STAFF REPORT

DATE: October 23, 2023

TO: Sacramento Regional Transit Board of Directors

FROM: Laura Ham, VP, Planning and Engineering

SUBJ: EVALUATION OF FUNDING OPTIONS PRESENTATION

RECOMMENDATION

No Recommendation - For Information Only.

DISCUSSION

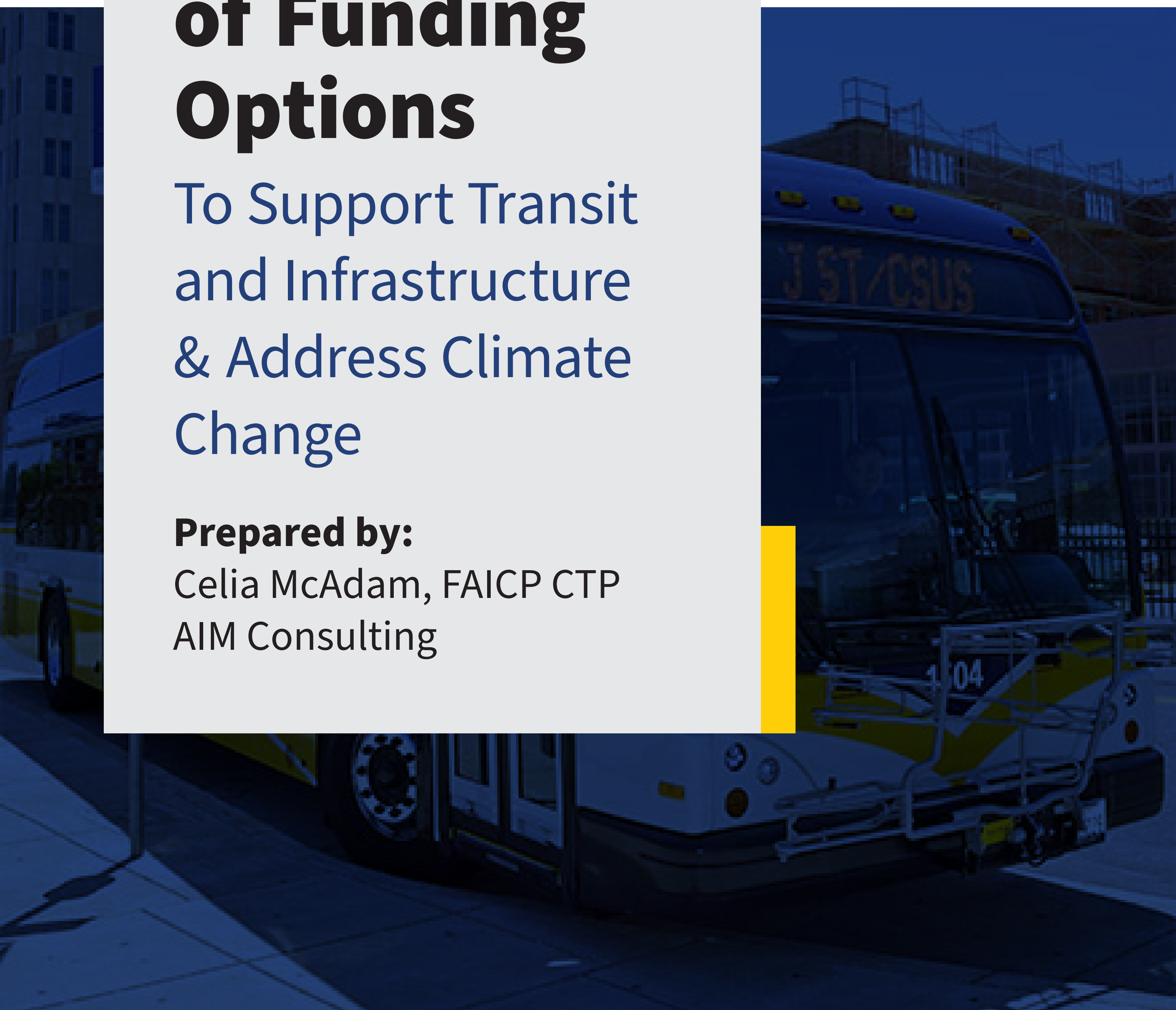
In response to a SacRT Board member request in March 2023 to evaluate opportunities for additional discretionary funding for transit, from the current Measure A transportation sales tax, staff solicited quotes from qualified firms to develop an analysis of funding opportunities. The Board request was specific to funding for the SmaRT Ride program; however, the report more fully examines opportunities in the short term to direct flexible funding sources to support new and enhanced transit services, a state of good repair, innovative mobility strategies, safe routes to transit, and the zero emission fleet that will help the region meet its greenhouse gas emission (GHG) and vehicle miles traveled (VMT) reduction goals Attached is a report, "*Evaluation of Funding Options to Support Transit and Infrastructure & Address Climate Change*," prepared for SacRT by Celia McAdam of AIM Consulting. Ms. McAdam will provide a brief presentation to the Board on the report.

