

**2020 TRANSIT AND  
INTERCITY RAIL  
CAPITAL PROGRAM  
FORMAL DRAFT  
GUIDELINES  
SEPTEMBER 13, 2019**

---



## TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM

### Contents

1	Authority and Purpose.....	2
2	Background.....	2
3	Objectives.....	3
4	Funding.....	3
5	Schedule.....	4
6	Eligible Applicants.....	4
7	Eligible Projects.....	4
8	Project Applications.....	7
9	Project Evaluation.....	11
9.1	Primary Evaluation Criteria.....	11
9.2	Secondary Evaluation Criteria.....	12
9.3	Benefit to Priority Populations.....	15
10	Project Selection Process.....	16
11	Programming.....	17
12	Allocations and Project Delivery.....	19
12.1	Letter of No Prejudice.....	20
12.2	Multiyear Funding Agreement.....	21
12.3	Project Delivery Deadline Extensions.....	21
13	Project Reporting.....	21
14	Project Administration.....	23
	Attachment 1: CCI Funding Guidelines for Administering Agencies.....	25
	Attachment 2: Quantification Methodology.....	26
	Attachment 3: Co-benefit Assessment Methodology.....	27

## 1 Authority and Purpose

The Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by SB 9 (Chapter 710, Statutes of 2015), to provide grants from the Greenhouse Gas Reduction Fund (GGRF) 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. The legislation of these bills is codified in Sections 75220 through 75225 of the Public Resources Code (PRC). Assembly Bill (AB) 398 (Chapter 135, Statutes of 2017) extended the Cap and Trade Program that supports the TIRCP from 2020 through 2030. SB 1 (Chapter 5, Statutes of 2017) continues to provide a historic funding increase for transportation with funds directed to the TIRCP from the Public Transportation Account for new programming in this cycle.

Section 75224 of the PRC requires the California State Transportation Agency (CalSTA) to approve a new five-year program of projects not later than April 1, 2020. The 2020 TIRCP grant cycle will program projects starting with the 2020-21 fiscal year and ending with the 2024-25 fiscal year. The new program cycle will include previously awarded and active Cycle 3 projects that have not been fully allocated by the end of the 2019-20 fiscal year, and new projects from Cycle 4. The GGRF and SB 1 continue to provide substantial funding available to be programmed toward new projects in the TIRCP. While funding estimates for the program are considered reasonable as of the date of the guidelines, GGRF funds are subject to impacts from market forces and auction proceeds.

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption, evaluation and administration of the TIRCP. The guidelines were developed in consultation with the California Air Resources Board (CARB), the California Transportation Commission (Commission), the Department of Transportation (Caltrans), and the Strategic Growth Council (SGC), and will be further informed by input received through workshops, public comments and written responses.

## 2 Background

AB 32 (Chapter 488, Statutes of 2006), the Global Warming Solutions Act of 2006, AB created a comprehensive program to reduce greenhouse gas emissions in California. AB 32 requires California to reduce greenhouse gas emissions to 1990 levels by 2020, and to maintain and continue reductions beyond 2020. SB 32 (Chapter 249, Statutes of 2016) established a climate goal for California to reduce greenhouse gases to 40 percent below 1990 levels by 2030.

The Cap-and-Trade Program, a key element in California's Climate Change Scoping Plan, implements measure to achieve greenhouse gas reduction goals. It creates a limit on the emissions from sources responsible for 85 percent of California's greenhouse gas emissions, establishes the price signal needed to drive long-term investment in cleaner fuels and more efficient use of energy, and gives covered entities flexibility to implement the lowest-cost options to reduce greenhouse gas emissions.

In 2012, the Legislature passed and Governor Brown signed into law three bills, AB 1532 (Chapter 807, Statutes of 2012), SB 535 (Chapter 830, Statutes of 2012), and SB 1018 (Chapter 39, Statutes of 2012), that established the GGRF to receive the State's portions of proceeds from the distribution of allowances via auction and provided the framework for how those auction proceeds will be appropriated and expended. Subsequent legislation, AB 1550 (Chapter 369, Statutes of 2016), modified requirements for expenditures from the GGRF relative to disadvantaged communities and low-income communities and households. State law requires that expenditures from the GGRF be used to facilitate the achievement of greenhouse gas emission reductions. In addition, Transit and Intercity Rail Capital Program expenditures must comply with the requirements contained in SB 862 and SB 9, which provide statutory direction for the program.

### 3 Objectives

The TIRCP was created to fund transformative capital improvements that modernize California's intercity rail, bus (including feeder buses to intercity rail services, as well as vanpool services that are eligible to report as public transit to the Federal Transit Administration), ferry, and rail transit systems (collectively referred to as transit services or systems inclusive of all aforementioned modes unless otherwise specified) to achieve all of the following policy objectives, as codified in Section 75220(a) of the PRC:

1. Reduce emissions of greenhouse gases
2. Expand and improve transit service to increase ridership
3. Integrate the rail service of the state's various rail operations, including integration with the high-speed rail system
4. Improve transit safety

Additionally, Section 75221(c) of the PRC codifies a programmatic goal to provide at least 25 percent of available funding to projects that provide a direct, meaningful, and assured benefit to disadvantaged communities, consistent with the objectives of SB 535. AB 1550 provides further requirements related to ensuring investments meet the needs of priority populations, a term used to cover disadvantaged communities, low-income communities and low-income households. Investments made by TIRCP are expected to collectively meet or exceed the requirements in AB 1550.

Taken as a whole, the increases in transit system ridership, as well as the reduction in vehicle miles traveled, congestion and greenhouse gas emissions, will help deliver a healthier and safer transportation system. Investments are expected to position the state to lead in the deployment of cutting edge and zero emission technologies, test innovative strategies and new approaches to reducing transportation-related fatalities, provide important new capacity in corridors that support growth in jobs and housing, and to expand multimodal transportation access and options for all Californians across all regions of the state.

### 4 Funding

The TIRCP receives a portion of the Transportation Improvement Fee revenues established by SB 1 and a continuous appropriation of 10 percent from the quarterly Cap-and-Trade auction proceeds deposited in the GGRF, plus any annual budget allocations provided by enacted budget bills.

The fund estimate, award amount and adopted program for TIRCP is based on anticipated revenue through 2024-25 (will be included in the call for projects made once final guidelines are released). Section 75224(d) of the PRC authorizes CalSTA to enter into a multiyear funding agreement with eligible applicants for any duration through a multiyear funding agreement. CalSTA may use this authority to program funds for a project that would depend on funds received subsequent to the five-year program, primarily intended for projects that have long construction timelines that extend beyond the 2024-25 fiscal year. The goal of such a plan is to allow a project with construction over multiple years to have a commitment of funds programmed over multiple years in order to enter into necessary contracts for construction

As provided in statute, CalSTA may revise its approved program of projects as necessary, including deletion or delay of projects based on a shortfall of funding or lack of project progress. CalSTA may also adopt an allocation plan for the program and for any awarded project, tying allocation of funding to specified fiscal years. Implementation of an allocation plan can be conditioned upon funding availability, and the plan may be adjusted at any time to address project or program needs.

## 5 Schedule

2020 Cycle 4 Draft Guidelines	
Draft Guidelines Workshops	
Southern CA (Los Angeles)	October 14, 2019
Northern CA (Oakland)	October 15, 2019
Closing Date for Comments on Draft Guidelines *	October 15, 2019
CalSTA Publishes 2020 Cycle 4 Guidelines	October 18, 2019
Call for Projects 2020 Cycle 4	October 18, 2019
Optional, time-limited, focused meetings for applicants to discuss project concepts and quantifications (by request and to be scheduled in various locations; Northern CA, Southern CA and Central Valley)	Nov 4 through Nov 12, 2019
Project Applications Due	January 16, 2020
CalSTA Award Announcement	April 1, 2020
*Comments can be submitted to: <a href="mailto:tircpcomments@dot.ca.gov">tircpcomments@dot.ca.gov</a>	

## 6 Eligible Applicants

Eligible applicants must be public agencies, including joint powers agencies, that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service (and associated feeder bus service to intercity rail services), urban rail transit service, or bus or ferry transit service (including commuter bus services and vanpool services). Public agencies include construction authorities, transportation authorities, and other similar public entities created by statute.

