



SACOG Board of Directors

September 16, 2009

Approve Fall Programming Process

Issue: SACOG staff is preparing for the biennial flexible funds programming round scheduled to take place this fall. Several activities are underway to help ensure a successful and transparent programming process. This process applies to Sacramento, Sutter, Yolo and Yuba County jurisdictions. Jurisdictions in El Dorado and Placer Counties apply through the El Dorado County Transportation Commission and the Placer County Transportation Planning Agency, respectively.

Recommendation: The Transportation Committee recommends that the Board approve the use of the process, programming ranges, schedule, policies and project selection and evaluation criteria described in this item for SACOG's Regional/Local Funding Program as part of this fall's programming round, and that the Board authorize staff to release a call for projects for the Regional/Local Funding Program and implement an application for the program using input from the participants of the programming workshops and the SACOG committees.

Committee Action/Discussion: Every two years, SACOG conducts a programming round in which projects are selected for funding using regional Congestion Mitigation and Air Quality (CMAQ) funds, Regional Surface Transportation Program (RSTP) funds, and State Transportation Improvement Program (STIP) funds. These funds are programmed through the Air Quality, Bicycle & Pedestrian, Community Design, Transportation Demand Management (TDM) and Regional/Local funding programs. Of these five programs, the first four have clearly articulated and Board-adopted guidelines. The Regional/Local program has not had as clearly documented or as transparent a process to our outside partners as the other programs. Attachment A summarizes Board input from the September committee cycle, while Attachment B offers the estimated funding available for the five funding programs.

In addition to greater transparency, the fall programming process recommendations include efforts to utilize performance-based outcomes in selecting projects. As the trend towards performance based outcomes becomes increasingly evident in federal and state transportation policy, SACOG'S competitiveness may increase in future funding opportunities. Attachment C synthesizes overall policy guidance from Board committee input while Attachment D offers recommended screening and selection considerations for the Regional/Local program that are based on Board input.

Approved by:

Mike McKeever
Executive Director

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Attachments

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SUMMARY OF KEY INPUT FROM THE SEPTEMBER BOARD COMMITTEE CYCLE

The fall programming process is expected to proceed in a similar manner to those used for the other SACOG funding programs, as well as the American Recovery and Reinvestment Act (ARRA) funding round. Stakeholder input is being sought at all stages of the process, with both partner agencies and Board input reflected in these staff recommendations.

Stakeholder workshops were held in July and August and the fall programming process was discussed at the Transportation Committee in August and all four SACOG Board committees in September. Most of the input from committee members at the August 6th Transportation Committee, as well as the September 3rd and 8th committees focused on the policy considerations, and the comments that led to changes in the staff recommendations are described below.

All of the Board member recommendations discussed here are intended to inform this particular programming process, without prescribing an approach for future programming rounds. Although committee discussion largely focused on the largest and broadest program, the regional/local funding program, the input received will also inform the four smaller funding programs: air quality, bike/pedestrian, community design, and transportation demand management (TDM). The comments below are reflected in the Attachment C and D recommendations.

- Road rehabilitation projects will be allowed to compete in the regional/local funding program for this round as long as they incorporate some complete streets features. This is not intended to result in full complete streets projects (which can be funded through other ways), but rather to ensure that features such as bike lanes and sidewalks are included wherever possible on urban road rehabilitation projects and shoulder widening and other safety improvements are used to the extent possible on rural road rehabilitation projects.
- Funding for project development will be limited to 5% of the total Regional/Local Funding Program, or staff will bring back any recommendations in excess of this amount to the committee for approval.
- The screening consideration related to a sponsor agency's track record for technical capacity and reliability is not intended to disadvantage small jurisdictions. This criterion has been revised to reflect that this applies to agencies that have had trouble delivery projects in the past. Projects from those agencies will be closely reviewed on a case by case basis.
- Additional consideration will be given to agencies submitting a joint-proposal project; in other words, a project that can demonstrate multi-jurisdictional participation and benefits will receive some level of priority.
- Additional consideration will be given to agencies submitting a project for which the agency has already funded the initial phases with its own resources (i.e. environmental, design and/or right-of-way).
- Projects supporting reverse commute or tele-commute options will be considered as helping to reduce VMT.
- Projects on rural roads will be carefully considered for this programming round, particularly where they are shown to be farm to market routes or otherwise supporting the economic sustainability of the rural areas.

FUNDING AVAILABLE FOR THE FALL PROGRAMMING ROUND

There are still a number of uncertainties related to the amount of funding expected to come out of the 2010 State Transportation Improvement Program (STIP) funding process managed by the California Transportation Commission (CTC). A preliminary draft fund estimate was released on August 12th but will not be adopted until October. The CTC typically releases a new fund estimate every two years in July (of odd-numbered years); however, the Fund Estimate was delayed due to the late state budget. This will also delay the due date for the submittal of SACOG's projects to the CTC from December 15 to February 15, meaning that Board adoption of our fall program will now be scheduled for the January 2010 meeting. Until the final Fund Estimate is adopted, staff cannot accurately gauge the exact amount of funding that will be available for this fall programming round. There is also a very real possibility that both existing projects and newly programmed projects may be delayed to later years (2013-2015) depending on the actual level of funding available. The following is staff's revised estimate of a range of funding that could be available based on the latest information:

Air Quality Program	\$7.2 million - \$8.4 million
TDM	\$2.4 million - \$2.4 million
Community Design	\$12 million - \$20.2 million
Bike/Ped	\$8.6 million - \$14 million
Regional/Local	\$59.8 million - \$70 million
Total Range	\$90 million - \$115 million

These numbers will be adjusted when the CTC's Fund Estimate is adopted. Staff will continue to update our stakeholders, the Transportation Committee, and Board as the process advances and will be seeking input at all stages of the process.

