

2022 Local Partnership Program Guidelines Development Workshop



February 25, 2022



Welcome and Introductions

CHRISTINE GORDON

Associate Deputy Director | Local Partnership Program

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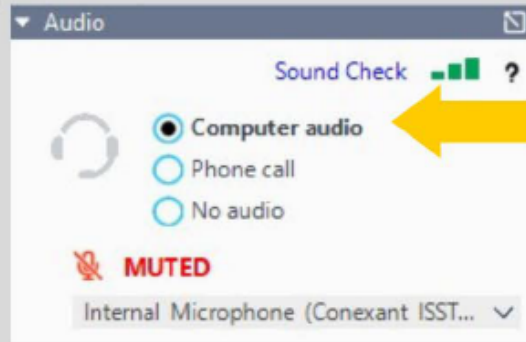
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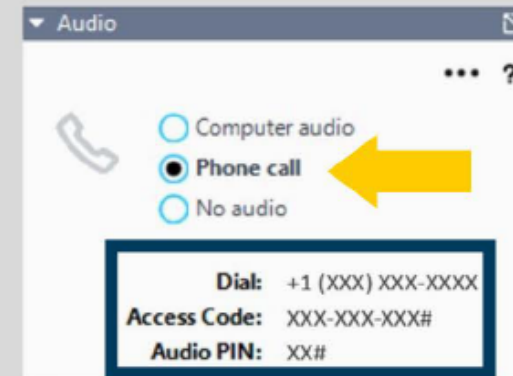
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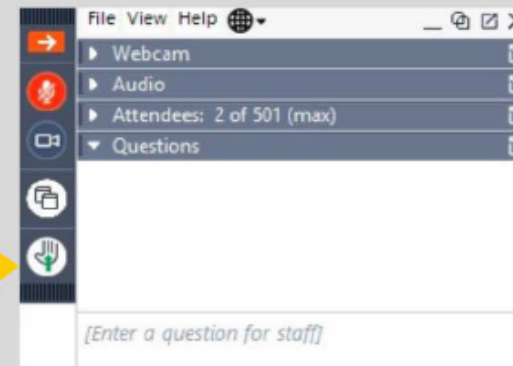


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Agenda Review



- January Workshop Recap
- Local Partnership Program Overview
- Discussion Focus: Formulaic and Competitive Program
- Handout: 2020 Local Partnership Program Guidelines sections for discussion
- Office Hour Sessions
- Closing and Next Steps



January Workshop Recap

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Associate Deputy Director | Local Partnership Program

Summary of Attendees



- Total number of attendees
 - 68
- 25% - State agencies
- 25% - Regional agencies
- 37% - Local agencies
- 0% - Community-based organizations
- 13% - Other interested stakeholders

Key Topics Discussed



- Proposed Programming Cycle Years
- Proposed Program Schedule
- Matching Requirements (Sections 2A and 2B)
- Formulaic Program – proposed revisions
 - Distribution (Section 1A)
 - Funding Restrictions (Section 3A)
- Competitive Program – proposed revisions
 - Funding Restrictions (Section 3B)
 - Screening Criteria (Section 10B)
 - Project Rating Process (Section 11B)

Comments Received at Workshop



Matching Requirements

Agencies use local funds for pre-construction phases. Consider using preconstruction phases to meet matching requirements, same as existing policy for soundwall only projects.

Comments Received at Workshop (cont.)



Formulaic Program:

Distribution

- In support of the proposed revisions

Funding Restrictions

- In support of the proposed revisions
- Flexible and more streamlined

Comments Received at Workshop (cont.)



