



Regional Planning Partnership

April 17, 2013

Flexible Funds Programming Round Policy Framework and Application

Issue: SACOG is preparing for the biennial flexible funding round process scheduled to begin this summer. A review and update of existing program applications is underway to help ensure a successful and transparent programming process. This process applies to Sacramento, Sutter, Yolo, and Yuba counties; El Dorado and Placer counties have their own programs.

Recommendation: That the Regional Planning Partnership (Partnership) provide feedback to SACOG staff on program policy frameworks for the Bicycle & Pedestrian, Community Design, and Regional/Local Programs. Additionally, that that the Partnership recommend that the Transportation Committee recommend that the Board (1) approve the updated policy frameworks for the Bicycle & Pedestrian, Community Design, and Regional/Local Programs; and (2) release the 2013-14 Flexible Funding Round call for projects for Bicycle & Pedestrian, Community Design, and Regional/Local Programs.

Discussion: SACOG releases a call for projects on a biennial basis, providing local agencies within the four- county region the opportunity to apply for flexible funds that can go towards road, transit, bicycle, or pedestrian projects. The process runs for multiple months, beginning with the policy framework in May and culminating in the final programming recommendations by the end of the year. While there is still considerable uncertainty concerning the amount of funds available for programming, as state and updated federal funding revenues have not been released, Board direction in May on the 2013-14 Funding Program policy framework will allow more time for the preparation of applications and the selection process. Staff anticipates returning to the Transportation Committee in August with the draft funding targets for the funding round.

The flexible funds for programming are derived from state and federal sources and leveraged by available local resources to both pair and focus federal dollars. The funding round is one of SACOG's means for funding and advancing projects that contribute to the implementation the Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS), through targeted investments in the region's transportation system and a well-developed program funding structure. SACOG has five identified funding programs: Air Quality, Bicycle & Pedestrian, Community Design, Regional/Local, and Transportation Demand Management. These calls for projects relate only to Bicycle & Pedestrian, Community Design, and Regional/Local Funding Programs, as the other two programs are managed under separate processes.

These three Funding Programs have unique and long-standing identified purposes. The Bicycle & Pedestrian Program is intended to support the efforts of local agencies to construct infrastructure with walking, bicycling, and transit use as primary transportation considerations, and to provide facilities for walking and biking within and between the communities of the Sacramento region. The Community Design Program seeks to promote the implementation of the Blueprint principles by construction of improvements to the public right-of-way. The emphasis of the Regional/Local Program is to promote projects that provide regional benefits and that develop and maintain the regional transportation network.

As part of the initiation of each biennial funding round, SACOG staff assesses the prior round's program-level policies, outcomes, and processes. Staff conducts this effort in order to determine ways to refine,

streamline, and provide additional transparency within each of the individual programs. This includes updating policy frameworks and applications based on feedback from participants, local agencies, and participating staff. For this 2013 funding round, SACOG staff has updated the individual policy frameworks, and continues to work and refine the application documentation process in preparation for an anticipated release of call for projects by the SACOG Board of Directors on May 16, 2013. Below are the unique modifications to these three programs, with more information provided in Attachment A. Proposed modifications reflect input received from applicants in the prior funding round and staff analysis.

The Bicycle & Pedestrian Funding Program: The policy framework and selection process remain fundamentally the same as prior funding rounds. This round will place emphasis on the short-term funding priorities approved by the Board in December 2012 and utilizes a more streamlined and informative application and guideline structure. A new eligibility requirement to conduct project evaluation has been proposed. This additional step will provide local agencies the ability to evaluate the project investment and design, as well as meet the spirit of performance-based planning identified as a priority in the Master Plan, Funding Program, MTP/SCS, and MAP-21 program.

The Community Design Program: The policy framework and selection process remain fundamentally the same as prior funding rounds. This round will place an emphasis on funding more preliminary engineering and design projects and streamlining overall application requirements.

The Regional/Local Program: The policy framework and selection process remain fundamentally the same as prior funding rounds. This round will place a greater emphasis on early feedback within the application process regarding available data resources and project scoping. An additional performance outcome has been included to project evaluation, allowing applicants to document how their project supports “state of good repair” benefits that improve the efficiency of the existing transportation system. Consistent with the overall funding program, additional consideration will be given to projects that can focus federal dollars efficiently.

