



Transportation Committee

Meeting Date: February 1, 2024

Agenda Item No. 11

Federal Funding Grant Prioritization

Action

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Attachments: No

Approved by: James Corless

Referring Committee: Transportation

Issue:

SACOG staff has developed a project prioritization methodology to create a priority project list for advocacy and general agency support for regional projects. The project list initially encompasses only near-term known federal requests but will be inclusive of state programs during later efforts.

Recommendation:

The Transportation Committee recommends that the board approve the staff recommended list of prioritized projects for federal funding programs.

Background/Analysis:

In 2021, the Biden Administration signed the Bipartisan Infrastructure Bill (BIL), authorizing \$1.2 trillion in new transportation funding. Most of this funding was programmed into new and existing competitive grant programs. Since the signing of the bill, regions across the country have been competing for this new funding opportunity.

The SACOG region has had some successes with this funding. However, the region has not been as competitive as we could be for these new funding opportunities. While competitiveness can be attributed to many factors, one key issue in our region has been a lack of regional coordination for funding requests. At the same time, with the limited capacity of the regional funding round to implement large regional projects, federal funding will be a key strategy in implementing the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) while also allowing regional funds to be focused on smaller projects that may not be strong candidates for federal dollars. Staff is proposing a strategy to prioritize a limited number of regional projects that would garner SACOG support in order to better compete for the federal grant programs. SACOG, in partnership with local agencies, has developed this short list of projects for a regional endorsement for identified funding programs. This strategy aims to maximize the Sacramento region's share of funding.

Discussion/Analysis:

Staff presented a methodology for project prioritization in February to the Transportation Committee and included the information as a Receive and File item to the board later that month. Additionally, staff discussed this item with the board Funding Round Working Group, and received positive feedback and support for coalescing around a specific set of projects that help our region meet our identified goals and desired

outcomes.

To ensure a balanced approach for this strategy, staff focused on three main concepts: 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) advancement, national competitiveness, and minimizing intra-regional competition. This strategy identifies one project per funding/grant program, and separates the prioritized list of projects into specific project types or program areas to minimize competition between projects. The project types include the following:

- Bridges
- Transit
- Rural
- Adaptation/Resiliency
- Carbon Reduction

Eligibility

All projects considered were required to meet the following minimum criteria before further evaluation:

- Actively seeking federal funding, including identifying the specific grant program the project was seeking funding from;
- Included in the current 2020 MTP/SCS; and
- Received a past SACOG funding award or other significant funding investment (from state or federal programs)

After projects met eligibility requirements, they were evaluated on the following areas:

- **Regional Serving:** Projects should be regional in nature. Some examples of how this can be done are large projects that improve regional mobility, accelerate projects that reduce vehicle miles traveled and/or greenhouse gas, advance regional goals and initiatives (including SACOG's MTP and Strategic Plan), involve partnerships with multiple agencies, and/or cross agency boundaries.
- **Competitiveness:** Projects were evaluated based on the specified funding program or program area, and projects must clearly illustrate how the project is consistent with the funding program's goals and stated requirements. Additionally, while project competitiveness can vary, the BIL introduced two new policy areas that are consistent through all the grant programs – equity and climate/resilience. Both the federal and state levels have increased a focus on equity, which will continue to be a core tenant of funding programs and decision making. The climate/resilience policies aim to reduce greenhouse gas emissions and add resilience to the country's transportation network.
- **Readiness:** Project readiness is an important factor in competitiveness when seeking federal funding. Traditionally, when a project seeks federal funding, it is for the last amount of funding to complete the project. Additionally, the farther along a project is, the less risk of project failure. For large projects, clearing the environmental phase means that the project has minimized most of the risk of failure. For smaller projects, this can be less important and, in some instances, they can be exempt from environmental review. Because of this, staff is looking for projects over \$10 million to have completed their environmental phase or for that phase to be completed prior to the grant submission. Projects under \$10 million will not have this requirement.