Sacramento Regional Transit

Evaluation of Funding Options

To Support Transit and Infrastructure & Address Climate Change

Prepared by:
Celia McAdam, FAICP CTP
AIM Consulting



CONTENTS

ACRONYMS USED IN THIS REPORT

AHSC	Affordable Housing and Sustainable Communities
ATP	Active Transportation Program
BIL	Bipartisan Infrastructure Law
BRT	Bus Rapid Transit
CalSTA	California State Transportation Agency
CAPTI	Climate Action Plan for Transportation Infrastructure
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CMAQ	Congestion Mitigation and Air Quality
CTC	California Transportation Commission
FTA	Federal Transit Administration
GHG	Greenhouse Gas
IIJA	Infrastructure Investment and Jobs Act
LOS	Level of Service
LPP	Local Partnership Program
LRT	Light Rail Transit
LTF	Local Transportation Fund
MPO	Metropolitan Transportation Organization
MTIP	Metropolitan Transportation Improvement Program
MTP	Metropolitan Transportation Plan
PA&ED	Project Assessment and Environmental Determination
REAP	Regional Early Action Program
RTIP	Regional Transportation Improvement Program

Sacramento Regional Transit

The Sacramento region is facing a serious challenge in addressing transportation-related greenhouse gas (GHG) emissions under both State and Federal mandates, the most pressing of which is a 19% reduction in GHG by 2035. The Sacramento Area Council of Governments (SACOG), as the Metropolitan Planning Organization (MPO) for the six-county Sacramento region, is tasked with developing and adopting a plan in the next two years to meet those high standards.

Sacramento Regional Transit District (SacRT) stands poised to help.

The fact is, public transit provides results that are critical in meeting the region's goals to reduce single-occupant vehicle trips, vehicle miles traveled (VMT), and GHG emission reduction goals. Public transit, including bus rapid transit (BRT), active transportation, safety, and infrastructure projects that will encourage the development of high-density housing will have the largest impact on reducing GHGs from transportation.

The purpose of this report is to examine the opportunities in the short term to direct flexible funding sources to support these new and/or enhanced transit services, a state of good repair, innovative mobility strategies, safe routes to transit and the transition to a zero-emission public transit fleet that will meet those GHG and VMT goals. The more these goals can be addressed in the short term, the greater the time available to develop long term solutions, including new revenue streams.

Specifically, what are the existing funding sources that can support the capital and operating costs of high priority infrastructure, active transportation, and public transit services, particularly those services that benefit historically disadvantaged communities, advance equity and include safety benefits? With the focus to achieve the maximum benefit from limited funding resources, projects that have the maximum GHG reduction benefit when compared to the specific project costs are highly desirable additions to the plan. At the same time, projects that are counterproductive to meeting GHG and VMT goals must be looked at more closely if we want to keep transportation funds flowing.

RTPA	Regional Transportation Planning Agency
SACOG	Sacramento Area Council of Governments
SCCP	Solutions for Congested Corridors Program
SCS	Sustainable Communities Strategy
STA	Sacramento Transportation Authority
StateTA	State Transit Assistance
STBGP	Surface Transportation Block Grant Program
TCEP	Trade Corridor Enhancement Program
TDA	Transportation Development Act
TIRCP	Transit and Intercity Rail Capital Program
VMT	Vehicle Miles of Travel

Local Funding Sources

This report focuses on funding programs which are administered by local transportation agencies:

1

Local Transportation Fund/State Transit Assistance, as administered by the Sacramento Area Council of Governments (SACOG)

2

Regional Funding Programs, as administered by SACOG

3

State and Local Active Transportation Programs, as administered by SACOG and the California Transportation Commission (CTC)

4

Measure A Transportation Sales Tax, as administered by the Sacramento Transportation Authority (STA)

Local Transportation Funding/State Transit Assistance

The Local Transportation Fund/State Transit Assistance programs were established by the Transportation Development Act (TDA) originally passed statewide in 1972 as a way of providing reliable funding for transit capital and operations to all counties of California. The Local Transportation Fund (LTF) is derived from ¼% of the sales tax revenues generated in a county, as collected by the state, and returned to the county's Regional Transportation Planning Agency (RTPA) for distribution under the requirements of the TDA. State Transit Assistance (StateTA) funds are allocated by formulas that include ridership and farebox through the State budget process and are administered by the county's RTPA.

Regional Funding Programs

The Regional Funding Program is an amalgamation of a variety of State and Federal funding sources, including the Regional Transportation Improvement Program (RTIP), the Congestion Mitigation and Air Quality (CMAQ) program, the Surface Transportation Block Grant Program (STBGP), and others. While the sources are State and Federal, the selection of the funded projects is handled locally by SACOG in its role as the Metropolitan Planning Organization (MPO) and RTPA for the Sacramento region.

