

California State Transportation Agency **Transit and Rail Funding Overview** **February 2020**

The California State Transportation Agency (CalSTA) strives to transform the lives of all Californians through a safe, accessible, low carbon, 21st century multimodal transportation system built on major investments in transit and rail.

Across California, CalSTA and its Departments are funding transit and rail projects to provide all our citizens full access to the economy and reduce vehicle miles traveled on our roads.

I. Ongoing and Currently Available New Transit and Rail Funding

Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program (TIRCP) program provides grants from the Greenhouse Gas Reduction Fund and SB 1 to fund transformative capital improvements that will modernize California's intercity, commuter and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled and congestion.

TIRCP Cycle 4 applications totaled \$2.4 billion of requests against an estimated \$450 million to \$500 million of available revenue over the next five years. The application list is here: <https://calsta.ca.gov/-/media/calsta-media/documents/2020-list-of-applications-received---final-20200204-a11y.pdf>. Awards will be made by April 1, 2020.

State Rail Assistance

Senate Bill 1 (SB 1), the *Road Repair and Accountability Act of 2017*, created the State Rail Assistance (SRA) Program by directing a portion of new revenue specifically to commuter rail and intercity rail, estimated at almost \$240 million over the next five years. The majority of program funding is directed by statutory formula to rail operators, divided equally between commuter rail and intercity operators (CalSTA awards 25 percent of the intercity SRA portion via discretionary grants). **There will be a call for SRA intercity rail discretionary**

grants this year for an estimated \$30 million of available revenues over the next five years.

State Transit Assistance and State of Good Repair Program

SB 1 also provides about \$250 million annually for the State Transit Assistance (STA) Program to help transit agencies fund their capital infrastructure and operational costs. This money is distributed via current funding formulas based on agency revenue and population.

Additionally, SB 1 provides more than \$105 million annually for the State of Good Repair Program (SGR) that funds transit capital projects or services to maintain or repair existing transit fleets and facilities; new vehicles or facilities that improve existing transit services; or transit services that complement local efforts to repair and improve local transportation infrastructure. This money is made available to eligible transit operators based on the STA formula

Low Carbon Transit Operations Program

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 with Senate Bill 862 (SB 862). LCTOP, which has an apportionment of \$146 million for FY19-20, provides operating and capital assistance for transit agencies to reduce GHG emissions and improve service, with a priority on serving disadvantaged communities. LCTOP is noncompetitive, formulaic program administered by Caltrans and funded through a continuous five percent appropriation from annual Cap and Trade auction proceeds through the GGFR. Approved projects include new or expanded bus or rail services, free or reduced transit passes, expanded intermodal transit facilities, equipment acquisition, fueling, maintenance and other costs to operate services. FY19-20 LCTOP funding will be distributed before June 30, 2020.

State Transportation Improvement Program

The State Transportation Improvement Program (STIP) is the biennial five-year plan adopted by the California Transportation Commission (CTC) to fund state highway improvements, intercity rail, and regional highway and transit improvements. The STIP will be adopted in March of 2020, programming projects for the next five years.

California Transportation Commission SB 1 Discretionary Programs

New funding cycles are underway for major SB 1 Discretionary Programs that are available for both transit and rail projects, including:

- The **Trade Corridor Enhancement Program, which** funds infrastructure improvements along corridors that have a high volume of freight movement. **This year, there will be a call for projects for three years of programming estimated at \$1 billion.** In information about this program can be found here: <https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program>
- The **Solutions for Congested Corridors Program** provides funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state. **This year, there will be a call for projects for two years of programming estimated at almost \$500 million.** In information about this program can be found here: <https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program>
- The **Local Partnership Program** provides formula and competitive funds to local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually. **This year, there will be a call for projects for competitive funding;** information about this program can be found here: <https://catc.ca.gov/programs/sb1/local-partnership-program>

Other funding opportunities

- Significant funding for transit and rail planning activities, as well as research and development, is available through Caltrans funding programs (e.g. Sustainable Transportation Planning grants and research projects). Other technology-focused programs are available through the California Energy Commission (CEC) and California Air Resources Board (CARB).
- State and local agencies continue to pursue federal funds where possible, often using the leverage provided by the state and local funds referenced above.

II. Transit and Rail Funding Already Awarded Across California (attachments – Northern and Southern California investments)

California High-Speed Rail Authority Connectivity and “Bookend” Projects

Connectivity or “Bookend” Projects refer to the billions of dollars in infrastructure investment throughout the state that are part of the California High-Speed Rail system. These funds will strengthen and improve existing rail networks, while also

connecting them with California's future high-speed rail system. Senate Bill (SB) 1029, passed by the California Legislature and signed by Governor Brown in July 2012, invests almost \$2 billion from the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A) into transit, commuter, and intercity rail projects across the state.

Proposition 1A Connectivity Funding provided \$950 million statewide for transit, commuter rail and intercity rail investments that will enable future connectivity to high-speed rail stations.

Proposition 1A Bookend funding provided \$1.1 billion to three rail projects in corridors that will be shared with high-speed rail in the future:

- \$600 million to the Caltrain Electrification Program
- \$423 million to the LINK Union Station project
- \$77 million to the Rosecrans-Marquardt grade separation project

Additionally, revenues from California's Cap-and-Trade program, which are deposited into the Greenhouse Gas Reduction Fund, represent a continuous source of funding for the California High-Speed Rail project. California High-Speed Rail Greenhouse Gas Reduction Fund funding provided \$197 million to the Caltrain Electrification Program and the 25th Ave Grade Separation in San Mateo.

TIRCP

TIRCP has provided \$5.3 billion statewide since 2015 in the first three award cycles – geographic equity is a key goal of the program, allowing funds to be awarded to the best projects from each region. This program is leveraging local funding to advance more than \$23 billion of total projects throughout the state.

Today, major service expansions and improvements are being funded by the TIRCP program, including:

- Los Angeles – LOSSAN Rail Corridor and throughout the Metrolink system, as well as on the LA Metro transit corridors that are also funded by Measure M.
- Bay Area – as BART is expanded and its capacity under the Bay enhanced, in Caltrain as it electrifies and lengthens trains, in SMART expansions to Larkspur and Windsor, and in the Muni rail vehicle expansion.

- Sacramento and Central Valley – SacRT service expansion on the Gold Line, expansion of ACE and Amtrak services to Sacramento and Merced, and in the Fresno bus system.
- Inland Empire and High Desert – electrification of the Antelope Valley bus system, the hydrogen-battery Redlands Passenger Rail service, and in the SunLine bus system.
- Orange County and San Diego – OC Streetcar, the LOSSAN Rail Corridor, and in MTS Blue Line improvements.

LCTOP

LCTOP awarded approximately \$147 million in FY 2018–19 to 180 projects.

State Transportation Improvement Program/Proposition 1B/Other Programs

State Rail Assistance, the State Transportation Improvement Program and various California Transportation Commission (CTC) discretionary programs have provided substantial additional funding for transit and rail projects statewide (over \$1 billion since 2018).

Project examples include new rolling stock for intercity rail, major transit corridor projects in southern California and Sacramento, grade separations throughout the state, and light rail vehicles and locomotives for transit operators in Southern California.