



December 10, 2019

TO: Board Members, Transportation Agency for Monterey County
FROM: Gus Khouri, Principal
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RE: STATE LEGISLATIVE UPDATE – JANUARY

The legislature concluded its business and adjourned for the year. It is set to reconvene on January 6, 2020 for the second year of the 2019-2020 legislative Session. The following is a brief summary of current challenges as well as grant opportunities that TAMC may wish to consider.

Governor's Executive Order on Climate Change: Challenge to Become More Multi-modal

On Friday, September 20, 2019, Governor Gavin Newsom issued an Executive Order aimed at combatting climate change and strengthening the state's climate resiliency. With a focus on reducing emissions from the transportation sector, the Executive Order could lead to a greater focus on public transit and active transportation projects. The Executive Order directs the California State Transportation Agency (CalSTA) to invest its annual portfolio of \$5 billion (inclusive of such programs as the State Highway Operations and Protection Program, State Transportation Improvement Program, Solutions for Congested Corridors Program, Local Partnership Program, and Transit and Intercity Rail Capital Program) to build, operate and maintain projects that help reverse the trend of increased fuel consumption and instead result in a reduction of vehicle miles traveled and greenhouse gas emissions associated with the transportation sector.

CalSTA, in consultation with the Department of Finance, is directed to align transportation spending, programming and mitigation to achieve the greenhouse gas emission reduction targets in the state's Climate Change Scoping Plan, where feasible. We are discussing with the administration to ensure that this directive will not compromise the ability to leverage Measure X dollars to deliver projects on the state highway system that enhance safety and congestion management. CalSTA Secretary David Kim has stated on many occasions that SB 1 dollars will not be diverted, but it has been clear from the California Transportation Commission (CTC) workshops for the SB 1 competitive programs that a heavier emphasis is now placed on multi-modal options.

Grant Opportunities:

SB 1 Competitive Grant Programs

In 2018, TAMC received \$19 million from the Local Partnership Program (LPP) in Cycle 1 for Imjin Parkway. It was one of the largest awards from the program statewide and represented 27 years' worth of funding had TAMC been solely dependent on its annual formulaic apportionment of \$700,000 from the formulaic side of the program. For Cycle 2, TAMC is considering an application for the State Route 156 (SR 156) at Castroville Road project. As a result, we have been attending several workshops for the various competitive programs to help position TAMC for a prospective award.

The Trade Corridor Enhancement Program (TCEP) represents the most natural fit to address a congested trade corridor such as SR 156, but uncertainty surrounds the program as CalSTA has been heavily engaged in determining which projects may be funded. Regions can still nominate a project but having the backing of Caltrans would be helpful.

We attended multiple CTC workshops on the adoption of guidelines for the Solutions for Congested Corridors Program (SCCP). To help maximize the prospects of success, we have been pushing for the CTC to consider awarding projects in counties with a population of 500,000 or less. Thankfully, CTC staff has included language for this purpose in SCCC. Guidelines will be considered for adoption on January 29-30.

With the Governor's veto of Senate Bill 277 (Beall), which would have changed the allocation of the Local Partnership Program (LPP), LPP guidelines are expected to be relatively similar to Cycle 1, with a few exceptions relating to project readiness (completed environmental documents) and recognition of geographic distribution. The CTC may choose to recalibrate the current 50/50 distribution of funds between formula and competitive funding to favor a 65/35 or 60/40 split favoring formula. Given the shorter cycle of funding moving forward, the CTC may have less flexibility to allocate funding for projects across the board this round. TAMC is seeking a distribution formula favoring population over revenue for the formulaic portion of the program.

We attended the LPP workshops in San Diego, which represented the final opportunity to comment on draft guidelines prior to final adoption by the Commission in January. Applications for the competitive portion of LPP, TCEP, and SCCC are scheduled to be due by the end of June, and awards made in October.

Transit and Intercity Rail Capital Program (TIRCP)

Cycle 4 for TIRCP is current underway. The program, which is administered by CalSTA, represents an opportunity for TAMC to build on its success of providing additional rail service through the county. TAMC was a recent beneficiary, having secured \$10.1 million for the extension of two round trip passenger rail services from Gilroy to Salinas, including a layover facility and positive train control. For this round, the Coast Rail Coordinating Council, in conversation with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN), has discussed submitting an application to acquire funds to conduct a feasibility study for acquiring Union Pacific right of way in to deliver Coast rail service.