While many MPOs and RTPAs in other regions typically administer each of these funding programs separately, SACOG has taken a different approach. Rather than allocating each of the funding programs separately, which requires applicants to determine which program or programs their project will be most competitive for and potentially submit multiple applications, SACOG has largely unified the process. That is, SACOG uses metrics that will achieve multiple priorities included in the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), such as congestion and GHG reductions, and then matches the project to the funding sources that are most appropriate and can provide the best leverage.

State and Regional Active Transportation Programs

The Active Transportation Program (ATP) consolidated several statewide programs, such as the Bicycle Lane Account and Safe Routes to School, which were set up to support pedestrian and bicycle mobility. The importance of the program was further enhanced by the Road Repair and Accountability Act of 2017, also known as SB1, with a $100M annual contribution. There is a Statewide competitive program administered by the California Transportation Commission (CTC); projects not selected for awards statewide are then provided to the appropriate MPO or rural agency to compete for regional funding.

Sacramento County Measure A Transportation Sales Tax

As passed by the voters in 2004 and going into effect for thirty years starting in 2009, Measure A levies a ½% sales tax and developer impact fee for transportation projects in Sacramento County. The measure stipulates how those funds are to be distributed to specific projects and programs over the lifetime of the tax.

Detailed discussions of local funding sources, how they are administered, and the requirements are shown in Appendix A.

The Regulatory Context of Transportation Funding

For many years, transportation projects were prioritized based primarily on congestion relief. While that remains a factor, environmental considerations including reducing GHG and VMT have become a far higher priority, as reflected in State and Federal requirements governing transportation planning and programming.

> The critical point here is that it is not just projects funded by State and Federal sources that are subject to these requirements, but also those that are funded from local sources.

Key regulatory requirements for transportation projects and programming as currently applicable to the Sacramento region, which apply regardless of funding source, are as follows.

Global Warming Solutions Act of 2006 (AB 32) and Greenhouse Gas (GHG)

AB 32 was passed in 2006 and requires California to reduce GHG emissions to 1990 levels by 2020. The California Air Resources Board (CARB) is charged with adopting a Scoping Plan, updated every five years, to implement these reductions. The reduction targets cited in AB 32 have since been updated, requiring a 40 percent reduction from 1990 levels by 2030, and then carbon neutrality by 2045.

Actions to meet these targets have a major impact on transportation plans and projects, as CARB notes that 40% of emissions come from transportation sources. Regions must plan to move away from carbon fuels and emphasize both alternative modes and alternative fuels.

Sustainable Communities and Climate Protection Act of 2008 (SB 375) and the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)

Passed in 2008, SB 375 links transportation, air quality, and land use in the regional transportation planning process. The bill specifically directs the California Air Resources Board (CARB) to set regional targets for GHG reductions that must be achieved through the implementation of each regional transportation plan to achieve the goals of AB 32 as updated. The current requirement for SACOG's MTP/SCS is to achieve a 19% reduction in GHG over the 2020 base year by 2035.

The 2020 MTP/SCS sets out a plan to achieve this ambitious requirement by focusing on alternative transportation modes and compact growth patterns. An update of the plan is due in 2024, although state legislation has been introduced to extend that deadline to 2025. It is expected that CARB will continue tightening GHG reduction targets for MTPs as needed to meet AB 32 targets.

SB 743 and Vehicle Miles of Travel (VMT)

Passed in 2013 and going into effect in 2020, SB 743 changes the way traffic impacts of a project are assessed under the California Environmental Quality Act (CEQA). Previously, projects were evaluated based on a Level of Service (LOS) standard of traffic congestion, requiring mitigation to maintain or improve congestion levels. Under SB 743, projects are now evaluated based on VMT, requiring mitigation to maintain or reduce the number of miles driven.

This requirement means previous approaches for adding road capacity to mitigate projects will not be acceptable if they increase VMT. Projects that provide greater density for housing that supports transit, biking, and walking, for example, would be more successful in reducing VMT.

Metropolitan Transportation Improvement Program (MTIP)

The Federal Clean Air Act requires MPOs like SACOG to maintain and update a list of projects that are either regionally significant or funded all or in part by Federal funds (or both) that will be expending funds over the next three fiscal years. That project list, known as the MTIP, is then analyzed quarterly to ensure the results will conform with air quality standards for ozone and particulate matter PM10 and PM2.5 under the Clean Air Act. If that conformity is not achieved, only certain programs which are listed by the United States Environmental Protection Agency (EPA) as "non-exempt" because that do not impact or else improve air quality may move forward.