Program policy frameworks and summary information about the Bicycle & Pedestrian, Community Design, and Regional/Local Programs are attached.

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Attachments

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THE ROAD MAP OF MILESTONES FOR THE PROCESS:

<u>Draft Schedule</u> (Final Dates to be Determined)	<u>Description</u>
May 2013	<ul style="list-style-type: none"> • Policy Framework • Application Release
June 2013	<ul style="list-style-type: none"> • Workshop
July or August 2013	<ul style="list-style-type: none"> • Applications Due
October or November 2013	<ul style="list-style-type: none"> • Draft Recommendations
November or December 2013	<ul style="list-style-type: none"> • Final Recommendations
December 2013	<ul style="list-style-type: none"> • RTIP Submittal

2014 BICYCLE & PEDESTRIAN FUNDING PROGRAM

The purpose of this funding program is to provide facilities for walking and biking in the cities and towns of the region and to provide connections between them. Also, the efficiency of the transportation system is a key component of achieving the goals set forth by the Blueprint Planning Process. In the preferred Blueprint Scenario, bicycling and walking are integral to the types of development patterns depicted in the Blueprint Preferred Scenario and are necessary for its successful implementation. Projects and programs funded through this program must support the implementation of the Blueprint Preferred Scenario and planning principles.

In order to help implement the MTP/SCS, SACOG invests in bicycle and pedestrian facilities through the bi-annual Bicycle and Pedestrian Funding Program, adopted by the SACOG Board of Directors in September 2003. The Funding Program is to encourage locally determined developments consistent with Blueprint principles and local circulation plans to be designed with walking, bicycling and transit use as primary transportation considerations, and to provide facilities for walking and biking within and between the communities of the Sacramento region.

GOALS AND PRIORITIES

Capital Project Priorities

1. Increase access to transit services;
2. Increase access to schools;
3. Eliminate gaps in the existing bicycle/pedestrian network;
4. Remove physical barriers in the bicycle and pedestrian network;
5. Facility completion; and
6. Reduce Vehicle Miles Traveled (VMT).

Non-capital Projects and Programs Goals

1. Encourage biking and walking through public information, education, and awareness;
2. Where needed, perform studies and develop plans that support the goals for capital facilities stated above; and
3. Increase the level of public agency staff expertise on bicycling and walking.

ELIGIBLE PROJECT TYPES

The projects eligible for this funding program are derived from the Regional Bicycle, Pedestrian and Trails Master Plan (Master Plan) which has been amended every two years since its initial adoption in 2004. The Master Plan provides an expansive set of policies and projects for regional bicycle and pedestrian planning efforts, and was developed through a working group and approved by the Regional Bicycle and Pedestrian Advisory Committee. Projects in the Master Plan that meet the adopted funding priorities (Capital Project Priorities) are encouraged to apply for this Funding Program.

Financial support for these programs will come primarily from federal funding sources expected to be available to the region. Federal funding requirements from the Moving Ahead for Progress in the 21st Century (MAP-21) are applicable. Examples include multi-use paths, bicycle lanes and routes, sidewalks, shoulders, signals, crossings, and other infrastructure projects. For capital projects, federal funds may be used for construction, as well as preliminary engineering, which includes environmental work and design, as well as for right-of-way phases. Non-infrastructure projects include bike/ped planning, education, information and marketing efforts.

INELIGIBLE PROJECT TYPES

Projects and programs that are not eligible include facilities that serve only a recreational, rather than a transportation function, projects in new developments that are considered "good practices" according to FHWA guidelines, bicycle and pedestrian facility maintenance,

long-term staff positions, transit operations (except for bus services for bicyclists), law enforcement, and bicycle racks for carpools, vanpools, or private vehicles.

PROJECT SELECTION PROCESS

SACOG staff will conduct an Eligibility Review of the applications and screen them for eligibility. Applications will be removed from the competitive process if found ineligible for federal funds, lack of funding of the appropriate type, or other requirements identified in the program guidelines.

SACOG staff forwards the applications to the Bicycle and Pedestrian Working Group (see below for the composition of the Performance Review Committee).

The Working Group prioritizes and ranks the applications, according to its own process, but does not discard any applications. Working Group members will not vote or comment on applications from their own organizations. The Working Group and/or SACOG reserve the right to contact applicants during this project selection process for additional information. The Working Group makes its recommendations to SACOG staff. Members should represent diverse geography. A SACOG staff member will staff each meeting.

