Calendar – Carbon Reduction Program

Approve Carbon Reduction Strategy	June 15, 2023 (SACOG Board)
Develop Carbon Reduction Program Guidelines	Summer 2023
Approve Carbon Reduction Program Guidelines	October 19, 2023 (SACOG Board)
Release Carbon Reduction Program application	November 13, 2023
Technical Assistance and Support for Application Development	October 19, 2023 – January 26, 2024
Carbon Reduction Program Applications due	**February 29, 2024, 4 p.m.**
Application Evaluation (internal + external)	March - April 2024
Approve Carbon Reduction Program recommendations	June 20, 2024 (SACOG Board)

Carbon Reduction Program Guidelines

Introduction

As part of the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) signed into law in November 2021, the U.S. Department of Transportation established the Carbon Reduction Program (CRP). This program provides funding to states and Metropolitan Planning Organizations (MPOs) for ***projects designed to reduce transportation-related carbon emissions from on-road highway sources.***

The CRP funding is distributed to the state, at which point funding is split into state programs and "local" (i.e., MPO and non-MPO regional transportation planning agencies) programs sub-allocated by the state. SACOG must use a performance-based process to select projects consistent with the Carbon Reduction Strategy adopted by the SACOG board in June 2023.

Carbon Reduction Funding Strategy

Both local and State CRP funds must be invested in alignment with the Carbon Reduction Strategy. The July 2023 draft of the California Transportation Carbon Reduction Strategy (final version expected in Fall 2023) outlined the priorities for how to utilize the state share of CRP funds, which is expected to guide the local allocation as well. The state strategy established three types of projects and strategies to support the reduction of transportation carbon emissions: Zero-Emission Vehicles and Infrastructure, Active Transportation, and Rail and Transit.

In June 2023, the SACOG board approved a Carbon Reduction Program Strategy for the MPO-allocated funding. This strategy is compatible with the California Transportation Carbon Reduction Strategy and focuses the first two years of CRP funding on planning grants to strategically maximize the impact and the region's readiness for implementation and construction-focused grants.

Regionally, the CRP will support:
- **Regional Trail Network Implementation** by funding pre-construction phases of planned (Class 1) trails identified in the six-county Sacramento Regional Trail Network adopted in 2022;

- **Zero-Emission Vehicle (ZEV) Deployment** by funding program development to increase readiness for state and federal funding programs related to the deployment of zero emission vehicles and charging/fueling infrastructure; and
- **Strategic Carbon Reduction Programs** by funding program implementation to offer sustainable mobility options and alternatives to driving alone.

Project Eligibility

The CRP supports efforts that reduce carbon—regional funds pursue this goal by positioning the region to compete for ZEV implementation grants, advancing implementation of the regional trail network, and strategically implementing programs that will reduce carbon emissions.

CRP funds may be obligated for projects that support the reduction of transportation emissions. A comprehensive list of CRP project eligibility is available online: CRP Guidance – FHWA Memo and Attachment.

Eligible Project Type

Example projects are listed under each regional strategy; project types that are not listed but meet the same purpose of the regional strategies may also be eligible.

Regional Trail Network implementation

- Feasibility studies of trails;
- Engineering plans and design specification work for trails with transportation potential (either solely transportation, or transportation in addition to recreational potential);
- Right of Way acquisition; or
- Right of Way procedures.

Zero emission vehicle deployment

- Program development to support acquisition, installation, or operation of publicly accessible electric vehicle charging infrastructure or hydrogen vehicle fueling infrastructure;
- Needs assessment for zero-emission vehicle and necessary infrastructure deployment;
- Plans that will identify and eliminate or significantly reduce community-level impacts of ZEV deployment, with special consideration for disinvested communities;
- Programs to systematically reduce the environmental and community impacts of heavy- and medium-duty ZEV vehicles and freight movement;
- Feasibility studies to examine the potential for a community-operated ZEV car share program;
- Electric vehicle charging infrastructure network planning; or
- Outreach to educate disinvested communities on mode shifts to zero-emission forms of transportation, as part of a larger program as appropriate.