Climate Action Plan for Transportation Infrastructure (CAPTI)

CAPTI, released by the California State Transportation Agency (CalSTA) in 2021, reflects the implementation of several Executive Orders signed by Governor Newsom in 2019 and 2020. Essentially, this directs all discretionary state spending on transportation to prioritize reductions in GHGs and addressing climate change, while staying within the requirements of the existing funding program.

Infrastructure Investment and Jobs Act (IIJA)

Passed in 2022, the Federal IIJA is expected to provide California with over $15 billion in formula and $2.6 billion in discretionary funding in the next five years. Notably, addressing climate change is included with improvement to roadways and bridges, freight projects, public transportation, and safety as targets. Under negotiated statewide agreements, 60% of the formula funds are administered by Caltrans and 40% are handled by MPOs including SACOG.

Sacramento County's TDA funding has already aligned with the requirements as the funding is directed to transit as a benefit to both mobility and the environment. The various funding pots that SACOG uses for its Regional Funding Programs have either been established subsequent to the regulations detailed on pages 6-7, or have been updated to account for them.

The challenge faced by the Sacramento region is that one of the largest sources of local funding, Measure A, was passed prior to the adoption of these requirements. The assumptions included in the Expenditure Plan, particularly those related to highways and roads, do not easily mesh with the new regulatory environment.

The good news for Sacramento Regional Transit and SACOG is that the shift in focus to environmentally-friendly transportation projects improves the competitiveness of transit and active transportation, versus conventional highway and road expansions.

Sacramento Regional Transit's Role in Addressing the Region's Climate Change Goals

SACOG and the entire region face a major challenge as set forth by the State and Federal requirements noted above, with the most immediate being the need to adopt a fiscally constrained MTP/SCS that results in a 19% reduction in 2005 level GHGs by 2035.

Without such a plan, the region would lose out on both competitive and formula funds generated under Senate Bill 1 (SB1) and those funded by California's cap and trade program. These funds include:

1. The Solutions for Congested Corridors Program (SCCP) Program under SB1 (competitive)
2. The Trade Corridor Enhancement Program (TCEP) under SB1 (competitive)
3. The Local Partnership Program (LPP) under SB1 (competitive and formula)
4. The Affordable Housing and Sustainable Communities (AHSC) program funded under California's Cap and Trade program (competitive)

Since 2015, the six-county Sacramento region has won more than $447 million in competitive state funding from the programs above.

Moreover, under CAPTI, other competitive transportation funding programs would consider GHG and VMT goals, as well as consistency with an adopted MTP/SCS, for eligibility including:

1. Regional Transportation Improvement Program (RTIP) (formula/competitive)
2. Transit and Intercity Rail Capital Program (TIRCP) (competitive)
3. Active Transportation Program (ATP) (competitive)

While Sacramento Regional Transit has played a major role in the quest for higher GHG reductions, there is another tool that could potentially be a game changer – Bus Rapid Transit (BRT). When placed in safe, high-density corridors, BRT presents an affordable, quickly-implementable alternative that would attract a significant number of riders across the transit network.

In 2019, Sacramento Regional Transit conducted the High Capacity Bus Study and analyzed five corridors for BRT: Arden Way, Florin Road, Sunrise Blvd, Stockton Blvd, and Watt Avenue. The project identified high ridership corridors with vulnerable populations and the need for high quality transit connections at low-cost investments. With Sacramento Regional Transit's highest corridor ridership and prospects for improvements to access and safety, the Stockton Blvd BRT was identified as a top regional priority. The project has quickly moved to implementation, attracting multiple partners and a $5M grant from the 2023 SACOG Regional Funding Round as a transformative project for the Project Assessment and Environmental Determination (PA&ED) phase.

With adequate funding, BRT implementation shows high potential to provide the shorter-term, big impact improvements to GHG that will help SACOG create an MTP/SCS that meets the State and Federal regulatory requirements and keep regional transportation moving.

Transit Operations and Climate Change Issues and Opportunities in Local Funding Programs

Transportation Development Act

TDA funding distributions are well established by State law, and Sacramento Regional Transit is already taking full advantage. The only opportunities to expand funding from these sources would be the expansion of the local economy and subsequent increase to sales tax revenues.

SACOG Regional Programs

SACOG's Regional Programs have been constantly updated over the years, with each cycle addressing the updated list of Federal and State regulations as well as local concerns. The most current 2022/23 application cycle adds considerations of social and racial equity, along with GHG and VMT requirements.

The Sacramento region's target for a 19% reduction in GHG by 2035 is conditional on the implementation of a new pilot program, known as Green Means Go, in the Sustainable Communities Strategy. This multi-year program aims to lower greenhouse gas emissions in the six-county Sacramento region by accelerating infill development and reducing and electrifying vehicle trips. It allocates state funding to projects that create more infill housing, increase mobility, and reduce vehicle emissions. SACOG has received two statewide grants from the Regional Early Action Program (REAP) to implement Green Means Go, to directly assist local jurisdictions to upgrade infill areas and become more transit friendly.

