

APPENDIX A.4

DETAILED DESCRIPTIONS OF FUNDING PROGRAMS

Regional Surface Transportation Program (RSTP)

RSTP is the most flexible of the Federal transportation funding programs. A broad variety of transportation projects and modes, including streets and roads, are eligible.

Examples of projects eligible for RSTP include highway projects; bridges (including construction, reconstruction, seismic retrofit and painting); transit capital improvements; carpool, parking, bicycle, and pedestrian facilities; safety improvements and hazard elimination; research; traffic management systems; surface transportation planning; transportation enhancement activities and control measures; and wetland and other environmental mitigation.

80% of the STP apportionment is distributed among the urbanized and non-urbanized areas of the State through Metropolitan Planning Organizations and Regional Transportation Planning Agencies. The remainder goes directly to counties in a formula equal to 110% of the Federal Aid Urban/Federal Aid Secondary (FAU/FAS) funding in place prior to 1991.

The estimated annual federal program level under TEA 21 reauthorization is \$380 million statewide.

Congestion Mitigation and Air Quality Program (CMAQ)

The Congestion Mitigation and Air Quality (CMAQ) Improvement Program was established by the 1991 Federal Intermodal Surface Transportation Efficiency Act (ISTEA) and was reauthorized with the passage of TEA-21. Funds are directed to transportation projects and programs which contribute to the attainment of maintenance of National Ambient Air Quality Standards in non-attainment or air quality maintenance areas for ozone, carbon monoxide, or particulate matter under provisions in the federal Clean Air Act. As part of the Sacramento Valley air basin, which is in non-attainment for ozone, Placer County is eligible for CMAQ funds.

Eligible federal-aid projects include public transit improvements; high occupancy vehicles (HOV) lanes; Intelligent Transportation Infrastructure (ITI); traffic management and traveler information systems (i.e., electric toll collection systems; employer-based transportation management plans and incentives; traffic flow improvement programs (signal coordination); fringe parking facilities serving multiple occupancy vehicles; shared ride services; bicycle and pedestrian facilities; flexible work-hour programs; outreach activities establishing Transportation Management Associations (TMAs); fare/fee subsidy programs; and under certain conditions, PM-10 projects.

The estimated annual federal program level is \$430 million statewide under TEA 21 reauthorization.

Transportation Enhancement Activities Program (TEA)

Federal Transportation Enhancement Activity funds are to be used for transportation-related capital improvement projects that enhance quality-of-life in or around transportation facilities. Projects must be over and above required mitigation and normal transportation projects, and the project must be directly related to the surface transportation system. The projects should have a quality-of-life benefit while providing the greatest benefit to the greatest number of people.

Under TEA 21, California has received approximately \$60 million per year for six years, starting in 1997. This has been divided into the following four shares:

1. Regional
2. Conservation Lands
3. Caltrans
4. Statewide Transportation Enhancement

Regional Transportation Planning Agencies receive 75% of the TEA dollars in California, which are distributed to regions as part of the County Shares in the State Transportation Improvement Program (STIP) funds. The remaining 25% goes to the State.

Highway Bridge Replacement and Rehabilitation Program (HBRR)

The intent of the Highway Bridge Replacement and Rehabilitation program is to rehabilitate or replace bridges that are unsafe because of structural deficiencies, physical deterioration, or functional obsolescence.

Deficient highway bridges eligible for replacement or rehabilitation must be over waterways, other topographical barriers, other highways, or railroads. HBRR funds may be used for:

- The total replacement of a structurally deficient or functionally obsolete highway bridge on any public road with a new facility constructed in the same general traffic corridor.
- The rehabilitation that is required to restore the structural integrity of a bridge on any public road, as well as the rehabilitation work necessary to correct major safety (functional) defects,
- The replacement of low-water crossings, and
- Bridge painting and bridge railing replacement.

Funding is distributed by continuous competitive project selection through Caltrans. The estimated annual federal program level is \$160 million statewide, and requires non-federal matching funds.

Railroad/Highway At-grade Crossing Program

The purpose of this program, which is also known as Section 130, is to reduce the number and severity of highway accidents by eliminating hazards to vehicles and pedestrians at existing railroad crossings. Railroad/highway at-grade crossing improvement projects include, but are not limited to, installation and upgrade of railroad protection systems to a state-of-the-art condition at grade crossings and grade crossing eliminations. Projects are evaluated under existing conditions and any roadway widening projects to improve roadway capacity will not be considered. Additionally, locations that are funded will not be eligible for a subsequent project for ten years.

The estimated annual program level is \$15 million statewide.

