Opportunities to Implement Measure M Through New and Expanded State and Federal Transportation Funding Programs

September 20, 2017
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1) Introduction
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Introduction

The recent state approval of Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017, presents Metro with new and expanded funding opportunities that will play an important role in our ability to implement Measure M and the Board’s priority projects and programs. These state funds, and other federal funds, will be distributed through a combination of competitive and formula programs. Metro will seek to secure these funds to support the implementation and sustainment of the Measure M expenditure plan along with other Board priorities.

This briefing book provides information about the various state and federal funding programs, the schedule parameters, eligibility and selection criteria. Metro staff has estimated available funding using a combination of official State information sources as well as experience with historic funding levels and Metro’s ability to leverage them. SB-1 is estimated to provide approximately $5 billion annually in new and expanded state and federal funding programs. This is in addition to approximately $1.3 billion in existing state and federal funds. The estimates are displayed in various charts and matrix formats to convey information about the amounts, proportions, uses, and relationships of the programs.

For further information about SB-1, please see http://rebuildingca.ca.gov/.

For more information about federal funding, please see https://www.transportation.gov/resources/government.
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2) Legislative Overview
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Federal Legislative Overview

Fixing America’s Surface Transportation Act

On December 4, 2015, the Fixing America’s Surface Transportation Act (FAST Act) was signed into law as a five-year transportation authorization bill funded at $305 billion. The FAST Act established the Nationally Significant Freight and Highway Projects (NSFHP) program to provide federal financial assistance to projects of national or regional significance through the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program, which was authorized at $4.5 billion for fiscal years (FY) 2016 through 2020, with $850 million for FY 17 and $900 million for FY 18 to be awarded by the Secretary of Transportation and vetted by Congress.

On July 5, 2017, the United States Department of Transportation (USDOT) issued a Notice of Funding Opportunity (NOFO) that rebranded the FASTLANE program as the Infrastructure for Rebuilding America (INFRA) program.

While the FASTLANE/INFRA program was meant to be an annual allocation of grant funding, the transition between Administrations has created a unique situation in which most of the funding available from FY 17 (90% reserved for large projects) has been carried over into the FY 18 NOFO, resulting in approximately $1.5 billion available for allocation in this year’s competition.

<table>
<thead>
<tr>
<th>Fiscal Year Cycle</th>
<th>Amount Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17 (carryover)</td>
<td>$710 Million</td>
</tr>
<tr>
<td>FY 18</td>
<td>$810 -- $855 Million¹</td>
</tr>
<tr>
<td>FY 18 NOFO Total</td>
<td>Up to $1.56 Billion¹</td>
</tr>
</tbody>
</table>

The FAST Act also established a new freight fund under the National Highway Freight Program (NHFP) for a five-year period.

On June 27, 2016 the Governor Edmund G. Brown, Jr. signed Senate Bill 826 (Leno, 2016), which directs the California Transportation Commission (CTC) to allocate the federal NHFP formula funds to corridor-based projects selected by local agencies and the state. In addition to the NHFP funding, Assembly Bill 133 (Webber, 2016) provided an $11 million Traffic Congestion Relief Fund loan repayment to be used for trade corridor improvements.

The CTC is responsible for programming and allocating these state and federal funds which will be administered through the California Freight Investment Program (CFIP). The CFIP was slated to receive approximately $547.2 million in funding, with $536.5 million from the NHFP and an additional $11 million from state funds appropriated through AB 133.

¹ Final amount available for FY 18 dependent upon enactment of appropriations legislation
Consolidated Appropriations Act for Federal Fiscal Year (FFY) 2017

The Consolidated Appropriations Act for 2017 was passed on May 5, 2017 and provides $500 million for the ninth cycle of the Transportation Investment Generating Economic Recovery program (TIGER), a competitive grant program that funds surface transportation capital projects that will have a significant impact on the nation, a metropolitan area, or a region. The Notice of Funding Opportunity (NOFO) for the FFY 2017 TIGER was issued on September 7, 2017. For FFY 2018, the President’s “skinny budget” proposed zeroing out funding for this program. The U.S. Senate Appropriations Committee approved $550 million for the TIGER Grant Program in the Transportation-HUD Appropriations Bill for FFY 2018. The bill has not gone to the full floor for a vote, and thus future funding for the program beyond the funds appropriated in FFY 2017 remain uncertain.
State Legislative Overview

Road Repair and Accountability Act of 2017

Governor Brown signed the Road Repair and Accountability Act (Senate Bill 1) into law on April 28, 2017. The bill aims to address California’s significant funding shortfall to maintain the state’s multimodal transportation network which is the backbone of the economy and critical to the quality of life in the Golden State. The landmark road repair and transportation investment package is estimated to yield $52.4 billion over the next ten years, with revenues generated from gas and diesel fuel tax increases, a diesel sales tax increase, a vehicle license fee increase and new registration fee on zero emission vehicles. These new revenues have no sunset. Statute dedicates these new revenues to new and existing programs in order to fix roads, freeways and bridges and also fund transit and safety projects in communities across California.

These revenues will be phased-in over several years as follows:

- The Gasoline and Diesel fuel tax increases begins on November 1, 2017, to be indexed by CPI starting in July 2020;
- The additional Diesel sales tax begins on November 1, 2017,
- The value-based transportation improvement fee begins on January 1, 2018, to be indexed by CPI starting in January 2020;
- The price-based excise tax will be reset on July 1, 2019, to be indexed by CPI starting in July 2020; and
- The new zero emissions vehicle fee will begin on July 1, 2020, to be indexed by CPI starting in January 2021.

Of the eighteen programs funded through the bill, seven are being administered by the CTC, three are being overseen by the California State Transportation Agency, three are being administered directly through the California Department of Transportation, three are allocated directly by formula through the State Controller’s Office, one is managed by the Workforce Development Board and one is overseen directly by the Joint Legislative Transportation and Budget Committees. Metro has identified potential funding opportunities in twelve of the eighteen programs. In addition to annual program appropriations, there is also a provision requiring one-time loan repayments of previous General Fund loans which will restore previously borrowed funds to transportation uses.

Accountability is a tenant of the legislation. Statute has expanded the CTC’s oversight of programs and has increased reporting requirements on project performance and delivery status to ensure SB 1 is delivering projects that meet the intent of the law, and that these projects are consistent with state goals. Additionally, the act establishes an Independent Office of Audits and Investigations that will be led by a governor-appointed Inspector General who will serve as the director of the Audits and Investigations Office. The Inspector General will deliver an annual report to the Governor, the Legislature, and the California Transportation Commission.
summarizing investigation and audit findings, recommendations, and implementation status of previous recommendations. Also, all audit, confidential investigation findings and recommendations are to be reported to the Secretary of Transportation and Caltrans director.

Given the intent of the law, the Legislature and the agencies responsible for administering the programs are keen on promptly programming SB 1 dollars on projects that address California’s critical road repair and mobility needs. The expediently investing in these improvements, will help demonstrate the direct benefits resulting from these taxes and fees.