These considerations help Sacramento Regional Transit's applications for capital projects, which have strong environmental and equity benefits. This could be expanded in supporting a BRT capital program in densely populated corridors, which can spur infill development and make impactful reductions to GHG and vehicle trips. Under the restrictions of the State and Federal funding pots that SACOG uses for the Regional Programs, the only opportunity to fund transit operations would be on the very limited three-year period that comes with a brand new transit offering; otherwise, operations for a transit service that is currently offered, such as fixed-route bus service and SmaRT Ride microtransit service, are not eligible.

Sacramento Measure A

While Measure A is one of the most proscribed of the local funding sources, the potential to use the dollars for projects that better address the new realities of GHG and VMT requirements leaves open the possibility of creative applications. The following discussion provides a background and context for such considerations.

Funding Projection Issues

At the time of the passage of Measure A in 2004, the economy was booming, particularly in the housing sector. This contributed to the estimate of $4.74 billion in sales taxes and $488 million in developer impact fees over the course of the thirty-year program.

These estimates were relied upon as STA began an aggressive bonding program to jump start projects, which ultimately consumed more of the buying power of the measure than originally expected. STA currently has four issuances of bonds, totaling approximately $343 million with just over $24 million at a fixed rate and due in 2027 and $318 million at variable rates due at the expiration of the measure in 2039.

A subsequent recession and collapse of the housing market in the late 2000s and early 2010s have cut the estimated revenues significantly. In 2020, STA reported that only about 54% of the original buying power for the six capital improvement categories of the Expenditure Plan would be available, dropping from the $1.4 billion originally envisioned to a $761 million level. This is particularly challenging as approximately $524 million has already been expended or contractually committed, and another $34 million must be allocated to the Smart Growth Incentive and Environmental Mitigation Programs to meet the requirements of Measure A.

To address this, an updated set of principles for the Capital Improvement Program (CIP) were approved in October 2020, which recognizes that allocations for all the capital projects would need to be adjusted for this new reality. These principles include:

1. Compliance with the Measure A Ordinance and Expenditure Plan.
2. Adherence to a semblance of equity by ensuring that agencies which have received 100% of adjusted allocation amounts will not receive additional CIP funding through 2029 and all jurisdictions should receive at least 100% of their adjusted allocation amount. (Meeting this principle for Caltrans is not possible given the large amount of that agency's original allocation.)
3. To achieve the goal of the second principle listed above, it is necessary to set a program allocation target that exceeds the remaining capital funding by $65 million. If the

targeted allocation amount is to be reached, this differential will have to be made up from additional future revenues, program savings, possible support from existing SACOG funding and/or the potential for a new Sacramento County funding initiative prior to the end of the Measure A Program period. However, actual allocations will depend on the amount of revenue available.

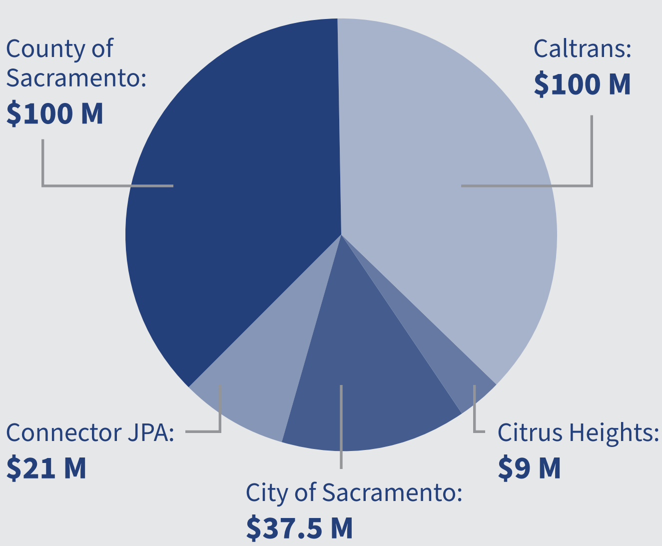
4. Distribution of remaining funds will require careful monitoring through FY 2029-30 when another Decennial Review will allow for consideration of the status of the capital program and the potential for changes or adjustments to the program at that time.
5. Regardless of these allocation revisions, cash flow for the overall Measure A Program will be the controlling factor in the allocation process.

Essentially, this means that STA will be operating on a "pay as you go" basis, with project sponsors fronting funds that will be reimbursed as funds come in.

This also means that those projects that have already received their capital funding, such as Sacramento Regional Transit's Blue Line, will not see any more Measure A dollars until 2029 or until all the jurisdictions have been made whole with their adjusted allocations.

In applying these principles to the remaining capital projects, STA developed target allocations which would meet the goal of funding 100% of adjusted allocation amounts for those agencies, with the exception of Caltrans. (Note that Sacramento Regional Transit, the City of Folsom, and the City of Rancho Cordova are not part of these targets.)

