



Regional Funding Program Guidelines

Action

Author: Kristina Svensk

Attachments: Yes

Referring Committee: Transportation

Issue:

Staff has prepared guidelines for the funding programs in the next Regional Funding Round.

Request:

Approve

Recommendation for Board:

The Transportation Committee recommended that the board approve the Regional Funding Program Draft Guidelines.

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That the Transportation Committee recommend that the board approve the Regional Funding Program Draft Guidelines.

Background:

In February 2023, the SACOG board approved the response to a corrective action issued by Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) to Caltrans regarding the suballocation and administration of two federal funding sources used by SACOG for regional funding rounds: Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds. SACOG's response changed the regional funding round from a four-county program to a six-county program for the federal STBG and CMAQ funding.

It is important to note that the state funding from the State Transportation Improvement Program (STIP) will remain a four-county program. STIP funding is distributed to the Regional Transportation Planning Agencies (RTPAs), which SACOG serves as for Sacramento, Sutter, Yolo, and Yuba counties. STIP funds are calculated by the state for each county, based on a combination of population and lane miles; these make up the "county shares" that are available for each county. While the program is remaining a four-county program, the process for administering the STIP funding warranted updates to better align with the state program.

Because of these changes, the board directed staff to convene a board working group comprised of six SACOG board members, one from each county, and a staff working group comprised of representatives from local

agencies from the across the region. The two working groups were charged with developing the next regional funding round, the timing of which is yet to be determined. In March 2023, staff kicked off the funding round working groups.

At the June Transportation Committee meeting, the committee recommended that the board approve the Regional Funding Round Framework developed by the working groups. The framework was approved by the board in August. The description of the Regional Funding Round programs included in that framework are below.

Regional Funding Programs:

Six-County Federal Funding Program

The Regional Funding Round Guidelines includes three federal programs that aligned with their funding source: a **Next Generation Solutions/Clean Air** program using CMAQ funds, and the **System Performance** and **System Preservation** programs using STBG funds that provides more flexibility for fix-it-first projects. Below is a description of each program. More detailed information is included in the Regional Funding Program Guidelines attachments.

Next Generation Solutions and Clean Air Program

The Next Generation Solutions and Clean Air Program is designed to foster the next generation of mobility solutions, including implementation of SACOG initiatives such as the Regional Transit Network Study and Regional Trails Network, as well as funding active transportation projects, ZEV implementation, Complete Streets projects, other infrastructure for high-capacity transit, streetscape corridors, and other projects that have air quality or multi-modal benefits.

System Performance Program

The System Performance program will advance projects that increase the performance of the existing regional transportation network. The flexible nature of the STBG program allows for a wide range of eligibility for roadway improvements and other transportation network infrastructure projects, including transit.

System Preservation Program

The System Preservation Program will address the need for road preventative maintenance to reduce the local agency backlog of road maintenance needs and focus funding on major roadways that heavily contribute to the movement of people and goods in the region.

At the June Transportation Committee, a public comment was received from Sacramento Transportation Authority Executive Director, Kevin Bewsey, about including farm-to-market routes in the proposed System Preservation program. Additionally, at the staff working group, this topic was discussed in depth. Staff incorporated the feedback into the guidelines by adding a category for farm to market and agritourism routes, with the following definitions:

- *Farm to Market Definition:* Road within a rural agricultural production area that prioritizes the movement of goods and services to markets and/or postharvest or processing facilities.
- *Agritourism Definition:* Road that accesses a permitted and defined agritourism opportunity, which must: (1) combine essential elements of the tourism and agricultural industries; (2) attracts members of the public to visit agricultural operations; (3) increases farm income; and (4) provides recreation, entertainment, and/or educational experiences to visitors.

For each of these roadways, agencies would need to provide information related to economic impacts of goods moved, person and/or vehicular volume information, and existing roadway condition information, among others. More detailed guidance on how to identify, describe, and incorporate the routes into an application will be included in the application guide that will accompany the program application.