Hazard Elimination Safety program (HES)

The purpose of this program is to eliminate or reduce the number and severity of traffic accidents at hazardous locations. To be eligible for federal HES funds, the project must be located on any local road. Projects must correct an identified safety hazard or problem.

The annual program funding level is approximately \$10 million.

Safe Routes to School Program (SR2S)

Caltrans has established a “Safe Routes to School” construction program utilizing federal transportation funds for construction of bicycle and pedestrian safety and traffic calming projects. To be eligible for SR2S funds, the project must be located on either a state highway or local road. Projects must correct an identified safety hazard or problem or a route that students use for trips to, and from, school. The SR2S program was created as a subset of the Hazard Elimination Safety (HES) program.

The annual program funding level is approximately \$20 million. This program is a demonstration program that will sunset on January 1, 2008, unless a later enacted statute deletes or extends that date.

Emergency Relief Program (ER)

The ER Program is intended to assist local agencies when local resources are inadequate to cope with disasters or catastrophic failures. For a declared disaster, ER funds are intended to aid state and local highway agencies in paying unusually heavy expenses or repairing serious damage to Federal-aid highways resulting from natural disasters or catastrophic failure. Only work that exceeds heavy maintenance, is extraordinary, and restores the facility to its previous level of service is eligible.

Annually, \$100 million per state per disaster is made available nationally for ER projects. The amount available to an individual state varies each year depending on disasters experienced by the states.

Federal Discretionary Programs

There are a number of highway, transit, and rail discretionary programs available to California applicants authorized by various sections of TEA-21. Funding for these programs vary—some are formula driven and others are nationally competitive. Funds are distributed over the six-year life of TEA-21.

The following are some of the programs with a short description and approximate annual nationwide funding:

Corridors and Borders: Provides funds to states for coordinated planning, design and construction of transportation corridors of national significance, economic growth or interregional or international trade. Approximately \$130 million is available annually nationwide.

Transportation and Community and System Preservation Pilot Program: Researches relationships between transportation, community preservation and the environment and funds projects to address transportation efficiency and community system preservation. Approximately \$25 million is available nationwide.

National Scenic Byways: Provides funding for eligible scenic byway projects along All-American Roads or designated scenic byways and for the planning, design and development of State scenic byway programs. Approximately \$24 million is available annually nationwide.

Public Lands Highways: Provides funding for eligible transportation projects within, adjacent to, or providing access to the areas served by federal public lands highways. Approximately \$83.6 million is available annually nationwide.

Interstate Maintenance Discretionary: Provides funding for resurfacing, restoring, rehabilitating and reconstructing, including adding travel lanes, on designated portions of Interstate System routes.

Intelligent Transportation System Deployment: Provides funds for ITS integration and deployment projects—funding and projects are congressionally designated. Approximately \$100 million is available annually nationwide.

Job Access and Reverse Commute Grants: Provides competitive grants to local government and non-profit organizations to develop transportation services to connect welfare recipients and low-income persons to employment and support services. Approximately \$500 million is available over the life of TEA-21.

Urban and Rural Area Formula Grants (Section 5307 and 5311): Provides formula grants for transit purposes to urbanized areas (Roseville, Rocklin, Loomis, Auburn, and adjacent unincorporated areas) and rural areas (Lincoln, Colfax, and remainder of Placer County).

Section 5310 Capital Grants: Provides competitive grants to public and non-profit transportation providers for capital purchases to support transportation of elderly persons and persons with disabilities. Approximately \$7 million is available annually in California.

Federal Demonstration Program (High Priority Projects)

A demonstration project is specifically established and funded by Congress through federal law. Demonstration projects are generally provided as part of the periodic transportation authorization acts or the annual transportation appropriation acts. Demonstration projects are initiated by Congress, usually at the request of constituents within a given congressional district.

Federal Transit Administration (FTA) Access to Jobs

The federal Access to Jobs program was authorized under TEA 21, awarding grants to local agencies to improve access to employment areas, particularly for those transitioning from welfare programs. Examples of funded programs include extended hours and routes on transit systems to serve employment areas. The FTA is considering converting this competitive program to a formula program in the future.

FTA Section 5307

Formerly known as the Section 9 program, Section 5307 provides operating and capital assistance funds for transit services in urbanized areas by formula. In Placer County, the 2000 Federal census expanded the urbanized area from Roseville/Rocklin to add Loomis and Auburn for eligibility for these funds. Because the FTA sees the overall Sacramento urbanized area as a single unit, Section 5307 funds are funneled to these areas via Sacramento Regional Transit.