ALLOCATION TARGETS ($ x Million)
TOTAL: $267.5 M



Even with this consensus of the STA members, a shortfall of $65 million remains, which STA will try to address through other sources. STA further recognizes that close attention must be paid to further allocations to make sure the estimates track with reality.

The five-year projections paint a modest picture that keeps the program moving with an average growth of 2.61% in sales tax revenues annually. On the developer impact fee side, revenues continue to be far below those anticipated back in 2004, with the current expectation that these fees will only generate about $199 million of the $488 million originally envisioned.

The good news is that actual sales tax revenues have held a significant and steady upward trend over the past three years. Receipts for FY 21/22 total $172.9 million, a jump of over 12% over FY 20/21. This higher revenue level is maintained in the $174.2 million in revenue for FY 22/23, which is up approximately 1.1% over the previous year.

The bad news is that, while the most recent budget reduces the $65 million shortfall in the revised overall program, it does not eliminate it, let alone come close to bringing the spending power back to the 2004 vision.

Project Leveraging and Delivery Issues

When Measure A was passed in 2004, none of the critical legislation addressing climate change had been enacted. Highways and roads were a major emphasis of the Expenditure Plan, and many assumptions were made about a robust ability to leverage Measure A dollars for State and Federal funds. As cited in the discussion of regulatory context earlier in this report, the leverage for road projects has almost entirely dried up as most are ineligible for those State and Federal funding programs. At the same time, alternative transportation including transit and bike/pedestrian programs can attract more leverage than ever.

Regulatory changes in the past twenty years have also impacted the deliverability of projects. Highway and road widenings are facing almost insurmountable roadblocks to implementation as few, if any, can meet the new VMT standards and/or reduce their impacts to a level where the MTP/SCS can meet its GHG goals. This is further underscored by CalSTA's adoption of the Climate Action Plan for Transportation Infrastructure (CAPTI) which prioritizes the alignment of transportation investments with the state's climate, health and social equity goals.

In other words, there are road and highway projects, such those listed in the Freeway Safety and Congestion Relief Program, that can no longer be delivered as originally envisioned due to the changes in the regulatory environment and/or the lack of eligibility for anticipated State and Federal matching funds. They cost more and have fewer sources of funding. Some may also be counterproductive to meeting GHG goals, thus jeopardizing the funding for many other projects.

The question then arises as to whether these projects can or should move forward as currently described, or whether projects can be reimagined in a way that addresses the current regulatory realities. Considering CAPTI direction on the State's discretionary transportation funds, can these projects provide enough money to move a project forward without expected leveraging? Alternatively, with the small amount of GHG capacity there might be for road projects in the MTP/SCS, what is the highest need? Moreover, in this new reality that considers GHG and VMT impacts, are all these projects still feasible?

Conversely, alternative transportation modes, including transit, bicycle, and pedestrian projects, have more opportunities for leverage than originally projected in 2004. These projects also provide VMT and GHG reductions that help offset road impacts needed to achieve compliance with State and Federal environmental clearances, as well as help the region achieve its MTP requirements. This shift in funding emphasis is further evidenced by the increased awards to projects in regions that address housing, transit, and infrastructure in a holistic manner through their regional plans, particularly favoring projects with zero emission components and benefitting disadvantaged communities.

New Leveraging Opportunities in State and Federal Funding Programs

Leveraging opportunities have changed significantly since Measure A was passed in 2004. These sources no longer favor road expansion, and place much greater emphasis on transit and climate change.

Specifically, the Bipartisan Infrastructure Law (BIL), as enacted in the Infrastructure Investment and Jobs Act (IIJA), authorizes up to $108 billion for public transportation – the largest federal investment in public transportation in the nation's history. In California, that means formula funds for transit total approximately $2.25 billion over the next five years, with another $442 million available on a competitive basis. With the ability to leverage local match, the Sacramento region has an unprecedented, and perhaps limited time opportunity to leverage federal funding for transit safety, modernization, climate, and equity related projects. The President's priorities for climate, safety, and equity are resulting in public transit funding for projects that meet those goals. Additionally, the Road Repair and Accountability Act of 2017 (SB1) at the state level and the Cap and Trade program, among others, prioritize projects that reduce GHG and VMT; in fact, CalSTA has recently noted that the state has funded even more transit projects in California than the Federal BIL. Through the six cycles of the TIRCP funding alone, CalSTA has awarded more than $10 billion in funding to 132 projects throughout the state.