Working Group Membership

Expertise	Recruited from	Number
Land Use Planners	Planners' Committee	1
Project Engineers	Regional Planning Partnership	2
Bicycle/ Pedestrian Planning	Bicycle & Pedestrian Advisory Committee	4 (2 advocates, 2 planners/ engineers)
Air Quality	Air Districts	1
TDM	TDM Task Force	1
Transit	Transit Coordinating Committee	1
Community Groups	Regional Community Based Organizations	1
Total		11

The application process will be specific to the Bicycle and Pedestrian program, although SACOG staff will present a recommendation for funding to the SACOG Board of Directors for all of the funding programs together.

SCREENING PROJECTS OUT

To be selected for funding, a project or program must meet both of the following screening criteria:

1. It is included in the Master Plan as a planned project. Only under very special circumstances will an application be considered that is not listed in the Master Plan.
2. It must be ready for inclusion into the Metropolitan Transportation Improvement Program, with project scope and cost. The project application may include the cost of preparing environmental documents. However, for large projects that will necessitate a full Environmental Impact Statement (EIS), the EIS can be funded separately from the design and construction of the project (which should seek funding in a later round of funding).
3. The project is committed to increasing information available about quantifiable benefits of bicycle and pedestrian infrastructure and planning efforts, and project scope includes element to address increasing data collection (e.g. conducting bicycle and/or pedestrian counts both pre and post project implementation).
4. Project is eligible for appropriate funding sources (i.e. CMAQ, RSTP, STIP, TAP).
5. Project meets the minimum project size of \$167,205 (\$150,000 funding award + \$17,205 local match)
 - a. The minimum project size for this funding program is \$167,205 (\$150,000 funding award + \$17,205 local match).

Public agencies applying for funding for smaller projects may want to consider combining projects to meet the \$167,205 threshold, or consider a larger, multi-year program or project. The exceptions to this rule are funding for non-capital projects such as Bikeway Master Plans or other projects that would qualify for Federal Transit Agency Enhancement funds.

EVALUATING PROJECT PERFORMANCE

In addition to how projects address the program goals and priorities discussed above, below are considerations that will be used by the Working Group and SACOG staff to make funding recommendations to the Board.

Sponsor agency commitment

1. Project readiness to move forward on a timely schedule (e.g., schedule, cost, work with conservation corps, risk to project, etc.);
2. Sponsor agency agrees to conduct evaluation of project utilizing bicycle and/or pedestrian counts (or equivalent measure);
3. Sponsor agency commitment to implement the project, as evident by non-SACOG source funding commitments and inclusion in local policy documents;
4. Sponsor agency consideration of working with California Conservation Corps on TAP eligible projects;
5. Sponsor agency's historical performance in delivering federal aid projects (i.e. following federal rules, STIP guidelines, delivery timeliness, etc.);
6. Application follows content requirements;

Project performance

7. Project creates new access for users.
8. Project utilizes designs that prioritize the safety of bicyclists, pedestrians, and motorists

(documentation of safety issues should be included, if applicable);

9. Project design is context-sensitive and appropriate for surrounding environment;
10. Project improves safety/security for bicyclists and pedestrians, and include documentation of safety issues (if applicable);
11. Project demonstrates cost effectiveness, which is achieved by minimizing projected capital and operating expenditures while offering strong performance benefits;
12. Projects are not serving primarily recreational trips or equestrians, and are not part of developer-funded basic good practices;

Project support

13. Projects improving access to and around schools and/or transit demonstrate evidence of strong support by affected schools and/or transit agencies; and
14. Inter-community projects offer evidence of strong support by all local jurisdictions where the project is located, and commitment to land use planning consistent with Blueprint principles.

2014 COMMUNITY DESIGN FUNDING PROGRAM

The overall purpose of the Community Design Program is to provide financial support for federal aid eligible capital projects that promote implementation of the Blueprint Project Principles.

The Community Design Program provides financial incentives to local governments in Sacramento, Sutter, Yolo and Yuba Counties that have specific development and transportation improvements that will help foster Blueprint-friendly communities. The financial incentives, which come in the form of grants through a competitive process, must be federal aid eligible and transportation-related projects that have some land use component.

