

2022 Local Partnership Program Guidelines: Discussion Document

Local Partnership Program Workshop - January 20, 2022

❖ Sections 2A and 2B. Matching Requirements

Projects funded from the Local Partnership (formulaic and competitive) 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 \$100,000 annually are only required to provide a match equal to 25% of the requested Local Partnership Formulaic Program funds.
- For Soundwall only projects, the expenditure of local funds to complete the Project Approval and Environmental Documentation; Plans, Specifications, and Estimates; and Right-of-Way components may be used to meet the one-to-one match for the construction component.

Discussion: What are your thoughts on the current policy?

FORMULIC PROGRAM

❖ Section 1A. Distribution

Distribution Factors (subsection)
(proposed text is blue and bolded)

Previously proposed language is being withdrawn.

The following 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.

Minimum Annual Formulaic Funding Amount

(no proposed changes)

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.

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Unprogrammed Formulaic Funding

(proposed text is blue and bolded; deleted text is red and strikethrough)

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

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 (as outlined in Section XX, Timely Use of Funds).

~~Taxing authorities that receive incentive funding in Fiscal Year 2022-23, any unprogrammed incentive balance will remain available for programming in the subsequent programming cycle.~~

Unused Incentive Funding

(proposed text is blue and bolded)

Unused incentive funding will be redistributed **as outlined below**:

- 1.) Based on the program funding distribution (60% via formulaic and 40% 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.**

❖ Section 3A. Funding Restrictions

(proposed text is blue and bolded; deleted text is red and strikethrough)

Supplemental Funding (subsection)

A taxing authority may nominate an existing **programmed** project for supplemental funding ~~if the project was allocated Local Partnership Formulaic Program funding in a prior programming cycle~~, provided that the supplemental Formulaic Program funding **is programmed to the same project component**. ~~and~~ ~~†~~ The **supplemental funding** and the match for that supplemental funding **will** ~~can~~ not be expended until after the ~~allocation of~~ **approved** supplemental funding **allocation**.

The supplemental funding may be to replace local funding already committed to the project, subject to the required ~~one-to-one~~ match **outlined in Section XA**.

To streamline the programming process, a taxing authority may request to program supplemental funds with a simplified project nomination submittal as outlined in Attachment 1A.

COMPETITIVE PROGRAM

❖ Section 3B. Funding Restrictions

(proposed text is blue and bolded)

Local Partnership Competitive Program will only fund the construction component of a capital project, except for those projects expected to be delivered using the design-build method, where a portion of the funds may be in design. A project will be considered for funding, if at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA). A project may also be considered for funding if at time of adoption it has completed the final draft of a project level environmental document in accordance with CEQA and if applicable, NEPA. Environmental clearance must be completed **for CEQA and NEPA (if applicable)** within 6 months of program adoption.

Funds will not be allocated to any portion of a project until all project modes of the project have completed the environmental process.

❖ Section 10B. Screening Criteria

(proposed text is blue and bolded; deleted text is red and strikethrough)

Project nominations will receive an initial screening by the Commission for completeness and eligibility before **moving proceeding on** to the evaluation process.

An applicant submitting multiple project nominations must clearly prioritize its project nominations. ~~If a project is nominated by multiple applicants, the priority of the applicants should be consistent.~~

❖ Section 11B. Project Rating Process

(deleted text is red and strikethrough)

~~To maximize the effectiveness of program funds, the minimum request for Local Partnership Competitive Program funds that will be considered is indicated below based on the population totals:~~

- ~~• Category I (population \geq 1,500,000): \$5,000,000~~
- ~~• Category II (population 700,000 to 1,499,999): \$3,000,000~~
- ~~• Category III (population 300,000 to 699,999): \$2,000,000~~
- ~~• Category IV (population 100,000 to 299,999): \$1,000,000~~
- ~~• Category V (population $<$ 100,000): No minimum requirement~~

Maximum Funding Request

(no proposed changes)

The maximum request for Local Partnership Competitive Program funds is \$25,000,000 per project.