

TRANSIT AND RAIL PROGRAMS

Workshop for Formal Draft Guidelines

Transit and Intercity Rail Capital Program (TIRCP)

State Rail Assistance (SRA)

October 14 & 15, 2019



Agenda

- ▶ TIRCP 2020 Guidelines
 - Background
 - Funding for the upcoming round
 - Key changes to the guidelines
- ▶ State Rail Assistance (SRA) Program
 - Background
 - Funding for the upcoming round
 - Key changes to the guidelines
- ▶ Timeline for Final Guidelines and Awards
- ▶ Questions and Feedback



TIRCP Background

- ▶ Since 2015, \$5.3 billion in funding has gone to 56 projects throughout the state
- ▶ Cycle 3 (2018) awarded \$4.3 billion of the total:
 - ▶ \$2.65 billion of FY18–19 to FY22–23 funding
 - ▶ \$1.675 billion of multi-year funding agreement funding (drawing from FY23–24 to FY27–28 funds)
- ▶ Program focus on priority populations
 - Projects are expected to contribute direct, meaningful and assured benefits to disadvantaged communities, low-income communities or low-income households
- ▶ Program focus on ensuring geographic equity



TIRCP Background

- ▶ Recipients of Past Awards (Partial List):
 - ▶ **Transit & rail infrastructure:**
 - ▶ BART/VTA (San Jose Extension; Core Capacity)
 - ▶ ACE to Merced & Sacramento
 - ▶ LA Metro Red, Purple, & Blue Lines + BRT
 - ▶ Metrolink SCORE Program
 - ▶ Intercity rail expansion (LOSSAN; San Joaquins; Capitol Corridor)
 - ▶ OC Streetcar, Redlands Rail, San Diego Blue Line & SacRT Gold Line
 - ▶ **Zero-emission and other bus projects:** LADOT DASH Expansion; Anaheim; Stockton; Fresno; Monterey–Salinas; Antelope Valley; San Diego; Orange County; Coachella Valley; Shasta RTA; Santa Barbara; Solano Express; AC Transit
 - ▶ **Railcars / Locomotives to support service expansion:** Metrolink; Caltrain; SF Muni; ACE/San Joaquins; SMART; San Diego MTS; SacRT



TIRCP – Statutory Requirements

- ▶ Competitive 5-year program to fund a small number of transformative projects that improve the statewide network and reduce greenhouse gas emissions.
- ▶ Primary evaluation criteria: emission reduction, ridership growth, achievement of integrated service, and safety benefit
- ▶ Secondary evaluation criteria: co-benefits of broader sustainable community goals, disadvantaged community benefits, geographic balance, network integration, housing and job considerations.

TIRCP 2020-21 through 2024-25 Funding

- ▶ The TIRCP receives
 - inflation-adjusted portion of the Transportation Improvement Fee revenues established by SB 1 (base of \$245 million in calendar 2018 and 2019; adjustments begin in calendar 2020)
 - continuous appropriation of 10 percent from the quarterly Cap-and-Trade auction proceeds
 - any annual budget allocations provided by enacted budget bills
- ▶ FY2020-21 to 24-25 Fund Estimate
 - ▶ Initial estimate: \$2,512,500,000
 - ▶ includes funding for carry-forward of 2018 award commitments
 - ▶ New capacity available for Cycle 4:
 - ▶ currently estimated at \$450-500 million
 - ▶ could be adjusted based on auction proceeds and changing cash flow requirements of already awarded projects between now and April award announcement

TIRCP 2020-21 through 2024-25 Funding

- ▶ Short-term (FY 2020–21 through FY 2022–23) Funding
 - At least \$100 million is available
 - Driven by excess auction proceeds & additional one-time budget funds
 - Ideal for applicants with ready to build projects that are completed within the three years
 - Also possible for projects that need limited funds in first three years, but major cash flow needs that are focused on the FY 2023–24 or later time period
- ▶ Longer-term (FY 2023–24 and beyond) Funding
 - Balance of remaining funds
 - Ideal for projects with longer delivery timelines
 - Agencies should consider risks related to potential cost escalation and have the plan and resources to manage them
- ▶ Be clear about any flexibility your projects have in terms of when they can receive funding

TIRCP - Key Changes to the Guidelines

Housing & Job Considerations

- ▶ Recognize that transit-supportive land use decisions are a key influencing factor of ridership:
 - Projects may model additional ridership expected from entitled housing projects within ½ mile of transit stations that are expected to be delivered within required project outcome reporting period
- ▶ For projects that link housing with key destinations and that improve accessibility to economic opportunities:
 - 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
- ▶ Additional guidance on how to document community benefits for projects:
 - Document that within ½ mile of a transit station or stop, one or more of the following characteristics is present:
 - Housing densities and residential land use percentages that meet the definition of a Transit Priority Project (PRC Section 21155).
 - 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).