Strategic Carbon Reduction through Sustainable Mobility Options

- Programs and events promoting and providing training to use non-drive-alone travel options, such as biking, walking, transit, shared mobility, micromobility, vanpooling.
    - o Programs may target locations other than job centers, such as senior housing and/or affordable housing locations.
    - o Programs may also educate about available low-income incentive programs.

- Advanced transportation technologies to improve emergency evacuation and response by Federal, State, and local authorities;
- Integration of transportation service payment systems; or
- Advanced mobility, access, and on-demand transportation service technologies, such as dynamic ridesharing and other shared-use mobility applications and information systems to support human services for elderly and disabled individuals.

Evaluation costs are allowable costs unless prohibited by statute or regulation, and such costs may include the personnel and equipment needed for data infrastructure and expertise in data analysis, performance, and evaluation. (2 CFR Part 200).

Sponsor Eligibility

Public agencies in the federal planning boundaries of SACOG, Caltrans District 3, and special districts (e.g., air districts, JPAs, transit agencies) are eligible to apply if they are able to manage federal-aid funds.

Funding

The CRP is a 5-year program spanning federal Fiscal Years (FY) 2022 to FY 2026. Over this time, SACOG anticipates receiving approximately $22 million, or roughly $4.2 to $4.5 million per year (adjusted for inflation annually). The initial program budget includes the federal fiscal years 2022 and 2023 and is set at $8,525,629. The Carbon Reduction Program Strategy identified that a minimum of 85 percent of the CRP funding be distributed through competitive grants. A maximum of 15 percent will be used by SACOG to implement the Regional Trail Network, upcoming Mobility Zones efforts, and efforts consistent with the CRP Guidelines. Thus, this round of Carbon Reduction Program will competitively distribute up to **$7,441,629** within the six-county region.

A minimum funding request is set at $250,000, with respect to the level of effort needed to manage federal funding; a maximum funding request is set at $1,500,000, acknowledging the relatively small funding total available across a six-county region. Projects jointly proposed by two or more local agencies/eligible project sponsors may request up to $2,000,000.

As with most federal funds, the amount of non-federal match required varies depending on the project type. Most CRP projects require an 11.47% non-federal match. Due to the limited balance of toll credits statewide, toll credits are not an eligible match for CRP.

Project Selection Process

Pre-application review

From release of the CRP guidelines to the end of the project application consultation and feedback period (January 26, 2024), potential project sponsors may meet with SACOG staff to discuss projects and concepts for CRP.

Project sponsors may submit a one-page overview of the proposed project scope(s) and relevance to the regional Carbon Reduction Program and evaluation criteria. Staff will review the proposal and provide feedback within two weeks of submittal. Feedback will cover eligibility of the project and

competitiveness of the scope. The intent of the pre-application review is to provide project sponsors with feedback to inform their next steps with scope development and focus efforts on the most competitive and eligible options.

Screening for eligibility

SACOG staff will review submitted projects for eligibility. Any projects found to not meet the screening criteria will be removed from the evaluation process. Project sponsors will be contacted prior to a project being removed.

1. Project is eligible for Carbon Reduction Program funds.
2. Project is consistent with the MTP/SCS.
3. Program development and pre-construction projects have identified potential federal and/or state source(s) of implementation/construction funding.
4. Project is requesting more than $250,000 and less than $1,500,000 (or, less than $2,000,000 if there are two or more sponsor agencies).
5. Project request is not supplanting committed funding.
6. Project is not required as a condition of a private development.
7. *Project will obligate funding by June 30, 2025.*
   a. If your project is awarded and you fail to deliver by June 30, 2025, your funding may be removed from your project and awarded to the next project on the contingency list.
8. *If submitting more than one project to the Carbon Reduction Program, Project sponsor must submit a prioritized project list.*
   a. *The prioritized project list will be used if two projects submitted by a project sponsor are scored similarly and there is inadequate funding to award multiple projects.*

Evaluation of projects

Projects will be evaluated by SACOG staff and external staff using the following metrics and emphases.