**Extension of Cap and Trade Program**

On July 25, 2017 Governor Brown signed into law Assembly Bill 398 (AB 398). Passed with a Two-thirds super-majority vote by the California Legislature, AB 398 resolved two long-standing issues with the cap and trade program. First, AB 398 provides a ten-year extension of the cap and trade program through 2030. The additional ten years should provide additional stability to the cap and trade auction market as well as allow recipients of cap and trade revenues to better plan for their expenditure. The second challenge addressed by AB 398 was the question of whether the cap and trade program is considered a fee or tax, which would have required a two-thirds vote. The two-thirds approval by the California Legislature settles this issue and will allow the California Air Resources Board to continue collecting revenues from the auction proceeds. However, one of the key compromises of AB 398 is a revisiting of the cap and trade scoping plan, which may have some impact on the amount and types of projects funded by auction proceeds.
3) Funding Overview
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# State Formula Programs
## Annual Estimates
($ millions)

<table>
<thead>
<tr>
<th>#</th>
<th>Program</th>
<th>Statewide Estimate</th>
<th>LA County Estimate</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Local Streets (Maintenance and Rehabilitation)</td>
<td>$1,153</td>
<td>$191</td>
<td>Cities and counties develop and submit a list of projects to the CTC each fiscal year. CTC verifies the lists, notifies State Controller to disburse funds.</td>
</tr>
<tr>
<td>2</td>
<td>State Transit Assistance Program (STA)</td>
<td>$390</td>
<td>$101</td>
<td>STA allocates funding through statutory formulas to regional and local transit agencies for operating and capital costs. $101 million includes Metro’s and other Los Angeles County municipal transit operators’ shares.</td>
</tr>
<tr>
<td>3</td>
<td>Local Partnership Program</td>
<td>$100</td>
<td>$53</td>
<td>Program is 50% discretionary and 50% formula. $53 million assumes revenue-based distribution.</td>
</tr>
<tr>
<td>4</td>
<td>Commuter Rail and Intercity Rail</td>
<td>$41</td>
<td>$8</td>
<td>New stream of revenues for commuter and intercity rail operating and capital improvements. California State Transportation Agency (CalSTA) will administer. Broad statutory eligibility. $8 million is the entire estimate for SCRRA and Pacific Surfliner.</td>
</tr>
<tr>
<td>5</td>
<td>Freeway Service Patrol</td>
<td>$25</td>
<td>$8</td>
<td>Funds are distributed by Caltrans to Freeway Service Patrols statewide.</td>
</tr>
<tr>
<td>6</td>
<td>University Transportation Research</td>
<td>$7</td>
<td>N/A</td>
<td>Funding package provides $5 million annually to 4 University of California campuses, and $2 million to the California State University system to conduct transportation research studies.</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$1,716</strong></td>
<td><strong>$362</strong></td>
<td></td>
</tr>
</tbody>
</table>

## Funding Stabilization

<table>
<thead>
<tr>
<th>#</th>
<th>Program</th>
<th>Statewide Estimate</th>
<th>LA County Estimate</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Transportation Improvement Program (STIP)</td>
<td>$685</td>
<td>$108</td>
<td>The STIP is a biennial five-year plan adopted by the CTC. 75% of the funds are distributed to counties by formula. 25% is distributed by the state for interregional needs. SB-1 stabilizes the funding for the program.</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$685</strong></td>
<td><strong>$108</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes**

1) Price Based Excise Tax (PBET) reset per SB 1 eliminates the Board of Equalization true-up. PBET rate is reset to no longer be revenue neutral, PBET is indexed beginning 2021.

2) First full year of new funding capacity post-SB 1 PBET reset. Source: CTC 2018 STIP Fund Estimate.
### Federal and State Discretionary Programs

#### Annual Estimates

($) millions

<table>
<thead>
<tr>
<th>#</th>
<th>Federal Program</th>
<th>Nationwide Estimate</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INFRA(^1)</td>
<td>$800</td>
<td>A federal discretionary grant program. USDOT issues a call for projects through the Notice of Funding Opportunity. Applications reviewed and awarded by USDOT.</td>
</tr>
<tr>
<td>2</td>
<td>TIGER</td>
<td>$500</td>
<td>Congress approves annual appropriations to set funding levels. USDOT issues a Notice of Funding Opportunity inviting project submittals. Applications reviewed and awarded by USDOT.</td>
</tr>
</tbody>
</table>

**Federal Subtotal** $1,300

<table>
<thead>
<tr>
<th>#</th>
<th>State Program</th>
<th>Statewide Estimate</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Highways Operations and Maintenance</td>
<td>$1,153</td>
<td>The State Highway Operation Protection Program (SHOPP) is guided by the State Highway System Management Plan and the SHOPP Plan. Projects are selected by Caltrans and adopted by the CTC.</td>
</tr>
<tr>
<td>2</td>
<td>Transit and Intercity Rail Capital Program</td>
<td>$545</td>
<td>Discretionary program administered by CalSTA and Caltrans. 5-year program of capital improvement projects.</td>
</tr>
<tr>
<td>3</td>
<td>State Highway Bridges and Culverts</td>
<td>$400</td>
<td>SHOPP program will incorporate Bridges and Culverts funding.</td>
</tr>
<tr>
<td>4</td>
<td>Trade Corridor Enhancement Program</td>
<td>$328</td>
<td>Statute provides a 40% funding target for Caltrans-nominated projects. 60% of the program will go to projects nominated by regional transportation agencies, with targets for geographic equity.</td>
</tr>
<tr>
<td>5</td>
<td>Solutions for Congested Corridors Program</td>
<td>$250</td>
<td>CTC will administer the program. Up to 50% of the funds can be programmed to Caltrans-nominated projects.</td>
</tr>
<tr>
<td>6</td>
<td>Active Transportation Program</td>
<td>$100</td>
<td>ATP funds are administered by the CTC through three competitive components: 50% for Statewide, 40% for Metropolitan Planning Organizations including SCAG, and 10% for small urban and rural.</td>
</tr>
<tr>
<td>7</td>
<td>Local Partnership Program</td>
<td>$100</td>
<td>Program is 50% discretionary and 50% formula. The competitive program is open to those entities that enacted transportation sales taxes or imposed transportation fees.</td>
</tr>
<tr>
<td>8</td>
<td>Local and Regional Planning Program</td>
<td>$25</td>
<td>Funding package will provide $25 million annually for a new program of local planning grants.</td>
</tr>
<tr>
<td>9</td>
<td>Workforce Development</td>
<td>$5</td>
<td>5 annual appropriations for preapprenticeship programs.</td>
</tr>
</tbody>
</table>

**State Subtotal** $2,906

**Federal and State Total** $4,206

#### Funding Stabilization

<table>
<thead>
<tr>
<th>#</th>
<th>Program</th>
<th>Statewide Estimate</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advanced Mitigation(^2)</td>
<td>$30</td>
<td>4 annual appropriations of $30 million each year.</td>
</tr>
</tbody>
</table>

**Total** $30

### Notes

1) The INFRA NOFO combines two years of appropriations for Federal Fiscal Years 2017 and 2018, totaling $1,560 million. Subsequent years funding will likely be closer to $700-$800 million annually nationwide.

