

New Federal Transportation Act: Proposal for Cycle 1 Programming and Cycle 2 Framework



Metropolitan
Transportation
Commission

Programming and Allocations Committee
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Alix Bockelman, Director
Programming and Allocations

New Federal Transportation Act Timing

- Current Act (SAFETEA) expires on September 30, 2009
- Programming New Act funds (FY 2010 and beyond) will allow projects and programs to proceed
- New legislation approval expected within 18 months
- Pending new legislation, assume current federal programs will be extended
- Transportation 2035 adopted last April provides general framework

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Fund Estimate and Distribution

- **Estimated funding available for programming (\$1.2 billion)**
 - STP/CMAQ/TE assumed at 4% increase each year (\$1.1 billion)
 - ARRA Backfill (\$113 million for region in state CMIA and RTIP)
- **Establish priorities for “anticipated” STP/CMAQ revenue priorities (\$0.2 billion)**
 - Anticipated funding of \$235 million resulting from a more robust 10% growth assumption
 - Reasonable given House proposal and SAFETEA experience of \$180 million
- **Two 3-year programming cycles over 6 year period**
 - Cycle 1 proposed for approval in October; Cycle 2 will be addressed after the New Transportation Act is enacted, in approximately two years

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New Act Proposal and Principles

Staff Proposal: \$1.4 Billion

- **Required payback of Obligation Authority (\$68 million)**
- **Maintain on-going programs (\$206 million)**
 - TransLink, 511, Freeway Service Patrol, Regional Planning
- **Deliver early system-wide improvements (\$222 million)**
 - Advance Freeway Performance Initiative
- **Fund core Transportation 2035 categories (\$834 million)**
 - Climate Initiatives, Regional Bicycle, Transportation for Livable Communities, Transit Capital Rehabilitation Shortfall, Regional Streets and Roads Shortfall
- **Fund strategic investments/commitments (\$71 million)**
 - Corridor Mobility, Trade Corridor, and MTC Resolution 3814 Transit Payback

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Stakeholder Outreach To-Date

- **Initial Working Draft Released to Stakeholders in June 2009**
- **Advisory Committees**
 - Elderly and Disabled Advisory Committee, Advisory Council, Minority Citizens Advisory Committee
- **Partnership**
 - Transit Finance Working Group, Local Streets and Roads Working Group, Program Delivery Working Group, Partnership Technical Advisory Committee, Partnership Board

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Feedback on Initial Proposal and Staff Response

- **Request: More funding for core programs in Cycle 1 and overall**
 - Advanced \$31 million into Cycle 1
 - Increased funding by \$22 million (TE capacity)
 - Pre-committed \$235 million in “anticipated” revenues
- **Request: Frontload funding for Climate Initiatives per T2035**
 - \$27 million more in Cycle 1 (including \$20 million for SFgo)
 - \$80 million increase overall (including “anticipated” revenues)
 - Consider contribution of all programs to reduce greenhouse gas emissions
- **Request: More planning support for CMAs**
 - CMAs could use up to \$9 million (4%) of core county program block grant for planning activities

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Revised Program Summary (millions \$)

Programs	Committed ARRA Program	ARRA Backfill & STP/CMAQ/TE Total	Anticipated Funds
Annual Programs (i.e. TransLink, 511, Regional Planning Activities)		274	0
Freeway Performance Initiative	19	222	0
Climate Initiatives/Regional Bicycle/TLC	10	311	127
Rehabilitation Needs (incl. PTAP/FAS)	432	288	108
Strategic Investments	201	71	0
TOTAL	662	1166	235

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Revised Program Details (millions \$)