An applicant assumes responsibility and accountability for the use and expenditure of allocated funds. Applicants must comply with all relevant federal and state laws, regulations, policies, and procedures.

Private companies may partner with eligible applicants to propose and deliver projects.

## 7 Eligible Projects

Eligible applicants may submit project applications individually or as part of a joint application. In order to be eligible for funding under this program, a project must demonstrate that it will achieve a reduction in greenhouse gas emissions using the CARB quantification methodology.

As codified in Section 75221(a) of the PRC, projects eligible for funding under the program include, but are not limited to, the following:

1. Rail capital projects, including the acquisition of rail cars and locomotives, and the facilities to support them, that expand, enhance, or improve existing rail systems and connectivity to existing and future transit systems, including the high-speed rail system.
2. Intercity, commuter, and urban rail projects that increase service levels, improve reliability, or decrease travel times. These projects may include infrastructure access payments to host railroads in lieu of capital investments, efforts to improve existing rail service effectiveness with a focus on improved operating agreements, schedules, and minor capital investments that are expected to generate increased ridership, as well as larger scale projects designed to achieve significantly larger benefits.
3. Rail, bus, and ferry integration implementation, including:
  - a. integrated ticketing and scheduling systems and related capital investments (including integration with bus or ferry operators)
  - b. projects enabling or enhancing shared-use corridors (both multi-operator passenger only corridors as well as passenger-freight corridors)
  - c. related planning efforts focused on, but not limited to, delivery of integrated service not requiring major capital investment
  - d. other service integration initiatives

4. Bus rapid transit, other bus and ferry transit investments (including vanpool services operated as public transit and first-/last-mile solutions), and to increase ridership and reduce greenhouse gas emissions. This includes capital investments, as a component implementing transit effectiveness studies that will contribute to restructured and enhanced service.

CalSTA intends to fund a small number of transformative projects that will significantly reduce vehicle miles traveled, congestion, and greenhouse gas emissions by: (1) creating a new transit system (2) increasing the capacity of an existing transit system, or (3) otherwise significantly increasing the ridership of a transit system. Significant change will be measured both in percentage terms (percent increase compared to the existing system or corridor) and in total quantity terms (increase in number of riders and passenger miles per day). Benefits from the proposed project may accrue from ridership generated on more than one transit system or corridor due to integration, and such benefits may be counted as long as the connected system or corridor has sufficient capacity to carry the increased passenger demand.

The awarded projects may include, for example, both lower-cost projects focused on integration, reliability and enhancement of service, and higher-cost capital expansion projects. In addition, CalSTA seeks projects that link housing with key destinations and that improve accessibility to economic opportunities. CalSTA may also make some funding available for demonstration projects that are smaller-scale efforts with great potential to be expanded. Projects may include new approaches to attracting increased ridership such as smart phone mobile ticketing, contactless payment, or other software and hardware solutions to reduce ticketing transaction costs, or a test of a concept related to integrated ticketing, as well as intercity rail/transit effectiveness or operational planning as a component of the capital investments in improved, expanded and/or restructured service designed to cost-effectively increase ridership.

Addressing the integration of rail and transit referenced in the TIRCP objectives and described in the eligible projects will require attention to network integration amongst rail and transit services. Improving integration will improve connectivity and the seamlessness of the travel experience for users by eliminating points of friction during a public transportation journey, and as a result increase ridership across multiple corridors and/or systems. These points of friction come in many forms, including but not limited to a lack of universal trip-planning information, poor service design and uncoordinated schedules, incompatible fare and ticketing policies between agencies, and unsafe and inconvenient physical connections between modes. Examples of types of network integration projects include:

- Coordinated schedule and timetable planning between agencies to reduce transfer wait times and improve the seamlessness of the travel experience, and the capital projects necessary to improve such coordination and operations;
- Integrated station design to accommodate existing and planned services and their service expansions, and capital projects necessary to invest in hubs at such stations;
- Planning to determine opportunities to co-locate maintenance and yard facilities, as needed, and capital projects to invest in such facilities;
- Service and infrastructure needs analysis to determine the feasibility of new or expanded systems that better integrate service, and the capital investment necessary to implement such services;
- Station area improvements to facilitate better land uses and access by active or shared mobility modes.

Network integration can be its own component in the application with its own scope, schedule and budget, but it must relate to the overall capital project being proposed. Where relevant, it should demonstrate support of the integration demonstrated in the vision laid out in the 2018 California State Rail Plan. CalSTA may elect to include additional network integration funding as part of a TIRCP award if it is determined that there is a need not adequately addressed by the applicant, especially if integration can be improved with regards to adjacent state-funded capital projects or state-funded rail operations. If funding for network integration is awarded to an applicant, CalSTA and Caltrans may provide technical assistance and ensure that TIRCP program and statewide goals and priorities are being addressed through the work.

An applicant submitting multiple project applications must clearly prioritize its project applications. Applicants are also encouraged to identify phases or priorities within each project application, if applicable, so that available resources may be awarded to a phase or priority if the full project cannot be funded. Applicants submitting a high-dollar, single application with no scalability or separable project elements may increase the risk of having an uncompetitive project application. At the same time, applicants are advised to submit projects that are scalable where practical. In the event that available program resources expand or contract prior to the completion of the programming cycle, the CalSTA may revise the funding available for the programming cycle.

While there is no minimum match requirement for this funding source, funding leverage is desirable and will be considered in the evaluation of expected project benefits. In particular, emphasis will be placed on projects that leverage funding from other greenhouse gas reduction programs such as Caltrans' Low Carbon Transit Operations Program, the SGC's Affordable Housing and Sustainable Communities and Transformative Climate Communities Programs, or CARB's Low Carbon Transportation funding program, leveraging of funding from SB1 sources (including formula program sources), or the leveraging of funding from other federal, state, local or regional sources (including potential local transportation funding measures, as further detailed in Section 11), with consideration of those sources that are discretionary compared to those that are non-discretionary. A recipient of money under the program may combine funding from the program with other state funding (if allowed), including, but not limited to, the State Transportation Improvement Program, the Low Carbon Transit Operations Program, clean vehicle programs, and state transportation bond funds.

If a project is awarded funds, all funds identified as committed to the project may be required as a funding match at the time of project selection and, based on the matching percentage identified at the time of selection, a pro-rata reimbursement agreement (or other suitable agreement) may be established to ensure project savings are returned proportionally. Project completion savings are returned proportionally except when an agency has committed additional funds to the project to fund a cost increase. In such instances, savings at project completion may be returned to other fund types first, until proportions match those at programming. If capital assets are removed from service before the end of their useful life, pro-rata repayment of grant funds may be required.

Redeployment of capital assets to achieve similar, or greater, benefits more effectively (i.e., redeploying bus service to achieve greater greenhouse gas reductions or better serve a disadvantaged community based on current needs) may be permitted, but must be documented (with documentation including a detailed justification of the requested redeployment) by the grantee and approved in advance by CalSTA.

If an implementing agency receives funding for a project that is to be completed with other funds (for example, a project which receives funds for plans, specifications, and estimates from the TIRCP but which will receive local measure funding for construction), that agency is required to complete the project as proposed. If the project is not completed and put into service as awarded, the agency may be required to fully or partially repay funds from the TIRCP commensurate with the failure to complete the project and deliver anticipated reductions in greenhouse gas emissions.

Prior to the project application due date, CalSTA intends to invite interested eligible applicants to optional meetings (as outlined in the calendar section of the document) to discuss proposed project concepts and greenhouse gas reduction quantification in order to clarify program requirements.

## 8 Project Applications

Applications must be submitted in accordance with the Call for Projects and by January 16, 2020.

Applications will be treated in accordance with Public Records Act requirements and certain information, subject to those requirements, may be publicly disclosed.

Each project application must include a signed cover letter, with signature authorizing and approving the application.