A prime example of a project with strong leverage potential is a BRT project that demonstrates multimodal partnership and achieves a balanced set of transportation, environmental, and community access improvements, reduces congestion and emissions of greenhouse gases, and gives the project a competitive funding edge. For example, a local $10M investment in BRT would potentially allow the region to secure $100M in State funding and $200M in federal funding to jump start the Stockton Blvd BRT project and plan for other major BRT corridors. Investment in such projects should be shaped through further community engagement, particularly in communities of color and low-income communities that have historically been marginalized. The work that SACOG has done with Green Means Go and coordinating transit, infrastructure, and housing investments in these areas, combined with the emphasis on disadvantaged communities and zero emissions, will make the Stockton Blvd BRT even more attractive to those competitive federal and state funding pots.

Previous and Future Local Funding Proposals

Even with the passage of Measure A, transportation funding shortfalls still exist. For that reason, a number of transportation sales tax measures have been considered over the years. These include:

- Measure B was placed by STA on the November 2016 ballot, which would have imposed an additional ½ percent sales tax, generating approximately $100 million annually for thirty years for transportation projects including road maintenance, LRT extensions, the Capitol SouthEast Connector, as well as bus and LRT operations. The measure required a 2/3 majority (66.67%) yes vote and was narrowly defeated as it achieved 65.71% support.
- STA considered placement of a transportation sales tax measure on the November 2020 ballot. Polling numbers indicated it would not achieve the support needed for passage and no action was taken.
- In 2022, a citizens group placed a new Measure A transportation sales tax measure via initiative on the countywide ballot that would impose a ½ percent sales tax, generating approximately $212 million annually for a forty-year period for road and transit projects. The measure required a simple majority (50%+1) yes vote; it was defeated as it achieved only 44.38% support.

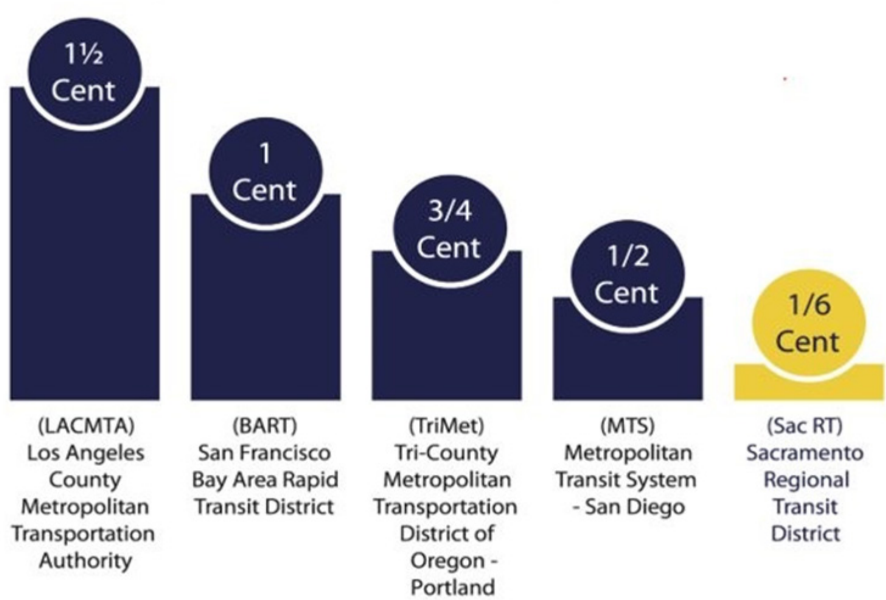
What Does This Mean for the Sacramento Region's Mobility?

First, and most clearly, **if SACOG cannot develop and adopt an MTP/SCS that complies with CARB's 19% GHG reduction requirement, major sources of transportation funding will cease to flow not only to Sacramento, but the entire SACOG region.**

The project list that is in the currently adopted SACOG MTP/SCS will not achieve that goal. That makes it incumbent on all parties to take a fresh look at what projects can feasibly move forward, and which are in fact, counterproductive to meeting those GHG targets for the plan update in 2025.

The projects included in the current Measure A are a prime example. These projects were selected back in 2004, at a time when traffic congestion was a far higher transportation focus than the GHG or VMT reductions that are now a key priority. The distribution of the sales tax and impact fees in Measure A are set in the measure itself, but there is a mechanism for changes to the projects or distributions, which requires approval by the Sacramento County Board of Supervisors and a majority of all cities in the County representing a majority of the incorporated population.

For a point of context, transit funding in Measure A is significantly lower as compared with large public transit providers.

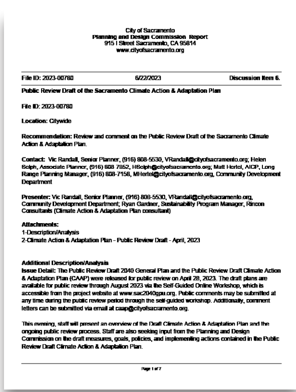


It is important to note that most of the existing Measure A funds are already committed – arguably, overcommitted - to projects and jurisdictions. About 80% is essentially passed through to recipients at a level less than originally expected, and the remaining capital program balance is oversubscribed through existing commitments. Under the existing terms of the measure, there is no capacity for additional transit capital funding until at least 2029, and likely not through the remainder of Measure A term, unless changed in the manner noted above.

