous cycle to be eligible for supplemental funding, most agencies were not able to take advantage of the policy. Commission staff updated the policy to allow a taxing authority to nominate projects programmed in the current cycle for supplemental funding. Another guidelines update now requires supplemental funding requests for pre-construction phases to be requested up to six months prior to the expenditure deadline.

Update Project Cost Savings Policy

Implementing agencies for the Formulaic Program are starting to deliver and complete the projects programmed with the Cycle 1 and Cycle 2 formulaic funding. Project cost savings in the Formulaic Program are returned to the eligible taxing authority. To ensure their continued compliance with the project cost savings policy, stakeholders asked Commission staff to clarify the recovery policy. Commission staff clarified the language to include the process for requesting cost savings. In addition, Commission staff added a new policy that requires a taxing authority to program and allocate returned project cost savings within twelve months of the Commission action to deprogram the cost savings.

Update Amendment Policy

Due to the flexibility of the Formulaic Program, the Commission allows implementing agencies to request a variety of amendments to assist with project delivery and to maximize the overall benefits of the Formulaic Program. Commission staff added detailed language to clarify existing amendment policies. For consistency with all Commission programs, the Formulaic Program will no longer consider scope changes after allocation of Construction phase funding. However, to provide added flexibility, a taxing authority may request to program additional funds to a project that has not yet allocated Formulaic Program funding.

Incorporation of the Technical Performance Measurement Methodology Guidebook

There are a number of required performance metrics, such as daily vehicle miles travelled, safety, and air quality that applicants must include in Local Partnership Program applications. Calculating the required metrics can be a challenge, especially for smaller transportation agencies.

In 2021, Commission staff led a workgroup of approximately 50 experts, including staff from Caltrans, regional agencies, local governments, and other organizations to identify required and optional performance metrics, and what methodology should be used to calculate each of the required metrics. The workgroup held six meetings over the course of approximately seven months to develop and reach consensus on the recommended performance metrics.

The Technical Performance Measurement Methodology Guidebook includes instructions on how to calculate all of the required performance metrics. Many Caltrans experts also provided technical expertise that was critical in being able to articulate a calculation methodology.

Addition of the Supplemental and Amendment Project Nomination Form

Taxing authorities that request additional funding for a programmed project should not have to resubmit the entire project nomination since most of the project details remain unchanged. Commission staff have added a streamlined project nomination form which applicants will use to update the project information related to the request for programming additional Formulaic Program funds.

Background:

SB 1 (Chapter 5, Beall, Statutes of 2017) created the Local Partnership Program. Assembly Bill 115 (Chapter 20, Committee on Budget, 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 continuously appropriates \$200 million annually to fund the Local Partnership Program. This legislation requires the Commission, in consultation with Caltrans, regional transportation planning agencies, local agencies and other transportation stakeholders, to develop guidelines.

The 2022 Local Partnership Formulaic Program Draft Guidelines describe the policy, standards, criteria, and procedures for the development, adoption, and management of the Local Partnership Program. Program Guidelines may be amended by the Commission after conducting at least one public hearing. The draft guidelines address legislative requirements, incorporate input received from various stakeholders, and include the Commission procedures for programming and project delivery.

The Local Partnership Program provides funding to counties, cities, districts, and regional transportation agencies in which voters have approved fees, tolls, or taxes dedicated solely to transportation improvements or that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements. Funding for the Local Partnership Program is divided into two programs: the Formulaic Program and the Competitive Program.

Commission staff would like to thank all of the stakeholders who attended the workshops and provided input into the draft guidelines.

Attachment:

- Attachment A: Draft 2022 Local Partnership Formulaic Program Guidelines

Reference No.: 4.10
June 29-30, 2022
Attachment A

2022 LOCAL PARTNERSHIP FORMULAIC PROGRAM GUIDELINES

DRAFT

Adopted August 17-18, 2022
Resolution G-xx-xx

California Transportation Commission



CALIFORNIA TRANSPORTATION COMMISSION
2022 LOCAL PARTNERSHIP FORMULAIC PROGRAM GUIDELINES
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I. Introduction

1A. Authority

The Road Repair and Accountability Act of 2017, (Senate Bill [SB] 1, Beall, 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. The Local Partnership Program was subsequently amended by Assembly Bill (AB) 115 (Committee on Budget, Chapter 20, Statutes of 2017) and AB 135 (Committee on Budget, Chapter 255, Statutes of 2017).

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption and management of the Local Partnership Program. The Commission may amend these guidelines after first giving notice of the proposed amendments and conducting at least one public hearing. 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 to comply with the amended guidelines.

Local Partnership Program guidelines were developed in cooperation with the California Department of Transportation (Caltrans), transportation planning agencies, county transportation commissions, local agencies, and other stakeholders, pursuant to Streets and Highways Code Section 2033.

2A. Purpose

The primary objective of the Local Partnership Program is to provide funding to counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements [as defined by Government Code Section 8879.67(b)]. Consistent with SB 1, the Commission intends this program to balance the need to direct increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding [SB 1 Section 1(l)].

3A. Program Schedule

The following schedule lists the major milestones for the development and adoption of the Local Partnership Formulaic Program:

Milestone	Date
Publish proposed Formulaic Funding Distribution	June 24, 2022
Draft Guidelines presented to the Commission	June 29-30, 2022
Guidelines hearing	August 17-18, 2022
Adoption of the Guidelines and Formulaic Funding Distribution Call for Projects	August 17-18, 2022
Project nominations due (initial programming)	November 14, 2022
Release staff recommendations	January 11, 2023
Initial program adoption	January 25-26, 2023
Project nominations due (final deadline)	April 30, 2026

II. Eligibility

4A. Eligible Applicants

An eligible applicant under the Local Partnership Formulaic Program (Formulaic Program) is a local or regional transportation agency that has sought and received voter approval of taxes, tolls, or fees which taxes, tolls, or fees are dedicated solely to transportation improvements. To be eligible that agency must also administer those taxes, tolls, or fees.

5A. Eligibility Verification

Taxing authorities that have established eligibility prior to the adoption of these guidelines are listed in Appendix A.

Taxing authorities with new voter-approved tax measures, tolls, or fees that are potentially eligible for the Formulaic Program, must notify the Commission no less than six weeks prior to any future formulaic funding distribution adoption.

To verify eligibility, a taxing authority must submit the following information to the Commission:

- A cover letter signed by the taxing authority’s Executive Director to affirm the taxes, tolls, or fees are dedicated solely to transportation improvements.

- A copy of the ordinance or resolution seeking voter-approval of the tax, toll, or fee.
- Ballot information.
- Election results (Official Statement of Votes Cast).
- For tolls, fees, and taxes other than sales taxes, a copy of the relevant section of the taxing authority'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.

Upon receipt of all required documentation, the Commission will conduct a review and notify the taxing authority of the Commission's determination. The Commission may contact the taxing authority for additional information during the eligibility verification process.

