



SACOG Board of Directors

Item #15-9-3
Consent

September 10, 2015

Approve 2016 SACOG Delivery Plan Process

Issue: What process should be adopted for developing the 2016 SACOG Delivery Plan?

Recommendation: The Transportation Committee unanimously recommends that the Board approve the proposed 2016 Delivery Plan process.

Committee Action/Discussion: Each year, SACOG helps project sponsors deliver their projects with SACOG-controlled federal funds from the Congestion Mitigation and Air Quality (CMAQ) program, Regional Surface Transportation Program (RSTP), and Regional Improvement Program or State Transportation Improvement Program (RIP or STIP). Project sponsors navigate a complicated federal aid funding process to request and spend these funds in a timely manner. Delivery timing, prioritization tiers, and general practices are all outlined in an annually approved Delivery Plan Process. SACOG's annual Delivery Plan prioritizes who can request federal funds during the current federal fiscal year (FFY) by balancing past commitments, funding availability, and project readiness.

As in past years, the 2016 Delivery Plan provides the policy guidance for the federal fiscal year that runs between October 1, 2015, and September 30, 2016. As with prior years, the Delivery Plan will continue to have three tiers, described below, that reward project sponsors for preparing shovel-ready projects as early as possible:

- Tier 1 projects have funding programmed in the current FFY of the Metropolitan Transportation Improvement Program (MTIP). These projects will have priority to request authorization for SACOG's federal funds until February 1, 2016.
- Tier 2 projects have RSTP and CMAQ funds programmed in any year of the MTIP. These projects will have priority to request authorization for SACOG's federal funds until May 1, 2016.
- Tier 3 projects are those projects not programmed in the MTIP or that have RIP/STIP funds programmed in later years. After May 1, 2016, project sponsors can request authorization to encumber borrowed RSTP or CMAQ funds to deliver a project earlier than its other identified funds might allow. SACOG will consider these requests taking into account sponsors' delivery needs, regional delivery targets, and available apportionment.

Staff recommends approval of the process outlined in more detail in Attachment A. The tier structure remains unchanged from 2015. Due to program requirements, projects funded with Active Transportation Program (ATP) funds cannot be advanced utilizing the tier system. Staff

will explore refinements to the Delivery Plan Process for 2017 that will be based upon ongoing dialogue related to the 2015 Flexible Funding Round. Potential policy changes that may be considered include stricter enforcements of “use it or lose it” policies to free up funding from projects that have failed delivery goals from prior funding rounds. Changes to the Delivery Plan process in 2017 would be in place by the beginning of the 2016/17 federal fiscal year that begins on October 1, 2016.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RD:ds
Attachment

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PROPOSED 2016 DELIVERY PLAN PROCESS

Because of SACOG's past project delivery successes, the 2016 Delivery Plan proposes to use the same process as in earlier plans. Projects will be classified under the following three prioritized tiers:

Classification	Project Group	Level of Priority
Tier 1	Projects programmed in the MTIP for FFY 2016 and programmed projects with Proposition 1B funds irrespective of year.	Priority until February 1, 2016
Tier 2	Projects programmed with RSTP and CMAQ in any year of the MTIP.	Priority until May 1, 2016
Tier 3	Projects not programmed in the MTIP, or RIP/STIP- funded projects programmed in later years that desire a loan.	Will be considered after May 1, 2016

As shown in the above table, projects programmed in the SACOG MTIP for FFY 2016 and programmed project with Proposition 1B funds in any year of the MTIP will be Tier 1 projects and given the highest priority. The hope is that between October 1, 2015, and February 1, 2016, sponsors of these projects will submit a fully completed Request for Authorization (RFA) to Caltrans District 3 Office of Local Assistance. Should there be problems fully completing the RFA and those problems carry over beyond February 1, 2016, that project will lose its Tier 1 priority status and compete with projects in Tier 2. This will continue until May 1, 2016, the earliest date when SACOG will consider Tier 3 project loans to request authorization.

Tier 3 project loans are for unprogrammed projects or projects with RIP funds programmed in later years. The 2016 Delivery Plan offers the opportunity to un-programmed projects seeking loans for implementation from SACOG. The process and conditions for such loans are already well established in the SACOG region, and the proposed 2016 Delivery Plan will adhere to them.

The following is the proposed delivery plan schedule:

Date	SACOG Staff Activity
Aug 26, 2015	2016 Delivery Plan process presented to the Regional Planning Partnership
Sep 3, 2015	2016 Delivery Plan process presented to the Transportation Committee
Sep 17, 2015	SACOG Board approves 2016 Delivery Plan Process
Sep 21, 2015	SACOG requests 2016 project delivery information from sponsors
Oct 23, 2015	Deadline to submit project delivery information to SACOG
Nov 6, 2015	SACOG prepares Delivery Plan for Tier 1 and Tier 2 projects
Nov 2015 to Mar 2016	SACOG requests updated delivery information from sponsors and evaluates Tier 2 & 3 projects
Feb 1, 2016	Tier 2 opens
Mar 11, 2016	Deadline to submit updated project delivery information to SACOG
Apr 1, 2016	SACOG submits 2016 Delivery Plan to Caltrans
May 1, 2016	Tier 3 considered by SACOG staff
Apr 2016 to Sept 2016	SACOG requests updated delivery information from sponsors as needed

As in past years, staff proposes to expand SACOG's project delivery potential by borrowing apportionments and/or obligational authority (OA) or obtaining loans, as appropriate, from other regional agencies or from the state. Extending these practices for the 2016 Delivery Plan may help fund additional projects or keep funds within the region.

With respect to borrowing or loaning funds, under normal circumstances, staff will take any proposed loan agreements to the Board for its review and approval prior to signature by the Chief Executive Officer. In the event that there is an urgent need for SACOG to execute a loan agreement, current Board delegation gives the Chief Executive Officer discretion to commit SACOG for such purposes. Consistent with past practices, staff would then report that back to the Board at the earliest opportunity or in the year-end delivery update.