

8. Federal Fiscal Year 2024 Project Delivery Report () (Est. Time: )



## Transportation Committee

Meeting Date: May 15, 2025

Agenda Item No. 8

### Federal Fiscal Year 2024 Project Delivery Report

#### Information

**Author:** Miguel Mendoza

**Attachments:** Yes

**Referring Committee:** Not Applicable

#### Issue:

The Sacramento Area Council of Governments (SACOG) helped sponsors across the region deliver transportation projects, including projects awarded as part of the regional funding rounds, during Federal Fiscal Year 2024.

#### Request:

Review & Discuss at Meeting

#### Recommendation for Board:

None; this is for information only.

#### Recommendation for Committee:

None; this is for information only.

#### Background:

Each year, SACOG helps sponsors with the delivery of their projects, focused on those funded by SACOG, El Dorado County Transportation Commission, and Placer County Transportation Planning Agency through the regional funding rounds. In addition to supporting individual projects, we also support the delivery of the overall program of projects. "Delivering" a project refers to obtaining the state or federal approval necessary to start work for a project or project phase.

To deliver projects, each region in California needs both apportionments (federal funds assigned to a region) and Obligation Authority (OA, the permission to use apportionments). Without OA, apportionments are unusable.

#### Project Delivery Plan Process

Each year our Project Delivery and Metropolitan Transportation Improvement Program Team helps project sponsors across the six counties deliver their projects using the board-approved process (Attachment A: Delivery Plan Process), focusing on those federal funds that we control, primarily Congestion Mitigation and Air Quality, Surface Transportation Block Grant Program, and Carbon Reduction Program funds.

The Delivery Plan Process organizes projects in three priority tiers:

- Tier 1 - Projects programmed for the current fiscal year
- Tier 2 - Projects programmed in a future year but are ready to deliver early
- Tier 3 - Projects that need to borrow funding (contingent on available dollars)

Tier 1 projects have priority for the first third of the year. After the tier 1 priority period, tier 2 projects share the same priority and are encouraged to move forward with their projects. If funding is still available after two-thirds of the year has elapsed then tier 3 projects may come forward.

The Delivery Plan encourages early delivery using a first-come, first-served system. If sponsors are ready to go early, they are more likely to deliver. The inverse is also true: If sponsors wait too long, or if many projects come in early, the region may run out of available funds.

For sponsors that arrive too late, the Delivery Plan provides options. The Project Delivery Team meets regularly with project sponsors and Local Assistance to coordinate, educate, and troubleshoot project delivery.

#### **Discussion/Analysis:**

Our region's project sponsors, in coordination with SACOG and Caltrans Local Assistance, delivered 39 projects or project phases (Attachment B: 2024 Obligated Projects). The 39 projects totaled \$77.1 million of SACOG awarded funds. \$77.1 million represents 210% of SACOG's available apportionment for 2024.

To support our strong delivery SACOG pursued and borrowed apportionments from three regions (Attachment C: 2024 Loans). SACOG will repay the loans by using future apportionments, as outlined in the attachment. There are no fees or interest charged for borrowing these funds. The loans provided our region with the opportunity to make progress on projects earlier than anticipated, which would have been difficult to achieve otherwise.

The thirty-nine obligated projects are represented by 24 agencies and encompass all six counties of the SACOG region. The projects support the implementation of our regional Metropolitan Transportation Plan/Sustainable Communities Strategy and were funded from prior SACOG, Placer County Transportation Planning Agency, and El Dorado County Transportation Commission funding rounds.

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

SACOG's programming and project delivery activities are funded by a combination of state and federal Planning and Programming Funds as well as state Transportation Development Act- Local Transportation Funds.

