

**Metropolitan Transportation Commission
Programming and Allocations Committee**

September 11, 2024

Agenda Item 4a-24-1011

MTC Resolution Nos. 4663 and 4664. Endorsements and Nominations for 2024 State Funding Opportunities: Transit and Intercity Rail Capital Program (TIRCP), Solutions for Congested Corridors (SCC), and Trade Corridor Enhancement Program (TCEP)

Subject:

Recommended Commission endorsements for regional applications to the state TIRCP, and nominations for the SCC and TCEP funding programs.

Background:

TIRCP. The TIRCP program funds projects that will modernize California’s rail, bus, and ferry transit systems to reduce greenhouse gas emissions, vehicle miles traveled, and congestion. The regular 2-year program, referenced as the “Base TIRCP” program in this memo and attachments, receives funds from both Cap and Trade Auctions and Senate Bill 1. Additional TIRCP Augmentation funding was distributed from the state general fund in 2023. Five Base TIRCP award cycles and two Augmentation funding rounds have been completed, during which MTC has endorsed and advocated for projects consistent with the Cap and Trade Framework.

SB1. The Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1, Beall), provides over \$5 billion in new transportation revenues annually to both new and existing funding programs. The State has programmed three rounds of SB1 competitive funding. The California Transportation Commission (CTC) released the Call for Projects for next round of grants covering Fiscal Years (FYs) 25-26 and 26-27, with applications due in late 2024. MTC’s role is to nominate projects (along with Caltrans) for SCC program, compile nominations for TCEP, and support projects applying for Local Partnership Program (LPP) funds.

TIRCP Cycle 7 Call for Projects

The California State Transportation Agency (CalSTA) released a call for projects for a new five-year program of projects, with an estimated \$900 million available in new programming capacity for Cycle 5. Applications were due July 23, 2024. There were nine applications from the Bay Area totaling \$423 million in requests, as detailed in Attachment A. Staff reviewed project applications and provided letters of consistency based on Plan Bay Area 2050 (PBA50), as required by the TIRCP program guidelines.

In addition to confirming consistency with PBA50, MTC has an opportunity to endorse certain applications from sponsors in the region. MTC's TIRCP Framework, part of an overall Cap and Trade Framework in MTC Resolution No. 4130, Revised, sets regional targets and priorities to guide MTC endorsements for each round. The Framework was developed to implement and prioritize near term projects as identified in PBA50, with a focus on the region's core capacity transit needs and projects and programs with strong performance. The Framework is summarized in Attachment B, including awards since the framework was revised in 2022.

TIRCP Cycle 7 Endorsements

Staff recommends endorsing to CalSTA the projects consistent with the adopted TIRCP framework as recommended in this item. Proposed endorsements total \$384 million, representing approximately 43% of statewide programming capacity, and are shown in Attachment A.

Project sponsors have already submitted their applications and MTC's endorsement is not formally considered by CalSTA. However, given the prior adoption of a regional framework which has not been fully funded and the pressing need to improve transit capacity in the region's core, staff proposes the Commission endorse, and thus encourage CalSTA to focus TIRCP investment on, several key projects. Staff have communicated to CalSTA that, if approved, MTC will provide the endorsement list to CalSTA after the TIRCP application due date.

Some projects are recommended for endorsement at a lower amount than their planned application. Details for these recommendations are included in Attachment A.

Senate Bill 1 Competitive Programs

In April 2024, the Commission approved the regional approach and prioritization principles for Bay Area SB1 competitive program nominations, including Solutions for Congested Corridors (SCC), Trade Corridor Enhancement (TCEP), and Local Partnership Programs. A list of previous awards from these SB1 competitive programs is included as Attachment E.

Staff conducted a Call for SB1 Project Nominations in May. In response, MTC received eight project nominations for SCC and five for TCEP. MTC and Caltrans are the sole nominating agencies for Bay Area SCC projects. MTC does not nominate, but rather compiles Bay Area

TCEP project nominations from sponsor agencies. Note that the SCC program is significantly oversubscribed based on planned applications and expected award levels for the Bay Area.