2) Caltrans to use $30 million per year from annual appropriations from STIP and SHOPP for the planning and implementation of projects in the Advanced Mitigation Program.
<table>
<thead>
<tr>
<th>Programs</th>
<th>Est. millions*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Streets</td>
<td>$1,234</td>
</tr>
<tr>
<td>State Hwys</td>
<td>$1,177</td>
</tr>
<tr>
<td>Bridge and Culvert</td>
<td>$400</td>
</tr>
<tr>
<td>Freeway Service Patrol</td>
<td>$25</td>
</tr>
<tr>
<td><strong>State Hwys &amp; Local Roads O &amp; M:</strong></td>
<td>$2,836</td>
</tr>
<tr>
<td>State Transit Assistance</td>
<td>$285</td>
</tr>
<tr>
<td>Transit Capital/TIRCP</td>
<td>$245</td>
</tr>
<tr>
<td>Commuter and Intercity Rail</td>
<td>$41</td>
</tr>
<tr>
<td>State of Good Repair</td>
<td>$105</td>
</tr>
<tr>
<td><strong>Transit Operations and Capital:</strong></td>
<td>$676</td>
</tr>
<tr>
<td>Congested Commute Corridors</td>
<td>$250</td>
</tr>
<tr>
<td>Local Partnership</td>
<td>$200</td>
</tr>
<tr>
<td><strong>Flexible (Transit &amp; Hwys):</strong></td>
<td>$450</td>
</tr>
<tr>
<td>Trade Corridors</td>
<td>$328</td>
</tr>
<tr>
<td><strong>Trade Corridors:</strong></td>
<td>$328</td>
</tr>
<tr>
<td>Active Transportation Program</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Active Transportation:</strong></td>
<td>$100</td>
</tr>
<tr>
<td>SB 375 Regional and Local Planning</td>
<td>$25</td>
</tr>
<tr>
<td>UC and CSU Transportation Research</td>
<td>$7</td>
</tr>
<tr>
<td>State Transportation Improvement Program</td>
<td>$79</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>$111</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>$4,501</td>
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</tbody>
</table>

* not including defined period appropriations and off-road allocations
### SB 1 Pie Chart

<table>
<thead>
<tr>
<th>Defined-Period Appropriations</th>
<th>Years</th>
<th>Cumulative Est. millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities and Counties</td>
<td>1</td>
<td>$225</td>
</tr>
<tr>
<td>State Highway for SHOPP</td>
<td>1</td>
<td>$225</td>
</tr>
<tr>
<td>State Hwys &amp; Local Roads O &amp; M:</td>
<td></td>
<td>$450</td>
</tr>
<tr>
<td>TIRCP</td>
<td>1</td>
<td>$236</td>
</tr>
<tr>
<td>Transit Operations and Capital:</td>
<td></td>
<td>$236</td>
</tr>
<tr>
<td>Advanced Mitigation</td>
<td>4</td>
<td>$30</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>5</td>
<td>$5</td>
</tr>
<tr>
<td>Climate Change Adaptation Planning</td>
<td>1</td>
<td>up to $20</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td>$55</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>$741</strong></td>
</tr>
</tbody>
</table>
Diesel
$0.20
Excise Tax
$656 M

Gas
$0.12
Excise Tax
$1.84 B

ZEV Fee
(“TIF”)
$19 M

Veh. Lic.
Fee
$1.48 B

4% Diesel
Sales Tax
$326 M

Trade Corridors
Enhancement
Account
$328 M

Road Maint. and
Rehabilitation
Account
$3,067 M

State Highway
Account
$350 M

Public
Transportation
Account
$676 M

Hwy User
Tax Acct.
$79 M

PBET
Reset
$180 M

Notes
1) Theoretical full year of revenues at initial tax rates (before CPI adjustments).
2) See Page 20 on the PBET Reset.
3) Not including the RMRA transfers.
Trade Corridors Enhancement Account

50% of Diesel Excise Tax

Trade Corridors Enhancement Account
$328 M
Road Maintenance and Rehabilitation Account

- **Road Maint. and Rehab. Account** $3,067 M
  - Local Partnership Program $200 M
  - Active Transp. Program $100 M
  - Regional and Local PIng. Grants $25 M
  - Research at UC and CSU $7 M
- **State Highway Account** (see next page) $1,580 M

### Fixed Amount Set-Asides

- Local Streets & Roads $1,155 M
- Workforce Development (5 yrs.) $5 M
- TOTAL $5 M

1) All programs funded by the RMRA receive revenues from the 12¢ gas tax increase, the TIF, the 20¢ diesel excise tax increase, and the ZEV Fee.
1) All programs funded by the RMRA receive revenues from the 12¢ gas tax increase, the TIF, the 20¢ diesel excise tax increase and the ZEV Fee.
Highway User Tax Account

<table>
<thead>
<tr>
<th>Loan Repayment</th>
<th>One-Time Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Streets and Roads</td>
<td>$225 M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$225 M</td>
</tr>
</tbody>
</table>
Public Transportation Account

- Transit Intercity Rail Cap. $245 M
- Intercity and Commuter Rail $41 M
- State of Good Repair $105 M
- Public Transportation Account $676 M

Fixed Amount Set-Asides

- State Transit Assistance $285 M
- Intercity and Commuter Rail $41 M

TIF

Loan Repayment

<table>
<thead>
<tr>
<th>Loan Repayment</th>
<th>One-Time Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change Adaptation Planning (one time)</td>
<td>$20 M</td>
</tr>
<tr>
<td>TIRCP</td>
<td>$236 M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$256 M</td>
</tr>
</tbody>
</table>

1) Escalated by CPI
Gasoline Price-Based Excise Tax Detail

- Annual CPI adjustments stabilize PBET revenues compared to prior fluctuations from BOE true-up that aimed for revenue neutrality.
- The reset does not occur until FY 2019-20. FY 2021-22 is the first year of revenues that do not have prior STIP programming.

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>Pre- SB 1 FE Assumptions (FY 2021-22)</th>
<th>Post-SB 1 FE (FY 2021-22)</th>
<th>NET GAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHOPP</td>
<td>44%</td>
<td>$165 M</td>
<td>$187 M</td>
<td>$22 M</td>
</tr>
<tr>
<td>STIP</td>
<td>12%</td>
<td>$606 M</td>
<td>$685 M</td>
<td>$79 M</td>
</tr>
<tr>
<td>LSR</td>
<td>44%</td>
<td>$606 M</td>
<td>$685 M</td>
<td>$79 M</td>
</tr>
<tr>
<td>TOTAL GAIN</td>
<td></td>
<td></td>
<td></td>
<td>$180 M</td>
</tr>
</tbody>
</table>

PBET Reset $180M
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4) SB 1 and Federal Programs Schedule
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## Federal and State (Road Repair and Accountability Act of 2017 - SB-1) Programs Schedule

<table>
<thead>
<tr>
<th>Ln</th>
<th>Program</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2017 Active Transportation Program (ATP) Augmentation</td>
<td>May</td>
<td>Sep</td>
</tr>
<tr>
<td>2</td>
<td>Local Planning Grants</td>
<td>Jul</td>
<td>Oct</td>
</tr>
<tr>
<td>3</td>
<td>National Infrastructure Investments Program (TIGER)</td>
<td>Aug</td>
<td>Nov</td>
</tr>
<tr>
<td>4</td>
<td>Infrastructure For Rebuilding America (INFRA)</td>
<td>Sep</td>
<td>Dec</td>
</tr>
<tr>
<td>5</td>
<td>2018 State Transportation Improvement Program (STIP)</td>
<td>Oct</td>
<td>Jan</td>
</tr>
<tr>
<td>6</td>
<td>Transit Intercity Rail Capital Program (TIRCP)</td>
<td>Nov</td>
<td>Feb</td>
</tr>
<tr>
<td>7</td>
<td>Solutions for Congested Corridors Program</td>
<td>Dec</td>
<td>Mar</td>
</tr>
<tr>
<td>8</td>
<td>Local Partnership Program</td>
<td>Jan</td>
<td>Apr</td>
</tr>
<tr>
<td>9</td>
<td>Trade Corridors Enhancement Account (TCEA)</td>
<td>Feb</td>
<td>May</td>
</tr>
<tr>
<td>10</td>
<td>2019 ATP (Cycle 4)</td>
<td>Mar</td>
<td>Jun</td>
</tr>
<tr>
<td>11</td>
<td>New Starts²</td>
<td></td>
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</tr>
<tr>
<td>12</td>
<td>Advanced Mitigation</td>
<td></td>
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<tr>
<td>13</td>
<td>Commuter and Intercity Rail</td>
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<td>14</td>
<td>Transit SOGR</td>
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<tr>
<td>15</td>
<td>Freeway Service Patrol</td>
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<tr>
<td>16</td>
<td>Workforce Development</td>
<td></td>
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</tr>
</tbody>
</table>