OVERALL POLICY CONSIDERATIONS

Five policy considerations have been vetted by Board committee discussions in September that build on the input received in August from the Transportation Committee and advisory group members.

A) Honor Prior Funding Commitments

In what timeframe do we honor funding commitments already made?

In addition to funding commitments made to other agencies, the SACOG Board adopted transportation control measures (TCMs) through the adoption of the new Statewide Improvement Plan (SIP) air quality plan. TCMs must be completed by the dates specified in the SIP in order to meet air quality attainment milestones, but there may be some flexibility as to how the funds are spread over the years leading up to the TCM completion date.

B) Emphasize Cost-Effective Programming Decisions

How do we ensure that our programming decisions are as cost-effective as possible?

The current constrained funding environment calls for placing an even greater emphasis on making the most cost-effective programming decisions. Projects will be expected to perform more with fewer funding resources, so the focus could be on more immediate needs (e.g., projects within the next 10 years of the MTP). Project ~~sponsorss would~~ will also be expected to leverage other sources of funds, given the ever-shrinking share of state/federal funds, and to consider joint applications if multi-jurisdictional benefits can be maximized. The appropriate types of funding ~~will~~ ould be matched to the best projects for those fund types.

C) Fix it First, or Maintain Facilities in a State of Good Repair

Should SACOG give any priority to funding rehabilitation work as part of this programming round?

The current poor economic situation, as reflected in local and state transportation budgets, is significantly straining the ability of member agencies to operate and maintain existing facilities and services. The funding from this fall programming ~~could be considered~~ can ~~to~~ help support local agencies while also advancing longer-term policy objectives from the MTP. Road rehabilitation projects will be allowed to compete in the Regional/Local funding program for this round. An example of this could be funding some road rehabilitation projects as long as they also include elements that support complete streets and corridor features appropriate to an urban, small community, or rural context.

D) Focus on Small or Medium-Sized Capital Projects

What size/types of projects should be funded through this program?

The Regional/Local funding program has been an important source of capital funding, especially before state transportation bond funds became a key funding source. In past funding cycles, capital projects providing regional benefits have been awarded funds through the Regional/Local program. ~~A challenge for this policy priority is the limited number of projects that could be funded if the fall programming revenue is severely constrained.~~ For the federal and state funds that are available, Board members note that it is wise to emphasize small or medium sized projects.

E) Support Project Development Phases for Future Funding Opportunities

To what extent do we support funding project development over project construction?

The recent one-time funding from the American Recovery and Reinvestment Act (ARRA) and the Proposition 1B funding programs demonstrate the need to have “shelf ready” capital projects that are delivered and thereby ready to utilize funding from competitive programs likely to appear in the near future (e.g., reauthorization of the federal transportation bill, a possible second ARRA bill, future proposition 1B rounds, etc.). The policy consideration concept is for a relatively small and strategically allocated portion of the total revenue (no more than 5% without further Transportation Committee discussion) going to project development efforts (e.g., advance planning, environmental, and design/engineering).

DRAFT REGIONAL/LOCAL FUNDING PROGRAM PROJECT EVALUATION

The following recommendations are specific to the regional/local program and will be used to develop an application for this funding program. These recommendations will be made consistent with the application guidelines and selection considerations previously established for the four smaller programs (air quality, bicycle/pedestrian, community design, and transportation demand management).

Draft Project Screening Considerations

All of the following conditions must be met for a project to proceed in the programming process. Failure to meet each screening consideration will eliminate the project from further consideration.

1. The project must be listed in the MTP or clearly fit into a lump sum project category.
2. The project must be scheduled to begin construction no later than FFY 2016 with preliminary engineering and environmental analysis scheduled within three years.
3. The project costs and schedule estimate for environmental, engineering, ROW and start up construction must be believable, based on standards for similar projects.
4. The project sponsor must have a track record that demonstrates technical capacity and reliability for similar projects.
5. A request for construction funding must demonstrate that environmental, engineering and right-of-way will be ready by the time funds are requested and the financial ability for ongoing operations and maintenance.
6. The project must be consistent with complete streets requirements (if applicable). Davis, West Sacramento, and Sacramento County Measure A all have standards for accessibility. The state is looking to have similar standards in place by 2011.

Draft Project Performance Outcomes and Selection Considerations

Based on positive committee feedback, the regional/local program application will ask applicants to demonstrate how their proposed project supports one or more performance outcomes that were endorsed through prior SACOG Board actions. SACOG staff will prepare a simple application that offers references and examples for each performance outcome/consideration in order to assist applicants. Qualitative responses based on this information will be acceptable because in many cases computer modeling of the desired performance outcomes will not be available at the project scale.

- A regional reduction in vehicle miles traveled (VMT) per household/per capita
- A regional reduction in congested VMT per household/per capita
- An increase in multi-modal/alternative travel/choice of transportation options
- Provide long-term economic benefit within the region, recognizing the importance of sustaining both the urban and rural economies
- Improve goods movement, including farm-to-market travel, in and through the region
- Significantly improve safety and security