

TRANSIT AND RAIL PROGRAMS

Kick-off Workshops for Guideline Development

June 26, 2017 – Los Angeles

June 27, 2017 – Sacramento

Programs Funded from:

Senate Bill 1 – The Road Repair and Accountability Act of 2017

Senate Bill 862 – California Climate Investments

Agenda

- ▶ SB 1 Funding
- ▶ SB 862 Funding
- ▶ Open Discussion on Guideline Development
 - Transit and Intercity Rail Capital Program (TIRCP)
 - State Transit Assistance (STA –apportionment per Public Utilities Code 99312.1)
 - Commuter and Intercity Rail (apportionment per Public Utilities Code 99312.3)
 - Low Carbon Transit Operations Program (LCTOP)
- ▶ General Comments and Questions



SB 1 Transit Investments



CALIFORNIA RAIL MAP WITH SEA AND FERRY CONNECTIONS



SB 1 Transit Funding – by Source

(annual average over 10 years)

- ▶ **Transportation Improvement Fee (new annual value-based vehicle fee ranging \$25–\$175):**
 - \$350 million plus future CPI growth
 - 70% to Transit and Intercity Rail Capital Program
 - 30% to State Transit Assistance for maintenance, rehab & capital
- ▶ **Sales Tax on Diesel Fuel (4% new tax)**
 - \$350 million
 - 87.5% to State Transit Assistance Program for capital or operations
 - 12.5% to Commuter and Intercity Rail Program
- ▶ **One-time General Fund Loan Repayment**
 - \$236 million
 - 100% to Transit and Intercity Rail Capital Program



SB 1 Transit Funding – by Allocation

(estimates in millions)

| SB 1 Funding Programs | 2017-18 | 2018-19 | 10-Year |
|--|--------------|--------------|----------------|
| Transit and Intercity Rail Capital Program <i>[SB 1 Transportation Improvement Fee]</i> | \$245 | \$245 | \$2,714 |
| Transit and Intercity Rail Capital Program <i>[SB 1 Loan Repayment; over 3 years]</i> | \$78 | \$78 | \$236 |
| TOTAL Transit and Intercity Rail Program | \$323 | \$323 | \$2,950 |
| State Transit Assistance (operations & capital) <i>[SB 1 sales tax on diesel]</i> | \$175 | \$274 | \$3,091 |
| State Transit Assistance (state of good repair) <i>[SB 1 Transportation Improvement Fee]</i> | \$105 | \$106 | \$1,163 |
| TOTAL State Transit Assistance | \$280 | \$380 | \$4,254 |
| Commuter Rail and Intercity Rail funding <i>[SB 1 sales tax on diesel]</i> | \$25 | \$39 | \$442 |
| GRAND TOTAL | \$628 | \$742 | \$7,646 |



Multimodal SB 1 Programs

(guidelines to be adopted by the CA Transportation Commission)

- ▶ Solutions for Congested Corridors Program
 - \$2.5 billion over 10 years for multimodal investments to improve the most congested travel corridors
- ▶ State Local Partnership Program
 - \$2.0 billion over 10 years for multimodal transportation improvements
- ▶ State Transportation Improvement Program
 - \$1.1 billion extra over 10 years and stabilized base funding for multimodal transportation improvements



SB 862 “Cap and Trade” Funding

- ▶ **Transit and Intercity Rail Capital Program (TIRCP)**
 - ▶ \$25M in 2014–15 (budget act appropriation)
 - ▶ \$183M in 2015–16 (continuous appropriation of 10% of auction proceeds)
 - ▶ \$224M in 2016–17 (continuous appropriation of 10% of auction proceeds plus \$135M budget act appropriation)
 - ▶ \$150M in 2017–18 (per Governor’s Budget, which is 10% of proceeds)
- ▶ **Low Carbon Transit Operations Program (LCTOP)**
 - ▶ \$25M in 2014–15 (budget act appropriation)
 - ▶ \$91M in 2015–16 (continuous appropriation of 5% of auction proceeds)
 - ▶ \$45M in 2016–17 (continuous appropriation of 5% of auction proceeds)
 - ▶ \$75M in 2017–18 (per Governor’s Budget, which is 5% of auction proceeds)

TIRCP - Guidelines

- ▶ **Topline Information:**
 - Program funds transformative capital projects that increase ridership and decrease greenhouse gas emissions
 - SB 9 requires adoption of a 5-year program of projects and authorizes funding agreements that may extend beyond 5-years
 - Fund estimate will be determined at the time of the call for projects, but could be in the range of \$1.5B – \$2B (SB 1 and SB 862 funds)
 - Awards made in early spring 2018



TIRCP - Background

- ▶ Competitive program to fund a small number of transformative projects that improve the statewide network and reduce greenhouse gas emissions.
- ▶ Primary evaluation criteria: emission reduction, ridership growth, achievement of integrated service, and safety benefit
- ▶ Secondary evaluation criteria: co-benefits of broader sustainable community goals, disadvantaged community benefits, geographic balance



TIRCP - Key Issues for Early Stakeholder Discussion

- ▶ 5-year Program requires programming by year, and may require multiple allocations for given project to manage cash
- ▶ Multi-year funding agreements may allow additional resources for the largest most transformational projects
- ▶ Updates are required for disadvantaged communities and low income criteria per AB 1550
- ▶ Considering a small set-aside for statewide transformative integration projects
- ▶ Other?