FTA Section 5311

Formerly known as the Section 18 program, Section 5311 provides operating and capital assistance funds for transit services in non-urbanized/rural areas by formula. Colfax, Lincoln, and rural Placer County are eligible for these funds. Caltrans administers this program, with the assistance of regional transportation planning agencies.

FTA Section 5310

Section 5310 provides competitive grants on a statewide basis for capital improvements to transit services specifically targeted to the elderly and disabled. Examples of successful applications are typically new accessible transit vehicles, particularly vans and small busses. Caltrans administers this program in California, with the assistance of regional transportation planning agencies.

Airport Improvement Program (AIP)

The Federal AIP provides funding directly to federally designated airports. Approximately \$165 million was provided to California airports in 1999.

STATE

State funding also comes largely from the fuel tax, augmented by contribution from the state sales tax on motor fuel via Proposition 42. State funds are combined with funding from various federal programs through the biennial State Transportation Improvement Program (STIP) programming process and apportioned to the state highway system, rail projects, and other projects throughout the state on the basis of a geographically based formula. State programs of interest to Placer County include:

State Transportation Improvement Program (STIP)

The STIP is a multi-year capital improvement program that assists state and local entities to plan and implement transportation improvements and to utilize resources in a cost effective manner. All STIP projects must be capital projects (including project development costs) needed to improve transportation. These projects generally may include, but are not limited to, improving state highways, local roads, public transit, intercity rail, pedestrian and bicycle facilities, grade separations, transportation system management, transportation demand management, soundwalls, intermodal facilities, safety, and environmental enhancement and mitigation, including TEA projects.

STIP funding is split 25% to the Interregional Transportation Improvement Program (ITIP) for projects nominated by Caltrans, and 75% to County Shares for the state's 58 counties for projects nominated in each county's Regional Transportation Improvement Program (RTIP), as decided by regional agencies. The overall STIP is adopted by the California Transportation Commission (CTC), which can accept or reject each RTIP and ITIP in its entirety.

The currently programmed STIP (2004/05 through 2008/09) has total funding of \$7.76 billion, of which RTIP comprises \$5.4 billion and ITIP is \$2.36 billion.

Local Transportation Fund (LTF)

The Transportation Development Act (TDA) of 1971 added ¼% to the statewide sales tax to fund transit services throughout the state. These monies, known as the Local Transportation Fund, are returned to the county of origin for use to operate the transit systems in that area. The funds are administered by the regional transportation planning agency in accordance with TDA regulations. While the primary focus of the LTF is transit service, there are provisions for use of the funds for other transportation modes. For example, under Section 3 of the TDA statute, regions may elect to set aside up to 2% of the LTF for pedestrian and bicycle projects. In regions with less than 500,000 population, some funds may also be used for street and road purposes upon completion of an annual unmet transit needs process.

Funding levels vary both annually and by locale, depending on the sales tax generated.

State Transit Assistance (STA) Fund

In addition to the LTF, the Transportation Development Act (TDA) of 1971 also established a program of direct subvention for transit services through state generated funding, known as the Public Transportation Account (PTA). Funds are allocated through the annual state budget. Distribution is calculated by the State Controller and administered by the regional transportation planning agency. Funds are distributed under Section 99313 of the Public Utilities Code based on population, and under Section 99314 based on the fares generated by the various transit operators.

Funding levels vary annually, based on the state budget. Approximately \$104 million was available statewide for FY 2003/04, down from \$189 million in 2001/02.

Highway-railroad Grade Separation Program

The purpose of this program is to improve safety and to expedite the movement of vehicles by eliminating highway-rail crossings at grade. Agencies with jurisdiction over public roadways that cross railroad tracks are eligible to receive funds under this program. Three types of projects are considered: 1) the alteration or reconstruction of existing grade separations; 2) the

construction of new grade separations to eliminate existing or proposed grade crossings; 3) the removal or relocation of roads or tracks to eliminate existing grade crossings. Projects must be included on the Public Utilities Commission list for eligibility, and are selected for funding on a competitive basis by Caltrans.

Current statutes require that \$15 million be included in each annual state budget for grade separation projects under this program. In general, State participation per project is limited to \$5 million or 80 percent of the project cost, whichever is less.

Environmental Enhancement and Mitigation Program (EEM)

The purpose of the EEM Program is to mitigate environmental impacts of new or modified public transportation facilities beyond the mitigation level required by the project's environmental document. Projects must provide mitigation or enhancement in addition to the mitigation required as part of the transportation projects to which they are related. Funding is distributed on a competitive basis and is administered jointly by the Resource Agency and Caltrans.

The annual program level available statewide is \$10 million.