Potential for…	Relevant discussion for program development or implementation	Relevant discussion for pre-construction *(Regional Trail Plan implementation)*	Weighting
Local need	• Discuss how project was identified for CRP funding; • Describe what data or local input was used to identify the program need.	• Identify prior local support and/or inclusion in planning documents; • discuss how the project was identified for CRP funding.	10%
Regional potential for carbon reduction	• Discuss the alignment with regional carbon reduction efforts, geographic coverage, and the overall potential for potential for carbon	• Identify where/how the project is identified in the Regional Trail Plan; • Describe how the project would overcome regional	20%

	reduction as a direct outcome of your project	barriers (infrastructure and institutional barriers, e.g. multiple governing agencies); • Discuss the overall potential for carbon reduction as a direct outcome of your project.	
Scope/approach	Describe how the proposed scope with consideration for— • Partners involved in advancing the project and shaping it's implementation; • Potential to develop broader support for the project from key audiences; • Usability/implementation potential of the deliverables; • How the project scope will maximize the potential for success in specific federal or state funding programs.	Describe the proposed scope with consideration for— • Completing a meaningful project phase; • Continued community input and shaping throughout the project development; • Potential to develop broader support for the project from key audiences; • How the project scope will maximize the potential for success in specific federal or state funding programs.	40%
Benefit to disinvested communities	• Discuss the steps you have taken and/or will take to equitably engage disinvested residents and apply inclusive planning practices. • Describe how these efforts would go beyond standard outreach projects to reach disinvested residents.	• Describe the anticipated benefits and how those align with input from affected disinvested communities. • Describe how the project will continue inclusive planning throughout the pre-construction phases. • Describe how these efforts would go beyond standard outreach projects to reach disinvested residents.	15%

Safety and public health	• Discuss the project's commitment to safety through program design and input to support a safer transportation network; • Describe the project's potential contribution to public health, e.g., improved air quality, decreased freight impacts, strengthening of community transportation routes.	• Discuss how the project will consider and address safety concerns with relation to avoidance of traffic and the user's perception of safety; • Describe potential impacts on public health, e.g., locally or regionally significant destinations accessed by the future trail.	15%

Ranking of Projects

Staff will finalize the list of recommended projects and identify a prioritized list of contingency projects in the event a CRP-funded project is unable to obligate the awarded funding in the necessary timeframe. The contingency project list would be in effect through June 30, 2026; inclusion in the contingency list is not a guarantee of future CRP or other SACOG-distributed funds.

The SACOG board will review the recommended project list and contingent project list for approval and authorize next steps for project and program implementation.

Implementation

The Carbon Reduction Program funds must be obligated by June 30, 2025, and expended by September 30, 2030.

Successful applicants who are awarded a grant will be asked to:
• Amend their project into the Metropolitan Transportation Improvement Program (MTIP) via SACTrak, the online MTIP project database.
• Follow SACOG's delivery policy at the time of programming for obligating and spending the grant funds. The policy requires that project applicants honor the MTIP schedule and/or delivery commitment schedules for obtaining funds and implementing the phases of the project.
• Provide a local (non-federal) match. The required match for the Carbon Reduction Program is 11.47 percent of the participating phase cost and/or the total participating project cost required for projects receiving federal funding in the Sacramento region. This does not include "in kind" match but must be funding that is dedicated to eligible features within the project and included in its overall cost.
• Comply with the Caltrans' Local Assistance Procedures Manual and Caltrans' Local Assistance Program Guidelines.
• Request a federal authorization (E-76) from Caltrans District 3 Local Assistance (after the project is programmed in the MTIP and is ready for implementation). Only after the project is authorized and/or allocated can the sponsor incur expenses that will then be reimbursed from the grant.
• Obligate their funding no later than June 30, 2025.