State Transit Assistance - Guidelines

- ▶ **Topline Information:**
 - SB 1 directs approximately \$105 million annually in new STA revenue for state-of-good-repair investments, with projects submitted to Caltrans to determine eligibility
 - Revenue is allocated according to the STA formula based on population and transit agency revenue
 - Upon certification of project eligibility, funds will be allocated quarterly by the Controller, starting in early 2018



State Transit Assistance - Background

- ▶ Public Utility Code defines the state-of-good-repair program as follows:
 - Funds can only be expended on:
 - Capital expenditure to maintain the existing fleet & facilities
 - Purchase of new vehicles to improve service
 - Transit services that complement repair and improvement of local transportation infrastructure
 - The Controller will estimate funding shares
 - Prior to an allocation, the transit agency shall submit a list of qualifying projects to Caltrans
 - Caltrans shall report eligible projects to the Controller for allocation



State Transit Assistance - Key Issues for Early Stakeholder Discussion

- ▶ Guidelines will establish a timeline and reporting requirements to for project eligibility including: description and location; completion date; and useful life
- ▶ Guidelines will define post-project reporting requirements
- ▶ Future audits will include validation
- ▶ May require supplemental reporting of other SB 1 STA funding to allow transparent reporting of SB 1 expenditures



Commuter and Intercity Rail-Guidelines

- ▶ **Topline Information:**
 - SB 1 directs a 0.5% portion of new diesel sales tax revenue for allocation: half to the 5 commuter rail providers and half to the 3 intercity rail corridors
 - Revenue is allocated in equal shares to commuter operators through 2019–20, and via guidelines thereafter
 - Revenue is allocated to intercity rail corridors such that each receives at least 25% of the intercity rail share
 - The average annual total statewide allocation over 10 years will be approximately \$44 million



Commuter and Intercity Rail - Background

- ▶ The 5 commuter rail operators will each receive about \$2.5M in 2017–18 and \$3.9M in 2018–19:
 - Altamont Corridor Express Authority (ACE)
 - North County Transit Development Board (Coaster)
 - Peninsula Corridor Joint Powers Board (Caltrain)
 - Sonoma–Marin Area Rail Transit District (SMART)
 - Southern California Regional Rail Authority (Metrolink)
- ▶ The 3 intercity rail agencies will each receive about \$3.1M in 2017–18 and \$4.9M in 2018–19:
 - Capitol Corridor
 - Pacific Surfliner Corridor
 - San Joaquin Corridor



Commuter and Intercity Rail - Key Issues for Early Stakeholder Discussion

- ▶ Guidelines for Commuter Rail may only cover fiscal years through 2019–20 where allocation shares are defined in law – a future set of guidelines can cover the period of 2020–21 and thereafter
- ▶ Guidelines for Intercity Rail will address the 25% of funds that are not directed by formula in statute
- ▶ Statute requires the guidelines to include provisions for loans among commuter rail operators and among intercity rail agencies



Low Carbon Transit Operations Program (LCTOP)- Guidelines

▶ Topline Information:

- Formulaic program that allows about 180 transit operators to improve transit service in communities across the state
- Revenue is allocated according to the STA formula based on population and transit agency revenue
- Caltrans and the Air Resources Board will review projects to ensure ridership and greenhouse gas benefits
- Funded with Cap and Trade auction proceeds that with current budget forecast would provide about \$64 million for allocations in 2017-18



Low Carbon Transit Operations Program - Background

- ▶ The LCTOP was established with SB 862 of 2014, and is entering its 4th year of annual programming
- ▶ AB 1550 of 2016 modified disadvantaged communities requirements to increase the set aside for benefits within disadvantaged communities and add a set aside for low-income households or communities. Statute requires the LCTOP to direct a minimum of 50% of allocations to benefit disadvantaged communities, where applicable.
- ▶ SB 824 of 2016 authorizes a “letter of no prejudice” process and adds other requirements for LCTOP



Low Carbon Transit Operations Program - Key Issues for Early Stakeholder Discussion

- ▶ LCTOP guidelines will incorporate new Air Resources Board guidance for disadvantaged communities, per AB 1550
- ▶ Guidelines will continue to include SB 824 requirements and authorities including:
 - Letters of No Prejudice (LONPs), which are authorizations to expend other funds in advance of future LCTOP funds without being considered a supplantation of funds
 - Authorizes loans and transfers among transit agencies of LCTOP funds, and a transit agency to retain its funds over multiple fiscal years with an approved allocation request
 - Allows a transit agency to continue the same service with LCTOP funds if it can demonstrate additional greenhouse gas reductions



Guideline Timeline

(subject to change)

- ▶ Informal Workshops
 - June 26 Los Angeles
 - June 27 Sacramento
- ▶ Release Discussion Draft Guidelines & hold additional workshops – July
- ▶ Release Formal Draft Guidelines & Hold additional workshops – August
- ▶ Adopt Final Guidelines – September



Questions and Feedback

**Contact for TIRCP and Commuter and Intercity Rail Program Guidelines:
Chad Edison at 916-323-5400 and chad.edison@calsta.ca.gov**

**Contact for STA Guidelines:
Wendy King at 916-651-8239 and wendy.king@dot.ca.gov**

**Contact for LCTOP Guidelines:
Amar Cid at 916-651-6114 and amar.cid@dot.ca.gov**