Projects Submitted

AGENCY	PROJECT	GRANT PROGRAM
PCTPA	<ul style="list-style-type: none"> Interstate 80/Highway 65 Interchange 	<ul style="list-style-type: none"> RAISE (2025 cycle)
EDCTC	<ul style="list-style-type: none"> Trip to Green Infrastructure 	<ul style="list-style-type: none"> PROTECT
STA	<ul style="list-style-type: none"> I Street Bridge Replacement Project Regional Climate Pollution Reduction Grant Grant Line Road Safety and Mobility Project US50 Gold Line Corridor Enhancement Project Dos Rios Light Rail Station Project Safe Streets to Transit Implementation Project 	<ul style="list-style-type: none"> Bridge Improvement Program Climate Pollution Reduction Grant RAISE MEGA RAISE Safe Streets for All
SacRT	<ul style="list-style-type: none"> Downtown Riverfront Streetcar Project Stockton Blvd BRT Project Zero-Emission Bus Maintenance Facility LRT Vehicle Replacement Project 	<ul style="list-style-type: none"> RAISE/Small Starts CIG Small Starts CIG Lo-No FTA (unstated program)
Elk Grove	<ul style="list-style-type: none"> Kammerer Road Extension 	<ul style="list-style-type: none"> RAISE
Yolo County	<ul style="list-style-type: none"> County Road 98 Safety Project 	<ul style="list-style-type: none"> Rural

Staff coordinated with our local agency partners to identify their priority projects and what projects meet these criteria. That coordination included working with Placer County Transportation Planning Agency (PCTPA) and El Dorado County Transportation Commission (EDCTC) staff, Sacramento Transportation Authority (STA), the staff Funding Round Working Group, and several one-on-one conversations with local agency staff. Some key information from this coordination includes:

- Several agencies indicated that they were not currently seeking federal funds or their projects were not currently ready to pursue federal funds but will be in the future, including Caltrans, City of Davis, Yolo Transportation District, Yuba County (and their agencies), and Sutter County (and their agencies).
- PCTPA submitted one project for consideration, the I-80/Highway 65 Interchange, their priority project for federal funding. PCTPA plans to seek federal funding through the RAISE program for this project in the 2025 cycle; because PCTPA is pursuing funding next year, staff has not included the project in this recommendation, but it will be considered in the next prioritization cycle.
- STA worked with the local agencies in Sacramento County to prioritize six projects for consideration, which were submitted to SACOG for consideration.
- Two other agencies within Sacramento County – Sacramento Regional Transit (SacRT) and the City of Elk Grove – submitted projects directly to SACOG staff.

Attachment A shows the application of the project prioritization methodology to the submitted projects.

Proposed Prioritized Projects

Below is the proposed prioritized project list for federal funding programs for consideration and approval, which was generated after evaluating each project based on the methodology discussed above. Projects on this list will have a letter of support from SACOG, grant technical assistance, and additional advocacy (as needed). This first list will also serve as a near-term focused platform for advocacy opportunities for SACOG and our regional partners, including the upcoming Capitol to Capitol trip organized by the Sacramento Metropolitan Chamber of Commerce in April. It is envisioned that the material for the Capitol to Capitol trip will include these projects, as well as the region’s Mega-Region priority projects and a discussion regarding other developing projects in the region that may become priorities on future lists.

Several agencies submitted projects seeking funding from the current round of the RAISE program. The project that was selected for prioritization for the RAISE program was the Grant Line Road Safety and Mobility Project. The project that is being submitted is to reconstruct the two-lane roadway and construct a class I bike facility along Grant Line Road between Chrysanthy Blvd and White Rock Road. This project is strictly focused on addressing the persistent safety and state of good repair issues with this section of Grant Line Road, and is a partnership between the County of Sacramento, City of Rancho Cordova, Sacramento Transportation Authority (STA) and Capitol Southeast Connector JPA. The project has secured funding from local partners for the design, and the RAISE request is for the construction funding.