The project application shall include:

1. Project title, which should be a brief non-technical description of the project type, scope, and location.
2. Project priority (if agency is submitting multiple applications). Explain the prioritization, including any state, regional or local planning efforts that support the ranking.
3. Project purpose and need.
4. Project scope.
5. Project Location – provide a map for each of the following:
  - A. Project location denoting the project site. Provide a KML file for the project with the transit route/project location represented by lines and stops represented by points as applicable. Project location denoting disadvantaged communities, low-income communities, and/or low-income households that will benefit from the project (Attachment 1, CCI Funding Guidelines).
  - B. Greenhouse gas reducing features such as the transportation corridors experiencing improved air quality, surrounding land use density, housing and employment centers, transit-oriented development/sustainable communities strategy projects, active transportation infrastructure and other features, to the extent available. If available, consider including the following information on maps related to the project, as these will help in evaluating many of the secondary evaluation criteria:
    - Land use diversity/mix of land uses specified on the map
    - In addition to showing where housing exists, provide information on housing density *and* planned/zoned/permitted/etc. housing density;
    - In addition to illustrating existing employment centers, provide information on employment density, mix of employment types, and planned future employment land uses.
    - Current neighborhood walkability (e.g., see Affordable Housing and Sustainable Communities Program (AHSC) guidelines for sources of walkability data);
    - Planned and existing active transportation infrastructure (what currently exists vs. what is planned vs. what would be funded by the project)
6. Project costs.
 

Documentation of the basis for the costs, benefits and schedules must be cited in the project application and additional detail made available upon request. The application should identify:

  - A. Cost estimates escalated to the year of proposed delivery. Only cost estimates approved by the Chief Executive Officer or other authorized officer of the implementing agency should be used.
  - B. The amount and source of funds committed to the project (including funding for initial operating costs). A funding commitment is defined in Section 11 of this document.
  - C. The amount of TIRCP funds requested. TIRCP funds cannot be used to supplant other committed funds.
  - D. If applying for Network Integration as a separate component, please specifically indicate the costs.



7. Project schedule including benefits reporting, the project's current status and the completion dates of all major delivery milestones.
8. Project benefits:
  - A. A clear demonstration of the expected benefits and the proposed metrics for tracking and reporting on those benefits consistent with the CARB's Funding Guidelines.
  - B. The description of project benefits that address all of the Primary and Secondary Evaluation Criteria listed below under Project Selection Process (Section 9), indicating that a category is not applicable, or no benefits are expected when that is the case.
  - C. An estimate of the useful life of the project for the dominant project asset type (can be separated by project category or phase if elements of the project have independent utility and could be separately funded or placed in service).
  - D. When investment of TIRCP is proposed to improve private infrastructure, an assessment of public and private benefits to show that the share of public benefit is commensurate with the share of public funding.
  - E. If a project will be applying for funding from other greenhouse gas reduction programs (such as Caltrans' Low Carbon Transit Operations Program, the SGC's Affordable Housing and Sustainable Communities Program or the CARB's Low Carbon Transportation funding program) or from the Commission's Active Transportation or other program, an indication if there are separable elements that will be funded from those other sources and the applicant must clearly explain any change to the benefits of the project if the funding from that source is not awarded to the project.
  - F. Identify and include as an attachment all studies or planning documents relevant to the proposed project.
  - G. If applying for Network Integration, specifically indicate the benefits and how the network integration work will enhance the overall project benefits.
  - H. A discussion of the proposed project's impact, both favorable and unfavorable, on other transit services and projects planned or underway within the corridor, including intercity rail, transit or high-speed rail services in a parallel or connecting corridor. Impacted plans should be clearly identified, and corresponding planning documents should be included as an attachment. If ridership of the other services is expected to be positively or negatively impacted by the proposed project, evidence of how the other services are to be impacted should be included in the application, including evidence of coordination with the other service providers and an estimate of multi-operator impacts where available. Project impacts that increase ridership on other services through increased transfers of passengers may be reflected in the quantification of GHG benefits only if the project also documents the ability of the connected corridor to provide capacity sufficient to accommodate the riders. If additional service must be operated by the adjoining operator, the operation of such service must be included in the calculation of emissions related to the project. If an agency recognizes value in additional efforts to integrate services with other transportation providers or enhance station access (including by active transportation) during the post-award period (and prior to the beginning of service resulting from the project), a specific task and budget for the proposed activities should be included in the project application. During application review, if additional efforts are evaluated as necessary in order to successfully address integration with other projects, systems or corridors, CalSTA may propose an additional task and assign additional funding to pursue such integration above and beyond what is requested in the project application, with the scope agreed to during development of the agreements necessary to implement the selected project.
9. If applicable, an explanation of how some or all of the project provides direct, meaningful, and assured benefits to a disadvantaged community, low income communities or low-income households. Identify a need of that community, including how the need was established identify the

portion of the project, if any, that is located within a disadvantaged community or low-income community and that addresses the need (see Section 9.3 and Attachment 1).

- A. If an agency plans to engage in additional efforts to consult with disadvantaged or low-income stakeholders during the post-award period (and prior to the beginning of service resulting from the project), a specific task and budget for the proposed activities should be included in the project application. Such efforts may include plans for service implementation of the specific project, addressing station access issues specific to the stakeholders, as well as developing proposals for service changes and capital investments that may be funded through future capital or operating funds or through project cost savings. Activities that address community engagement may include, but are not limited to, public workshops/meetings, door-to-door canvassing, house meetings, established website and/or social media efforts, surveys, focus groups, subcontracts with community-based organizations to conduct outreach, allocation of staff or contractor positions focused on community engagement, and advisory bodies or other shared decision-making bodies.
  - B. The general scope of the proposed effort should be submitted in draft form, but revision and development of additional detail prior to allocation of TIRCP funding for these activities may be requested by CalSTA in order to increase the benefits of the effort. During application review, if additional efforts are seen as necessary in order to successfully address the needs of disadvantaged or low income stakeholders, CalSTA may propose an additional task and potentially assign additional funding to pursue such consultations above and beyond what is requested in the project application, with the scope agreed to during development of the agreements necessary to implement the selected project.
10. If applicable, an explanation of how the project will provide employment and workforce development and training benefits to the community, particularly to priority populations. This explanation should be accompanied by a Community Workforce Agreement, Project Labor Agreement, or some other agreement made between the applying agency and unions, community-based organizations, or other partners.
  11. Address the ability to gather and analyze new datasets for public use and benefit as an outcome of the project.
  12. Description of funding sources and approach to ensuring ongoing operating and maintenance costs of the project are funded through the useful life of the project (as applicable).
  13. Each application must include a Project Programming Request (PPR) Form. A template of this form in Excel may be found at: <https://dot.ca.gov/programs/transportation-programming/office-of-capital-improvement-programming-ocip>.
    - A. Each Project Programming Request must list Federal, State, and local funding categories by fiscal year. All applicants must demonstrate the ability to absorb any cost overruns and deliver the proposed project with no additional funding from this program beyond that provided in initial grant or cooperative agreement, and to fund initial operating costs. If the project is a scope addition to a project programmed in an earlier TIRCP cycle the revised PPR must not show supplanting of previously committed non-TIRCP funds.
    - B. An eligible applicant may submit an application to fund a project over multiple fiscal years. The cost of each project component must be listed in the state fiscal year in which the particular project component needs to receive a Commission TIRCP allocation. For environmental studies and permits, costs should be listed in the fiscal year during which environmental studies will begin. Costs for the preparation of plans, specifications and estimates should be listed in the fiscal year during which this work will begin. Right of way costs should be listed in the fiscal year(s) during which each right of way acquisition (including utility relocation) contract will first be executed. Construction costs should be programmed in

the fiscal year during which each construction contract needs to receive a Commission TIRCP allocation to be advertised, or if an agency can receive TIRCP construction funding over multiple fiscal years to fund a contract of extended duration, a reflection of all years in which construction funding is required to meet expected contract requirements.

