



Transportation Committee

Meeting Date: February 1, 2024

[[!Agenda Item No. {{item.number}}!]]

Federal Funding Grant Prioritization Methodology

Information

Author: Chris Dougherty

Attachments: No

Approved by: Kristina Svensk

Referring Committee: Not Applicable

Issue:

Staff is seeking the Transportation Committee's input on a prioritization framework and strategy for federal grant programs to increase the region's competitiveness in discretionary federal funding.

Recommendation:

None; this item is for information and discussion only.

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, will develop 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 has prepared a proposed methodology for project prioritization, and an initial list will be prepared after feedback on this methodology is received. In March, staff will bring the initial prioritized project list for federal funding programs to the board for consideration and approval. This first list will 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.

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. Any updates to the list will utilize the proposed methodology.

To ensure a balanced approach for this strategy, staff focused on three main concepts: 2020 MTP/SCS advancement, national competitiveness, and minimizing intra-regional competition. Staff is seeking input on the proposed prioritization methodology that is outlined below.

Eligibility

All projects being considered will be required to meet the following minimum criteria before further evaluation:

- Actively seeking federal funding
- In the current 2020 MTP/SCS
- Past SACOG funding award or other significant funding investment

Project Type

The strategy will separate the prioritized list of projects into specific project types or program areas to minimize competition between projects. It is envisioned that some projects will be prioritized for a specific funding program, while some projects may be eligible and competitive for multiple funding programs. The project types include but are not limited to the following:

Bridges	Passenger Rail
Managed Lane/Roads	Transit
Rural	Adaptation/Resiliency

After projects meet eligibility requirements, they will be 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 vehicle miles traveled/greenhouse gas reducing projects, advance regional goals and initiatives, involve partnerships with multiple agencies and/or cross agency boundaries.
- **Competitiveness:** Projects will be evaluated based on the specified funding program or program area. While project competitiveness can vary based on these, 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. Projects will also be evaluated on how they align with these policies.
- **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 \$15 million to have completed their environmental phase or for that phase to be completed prior to the grant submission. Projects under \$15 million will not have this requirement.

Staff is currently coordinating with our local partners to identify their priority projects and what projects meet these criteria and will return to the board in March. This strategy is the beginning of a growing strategy to prioritize projects for funding opportunities.

Fiscal Impact/Grant Information:

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