### Notes
1) Schedule is based on past cycles’ schedules
2) Westside Subway Extension Section 3

- Guidelines process
- Application process
- Guidelines adoption/Notice of Funding Opportunity
- Application/Submittal
- Adoption/Award/Full Funding Grant Agreement
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5) Mode Eligibility by Program
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## Mode Eligibility by Program

### Eligible Modal Categories

<table>
<thead>
<tr>
<th></th>
<th>Programs</th>
<th>Congested Corridors</th>
<th>Intercity/Commuter Rail</th>
<th>Local Partnership</th>
<th>Planning Grants</th>
<th>STIP</th>
<th>TIGER</th>
<th>TIRCP</th>
<th>TCEP</th>
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<tr>
<td>Active Transportation</td>
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<td>Managed Lanes</td>
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<tr>
<td>Transit(^1) - Rolling Stock</td>
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<tr>
<td>Transit(^1) - Operations/Maintenance</td>
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**Notes**

1) Transit includes bus, urban rail, and commuter rail.
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6) Program Overviews
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Federal Programs
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Infrastructure for Rebuilding America (INFRA) Program

**PROGRAM DESCRIPTION**
The INFRA program provides federal competitive grants or credit assistance to nationally and regionally significant freight and highway projects.

**PROGRAM GOALS**
The Infra Program has seven major goals: i) improve the safety, efficiency, and reliability of the movement of freight and people; ii) generate national or regional economic benefits and increase the global economic competitiveness of the United States; iii) reduce highway congestion and bottlenecks; iv) improve connectivity between modes of freight transportation; v) enhance the resiliency of critical highway infrastructure and help protect the environment; vi) improve roadways vital to national energy security; and vii) address the impact of population growth on the movement of people and freight.

<table>
<thead>
<tr>
<th>TOTAL ANNUAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>As appropriated by Congress</td>
</tr>
</tbody>
</table>

**PROGRAM YEARS**

<table>
<thead>
<tr>
<th>FY 2017: $710 M (appropriated)</th>
<th>FY 2018: $855 M (anticipated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average of $925 M per year (authorized for FY 2017- FY 2020)</td>
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</tbody>
</table>

**ELIGIBILITY**
Eligible applicants are limited to: i) a State or group of States; ii) a metropolitan planning organization serving an urbanized area with a population above 200,000; iii) a unit of local government or a group of local governments; iv) a political subdivision of a State or local government; v) a special purpose district or public authority with a transportation function, including a port authority; vi) a tribal government or a consortium of tribal governments; vii) a Federal land management agency that applies jointly with a State or group of States; and viii) a multistate or multijurisdictional group of entities listed above.

Eligible projects include are limited to:

- A highway freight project on the National Highway Freight Network (NHFN);
- A railway-highway grade crossing or grade separation project;
- A highway or bridge project on the National Highway System, including: i) a project to add capacity to the Interstate System to improve mobility; or ii) a project in a national scenic area;
- A freight project that is: i) a freight intermodal or freight rail project; or ii) a project within the boundaries of a public or private freight rail, water (including ports), or intermodal facility and that is a surface transportation infrastructure project necessary to facilitate direct intermodal interchange, transfer, or access into or out of the facility.

To be eligible, freight projects: i) must make a significant improvement to the movement of goods on the NHFN; and ii) can use Federal funds for non-highway elements.

**REQUIREMENTS**

- At least 25% of the funds must be used for projects located in rural areas, defined as those outside an Urbanized Area with a population of over 200,000.
- The minimum grant award must be at least $25 M for large projects and $5 M for small projects. These projects (as applicable to California) are defined as those with a total cost of at least $100 M or less than $100 M, respectively.
• About $85 M is available for small projects and $1.48 B for large projects.
• About $326 M is available for non-highway portions of freight rail, water (including ports), or
  other freight intermodal projects (excluding grade crossing and grade separation projects) that
  make significant improvements and provide public benefits to freight movement on the NHFN.
• INFRA grants may be used for up to 60% of future eligible project costs, but the total Federal
  share may not exceed 80% of these costs.
• Previously-incurred costs may be used for meeting the minimum project size thresholds, but
  cannot be reimbursed with INFRA grant funds or be counted toward the non-Federal share.
• Large projects must be cost-effective, based on the results of preliminary engineering, and
  expected to begin construction within 18 months of the execution of a grant agreement.
• A grant application can comprise a network of projects, provided that each one addresses the
  same transportation problem and represents a transportation improvement that can be used.
• All administrative, planning and environmental review requirements must be satisfied to allow
  the execution of a grant agreement no later than September 30, 2020 for FY 2017 funds and
  September 30, 2021 for FY 2018 funds.
• An agency is limited to submitting a maximum of three applications as the “lead applicant”, but
  can be included as partner in other applications without any limitation.

EVALUATION CRITERIA

• Support for national or regional economic vitality.
• Leverage of Federal funding to attract other non-Federal sources of infrastructure investment,
  as well as accounting for life-cycle costs.
• Potential for innovation, including approaches to improve safety and expedite project delivery.
• Performance and accountability for achieving measurable outcomes identified by applicants.

PROCESS

On July 5, 2017, the United States Department of Transportation (USDOT) issued a Notice of Funding
Opportunity (NOFO) for INFRA grants. The NOFO includes information about eligible applicants and
projects, evaluation criteria, and deadlines for submitting grant applications and complying with all
applicable requirements to execute grant agreements. Grant applications are due to USDOT by
November 2, 2017. USDOT is expected to announce the projects that the Secretary of Transportation
selects for a funding award in March 2018.

As part of our internal process, Countywide Planning & Development, in consultation with other Metro
departments and stakeholders in the region (including Caltrans, Southern California Association of
Governments, Ports of Los Angeles, Port of Long Beach, and Alameda Corridor East) has identified
projects that could be eligible and competitive for INFRA grants. With any input received from the Board
of Directors, we will identify those projects that are the most competitive and that can best meet the
USDOT’s selection criteria. We will submit a maximum of three applications as the “lead applicant”,
including any application(s) we may submit on behalf of partnering agencies. We will also seek
additional INFRA funds by partnering with other agencies in applications that “bundle” several projects.
Transportation Investment Generating Economic Recovery (TIGER) Program

<table>
<thead>
<tr>
<th>PROGRAM DESCRIPTION</th>
<th>TOTAL ANNUAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The TIGER Program provides federal competitive grants or credit assistance to fund surface transportation capital projects in the country.</td>
<td>As appropriated by Congress</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PROGRAM GOALS</th>
<th>TOTAL ANNUAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund projects that will have a significant impact on the nation, a metropolitan area, or a region.</td>
<td>As appropriated by Congress</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PROGRAM YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017: $500 M (appropriated)</td>
</tr>
<tr>
<td>FY 2018: $550 M (proposed)</td>
</tr>
</tbody>
</table>

ELIGIBILITY

Eligible applicants are limited to States, local governments, transit agencies, or collaboration among such entities, for surface transportation capital projects. Eligible projects include, but are not limited to:

- Highways and bridges (e.g., high-occupancy vehicle lanes, truck climbing lanes, toll roads, etc.).
- Passenger and freight rail.
- Public transportation (e.g., facilities, rolling stock, etc.).
- Port infrastructure.
- Intermodal facilities.

