



**Board of Directors Regular Meeting**

**Meeting Date:** 10/18/2018

**Agenda Item No.:** 2018-October-26.

SACOG Board of Directors

**Subject:** Potential Impacts if Senate Bill 1 is Repealed (Est. time: 0 minutes)

**Receive and File**

**Prepared by:** Matt Carpenter

**Approved by:** James Corless

**Attachments:** Yes

**1. Issue:**

What are the potential impacts if Proposition 6, the Senate Bill (SB) 1 repeal ballot measure, passes?

**2. Recommendation:**

None, this is for information only.

**3. Background/Analysis:**

Proposition 6 on the November 2018, statewide ballot would roll back the state's current investment in local and state transportation networks by repealing SB 1, in addition to changing the process for enacting future state transportation funding.

In September, Bill Higgins, Executive Director of the California Association of Councils of Governments (CALCOG), provided the Transportation Committee with an update on SB 1 and the potential impacts of Proposition 6 on the Sacramento region. Attachment A is CALCOG's background memo, which includes data and information for the SACOG region. An additional overview of SB 1 funded transportation projects in the Sacramento region completed by Rebuilding California is Attachment B. It includes data and information from SACOG and other sources.

**4. Discussion/Analysis:**

Attachment C provides additional background on likely Proposition 6 impacts if the ballot measures passes. This new update focuses on SACOG's budgeted planning activities and regional projects at-risk that were not fully covered in the September Committee briefing. Five funding programs that relate to SB 1 are discussed in the attachment.

- Sustainable Communities planning grant awards (formula and competitive)
- Local Partnership Program (LPP) formula flexible funds
- Solutions for Congested Corridors Program (SCCP)

- Transit & Intercity Rail Capital Program (TIRCP)
- State Transportation Improvement Program (STIP) formula funds

Note that the September briefing memo from CALCOG (Attachment A) includes information on two other important SB 1 programs with funding awards at-risk. These programs are the Local Streets & Roads program and the State of Good Repair transit program. As with the Local Partnership Program (LPP), the amount of Fiscal Year (FY) 2018-2019 formula funding available for these programs would be prorated from what is currently programmed, or budgeted if Proposition 6 passes. Details on how much of the FY 2018-2019 funding would be available is to be determined, but it is anticipated that the FY 2018-2019 allocations would be for the revenues captured between July 1, 2018, and the November 6, 2018, election.

SACOG staff will continue to coordinate with local agencies throughout the region to share information on projects funded with SB 1 funding and the implementation risks should the Proposition 6 ballot measure pass.

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

Should Proposition 6 pass it is estimated that SACOG's operating budget would lose a portion of the \$772,000 in awarded Sustainable Communities planning grant formula funding for FY 2018-2019. An additional \$290,000 may also be lost in SACOG's operating budget from two at-risk competitive grants from the Sustainable Communities program.

## **6. This staff report aligns with the following SACOG Work Plan Goals:**

7. Deliver Key High-Profile Transportation Projects

### **ATTACHMENTS:**

Description

Attachment A

Attachment B

Attachment C



## EFFECT OF PROPOSITION 6 ON SACRAMENTO REGION PROJECTS

Californians are realizing the benefits from the recent increased funding for transportation maintenance and infrastructure investment. The result has been 6000 new road, bridge, and transportation improvement projects in the first 18 months of funding. This increased level of project activity, and the added accountability measures, demonstrate the long term value of this investment going forward for every region in the state.

But these new funding levels are at risk. In November, voters will decide their fate with Proposition 6—a constitutional amendment that would roll back the current investment in local and state transportation networks. The Legislative Analyst’s Office notes that more than \$5 billion in annual state funding will be eliminated for programs that directly fund state highways, local streets & roads, bicycle and pedestrian safety, congestion relief, transit, and freight and goods movement in the measure is passed. There is currently no back-up plan in place should these existing funds be eliminated.

Consistent with new accountability provisions, the California State Transportation Agency has listed and mapped all 6000 projects that have been funded by the so called “SB1” funding source so the public can see for itself where the money is going.