#### **List of Attachments:**

Attachment A: Delivery Plan Process

Attachment B: 2024 Obligated Projects

Attachment C: 2024 Loans

## Attachment A

### 2024 DELIVERY PLAN PROCESS

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**CMAQ and RSTP projects will be grouped into the following three prioritized tiers:**

<b>Classification</b>	<b>Project Group</b>	<b>Level of Priority</b>	<b>Obligation Authority (OA)</b>
<b>Tier 1</b>	Projects with CMAQ or RSTP funds in 2024 (the current year)	Priority until February 1, 2024	Subject to SACOG OA limitation
<b>Tier 2</b>	Projects with RSTP or CMAQ funds programmed in any year (2024-2026)	Priority until May 1, 2024	Subject to SACOG OA limitation
<b>Tier 3 Project Loans</b>	Projects for which sponsors want to borrow CMAQ or RSTP funds (usually to cover cost overruns or to advance STIP funds)	Will be considered after May 1, 2024	Subject to California OA availability, SACOG staff discretion

#### **Promoting Early Delivery**

The Delivery Plan Process is a first-come, first-served system. This incentivizes early delivery. Projects programmed in the Metropolitan Transportation Improvement Program (MTIP) for FFY 2024 are considered “Tier 1” projects and given the highest priority until February 1, 2024. The sponsors of these projects are expected to submit their fully completed Request for Authorization (RFA) to Caltrans District 3 Office of Local Assistance between October 1, 2023, and February 1, 2024.

Starting February 1, 2024, projects in FFY 2024 will lose their highest priority status and will share equal priority with projects in “Tier 2,” projects with CMAQ or RSTP in any other year. During this period, any project in the SACOG region may “obligate” (encumber) the remaining RSTP or CMAQ funds in FFY 2024 until no apportionments are left.

Starting May 1, 2024, Tier 1 and Tier 2 will share equal priority with projects that have been approved by SACOG staff for “Tier 3 Project Loans.” These are CMAQ or RSTP funds (or other SACOG-controlled funds) loaned to projects, usually to cover cost overruns or to advance STIP funds. The process and conditions for such loans are already well established in the SACOG region, and the proposed 2024 Delivery Plan will adhere to them.

#### **Mitigating Late Delivery**

The Delivery Plan Process is also a last-come, last-served system. The downside to this system is that, if sponsors wait too long or if too many sponsors come in early, the funding for the year may dry up before a sponsor can deliver.

Each year, we run out of either federal apportionments or obligation authority. A sponsor needs both to obligate federal funds. Apportionments are the actual RSTP or CMAQ funds while obligation authority (OA) is the budget authority or funding permission necessary to obligate apportionments. We can’t predict the exact date when apportionments or OA will run out. It may occur as early as February or as late as August. It depends on various factors, particularly how aggressive our delivery has been that year and in prior years. When either apportionments or OA run out, federal obligations stop, preventing projects from starting federally reimbursable work. We recommend sponsors aim to submit by December 1 each year to maximize the odds of successful delivery.

There are multiple options for sponsors who find that we have run out of OA or apportionment. We invite sponsors to meet with SACOG staff to find the best option:

**1. Stop and wait.**

Stop the project and wait for apportionment and/or OA to replenish. For some, that could mean waiting until the following October or February, depending on the project's Delivery Tier.

**2. Move ahead with local funds.**

Move ahead with the project by using "advance construction," where the sponsor begins a project with local funds until federal funds can be made available.

**3. Move ahead with partial obligation.**

Sometimes SACOG can make a fraction of the federal funds available for obligation, enough to allow for cash flow while the sponsor waits for the entire amount to become available.

**4. Loans from/to Other Regions**

SACOG staff can pursue interest-free loans from other regions to increase the amount of available apportionment or OA. Should we run out of OA or apportionment, we may be able to borrow it from another region. On rare occasions and circumstances, we may find it useful, necessary, or helpful to loan apportionment or OA to another region.

Because loans require quick action, staff will take any proposed loan agreements to the Executive Director using board delegation. Current board delegation gives the Executive Director discretion to commit SACOG for such purposes. Consistent with past practices, staff would then report back to the board in the year-end delivery update.