Competitive Program:

Funding Restrictions

- No comments received

Screening Criteria

- In support of the proposed revisions

Project Rating Process

- In support of the proposed revisions

Discussions for Future Workshops



- Formulaic Program
 - Amendments
 - Project Cost Savings
- Competitive Program
 - Equity
 - Pro-housing Designation Program
- Matching Requirements
- Project Nominations
- Performance Metrics Guidebook



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	<ul style="list-style-type: none"> • 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



FORMULAIC PROGRAM

ANJA AULENBACHER

Assistant Deputy Director | Local Partnership Program



Amendments (Section 10A)

(Refer to the Discussion Document for proposed language)

Amendments

2020 LPP Guidelines: Section 10A, page 14



- Propose new language (in yellow text):

Scope changes

- The Commission will consider changes to the approved scope submitted in the project nomination to assist agencies in implementing their projects and 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 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 the Commission prior to contract award as outlined in Section 17A. Project Cost Savings.

Amendments

2020 LPP Guidelines: Section 10A, page 14



- Propose new language (in yellow text):

Contract Separation

If the project is divided into more than one independent 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 form 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.

Amendments

2020 LPP Guidelines: Section 10A, page 14



- Propose new language (in yellow text):

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 XA. Project Cost Savings.

- Requests to increase the amount of Formulaic Program funding on a programmed, unallocated project component must be submitted prior to allocation of the project component.
- Unused funds from an approved reprogramming action (i.e. partial funds are deprogrammed from a project) will be returned to the taxing authority's unprogrammed Formulaic Program funding balance.
- An allocation adjustment should be requested to reprogram allocated funds (see Section XA. Allocations).
- Requests for programming a new project or adding supplemental funds to an existing project should reference Attachment 1 and Attachment 1A.

Amendments

2020 LPP Guidelines: Section 10A, page 14



- Propose new language (in yellow text):

Deleting Programmed Project(s)

The Commission will consider deleting a programmed project if the Formulaic Program funds have not been allocated.

- The Commission will not consider reprogramming a deleted project in the same programming cycle.
- Funds from a deleted project will be returned to the taxing authority's unprogrammed Formulaic Program funding balance.



COMPETITIVE PROGRAM

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Evaluation Criteria (Section 12B)

(Refer to the Discussion Document for proposed language)

Evaluation Criteria

2020 LPP Guidelines: Section 12B. Pages 28



Regional ~~and Local Transportation, Land Use, and Housing Goals~~ – The **project** nomination should explain how the project will advance transportation, land use, and housing goals within the region as identified in the region's Regional Transportation Plan, Sustainable Communities Strategy (where applicable), **and** Regional Housing Needs Allocation. ~~and local Housing Element Implementation, as well as other local plans such as general plans and specific plans if applicable.~~ **This may also include demonstrating how the project will support or align with the region's Regional Early Action Planning (REAP) grant investments or other regional planning or implementation efforts.**

Evaluation Criteria (cont.)

2020 LPP Guidelines: Section 12B. Pages 28



- **Local – The project nomination should explain how the project will advance local transportation, land use, and housing goals. This may include:**
 1. **Demonstrating, at the time of project nomination, the local jurisdiction has submitted its Housing Element annual progress report to the State of California for the current and prior year; or**
 2. **Demonstrating the local jurisdiction applied to the Department of Housing and Community Development's Prohousing Designation Program and meets Prohousing criteria that support efficient land use. The project nomination must include a commitment by the local jurisdiction to continue pursuing full Prohousing Designation after receiving Local Partnership Program funding. The Prohousing criteria is identified in the Local Partner Program Prohousing Designation Supplement developed in partnership with the California Department of Housing and Community Development, available online at: [URL link to Local Partnership Program Prohousing Designation Supplement form]**
- **If housing is not an issue for the local jurisdiction, provide a detailed explanation, including an accounting of the jurisdiction's assigned local share of the Regional Housing Need Allocation and the jurisdiction's progress toward meeting those needs documented in the jurisdiction's Housing Element annual progress report for the current and prior years.**

Evaluation Criteria (cont.)

2020 LPP Guidelines: Section 12B. Pages 28



Local Partnership Program Prohousing Designation Supplement Form



Prohousing Update



Prohousing Designation Program

“Rate”: A City or County may request an evaluation of its local policies, according to uniform and objective criteria. A highly-rated City or County can be designated as “Prohousing.”

“Reward”: Competitive State funds award additional points to local governments that are designated “Prohousing.” Funds may also reward local governments that have not received the designation yet, but which meet certain Prohousing criteria.



