



Land Use & Natural Resources Committee

Meeting Date: May 4, 2023

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

2022-2023 Regional Funding Round Staff Recommendations

Information

Prepared by: Chris Dougherty

Attachments: Yes

Approved by: Clint Holtzen

Referring Committee: Not Applicable

1. Issue:

Staff has prepared a recommendation for project funding awards for the 2022-2023 Regional Funding Round.

2. Recommendation:

None; this item is for information only.

3. Background/Analysis:

SACOG's Regional Funding Round is an important source of transportation investment in the region. Over the last 15 years, competitive funding rounds have occurred every two or three years. Projects are selected to receive funding for road, transit, bicycle, and pedestrian projects primarily within the four-county region (Sacramento, Sutter, Yolo, and Yuba counties).

The funds used in the funding round are primarily derived from state and federal transportation revenue sources. Based on the latest revenue forecasts, and an analysis of needs to maintain good regional project delivery, the board approved an approximately \$131.7 million budget for the 2022-2023 Regional Funding Round. The budget is derived from four sources: State Transportation Improvement Program (STIP), Surface Transportation Block Grant (STBG), Congestion Mitigation and Air Quality (CMAQ), and SACOG Managed Fund, the latter of which is used to fund non-competitive Community Design grants. In February, the board adopted a framework for how to award STBG and CMAQ in future funding years. STIP funds will still be awarded independently by Placer County Transportation Planning Agency and El Dorado County Transportation Commission for Placer and El Dorado counties in future funding rounds. This recommendation is based on the estimated apportionments for Federal and State Fiscal Years (FY) 2025 and FY 2026.

In 2020, staff worked with regional stakeholders to design the policy framework for the 2021 Funding Round. In addition to many individual and group meetings across all four counties, SACOG held a series of workshops to seek input under the themes of investment priorities, project identification, and overall application process. This effort resulted in the policy framework for the 2021 Funding Round that was adopted in September 2020. Due to the extensive engagement that went into the creation of the 2021 Funding Round and the overall success of the program, the SACOG board approved the same policy framework for the 2022-2023 Funding Round. The policy framework for the 2022-2023 Funding Round is consistent with the adopted 2021 Policy Framework, with some minor edits. The edits included some updates to the programs, new language on the equity goals of the programs, and reordering sections for readability. This language was

folded into the program guidelines for the Maintenance and Modernization, Transformative, and Community Design programs.

In October 2022, the SACOG board adopted the Regional Funding Round budget and program guidelines and in November 2022, SACOG staff released a call for projects. Included in the October action was the decision to limit the Transformative program to 25 percent of the regional program budget.

Four funding programs fall under the regional program, they are described below:

Community Design

The mainstay Community Design program supports placemaking that improves or enhances the livability of a community and is consistent with the seven Blueprint Principles (transportation choices, housing diversity, compact development, mixed land uses, use of existing assets, natural resource protection, and quality design). The 2020 framework added elements to Community Design that align with the Green Means Go initiative and leverage state funding to accelerate projects in Green Zones. Applications for this program were due on January 18. This program has a budget of \$13 million, and SACOG received a total of eight applications totaling over \$26.5 million in requests for competitive projects, and 15 applications totaling \$3.3 million in requests for non-competitive projects.

Maintenance & Modernization

This core Funding Round program is for cost-effective non-expansion projects less than \$5 million that improve the management and condition of existing transportation assets, demonstrating “state of good repair” benefits while supporting the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) performance objectives. Typically, these projects have fewer implementation risks but provide localized performance benefits that are more difficult to measure. Applications for this program were due on January 25. SACOG received 43 applications totaling nearly \$138 million, however the program’s budget is approximately \$60 million.

Transformative

This core Funding Round program is for all system expansion projects and for larger (\$5 million+) non-expansion projects that have significant regional benefit and realize the performance benefits of the MTP/SCS, as well as promote effective and efficient use of limited state and federal funding resources. Typically, the project implementation risks are higher, but these projects often provide notable regional benefits, and the performance benefits can be measured with more confidence. Applications for this program were due on February 8. This program has a budget of \$28.5 million, and SACOG received over \$170 million in project requests through 18 applications.