See [www.rebuildingca.ca.gov](http://www.rebuildingca.ca.gov)

Local and regional governments have engaged in education efforts to help residents identify what projects might be at risk if current funding levels are reduced. The idea of many of these efforts is that voters can decide whether the benefits of Proposition 6 (the average driver would save about \$10 a month in fees and taxes) is worth the cost of lost or significantly delayed transportation projects.

### How Different Types of Projects Will Be Affected

- Local Streets, Road & Bridge Repair.** Proposition 6 would reduce funding for local streets and roads that are used for bridge repair, filling potholes, repaving roads, congestion relief, and complete street improvements (like the City of Sacramento’s Grid 3.0 program) by a third (33% reduction) from current levels. This would require cities and counties to significantly delay some projects and mothball others entirely. In most areas, the new level of funding would not be enough to keep up with current maintenance needs of the existing system, meaning more potholes and expensive repairs as pavement conditions deteriorate.

<u>COUNTY</u>	<u>ANNUAL</u>	<u>10-YEAR TOTAL</u>
El Dorado	\$9.53 million	\$95.3 million
Placer	\$20.3 million	\$200.3 million
Sacramento	\$62.6 million	\$620.6 million
Sutter	\$6.82 million	\$68.2 million
Yolo	\$11.9 million	\$119 million
Yuba	\$4.15 million	\$41.5 million

- **Key Regional Congestion and Mobility Projects.** If Proposition 6 passes, many of the recent competitive programs that were created in which the Sacramento region competed successfully will cease to exist before all the appropriations can be made. This includes several key transportation projects in the Sacramento region:
  - I-5 Corridor Enhancement and the US 50 Multimodal Corridor projects, (awarded \$125 million in the Solutions for Congested Corridors program).
  - Light rail vehicles and Gold Line Improvements in partnership (with the Sacramento Regional Transit District), and improved inter-city rail connections between the SACOG region, the Bay Area and the Central Valley (awarded \$64.4 million and \$581 million, respectively, under the Transit and Intercity Rail Capital Program)
  - \$20 million for Capital Southeast Connector (awarded \$20 million)
  - City of Sacramento’s Grid 3.0 (received \$5 million)
  - Improving the City of Woodland’s Main Street (received \$2 million)
  - The City of Placerville’s Western Placerville Interchanges (received \$1 million)
- **Public Transportation.** SB1 has added approximately \$700 million statewide in new funding for public transportation. The increased funding to the State Transit Assistance (STA) programs and Transit State of Good Repair (SGR) will be eliminated under the proposed constitutional amendment. For the SACOG region, this would result in an approximately \$8 million decrease in annual STA funding and \$3.4 million in annual SGR funds will be eliminated.
- **Transformative Projects Going Forward.** The least discussed type of transportation project that Proposition 6 will affect are those projects that are “on the drawing board” or “in the pipeline.” These are projects that are in a Transportation Improvement Program (TIP) or Metropolitan Transportation Plan-Sustainable Communities Strategy (MTP-SCS) that will stay on the shelf. Project delivery takes time and requires certainty, which in turn require sufficient sources of funding. It’s difficult for public agencies to invest limited public dollars in the early scoping and environmental assessment of these kind of projects if the long-range funding sources are not predictable. As a result, some of the most innovative or transformative projects are likely to stay on the shelf until a time when greater certainty re-emerges for transportation funding.