Taxing authorities seeking verification of eligibility after adoption of the formulaic funding distribution must notify the Commission to be considered. If eligibility is established, an amendment to the funding distribution will be considered (refer to Section 9A. Distribution).

6A. Eligible Projects

Eligible projects for the Local Partnership Program will be consistent with subdivisions (a) and (b) of Government Code Section 8879.70, and Streets and Highways Code Section 2032(a). The Commission encourages projects that align with the state's climate and equity goals as well as those that identify and incorporate the installation of conduit or fiber, where appropriate and feasible, along strategic corridors.

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, 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.
- C. 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.

- D. Improvements to the local road system, including, but not limited to, the following:
- Major roadway rehabilitation, resurfacing, or reconstruction that extends its useful life by at least 15 years;
 - New construction and facilities to increase capacity, improve mobility, or enhance safety; and
 - Safety or operational improvements that are intended to reduce accidents and fatalities or improve traffic flow on that segment.
- E. Improvements to bicycle or pedestrian safety or mobility with an extended useful life.
- F. 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.
- G. 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.
- H. 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.
- I. Road maintenance and rehabilitation.
- J. Other transportation improvement projects.

III. Funding

7A. Funding and Programming Cycle

The Local Partnership Program receives \$200 million annually from the Road Maintenance and Rehabilitation Account and each program cycle will include two years of funding. The 2022 Local Partnership Program (Formulaic and Competitive) will include Fiscal Years 2023-24 and 2024-25. New cycles will be programmed every two years.

The Formulaic Incentive Funding of \$20 million will be set aside each fiscal year from the Local Partnership Program leaving \$180 million to be distributed annually, 60% via Formulaic and 40% via Competitive.

8A. Matching Requirements

Projects funded from the Formulaic Program will require at least a one-to-one match of private, local, federal, or state funds with the following exceptions:

- Taxing authorities with a voter-approved tax, toll, or fee which generates **less than \$2 million annually** are required to provide a match equal to 25% of the requested Formulaic Program funds. **This exception is based on the revenue generated by the nominating agency’s voter-approved taxes, tolls, or fees.**
- For Soundwall only projects, the expenditure of local funds to complete the Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; and Right-of-Way phases may be used to meet the one-to-one match for the Construction phase.

For purposes of calculating the required match, the Commission will, except for State Transportation Improvement Program (STIP) funding, only consider funds that are not allocated by the Commission on a project specific basis.

Local Streets and Roads Program funding may be used; however, apportionments must be received from the State Controller’s Office and the project must be eligible as outlined in the Local Streets and Roads Program Guidelines.

The matching funds must be expended concurrently and proportionally on the project phase programmed with Formulaic Program funds, except as noted below. Costs incurred prior to allocation will not be counted towards the match.

The Commission may, at the time of programming or allocation, approve non-proportional spending. For projects receiving federal funds, the non-proportional spending must be approved by the Federal Highway Administration prior to allocation. Adjustments will be made at project closeout to ensure matching funds were spent proportionally to the Formulaic Program funds.

9A. Distribution

Prior to each programming cycle, the Commission will adopt the formulaic distribution of funding for each eligible taxing authority rounded to the nearest whole thousand dollars. The Commission determines the formulaic funding amount for each eligible taxing authority with a voter-approved tax, toll, or fee that will be collected during the current programming cycle.

All taxing authorities eligible for formulaic funding will receive a minimum annual amount of \$200,000. The Commission may adjust this minimum funding in future programming cycles.

Distribution Factors

A. Revenue and Population

The Commission will determine the total amount of annual revenue generated from voter-approved sales taxes, voter-approved parcel or property taxes, voter-approved

tolls, and other voter-approved taxes dedicated solely to transportation improvements according to the most recent available data reported as follows:

- Local sales tax revenues: the sum of gross revenues for the most recent four quarters as reported for each local tax by the Department of Tax and Fee Administration.
- 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.
- Tolls and other tax revenues: the sum of revenues for the most recent fiscal year, as reported in the taxing authority's most recent audited financial statements.
- Population: the annual population estimate for cities and counties issued by the Department of Finance in May directly prior to the adoption of the formulaic funding distribution.

B. Geographic Location

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

Southern Distribution. Program funds made available to the southern share will be distributed as follows:

- 75% based on the population of the county in which the taxing authority is located compared to the total population of southern California counties with voter-approved sales taxes dedicated solely to transportation improvements.
- 25% based on the total amount of sales tax revenue generated by the voter-approved sales tax measures dedicated solely to transportation improvements administered by the taxing authority compared to the total amount of sales tax revenue generated from voter-approved sales tax measures dedicated solely to transportation improvements in southern California.

Northern Distribution. Program funds made available to the northern share will be distributed as follows:

- Program funds generated by voter-approved parcel or property taxes, voter-approved tolls, and other voter-approved taxes, excluding sales taxes, dedicated solely to transportation improvements shall be distributed to the taxing authority 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 parcel or

property taxes, voter-approved tolls, and other voter-approved taxes dedicated solely to transportation improvements in northern California.

- Program funds generated by voter-approved sales taxes dedicated solely to transportation improvements shall be distributed to the taxing authority as follows:
 - 75% based on the population of the county in which the taxing authority is located compared to the total population of northern California counties with voter-approved sales taxes dedicated solely to transportation improvements.
 - 25% based on the total amount of sales tax revenue generated by the voter-approved sales tax measures dedicated solely to transportation improvements administered by the taxing authority compared to the total amount of sales tax revenue generated from voter-approved sales tax measures dedicated solely to transportation improvements in northern California.

The following factors will be considered for calculating the funding distribution, as applicable:

- 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 formulaic funding distribution for the city based on the city’s population and the city’s sales tax revenue.
- Where a city has a voter-approved local sales tax and is located within a county with a voter-approved local sales tax, the Commission will adopt a countywide formulaic funding amount based on the county’s population and the county’s sales tax revenue; and a formulaic funding amount for the city based on the city’s sales tax revenue.
- Where there are multiple eligible taxing authorities with a voter-approved local sales tax within a county (or counties) with a countywide sales tax, the Commission will adopt a formulaic funding distribution for each taxing authority based on the relative tax rates of each voter-approved sales tax.

Distribution Adjustments

The adopted formulaic funding distribution amounts for each taxing authority will not be adjusted mid-cycle to accommodate the inclusion of new voter-approved tax measures, tolls, or fees. Adjustments will be made to the total funding amount available for all taxing authorities in the subsequent cycle of the Formulaic Program except when unused incentive funding is redistributed (refer to Section 10A. Incentive Funding).

Taxing authorities that receive voter approval for new tax measures, tolls, or fees after adoption of the formulaic funding distribution, will be eligible to receive formulaic funding on the first day following the measure effective date.

- For taxing authorities with new voter-approved sales taxes, the formulaic funding shall be distributed based on 75% of the county’s population in which the taxing

authority is located compared to the total population of the region's (Northern or Southern) counties with voter-approved sales taxes dedicated solely to transportation improvements.

