

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 26-27, 2025

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.31, Action

Prepared By: Laurie Waters
Deputy Director

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Subject: Adoption of the 2025 Interim Timely Use of Funds Policy, Southern California Fires, Resolution G-25-51

Recommendation:

Staff recommends that the California Transportation Commission (Commission) adopt the 2025 Interim Timely Use of Funds Policy, Southern California Fires, as defined in Attachment A, applicable to the Active Transportation Program, Local Partnership Program, Solutions for Congested Corridors Program, and Trade Corridor Enhancement Program, to address impacts to project delivery because of the September 2024 and January 2025 Southern California Fires. The policy's provisions will remain in effect through completion for all projects that have received approved extensions under this Interim Policy. For example, if a pre-construction phase is impacted and uses this policy, any later delivery phase will be eligible to use the provisions under this policy.

Issue:

The 2025 Interim Timely Use of Funds Policy addresses project delivery delays caused by the September 2024 and January 2025 Line, Bridge, Airport, Palisades, Eaton, Hurst, Lidia, Sunset, Woodley, and Hughes Fires, for the counties of San Bernardino, Orange, Riverside, San Bernardino, Los Angeles, and Ventura Counties, for which State of Emergencies were issued. There remain many unknowns regarding the time necessary to deliver projects within the fire impacted areas. Where necessary, this policy allows agencies to request exceptions on a case-by-case basis. In addition, Commission staff will review this policy quarterly while impact assessments and recovery efforts are ongoing. This Interim Timely Use of Funds Policy applies to the Active Transportation Program, Local Partnership Program, Solutions for Congested Corridors Program, and Trade Corridor Enhancement Program under the Commission's purview.

Background:

All program guidelines under the Commission's purview have provisions regarding the timely use of funds. These provisions aim to promote accountability and transparency in the efficient investment of public funds.

The proposed 2025 Interim Timely Use of Funds Policy will extend the deadlines for each project delivery milestone. It will also amend previously approved time extensions and allow additional time for agencies to deliver (complete) each project milestone.

On May 22, 2025, Commission staff held a webinar to discuss the proposed 2025 Interim Timely Use of Funds Policy with transportation stakeholders in the affected counties of San Bernardino, Orange, Riverside, Los Angeles, and Ventura.

Attachments:

- Attachment A: 2025 Interim Timely Use of Funds Policy – Resolution G-25-51

**Interim Timely Use of Funds Policy
2024 and 2025 Southern California Fires
Resolution G-25-51**

In September 2024, Governor Newsom proclaimed a State of Emergency in San Bernardino, Orange, and Riverside Counties due to the Line, Bridge, and Airport Fires. In January 2025, Governor Newsom proclaimed a State of Emergency in Los Angeles and Ventura Counties due to the Palisades Fire and windstorm conditions that ignited multiple subsequent fires, including the Eaton, Hurst, Lidia, Sunset, Woodley, and Hughes Fires. These fires devastated communities across Southern California, collectively burning over 165,000 acres, destroying or damaging thousands of structures, and killing at least 27 people. Initial estimates place these disasters among the most destructive in California's history.

The California Transportation Commission (Commission) recognizes that the impacts of these disasters extend to the timely delivery of transportation projects. In response, the Commission is enacting an **Interim Timely Use of Funds Policy (Interim Policy)** applicable to San Bernardino, Orange, Riverside, Los Angeles, and Ventura Counties projects. The Commission may amend the Interim Policy after conducting at least one workgroup meeting.

Policy Scope

This Interim Policy applies only to projects programmed in the following Commission programs:

- Active Transportation Program
- Local Partnership Program
- Solutions for Congested Corridors Program
- Trade Corridor Enhancement Program

This Interim Policy does not apply to projects in the State Transportation Improvement Program (STIP) because the deadlines for that program are outlined in state law. STIP projects must receive an allocation or an allocation time extension by June 30 of the fiscal year in which the project is programmed, as specified in Government Code section 14529.8. Time extension requests for STIP projects may not exceed 20 months.

Policy Provisions

In addition to the specific provisions detailed in this policy, Commission staff will review individual project concerns that require customization and timely use of funds exceptions on a case-by-case basis. All time extension requests under this Interim Policy must be submitted directly to the California Department of Transportation (Caltrans) for processing, in accordance with the relevant program guidelines. The allocation and timely use of funds requirements outlined in the Commission program guidelines above apply to requests made under this Interim Policy.

To qualify under this Interim Policy, agencies must demonstrate that project delays are directly attributable to the Line, Bridge, Airport, Palisades, Eaton, Hurst, Lidia, Sunset, Woodley, and Hughes Fires. Impacts may include site inaccessibility, wildfire damage, labor or materials disruptions, right of way or design delays attributable to utility replacement or permit approvals, and the implementing agency should be as specific as possible with the reasons for the delay.

Effective immediately:

1. The deadline to request an allocation for projects impacted by the emergencies and programmed in fiscal year 2024-25 is extended to the December 2025 Commission meeting.
2. For projects receiving a construction allocation, the period to award a construction contract is extended from 6 months to 12 months, applicable through the duration of this Interim Policy. This extension is retroactive and includes allocations approved at the January, March, May, and June 2025 Commission meetings.
3. The maximum allowable time extension for projects programmed in the Local Partnership Program, the Solutions for Congested Corridors Program and the Trade Corridor Enhancement Program is increased to 20 months for the following types of extensions:
 - Allocation
 - Project Expenditure (pre-construction)
 - Contract Award (construction)
 - Project Completion (construction)
4. The maximum allowable time extension for projects programmed in the Active Transportation Program is increased to 24 months for the following types of extensions:
 - Allocation
 - Project Expenditure (pre-construction)
 - Contract Award (construction)
 - Project Completion (construction)
5. A one-time time extension amendment will be considered for projects with previously approved time extensions for projects programmed in the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program, allowing the total extension period to be increased up to 20 months.
6. A one-time time extension amendment will be considered for projects with

previously approved time extensions in the Active Transportation Program, allowing the total extension period to be increased up to 24 months.

Policy Expiration

The policy's provisions will remain in effect through project completion (CCA) for all projects that have received approved extensions under this Interim Policy. For example, if a pre-construction phase is impacted and uses this policy, any later phase of delivery will be eligible to use the provisions under this policy. Beginning October 27, 2025, staff will evaluate the continued need for this policy on a quarterly basis.