2022 Local Partnership Program Guidelines Development Workshop

October 19, 2021

Welcome and Introductions

CHRISTINE GORDON
Associate Deputy Director | Local Partnership Program

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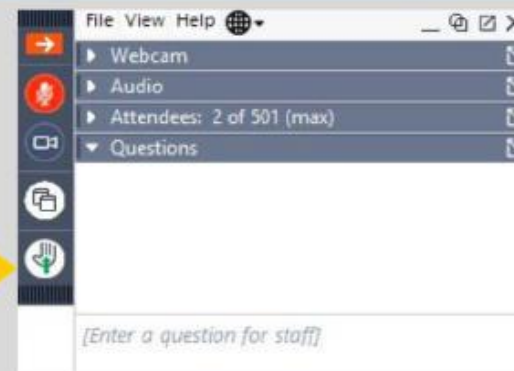
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Agenda Review

- September Workshop Recap

- Local Partnership Program Overview

- Discussion Focus: Formulaic Program

  - ✓ Handout: 2020 Local Partnership Formulaic Program Guideline sections for discussion

  - ✓ Handout: August 2021 Commission action summary

- Closing and Next Steps

September Workshop Recap

CHRISTINE GORDON
Associate Deputy Director | Local Partnership Program

Summary of Attendees

- Total number of attendees
  - ✓ **149**
- 23% - State agencies
- **39%** - Regional agencies
- **24%** - Local agencies
- **3%** - Community-based organizations
- **11%** - Other interested stakeholders

Key Topics Discussed

- Lessons learned from previous cycles

- Proposed 2022 program schedule

- Proposed programming cycle

- "Office hours" sessions

- General guidelines changes

- Discussion workshop format and structure

- Key topics for subsequent workshops

Comments Received at Workshop

- ✓ Send discussion questions in advance of workshop
- ✓ Support "Office hours" concept
    - ✓ Reach out to under-resourced agencies for office hours
- ✓ Support proposal to separate guidelines (formulaic and competitive)
- ✓ Coordination efforts between state agencies, utility agencies, and railroad companies in delivering projects.
- ✓ Consider various types of project delivery schedules in timely use of funds policy
- ✓ What is expected of jurisdictions – clarify in guidelines
- ✓ Support continued flexibility in Formulaic Program

Comments Received at Workshop (cont.)

Matching Requirements

✓ Consider pre-construction and prior local investments as eligible match

✓ Clarify eligible matching funds

Program Schedule and Programming Cycle

✓ Longer programming cycle (3-year) to align with STIP

✓ At least 3 months between call for projects and application due date.

Project Cost Savings

✓ Clarify project cost savings policy (formulaic funding)

Comments Received at Workshop (cont.)

Performance Metrics

- ✓ Review performance metrics for issues with specific types of transit projects (e.g. vehicle procurement)

- ✓ Consider providing alternate performance metrics for transit projects

Comments Received at Workshop (cont.)

Eligibility and Review Criteria

✓ Limit eligibility of highway expansion projects / align with CAPTI framework

✓ Weight review criteria to encourage CAPTI types of projects

✓ Level the playing field for under-resourced jurisdictions and unincorporated communities

✓ Center equity in the Local Partnership Program

  ✓ Don't wait for Caltrans' Equity Index Tool

✓ Raise the bar on screening and review criteria – support projects that won't have <u>any</u> negative impact on communities

Local Partnership Program Overview

CHRISTINE GORDON

Associate Deputy Director | Local Partnership Program

Authority & Purpose

- Senate Bill 1 (SB 1) created the Local Partnership Program

  ▪ Continuously appropriates $200 million annually

- Program guidelines describe policy, standards and procedures.

  ▪ Developed in cooperation with stakeholders

  ▪ Modeled after Proposition 1B – State Local Partnership Program

Local Partnership Program Objectives

- Provide funding to counties, cities, districts, and regional transportation agencies:

    1.) that have voter-approved fees or taxes dedicated solely to transportation improvements; or

    2.) that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements.

The Program intent is to balance the need to direct increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding.

Program Distribution and Funding

Annual Distribution:

$200 million

⬇

$20 million set aside for Formulaic Program Incentive Funding

⬇

$180 million

↙ ↘

60% Formulaic Program   40% Competitive Program

Local Partnership Program Formulaic vs. Competitive

	Formulaic	Competitive
Funding	Formulaic funding distribution established for each taxing authority based on a combination of proportional tax, toll, or fee revenues and population.	Discretionary funding for project that excel through an evaluation process that promotes shovel-ready, cost-effective, and transformative projects.
Eligibility	Sought and received voter approval of taxes, tolls, or fees, dedicated solely to transportation improvements	• Agencies eligible for the Formulaic Program • Agencies that have imposed fees, including uniform developer fees, that are dedicated solely to transportation improvements.
Project Nominations	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; and 5). funding and deliverability	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; 5). evaluation criteria; 6). funding and deliverability; community impacts; and 7). advance transportation, land use, and housing goals.