Bicycle Transportation Account Program (BTA)

The BTA is intended to provide funds for bicycle transportation, which is recognized as an important and low cost mode of public transportation. The BTA provides funds to local agencies for projects that improve safety and convenience for bicycle commuters. To be eligible for BTA funding, cities and counties must have an adopted Bicycle Transportation Plan that has been approved by the appropriate regional transportation planning agency and Caltrans. Funding is awarded by competitive grant and administered by Caltrans.

The funding level of the BTA is \$7.2 million in fiscal year 2003/04. Availability of these funds will sunset in July 2006 unless extended by legislation. Applicants provide a match of at least 10 percent of the total project cost.

Traffic Congestion Relief Program (TCRP)

The TCRP was a one-time direction of surplus state funds to transportation purposes. At an overall total of more than \$5.3 billion, funding was been provided for selected projects that will relieve traffic congestion, improve goods movement, and provide connectivity between systems. However, none of the named projects were in Placer County.

The TCRP program does, however, include approximately \$1.5 billion generated through the dedication of the sales tax on motor fuel over five years (2001/02 through 2005/06), distributed

40% to augment the STIP, 40% to cities and counties for continued local street and road maintenance, and 20% to augment the Public Transportation Account.

State budget problems, starting in FY 2002/03, have necessitated the suspension of the TCRP program, and borrowing from the State Highway Account to cover previously approved expenditures. The long-term fate of the TCRP program remains unclear, but the overall direction appears to be to repay loans and replace funds to the State Highway Account over the long term.

Fuel Taxes

The State of California imposes an excise tax of 18 cents per gallon on motor fuel. These funds are then distributed by formula directly to cities and counties for street and road maintenance.

California Aid to Airports Program (CAAP)

The CAAP encompasses three different programs administered by Caltrans Division of Aeronautics. These include discretionary grants for capital improvements, annual grants of \$10,000 each to general aviation airports, and matching funds for Federal Aviation Administration (FAA) grants. A total of \$6.6 million was available for the CAAP in 1999.

LOCAL

Transit Fares

Funds generated by passenger fares on transit are used to help fund that transit system. Under the requirements of the TDA, fares must generate at least 10% of the operating revenue for rural transit systems, and 15% for others.

General Funds

At the discretion of the City Council or Board of Supervisors, city and county general funds generated primarily from property and local sales taxes may be used to augment transportation funding. With high demand on such funds, and generally low availability, general funds are not considered a strong source of transportation funding.

Traffic Impact Fees

Under state law, jurisdictions may impose fees on development that mitigate their impacts on local services. One common impact fee is for traffic generated by the new development on the road system. Fees must be backed by a traffic study that provides a nexus of the improvements to the traffic generated by the development, as required by AB 1600.

In 2002, Lincoln, Roseville, Rocklin, and Placer County formed the South Placer Regional Transportation Authority Joint Powers Authority to develop a regional traffic impact fee. This fee, known as the Regional Transportation and Air Quality Mitigation Fee Program, is set to generate \$125 million for specified transportation projects through 2022.

In addition, each jurisdiction in Placer County has imposed a traffic impact fee of some type.

Local Transportation Sales Tax

Since 1984, state law has permitted counties to impose a sales tax dedicated to transportation purposes with the approval of a majority of the county voters. 17 counties passed transportation sales taxes between 1984 and 1994, generating billions of dollars for transportation purposes in those counties.

In 1995, however, it was determined by the State Supreme Court that transportation sales taxes were special taxes and under Proposition 62, would require a 2/3 majority vote. This has made subsequent transportation sales tax approvals significantly more difficult. Nine counties - Santa Clara, Alameda, Riverside, San Diego, San Francisco, San Mateo, San Bernadino, Contra Costa, and Sacramento - have passed sales tax extensions since 1995. Only Marin and Sonoma Counties have been able to pass new sales tax measures in the last decade.

Should Placer pursue and pass a transportation sales tax, it is estimated it could generate \$930 million to \$1.08 billion over 30 years.

User Fees

Some transportation providers and facilities may impose fees for the use of those facilities. Such user fees may include parking fees, airport landing fees, airplane hangar rental fees, and so on.

The recent state budget crisis has given rise to the concept of toll roads and high occupancy toll (HOT) lanes, which are both forms of user fees. In these scenarios, drivers would pay to use either totally separate facilities (toll roads) or to access high occupancy vehicle lanes in a single occupant vehicle (HOT lanes). Placer facilities that could lend themselves to this type of approach would be Placer Parkway (toll road or HOT lanes) and I-80 (HOT lanes only).