- C. If a project is expected to require multiple contracts for any stage of project development, each contract should be listed separately with its respective funding requirements, so that Commission TIRCP allocations may be sought in the programming year close to the specific contract need and funding allocations are put to timely use.
  - D. Applicants are encouraged to submit a narrative explanation or supplement to the PPR to reflect the proposed contracting approach and describing the ability of the project to receive funds on alternative allocation schedules. If a project has a special cash flow consideration that would benefit from TIRCP funds being available at a particular time, please describe this in the application.
  - E. Finally, if a project is only requesting funds for a particular phase of the proposed project, such as a construction contract expected to be awarded in a specific year of the program, identify the prior phases and the funding associated with them. Under these circumstances, the TIRCP funding allocation may be conditioned on achieving bid-ready status, or another appropriate contingency.
14. Letters of support for project implementation, including letters from:
- A. Project partners essential to project implementation, such as host railroads or facility owners. If TIRCP funds are to be used at a later stage of project implementation (such as construction), and an agency is able to commit to delivering the project goals with no additional TIRCP funding (supplementing, if necessary, from non-TIRCP sources), letters of support may indicate overall support for the project as described in the application and willingness to engage in best efforts to achieve a formal agreement for the construction elements of the project that will still require a future stakeholder agreement. Commission allocation of awarded TIRCP funding for such future construction will be conditioned on such agreements being finalized and the project being implemented in a manner consistent with the original application.
  - B. A Metropolitan Planning Organization (MPO), indicating that the project is consistent with an adopted Sustainable Communities Strategy, or in non-MPO regions, a regional plan to reduce greenhouse gas emissions. (It is not necessary to establish project eligibility for an MPO to indicate its specific support for the project.)
  - C. Regional agency or agencies.
  - D. Members of the community, including representatives of impacted disadvantaged or low-income communities. Letters from community organizations stating their recognition of benefits from the project are encouraged.
  - E. Additional stakeholders relevant to the proposed project.
15. Description of project elements that are separable or scalable based on available funding, if applicable, while still maintaining independent utility. For example, if an application is for improving services on three routes, each route may be separately described and prioritized so that the highest-priority portion of the application could be funded if resources are not sufficient for full project funding. If some or all of the project is already programmed using state or federal funds, the application must clearly explain if and how the scope of the project has changed since the most recent state or federal programming action, including an explanation of any differences in assumed federal funding level compared to the most recent Capital Investment Grant report or summary (if applicable). If the project is not scalable or separable, the applicant should provide background detailing why it is not practical for it to be phased or scaled.

Documentation of the basis for the costs, benefits, and schedules must be included in the project application and additional detail made available upon request. CalSTA will post basic project application information from all applications on its website prior to awarding funding. After projects are selected, CalSTA will post the status of all project applications to its website.

CalSTA encourages project applicants to carefully consider how to track the status and benefits of the proposed project, including having project budgets that allow for an appropriate level of before and after data collection and analysis (e.g., greenhouse gas reductions, diesel particulate matter reductions, increased transit service for disadvantaged community residents, etc.). This tracking could take the form of customer surveys made before and after the proposed project, specific data analysis before and after the project, or other efforts. Since this is an ongoing funding program of the state, developing lessons learned and good supporting data are critical to future program effectiveness.

## 9 Project Evaluation

Applications will receive an initial screening for completeness and eligibility. Incomplete or ineligible applications may not be evaluated.

### 9.1 Primary Evaluation Criteria

Projects will be selected through a competitive process. The primary evaluation will be based on how well a project meets the objectives of the program, as further expanded upon by the grant evaluation considerations in statute:

1. Reduce greenhouse gas (GHG) emissions. CARB has developed a quantification methodology for estimating greenhouse gas reductions that may occur as a result of project implementation (see Attachment 2). The inputs and assumptions behind these calculations must be thoroughly documented as part of the application. Applicants should present project elements that are scalable or separable in a manner that allows the greenhouse gas emission reductions of each element to be understood. Total cost per ton of carbon dioxide equivalents (CO<sub>2</sub>e) reduction and Transit and Intercity Capital Program funding per ton of CO<sub>2</sub>e reduction will be primary elements of the evaluation for project selection. Applicants must quantify greenhouse gas reductions (see Attachment 2) and submit reporting information in accordance with the CARB's Funding Guidelines (see Attachment 1), including reporting on benefits to disadvantaged communities, low-income communities, and/or low-income households. Highly rated projects will exhibit a low cost per ton of CO<sub>2</sub>e reduction and will have strong documentation of the ridership and passenger mile impacts of the project.
2. Increase ridership through expanded and improved rail and transit service (including connectivity to rail services through expanded and improved transit and/or feeder bus services). Documentation of the assumptions and approach to estimating ridership changes is a critical component of evaluating greenhouse gas emission reductions. Highly rated projects will have significant ridership impacts relative to the project cost and well documented methodologies for establishing ridership forecasts. Projects must document the degree to which ridership growth expected over the life of the project is supported by housing policies that will support such growth, including evidence of compliance with state-required housing plans. If multiple operators benefit from or are impacted by a project, highly rated projects will document specific ridership results specific to each operator, including any reductions impacting other operators. Recognizing that transit-supportive land use decisions are a key influencing factor of ridership, projects may capture additional ridership from entitled housing projects within a half mile of transit stations that are expected to be delivered within required project outcome reporting period, even if such delivery is following project completion.

3. Integrate the services of the state's various rail and transit operations, including integration with the high-speed rail system, and the associated integration of services between agencies to support network-wide connectivity. Improving integration will improve connectivity and the seamlessness of the travel experience for users by eliminating points of friction during a public transportation journey. Highly rated projects will identify and address through service design and/or capital project design the opportunities to integrate services across multiple systems or corridors, where possible.
4. Improve safety. Projects that include specific measures to address safety for users or non-users of the transit or rail service should specifically note such project elements and the funding related to them. Such improvements may include grade separations, improved crossing protection at railroad crossings, or elements in transit stations that reduce the likelihood of pedestrian fatalities and injuries, among other safety elements. Such safety elements may also include elements that increase the safety of disadvantaged and/or vulnerable populations, including safer circulation for the elderly, mobility impaired, very young, and the vision impaired. Highly rated projects will have significant project element related to safety and will not leave major safety considerations unaddressed.

## 9.2 Secondary Evaluation Criteria

Projects will also be evaluated based on the following criteria:

1. If/how much projects contribute to the implementation of sustainable communities strategies and the reduction of vehicle miles traveled and GHGs that may not be quantitatively captured in CARB's quantification methodology (discussed in Section 9.1.1).
  - A. Reducing vehicles miles traveled from automobiles and the number of automobile trips through growth in transit ridership.
  - B. Increasing the attractiveness of a transit-served area and/or coordinating with local governments to facilitate the location of additional employment and housing in the transit stop or station area (e.g., within ½-mile of the transit station or stop that will be affected by the project and the resulting low-carbon impact of such location efficiency on statewide GHG emissions relative to the status quo. This can be accomplished by using project funding to make station areas and neighborhoods walkable, bikeable, and well-integrated with existing or planned shared mobility and transit services. Evidence that will support this co-benefit will include:
    - Documentation showing the siting of projects with rail stations and major transit centers located within ½ mile of existing or planned future housing with densities that correlate with higher transit use and lower VMT per household.
    - Documentation showing alignment with state housing policies and goals that seek to increase access, reduce transportation costs, improve equity, and overcome the statewide housing crisis. Applicants can demonstrate alignment in one of two ways:
      - a. The project will serve a community within ½ mile of a transit station or stop that is characterized by/has one or more of the following:
        - Housing densities and residential land use percentages that meet the definition of a Transit Priority Project (PRC Section 21155).<sup>1</sup>

---

<sup>1</sup> Transit Priority Project housing density and residential land use percentages are 20 dwelling units per acre and at least

