



TOLL FACILITY APPLICATION GUIDELINES

ADOPTED

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RESOLUTION

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I. INTRODUCTION

1. Purpose

The purpose of these guidelines is to set forth the Commission's policy for carrying out its role in implementing California Streets and Highways Code Section 149.7 and to assist regional transportation agencies and the California Department of Transportation (Caltrans) when applying to the California Transportation Commission (Commission) for approval to develop and operate high-occupancy toll lanes or other toll facilities.

These guidelines describe the eligibility criteria, application requirements, review and approval procedures, and reporting requirements for toll facilities developed and operated under Streets and Highways Code Section 149.7. The requirements in these guidelines are conditions for Commission review and approval of an application.

2. Authority

Streets and Highways Code Section 149.7, as amended by Assembly Bill 194 (Frazier, Chapter 687, Statutes of 2015), authorizes regional transportation agencies or Caltrans to apply to the Commission to develop and operate high-occupancy toll lanes or other toll facilities, including the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit or freight. Applications for the development and operation of toll facilities are subject to review and approval by the Commission pursuant to criteria set forth in guidelines established by the Commission.

The Commission's authority to approve a toll facility is distinct from and independent of its authority to program and allocate state funds. Approval of a toll facility project application does not, by itself, commit any state transportation funding to the approved toll facility.

3. Eligible Applicants

Regional transportation agencies and Caltrans may apply for tolling authority.

For purposes of these guidelines, regional transportation agency means any of the following:

- A transportation planning agency described in Government Code Sections 29532 or 29532.1.
- A county transportation commission established under Public Utilities Code Sections 130050, 130050.1, or 130050.2.
- Any other local or regional transportation entity designated by statute as a regional transportation agency.

- A joint exercise of powers authority established pursuant to Government Code Section 6500, with the consent of a transportation planning agency or a county transportation commission for the jurisdiction in which the transportation project will be developed.
- The Santa Clara Valley Transportation Authority established pursuant to Public Utilities Code Section 100000.

II. APPLICATION PROCESS

Applicants are encouraged to discuss their proposals with the Commission before submittal. Commission staff will work with applicants to clarify the information needed to meet the requirements set forth in these guidelines. The typical timeframe from submitting a complete application to Commission approval is three to six months, though this may vary based on application complexity. This estimate is intended only to assist applicants in planning.

4. Reimbursement Agreement

4.1. Regional Transportation Agency

Before applying, regional transportation agency applicants must execute a reimbursement agreement with the Commission, covering Commission costs to process the application, as required by Streets and Highways Code Section 149.7(d). Costs vary depending on application complexity, and applicants are encouraged to discuss cost expectations with Commission staff before applying.

The Commission may obtain professional opinions from necessary experts, such as engineers, accountants, and attorneys, to evaluate the application. If the Commission determines that consultant services are needed to support the review, staff will notify the applicant of those additional costs.

To begin the reimbursement agreement process, email ctc@catc.ca.gov with a brief description of the tolling application. The typical timeframe to complete an executed reimbursement agreement is three to six weeks, though this may vary based on project complexity.

4.2. Caltrans

Caltrans must execute a reimbursement agreement covering any consultant service costs the Commission incurs when evaluating the application, consistent with the State Administrative Manual requirements.

5. Submittal Requirements

Applicants must include a table of contents listing all sections under Part III of these guidelines, with subsections and appendices listed separately. Applicants must submit applications electronically in PDF format.

Applicants must email one electronic copy of the complete application package to ctc@catc.ca.gov.

6. Application Review

The Commission will review and evaluate each application. During this review period, the Commission may request clarification or supplemental documentation if the initial submission does not fully address the application requirements.

6.1. Public Hearing

The Commission will conduct at least one public hearing at or near the proposed toll facility to receive public comment. The applicant is responsible for coordinating with the Commission to ensure the hearing:

- Is held at a venue accessible by public transit and compliant with the Americans with Disabilities Act
- Is scheduled at a time when community members can attend
- Provides notice, materials, and interpretation in the languages spoken in the affected community
- Includes a remote participation option

The applicant must provide a brief presentation of the proposed project at the hearing, and submit the presentation to the Commission no later than 10 business days before the hearing. The Commission will post the presentation publicly before the hearing.