TIRCP - Key Changes to the Guidelines

Network Integration:

- ▶ Discuss the alignment to the 2018 State Rail Plan, where relevant:
 - Articulate a vision and specific service and delivery goals for coordinating schedules and physical infrastructure to deliver an integrated network

- ▶ Additional guidance on how to address network integration among rail and transit services
 - Importance of documenting assumptions
 - Identify how connectivity will be improved, and what points of friction will be eliminated, wherever possible
 - Take credit for ridership increases that result, including on connecting services
 - Note if connecting providers do not require additional service to handle the project's connecting riders
 - Include additional operations in the quantification tool if needed to handle the project's connecting riders
 - Use support letters where necessary to document the neighboring service provider's support for integration with the project

TIRCP - Key Changes to the Guidelines

Project Implementation & Reporting

- ▶ If a project does not receive their anticipated federal, local or other funding commitments, CalSTA may delete the project from the program.
- ▶ 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
- ▶ 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
- ▶ 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



2020 TIRCP Cycle 4 Timeline

- ▶ TIRCP Guidelines workshops:
 - Oct. 14: Los Angeles
 - Oct. 15: Oakland
- ▶ Guidelines adoption/Call for projects: Oct. 18
- ▶ Applications due: Jan. 16, 2020
- ▶ CalSTA announces project awards: Apr. 1, 2020
- ▶ Optional Consultation Meetings:
 - Nov 4: Sacramento
 - Nov 5–6: Los Angeles
 - Nov 7: Oakland
 - Nov 8: Stockton
 - Nov 12: Oakland



SRA Background

- ▶ SB 1 directs ½% of new diesel sales and use tax revenue for allocation (about \$40 million per year currently):
 - ▶ ¼% to the 5 commuter rail providers
 - ▶ Equal shares through 2019–20
 - ▶ Directed CalSTA to develop final formula by end of 2019
 - ▶ ¼% to intercity rail corridors
 - ▶ 25% each to the three intercity rail corridors
 - ▶ 25% competitive for emerging corridors and expanded service on existing corridors
- ▶ Funding can be used for both capital and operating expenses
- ▶ \$237 million (about \$47.4 million per year) estimated over next five years (FY 20–21 to FY 24–25)



SRA – Formal Draft Guidelines

Commuter Rail Formula Adoption

- ▶ SB 1 required a new formula to be proposed by June 30, 2019
 - Consultation with commuter rail operators conducted in May 2019
 - Proposed formula included in Draft Guidelines released on June 14, 2019
 - In effect in perpetuity (no further allocation revisions called for in statute)
 - Applies to about \$118.5 million in funding over the first five years
 - Average of \$23.7 million per year
 - Equal distribution of the first \$17.5 million annually
 - \$3.5 million annually per commuter rail operator
 - No inflation adjustment
 - Balance allocated on formula tied to National Transit Database reporting:
 - 1/3 Directional Route Miles
 - 1/3 Annual Unlinked Trips
 - 1/3 Annual Passenger Miles
- ▶ Final formula will be included in final guidelines adopted before January 1, 2020

SRA – Formal Draft Guidelines

Changes made in response to stakeholder comments

- ▶ Clarifies eligible recipients include public agencies authorized to plan and/or manage intercity rail operations
- ▶ Specifies CalSTA will publicly notice meetings and invite public participation prior to award of any “flexible” funds for intercity rail
- ▶ Clarifies the no-supplanting requirement to allow shifts of funds across project phases, as specified
- ▶ Provides examples of co-benefits for purposes of reporting
- ▶ Clarifies verification requirements for planning projects



SRA Timeline

(subject to change)

Comments on guidelines due by October 31, 2019

SRA 2020 Calendar

Allocation Request Schedule:	
CalSTA posts Final SRA Guidelines	Before Jan 1, 2020
CalSTA provides updated notification of expected funding levels	February 2020
Transit agencies submit first allocation requests to CalSTA	July 15, 2020
CalSTA approves project lists	August 31, 2020
CalSTA commences quarterly allocations	October 2020
Reporting Schedule:	Ongoing during Contract
Semi-Annual Report due to CalSTA (on data January 1 – June 30)	by August 15 th
Semi-Annual Report due to CalSTA (on data July 1 – December 31)	by February 15 th



Questions and Feedback

Information for TIRCP:

websites: <https://calsta.ca.gov/>

Guideline comments email: tircpcomments@dot.ca.gov

Comments due by October 15, 2019

Questions: Chad Edison at 916-323-5400

Information for SRA:

website: <https://calsta.ca.gov/subject-areas>

Guideline comments email: sra@calsta.ca.gov

Comments due by October 31, 2019

Questions: Chad Edison at 916-323-5400