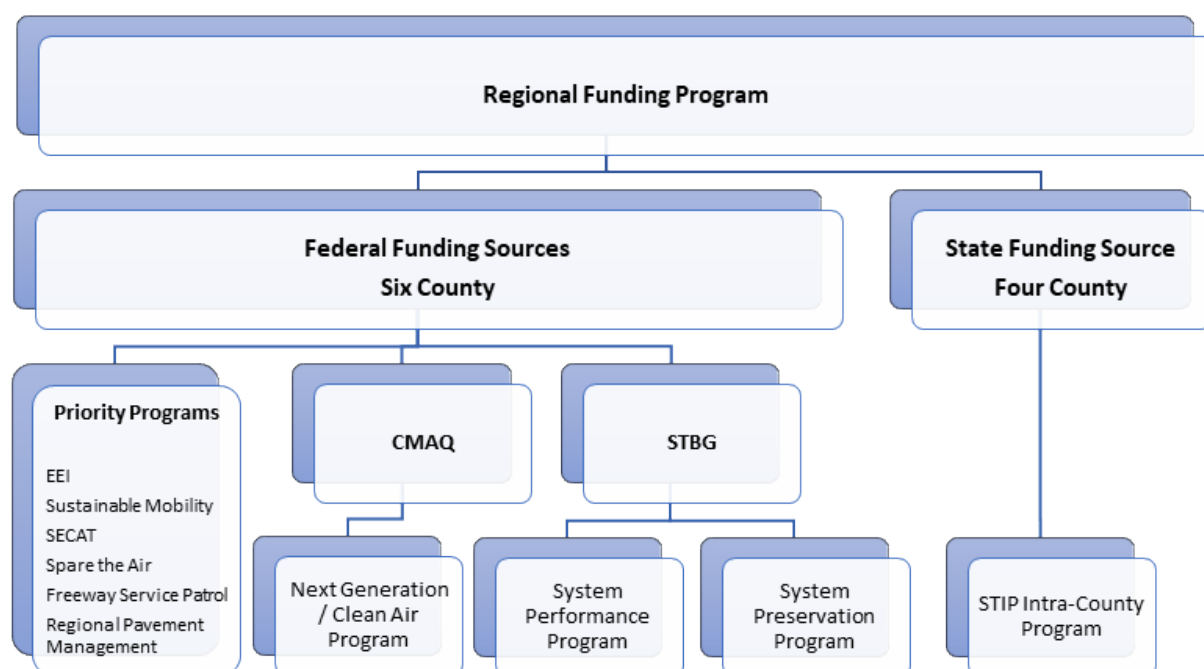
Four-County STIP Program

SACOG's current practice with STIP funds is to pool the "county shares" together and utilize these funds in combination with federal sources for the regional funding round. The original intent of this was to ensure that regionally significant projects that were STIP-eligible could be funded in a meaningful capacity, with shares drawn from across the four counties. As the state and federal funding programs will now no longer be coupled together, staff and the working group developed a STIP program focused on an intra-county competitive program for each of the four counties, led by SACOG, that would address several of the needs of the local agencies with consistent county-wide funding. The program would also set aside a portion of the funding to be pooled to support regionally prioritized projects.

The four-county STIP funding program will be aligned with the state's Climate Action Plan for Transportation Infrastructure (CAPTI), focusing state dollars on fix-it-first projects, project that increase modal choice and projects that support climate and equity.

Priority Programs

Priority programs are sub-programs that are designed to achieve one specific regional priority. These focused programs traditionally have smaller budgets and generally provide funding to projects that are not centered on capital investments as explicitly as the major programs discussed above. SACOG is carrying forward prior programs that have either been administered in years past, and/or that have already been dedicated funding by the SACOG board. These include **Engage, Empower, and Implement (EEI)**, **Sustainable Mobility** (formerly Mode Shift), **Sacramento Emergency Clean Air Transportation Program (SECAT)**, and **Spare the Air**. In addition, SACOG is including two new programs for this category – the **Regional Pavement Management Program** and the **Freeway Service Patrol Program**.



Discussion/Analysis:

Early in the working group process, staff and the working groups identified a set of program goals and commitments along with a set of guiding themes to direct the task of creating the new funding programs within the Regional Funding Program. The program goals and commitments outline SACOG's policy goals, strategic plan goals, and the policy goals of the state and federal funding programs. The guiding themes balance the various needs of the region's local agencies with the goals.

Program Goals and Commitments:

- Meet federal and state performance objectives and policy goals.
- Position region for competitive state and federal funding.
- Implement policies from the 2025 Blueprint (MTP/SCS).
- Integrate equity considerations more fully into regional investment priorities.
- Prioritize state of good repair and fix-it-first.
- Advance regionally identified programs.