6.2. Public Comment Period

The Commission will provide at least 30 calendar days following the hearing for public comment.

Following the close of the comment period, the applicant must submit a summary of the comments received at the hearing and during the comment period, and describe how the applicant addressed each comment. The summary becomes part of the record before the Commission.

If the applicant makes material changes to the application in response to the hearing or comment period, the applicant must submit a revised application before the Commission considers the application for approval. Commission staff will determine whether a revised application requires an additional public hearing or comment period.

7. Application Approval

Commission staff will prepare a recommendation on the application and present it to the Commission for action at a regularly scheduled Commission meeting. The Commission will

consider an application only after the applicant has held the required public hearing, the public comment period has closed, and the applicant has submitted any revisions to the application.

The applicant may be required to provide a brief presentation of the proposed project at the Commission meeting at which the Commission considers the application for approval. If required, the applicant must submit the presentation to the Commission no later than 10 business days before the Commission meeting.

The approving resolution will identify the sponsoring agency, the approved toll facility, and the geographic limits of the tolling authority granted. Approval authorizes the sponsoring agency to develop and operate the toll facility within the scope, schedule, and terms of the approved project.

III. APPLICATION REQUIREMENTS

Project applications must include documentation to support the development and operation of the proposed toll facility. All applications must include the information provided below to demonstrate that the proposed toll facility is consistent with the standards, requirements, and limitations under Streets and Highways Code Section 149.7 and other application sections of state and federal law.

8. Project Information

The application must describe the proposed toll facility in sufficient detail to allow the Commission to evaluate the request. At minimum, the application must include:

- Purpose and need: Why the project is needed and what problem it solves
- Facility type: The type of tolled facility proposed (e.g., high-occupancy toll lanes, a value pricing program, or exclusive/preferential lanes for transit or freight)
- Corridor and limits: The specific corridor and geographic limits for which tolling authority is requested
- Scope: The scope of proposed improvements and ongoing operations
- Alternatives considered: A summary of major alternatives considered and the rationale for why tolling is the preferred approach
- Cost estimate: A preliminary cost estimate covering construction, operations, and maintenance
- Schedule: The proposed schedule for project completion, demonstrating that it is feasible given the project's scope and complexity, with adequate assurances that the project will be completed on time

The application must include a complete project initiation document for the proposed toll facility, prepared consistent with the Caltrans Project Development Procedures Manual.

9. Corridor Performance

For purposes of these guidelines, corridor refers to the geographic area along the tolling route segment for which tolling authority is requested, as defined by the project limits in the California Environmental Quality Act (CEQA) and, where applicable, the National Environmental Policy Act (NEPA) environmental compliance documentation.

The application must describe how the proposed toll facility will provide measurable improvements to corridor performance, such as increasing passenger throughput or reducing delays for freight and other travelers, with particular attention to carpool, vanpool, and transit users. The application must also show that the applicant is using tolling to optimize corridor performance rather than primarily serve as a revenue source. The applicant must explain how the project advances performance, safety, mobility, economic, and transportation demand management goals.

The application must include a traffic and revenue study prepared and certified by a licensed Professional Engineer based on current traffic, economic, and land use conditions as of the date of submittal. The study must present traffic projections for the proposed toll facility, identify the assumed pricing structure and its basis, and estimate gross toll revenues over the project's anticipated operational life. The study must consider the potential diversions of vehicles onto adjacent routes that could lead to congestion, safety problems, and infrastructure damage due to the imposition of tolls on the proposed facilities. The applicant must describe how it will address diversion impacts.

The revenue projections in the traffic and revenue study must be consistent with and support the funding plan required under Section 13. Key assumptions underlying the projections, including growth rates, pricing adjustments, and occupancy requirements, must be clearly stated and supported by data.

10. Transportation Planning Consistency

The application must demonstrate that the proposed toll facility is contained in the constrained portion of an adopted regional transportation plan prepared pursuant to Government Code Section 65080. The applicant must provide a link to the approved regional transportation plan, page number(s), and project identification number(s) for direct reference.