- For taxing authorities with new voter-approved parcel or property taxes, voter-approved tolls, and other voter-approved taxes, excluding sales taxes, the formulaic funding shall be distributed based on the proportional share of the projected annual revenue of the voter-approved tax initiative in comparison to the total revenues generated by voter-approved parcel or property taxes, voter-approved tolls, and other voter-approved taxes in Northern California.

10A. Incentive Funding

The Formulaic Program recognizes new or renewed voter-approved self-help efforts and incentivizes jurisdictions to pursue future voter-approved tax measures, tolls, or fees. Incentive funding will be set-aside each fiscal year from the Local Partnership Program.

One-time incentive funding will be provided to jurisdictions that seek and receive voter-approval of new or renewed tax measures, tolls, or fees, if those tax measures, tolls, or fees meet the following criteria:

- Have a minimum period of ten years, and
- Are dedicated solely to transportation, and
- For sales taxes, are equal to or greater than one quarter cent.

The total amount of incentive funding awarded to jurisdictions will not exceed \$20 million annually. The incentive funding amount is based upon the projected annual revenue of the voter-approved tax, toll, or fee initiative. Incentive funding amounts will be a minimum of \$200,000 and may range up to a maximum of \$5,000,000 for each jurisdiction. Jurisdictions with a projected tax revenue of less than \$200,000 will receive the minimum incentive funding amount of \$200,000.

Should the sum of eligible incentive funding amounts (based on the above criteria) exceed \$20 million in any fiscal year, each incentive funding amount provided in that fiscal year will be reduced proportionally while still maintaining the \$200,000 minimum funding amount. If this occurs, the Commission may elect to provide funding equal to the reductions in the following fiscal year, if incentive funding is available (that is, if the incentive funding in that following year is not depleted).

Incentive funding will be made available to eligible jurisdictions in June of each year.

Unused Incentive Funding

Unused incentive funding will be redistributed as outlined below. If there are unused incentive funds in the last year of the programming cycle, those funds will be redistributed in the subsequent cycle.

1. Based on the program funding distribution (60% via formulaic and 40% via competitive).
2. The amount to the Formulaic Program will first be used to offset the formulaic funding distribution amounts of new tax measures, tolls, or fees added during the fiscal year. Then the remaining balance will be redistributed to eligible taxing authorities in the next fiscal year.
3. The amount to the Competitive Program will be redistributed in the last fiscal year of the Competitive Program programming cycle.

11A. Funding Restrictions

The Formulaic Program funds may be used for any capital project phase (Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; Right-of-Way; and Construction).

The Formulaic Program will only fund projects or project phases that are fully funded.

Projects on the state highway system and/or projects implemented by Caltrans require a Caltrans approved Project Report.

Supplemental Funding

A taxing authority may nominate an existing programmed project for supplemental funding if the project was allocated Formulaic Program funding and the supplemental funding is programmed to the same project phase.

Supplemental funding requests for pre-construction phases may be considered up to six months prior to the expenditure deadline.

Supplemental funding for the Construction phase must be programmed and allocated prior to contract award.

The supplemental funding may be to replace local funding already committed to the project, subject to the required match (refer to Section 8A. Matching Requirements).

To streamline the programming process, a taxing authority may request to program supplemental funds with a simplified project nomination submittal as outlined in Attachment 2. Taxing authorities requesting to add funding to an unallocated phase should refer to Section 21A. Amendments.

12A. Reimbursement

The Formulaic Program is a reimbursement program for eligible costs incurred. An implementing agency may begin incurring eligible costs upon allocation; however, reimbursement is dependent upon entering into an agreement with Caltrans. Costs incurred prior to Commission allocation and, for federally funded projects, Federal Highway Administration project approval (i.e., Authorization to Proceed) are not eligible for reimbursement.

IV. Programming

13A. Screening Criteria

The Commission will include each project nominated by a taxing authority in the formulaic program of projects provided that the Commission finds the nomination meets the requirements of statute and Commission guidelines.

Project nominations will be screened for the following:

- Project eligibility.
- Nomination package is complete.
- Demonstrate the required funding match.
- Demonstrate that all other funds for the proposed project (segment or phase) are committed.

14A. Programming

The program of projects is a list of projects adopted by the Commission at the beginning of each programming cycle that shows the amount of Formulaic Program funds approved for each nominated project.

The Formulaic Program of projects for each fiscal year will include, at a minimum for each project, the nominating and implementing agency, project title, and the amount to be funded from the Formulaic Program. The program of projects will not include projects that request Formulaic Program funding that exceeds a taxing authority's formulaic funding distribution.

A taxing authority can nominate a project for inclusion in the program of projects by submitting a project nomination as outlined in Attachment 1. Projects nominated for inclusion in the Formulaic Program after the initial deadline will be amended into the program of projects with a subsequent Commission action.

Programming Requirements:

The Commission will program eligible project costs in the following phases: Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; Right-of-Way; and Construction.

For Caltrans implemented projects only, the cost of Right-of-Way support and Construction support will be separated out and programmed separately from the Right-of-Way capital and Construction capital costs.

The Commission will program and allocate funding to projects in whole thousands of dollars.

The Commission will program a project phase only if it finds that the phase itself is fully funded from a combination of Formulaic Program and other committed funding, or

uncommitted funding as outlined in Section 15A, and that the required match has been met. The Commission will regard funds as committed when they meet the requirements outlined in Section 15A.

A project nomination may identify an agency other than the eligible taxing authority to be the implementing agency. The implementing agency assumes responsibility and accountability for the use and expenditure of program funds as well as staying in compliance with Section 23A. Reporting Requirements.

These guidelines do not preclude the transfer of formulaic funding between eligible taxing authorities. Taxing authorities may agree to transfer their Formulaic Program funding by nominating a project in another county. The taxing authority must include a letter signed by all parties agreeing to the transfer as part of the project nomination.

Taxing authorities and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures.

The Commission expects collaboration and cooperation between the taxing authority (nominating agency), implementing agency, and Caltrans for all projects on the state highway system.

Unprogrammed Formulaic Funding

If the initial program of projects adopted by the Commission does not program the full amount of a taxing authority's formulaic or incentive award funding, **the balance will remain available for later program amendments supported by eligible project nominations until June 30, 2026 (first fiscal year of the subsequent programming cycle)**. The taxing authority must submit project nominations by April 30, 2026.

Unprogrammed funds must be programmed and allocated by June 30, 2026. Funds that remain unprogrammed and unallocated by the deadline will be redistributed to the Local Partnership Program. Where a project will not be ready for allocation, the implementing agency should request an extension of the allocation deadline (refer to Section 20A).

15A. Committed and Uncommitted Funds

The Commission will regard funds as committed when they are programmed by the Commission or when the taxing authority with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including 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 by federal approval of a full funding grant agreement or by grant approval.

Uncommitted funds may only be from the following competitive programs: Trade Corridor Enhancement Program, Solutions for Congested Corridors Program, Local Partnership Competitive Program, or a federal discretionary grant program. 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.