Local Partnership Program Eligible Projects (GOV 8879.70(a)(b) and SHC 2032(a))

Capital improvement projects:

- ✓ Improvements to the state highway system

- ✓ Improvements to transit facilities

- ✓ Acquisition, retrofit, or rehabilitation of rolling stock, buses or other transit equipment

- ✓ Improvements to the local road system

- ✓ Improvements to bicycle or pedestrian safety or mobility

- ✓ Improvements to mitigate the environmental impact of new transportation infrastructure on a locality's or region's air or water quality

- ✓ Soundwalls

- ✓ Road maintenance and rehabilitation

- ✓ Other transportation improvement projects

General Guideline Changes

Formulaic Program

ANJA AULENBACHER
Assistant Deputy Director | Local Partnership Program

General Guideline Changes

Overview

❖ Propose rearranging existing language:

• Remove some information from "Distribution" section:

▪ Eligibility Verification (new section)

▪ "Unprogrammed Formulaic Funding" subsection (move to "Programming" section)

▪ Incentive Funding subsection (new section)

▪ "Unused Incentive Funding" subsection.

• Rearrange section order.

❖ Include existing policies in several sections.

❖ Performance Metrics Guidebook

General Guideline Changes

Rearrange sections for ease of flow and finding information.

• Proposed section order:

1. Eligible Applicants

2. Eligibility Verification (new section)

3. Eligible Projects

4. Distribution

5. Incentive Funding (new section)

6. Matching Requirements

7. ….etc.

General Guideline Changes

2020 LPP Guidelines: Section 2A. page 10

Matching Requirements

- Propose to add language to clarify use of Local Streets and Road Program funds for the match.

- Policy updates regarding matching requirements will be discussed in a subsequent workshop.

General Guideline Changes

2020 LPP Guidelines: Section 11A. page 15

Allocations

- Propose adding new language regarding advance allocations (yellow text):

    If a project or project component 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 make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects.

General Guideline Changes

Eligibility Verification

- Propose new section.
  - Currently part of Distribution Section.

- Propose adding new language (in yellow text):

Upon receipt of all required documents 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 as soon as possible. If eligibility is established, an amendment to the funding distribution will be considered as outlined in Section xA. Distribution.

Formulaic Funding Distribution
Section 1A

Formulaic Funding Distribution

2020 LPP Guidelines: Section 1A, pages 8 - 9

- Propose new subsection:

    - Distribution Factors (2020 LPP guidelines page 8)

- Propose new language (in yellow text) under Distribution Factors:

    Where there is a voter-approved sales tax measure collected in multiple counties, the Commission will adopt formulaic funding for the designated taxing authority based on the total population of the affected counties and the sales tax revenue.

- Propose new subsection:

    - Distribution Adjustments (2020 LPP guidelines page 9)

Incentive Funding
Section 1A

Incentive Funding

2020 LPP Guidelines: pages 9 and 10

- Propose new section.
  - Currently part of Distribution Section 1A.

- Keep existing Incentive Funding policies

- Policy update. New language proposed (yellow text):
  (2020 LPP Guidelines, Page 10)

> Unused incentive funding will first be used to offset the Funding Distribution amounts of new tax measures, tolls, or fees added during the fiscal year. Then remaining unused incentive funding will be redistributed based on the program funding distribution (60% via formulaic and 40% via competitive) in the next fiscal year.

Unused Incentive Funding Distribution

Discussion Topic:

We redistributed the unused incentive funding at the August 2021 Commission meeting, what are your thoughts on the process?

Programming

Section 8A

Programming

2020 LPP Guidelines: Section 8A. page 13

- General clarifications to existing policy and language.

- Propose new subsection:

  - "Unprogrammed Formulaic Funding". (Move from Distribution Section.)

- Propose adding clarifying language regarding programming and allocation deadlines:

  - Fund balances, including incentive funds, must be programmed and allocated by June 30 of the last FY (end of programming cycle).

Programming

Discussion Topic:

Propose including a project nomination deadline for subsequent program amendments.

What are your thoughts?

Amendments
Section 10A

Amendments

General Proposed Updates:

- Add language to clarify amendment requests.

    - Amendments are all updates, changes, or corrections to the programmed project.

    - The programmed project information encompasses what is submitted in the project nomination packet.

- Expand section to provide explanation of each type of amendment and current policies.

- Add general instructions for submittal process and review process.

Amendments

Scope Change Amendment:

- Propose to add clarifying language:

  - Requests will not be considered after contract award.

  - Significant and minor scope changes must be submitted for approval.

Project Cost Savings
Section 15A

Project Cost Savings

2020 LPP Guidelines: Section 15A. page 17

- General proposed updates:

  - Add definition for "proportional".

  - Clarify project cost savings policy for pre-construction components.
    - Requests must meet the timely use of funds policy deadlines.

- Final Delivery Report.

Project Cost Savings

2020 LPP Guidelines: Section 15A. page 17

Discussion Topic:

Propose a deadline for reprogramming project cost savings.

What are your thoughts?

Questions and Comments

Closing and Next Steps

✓**#1 Workshop (September 2021)**
    ✓Key topics that cross both programs (formulaic and competitive)

✓**#2 Workshop (October 2021)**
    ✓Focus specifically on the Formulaic Program

• **#3 Workshop (November 8, 2021)***
    • Focus specifically on the Competitive Program

• **#4 Workshop (December 2021)***
    • Key topics carried over from workshops #2 and #3
    • Key topics that cross both programs (formulaic and competitive)

    * Dates subject to change

Closing and Next Steps

- Discussion Recap
- Next Workshop Date:
  - ✓ November 8, 2021, 1:00 – 4:00 pm
  - ✓ Save the Date Announcement
  - ✓ Workshop Agenda

Questions or Comments

Email LPP@catc.ca.gov

For latest updates, visit the Commission's website at www.catc.ca.gov and follow the Commission on Twitter or Facebook.

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Thank You!