Revolving Match Program

The Regional Program policy framework adopted by the SACOG Board in September 2020, provides the foundation for the Revolving Local Match Program. The program is intended to help project sponsors with additional funding to help pursue major federal or state grants and to support the delivery of their maintenance and capital projects. By adding a strategic amount of funding to a project to increase competitiveness, the program aims to better leverage the SACOG funding round to position projects that align with SACOG initiatives for these larger programs. A sponsor can request up to a maximum of \$4 million per project. If a selected project does not receive funding from the identified state or federal funding program in that cycle, funds will not be programmed to the project and will be returned to the program for future rounds. Two rounds of the Revolving Local Match Program will be held each year, to provide opportunities as

various federal and state programs are released. Applications for the program are intended to be streamlined and no longer than two pages in length.

Pre-Application Outreach

Prior to the call for projects, staff held pre-application consultations with each of the four county jurisdictions and other regional partners. Through these pre-application meetings project sponsors discussed their needs, objectives, priorities, and proposed projects for the upcoming funding cycle. Staff gave feedback on how the projects aligned with the program guidelines.

4. Discussion/Analysis:

Application for Maintenance and Modernization, Community Design, and Transformative programs were due in January and February. In total, SACOG received a total of 83 applications over the three programs, amounting to a total request of \$339,397,950.

A detailed breakdown of the applications received for each program is below.

Funding Program	Number of Applications Received	Program Budget	Amount Requested
Community Design Competitive	8	\$13,000,000	\$26,581,000
Community Design Non-Competitive	15		\$3,325,000
Maintenance & Modernization	43	\$60,000,000	\$137,738,550
Transformative	17	\$28,500,000	\$170,735,400
Total	83	\$101,500,000*	\$311,798,950

*This amount reflects the program budget without the \$28.5 million allocated to the Revolving Match program

Review Process

Since applications were submitted in January and February staff conducted an evaluation of all submitted applications, following the policy framework adopted by the board in October 2022. The project selection process involved the convening of a working group comprised of SACOG staff and external participants from around the region. The review process included evaluation working groups that reviewed applications for their performance outcomes and engineering working groups that focused on the funding eligibility and deliverability. The working groups' participants were comprised of a mix of professionals from partner agencies across the region. They included experts in transportation, engineering, land use and community engagement.

Following an orientation meeting, each member of the various evaluation working groups independently reviewed and assessed applications based on their merit within the program's selection criteria. The working groups then convened to discuss and evaluate submitted projects in a review that considered the various inputs of the performance evaluation, including quantitative indicators. The quantitative tools used for review included the SACOG Project Performance Assessment (PPA) tool that has been used over the past few cycles of the Regional Funding Round. New to this round was the use of the PPA Rollup Tool, this new tool was used by the review groups for comparative analysis directly between submitted projects. Upon conclusion of the working group meetings, staff compiled the working group findings into a final recommendation across the various programs and categories, within the available funding amounts.

Staff Recommendation

The approximately \$131.5 million in awards through the core programs of the 2022-2023 funding round are the culmination of a multiyear process. A summary of the staff recommendations is outlined in Attachment A.

Staff requests that the Transportation Committee recommend that the board approve the 2022-2023 Regional and Community Design programming recommendations, which include project scopes, funding amounts and conditions. A more detailed project summary that includes notes from the working groups is included in Attachment B. Due to the amount of funding for the program, the 2022-2023 Regional Funding Round was oversubscribed and very competitive. Staff is planning to meet with all applicants with unsuccessful applications to help them strategize for future funding rounds or other funding opportunities.

The board's adoption of the funding recommendation would allow staff to begin the important work of bringing the newly funded projects into the Metropolitan Transportation Improvement Program. Further, some low-cost projects in the Community Design program will receive SACOG Managed Funds, which require a Memorandum of Understanding (MOU) with SACOG; the board action will enable the executive director to negotiate and execute any needed MOU. Finally, as it has in prior cycles, the City of Isleton has requested SACOG be the contract manager of its proposed \$100,000 Community Design award utilizing SACOG managed funds (SMF). The board action would authorize SACOG to perform this service for this award plus any other SACOG grant to the city of Isleton utilizing SMF. SACOG has provided this service to smaller agencies in the past that lack resources for in-house contract management.

5. Fiscal Impact/Grant Information:

SACOG's administration of the Regional Funding Round is paid for by a combination of state Planning, Programming, and Monitoring funds derived from a five percent administrative share of the State Transportation Improvement Program (STIP), Transportation Development Act- Local Transportation Funds allocated to SACOG annually, and an administrative share of one percent of Surface Transportation Block Grant (STBG) funds.