REQUIREMENTS

- Up to 20% of the TIGER funds can be used to pay the subsidy and administrative costs of projects eligible for Federal credit assistance from the Transportation Infrastructure Finance and Innovation (TIFIA) Program.
- For projects in urban areas: i) the maximum Federal share (including TIGER funds) of project expenses is 80%; and ii) TIGER grants cannot be not less than $5 M or greater than $25 M.
- For projects in rural areas (i.e., outside an Urbanized Area with a population of at least 50,000): i) the maximum Federal share (including TIGER funds) of project expenses can exceed 80%; and ii) TIGER grants can range between $1 M and $25 M.
- Not more than 10% of the FY 2017 funds, or 5% of the FY 2018 funds (as approved by the Senate’s Appropriations Committee), may be awarded to projects in a single State.
- Not less than 20% of the FY 2017 funds, or 30% of the FY 2018 funds (as approved by the Senate’s Appropriations Committee), shall be awarded to projects in rural areas. Priority is for projects that require TIGER funds to complete an overall financing package.
- All administrative, planning and environmental review requirements must be satisfied to allow the execution of a grant agreement no later than September 30, 2020.
- Recipients can incur expenses and award contracts only after the execution of a grant agreement, with all expenses and TIGER reimbursements completed by September 30, 2025.
- Right-of-way acquisition is ineligible for TIGER funds, but it is an eligible project cost.
- Pre-construction activities (e.g., planning, environmental analysis, design, engineering, etc.) are eligible, if they are proposed as part of an overall construction TIGER project.
• An equitable geographic distribution of grant funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes.
• An agency is limited to submitting a maximum of three applications as the “lead applicant”, but can be included as partner in other applications without any limitation.

EVALUATION CRITERIA

• Primary Criteria: safety, state of good repair, economic competitiveness, quality of life (particularly for disadvantaged groups), and environmental sustainability.
• Secondary Criteria: innovation (i.e., technology, finance, contracting, etc.) and partnerships (jurisdictional/stakeholder collaboration and coordination with other public services).
• TIGER applications that include Infrastructure for Rebuilding America (INFRA) grants as part of the proposed financing package will be less competitive.
• Proposed legislation for FY 2018 TIGER funds prohibits using the non-Federal share applicants propose as an evaluation criterion (i.e., the amount of state/local funds is not a factor).
• Special consideration to projects that emphasize improved access to reliable, safe, and affordable transportation for communities in rural areas.

PROCESS

Upon appropriation of TIGER funds by Congress, the U.S. Department of Transportation (USDOT) releases a NOFO that includes information about eligible applicants and projects, evaluation criteria, and deadlines for submitting grant applications and complying with all applicable requirements to execute grant agreements. The FY 2017 TIGER NOFO was published on September 7, 2017 and grant applications are due to USDOT by October 16, 2017. USDOT is expected to announce the projects that the Secretary of Transportation selects for a funding award in March 2018.

FY 2018 TIGER funds have yet to be appropriated by Congress, but are included in the appropriations bill that was approved by Senate Appropriations Committee. However, they are excluded from the bill that was approved by the House Appropriations Committee and from the “skinny budget” that was proposed by President Trump for FY 2018. It is anticipated that Congress will authorize a three-month Continuing Resolution to fund the Federal Government through the end of December 2017 before the enactment of the full-year FY 2018 Appropriation Act. Should FY 2018 TIGER funds be appropriated as proposed by the Senate Appropriations Committee, the NOFO may be released in February 2018 and applications due to USDOT by in April 2018, with projects selected for a funding award announced in August 2018.

As part of our internal process, Countywide Planning & Development, in consultation with other departments, is identifying projects that could be eligible and competitive for TIGER grants. With any input received from the Board of Directors, we will identify those projects that are the most competitive and that can best meet the USDOT’s selection criteria. We will submit a maximum of three applications as the “lead applicant”, including any application(s) we may submit on behalf of partnering agencies. We may also seek additional TIGER funds by partnering with other agencies in their applications.
State Programs
# Active Transportation Program (ATP)

## PROGRAM DESCRIPTION
The Active Transportation Program (ATP) is a competitive program that provides funding for projects that encourage increased use of active modes of transportation such as bicycling and walking. The program originally consolidated funding from various federal and state transportation programs. SB 1 funds have already augmented the current cycle of funding and will be incorporated into future cycles.

## PROGRAM GOALS
| Increase proportion of biking and walking trips, increase mobility and safety for non-motorized users, advance regional efforts to achieve greenhouse gas reduction goals, enhance public health, ensure benefit to disadvantaged communities, provide a broad spectrum of projects to benefit many active transportation users |
|---|---|
| Approximately $220 million |

## PROGRAM YEARS
| 4 years, FY 20 to FY 23 |

## ELIGIBILITY
Eligible applicants include:
- Local, regional, or state agencies
- Caltrans
- Transit agencies
- Natural Resources or Public Land Agencies
- Public schools or school districts
- Tribal governments
- Private nonprofit tax-exempt organizations
- Other agencies responsible for oversight of transportation or recreational trails

Eligible projects include:
- Infrastructure projects – capital projects (including environmental, design, right-of-way, and construction) that further ATP goals
- Non-infrastructure projects – education, encouragement, and enforcement activities that further ATP goals
- Community wide bicycle, pedestrian, safe routes to school, or active transportation plans in a disadvantaged community

## CRITERIA
The application includes narrative questions to evaluate the following criteria:
- Benefit to disadvantaged communities
- Potential for increased walking and bicycling
- Potential for reducing the number and/or rate of pedestrian and bicyclist fatalities or injuries
- Public participation and planning
- Improved public health
- Cost-effectiveness
- Leveraging of non-ATP funds
- Use of the California Conservation Corps or qualified community conservation corps
- Performance on past ATP projects

## SEGMENTATION OF FUNDS
Funds are divided and distributed through three competitions, and a certain percentage of funds are set aside to fulfill specific program goals:
• 50% to statewide competition administered by the CTC
• 40% to large Metropolitan Planning Organization (MPO) competitions administered by MPOs
• 10% to small urban and rural competition administered by the CTC
• A maximum of 2% of funds in each competition may be awarded for planning projects
• A minimum of 25% of funds in each competition must be awarded to projects that benefit disadvantaged communities

PROCESS
Applicants first submit applications for consideration under the statewide competition. Applications not selected in the statewide competition will be considered in the large MPO competitions. For Los Angeles County, the large MPO competition is administered by the Southern California Association of Governments (SCAG) who distributes funds to counties based on population shares. Each county selects projects from within its area based on a ranking of the statewide scores augmented by up to 10 points assigned by the county for consistency with local and regional plans. A four-year program of projects is anticipated to be adopted by the CTC every odd year. The next full funding cycle including SB 1 funds is anticipated to cover FY 2019-20 to FY 2022-23.
Commuter and Intercity Rail

**Program Description**

The California State Transportation Agency receives funds for allocation to public agencies, including joint powers agencies, responsible for commuter rail services and state-supported intercity rail services.

