

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(15), Action Item

Prepared By: Jeffrey Wyly, Chief (Acting)
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR A
LOCALLY-ADMINISTERED SENATE BILL 1 SOLUTIONS FOR CONGESTED
CORRIDORS PROGRAM PROJECT, PER SCCP GUIDELINES
WAIVER 26-120**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project allocation for the locally-administered Senate Bill 1 (SB 1) Solutions for Congested Corridors Program (SCCP) Sonoma-Marin Area Rail Transit District (SMART) Healdsburg Extension Project (Zero Emission Switcher Locomotive - ZEV) (PPNO 2364P), in Sonoma County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission extend the period of project allocation for the locally-administered SB 1 SCCP Sonoma-Marin Area Rail Transit District (SMART) Healdsburg Extension Project (Zero Emission Switcher Locomotive - ZEV) (PPNO 2364P), in Sonoma County, for the time period as identified in the attachment.

BACKGROUND:

The local agency will not be able to request an allocation for funds by the June 30, 2026, deadline. The attachment shows the details of the project and an explanation for the delays that have resulted in this time extension request. The attachment describes the details of the component and the explanation for the delay.

Current SB 1 SCCP Guidelines adopted by the Commission, stipulate that programmed funds are available for allocation only until the end of the fiscal year programmed. The Commission may approve a waiver to the Timely Use of Funds deadline, one-time only, for up to 12 months.

Attachment

**Time Extension/Waiver – Project Allocation
SB 1 Solutions for Congested Corridors Program**

Project Number: 1
Applicant: Sonoma-Marín Area Rail Transit
County: Sonoma
District: 04
PPNO: 2364P
Allocation Amount: \$6,000,000
Phase: Construction
Number of Months Requested: 12 Months
Extended Deadline: 06/30/2027
Department Recommendation: Support

**Sonoma-Marín Area Rail Transit (SMART) District Healdsburg Extension Project
(Zero Emission Switcher Locomotive - ZEV)**

Sonoma–Marín Area Rail Transit (SMART) requests a 12-month time extension to allocate the Construction (CON) phase of the Sonoma–Marín Area Rail Transit (SMART) Healdsburg Extension Project (Zero Emission Switcher Locomotive - ZEV). SMART has experienced unexpected delays in allocating CON.

This component is a portion of the SMART Healdsburg Extension project, which includes the construction of passenger rail, publicly owned and operated freight rail, and parallel, dedicated active transportation facilities within SMART-owned rail Right of Way in Sonoma County. SMART will have three locomotives total with this acquisition and will be able to position one at the freight rail yard in Schellville, one midpoint in the system in Petaluma and one in the far north in Cloverdale once built out.

The federal government’s disinvestment in funding for zero emissions technologies over the past 15 months, paired with the withdrawal of the California Air Resources Board's In-Use Locomotive Regulation, have meant that the zero-emission rail vehicle industry has experienced significant instability, including difficulty scaling commercial production of the locomotive technologies currently on the market. These policy disruptions have materially delayed equipment availability and procurement timelines beyond what was foreseeable when the grant was awarded. SMART’s freight arm is financially segregated from SMART’s passenger rail service and operates on a much smaller budget. Given these unforeseeable market conditions, a procurement of this nature may require partnership with other agencies conducting similar procurements based on supplier availability. These various unexpected occurrences have significantly impacted the plans of the overall project.

Therefore, SMART is requesting a 12-month time extension to allocate the CON phase from June 30, 2026 to June 30, 2027.