- An adopted Housing Overlay Zone which, when utilized, exceeds the jurisdictions share of the regional housing needs allocation.
  - Affordable housing, such that at least 20% of residential units for residents with 60% or less AMI.
  - An Enhanced Infrastructure Financing District (EIFD) that directly finances affordable housing.
  - An adopted Revitalization Area of a Community Revitalization and Investment Authority (CRIA).
  - Strategies in place to avoiding the displacement of local residents (e.g., city policies or development-specific protections).
- b. The applicant engages in affordable, residential transit-oriented development on land owned or leased by the transit agency, or in conjunction with a private investor making such investments within ½ mile of one or more stations or stops served by the project. To be considered “affordable,” the development must have at least 20% of units reserved for residents with 60% or less AMI. To be “transit-oriented” the housing must be within ½ mile of a transit station or stop and have a density of at least 20 dwelling units per acre.
- C. Expanding existing rail and public transit systems, to the extent not already captured in the project being applied for. Specific items that could be covered here include the expected strengthening of the existing system in a manner that will allow future investments in expansion to be considered, or the extent to which additional service may be operated due to the ridership growth achieved throughout the system due to the project, even if the specific location of the needed service increase is not yet identified. The contribution of the project to the acceleration of later phases of rail and transit projects in the region or service area may also be included in this category
- D. Enhancing the connectivity, integration, and coordination of the state’s various transit systems, including, but not limited to, regional and local transit systems and the high-speed rail system. This category should be utilized in particular, if there are not specific capital investments or planning efforts called out in the project budget that invest in integration, but these benefits are still a co-benefit of the project. This category can also address integration across other modes of transportation, such as connections at/to: airports, bus terminals, ferry terminals, rail stations, active transportation infrastructure and networks, and other shared mobility options (e.g. bikeshare, scootershare, carshare) that help transit users overcome potential first- and last-mile barriers to transit use.
- E. Investing in clean vehicle technology, including efforts that will accelerate the adoption of such technology or provide valuable research or demonstration of such technology. When buses will be funded as a part of this project, special consideration will be given to zero emission bus technology.
- F. Promoting active transportation, by investing in infrastructure, amenities, education and outreach, etc. that will increase the proportion of trips accomplished by biking and walking. This includes efforts and investments to increase the safety and mobility of bicyclists and pedestrians. Examples of how this can be accomplished includes (but is not limited to) the following:
- Bike parking/storage at transit stations and stops

---

50 percent residential use, based on total building square footage and, if the project contains between 26 percent and 50 percent nonresidential uses, a floor area ratio of not less than 0.75.

- Bike lanes and sidewalks to make station areas accessible via active transportation
  - Traffic calming elements are transit stations to make walking and biking a safer and more pleasant experience
- G. Improving public health, with particular emphasis on elements benefiting the most impacted and disadvantaged communities, low-income communities, and/or low-income households. This category should include any air quality impacts of the project not included in the reduction of greenhouse gas emissions, including health benefits from improved regional air quality resulting from the project.
2. Benefit to priority populations. The applicant must evaluate the criteria detailed by CARB (see Attachment 1) to determine whether the project meets criteria for providing direct, meaningful, and assured benefits to a disadvantaged community, low-income community, and/or low-income households and address a community need pursuant the CARB's Funding Guidelines, and specifically document the manner in which all or part of the project does so. Projects that will be used by residents of disadvantaged communities, low-income communities, and/or low-income households should document the nature of such use and its degree of relevance to disadvantaged community, low-income community, and/or low-income household residents in the service areas of the operators benefiting from the project.
- A. Project applicants should be explicit on the deliberate steps they take to achieve a meaningful level of participation from disadvantaged communities, low-income communities, and/or low-income households in the planning and design of projects that are intended to address community identified priorities and needs.
- B. Special consideration will also be given to projects that include community workforce agreements or labor agreements with unions, community-based organizations (CBOs), or other partners. The following bullets provide more background and context for applicants:
- For transit infrastructure, Community Workforce Agreements (CWAs) are commonly used in California cities where local elected officials see them as a mechanism to maximize the economic benefits of development projects and create jobs for local residents.
  - For transit system expansion, the state's larger transit agencies (e.g., Los Angeles County Metro, BART, SFMTA, and AC Transit) regularly establish Project Labor Agreements (PLAs) for large construction projects.
  - CWAs and PLAs set standards for wages and expand training opportunities for workers, because they include use of the state-certified apprenticeship system and contributions to apprenticeship training trust funds for every hour worked. Some agencies that require PLAs for major subsidized housing developments and transit system expansion projects include targets for local hiring (turning the PLA into a Community Workforce Agreement, or CWA), set goals for apprenticeship utilization, and codify goals for participation of disadvantaged workers to expand access to women and other workers underrepresented in the construction trades.
3. The project priorities developed through the collaboration of two or more rail operators and any memoranda of understanding between state agencies (including intercity rail joint powers authorities) and local or regional rail operators.
4. Geographic equity, with particular attention by applicants in identifying efforts to address underserved communities within an applicant's region or service area. The Transportation Agency will separately apply geographic equity considerations at a statewide level.
5. Consistency with a plan or strategy contained in an adopted Sustainable Communities Strategy, as confirmed by the Metropolitan Planning Organization (MPO), or, in non-MPO

regions, a regional plan that includes policies and programs to reduce greenhouse gas emissions. Consistency with the 2018 State Rail Plan service and connectivity goals, if applicable. Projects that are part of a regional network and are considered regionally-significant should be noted as such. All referenced documents should be included as an attachment.

6. Benefits to freight movement, consistent with the Sustainable Freight Action Plan and the goals of the California Freight Mobility Plan, if applicable. In shared passenger/freight rail corridors, use this category to document and discuss GHG reductions from a greater volume of goods movement by rail if applicable.
7. The extent to which a project has supplemental funding committed to it from non-state sources, with an emphasis on projects that leverage funding from private, federal, local or regional sources that are discretionary.
8. For expansions of service, the presence and quality of a financial plan that analyzes the financial viability of the proposed service, including the availability of any required operating financial support.

Highly rated projects will address and score highly on multiple secondary evaluation criteria, with clear documentation of claimed benefits. Clear documentation will include data related to evaluating the claimed benefits to the extent available. Agencies are encouraged to document in the secondary evaluation criteria categories of verifiable greenhouse gas reducing activities associated with a project that are not specifically captured in the primary evaluation categories and in the quantification tool provided by CARB.

### 9.3 Benefit to Priority Populations

It is a goal of this program to maximize benefits to disadvantaged communities and low-income communities and households. Pursuant to the requirements of SB 535, as amended by AB 1550, the overall California Climate Investments Program funded with Cap-and-Trade auction proceeds must result in: (1) a minimum of 25% of the available moneys in the GGRF to projects located within, and benefiting individuals living in, disadvantaged communities, (2) an additional minimum of 5% to projects that benefit low-income households or to projects located within, and benefiting individuals living in, low-income communities located anywhere in the state, and (3) an additional minimum of 5% either to projects that benefit low-income households that are outside of, but within a 1/2 mile of, disadvantaged communities, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within a 1/2 mile of, disadvantaged communities.

Information on California Climate Investments to Benefit Disadvantaged Communities with background on SB 535, AB 1550 and the CalEPA California Communities Environmental Health Screening Tool 3.0 (CalEnviroScreen), can be found at; <https://calepa.ca.gov/EnvJustice/GHGInvest/>.

In addition to contributing benefits towards meeting or exceeding the AB 1550 investment minimums, the TIRCP has a statutory investment target for benefits to disadvantaged communities required by SB 862 (a 25% minimum). This applies across the entire program regardless of funding source. Agencies are responsible for documenting compliance with these requirements.

Investments that are eligible to be counted toward AB 1550 as projects within and benefiting disadvantaged communities will also count toward meeting the SB 862 requirements. Refer to criteria in Funding Guidelines (further referenced below) for how to demonstrate benefit.

SB 862 requires CARB, in consultation with CalEPA, to develop funding guidelines for all agencies that are appropriated monies from the GGRF. These guidelines must include a component for how administering agencies should maximize benefits for disadvantaged communities. The CARB funding guidelines are referenced in Attachment 1.



In reviewing efforts to maximize benefits to disadvantaged communities, low-income communities, and/or low-income households, CalSTA may request review of applications by an advisory panel representing such stakeholders during the evaluation of applications. The primary goal of this panel will be to review proposed efforts (both pre-application and those proposed for the post-award period) and to either confirm that the applicant efforts will help align the proposed project with stakeholder and community needs, or to recommend efforts that would allow such needs to be addressed (see items 9 and 10 in section 8 describing how such efforts may be requested and funded as part of project selection).