GOALS AND PRIORITIES

Projects must also conform to some of the seven Blueprint Principles (more detail on SACOG's website: www.sacog.org/regionalfunding/betterways.pdf):

1. transportation choices;
2. housing diversity;
3. compact development;
4. mixed land uses;
5. use of existing assets;
6. natural resource protection; and
7. quality design.

ELIGIBLE PROJECT TYPES

All projects must be federal aid eligible and will primarily lead to or include construction. Generally speaking, federal aid eligible projects are those that significantly contain transportation infrastructure in public right-of-ways. Activities or tasks within the project must be either categorized as "construction", "environmental", "design" or "right-of way". Pure planning activities are generally not considered an eligible use for the Community Design Program (exception: planning is allowed in the non-competitive funding category). The

following are examples of projects that are generally considered federal aid eligible:

- Transportation infrastructure directly connected to a land development project, land use plan, or in an existing "Blueprint friendly" community
- Bicycle and pedestrian paths, tunnels, and bridges
- On-street bike lanes
- Pedestrian plazas in public right-of-ways
- Pedestrian street crossings
- Streetscaping such as median landscaping, street trees, lighting, and furniture
- Traffic calming (but not interfering with public transit, bicycling or walking)
- Transit buses and services that serve the site (operations limited to 3 years)
- Transit stop amenities such as shelters, restrooms, and benches
- Transit transfer centers

One critical distinction is that federal aid projects must be for project elements that are considered "over and above" those that are standard requirements if there is an associated development with the project. For instance, if a private development is going in, and the project seeks Community Design funds for street improvements, the improvements must go beyond the jurisdiction's "standard" requirements for that associated development. The private developer may be required to put in sidewalks and crosswalks, but federal aid could pay for textured crosswalks, landscaped medians and other elements that enhance the pedestrian experience that are not standard conditions of approval.

PROJECT SELECTION PROCESS

SACOG will issue a call for applications when federal funding opportunities arise, typically issues a call for projects once every two years. Public agencies (cities, counties, and other public agencies) in Sacramento, Sutter, Yolo, and Yuba counties are the eligible applicants for these federal funds. Each time funds are made available, the call for applications will be made through SACOG's newsletter, webpage, advisory committee meetings, and letters and emails to public works and planning departments, transportation agencies, transit agencies, transportation management associations, and other organizations. An application, timeline, and these guidelines will be made available at that time.

The application process remains the same as in prior rounds, but the application requirements have been reduced. Generally, the applicant sends a pre-submittal letter, and then is permitted to submit the application. If selected by an evaluation committee, the applicant will meet with a team of SACOG and Caltrans staffs to ensure the scope of work, budget and timeline meet program requirements. The application requires fewer pages than in prior rounds.

SCREENING PROJECTS OUT

Not all projects can be easily determined for eligibility. In all cases, SACOG and Caltrans District #3 Local Assistance staff will work directly with each applicant on eligibility. For each potential application, an applicant must submit a pre-application letter describing the project and SACOG/Caltrans will provide a written response addressing issues relating to eligibility.

Capacity to manage a federal-aid project

In addition, all applicants must have a staff person who is trained in federal aid funding management. In most cases, the staff is found in the Public Works Departments.

For those sponsoring jurisdictions that do not have internal staff who can manage federal transportation funds, they will be required to team up with a local agency or hire a qualified consultant in this area. This is not something that can be learned just for one project. The Caltrans District 3 Local Assistance staff makes the

final determination on whether an individual is adequately qualified in federal aid management. If that person is deemed not qualified and a suitable replacement cannot be found, Caltrans may advise SACOG to disqualify the application.

Requested project amounts fall into the following ranges: \$300,000 to \$4 million for conventional construction projects; \$150,000 to \$500,000 for conventional pre-construction (design, engineering, environmental or right-of-way activities) projects; \$1.5 million to \$4.0 million for construction of Complete Streets project; and \$100,000 or less for non-competitive projects.

Required local match

Projects in the competitive categories of the program (above \$100,00 project requests) must provide a minimum of 11.47% match in non-federal funds, as is required in all federal aid funding projects. This means for every \$100,000 of federal funds requested from the program, the applicant is required to match a minimum of \$12,957. Or, put another way, for every \$100,000 of total project costs (grant and match combined), the program will pay up to \$88,530 for every \$11,470 of match provided by the project sponsor. Projects in the non-competitive category (funding requests \$100,000 or lower) has a 10% local match requirement.

