



## Transportation Committee

Meeting Date: September 5, 2024

Agenda Item No. 3

### 2025 Regional Active Transportation Program Policy Framework Amendment

Action

**Author:** Summer Lopez

**Attachments:** Yes

**Referring Committee:** Not Applicable

**Issue:**

This item recommends approval of amendments to the 2025 Regional Active Transportation Program (ATP) Policy Framework.

**Request:**

Approve

**Recommendation for Board:**

That the board adopt the amended 2025 Regional ATP Policy Framework (Attachment A).

**Recommendation for Committee:**

That the Transportation Committee recommend that the board adopt the amended 2025 Regional ATP Policy Framework (Attachment A), setting the project limit to one application per agency at a maximum of \$2,000,000.

**Background:**

The ATP is a highly competitive program jointly managed by the California Department of Transportation (Caltrans) and the California Transportation Commission (CTC). The ATP has a sequential selection process of a statewide competition followed by regional competitions, each with their own funds. Projects that are unsuccessful in the statewide ATP can then compete for funding in the Regional ATP. SACOG staff works with El Dorado County Transportation Commission (EDCTC) and Placer County Transportation Planning Agency (PCPTA) to develop and implement the Regional ATP.

The CTC adopted their 2025 Statewide ATP Guidelines at their March 2024, meeting and amended them at the August 16, 2024, meeting. The CTC originally estimated that the Program budget would be \$568.7 million for the Statewide ATP. However, due to budget cuts from the Governor's Budget Act of 2024, this amount has been reduced by \$400 million, leaving the ATP with \$168.7 million in Cycle 7. The Statewide ATP Guidelines mandate that 40 percent of the funding goes towards the ten large metropolitan planning organizations (MPOs) in the state for an individual regional call for projects. Due to the budget cuts, SACOG's share, which was originally \$15.9 million, is now being reduced to \$4.7 million. Because of this reduction, SACOG staff are proposing amendments to the Regional Policy Framework to ensure that the region can fully fund one or

more projects. The SACOG Board of Directors adopted the Regional Policy Framework for Cycle 7 of the Regional ATP on April 18, 2024. Minor changes to the Regional Policy Framework will be administratively approved by CTC after board adoption. Major changes will be presented to the Commission for adoption at their October 2024, meeting.

### **Discussion/Analysis:**

CTC's ATP Guidelines indicate that MPOs may create their own guidelines that contain different project selection criteria or weighting, minimum funding request amount, match requirement, and/or definitions of disadvantaged communities for its competitive selection process. SACOG's Regional ATP Policy Framework, adopted at the April 18, Board of Directors meeting, adheres to these stipulations in CTC's Guidelines. All proposed changes to the 2025 Regional ATP Policy Framework (Attachment A) are in alignment with CTC's adopted ATP Guidelines and their recent amendments.

The amendments that CTC made to their Guidelines include:

- **Committed/Uncommitted Funds** In past cycles of the ATP, only large infrastructure projects were allowed to submit an application for pre-construction phases. This cycle, MPOs are being provided the flexibility to fund pre-construction phases of projects in all circumstances. The applicant must demonstrate how it intends to fund the construction of a useable segment, consistent with the project application. The expectation is that once funding becomes available, the remaining phases shall be funded prior to funding any new projects.
- **Borrowing ATP funds** MPOs receiving \$2 million or less in funds from the MPO component of the ATP program may elect to forgo programming any projects in their region and loan their funds to another region. The payback for the borrowed funds will be done in the 2027 ATP. Given uncertainties around future ATP funding, SACOG has not elected to borrow funds this cycle.
- **Project Selection Process** CTC has added criteria to determine which project(s) will be funded if two or more project applications receive the same score and it is the funding cut-off score. The new criteria addresses projects that have applied for multiple cycles without success, Tribal Governments, and looking at the highest scoring questions in the application.

Given the budget cuts, the following amendments are proposed for SACOG's 2025 Regional ATP Policy Framework (see Attachment A for proposed language):

- **Funding Pre-Construction** In alignment with the Statewide Guidelines, SACOG will fund pre-construction phases of projects in all circumstances.
- **Setting limits/Project Screening**
  - SACOG staff are proposing a limit of one application per agency in order to maintain competitiveness and to right-size projects to the available budget.
  - Prior to Cycle 7, project maximums were not required in the Regional ATP, but given the small budget for this cycle, an infrastructure maximum is proposed. Recommended Infrastructure project maximum is \$2,229,400 (\$2,000,000 funding request + \$229,400 leverage). By setting a limit of \$2,000,000, it gives SACOG the opportunity to potentially fund multiple projects, but also sets a reasonable limit for an infrastructure construction request. Although staff recommend the limit be set to \$2,000,000, a second option could be setting the project limit to \$1,000,000, which could provide the opportunity to fund more projects. The implication of doing a lower amount, however, could hinder requests for construction. In past cycles, a

minimum of \$250,000 was set for infrastructure projects. This minimum is recommended to be removed this Cycle to open more opportunity for funding pre-construction phases of all costs.

- **Schedule and Fund Estimate** The deadline for the Regional ATP has been extended from August 30, 2024, to September 30, 2024. The revised Framework also contains the updated fund estimate per the CTC Guidelines.

By making these changes, it allows SACOG more flexibility in funding projects through a limited budget for this Cycle. These changes will only be applied to Cycle 7 funding and the Framework will come again before the board in Cycle 8 to be considered for adoption.

### **Outreach and Engagement**

To support member agencies through the budget cuts, SACOG staff have been available to assist in application development and to discuss funding strategies. A webinar was held on August 28, 2024, to discuss the budget cuts and provide a forum for questions and discussion. Staff provided information on alternative funding opportunities for project applicants to consider, particularly those with scopes beyond the budget for ATP Cycle 7. Additionally, SACOG staff developed a list with contacts from all jurisdictions for regular ATP and active transportation-related news and updates. This listserv has been regularly updated as news has been released regarding the budget cuts.

### **Fiscal Impact/Grant Information:**

The budget cuts only affect the Active Transportation Program. Staff time costs for this program are included in the approved Overall Work Program and Budget.

### **List of Attachments:**

Attachment A: Updated 2025 Regional ATP Policy Framework

Attachment B: Adopted 2025 Regional ATP Policy Framework