

Funding Round Budget Supplemental Changes

This attachment describes changes to the 2021 funding round budget that the board initially reviewed in August 2020 and adopted two months later in October. Attachment A-2 is the board-adopted budget from October 2020 that includes still-relevant descriptions of the core revenues that comprise the budget. Through the earlier staff reports and board committee dialogue, a handful of open issues were discussed that pertain to the 2021 SACOG funding round.

Six months later, the open issues are resolved so a final funding round budget is now recommended as part of the staff recommendation for the 2021 funding round. The four resolved issues include the federal stimulus funds (which at that time were still uncertain) as well as the timing of external funding programs (e.g., STA's Smart Growth Incentive Program and the state's Active Transportation Program) that impact the total revenues available for the funding round and the associated award recommendations.

Summary of Associated Funding (with details on subsequent pages)

1. Stimulus (CRRSAA) funds

The staff recommendation is to add the four-county portion of these stimulus funds to the core 2021 funding program (which would increase the combined Regional and Community Design programs from approximately \$182 million to \$198.6 million) and continue the budget practice of programming up to five percent of the region's available STIP funds for Planning, Programming, and Monitoring (PPM) activities. The \$405,000 of estimated new PPM for SACOG is in addition to a recommended equivalent 5% set-aside of the available federal funding for complementary funds management and technical assistance efforts by SACOG staff.

Increasing the SACOG funds management and technical assistance total identified in the October funding round to now also include CRRSSA funds results in a total estimated set-aside of \$2,457,500 from the 2021 regional funding round budget. This SACOG set-aside is approximately 1.2% of the total 2021 regional funding round budget. Final federal apportionment reporting and administrative SACOG staff activities that follow the board's policy action will be used to finalize the totals and timing of the budget available for funds management and technical assistance activities. Staff will brief the board no later than October on these matters and the related wrap-up of other funding round-related administrative activities.

2. Smart Growth Incentive Program match funds

These are the \$5.5 million in funds available from Sacramento Transportation Authority that serve as match to certain Community Design projects. The final column of the staff recommendation table (Attachment B) identifies these funds as **SGIP**.

3. Multi-cycle policy commitments

These commitments are for projects recommended to receive a “multi-cycle commitment,” a funding recommendation that spans this and the subsequent funding round. The Attachment B summary table lists the recommended award for this current cycle in the 2021 column, and the award for the subsequent cycle in the **next cycle** column.

4. State and Regional Active Transportation Program awards

In a separate item SACOG staff will bring recommendations for the six-county regional component of the ATP program. Both these regional and state ATP recommendations affect the funding request of a subset of projects that applied both in ATP and the SACOG four-county round. The SACOG staff recommendation table identifies the relevant ATP awards (or award recommendations) as **state** or **regional ATP** in the Attachment B summary table.

Description of Associated Funding

1. Stimulus (CRRSAA) funds

As part of the federal *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSAA), signed into law on December 27, 2020, California received approximately \$912 million of the \$10 billion the act provides to states for eligible transportation activities. Based on the California Transportation Commission's (CTC) forthcoming action on how to allocate these funds within California, staff anticipates the full six-county SACOG region will receive an estimated \$21.6 million (\$16.76 million four-county region) in one-time funds to use for transportation.

As described in the main policy item, staff recommends the four-county portion of the CRRSAA funds be put towards the programming levels of the 2021 regional funding round, given the heavily oversubscribed nature of the Regional and Community Design programs and how each project in these competitive programs has just gone through a full working group performance assessment. Such a policy action would increase the budget of the combined 2021 Regional and Community Design programs from \$181.6 million to \$198.6 million.

CRRSAA funds were originally set to flow through the State Transportation Improvement Program (STIP), but the CTC action on March 24 reflected a change from the initial staff recommendation. In order to ensure adequate funding for rural regions in the state, which would receive less proportional funding through an all-STIP formula, the CTC ended up allocating 50 percent of CRRSAA funds through the Regional Surface Transportation Program (RSTP), and 50 percent of the CRRSAA funds through the STIP. As described upfront, staff recommends taking 5 percent of the total CRRSAA funding available for the four-county region as a SACOG set-aside in order to ensure that funds management and technical assistance activities by SACOG staff are adequately supported.