The implementing agency must provide a project funding plan through the Construction phase that demonstrates the non-Formulaic Program funding in the plan (local, federal, state, private sources) is reasonably expected to be available and sufficient to complete the project.

Projects programmed by the Commission in the Formulaic Program will not be given priority in other programs under the Commission’s purview.

16A. Letter of No Prejudice

The Commission will consider approval of a Letter of No Prejudice to advance a project programmed in the Formulaic Program. Approval of the Letter of No Prejudice will allow the implementing agency to begin work and incur eligible expenses prior to allocation. The [Letter of No Prejudice Guidelines](#) are available on the Commission’s website.

17A. Title VI Requirements

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq. (“Title VI”) prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives federal funds or other federal financial assistance.

Projects programmed for Formulaic Program funds must comply with Title VI requirements:

The implementing agency assumes responsibility and accountability for the use and expenditure of program funds. Nominating agencies and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures.

The implementing agency will ensure that no person or group(s) of persons shall, on the grounds of race, color, national origin, sex, age, disability, limited English proficiency, or income status, be excluded, or otherwise subject to discrimination, related to projects programmed and allocated by the Commission, regardless of whether the programs and activities are federally funded. The implementing agency will comply with all federal and state statutes and implementing regulations relating to nondiscrimination.

A current list of Title VI nondiscrimination and related authorities is available on the Commission’s website at: <https://catc.ca.gov/programs/equity-and-public-engagement/title-vi-information>.

V. Delivery

18A. Allocations

When an agency is ready to implement a programmed project or project phase, the implementing agency will submit an allocation request to Caltrans (typically 60 days prior to an upcoming Commission meeting).

Allocation Submittal, Review and Approval Process

The following steps occur as part of the allocation approval process:

1. The implementing agency submits an allocation request to Caltrans typically 60 days prior to the Commission meeting where they wish to receive allocation approval.
 - a. If the project is to be implemented by an agency other than the taxing authority, the allocation request must:
 - Be signed by the implementing agency
 - Include a copy of the Memorandum of Understanding or Interagency Agreement between the project applicant (taxing authority) and implementing agency.
2. Caltrans will review the request and determine whether to recommend the request to the Commission for action.
3. The recommendation from Caltrans must include:
 - a. Determination of project readiness
 - b. Availability of appropriated funding
 - c. Availability of all identified and committed supplementary and matching funding
 - d. Consistency with the executed Baseline Agreement, if applicable
 - e. For a construction allocation recommendation, certification from Caltrans that the project's Plans, Specifications, and Estimate are complete, environmental and Right-of-Way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed. These projects are considered Ready to List (RTL) by Caltrans.

Requirements for Allocation

- A. In compliance with Section 21150 of the Public Resources Code, the Commission will not allocate funds for Plans, Specifications, and Estimate (design), Right-of-Way, or Construction prior to documentation of environmental clearance under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, Right-of-Way, or Construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA).
 - The Commission, as a Responsible Agency, must approve the environmentally cleared project for future funding consideration. The submission forms for this approval are available on the [Commission website](#).
- B. The Commission will approve the allocation in whole thousands of dollars if the funds are available and the allocation is necessary to implement the project as included in the adopted Formulaic Program. If there are insufficient program funds to approve an allocation, the Commission may delay the allocation of funds to a project until the next fiscal year without requiring an extension.

C. Construction phase and Construction Support phase allocations:

- A project will not be placed on the Commission’s agenda for an allocation of Construction and/or Construction support funds unless the project is ready to advertise.
- When Caltrans is the implementing agency, Right-of-Way Support and Construction Support costs must be allocated separately from Right-of-Way capital and Construction capital costs.
- The implementing agency must not award the Construction contract for a project until the Commission has approved allocation of the Formulaic Program funds for the project.
- Agencies should not request a Construction phase allocation unless they are prepared to award contract(s) related to the allocation within six months of allocation approval.
- Agencies that have Commission approval to use more than one contract to deliver the programmed project scope must request separate allocations for each independent contract.

D. If a project or project phase is ready for implementation earlier than the fiscal year that it is programmed in the Formulaic Program, the implementing agency may request an allocation in advance of the programmed year. The Commission may approve an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects.

Allocation Adjustments

Allocated funds may be shifted between programmed project phases to accommodate cost changes within the following limits:

Any amount that is allocated for Project Approval and Environmental Documentation may also be expended for Plans, Specifications, and Estimate. In addition, an implementing agency may expend an amount allocated for Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; Right-of-Way and Construction for another allocated project phase, provided that the total expenditure shifted to a phase in this way is not more than 20 percent of the amount actually allocated for either phase. This means that the amount transferred by an implementing agency from one phase to another may be no more than 20 percent of whichever of the phases has received the smaller allocation from the Commission.

Shifting of allocated funds between phases will not impact the amount of Formulaic Program funding programmed to the project. An implementing agency must coordinate with Caltrans and receive the approval of all the partners that nominated the project before submitting allocation adjustment requests to Caltrans.

19A. Timely Use of Funds - Deadlines

The Commission expects that certain deadlines are met as programmed projects are implemented. If the expected deadlines are not met, and a time extension is not approved prior to the expiration of the funds (refer to Section 20A), the Formulaic Program funds will be deleted from the project phase and the funds will be redistributed in the subsequent Local Partnership Program cycle.

- Allocation deadline. Allocation for a programmed project phase must be requested in the fiscal year in which the funds are programmed. Funds programmed to a project expire on June 30 of the fiscal year in which the funds are programmed.
 - 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.
- Contract award deadline. The Construction phase contract(s) must be awarded within six months of an approved allocation.
 - The implementing agency must not award the contract(s) for a project until the Commission has allocated the Formulaic Program funds programmed to the Construction phase and/or the Construction support phase.
- Project expenditure deadline (pre-construction). Funds allocated for project development (Project Approval and Environmental Documentation; Plans, Specifications, and Estimate) or Right-of-Way costs must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. The implementing agency must invoice Caltrans for these costs no later than 180 days after the fiscal year in which the final expenditure occurred.
- Project completion deadline. After award of the construction contract(s) (project completion), the implementing agency has up to 36 months to complete (accept) the contract.
- 10-year requirement. Projects must commence Right-of-Way acquisition or construction within 10 years of receiving pre-construction funding (Project Approval and Environmental Documentation; Plans, Specifications, and Estimate) through the Formulaic Program, or the implementing agency must repay the Formulaic Program funds. Repaid funds will be redistributed in the subsequent Local Partnership Program cycle.

20A. Timely Use of Funds - Extensions

The Commission will consider extending the deadlines stated in Section 19A with the following requirements:

1. No deadline will be extended more than once.
2. A request to extend any deadline outlined in Section 19A will be considered separately for each programmed project phase.
3. There is an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension.

4. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance.
5. The extension request cannot exceed the maximum period of delay identified in this section.
6. The implementing agency submits a time extension request to Caltrans typically 60 days prior to the Commission meeting where they wish to receive approval.
 - a. Except for the allocation of funds, all time extension requests must be received by Caltrans prior to the expiration dates indicated in Section 19A.
 - b. An allocation extension request must be approved by the Commission by June 30 of the fiscal year the funds are programmed.
7. The Commission will consider a time extension request when Caltrans provides the request and a recommendation on how to proceed.