11. Environmental Compliance

The application must describe the status of environmental review under CEQA and, if applicable, NEPA, including:

- The progress of the draft or final environmental document(s), prepared by the lead agency
- An anticipated timeline for completing the environmental document(s)

The applicant must circulate the draft environmental document(s) and make it available for Commission review before the public hearing. The applicant must provide the final environmental document(s) before the Commission considers the application for approval.

12. Coordination

The application must show how it coordinated with relevant stakeholders during the development of the toll facility. The following sections describe coordination requirements with key stakeholders.

12.1. Federal Coordination and Compliance

The application must describe compliance with all applicable federal tolling statutes, including:

- Title 23, United States Code, Section 129 (requirements for new or reconstructed toll facilities)
- Title 23, United States Code, Section 166 (requirements for converting high-occupancy vehicle lanes into high-occupancy toll lanes)

12.2. Caltrans Coordination

Applies to regional transportation agency applicants only.

Applications must include a letter of support from the Director of Caltrans stating that the parties are working cooperatively to develop the toll facility.

Before operations begin, the regional transportation agency must execute a Toll Facility Agreement with Caltrans that addresses all matters related to the design, construction, maintenance, and operation of the toll facility, including liability, financing, repair, rehabilitation, reconstruction, and duration of tolling authority. The application must describe the current status of this agreement, including an anticipated timeline for execution. An executed agreement is not required at the time of application.

12.3. Regional and Local Agency Coordination

The application must demonstrate coordination with other regional and local agencies affected by the proposed toll facility. The application must document this coordination, including key issues identified, and how the coordination process affected the project's scope, schedule, or approach.

In accordance with Streets and Highways Code Section 149.7(j), a regional transportation agency applicant must also confirm that they offered every other local transportation authority and congestion management agency within the proposed toll facility's jurisdiction the opportunity to do the following:

- Enter into agreements for project development, engineering, financial studies, and environmental documentation; and
- Serve as lead agency for individual construction projects or segments.

12.4. Equity and Engagement

A. Equity Analysis

The application must demonstrate that the proposed toll facility will create mobility opportunities for all Californians, consistent with the [Commission's Racial Equity Statement \(adopted January 27, 2021\)](#).

The application must identify the disadvantaged or historically impacted communities affected by the proposed toll facility and assess whether the proposed pricing structure would result in disparate impacts based on race, color, socioeconomic status, gender, age, disability, or national origin, and describe strategies it proposes to mitigate those impacts.

Applicants may refer to the Commission's SB 1 Competitive Programs Transportation Equity Supplement for example indicators used to identify disadvantaged or historically impacted communities, and for example strategies to assess and mitigate disparate impacts. While developed for the SB 1 competitive programs, applicants may adapt the indicators and methodology for toll facility applications.

B. Public Engagement

The application must describe the engagement the applicant conducted with the community and stakeholders throughout the planning process, such as phone calls, mailers/flyers, or in-person events, including multilingual outreach at accessible locations. The application must demonstrate how community feedback informed decision-making, and how the applicant incorporated it into the project. Supporting evidence should include outreach materials, meeting notices and locations, language access plans, and a summary of how the applicant addressed or incorporated specific feedback.

The application must identify and address feedback received, demonstrate an understanding of regional transportation issues and needs, and the impacts this project may have on those needs. The application must describe how the applicant plans to sustain community engagement through project development and operations, including points of contact and a process for addressing ongoing concerns.

12.5. Native American Tribal Government Consultation

Applicants are expected to conduct engagement with Native American Tribal Governments affected by the proposed toll facility that respects their sovereignty and incorporates their feedback into the project. The application must describe coordination with Native American Tribal Governments, if applicable, including formal consultation if requested.

12.6. Law Enforcement Coordination

The application must describe the assumptions and responsibilities for law enforcement during the operational phase.

Before operations begin, regional transportation applicants must execute an agreement with the California Highway Patrol that covers all law enforcement matters related to the toll facility. The application must describe the status of this agreement, including an anticipated timeline for execution. An executed agreement is not required at the time of application approval.