## 10 Project Selection Process

CalSTA will evaluate applications for compliance with the objectives of the program and rate them based on the aforementioned primary and secondary criteria, assigning ratings such as “High,” “Medium- High,” “Medium,” “Medium-Low”, and “Low” to the specific alignment of the project to each of the selection criteria, and also considering the cost per ton of CO<sub>2</sub>e reduction and the risks of successful project delivery. Because of the wide variety in the type and size of projects that can be funded from this program, CalSTA may group projects for the purpose of comparing the ratings of like applications or for purposes of comparing projects within a region. In addition, projects with clear phases or scalability may be evaluated for the portion of the project that would receive the highest rating if partial funding for the project is under consideration. The highest rated applications that meet the program objectives will be selected for programming, except that CalSTA may make adjustments to meet the AB 1550 goals of this program and to provide for geographic equity.

In addition to being evaluated on the aforementioned criteria and benefit to priority populations, including addressing community needs, each application will also be assessed to determine the risk associated with the project's capacity to generate, as planned, transportation and greenhouse gas emission reduction benefits (including potential sensitivity to different project benefit outcomes), and to be delivered within budget, on time, and as designed.

Additional factors to be considered include:

1. The overall need and benefit of the project in the context of its contribution to advancing later phases of the project, other aspects of a region's long-range plans or towards improving the state's interregional transportation network.
2. Project readiness and reasonableness of the schedule for project implementation, including the following:
  - A. Progress towards achieving environmental protection requirements.
  - B. The comprehensiveness and sufficiency of agreements with key partners (particularly infrastructure owning railroads) that will be involved in implementing the project.
  - C. For projects that are not fully funded through construction due to funding contingencies (such as federal or local measure funds), the timing and amount of the project's future non-committed investments.
3. The leveraging and coordination of funding from other greenhouse gas reduction programs such as Caltrans' Low Carbon Transit Operations Program, the SGC's Affordable Housing and Sustainable Communities Program or the CARB's Low Carbon Transportation funding program.
4. The leveraging and coordination of funding from other private, federal, state (including SB1 funding programs like State Rail Assistance), local or regional sources, with consideration of those sources that are discretionary compared to those that are non-discretionary.
5. The alignment to the State Rail Plan, where relevant, which articulates a vision and specific service and delivery goals for coordinating schedules and physical infrastructure to deliver an integrated network by leveraging available resources.
6. The coordination of project development and delivery efforts in a regional and megaregional context to support an integrated, statewide rail and transit network. This

should be articulated in the context of network integration and those agencies applying specifically for network integration funds or projects will be evaluated on their ability to describe the process for delivering an integrated project and its associated benefits.

Highly rated projects will clearly communicate a compelling need for the project in terms of specific benefits for the public and will demonstrate a high degree of project readiness with few risks related to proceeding into construction and operating services that achieve the proposed benefits once the project is completed. Most highly rated projects will have an approved environmental document. Those projects that are requesting TIRCP funds to complete the project's funding package (when combined with already committed other funds) will clearly communicate the acceleration in project delivery possible due to receipt of TIRCP funding even if the project may ultimately have been advanced with future local and state resources at a later date. Highly rated projects will quantify the benefits of such acceleration as part of the project application.

CalSTA will collaborate with other state entities when evaluating project proposals, including but not limited to: CARB, CalEPA, the California High-Speed Rail Authority, Caltrans, the Commission, the Department of Housing and Community Development, and the Strategic Growth Council .

CalSTA, or Caltrans acting on CalSTA's behalf, may request additional documentation to support statements or data provided in the applications. However, applicants should endeavor to be as clear as possible in their applications and not assume that opportunity will be provided to clarify or better support a submitted application. Supporting documentation should include spreadsheets, reports and methodology descriptions (with sources noted) when available.

Applications will proceed through a multi-step review process:

1. Basic screening for completeness and eligibility.
2. Review of application for potential subdivision into project phases or components, review and analysis of ridership and GHG quantification, and summarization of project to assist technical panel review.
3. Initial rating of projects on each primary and secondary evaluation criterion (see section 9) and other additional factors (above in this section) described in the guidelines by multi-agency technical panels.
4. Consideration of technical panel ratings, geographic equity and degree of disadvantaged and/or low-income community benefits by a senior executive panel, with potential to request additional information from subject matter experts that may result in a revised rating on one or more evaluation criteria or factors.
5. Project selection by CalSTA, taking into consideration cross-cutting and comparative selection criteria that consider overall program objectives, geographic equity and exceeding program goals for benefits to disadvantaged communities, low-income communities, and/or low-income households.

## 11 Programming

CalSTA will publish a 5-year program of approved projects shortly after the Cycle 4 award announcement as established in the Call for Projects and will present the program to the Commission shortly thereafter (Spring 2020). When CalSTA releases the program, it will include a narrative for each approved project that describes that project's rating for primary and secondary criteria as well as special considerations to achieve disadvantaged and/or low-income community benefit and geographic equity. Subsequent 5-year programs are expected to be approved by CalSTA biennially. CalSTA may call for additional applications, or adjust the existing program of projects between cycles, as warranted based on the level of auction proceeds.

CalSTA will develop and regularly update the allocation plan to guide the allocation of funds for the current program. The program of projects for each fiscal year will include the amount to be funded from the TIRCP, and the estimated total cost of each project. The yearly allocation amounts will be based on the needs of separable project components and phases or based on the cash flow needs for projects that need multiple years to complete.

CalSTA will program and the Commission will allocate funding to projects in whole thousands of dollars and will include a project or project component only if it is fully funded from a combination of TIRCP and other committed funding. Funds will be considered as committed when they are programmed by the CalSTA or when the agency or other funding partner with discretionary authority over the funds has made its commitment to the project by ordinance, resolution or appropriate contract vehicle, or in the case of the Federal Transit Administration, recommendation of the project for funding in the *Annual Report on Funding Recommendations* for the Capital Investment Program. For federal formula funds, including Surface Transportation Program, Congestion Mitigation and Air Quality Improvement Program, and federal formula transit funds, the funding commitment may be by Federal approval of the Federal Statewide Transportation Improvement Program. For projects seeking federal discretionary funds such as New Starts, Core Capacity, or Small Starts, the commitment may take the form of federal acceptance into Accelerated Project Delivery and Development (in the case of Small Starts) with the expectation of federal approval of an Expedited Grant Agreement, or federal approval of a project to enter Engineering (in the case of New Starts or Core Capacity) with the expectation of federal approval of a Full Funding Grant Agreement, as long as all funding, excluding TIRCP funding, is committed to the project. A project that is programmed prior to receiving federal approval for construction may be subject to deletion from the program, if federal funds are not received, federal funding is reduced or the scope of the federal commitment changes, unless other committed funding sources are identified that replace federal funding not obtained. Applicants considering a request for an award based on a commitment contingent on federal or local funds not yet awarded to the project, as described above, should anticipate the call for 2022 TIRCP projects by October 2021.

For local funding, the funding commitment may be demonstrated by inclusion of the project in a funding package, such as a sales tax measure, to be submitted to voters during this program cycle and with sufficient funding specified for the project to achieve full funding. The applicant shall provide evidence with the application that the project is included in a future funding package with funds sufficient to meet the local funding commitment when combined with other already available funds. A project that is programmed prior to receiving voter approval for project funding must succeed in receiving the voter approval, or the project may be subject to deletion from the program.

For projects with other funding partners that have entered into a contract vehicle committing their funding, access to the funding must occur before TIRCP funding will be approved for allocation to the project.

CalSTA may make an exception to its policy to only program a project if it is fully funded, if the project may be funded from a combination of TIRCP and other committed funding to allow a project to compete for funding from other greenhouse gas reduction programs (such as Caltrans' Low Carbon Transit Operations Program, the SGC's Affordable Housing and Sustainable Communities Program or the CARB's Low Carbon Transportation funding program) or from the Commission's Active Transportation or State Transportation Improvement Programs. A project intending to compete for funding in one of the aforementioned programs should indicate, if applicable, the separable elements to be funded from that source. A project that is programmed prior to receiving a commitment of funding from one of the aforementioned programs must receive the funding commitment no later than in the fiscal year in which the project is requesting a TIRCP allocation. If the project does not receive funding from that program and the project does not have separable elements, the project may be subject to deletion from the program.