Program and Project Investments		ARRA Backfill	STP/CMAQ/TE Cycle 1	STP/CMAQ/TE Cycle 2	TOTAL	Anticipated Revenue
On-going	SAFETEA OA Carryover		68		68	
	Regional Planning		23	25	48	
	Regional Operations		84	74	158	
Core Programs	Freeway Performance Initiative	74	62	86	222	
	Climate Initiatives (includes SFgo)		59	34	93	55
	Regional Bicycle Program	8	16	20	44	22
	Transportation for Livable Communities		78	96	174	49
	Transit Capital Rehabilitation			119	119	45
Regional Streets and Roads Rehabilitation			86	83	169	63
Strategic Investments	Corridor Mobility (SCL I/C Imps)	32			32	
	MTC Reso. 3814 Transit Payback Commitment			31	31	
	Trade Corridor (Richmond Rail Connector)		8		8	
TOTAL		114	485	568	1,166	235

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For action in October



Policy Considerations

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1) Accelerate FPI

Staff recommendation: \$222 million over six years

- **Cost effective program, reducing congestion and greenhouse gas emissions**
- **Effectively manages capacity on the regional highway system**
- **Advances investments to meet future traffic growth**
- **Tradeoff with other project categories**
 - ARRA recently provided significant funding to rehabilitation needs
 - Transit vehicle replacement shortfalls take place during Cycle 2
 - Invest in FPI for quick delivery while other programs get established

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2) Climate Initiatives Program

Staff recommendation: \$148 million over six years

- **Transportation 2035 assumed \$400 million in first 5 years**
 - \$225 million from STP/CMAQ funding; remainder “anticipated” revenues
- **Recommended programming approach**
 - More gradual ramping up of Climate Initiatives Program
 - Includes SFgo project (\$20 million)
 - Proceed with climate benefits of Freeway Performance Initiative, TLC, and Regional Bicycle programs while Climate Initiative Program delivery gets underway
- **Includes Priority for Anticipated Funds**
 - Goal is to leverage anticipated funding opportunities proposed in upcoming legislation which address the reductions of green house gases and other emissions
- **Recommend further discussion with Air District and stakeholders to better define investment program**

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3) Project Delivery

- **Sequencing of funding commitments should reflect ability to deliver projects**
- **Funding subject to Regional Project Funding Delivery Policy (MTC Resolution 3606)**

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4) Fund Strategic Investments

Staff recommendation: \$71 million over six years

- **Strategic response to opportunities and unforeseen needs**
- **Regional Projects that achieve T2035 objectives but face delay due to budget crisis:**
 - Corridor Mobility– Santa Clara Interchange Improvements (\$32 million)
 - Trade Corridors– Richmond Rail Connector (\$8 million)
 - MTC Reso. 3814 Transit Payback Commitment (\$31 million)

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5) Priority Development Area (PDA) Priorities

- **Align transportation investments and “focused growth”**
- **Commission directed staff to develop a PDA investment strategy**
- **Project selection dependent on PDA status for following programs:**
 - Transportation for Livable Communities, Climate Initiatives
 - Current transit and streets & roads rehabilitation distribution formula policies align with PDAs

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Program Administration

- **MTC administers programs with a regional scope**
- **Congestion management agencies administer programs with a local/community focus**
- **“PDA block grants”**
 - Flexibility to bundle funding programs
 - Goal is larger, multi-modal, and more effective project delivery

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Program Administration (cont.)

Transportation 2035 Core Programs	Manager	PDA Block Grant
Freeway Performance Initiative	MTC, Caltrans, and CMAs	
Climate Initiatives	MTC and Air District	
Climate Initiatives (E. Solano CMAQ)	Solano Transp. Authority	Yes
Regional Bicycle Program	CMAs	Yes
TLC – Regional	MTC	
TLC – County	CMAs	Yes
Local Streets and Roads Rehabilitation	CMAs	Yes
Transit Capital Rehabilitation	MTC	

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Schedule

- **September:**
 - Continued discussions with Advisors and the Partnership about investment proposal and policies
 - Climate Initiatives Program discussion with Air District and stakeholders
- **October:**
 - 10/14: Programming Allocations Committee review
 - 10/28: Commission approval

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