13. Financial Plan

13.1. Funding Plan

The application must include a complete funding plan for developing and operating the toll facility. The plan must identify all funding sources and demonstrate that the applicant has a strategy to secure them. The applicant must also identify and address key risk factors, including the ability to fund shortfalls if toll revenues do not meet projections.

A complete funding plan does not require the applicant to secure all financing at the time of application, since some financing sources may not be available until after the Commission approves the applicant authority to develop and operate the toll facility.

13.2. Revenue Use

The application must demonstrate that the applicant will apply toll revenue to the following:

1. Direct expenses related to any debt issued to construct, repair, rehabilitate, or reconstruct the toll facility.
2. Development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facility, including toll collection and enforcement.
3. Reserves for the purposes identified in items 1 and 2 above.

The application must describe how the applicant estimated the expenses listed above, including the assumptions and methodologies used.

The sponsoring agency's administrative expenses related to operating the toll facility must not exceed three percent of toll revenues.

13.3. Excess Revenue Expenditure Plan

If sufficient toll revenue has been committed to the obligations listed above, and the sponsoring agency provides toll facility records to Caltrans demonstrating that the tolled facility is being adequately maintained, any remaining toll revenue may be used within the corridor from which it was generated for transportation purposes eligible for Federal funding

under United States Code, Title 23, consistent with an expenditure plan developed by the sponsoring agency.

The expenditure plan must describe how the applicant intends to use excess revenues, including how the proposed investments address transportation needs within the corridor and support applicable regional transportation plans, corridor plans, and other adopted transportation priorities. The plan should describe the types of improvements the applicant anticipates, the basis for prioritizing those investments, and how they are expected to support corridor mobility, safety, reliability, transit, active transportation, or other applicable transportation objectives, consistent with state and federal law where applicable.

For toll facilities sponsored by Caltrans, the Commission must review and approve the expenditure plan and any subsequent updates. For toll facilities sponsored regional transportation agencies, the regional transportation agency's governing board must review and approve the expenditure plan and any updates.

If the governing board has approved an expenditure plan at the time of application, the applicant must include it with the application.

IV. PROJECT AMENDMENTS

If the sponsoring agency finds it necessary or appropriate to make changes to the toll facility project after approval, the sponsoring agency must submit an amendment to the project application that describes the change and reasons for it. An amendment request is only necessary if the change substantially alters the scope, schedule, or terms of the approved project. If the change requires additional environmental review under CEQA or NEPA, the amendment must include an updated description consistent with Section 11 (Environmental Compliance), including the status of any revised or supplemental environmental document(s) and an anticipated completion timeline. Depending on the nature and extent of the change, the Commission may apply any of the review and approval procedures set forth in these guidelines to the amendment. The Commission will approve the amendment if it finds that the revised project still meets the requirements set forth in this guidance.

V. REPORTING

14. Commission Report to the Legislature

State law requires the Commission, in cooperation with the Legislative Analyst's Office, to report annually to the Legislature on the development and operation of each toll facility approved under these guidelines. The Commission's Annual Report to the Legislature is due December 15 of each year.

15. Sponsoring Agency Annual Report

To inform the Commission's Annual Report to the Legislature, each sponsoring agency must submit an annual report to ctc@catc.ca.gov describing the progress of each approved toll facility no later than September 1 of each year. The report must reflect activities and decisions from the prior state fiscal year (July 1 through June 30).

15.1. Projects under Development

For projects the Commission has approved for tolling and that are still under development, the report must include, at a minimum, a discussion of the following:

- A. A progress report for the project.
- B. A comparison of the project baseline budget and the current or projected budget.
- C. A comparison of the current or projected schedule and the baseline schedule.

15.2. Toll Facilities in Operation

For toll facilities in operation, the report must include, at a minimum, a discussion of the following:

- A. An analysis of the toll facility's actual performance metrics compared to the corridor performance improvement metrics that were used to justify the project in the application.
- B. A summary of total toll revenues collected during the reporting period, total outstanding debt obligations, and all debt service payments made during the period.
- C. A summary of excess revenue expenditures during the reporting period, including a description of how those expenditures are consistent with the adopted expenditure plan.
- D. A discussion of any other issues the sponsoring agency identified and actions taken to address those issues.



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