## 2024 OBLIGATED PROJECTS

Project Title	Lead Agency	Phase	SACOG Funds
Highway 49 Sidewalk Gap Closure	Caltrans D3	PE and ROW	\$ 2,000,000
San Juan Avenue Complete Streets Rehabilitation - Phase 1A	City of Citrus Heights	CON	\$ 1,300,000
Auburn Boulevard Complete Streets - Phase 2 (Rusch Park to Whyte Avenue intersection)	City of Citrus Heights	CON	\$ 10,871,845
Arcade Cripple Creek Trail: Sylvan to Stock Ranch Extension	City of Citrus Heights	PE	\$ 1,189,000
Laguna Creek Trail and W. Stockton Boulevard Multi Modal Improvements and EG Creek Trail Gap Closure	City of Elk Grove	CON	\$ 1,571,000
Laguna Creek Inter-Regional Trail Crossing at State Route 99	City of Elk Grove	PE	\$ 598,000
Fourth Street Promenade Extension	City of Galt	PE	\$ 275,000
Pennington Road Complete Streets Rehabilitation	City of Live Oak	CON	\$ 350,000
Placerville Drive Pedestrian Connectivity Project	City of Placerville	PE	\$ 141,648
Broadway Sidewalks	City of Placerville	CON	\$ 315,918
Community-Based Travel Planning and Wayfinding	City of Rancho Cordova	PE	\$ 1,061,911
At-Grade Railroad Roadway and Pedestrian Improvements	City of Rocklin	PE	\$ 450,000
Dry Creek Greenway Trail, Phase 1	City of Roseville	CON	\$ 6,102,736
Stockton Boulevard Multimodal Partnership and BRT Corridor	City of Sacramento	PE	\$ 1,800,000
Franklin Boulevard Complete Street - Phases 1 & 2	City of Sacramento	CON	\$ 8,411,000
Pedestrian Crossing at R and 29th/30th Street	City of Sacramento	PE	\$ 200,000
Great California Delta Trail - Clarksburg Branch Line Extension	City of West Sacramento	PE	\$ 1,075,353
Main Street Complete Street Project	City of Woodland	PE	\$ 300,000
El Dorado Trail - Missouri Flat Road Ph 2 Bike/Pedestrian Overcrossing	El Dorado County	CON	\$ 1,796,370
Placer County Congestion Management Program	Placer County Transportation Planning Agency	CON	\$ 219,371
Countywide Zero Emission Vehicle (ZEV) Infrastructure Plan	Placer County Transportation Planning Agency	CON	\$ 1,200,000
Placer County Freeway Service Patrol FY 2023+	Placer County Transportation Planning Agency	CON	\$ 160,687
Foresthill Road Safety	Placer County	CON	\$ 705,339
Bowman Road Bridge	Placer County	CON	\$ 62,101
PPM - Carbon Reduction Program	SACOG	PE	\$ 100,000
Transportation Demand Management Phase 4	SACOG	CON	\$ 1,500,000
Regional Trails Network	SACOG	PE	\$ 435,470
Complete Streets Rehabilitation - Multiple Locations	Sacramento County	CON	\$ 4,101,174
South Sacramento Sidewalk Gap Closure Project	Sacramento County	ROW	\$ 267,751
Alta Arden Expressway Phase 1	Sacramento County	PE	\$ 391,000
Arden Way Complete Streets, Phase 1	Sacramento County	CON	\$ 4,305,250
Watt Avenue Complete Streets	Sacramento County	CON	\$ 1,984,000
Purchase New Light Rail Vehicles	Sacramento Regional Transit	CON	\$ 14,384,500
SECAT Program Phase 3	Sacramento Metropolitan Air Quality Management District	CON	\$ 4,499,991
East Esparto Sidewalk Improvement Feasibility Study and Design	Yolo County	PE	\$ 300,000
Fleming Way Safe Routes to School	Yuba County	PE	\$ 300,000
Linda Avenue and Dunning Avenue - Safe Routes to Schools	Yuba County	PE	\$ 893,000
Feather River Blvd- State of Good Repair Project	Yuba County	CON	\$ 1,549,000
			<u>\$ 77,168,415</u>

## Interregional Loans Taken In 2024

Region	FFY2024	FFY2025	FFY2026	FFY2027
Tuolumne County Transportation Council	\$611,493		(\$611,493)	
Nevada County Transportation Commission	\$2,249,254			(\$2,249,254)
Southern California Association of Governments	\$33,884,500	(\$10,000,000)	(\$13,884,500)	(\$10,000,000)
<b>Annual Total</b>	\$36,745,247	(\$10,000,000)	(\$14,495,993)	(\$12,249,254)
Total Funds Borrowed		\$36,745,247		
Total Funds to Be Repaid		(\$36,745,247)		
Balance		\$0		