Guiding Themes:

- Greenhouse gas (GHG)/Vehicle miles traveled (VMT) reduction
- State of good repair/fix-it-first
- Urban and rural needs balance
- More certainty of funding
- Partnerships and regional support of projects
- Agency Strategic Plan and MTP/ SCS Policy Framework – Equity, Economy, and Environment

Staff and the two working groups developed a set of guidelines for the Regional Funding Program that were led by this initial policy guidance. Staff has been collaborating with the working groups to create the guideline evaluation criteria for the specific programs within the adopted framework. The evaluation criteria aims to balance the requirements and eligibility of SACOG's funding sources, SACOG's regulatory requirements, and the needs of SACOG's member jurisdictions.

It is imperative that the Regional Funding Program focuses on evaluating and funding the region's most competitive projects with the limited federal dollars available to SACOG. As such, SACOG has included a maximum number of applications that can be submitted by each agency for the three federally funded programs - Next Generation Solutions/Clean Air, System Preservation, and System Performance Programs. After reviewing the last three funding round cycles, staff believes that a cap of three (3) applications per agency per federal program (or nine applications in total) would not be limiting, but instead would ensure that partner agencies focus submittals on the most pressing regional and local projects. Note that this application maximum does not apply to the state funding program, which is administered within each county individually.

Program Evaluation Criteria

All applications will be evaluated on the following project components: Project Background, Community Engagement, Performance Outcomes, Project Leverage and Cost Effectiveness, Project Deliverability, and Risk Assessment.

To meet the goals of the overall program and each of the programs individually, projects must be able to

demonstrate key performance objectives. Applicants will be able to select two of the program specific performance outcomes (except the System Preservation Program which only uses “State of Good Repair”). Each program is listed below and includes the program specific performance outcomes to select. Each performance outcome has SACOG data that will be provided to the applicant through the Project Performance Assessment (PPA) Tool. Applicants will answer the narrative questions only for the selected outcomes and will only be evaluated on the applicant-selected two outcomes. The specific performance outcomes for each program is listed below.

Next Generation Solutions and Clean Air Program

- Reduce regional vehicle miles traveled (VMT) and/or greenhouse gases (GHG) per capita.
- Reduce regional congestion.
- Increase multi-modal travel/alternative travel/choice of transportation options.
- Provide long-term economic benefit within the region, recognizing the importance of sustaining urban and rural economies.
- Climate adaptation and resilience

System Performance Program

- Reduce regional vehicle miles traveled (VMT) and/or greenhouse gases (GHG) per capita.
- Reduce congestion.
- Increase multi-modal travel/alternative travel/choice of transportation options.
- Provide long-term economic benefit within the region, recognizing the importance of sustaining urban and rural economies.
- Improve goods movement in and through the region.
- Significantly improve safety and security.
- Demonstrate state of good repair benefits that maintain and improve the existing transportation system.

Four-County STIP Program

- Demonstrate “state of good repair” benefits that maintain and improve the existing transportation system.
- Significantly improve safety and security.
- Increase multi-modal travel/alternative travel/choice of transportation options.
- Improve goods movement in and through the region.
- Climate adaptation and resilience

Funding Estimate

The funding estimates for both the federal and state programs will be developed and presented to the SACOG board in 2025. The funding estimate for the state STIP will be determined by the state published STIP five-year estimates. It is expected that the Four-County STIP Program will be implemented in spring of 2025. The funding estimate for this program will be approved by the board prior to the call for projects and will include a decision to determine the amount of funding to pool to support regional projects.

The federal funding estimates for the CMAQ and STBG programs will be developed and presented to the board prior to the call for projects for the federal programs. The CMAQ program will fund the Next Generation Solutions and Clean Air program. The amount of CMAQ funding that SACOG receives is approximately \$30 million annually. The STBG funding will fund the System Performance and System

Preservation Programs. SACOG receives approximately \$38 million in funding annually. The board will determine the amount of funding for each program at the adoption of the funding estimate. This process will include the county target setting process that was outlined in SACOG's response to the FHWA corrective action, which was approved by the board in February 2023. The priority programs will be funded by either CMAQ or STBG funding depending on their program goals and requirements of the funding sources.

Fiscal Impact/Grant Information:

There is no fiscal impact. Staff time is accounted for within the Overall Work Program (OWP) and adopted budget. Funding for these programs is based on available funding apportioned to SACOG through state and federal funding, as well as prior funding commitments. Awards for transportation projects generally occur outside of the budget and Overall Work Program and are reflected in the Metropolitan Transportation Improvement Program.

List of Attachments:

Attachment A: Regional Funding Program Federal Guidelines

Attachment B: Four-County STIP Program Guidelines