If a time extension is not approved prior to the expiration of the funds, the Formulaic Program funds will be deleted from the project phase and the funds will be redistributed in the subsequent Local Partnership Program cycle.

Time extensions may be requested as follows:

- Allocation extension (12 month maximum). An allocation extension may be requested if a project phase cannot be allocated in the fiscal year it is programmed.
- Contract award extension (12 month maximum). A contract award extension may be requested if a Construction contract(s) cannot be awarded within six months of the Construction phase allocation.
- Project expenditure extension (12 month maximum). A project expenditure extension may be requested if pre-construction phase expenditures (Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; and Right-of-Way) cannot be completed by the end of the second fiscal year following the fiscal year in which the funds were allocated.
- Project completion extension (20 month maximum). A project completion extension for Construction phase completion may be requested if, after allocation, the implementing agency finds that project completion (including expenditures) will not occur within 36 months of construction contract award.

21A. Amendments

The Commission will consider amendment requests to assist agencies in implementing their projects and maximize the overall benefits of the Formulaic Program. Amendment requests must be submitted as soon as an implementing agency has identified a need for one and must include documentation that supports the requested change and its impact on scope, cost, schedule, and benefits (outputs and outcomes). Amendment requests are not guaranteed to receive approval.

The Formulaic Program amendments are defined as significant or minor updates, changes, or corrections to a programmed project including the information submitted in the project nomination package.

Schedule changes to a project will not be considered unless a time extension is approved (refer to Section 20A).

If there is a cost increase to the project, the implementing agency must submit an updated electronic Project Programming Request form that identifies the cost increase and the fund source that will cover the cost increase.

General Instructions for all Amendments:

Implementing agencies must notify Caltrans of proposed amendments. Amendment requests must be documented in writing and include the following:

- 1.) Detailed explanation of the proposed change.
- 2.) Reason for the proposed change. Provide documentation as applicable.
- 3.) Impacts to the project benefits (outputs and outcomes).
 - a. Provide a comparison between the proposed benefits (outputs and outcomes) and those submitted in the initial project nomination, noting an increase, decrease, or no change.
- 4.) Revised electronic Project Programming Request form documenting the proposed changes and the amendment request.
- 5.) Written concurrence of the proposed amendment from all partners that nominated the project.

Caltrans will review the proposed amendments and present the agency's proposal along with Caltrans' written analysis and recommendation to Commission staff for Commission's approval.

Amendment requests include, but are not limited to, the following:

Scope changes

The Commission will consider changes to the approved scope submitted in the project nomination to assist agencies in implementing their projects and to maximize the benefits. The Commission and Caltrans should be notified as soon as possible of a potential change in project scope.

- Scope changes occurring before an allocation approval and deemed by Commission staff to be minor changes will be presented to the Commission as part of the project allocation request. Minor changes are those with little or no impact to the project benefits or those that increase the project benefits.
- Scope changes deemed by Commission staff to be significant changes, and the project benefits are less, will be presented to the Commission as an amendment with a Commission staff recommendation.

- The Commission will not consider scope changes after construction phase allocation.
- Scope changes to expand the scope due to savings at contract award must be submitted and approved by Commission staff prior to contract award (refer to Section 22A. Project Cost Savings).

Contract Separation

If the project is divided into more than one contract after programming, the Commission will consider a program amendment. The Commission and Caltrans should be notified as soon as possible if the project is divided into independent contracts.

- Each project phase must remain programmed in the fiscal year in which it was originally programmed.
- The amendment request must identify the scope, funding plan, and schedule for each contract. This includes contracts without Formulaic Program funding but delivering any portion of the project scope that was originally programmed.
- A separate electronic Project Programming Request must be submitted for each contract.
- The benefits (outputs/outcomes) that will be achieved should be described for all contracts combined.
- An agency may only request to separate contracts for a programmed project once during the life of a project.
- Contract separation must be approved prior to the construction allocation.

Reprogramming Formulaic Funding

The Commission will consider reprogramming Formulaic Program funds on a programmed project if the funds have not been allocated. Project cost savings will be reprogrammed consistent with the policy outlined in Section 22A.

- Requests to increase the amount of Formulaic Program funding on a programmed, unallocated project phase must be submitted prior to allocation of the project phase.
- Unused funds from an approved reprogramming action (i.e. when partial funds are deprogrammed from a project) will be returned to the taxing authority's unprogrammed Formulaic Program funding balance.
- The Commission will not consider reprogramming a deleted project in the same programming cycle.
- An allocation adjustment should be requested to reprogram allocated funds (refer to Section 18A).
- Requests for programming a new project or adding supplemental funds to an existing project should reference Attachment 1 and Attachment 2.

22A. Project Cost Savings

Project cost savings will be returned proportionally through a Commission action with the following requirements:

- Cost savings will be returned proportionally to the formulaic funding balance of the eligible taxing authority that nominated the project.
- The implementing agency must coordinate with Caltrans and the nominating agency to confirm the cost savings amount prior to a Commission action.
- The Commission will only consider a request to return cost savings after Caltrans submits the request with a recommendation to Commission staff. The recommendation from Caltrans must include confirmation of the cost savings and the amount to be returned.
- Cost savings returned to the taxing authority are available for programming after the Commission action.
- Returned cost savings must be programmed and allocated within twelve (12) months of the Commission action. Funds that remain unprogrammed and unallocated after twelve months will be redistributed in the subsequent Local Partnership Program.
- Cost savings will be returned proportionally unless the agency requests to use the savings on the same project to fund a cost increase on a subsequent programmed phase.

“Proportionally”, when used in reference to project cost savings, means that savings will be returned based on the percentage contributed from each fund source. As an example, cost savings realized in a project phase that is funded 50 percent with Formulaic Program funds and 50 percent with local funds, the savings will go back to each “pot” of funds based on the percentage contributed to the project phase from each funding type.

Construction Phase Cost Savings

Cost savings at contract award may be used to expand the scope of the project. The expanded scope will be considered a scope change amendment and must be reviewed and approved by Commission staff prior to contract award (refer to Section 21A). All other contract award savings will be returned proportionally at project completion.

Cost savings at project completion must be returned proportionally except when an agency has, after project programming, committed additional funds to the project to fund a cost increase. In such instances, savings at project completion may be returned to other fund types first, until the proportions match those at programming.

Cost Savings in Pre-construction Phases

The Commission must be notified in writing of cost savings in pre-construction project phases within the expenditure deadline (refer to Section 19A). Pre-construction phases

include Project Approval and Environmental Documentation; Plans, Specifications, and Estimate; and Right-of-Way.

VI. Reporting

23A. Project Reporting

SB 1 places responsibility on the Commission to track the performance of and report to the public how well funding recipients are delivering projects receiving Local Partnership Program funds. The reporting requirements are outlined in the [Commission's Accountability and Transparency Guidelines](#).