<table>
<thead>
<tr>
<th>Program Goals</th>
<th>Total Annual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General improvements to the commuter and intercity rail services operated in California.</td>
<td>Approximately $41 million</td>
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</table>

**Program Goals**

**Program Years**

TBD

**Eligibility**

Eligible uses include:

- Operations and maintenance of commuter and intercity rail systems
- Capital expenses for either rehabilitation or expansion

**Criteria**

Statute is broad and inclusive regarding criteria for the use of these funds. Guidelines will be developed to provide direction as to how projects will be evaluated for inclusion in the program.

**Segmentation of Funds**

SB 1 directs half of the revenues to commuter rail operators and half to intercity rail operators.

**Process**

SB 1 will direct a 0.5% portion of new diesel sales tax revenue for allocation by the California State Transportation Agency.

Half will be allocated to the five commuter rail providers including the Southern California Regional Rail Authority, and half to the three intercity rail corridors. Revenue will be allocated in equal shares to commuter operators through FY 2019-20, and via guidelines thereafter. Each of the commuter rail operators will receive approximately $2.5 million in FY 2018 and $3.9 million in FY 2019. Each of the three intercity rail corridors will receive a minimum of 25% of the intercity rail funds, or approximately $3.1 million in FY 2018 and $4.9 million in FY 2019. Guidelines are being developed to direct the remaining 25%.
Congested Corridors Program
Information is based on 7/21/17 and the 8/7/17 guidelines development workshops

<table>
<thead>
<tr>
<th>PROGRAM DESCRIPTION</th>
<th>TOTAL ANNUAL AMOUNT</th>
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<tbody>
<tr>
<td>The Solutions for Congested Corridors program is designed to fund projects from regional agencies and the state that will improve traffic flow and mobility along the state’s most congested routes while also seeking to improve air quality and health.</td>
<td>Approximately $250 million</td>
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<table>
<thead>
<tr>
<th>PROGRAM GOALS</th>
<th>PROGRAM YEARS</th>
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</thead>
<tbody>
<tr>
<td>To fund projects that achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state. Program criteria looks to measure project performance related to congestion, safety, economic growth and stability, access, environmental impacts, project deliverability, efficient land use, fund leveraging, and collaboration.</td>
<td>FY 18—FY 21, for the first cycle. 3-year cycles after that.</td>
</tr>
</tbody>
</table>

ELIGIBILITY
SB 1 details the project types and project elements within a corridor that are qualified to receive funds under the program. These eligible project elements include:

- State highways
- Local streets and roads
- Public transit facilities
- Bicycle and pedestrian facilities,
- Restoration/preservation work that protects critical local habitat or open space
- Eligible highway lane capacity-increasing projects are limited to:
- High-occupancy vehicle lanes
- Managed lanes, and
- Other non-general purpose lane improvements designed to improve safety for all modes of travel (e.g. auxiliary lanes, truck climbing lanes, or dedicated bicycle lanes)

Requirements
The program requires that nominated projects:

- Be included in a corridor plan
- Be included in the RTP/SCS
- Provide quantitative and qualitative measures that validate the project’s consistency with program goals.

CRITERIA
Per statute, projects deemed eligible will be evaluated based on the following criteria:

- Safety
- Congestion
- Accessibility
- Economic development and job creation and retention
- Furtherance of ambient air standards and greenhouse gas emissions reduction standards pursuant to the California Global Warming Solutions Act of 2006 and Senate Bill 375
- Efficient land use
- Matching funds
- Project deliverability

Additionally, the law states that preference will be given to:

- Projects identified in corridor plans developed in collaboration between the department and local or regional partners, and
- Jointly nominated by both a regional agency and Caltrans.

**SEGMENTATION OF FUNDS**
The program is 100% competitive, with up-to 50% eligible for Caltrans-nominated projects.

**PROCESS**
The CTC is overseeing the guidelines development process, which further refine the project evaluation criteria and scoring. Statute stipulates that the program cover a multiple years, and mandates that the program is updated on a biennial basis, similar to the STIP. Below is the proposed schedule for adopting the guidelines, application submittal and program adoption for the first cycle.

Program implementation schedule:
- December 2017— Adopt guidelines
- February 2018— Applications due
- May 2018— Program Adoption

**Reporting/Evaluation**
The Commission is required to submit project update reports as part of their annual report to the Legislature which must include:

- A summary describing the overall progress of the project since the initial award
- Expenditures to date for all project phase costs,
- A summary of milestones achieved during the prior year and milestones expected to be reached in the coming year, and
- An assessment of how the project is meeting the quantitative and qualitative measurements identified in the project nomination.
Local Partnership Program
Information is based on draft guidelines dated August 11, 2017

<table>
<thead>
<tr>
<th>PROGRAM DESCRIPTION</th>
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<tbody>
<tr>
<td>The Local Partnership Program (LPP) is a program that provides competitive and formula funds to agencies that raise local transportation revenues through dedicated sales taxes or fees.</td>
</tr>
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<table>
<thead>
<tr>
<th>PROGRAM GOALS</th>
<th>TOTAL ANNUAL AMOUNT</th>
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<tbody>
<tr>
<td>Reward local or regional transportation agencies that raise local transportation revenues through dedicated sales taxes or fees, and incentive aspiring agencies to pass sales taxes and/or impose fees dedicated to transportation.</td>
<td>Approximately $200 million</td>
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<table>
<thead>
<tr>
<th>PROGRAM YEARS</th>
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<tbody>
<tr>
<td>For the Formula Program, 2 years covering FY 18 and FY 19. For the Competitive Program, 3 years covering FY 18 through FY 20.</td>
</tr>
</tbody>
</table>

ELIGIBILITY
SB 1 states that LPP funds are for local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees dedicated solely to transportation improvements.

Eligible projects include, but are not limited to, improvements to:
- The state highway system
- Transit facilities subject to restrictions of Article XIX
- The local road system
- Bicycle or pedestrian safety or mobility with a useful life of at least 15 years
- Mitigate environmental impacts of new transportation infrastructure on air or water quality
- Sound walls
- Road maintenance and rehabilitation

In the competitive program, only construction is eligible for funding. In the formula program, agencies may nominate projects including pre-construction work.

CRITERIA
For both the formula and competitive programs, there is a matching requirement of 1:1. In the competitive program, there are minimum project sizes based on the population of the applicant’s taxing jurisdiction.

In the competitive program, project selection priorities include:
- Cost-effectiveness
- Ability to begin construction/implementation earlier
- Leveraging of committed funds
- Demonstrated air quality improvements, including reduction in vehicle miles traveled
- Demonstrated regional and community support
- Demonstrated ability to further implementation of sustainable communities strategy for projects within a Metropolitan Planning Organization
SEGMENTATION OF FUNDS
Funds are to be divided:
- 50% competitive grant program in which at least 10% is for agencies with imposed fees dedicated to transportation
- 50% formula program
  - Funds are first divided between the north and south by proportional sales tax revenue generation.
  - Funds are then distributed to sales tax administering agencies based on proportional population share.

PROCESS
In the formula program, the CTC will adopt the funding share for each eligible applicant with the guidelines adoption. In this first funding cycle, eligible applicants must submit project nominations by January 31, 2018. In subsequent funding cycles, applicants shall submit nominations by August 15 of each year.