# TRANSPORTATION PROJECTS UNDERWAY IN THE SACRAMENTO REGION



**152** PROJECTS FILLING POTHOLES AND REPAVING CRUMBLING ROADS

**30** TRAFFIC CONGESTION RELIEF PROJECTS

**100** PROJECTS IMPROVING THE SAFETY OF LOCAL ROADS

**24** PROJECTS IMPROVING THE SAFETY OF BRIDGES

**52** SAFETY IMPROVEMENTS FOR PEDESTRIANS AND BICYCLISTS

## SB1 FUNDING FOR OUR CITIES AND COUNTIES: 10-YEAR TOTAL

El Dorado County **\$95.3 MILLION**

Placer County **\$200.3 MILLION**

Sacramento County **\$620.6 MILLION**

Sutter County **\$68.2 MILLION**

Yolo County **\$119 MILLION**

Yuba County **\$41.5 MILLION**

**TOTAL \$1.1 BILLION**



## FILLING POTHOLES AND REPAVING ROADS

- 56 miles of pavement improvements on US 50 from I-5 to Watt Ave
- 67 miles of pavement improvements on I-5 in Sacramento County
- 35.6 miles of pavement improvements on I-80
- 59 miles of pavement improvements on US 50 between Rancho Cordova and El Dorado Hills in Sacramento County
- Pavement improvements on 35 miles on I-80 from east of Longview Drive to east of Madison Avenue near the City of Sacramento
- Multiple repaving and pavement repair projects on roads in El Dorado County to include roads damaged by heavy 2017 rains
- Pavement improvements on approximately 75 miles of County roads in Placer County
- Rehabilitate roadways in Rancho Cordova to include sections of Sunrise Boulevard in the Cordova Meadows neighborhood
- Repave 10 miles on I-505 from I-80 to Yolo/Solano County line
- Resurface on various sections of I-5 in Yolo County
- Repave sections of 11 different streets in Auburn in Placer County



## TRAFFIC CONGESTION RELIEF

- Install 7 ramp meters along I-80 at various locations in Yolo and Sacramento counties
- Support construction for the Capital SouthEast Connector expressway connecting I-5 to Highway 50 from Sacramento County to El Dorado County alleviating traffic congestion and increasing safety
- Improve traffic monitoring, along Highway 50 from the El Dorado/Sacramento County line to east of Stateline Avenue in El Dorado County
- Improvements to the Bridge Street corridor to include creating two lanes of traffic in each direction from US 70 in Marysville to US 99 in Yuba City
- Widen 3 intersections and add new striping to improve visibility in Sutter County
- Construct 17 miles of carpool lanes and make improvements on I-5 in Sacramento
- Construct 14 miles of carpool lanes on Highway 50 in Sacramento

# Examples of Projects Underway in the Sacramento Region

## BRIDGES

- **Replace and repave** structurally deficient concrete bridges in **Sacramento County**
- Improve truck carrying capacity on bridges on **I-5** in **Sacramento County**
- **Revamp 8 bridges** on **US 50, SR 20, I-80** and **SR 89** in the counties of **El Dorado, Nevada** and **Placer**
- **Increase vertical clearance** for improved freight movement on **I-5** in **Yolo** and **Colusa** counties
- **Replace Walnut Grove Bridge** deck at the Sacramento River in the community of **Walnut Grove**

## ROAD SAFETY

- Visibility improvements by **restriping local roads** at **multiple locations** in Sacramento, Sutter, Placer, Yolo and Yuba counties
- Replace drainage culverts to **prevent flooding** on **US 50** from West of El Dorado Road to east of Braeburn Lane near the **City of Placerville** in **El Dorado County**
- Remove and **replace failing pavement** and improvements to sidewalks on **Fulton Ave** in **Sacramento**
- Enhance **traffic signal coordination** and **monitoring** at **71** signaled intersections throughout **Sacramento County**
- Install nearly **100 street lights** in the **Florin** area in **Sacramento** to improve visibility

## PEDESTRIAN SAFETY

- Construct **street improvements** including new sidewalks, ADA-compliant curb ramps, bike lanes, street lighting, center medians, and traffic signal upgrades including ADA-compliant pedestrian signals on **Power Inn Rd** in **Sacramento County**
- Restriping, adding signage and warning devices, improved sidewalks and upgrades to meet ADA standards near **schools** in **South Galt**