24A. Project Tracking Database

Caltrans is responsible for developing, upgrading, and maintaining an electronic database record of the adopted Formulaic Program and Commission actions. The database will include project specific information, including project description, location, cost, scope, schedule, expected benefits, and progress of the project and a map. The project information from the database will be accessible at www.RebuildingCA.ca.gov.

25A. Project Auditing

The audit requirements are outlined in the [Commission's Accountability and Transparency Guidelines](#).

26A. Workforce Development Requirements and Project Signage

Pursuant to Streets and Highways Code Section 2038, by July 1, 2023, agencies receiving Road Maintenance and Rehabilitation Account 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 Caltrans.

Additionally, 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. Information about signage can be found here: <https://dot.ca.gov/programs/traffic-operations/pfi>

VII. Attachments

Attachment 1: Project Nominations - Formulaic Program

Project Nomination Deadline

- Project nominations must be submitted to the Commission by November 14, 2022, to be included in the initial program of projects.
- The final deadline to submit project nominations to the Commission for subsequent programming is April 30, 2026.

General Submission Instructions

- All project nominations must be submitted by the deadlines listed above.
 - Project nominations submitted on November 14, 2022, or April 30, 2026, must be submitted at or before 11:59 pm.
- Project nominations will be treated in accordance with California Public Records Act requirements, and information subject to those requirements, may be publicly disclosed.
- Applicants must submit one (1) electronic copy of the project nomination package.
- Electronic copies should be sent via e-mail to LPP@catc.ca.gov. If electronic files are too large to send via a single e-mail, please break up the files and send via multiple e-mails.
- Each project nomination should be limited to 35 pages, excluding information requested in appendices.
- Each project nomination must utilize the letter convention as specified below.

A. Cover Letter

A cover letter must be submitted with the project nomination.

- The cover letter must be addressed to the California Transportation Commission's Executive Director and clearly identify the nominating agency or agencies and the implementing agency or agencies.
- The cover letter must include the signature of the Chief Executive Officer or other officer authorized by the nominating agency's governing board, authorizing and approving the project nomination.
 - Jointly nominated projects must have the duly authorized signatures of both agencies.
 - Where the project will be implemented by an agency or multiple agencies other than the nominating agency, the cover letter must include the signature(s) of the Chief Executive Officer or other authorized officer(s) of the implementing agency or agencies.

B. Screening Criteria

- 1) Eligible Project: Explain (no more than one or two paragraphs) how the project is eligible based on the categories outlined in the guidelines, Section 6A.
- 2) Electronic Project Programming Request (ePPR): The ePPR form must be included in the project nomination and list all funding match sources (federal, state, local, and private).
 - The Formulaic Program request and the required match should be clearly identified.
 - The information submitted in the ePPR must align with the project nomination.
 - The final version of the ePPR must be submitted (“draft” watermark not shown).
 - If the project is divided into more than one independent contract, a separate ePPR must be submitted for each contract.
- 3) Performance Metrics: The required Performance Metrics in Appendix C may be submitted as part of the ePPR.
 - Performance metrics must be applicable and relevant to the proposed project scope and support the narrative of the project.
 - [The SB 1 Technical Performance Measurement Methodology Guidebook provides instructions on how to complete required performance metrics.](#)

C. General Information

- 1) Overview: Provide a brief, one to three paragraph, non-technical description of the project. If the project includes multiple project modes, each project mode must be described.
- 2) Project Location: Provide a brief description of the project location(s) including city and county boundaries.
 - Provide a map (or maps) that clearly show(s) the project location(s).
 - Photos: Photos (rendering or actual) of the project location(s).
- 3) Scope: A clear, concise (no more than two paragraphs), publicly understandable description of the project scope to be programmed with Formulaic Program funding.
- 4) Project Benefits: A brief description of the project benefits including the outcomes proposed for funding. Include a list of outputs for the project.
 - Make sure the outputs listed here are consistent with the outputs submitted in the electronic Project Programming Request.
 - [Projects requesting Formulaic Program funding in pre-construction phases only may include a brief description of the completed project’s anticipated outcomes.](#)

- 5) Nominating Agency/Implementing Agency Agreement (if applicable): Where the project is to be implemented by an agency other than the nominator, provide confirmation of the agreement between the project nominator and implementing agency.
- 6) Reversible Lanes: A confirmation that any capacity-increasing project or a major street or highway lane realignment project was considered for reversible lanes pursuant to Streets and Highways Code Section 100.15.

D. Project Delivery

- 1) Delivery Method: Specify which delivery method is being used for the project. This can be one sentence but no more than one paragraph.
 - If a delivery method other than design-bid-build is used for the project, identify the delivery method used.
 - If the delivery method is unknown at the time of nomination, it should be noted in the project nomination and then reported as soon as it is known.
- 2) **Contracts:** If the project is divided into more than one contract which requires separate allocations, explain that in this section.
- 3) Schedule Risks: In narrative form or table format, list any potential risks and proposed mitigation strategies to keep the project on schedule.
 - The risks considered should include, but not be limited to, risks associated with deliverability, engineering issues, and funding commitments.
 - Examples of schedule risks include the need for geotechnical analysis or related concerns, complicated utility relocations, or land acquisition concerns.

E. Project Funding

Funding Plan: Provide the table below for all project phases. The table should be consistent with the information provided in the electronic Project Programming Request.

- Cost Estimates: A project cost estimate includes the amount and source of all funds committed to the project and the basis for concluding that the funds are expected to be available. Cost estimates should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized officer of the implementing agency.
- Required Match: The project funding plan must include the required funding match (Section 8A) in each project phase where Formulaic Program funds are requested.
- Total Project Cost: Include the total project cost.
- If the project nomination is requesting Formulaic Program funding for pre-construction phases only, provide the estimated total project cost through the Construction phase.

- Uncommitted Funds: May only be from those programs outlined in Section 15A.
 - When uncommitted funding is proposed, the project nomination must address the plan for securing a funding commitment, explain the risk of not securing that commitment, and the plan for securing an alternate source of funding.

Fund Source	Committed or Uncommitted	Fiscal Year of Allocation (LPP-F)	PA&ED	PS&E	Right of Way	Con-struction	Total
LPP-Formulaic Request							
Example Fund #1 (match)							
Example Fund #2							
Total							

F. Other

- 1) Interagency Cooperation: Projects on the state highway system must provide evidence of cooperation between the nominating agency and Caltrans. (refer to Appendix D).
- 2) Transfer of Formulaic Program Funds Between Taxing Authorities: (if applicable) The project nomination must include a letter, addressed to the California Transportation Commission’s Executive Director, that clearly identifies the following:
 - The taxing authority to which the funds are being transferred,
 - The project (title and scope) where funds will be programmed,
 - The implementing agency of the project, and
 - The amount of Formulaic Program funding being transferred.