In the competitive program, project applications will be evaluated and compared within 5 categories based on population. In this first funding cycle, eligible applicants must submit project applications by January 31, 2018. In subsequent funding cycles, applicants shall submit applications by August 15 of each even-numbered year.

Program implementation schedule:
- July to September 2017 – Guidelines Development Workshops
- August 16-17, 2017 – Draft Guidelines Available
- October 18-19, 2017 – Guidelines Adoption
- January 31, 2018 – Applications due
- March 1, 2018 – CTC staff release recommendations for the formula program
- March 21-22, 2018 – CTC adopts formula program
- June 4, 2018 – CTC staff release recommendations for the competitive program
- June 27-28, 2018 – CTC adopts competitive program
State Transportation Improvement Program (STIP)

**PROGRAM DESCRIPTION**
The STIP is a formula program, which allows regions to program their funding shares to meet their regional transportation priorities and needs. Project eligibility under the program is flexible and includes transit, highway, traffic system management, and active transportation modes.

**PROGRAM GOALS**
The program aims to funds for state highway improvements, intercity rail, and regional highway and transit improvements that advance regional and state goals as identified in the RTP/SCS.

<table>
<thead>
<tr>
<th>TOTAL ANNUAL AMOUNT</th>
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<tbody>
<tr>
<td>Approximately $685</td>
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</table>

<table>
<thead>
<tr>
<th>PROGRAM YEARS</th>
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</thead>
<tbody>
<tr>
<td>5 Years. FY19—FY23</td>
</tr>
</tbody>
</table>

**ELIGIBILITY**
Eligible applicants include:
- Regional Transportation Planning Agencies
- Caltrans

Eligible projects include:
- State highway improvements
- Intercity rail
- Regional highway, and
- Transit improvements.

**CRITERIA**
STIP projects are submitted through the Board-adopted Regional Transportation Plan, and are required to:
- Have a Project Study Report.
- Have a Project Programming Report demonstrating the funding plan and full funding through the project phases being qualified.
- Demonstrate inclusion in most recently adopted the Regional Transportation Plan.
- Provide quantifiable project outputs/outcomes.
- Demonstrate their support for State and Regional transportation Goals.

**SEGMENTATION OF FUNDS**
Funds are divided and distributed as follows:
- 75% to regions statewide distributed via formula
- 25% to Caltrans for their Interregional Program

**PROCESS**
The CTC adopts the STIP Guidelines and Fund Estimate in August 2017 at their meeting. Metro prepares the Regional Transportation Improvement Program (RTIP) for Los Angeles County. The RTIP is submitted to the Metro board for board adoption prior to December. Once approved, the MPO verifies the project’s contribution to the performance and goals of the Regional Transportation Plan. Following that, the RTIP is submitted to the CTC by December 15th. Two hearings are held on the Draft STIP to create a forum to discuss RTIP submittals and possible questions related to them from the Commission. CTC staff draft there recommendation for the 2018 STIP and submit it for adoption in March.
Program implementation schedule:
- August 16-17— Adopt Fund Estimate & Guidelines.
- September 15— Department identifies State highway needs.
- October 13— Department submits draft ITIP.
- December 15— RTIP & ITIP submittal.
- March 21-22, 2018— Adopt STIP.
Trade Corridor Enhancement Program

*Information is based on guidelines development workshops*

<table>
<thead>
<tr>
<th>PROGRAM DESCRIPTION</th>
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<tbody>
<tr>
<td>Trade Corridor Enhancement Program (TCEP) aims to fund corridor-based freight projects that will improve trade corridor mobility and safety; reduce emissions of diesel particulates, greenhouse gases and other harmful pollutants; and mitigate negative freight impacts to communities.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>PROGRAM GOALS</th>
<th>TOTAL ANNUAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The TCEP aims to fund projects which improve the efficient movement of freight on designated corridors throughout the state and to support the goals outlined in the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan. Additionally, the program emphasizes improvements on trade corridor mobility and safety, reduction of emissions of diesel particulates, greenhouse gases, and other harmful pollutants, as well as reduction on other negative community impacts, especially in disadvantaged communities.</td>
<td>Approximately $300 million</td>
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<tr>
<th>PROGRAM YEARS</th>
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<td>TBD</td>
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**ELIGIBILITY**

Eligible projects include:

- Highway, local road, and rail capital and capacity improvements, rail landside access improvements, landside freight access improvements to airports, seaports, and land ports, and operational improvements to more efficiently accommodate the movement of freight and to relieve traffic congestion along major trade or goods movement corridors.
- Freight rail system improvements to enhance ability to move goods, including rail grade separations, and projects that improve rail efficiency and frail rail system capacity.
- Ports capacity and efficiency improvement projects.
- Truck corridor and capital and operational improvements, including dedicated truck facilities or truck toll facilities.
- Border capital and operational improvements.

**CRITERIA**

- The total potential economic and noneconomic benefits of the program of projects to California’s economy, environment, and public health.
- Benefits or costs for disadvantaged communities and low income communities will be evaluated.
- Other evaluation criteria outlined in the trailer bill includes freight “velocity”, “throughput”, freight travel “reliability”, and “congestion reduction.”

**SEGMENTATION OF FUNDS**

- 60% of the funds will be available to projects nominated by regional transportation agencies and other public agencies. The projects must be included in the California Freight Mobility Plan (state freight plan). The CTC will develop reasonable geographic targets for funding allocations.
- 40% of the funds will be available to projects nominated by Caltrans.
The trailer bill language notes that the highest priority would be given to projects jointly nominated by Caltrans and regional or other public agencies.

Metro, along with other regional transportation agencies, is requesting the CTC to stipulate that the selection of Caltrans nominated projects be announced in advance of the selection of projects nominated by regional transportation agencies to encourage transparency in project selection process, and ensure the highest geographical equity across the state.

**PROCESS**

The CTC is hosting program guideline development workshops though November 2017. Much of the guideline contents are anticipated to carry over from the draft CFIP guidelines that were under development throughout the first half of the 2017. Project sponsors will be required to submit applications upon the CTC’s issuance of an official call for projects.

Program implementation schedule:
- Through November 2017 – Guideline Development Workshops
- December 6, 2017 – Draft Guidelines Release
- January 31, 2018 – Adoption of Guidelines
- March 2, 2018 – Program Applications Due
- April 30, 2018 – CTC Staff Recommendation Release
- May 16, 2018 – Program Adoption
The Transit and Intercity Rail Capital Program (TIRCP) is a capital improvement and expansion program for transit and passenger rail systems administered by the California State Transportation Agency (CalSTA). The program, originally funded solely from Cap-and-Trade revenues, will be augmented by SB-1 revenues beginning as early as the current fiscal year.

### PROGRAM GOALS

The goals for the TIRCP are to increase transit and passenger rail ridership and decrease greenhouse gas emissions through transformative capital improvements to intercity, commuter, and urban rail, and bus and ferry systems.

### TOTAL ANNUAL AMOUNT

- From SB 1, approximately $245 million annually, plus a one-time $236 million payment over 3 years.
- From Cap-and-Trade, 10% of auction proceeds.

### PROGRAM YEARS

5 years, FY 19 to FY 23

### ELIGIBILITY

Eligible applicants are public agencies such as joint powers agencies, construction authorities, and transportation authorities that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service, urban rail transit service, or bus or ferry transit service.

Eligible uses of the TIRCP include capital projects to improve, expand, and integrate transit systems, as defined to include:

- Intercity rail
- Commuter rail
- Urban rail (light rail and subway)
- Bus and Bus Rapid Transit
- Ferries

Projects must demonstrate reduction in greenhouse gas emissions.