## PUBLIC TRANSPORTATION

- **Expanded Sacramento Regional Transit (SacRT) service** to **Folsom**, 20 new vehicles and platform improvements
- New round trips between **Fresno, Merced** and **Sacramento** on the **Amtrak San Joaquin line** and expansion on the **Altamont Corridor Express (ACE)** train service
- Replace **7 Clean Natural Gas transit buses** in **Yolo County**
- **Replace buses** for the **City of Elk Grove** to maintain paratransit bus service
- **10 new buses** for **Yuba-Sutter Transit Authority** to maintain paratransit service
- **Bus stop improvements** in the **City of Davis** to improve access and passenger security



*This is a partial list of projects.*

This attachment provides additional background on likely Proposition 6 impacts if the ballot measures passes. This new update focuses on SB 1 planning activities and projects at risk that were not fully covered in the September Committee briefing memo (Attachment A).

Five funding programs with potential impacts are discussed in the following sections of this attachment:

- Sustainable Communities planning grant awards (formula and competitive)
- Local Partnership Program (LPP) formula flexible funds
- Solutions for Congested Corridors Program (SCCP)
- Transit & Intercity Rail Capital Program (TIRCP)
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***Sustainable Communities Planning Grants***

Statewide, SB1 funding supports \$25 million in grant awards made annually by Caltrans. 50% of the available funding is allocated by formula to MPOs & 50% is awarded through competitive grants to eligible agencies and organizations. In the initial year of SB 1, SACOG received its first Sustainable Communities formula funding. This was spent on the following SACOG activities:

Bicycle and Pedestrian Planning	\$30,000
Civic Lab	\$150,000
Project-Level Climate Adaptation Strategies for the Sacramento Region	\$70,906
Regional Environmental Justice Analysis	\$42,908
Rural-Urban Connection Strategies	\$200,000
Sustainable Communities Strategy Development and Coordination	<u>\$325,145</u>
	<b>\$818,959</b>

## Attachment C

Applicants from the SACOG region also received a total of \$1,538,828 in competitive Sustainable Communities grant awards in FY 17/18 that were funded by SB 1 revenues:

<b>Sponsor</b>	<b>Title</b>	<b>Grant Award</b>
Citrus Heights	Old Auburn Road Complete Street Plan	\$190,000
Davis	Amtrak Station Access and Connections Study	\$250,000
Rancho Cordova	Corridor Enhancement and Circulation Study for Olson Drive	\$155,000
Yuba City	Yuba City: Safe Routes to Schools	\$221,325
EDCTC	El Dorado County and City of Placerville Active Transportation Plans	\$100,003
EDCTC	Coloma Sustainable Community Mobility Plan	\$130,000
SACOG/SacRT	Optimizing Transit and Transit-Oriented Development in the Sacramento Area	\$492,500

The FY 17/18 funding awards in this program are secured and would not be lost if Proposition 6 passes. As for FY 18/19, Caltrans has not been able to provide any certainty as to how much of the nearly \$3 million in new formula and competitive planning awards are at risk. They have reminded grant recipients that a clause in executed agreements with Caltrans for grant reimbursements leaves open the possibility that the awarded funding for FY 18/19 may not be available if Proposition 6 passes.

For the current fiscal year (FY 18/19), SACOG has budgeted its Sustainable Communities formula funds for the following activities:

Civic Lab-Year 2	\$138,231
Rural-Urban Connection Strategies	\$273,507
Blueprint & MTP/SCS Planning & Implementation	<u>\$360,253</u>
	<b>\$771,991</b>



Applicants from the SACOG region were also awarded the following FY 18/19 Sustainable Communities competitive grants funded by SB 1 revenues:

<b>Sponsor</b>	<b>Title</b>	<b>Award</b>
Citrus Heights	Citrus Heights Multi-Modal Transportation Safety Program	\$180,000
Placer County	Placer County Resort Triangle Transportation Plan (Tahoe)	\$600,000
Rancho Cordova	Corridor Enhancement and Circulation Study for Olson Dr.	\$155,000
City of Sacramento	Stockton Boulevard Complete Streets Plan	\$354,120
West Sacramento	West Sacramento Mobility Action Plan	\$248,226
SACOG	Rural Downtown/Main Street Planning in the SACOG Region	\$274,939
Sac Regional Transit	High Capacity Bus Corridor Study for the Capital Region	\$265,590
Yolo County Transportation District	Comprehensive Operational Analysis	\$132,793
	<b>Total</b>	<b>\$2,210,668</b>