Prohousing Designation Program

Prohousing creates an opportunity to satisfy the criteria of **multiple** State funding programs, with **one** application.

So far, these programs include:

- Infill Infrastructure Grant Program
- Transformative Climate Communities Program
- Transit and Intercity Rail Capital Program
- Affordable Housing and Sustainable Communities Program (Final Guidelines pending)



Local Partnership Program and Housing

Previously, Cycle 2 LPP asked applicants to describe how the project benefits local Housing Element implementation and other local housing plans and policies.

Cycle 3 LPP proposes linking to the Prohousing criteria, so that applicants can also receive credit under additional infrastructure-funding programs, in addition to LPP.



Prohousing Designation Program

Optional process, where a county or city may submit its local policies to HCD for evaluation. Local governments that rate highly can be designated Prohousing.

- Designed for flexibility and adaptability
- Effective and achievable goals
- Focused on broader state goals for housing, equity, resilience, and climate change
- HCD provides technical assistance, guidance, and other incentives to support local communities with meeting Prohousing criteria



Prohousing Criteria

39 total Prohousing Policies,
divided among 4 categories:

1. Favorable zoning and land use *(10 policies)*
2. Accelerating production timeframes *(13 policies)*
3. Reducing construction and development costs *(8 policies)*
4. Providing financial subsidies *(8 policies)*



Prohousing Criteria

8 total Enhancement Factors

- Demonstrate policies align with Principles
- Additional points per scoring item



Scoring Flexibility

- 30 point minimum
- Minimum 1 Prohousing Policy per category
 1. Favorable zoning and land use
 2. Accelerating production timeframes
 3. Reducing construction and development costs
 4. Providing financial subsidies



Consistency Across Programs

State funds also reward a targeted subset of 16 Prohousing criteria specially inclined to reduce VMT

State funding programs:

- Infill Infrastructure Grant Program
- Transformative Climate Communities Program
- Transit and Intercity Rail Capital Program



1. Density bonus programs which exceed statutory requirements
2. Increasing allowable density in low-density, single-family residential areas beyond requirements of state ADU law
3. Reducing parking requirements for residential development
4. Zoning to allow residential or mixed uses in non-residential zones
5. Changing development standards and zoning to increase development intensity
6. Establishing geographic areas for promoting workforce housing or sustainability
7. Streamlining housing development at the project level (e.g., using by-right approvals or exemptions)
8. Priority permit processing for ADUs, multifamily, or affordable
9. Reducing barriers for property owners to create ADUs
10. Cutting costs for active transportation infrastructure or programs, or other alternatives to driving
11. Pre-approving plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas
12. Promoting multiple planning objectives (efficient land use, access to public transportation, climate change solutions, etc.) as part of a unified strategy
13. Consistency with State planning priorities
14. Policies to prevent displacement of lower income households
15. Rezoning and policies to support high-density development in Location Efficient Communities
16. Affirmatively furthering fair housing



Outreach and Technical Assistance

- HCD provides technical assistance through the prohousingpolicies@hcd.ca.gov inbox
- Regional and Statewide Workshops
- Responses are being compiled into an FAQ which will be available in the next week or two
- See www.hcd.ca.gov/community-development/prohousing





Discussion





OFFICE HOUR SESSIONS

KAYLA GIESE

Program Analyst | Local Partnership Program

Office Hour Sessions



- Held virtually in February, March, and April
- Private sessions to discuss potential project nominations with Commission staff
- Scheduled on a first-come, first-served basis
- Request can be submitted via the [online registration form](#)



Questions and Comments

Key Topics for Future Workshops



- **Carryover Key Topics**
 - **Matching Requirements**
 - **Formulaic Program**
 - **Project Cost Savings**
 - **Competitive Program**
 - **Equity**
 - **Evaluation Criteria**
- **Project Nominations**
- **Performance Metrics Guidebook**

Closing and Next Steps



- Discussion Recap
- Next Workshop Date:
 - **March 29, 2022**
 - 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!