The letter must include the signatures of both taxing authorities:

- Taxing authority transferring the funding: The Chief Executive Officer or another officer authorized by the taxing authority’s governing board to authorize and approve the transfer.
- Taxing authority receiving the funding: The Chief Executive Officer or another officer authorized by the taxing authority’s governing board to authorize and approve the acceptance of the transfer.

Attachment 2: Supplemental and Amendment Project Nominations - Formulaic Program

General Submission Instructions

- Project nominations will be treated in accordance with California Public Records Act requirements, and information subject to those requirements may be publicly disclosed.
- Applicants must submit one (1) electronic copy of the project nomination package.
- Electronic copies should be sent via e-mail to LPP@catc.ca.gov. If electronic files are too large to send via a single e-mail, please break up the files and send via multiple e-mails.
- Each supplemental or amendment project nomination should be limited to ten (10) pages and utilize the letter convention as specified below.

A. Cover letter

- A cover letter must be submitted with the supplemental or amendment project nomination.
- The cover letter must be addressed to the California Transportation Commission's Executive Director and clearly identify the nominating agency or agencies and the implementing agency or agencies.
- The cover letter must clearly identify the existing programmed project and briefly describe the supplemental or amending funding request (one or two sentences).
- The cover letter must include the signature of the Chief Executive Officer or other officer authorized by the nominating agency's governing board, authorizing and approving the nomination.
 - Where the project will be implemented by an agency or multiple agencies other than the nominating agency, the cover letter must include the signature(s) of the Chief Executive Officer or other authorized officer(s) of the implementing agency or agencies.

B. Screening Criteria

- The revised Electronic Project Programming Request (ePPR) form must list all funding match sources (federal, state, local, and private) and other committed funds.
 - The supplemental or amendment funding request and the required match should be clearly identified separately from the original Formulaic Program funding request.
 - The information submitted in the ePPR must align with this project nomination.

- The final version of the ePPR must be submitted (“draft” watermark not shown).
- If the original project nomination was divided into more than one independent contract, a separate revised ePPR must be submitted for each contract.
- If an ePPR was not part of the initial project nomination, one must be submitted for the project as part of this request.
- If applicable, include the revised Performance Metrics required in the initial project nomination.
 - If Performance Metrics were not part of the initial project nomination, they must be submitted for the project as part of this request.

C. General Information

- Overview: Provide the project title and implementing agency.
- Project status: Provide a brief description of the current status of the project.
- Funding Request: Provide a clear description of the supplemental and/or amendment funding request and the reason for the proposed request.
- Project Updates: Describe how the following differs from the original project nomination. If no changes are anticipated, provide notation in section.
 - Project scope.
 - Project location: Provide a brief description of the revised project location(s) including city and county boundaries.
 - Revised Map (if applicable): A revised map (or maps) that clearly show the original and revised project location(s).
 - Project schedule.
 - Project benefits: Provide a comparison between the proposed benefits (outputs and outcomes) and those submitted in the initial project nomination, noting an increase, decrease, or no change.
 - Funding plan: Provide the table below with updates to the funding plan submitted in the original project nomination.

Fund Source	Committed or Uncommitted	Fiscal Year of Allocation (LPP-F)	PA&ED	PS&E	Right of Way	Construction	Total
Total							

VIII. Appendices

APPENDIX A: Eligible Taxing Authorities Receiving Formulaic Funding

(As of May 2022)

Alameda-Contra Costa Transit District	San Diego County Regional Transportation Commission
Alameda County Transportation Commission	San Francisco County Transportation Authority
Bay Area Rapid Transit District	San Joaquin County Transportation Authority
Bay Area Toll Authority	San Mateo County Transportation Authority
Caltrain	San Mateo County Transit District
City/County Association of Governments of San Mateo County	Santa Barbara County Local Transportation Authority
City and County of San Francisco	Santa Clara Valley Transportation Authority
Clearlake	Santa Cruz County Regional Transportation Commission
Contra Costa Transportation Authority	Santa Cruz Metropolitan Transit District
Council of San Benito County Governments	Sonoma County Transportation Authority
El Cerrito	Sonoma-Marin Area Rail Transit District
El Paso de Robles	Stanislaus County Transportation Authority
Fort Bragg	Transportation Agency of Monterey County
Fresno County Transportation Authority	Transportation Authority of Marin County
Imperial County Local Transportation Authority	Truckee
Los Angeles County Metropolitan Transportation Authority	Tulare County Transportation Authority
Madera County Transportation Authority	Ukiah
Martinez	Willits
Merced County Transportation Authority	Yuba County
Monterey-Salinas Transit District	
Napa Valley Transportation Authority	
Orange County Transportation Authority	
Orinda	
Point Arena	
Riverside County Transportation Commission	
Sacramento Transportation Authority	
San Bernardino County Transportation Authority	

APPENDIX B: Electronic Project Programming Request

Each project nomination must include an electronic Project Programming Request (ePPR) form. The ePPR must list federal, state, local, and private funding categories by project phase and fiscal year. If the proposed project includes multiple project modes to be delivered under separate contracts, or if the programmed project scope will be delivered under more than one independent contract, each project mode, or each independent contract must have its own ePPR. The scope, benefits, schedule and funding plan of the ePPR must be consistent with the information in the project nomination. Access to the electronic Project Programming Request form may be found on the [Caltrans website](#).

APPENDIX C: Performance Metrics

- Please fill in the table included in this section with the requested information for the proposed project. This information must be consistent with the information in the electronic Project Programming Request form that is submitted with the project nomination (refer to Appendix B).
- Commission staff may contact applicants for additional information.
- Please refer to the [Senate Bill \(SB\) 1 Technical Performance Measurement Methodology Guidebook](#) which includes additional information and resources for completing the table.

Measure	Metric	Project Type	Build	Future No Build	Change	<u>Increase or Decrease</u>
Congestion Reduction	Change in Daily Vehicle Miles Travelled	Local Road Hwy Road Transit				
	Person Hours of Travel Time Saved	Local Road Hwy Road Transit				
Throughput	Bicyclist/Pedestrian Screen Line Counts (Optional)	Active Transportation				
System Reliability	Peak Period Travel Time Reliability Index	Hwy Road				
	Level of Transit Delay	Transit				
Safety	Number of Fatalities	All				
	Number of Serious Injuries	All				
	Rate of Fatalities	All				
	Rate of Serious Injuries	All				

Measure	Metric	Project Type	Build	Future No Build	Change	<u>Increase or Decrease</u>
Economic Development	Jobs Created (Direct and Indirect)	All				
Air Quality	Particulate Matter (PM 2.5 PM 10)	All				
	Carbon Dioxide (CO ₂)	All				
	Volatile Organic Compounds (VOC)	All				
	Sulphur Dioxides (SO _x)	All				
	Carbon Monoxide (CO)	All				
	Nitrogen Oxides (NO _x)	All				
Cost Effectiveness	Cost Benefit Ratio	All				
Accessibility	Number of Jobs Accessible by Mode	All				
	Access to Key Destinations by Mode	All				
	% of Population Defined as Low Income or Disadvantaged within ½ mile of rail station, ferry terminal, or high-frequency bus stop	All				
System Preservation	Pavement Condition Index	Local Road Hwy Road				

Measure	Metric	Project Type	Build	Future No Build	Change	<u>Increase or Decrease</u>
<i>(Pavement/Bridge Rehabilitation only)</i>	Bridge Condition Rating for Bridge Deck, Superstructure, Substructure	Local Road Hwy Road				
Noise Level <i>(Sound walls only)</i> <i>(For reporting only)</i>	Number of Receptors	Sound walls				
	Properties Directly Benefited	Sound walls				
	Number of Decibels	Sound walls				

APPENDIX D: State Highway System Project Impact Assessment (Form CTC-0002)

Applicant must complete ALL fields in Sections I and II. Write N/A if not applicable. Applicant must also provide the Attachments requested in Section IV.