As detailed in Attachment C, staff recommends advancing projects as summarized below.

Program/ Resolution No.	No. of Projects Recommended	Amount Recommended (\$M)	Amount Available Statewide (\$M)	% Proposed
SCC / 4663	6	\$ 398	\$ 480	83%
TCEP / 4664	5	\$ 198	\$ 900	22%
Total	10*	\$ 596	\$1,380	43%

* One project is nominated for both programs.

Staff worked with Bay Area County Transportation Agencies (BACTAs), transit operators, Caltrans, and the applicable state agencies in recent months to develop these programs. The recommended projects strongly meet the goals of each program, as well as regional prioritization principles adopted by the Commission in April 2024.

Issues:

- SMART Rail Extension to Healdsburg
 - PBA2050 Alignment: The SMART Rail Extension to Healdsburg is not currently included in the adopted PBA2050. Staff presented an informational update at MTC’s July Planning Committee meeting on the initiation of an amendment to the Plan to add the project; MTC's endorsement of the project for TIRCP is contingent on approval of this amendment and addition of SMART to Healdsburg to the PBA2050 Transportation Project List.
 - TIRCP Endorsement Limit: The project is not named in the TIRCP framework. However, staff recommend a one-time exception to the \$25 million cap on endorsements for projects not named in the framework for SMART’s \$81 million application this year, contingent on the PBA2050 amendment described above. Staff believe the SMART application is likely to do well this round because it closes a gap in a deliverable segment. Because the total ask from the Bay Area is relatively low this round, MTC has the capacity to endorse SMART’s request without disadvantaging any other named project to reach the regional target of

40% of the statewide pot. Further, this project is not scalable, so a partial endorsement would not result in a deliverable project.

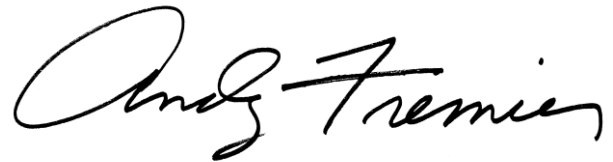
- SMART has also submitted an application for SCC funding which contains a different scope than their application for TIRCP. Staff's understanding of the SCC submitted project is that the funding would be used for expenses north of the Healdsburg extension as currently being scoped for inclusion in PBA2050, but still within Healdsburg city limits.
- SCC Nomination Not Recommended At This Time. Staff recommends not recommending the Pleasanton I-680/Sunol Interchange project for nomination. This project was the lowest performer when evaluated through MTC's prioritization principles and did not undergo the state CSIS process.
- SCC Nominations Requiring Additional Consideration.
 - *VTA's Peninsula Caltrain Grade Separations.* The scope of the project is still evolving, with the number of grade separations unclear at this time. Staff may recommend adding the project once MTC receives clarity on project scope and funding plan.
 - In late August, MTC staff received a request from VTA to consider including the *BART Silicon Valley Phase 2 Extension project* as an MTC nominated project. VTA is still considering the request amount, since the recent announcement of the future Federal Transit Administration (FTA) funding amount still left a funding gap. Staff may recommend adding the project once MTC receives clarity on the funding plan, and will request VTA provide a project update at an upcoming MTC meeting.
- Funding Plans Evolving. Project sponsors are still examining additional opportunities for funding, including from local, regional, and federal sources (including federal discretionary grant opportunities from the Bipartisan Infrastructure Law (BIL)). Therefore, the final requested SB1 funding amounts may be less than shown in this staff report.

Recommendations:

Refer the TIRCP Endorsement List (Attachment A) and MTC Resolution Nos. 4663 and 4664 to the Commission for approval.

Attachments:

- Attachment A: TIRCP Endorsement List
- Attachment B: Bay Area TIRCP Applications – Previous Awards, Requests, and Endorsements
- Attachment C: Adoption of 2024 SB1 Competitive Programs – Discussion
- Attachment D: 2024 SB1 Competitive Program Nominations
- Attachment E: Bay Area SB1 Competitive Program Selected Projects, Cycles 1-3
- MTC Resolution Nos. 4663 and 4664



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