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
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
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.
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).
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
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)
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
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

<table>
<thead>
<tr>
<th>Allocation Request Schedule:</th>
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<tbody>
<tr>
<td>CalSTA posts Final SRA Guidelines</td>
<td>Before Jan 1, 2020</td>
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<tr>
<td>CalSTA provides updated notification of expected funding levels</td>
<td>February 2020</td>
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<tr>
<td>Transit agencies submit first allocation requests to CalSTA</td>
<td>July 15, 2020</td>
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<tr>
<td>CalSTA approves project lists</td>
<td>August 31, 2020</td>
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<tr>
<td>CalSTA commences quarterly allocations</td>
<td>October 2020</td>
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<tr>
<th>Reporting Schedule:</th>
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<tr>
<td>Semi–Annual Report due to CalSTA (on data January 1 – June 30)</td>
<td>by August 15th</td>
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<tr>
<td>Semi–Annual Report due to CalSTA (on data July 1 – December 31)</td>
<td>by February 15th</td>
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Questions and Feedback

Information for TIRCP:
websites: [https://calsta.ca.gov/](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](https://calsta.ca.gov/subject-areas)
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