Assessment Form (Form CTC-0002) and all attachments must be submitted to Caltrans District Contacts (contact link in Section III) no later than four (4) weeks prior to Application Due Date. Late or incomplete submissions of this form and attachments may delay applications.

1. Applying Agency
2. Name of person submitting the application
3. Title
4. Phone
5. Email
6. Project Title - The title must be consistent with the application and all project documentation
7. Indicate the State Funding Program(s) associated with the project. Check all that apply.
8. Percentage of project area within State Right of Way:
(Area within State Right of Way ÷ Total project area) x 100
9. Total construction cost of physical project elements within State Right of Way: Provide a separate estimate for the total construction cost (capital and support costs) of the project for only those physical elements and/or portions of elements that are on or within State Right of Way. This includes project elements within State airspace. Please refer to the completed estimates form, or figures included in the project application.
10. Indicate the anticipated environmental documentation that will be required for California Environmental Quality Act and National Environmental Policy Act (ex. Negative Declaration, EIR/ EIS, etc.) Indicate N/A if a National Environmental Policy Act document is not required.
11. Fully describe the scope of work to be performed within State Highway Right of Way. This includes all new or modifications to any physical assets within State Right of Way.
12. Follow the steps and linked resources to determine induced Vehicle Miles of Travel (VMT) on the State Highway System (SHS) and applicable calculations. Enter text inputs on 4, 5, or 6 as applicable.
13. Review the linked flowchart and resources for appropriate level of involvement. Check the applicable items in the checklist to determine appropriate process. Check the processes that apply.

Caltrans will review and retains the right to make a final determination. Caltrans may include attachments after review identifying expected maintenance obligations and/or project risks.

STATE HIGHWAY SYSTEM PROJECT IMPACT ASSESSMENT

CTC-0002 (NEW 02/2022)

I. APPLICANT INFORMATION

1. APPLICANT

2. APPLICANT CONTACT

3. CONTACT TITLE

4. CONTACT PHONE

5. CONTACT EMAIL

II. PROJECT INFORMATION

6. PROJECT TITLE

7. PROJECT PROGRAM ATP LPP-C LPP-F LSRP SCCP SGR TCEP SHOPP STIP TIRCP

8. PERCENT OF PROJECT AREA WITHIN STATE HIGHWAY RIGHT OF WAY

9. TOTAL CONSTRUCTION COST WITHIN STATE HIGHWAY RIGHT OF WAY

10. ANTICIPATED ENVIRONMENTAL DOCUMENTATION FOR:

CEQA:

NEPA:

11. DESCRIBE THE SCOPE OF WORK TO BE DONE WITHIN STATE HIGHWAY RIGHT OF WAY

12. SB743 VEHICLE MILES OF TRAVEL (VMT) IMPACT ASSESSMENT

- 1. Project Environmental Document was approved prior to the implementation of SB 743 (or July 2020) and VMT analysis was not required. If checked, Stop. Proceed to Section 13.
- 2. Project is screened as unlikely to induce traffic under Section 5.1.1 in [Transportation Analysis under CEQA](#). If checked, Stop. Proceed to Section 13.
- 3. Project is in a [Metropolitan Statistical Area](#). If checked, proceed to step 3. If not, proceed to step 6.
- 4. Project adds lane-miles to the SHS. If yes, proceed to step 4. If the project adds other types of traffic-inducing capacity, e.g. an interchange, proceed to step 6.
- 5. Enter the project lane-miles in the [NCST Induced Travel Calculator](#) and report the result here. _____
- 6. If the project team believes induced VMT will be different than what is shown in step 4, provide a best estimate based on guidance in the [Transportation Analysis Framework](#) and [Transportation Analysis Under CEQA](#), and a brief justification here. Stop. Proceed to Section 13. _____
- 7. Provide an estimate of the project's induced VMT based on guidance in the [Transportation Analysis Framework](#) and [Transportation Analysis Under CEQA](#), and a brief justification here. Stop. Proceed to Section 13. _____

13. EXPECTED LEVEL OF CALTRANS INVOLVEMENT (Note: the final determination will be at the discretion of Caltrans)

Follow the [Flowchart to Determine the QMAP \(ca.gov\)](#) and [Applicant's checklist to determine the appropriate Caltrans review process \(TR-0416\)](#) to identify the applicable Caltrans review process that best fits the project parameters. Encroachment requests with completed permit application, checklists and supporting project documents must be submitted to District encroachment permit offices for further processing.

For determination of the processes required, Check the following if the project:

- a.) Will impact and Environmentally Sensitive Area, or requires an Environmental Impact Report (EIR) or Environmental Impact Statement (EIS),
- b.) Requires Federal Highway Administration (FHWA) approval,
- c.) Requires Right-of-Way dedication from Caltrans,
- d.) Requires modification to a Caltrans Bridge or Structure,
- e.) Requires Design Standard Decision Document (Reference: Highway Design Manual, Design Information Bulletin 78),
- f.) Requires Encroachment Exception Approval (Reference: Encroachment Permit Manual, Chapter 300),
- g.) None of the Above.

If any items "a" through "f" are checked a Standard Project Delivery Process is required, see #3 below. If item "g" is selected a Short Form is permitted, see #2 below.

- 1. Encroachment Permit Oversight Process - [Standard Encroachment Permit Application \(TR-0100\), instructions and related forms](#)
- 2. Project Delivery Short Form Quality Assessment Process (using a DEER) - [Design Engineering Evaluation Report Guidelines](#)
- 3. Standard Project Delivery Quality Assessment Process.

III. CALTRANS ACKNOWLEDGEMENT

SIGNATURE: _____ DATE: _____

PRINT NAME: _____

District Director, District ____

The above signature indicates, based on available information:
Caltrans acknowledges the Project

*****APPLICANTS SUBMIT TO DISTRICT CONTACTS IN LOCAL ASSISTANCE OR PROJECT MANAGEMENT*****
Form submissions with attachments are due **Four Weeks PRIOR** to Application Deadline.

IV. ATTACHMENTS

The Project Programming Request (PPR) must be provided to Caltrans with this form. Additional information may be required by Caltrans, including, but, not limited to: (1) project level documents, (2) draft funding application(s), and/or (3) project specific maintenance obligations.

Attachment(s): _____