EVALUATING PROJECT PERFORMANCE

There are two general evaluation criteria used by the two review committees and SACOG staff to determine whether a project will be recommended for funding. The two review committees will consider the projects based on the two criteria stated below, including some questions they frequently have about a project, or specific information they seek.

- Criterion #1: How well does the proposed project promote the Blueprint Project Principles?
- Criterion #2: How realistic is this project to be implemented within the program timeline?

SACOG staff will use the recommendations from the review committees as well as these additional criteria to make their recommendation.

2014 REGIONAL/LOCAL FUNDING PROGRAM

The Regional/Local Program is SACOG's largest competitive program. The emphasis of the program is to fund projects that provide regional benefits; projects of varying size and type are eligible to apply. The program seeks to promote effective and efficient use of limited state and federal funding resources to both develop and maintain the regional transportation network. This is accomplished through the funding of capital projects, road rehabilitation projects, and the development of shelf ready projects.

GOALS AND PRIORITIES

In September 2009, the Sacramento Area Council of Governments (SACOG) Board of Directors approved five policy considerations for the Regional/Local Funding Program as part of the 2010 Funding Round. The 2014 Funding Round will continue to use these five policy considerations; text has been updated and refined to reflect necessary changes for 2014 implementation as related to changes in the federal transportation act and SACOGs implementation of the MTP/SCS 2035:

HONOR PRIOR FUNDING COMMITMENTS

SACOG will continue to honor prior funding commitments made to other agencies and adopted transportation control measures identified in the air quality State Implementation Plan.

EMPHASIZE COST-EFFECTIVE PROGRAMMING DECISIONS

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 better with fewer funding resources, so the focus can be on more immediate needs (e.g., projects within the next 10 years of the MTP). The appropriate types of funding will be matched to the best projects for those fund types.

FIX IT FIRST, OR MAINTAIN FACILITIES IN A STATE OF GOOD REPAIR

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 programming round will 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 as long as they also include elements that support complete streets and corridor features appropriate to an urban, small community, or rural context.

FOCUS ON SMALL OR MEDIUM-SIZED CAPITAL PROJECTS

The Regional/Local Funding Program is an important source of capital funding. As 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 can be funded if the programming revenue is severely constrained. For the federal and state funds that are available, the emphasis will be on small- and medium- sized projects.

SUPPORT PROJECT DEVELOPMENT PHASES FOR FUTURE FUNDING OPPORTUNITIES

Funding from the American Recovery and Reinvestment Act (ARRA) in 2009 and the Proposition 1B funding programs that are coming to an end demonstrate the need to have "shelf ready" capital projects that are deliverable and thereby ready to utilize funding from competitive programs likely to appear in the near future (e.g., reauthorization of the federal transportation bill, future proposition 1B rounds, etc.). A relatively small but strategically allocated portion of the total revenue may go to early project development efforts.

ELIGIBLE PROJECT TYPES

The emphasis of the program is to fund projects that provide regional benefits; projects of varying size and type are eligible to apply such as capital projects, road rehabilitation projects, and the development of shelf ready projects.

PROJECT SELECTION PROCESS

To help project sponsors complete the best applications possible, SACOG staff will provide feedback on a sponsor's preliminary "snapshot" of project information prior to completing a full detailed application. SACOG staff will review all applications against screening criteria and project performance outcomes to select projects.

SCREENING PROJECTS OUT

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 currently listed in the MTP or a lump sum project category. Non-exempt projects must align with SACOGs air quality conformity and greenhouse gas objectives.
2. The project must be scheduled to begin construction no later than FFY 2019 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 ROW 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 (as applicable; <http://www.sacog.org/complete-streets/toolkit/START.html>).

EVALUATING PROJECT PERFORMANCE

The following are seven performance outcomes for the Regional/Local Funding Program.

1. A regional reduction in VMT per capita
2. A regional reduction in congested VMT per capita
3. An increase in multi-modal travel/alternative travel/choice of transportation options
4. Provide long-term economic benefit within the region, recognizing the importance of sustaining both the urban and rural economies
5. Improve goods movement, including farm-to-market travel, in and through the region
6. Significantly improve safety and security
7. Demonstrate "state of good repair" benefits that improve the efficiency of the existing transportation system

Other selection considerations:

1. Special 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.
2. Special 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).
3. Special consideration will be given to projects that maximize the use of available federal and state funds.