Project Category	Project	Implementing Agency	Funding Program	County
Bridge	I Street Bridge Replacement Project	Sacramento, West Sacramento	Bridge Improvement Program	Sacramento, Yolo
Road	Grant Line Road Safety and Mobility Project	Capitol Southeast Connector JPA	RAISE	Sacramento
Resiliency/Adaptation	Trip to Green Infrastructure	EDCTC	PROTECT	El Dorado
Transit	Downtown Riverfront Streetcar Project	Sacramento Regional Transit , City of West Sacramento	Small Starts CIG	Sacramento/Yolo
Carbon Reduction	SMAQMD CPRG Project	SMAQMD	Climate Pollution Reduction Grant	Sacramento, Yolo, Sutter, Yuba, Placer, El Dorado, Nevada

This strategy is the beginning of a growing strategy to prioritize projects for funding opportunities. Staff expects to return to the board to make amendments to the methodology and prioritized list later in the year in advance of the State Senate Bill 1 competitive funding programs, as well as to further build out the federal programs that may not have been included in the first iteration.

At the March 7, Transportation Committee meeting, new information was presented by SacRT staff related to their original project submissions for the Downtown Riverfront Streetcar and Stockton Blvd BRT projects. More specifically, SacRT indicated that the Stockton Blvd BRT project was not ready to pursue federal funding, and that they would be rescinding that project from consideration. This raised some questions by Committee members regarding whether there was another potential transit priority project that could be included on the list. While the Transportation Committee did unanimously recommend approval of the priority list, and expressed support for the overall broader prioritization effort, they did amend the action to allow SACOG staff to amend the transit category, if warranted.

In addition to the SacRT project information from the meeting, SACOG staff was also provided new information after the meeting related to the Yolo County project submittal. As a result, two key changes were made to the project list:

1. The County Road 98 project in Yolo County was removed from the priority list. Yolo County staff informed SACOG that the project is being withdrawn for consideration because Yolo County is not currently pursuing funding for that project. While there is no current Yolo County or rural project on the list, the County continues to develop important projects, as well as potential funding opportunities and grant strategies. These projects include County Road 32A, which is considering future federal funding, and the I-505 overcrossing project that is currently working with Caltrans on a potential state

grant. SACOG will continue to work with the County to develop these projects and coordinate on potential strategies for future funding cycles.

2. The Stockton Blvd BRT project was removed from the list, which was originally included as the transit priority project through the Small Starts CIG grant program. SACOG staff was informed by SacRT staff that because the project is not yet ready to apply for federal funding, they intend to submit that project to the Small Starts program in a future year. Instead, they will submit the Downtown Riverfront Streetcar Project to the current Small Starts program cycle this summer, and submitted an application for a RAISE grant at the end of February. The Downtown Riverfront Streetcar Project had previously been awarded Small Starts funding in 2014, however due to significant cost increases, the project was delayed and ultimately revisited to find a more cost-effective alignment and design. SacRT, the Cities and SACOG have worked with the Federal Transit Administration (FTA) to determine a path forward to use the appropriated federal funds with local match to complete an alternate alignment for the Project within the available budget appropriation. In FY 2024, the \$50 million in federal Small Starts funding was extended to FY 2027 by the FTA Administrator. In order to retain the Small Starts project, SacRT will be submitting the rescope project to the program this cycle. SacRT will also seek the remaining funding from the FY 2025 FTA Small Starts Program to bridge the funding gap and complete the project. This project remains a regional priority and including it as the transit priority illustrates the region's commitment to retaining this funding and project success.

There was also discussion about how SACOG can address potential priority projects in development that are not quite ready for grant funding. There are a number of large infrastructure projects currently planned and under development in the region that could be included in this effort, such as the previously mentioned Yolo County projects, Stockton Blvd BRT, Placer County's I-80/SR65 Interchange, among others throughout the six counties. SACOG staff indicated that there is the intent to expand the priority project list to include a "project development" or "incubation" category that would help advance projects that either are not quite ready for funding applications, or that meet most criteria in the methodology but fall short in terms of readiness (e.g. incomplete environmental). As this current list was developed specifically for the April advocacy through Capitol to Capitol, SACOG will later bring a revised list of priority projects for additional state and federal programs, as well as an expanded category for future projects that will get support from SACOG staff as they mature towards grant applications.

Fiscal Impact/Grant Information:

There is no fiscal impact with this item. Staff time is accounted for within the Overall Work Program (OWP) and adopted budget.