Table A1. Expected Stimulus (CRRSAA) Funds in Six-County Region

Counties	Expected CRRSAA Stimulus Funds
Sacramento, Sutter, Yolo, Yuba	\$16.76 million
El Dorado	\$1.6 million
Placer	\$3.2 million

2. Smart Growth Incentive Program match funds

At its October 2020 meeting, the Sacramento Transportation Authority (STA) board approved a strategy to make available up to \$5.5 million from its Smart Growth Incentive Program (SGIP) to serve as matching funds for SACOG's 2021 Community Design program. The strategy enables recipient STA member agencies to leverage additional grant funding through the program.

The STA board action proposed that of the \$5.5 million of SGIP, up to \$4 million be made available within the competitive Community Design program. At that time, it was anticipated that many STA agencies would instead apply in the non-competitive Community Design category. However, most STA agencies applied in the competitive program, with many projects recommended for a SACOG award. As such, the STA board will consider at its April 8, 2021 meeting whether to increase the cap in the competitive SGIP match to the full \$5.5 million available, in order to maximize this leverage.

Table A2 below summarizes the SGIP in the Attachment B funding table match in the 2021 Community Design program. The table also identifies which projects could not be leveraged with SGIP funds if the STA board decides to not program to the full \$5.5 million. The SACOG board will know by the time it acts on the 2021 funding round item the status of the STA decision.

Table A2: Smart Growth Incentive Program matching funds (from STA)

Sponsor	Project	SGIP Match on Community Design Award
City of Citrus Heights	Auburn Blvd Complete Street (Phase 2)	\$676,000
City of Galt	Kost Road Improvements	\$45,000
City of Rancho Cordova	Chase Drive- American River Parkway Connection Project	\$788,000*
City of Sacramento	Broadway Complete Street	\$750,000
City of Sacramento	Envision Broadway in Oak Park	\$237,000*
City of Sacramento	Franklin Blvd Complete Street	\$750,000
City of Sacramento	Stockton Blvd Complete Street	\$150,000
Sacramento County	Arden Way Complete Street Phase 2	\$513,000*
Sacramento County	Greenback Lane Complete Street Phase 1	\$783,000
Sacramento Regional Transit District	Sacramento Valley Station Realignment and Railyards Station	\$808,000
TOTAL (cap of \$5.5 million)		\$5,500,000

*Pending an STA Board action on April 8, 2021.

3. Multi-cycle policy commitments

New to the 2021 cycle, the SACOG board acted through its September 2020 policy framework to allow for a limited number of projects competing in the 2021 SACOG funding round to receive a multi-cycle funding commitment. In essence this means these projects will receive an award in both the 2021 funding round as well as a commitment to an additional award in a future SACOG regional funding round anticipated to be held in 2022 or 2023. The board put firm policy guidelines around this funding strategy. First, projects under consideration for a multi-cycle policy commitment must be non-expansion projects within the Transformative category. Further, the board directed staff that the number of such awards should be limited, given this is the first time the round has employed such an approach and to preserve the board's discretion in shaping the policy framework of the subsequent funding round.

Table A3 below lists out the projects staff recommends for a multi-cycle award. The staff recommendation includes approximately \$13.4 million of commitments for the subsequent regional funding round, which falls below 10 percent of the average funding total of prior Regional Program cycles.

Table A3: Multi-cycle Projects

Sponsor	Project	Recommended 2021 SACOG Award	Proposed Guaranteed Amount in Next Regional Round (est. 2022/23)
City of Sacramento	Broadway Complete Street	\$5.8 million	\$2.45 million
Sacramento Regional Transit District	Light Rail Modernization Phase 1 & 2	\$14 million	\$7.92 million
Yolo County	County Road 98 Safety & Bicycle Improvement- Phase 2	\$3.2 million	\$3 million
Total commitment for next regional cycle (less than 10% of avg Regional Program funding)			\$13.37 million

4. State and Regional Active Transportation Program awards

The call for projects in Cycle 5 of the state's Active Transportation Program (ATP) overlapped with the open application period in the 2021 SACOG funding round. As such, several projects competed concurrently in both the ATP and SACOG programs. SACOG funding round staff tracked the funding recommendations in the state ATP program (whose staff recommendation came in February 2021) and coordinated closely between the six-county regional ATP program and the four-county SACOG funding round. The companion ATP item describes the staff recommendations in the six-county regional ATP program. Several of the ATP recommendations (both in the state-wide competition and the subsequent regional ATP) fully funded projects (or phases of projects) that applied to the SACOG round. As those projects were fully funded through ATP, they were no longer considered for an award in the SACOG round. The final column of the SACOG staff recommendation table (Attachment B) lists those projects with a direct overlap in funding requests between these two programs that are being funded through the ATP.