***Local Partnership Program (LPP)***

This program rewards counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes solely dedicated to transportation improvements or that have enacted fees solely dedicated to transportation. This SB 1 program provides \$200 million annually with the funding allocated 50% formula & 50% competitive for eligible agencies. A broad range of capital, operations, and maintenance projects are eligible. This program is unique from most other SB 1 programs in that SACOG does not have a direct role in project selection and programming efforts.

These are the projects that received Formula LPP for 2018-19:

<b>Sponsor</b>	<b>Project</b>	<b>LPP Funding</b>
Citrus Heights	ADA Accessibility and Drainage Improvements	\$123,000
Elk Grove	2020 Pavement Resurfacing	\$254,000
Folsom	East Bidwell Street Widening	\$123,000
Rancho Cordova	Sunrise Boulevard Roadway Rehabilitation	\$118,000
City of Sacramento	Folsom Boulevard Roadway Rehabilitation	\$722,000
Sacramento County	Complete Streets Rehabilitation	\$973,000
Sac Regional Transit	Circulator Bus Service Expansion	\$991,000
Yuba County	Erle Road Rehabilitation	\$100,000
	<b>Total</b>	<b>\$3,404,000</b>

It is anticipated that a prorated amount of funding would still be available to projects with FY 18/19 LPP formula funds awards. Policy direction has not yet been provided by the CTC, but it is anticipated that SB 1 revenues collected during the months of FY 18/19 before, and potentially the weeks shortly thereafter, the November election would still be available for allocation. In the

scenario that Proposition 6 passes, a prorated total of \$1.70 to \$1.96 million of the formula funds would still be available to local agency recipients.

For the competitive grant share of the LPP, the following four projects were awarded a total of \$28.1 million in the 2018 funding round. Because these projects have not yet allocated their funding, their funding is also at risk if Proposition 6 passes.

<b>Sponsor</b>	<b>Project</b>	<b>LPP Funding</b>
Capital SouthEast Connector JPA	Capital SouthEast Connector – for segments on Kammerer, Grant Line, and White Rock Road	\$20,000,000
City of Placerville	Western Placerville Interchanges Phase 2	\$1,070,000
City of Sacramento	Downtown Grid 3.0 Implementation	\$5,000,000
City of Woodland	West Main Street Bicycle/Pedestrian Mobility & Safety	\$2,000,000
	<b>Total</b>	<b>\$28,070,000</b>

**Solutions for Congested Corridors Program (SCCP)**

This program provides \$250 million annually to fund projects designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits. The program is entirely competitive with no guaranteed formula funding. The SACOG region did exceptionally well in this program with \$125 million in award funding recommended for two projects in the SACOG region:

<b>Sponsor</b>	<b>Project</b>	<b>SCCP Funding</b>
Caltrans, Elk Grove, SACOG, STA	<b>I-5 Corridor Enhancement Project:</b> 17 miles of high occupancy vehicle (HOV) lanes from downtown Sacramento to Elk Grove; Class IV bikeway parallel to I-5 corridor.	\$15,000,000
Caltrans, City of Sacramento, SACOG, STA	<b>US 50 Multimodal Corridor Enhancement Project:</b> HOV extension from Watt Avenue to I-5; rail track sidings for 15-minute light rail frequency between downtown Sacramento and Folsom; unfunded Phase 2 of Broadway corridor complete streets improvement.	\$110,300,000

Of the two SCCP awards in the SACOG region, the \$15 million for the I-5 project is secure because the funding award was already allocated by the California Transportation Commission (CTC). The \$110 million award for the US 50 Multimodal Corridor Enhancement Project is not secure because it is being implemented on a slower schedule and the SB 1 allocation will not occur prior to the November election.