If a project does not receive their anticipated federal, local or other funding commitments, CalSTA may delete the project from the program and consider selection of projects or components of projects that were highly rated but not selected due to lack of sufficient funds from previous rounds of TIRCP applications as

long as the project is still viable and deliverable consistent with Cycle 4 programming and demonstrates acceptable levels of benefits with the most current quantification methodologies.

If an award recipient does not make adequate progress to implement an awarded project in a timely manner or incurs delays through the action or inaction of the recipient, subrecipient or 3rd party associates, the project may be deleted from the TIRCP program. An applicant may resubmit a deleted project for consideration in future funding cycle.

## 12 Allocations and Project Delivery

When an agency is ready to implement a project or project component, the agency will submit an allocation request through Caltrans' Division of Rail and Mass Transportation (DRMT). Allocation requests are expected to adhere to the preparation schedule established by Caltrans Office of California Transportation Commission Liaison (OCTCL) along with any additional time required for CalSTA's review and approval of a recommendation to the Commission for an allocation of funds. For planning by an award recipient, the time required from the submittal and approval of an allocation request can range from 60 to 90 days prior to date of a scheduled Commission meeting.

Caltrans will review the request and determine whether to recommend the request to the Commission for action. The Commission will consider the allocation of funds for a project only when it receives an allocation request with a recommendation from Caltrans and consistent with the TIRCP Allocation Plan. The recommendation will include a determination of project readiness, completion of funded phases that require completion prior to proceeding into the next phase, the availability of appropriated funding, and the availability of all identified and committed funding needed to support the specific allocation request. When Caltrans develops the project's construction allocation recommendation(s), the Commission expects Caltrans to certify the adequacy of design, the project's plans specifications and estimate are complete, right-of-way clearances are achieved, and all necessary permits and agreements (including railroad construction and maintenance) are executed.

In compliance with Section 21150 of the PRC, the Commission will not allocate funds for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act and all needed environmental documents are provided for a Commission E-Resolution. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA). Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of NEPA review. If requested by the Commission, Caltrans will assist Commission staff in the preparation of agenda items presenting environmental documents to the Commission.

Projects that are awarded funding for network integration are to be allocated under the construction phase, unless such efforts are part of a task within an earlier phase of work. If allocated as a separable work effort, at the time of allocation, an agency must either environmentally clear the network integration work, usually with a Notice of Exemption, or provide a written statement certifying that the network integration project is exempt.

CalSTA will request the Commission approve the allocation, if the funds are available as determined by CalSTA and Caltrans, and the allocation is necessary to implement the project as included in the adopted TIRCP allocation plan and program of projects. If there are insufficient program funds to approve an allocation, CalSTA may delay the recommendation to allocate funds to a project until a future fiscal year without requiring a Commission action. Agencies should not request Commission allocations unless prepared to award contracts related to the allocation within six months. Funds available following the deletion of a project may be allocated to a programmed project advanced from a future fiscal year or to a project amended into the program.

Once an applicant has been allocated TIRCP funding, funds are subject to timely use of awarded funds and awardees should be prepared to execute a contract within six months of the allocation. CalSTA may grant an extension if it finds that an unforeseen or extraordinary circumstance has occurred that justifies the extension.

Details and instructions for the allocation, transfer and liquidation of funds allocated to implementing agencies are included in the Procedures for Administering Local Grant Projects in the State Transportation Improvement Program: <https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>

The TIRCP is a reimbursement program for costs incurred. Costs incurred prior to Commission allocation and, for federally funded projects, federal project approval (i.e. Authorization to Proceed) are not eligible for reimbursement. Moreover, contracts against which reimbursements from TIRCP will be sought may not be awarded prior to funding allocation without specific pre-approval by CalSTA and approval of a Letter of No Prejudice by the Commission. For the procurement of rolling stock and buses, the exercising of an option or the certification of funds for TIRCP funded contract elements after Commission action may be considered to meet the milestone for contract award, provided that the agency is under no contractual obligation to pay any funds or penalty if the option is not exercised or the funds not certified. Confirmation of this approach should be sought prior to seeking an allocation of funds.

Caltrans will execute all appropriate contractual agreements with the implementing agency. These agreements may include project specific conditions required by CalSTA's award announcement and will be based on the awarded scope of work, schedule for completion and expected outcome of the project.

After the Commission Allocation, any costs incurred for eligible work will not be reimbursable until the appropriate agreements (Master Agreement/Project Supplement Agreement) with the local agency have been executed and must remain in effect over the time required to complete capital improvements, implement services and fulfill the reporting requirements of benefits and outcomes associated with the award.

Prior to the completion of project design, an agency may propose to CalSTA modifications to the proposed project in order to achieve the same or greater level of benefits or reduced costs. Funds allocated for project development or right-of-way costs must be expended by the end of the fiscal year of allocation plus two additional fiscal years, unless a longer time-frame is specifically authorized by CalSTA tied to contracting requirements. Funds allocated for construction phase contracts, including rolling stock procurement, will have an expenditure timeline determined by the project schedule. Following contract acceptance, the implementing agency has six months to make the final payment to the contractor, prepare a final report of expenditures and submit the final invoice to Caltrans for reimbursement.

### **12.1 Letter of No Prejudice**

An agency may apply for a Letter of No Prejudice (LONP) for a project or for any component of a project included in the approved program of projects. Statutory authority is provided in Section 75225 of the PRC as added by SB 9. The Commission as authorized by statute adopted guidelines for approval of LONPs for specific programs, including the Transit and Intercity Rail Capital Program. All LONP requests must follow the Commission's currently adopted LONP guidelines. Any request for an LONP, will submitted through Caltrans for presentation to the Commission for approval.

If an LONP approved by the Commission, it allows the implementing agency to advance a project by expending its own funds (incur reimbursable expenses) for any component of the project prior to allocation. The amount will be reimbursed if all the following conditions are met:

1. The project or project component for which the letter of no prejudice was requested has commenced and the expenditures have been incurred.

2. The expenditures are eligible for reimbursement in accordance with applicable laws and procedures. If expenditures made by the lead applicant agency are determined to be ineligible, the state has no obligation to reimburse those expenditures.
3. The agency complies with all legal requirements for the project, including the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000)).
4. There are moneys in the GGRF or from SB 1 revenues designated for the program that are sufficient to make the reimbursement payment.

## 12.2 Multiyear Funding Agreement

An agency may apply to CalSTA for a multiyear funding agreement. Statutory authority is provided in Section 75224 (d) of the PRC. Any such agreements shall be implemented in cooperation with the Commission. If approved by CalSTA, the multiyear funding agreement would operate similar to a federal Full Funding Grant Agreement, wherein an agency may receive an allocation and implement a project at risk, with receipt of future state revenue dependent on legislative appropriation and/or receipt of program SB 1 revenue or Cap-and-Trade auction proceeds. The state would not be responsible for any borrowing costs an agency may incur, or other costs, allocated with the timeline of state revenue availability. Pursuant to Section 75224, the multiyear funding agreement would be for an amount of program money and for any duration, as determined jointly by the CalSTA and the applicant. CalSTA may agree to a duration that exceeds the five-year programming cycle, if deemed helpful in completing large transformative capital projects. Other requirements for the program will be included in the multiyear funding agreement as determined by CalSTA in cooperation with the applicant and the Commission.

## 12.3 Project Delivery Deadline Extensions

CalSTA may grant a deadline extension if it finds that an unforeseen and extraordinary circumstance has occurred that justifies the extension. The extension will not exceed the period of delay directly attributable to the extraordinary circumstance.

There are separate deadlines, for award of a contract, for expenditures for project development or right-of-way, and for project completion, and each project component has its own deadlines. CalSTA may grant the extension of a deadline for award of a contract, for expenditures for project development or right-of-way, for project completion, and for project reimbursement.