### CRITERIA

The primary criteria include:

- Emission reduction
- Ridership growth
- Transit and passenger rail service integration
- Safety benefit

Secondary criteria include:

- Co-benefits of sustainable community goals
- Benefits to Disadvantaged Communities
- Geographic balance
SEGMENTATION OF FUNDS
TIRCP does not have different competitive components or tiers. However, CalSTA intends to award a small number of transformative projects and make funding available for demonstration projects with potential to expand.

PROCESS
The TIRCP is a competitive program. Workshops have begun to gather input to update the guidelines and incorporate SB-1 funding and requirements. Applications will be submitted according to the requirements established in the guidelines. A five-year program of projects is anticipated to be awarded by CalSTA in April 2018 and allocated by the California Transportation Commission beginning late Fiscal Year (FY) 2018 or early FY 2019.

Including SB-1 as well as Cap and Trade revenues, the total funding available in the coming cycle is estimated to range from $1.5 billion to $2 billion. Based on statute, these funds would span a 5-year period, with approximately $630 million available in the first year.

Program implementation schedule:
- October 13, 2017 – CalSTA publishes final guidelines and releases Call for Projects
- January 12, 2018 – Project applications due to Caltrans
- April 30, 2017 – CalSTA publishes list of approved projects
- May 2018 – Presentation of project list to California Transportation Commission
State of Good Repair

**PROGRAM DESCRIPTION**
The State of Good Repair (SOGR) is intended to improve transit service by providing capital funding for maintenance of transit vehicles and facilities. Some operating uses are permitted, as well.

<table>
<thead>
<tr>
<th>PROGRAM GOALS</th>
<th>TOTAL ANNUAL AMOUNT</th>
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<tr>
<td>To assist transit operators in attaining and maintaining a state of good repair or vehicles and facilities.</td>
<td>Approximately $105 million</td>
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<tr>
<th>PROGRAM YEARS</th>
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<tbody>
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<td>TBD</td>
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</tbody>
</table>

**ELIGIBILITY**
Eligible uses include:
- Capital expenditures
- Purchase of replacement vehicles
- Certain transit services

**CRITERIA**
Projects under this category should meet the following criteria:
- Maintain existing fleet and facilities
- Improve service
- Complement repair and improvement of local transportation infrastructure (transit service only)

**SEGMENTATION OF FUNDS**
Funds are not anticipated to be segmented.

**PROCESS**
State law provides for $105 million per year for this program, escalated annually by the Consumer Price Index. Revenue will be allocated according to statute for the State Transit Assistance program. Caltrans will administer the program, reviewing and certifying eligible operators’ project eligibility, and reporting eligible amounts to the State Controller for disbursement.
State Transit Assistance Augmentation

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<tr>
<td>The State Transit Assistance (STA) program an existing fund source for development and support of public transportation needs that is allocated by formula to operator agencies and other selected agencies.</td>
<td>Approximately $105 million</td>
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<tr>
<th>PROGRAM GOALS</th>
<th>PROGRAM YEARS</th>
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<tr>
<td>Augment the funding available under the STA program for the transit operations and capital needs of designated operators in California.</td>
<td>TBD</td>
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</tbody>
</table>

ELIGIBILITY
Broad eligibility for capital projects and transit operations for designated regional and local transit operators.

CRITERIA
A test is performed for each recipient agency to evaluate their cost effectiveness. Operators that pass the test are eligible to receive funds for either operations and maintenance or capital. Operators that fail are limited to capital uses.

SEGMENTATION OF FUNDS
Funds are not anticipated to be segmented.

PROCESS
STA funds are allocated in two portions, a population-based portion and a revenue-based portion.

- Population-based funds are allocated to the Regional Transportation Planning Agencies. Metro determines the use of this portion of funds based on the highest need.

- Revenue-based funds are allocated to the eligible and included local and regional transit operators. The State allocates funds to transit operators based on their revenue as defined by PUC 99314 (b).
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7) Glossary
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>ATP</td>
<td>Active Transportation Program</td>
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<tr>
<td>CalSTA</td>
<td>California State Transportation Agency</td>
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<tr>
<td>Caltrans</td>
<td>California Department of Transportation</td>
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<tr>
<td>CFIP</td>
<td>California Freight Investment Program</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>CTC</td>
<td>California Transportation Commission</td>
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<tr>
<td>FAST</td>
<td>Fixing America’s Surface Transportation Act</td>
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<tr>
<td>FASTLANE</td>
<td>Fostering Advancements in Shipping and Transportation for the Long-term</td>
</tr>
<tr>
<td></td>
<td>Achievement of National Efficiencies</td>
</tr>
<tr>
<td>FE</td>
<td>Fund Estimate</td>
</tr>
<tr>
<td>FFY</td>
<td>Federal Fiscal Year</td>
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<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>HUTA</td>
<td>Highway User Tax Account</td>
</tr>
<tr>
<td>INFRA</td>
<td>Infrastructure For Rebuilding America Program</td>
</tr>
<tr>
<td>ITIP</td>
<td>Interregional Transportation Improvement Plan</td>
</tr>
<tr>
<td>LSR</td>
<td>Local Streets and Roads</td>
</tr>
<tr>
<td>MPO</td>
<td>Metropolitan Planning Organization</td>
</tr>
<tr>
<td>NHFP</td>
<td>National Highway Freight Program</td>
</tr>
<tr>
<td>NOFA/NOFO</td>
<td>Notice of Funding Availability/Opportunity</td>
</tr>
<tr>
<td>NSFHP</td>
<td>Nationally Significant Freight and Highway Projects</td>
</tr>
<tr>
<td>PBET</td>
<td>Price-based excise tax</td>
</tr>
<tr>
<td>PTA</td>
<td>Public Transportation Account</td>
</tr>
<tr>
<td>PUC</td>
<td>Public Utilities Code</td>
</tr>
<tr>
<td>RMRA</td>
<td>Road Maintenance and Rehabilitation Account</td>
</tr>
<tr>
<td>RTIP</td>
<td>Regional Transportation Improvement Plan</td>
</tr>
<tr>
<td>RTP/SCS</td>
<td>Regional Transportation Plan/ Sustainable Communities Strategy</td>
</tr>
<tr>
<td>SB 1</td>
<td>Senate Bill 1, Road Repair and Accountability Act of 2017</td>
</tr>
<tr>
<td>SCAG</td>
<td>Southern California Association of Governments</td>
</tr>
<tr>
<td>SHA</td>
<td>State Highway Account</td>
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<tr>
<td>SHOPP</td>
<td>State Highway Operation and Protection Program</td>
</tr>
<tr>
<td>STIP</td>
<td>State Transportation Improvement Program</td>
</tr>
<tr>
<td>TBD</td>
<td>To be determined</td>
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<tr>
<td>TCEA/TCEP</td>
<td>Trade Corridors Enhancement Account/Program</td>
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<tr>
<td>TIF</td>
<td>Transportation Improvement Fee</td>
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<tr>
<td>TIGER</td>
<td>Transportation Investment Generating Economic Recovery/National Infrastructure Investments Program</td>
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<tr>
<td>TIRCP</td>
<td>Transit and Intercity Rail Program</td>
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<tr>
<td>USDOT</td>
<td>United States Department of Transportation</td>
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<tr>
<td>ZEV</td>
<td>Zero Emission Vehicle</td>
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