**Transit & Intercity Rail Capital Program (TIRCP)**

With revenues from both SB 1 and Cap & Trade auction proceeds, TIRCP funds capital improvements for the state's intercity, commuter, and urban rail systems, and bus and ferry transit systems. A primary program objective is to reduce greenhouse gas emissions by reducing congestion and vehicle miles traveled.

Because the revenue supporting the TIRCP program is sourced from both SB 1 revenues and Cap & Trade auction proceeds, the risks to the awarded projects is less clear. At a minimum, the passage of Proposition 6 would lead to the California State Transportation Planning Agency (CalSTA) revisiting the programming timing of investments. It is also possible that some projects would ultimately lose some portion of their TIRCP funding award.

Each of these three applicants for projects benefiting the SACOG region received TIRCP awards. Altogether, these three awarded projects total \$645.2 million in project investment:

<b>Sponsor</b>	<b>Project</b>	<b>Award</b>	<b>Total Cost</b>
Capitol Corridor Joint Powers Authority (CCJPA)	Track improvements between Oakland & San Jose to provide faster service; service and ticket integration system-wide.	\$80,340,000	\$275,041,000
SacRT in partnership with SACOG	Gold Line track sidings to increase Gold Line frequency between Downtown Sacramento and Folsom; funds for 20 expansion and replacement light rail vehicles; station platform conversions for low-floor vehicles.	\$64,350,000	\$144,350,000
San Joaquin Joint Powers Authority (SJPA) and San Joaquin Regional Rail Commission (SJRRC)	Creates new Valley Rail round trips between Fresno, Merced & Sacramento on Amtrak San Joaquin line; initiates phased service expansion on Altamont Corridor Express (ACE) train service originating in Sacramento and connecting to San Jose during peak period. Includes SACOG region stations: Elk Grove, Sac City College, Sac Midtown, Old North Sac, and Natomas.	\$500,500,000	\$904,600,000
	<b>Total</b>	<b>\$645,190,000</b>	<b>\$1,323,991,000</b>

### **State Highway Transportation Improvement Program (STIP)**

There is a regional share of STIP funding that is provided by formula to Regional Transportation Planning Agencies (RTPAs), such as SACOG. In addition to SACOG there are two other RTPAs in the Greater Sacramento region – the El Dorado County Transportation Planning Commission (EDCTC) and the Placer County Transportation Planning Agency (PCTPA). For the four-county SACOG region (Sacramento, Sutter, Yolo, and Yuba counties), STIP funds may be used for a wide variety of capital projects. SACOG makes recommendations, with final programming authority for these funds residing with the California Transportation Commission (CTC).

Based on current estimates, \$58 million in STIP funds are estimated available for state fiscal years 2020 through 2024, with most of this capacity anticipated in the last two years of the STIP (State Fiscal Years 2023 and 2024). SACOG staff used a conservative ‘flat’ estimate for estimating the region’s STIP funding availability for the 2018 and 2019 SACOG regional funding rounds. The estimated \$58 million in new STIP funding represents 30% of the \$192 million in estimated funding available for new programming.

The impact of Proposition 6 on SACOG’s share of the STIP is unclear at this time. The CTC has not set any policy direction, but staff is working on policy actions that may be needed if the ballot measure passes. What is reasonable to assume is that STIP funding would no longer be as predictable and stable. The passage of the ballot measure would undo the elimination of the ‘gas tax swap’ that occurred when SB 1 was enacted. The ‘gas tax swap’ that was passed by the legislature in 2009 led to volatility in the amount of STIP funding available. If Proposition 6 passes, the amount of funding still available through the STIP would be dependent on policy actions the Board of Equalization and the CTC take. If the result of these actions is a lower share of STIP funding to RTPAs, the SACOG board would need to decide whether to defund 2018 project awards made in December or to push out the funding availability date commitments for some awarded projects.