All requests for project delivery deadline extensions should be submitted by the agency responsible for project delivery to Caltrans at least 60 days prior to the specific deadline for which the particular extension is requested (e.g., 60 days prior to June 30 to request the extension of allocation deadlines). The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to that circumstance. Caltrans will review extension requests and forward them to CalSTA for approval.

## 13 Project Reporting

As a condition of the project selection and allocation, the implementing agency must submit to Caltrans quarterly reports on the activities and progress made toward implementation of the project and a final delivery report. The purpose of the reports is to ensure that the project achieves the goals of the program, is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project.



Recordkeeping and reporting requirements will apply through the life of the project. All recordkeeping and reports must be consistent with the reporting requirement, quantification methodologies and records retention periods developed by CARB (see Attachments 1, 2 and 3). At a minimum, agencies must report on all projects selected for funding, progress on each funded project, and the benefits (GHG and co-benefits) achieved. Implementing agencies should note that additional reporting may be required for some projects, referred to as Project Outcome Reporting, or be modified based on the evolving needs of the program. For projects benefiting disadvantaged communities, low-income communities, and/or low-income households, reports must identify and include metrics to demonstrate the benefits being achieved and how community needs are being met, consistent with CARB's Funding Guidelines. Some reported project information will be publicly available on the CARB website, including the amount of funding that is being spent on projects that benefit disadvantaged communities, low-income communities, and/or low-income households.

Consistent with CARB's Funding Guidelines, beginning with this round of funding, local agencies will now be required to report on job co-benefits, in addition to all other reporting requirements. Job co-benefits refer to California jobs supported, not created, by California Climate Investments. Jobs supported by California Climate Investments include direct, indirect, and induced employment.

At the time of application, applicants are required to submit a job co-benefit modeling tool, which is based upon a co-benefit assessment methodology developed by CARB. Once an awarded project has been implemented, funding recipients will also be required to report actual (not modeled) jobs data via the semi-annual reporting process.

Within one year of the project becoming operable, the implementing agency must provide a final delivery report to Caltrans which includes:

1. The scope of the completed project as compared to the programmed project.
2. Performance outcomes derived from the project as compared to those described in the project application. This should include before and after measurements and estimates (ridership/service levels, greenhouse gas reductions included updated estimates the greenhouse gas reductions over the life of the project, benefit to disadvantaged communities, low-income communities, and/or low-income households, project co-benefits, etc.), and an explanation of the methodology used to quantify the benefits.
3. Before and after photos documenting the project.
4. The final costs as compared to the approved project budget by component and fund type, and an estimate of the TIRCP funds spent to benefit disadvantaged communities, low-income communities, and/or low-income households.
5. Its duration as compared to the project schedule in the project application.

For all projects other than components that fund limited-term operations of new and expanded transit service, annual reporting on outcomes will continue for 36 months after becoming operational (i.e., vehicle or equipment is operational, or construction is complete and transit service is operational). The metrics to be reported vary by project type as shown in the table below.

Capital Improvements that Result in New or Expanded Transit Service or Increase Mode Share on Existing Transit Service		
Metric	Unit	Method
Tracking dates of data submission	mm/dd/yyyy	n/a
Days of operation per year	Days/year	Evaluation of service schedule
Average daily ridership	Unlinked trips/day	Ridership survey (conducted by city, county, district/authority, metropolitan planning organization, non-profit, or academia), ticket and transit pass sales, automatic passenger counter, driver counts, etc.

New Vehicle(s) for Existing Transit Service		
Metric	Unit	Method
Tracking dates of data submission	mm/dd/yyyy	n/a
Fuel/energy consumption or vehicle miles traveled	Gallons/year by fuel type, kWh/year, scf/year, or vehicle miles traveled/year	Evaluation of fueling, utility, mileage, or other operating records
Range in fuel/energy consumption or annual vehicle miles traveled		

Upon request from the implementing agency, Caltrans may consider requests to delay reporting on before and after or other performance outcome data until two years after project operation if similar data is requested by the Federal Transit Administration or if the agency deems such delay would improve the reliability of the report.

For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

The State of California has the right to review project documents and conduct audits during project implementation and over the life of the project. Caltrans or another State agency may audit a sample of TIRCP projects to evaluate the performance of the project, determine whether project costs incurred and reimbursed are in compliance with the executed project agreement or approved amendments thereof; state and federal laws and regulations; contract provisions; and program guidelines, and whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule, and benefits described in the executed project agreement or approved amendments thereof. A report on the projects audited must be submitted by the auditing agency to CalSTA.

## 14 Project Administration

Caltrans will administer the TIRCP consistent with these guidelines and all applicable Commission and Caltrans policies and procedures for the administration of similar grant programs.

Projects awarded funding from TIRCP are expected to document and publicize the Transit and Intercity Rail Capital Program in proper context when developing press releases and board documents, or in hosting public events such as project groundbreakings. References should be made to TIRCP, the California State Transportation Agency as the program sponsor, and the Greenhouse Gas Reduction Fund and SB 1 program as fund sources, as applicable, in order to ensure transparency regarding the funding of the project. Additional details will be provided to program award recipients.

Agencies must encumber and expend monies consistent with State law and ensure that GGRF monies are utilized consistent with the expenditure record submitted by Caltrans and required by SB 1018. A determination that use of GGRF monies is not consistent with the expenditure record and does not further the purposes of AB 32 may occur during legal proceedings or during an audit or program review conducted by the Bureau of State Audits, Department of Finance, a third-party auditor, or the CARB. Depending on the outcome of those proceedings or review, agencies may be required to return monies to the state if expenditures are not consistent with the statutory requirements (such as not furthering the purposes of AB 32).

Audits and on-site monitoring can take place at any time at the discretion of CalSTA without prior warning given to the agency. CalSTA has the right to audit the project records, including technical and financial data of the Project Applicant, the Implementing Agency, and any consultant or sub-consultants at any time after award, during the course of the project and for three years from the date of the final closeout of the project, therefore all project records shall be maintained and made available at the time of request.



The state may terminate the grant for any reason at any time if it learns of or otherwise discovers that there are allegations supported by reasonable evidence that a violation of any state or federal law or policy by the grantee which affects performance of this or any other grant agreement or contract entered into with the State. If a grant is terminated, the agency may be required to fully or partially repay funds from the TIRCP.

## **Attachment 1: CCI Funding Guidelines for Administering Agencies**

### **Investments to Benefit Disadvantaged Communities and Low-Income Communities and Households**

The California Air Resources Board (CARB) released the "Funding Guidelines for Agencies Administering California Climate Investments" (Funding Guidelines) on August 30, 2018.

The 2018 Funding Guidelines provide flexibility in implementing a diverse set of investments while maintaining transparency of outcomes and ensuring meaningful community benefits from these investments. These guidelines align with the Legislature's priorities found in [AB 398](#) and Fiscal Year (FY) 2017-18 appropriations. These guidelines reflect the increasingly important role of California Climate Investments in facilitating the reduction of greenhouse gases while also reducing air pollution, helping communities adapt to the impacts of climate change, and providing meaningful benefits to disadvantaged communities, low-income communities, and low-income households (also referred to as "[priority populations](#)"), among other statutory requirements.

Additional information can be found at the following CARB websites:

<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

## **Attachment 2: Quantification Methodology**

### **CCI Quantification, Benefits, and Reporting Materials**

Administering agencies must use the Funding Guidelines with the resources provided by CARB to develop effective programs and demonstrate compliance with program requirements.

Resources include Quantification Methodologies and Calculator Tools for estimating greenhouse gas (GHG) emission reductions and co-benefits; Benefit Criteria Tables for determining benefits to priority populations; and Reporting Templates for reporting outcomes.

Note: Quantification methods have been developed specifically for each GGRF programs and are not intended for use in other programs.

Additional information can be found at the following CARB website:

<https://ww2.arb.ca.gov/resources/documents/ci-quantification-benefits-and-reporting-materials>

### **Attachment 3: Co-benefit Assessment Methodology**

The California Air Resources Board is updating the Co-benefit assessment methodology. See the following website for the final methodology.

<https://ww2.arb.ca.gov/resources/documents/ci-methodologies>