At the same time, it is entirely within the purview of the jurisdictions receiving pass-through funds to reconsider how they want to spend those funds through a lens of reducing GHG and VMT. In fact, directing funds to projects that, under the updated requirements and guidelines, have a higher likelihood of attracting discretionary matching funds from State and Federal pots honors a key principle of Measure A. While road maintenance and safety projects would not negatively impact VMT or GHG jurisdictions may want to rethink capacity increasing projects that could have been able to obtain environmental clearances through previous standards, but now find themselves required to mitigate GHG and VMT in ways that make the project far less economically feasible.

There is clearly public support for additional transit funding, as well as for the affordable housing it would support. A Sacramento Bee poll released in late July 2023 revealed that nearly 75% said they would support significant public dollars being spent on funding affordable housing, and 72% said they want a large public investment in expanding the region's public transportation network.

https://www.sacbee.com/news/local/sacramento-tipping-point/article277755373.html#storylink=cpy



City of Sacramento
Planning and Design Commission Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2023-00780	6/22/2023	Discussion Item 6.

Public Review Draft of the Sacramento Climate Action & Adaptation Plan

File ID: 2023-00780

Location: Citywide

Recommendation: Review and comment on the Public Review Draft of the Sacramento Climate Action & Adaptation Plan.

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Presenter: Vic Randall, Senior Planner, (916) 808-5530, VRandall@cityofsacramento.org, Community Development Department; Ryan Gardner, Sustainability Program Manager, Rincon Consultants (Climate Action & Adaptation Plan consultant)

Attachments:
1-Description/Analysis
2-Climate Action & Adaptation Plan - Public Review Draft - April, 2023

Additional Description/Analysis
Issue Detail: The Public Review Draft 2040 General Plan and the Public Review Draft Climate Action & Adaptation Plan (CAAP) were released for public review on April 28, 2023. The draft plans are available for public review through August 2023 via the Self-Guided Online Workshop, which is accessible from the project website at www.sac2040gpu.org. Public comments may be submitted at any time during the public review period through the self-guided workshop. Additionally, comment letters can be submitted via email at caap@cityofsacramento.org.

This evening, staff will present an overview of the Draft Climate Action & Adaptation Plan and the ongoing public review process. Staff are also seeking input from the Planning and Design Commission on the draft measures, goals, policies, and implementing actions contained in the Public Review Draft Climate Action & Adaptation Plan.

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This is further supported by the City of Sacramento's draft **Climate Action Plan** survey, which found that 57% strongly support and 22% somewhat support reuse of road space for bus-only lanes and bike lanes.

Sacramento Regional Transit will continue to get its share of sales tax formula funds; without a change to the measure, the only way to expand those formula funds would be through larger sales tax revenues. Projections indicate that those increases alone will not generate the level of additional operating funds Sacramento Regional Transit is currently seeking, and result in making the region less competitive for state and federal grants, stalling our goal of implementing additional high-capacity public transportation and meeting our greenhouse gas reduction targets.

Opportunities

While SACOG and the region face a significant challenge in adopting an MTP/SCS that meets GHG and VMT requirements and keeps our transportation systems moving, it is imperative that we do so. Sacramento Regional Transit proposes to be a key part of that solution.

Some suggested actions identified in this report include:

A New Reality for Regional Projects

SACOG should continue to work with STA and project sponsors to reconsider whether projects – particularly road and highway expansions - should move forward as currently described, or can they be reimagined in a way that addresses the current regulatory realities. Does the expected funding strategy still work under current State and Federal funding directives? In this new reality that considers GHG and VMT impacts, are all these projects still desirable and/or feasible?

Should STA, SACOG, and the project sponsor(s) identify projects that may no longer be pursued due to negative impacts on GHG and VMT, most funds could be reallocated.

Generally, SACOG-controlled funds could be reallocated through a majority vote of the SACOG Board of Directors to amend programming documents. Some funding programs, such as those administered by the California Transportation Commission, may also need a vote of their governing boards.

It is notable that some funds, such as those which were awarded on a competitive basis to a project that will not be moving forward, could be lost. The more recent that award, particularly given the new rules of funding competition being tied to climate change, the less likely the funds would have been awarded to a project that negatively impacts VMT or GHG, and therefore less likely to need reallocation.

Finally, reallocation of Measure A sales tax funds requires following the process below, as stated in the measure text:

> "Beginning in 2019, and every ten years thereafter, the Authority shall review and, where necessary, propose amendments to the Expenditure Plan to meet changing transportation needs. Such review shall consider recommendations from local governments,

transportation agencies and interest groups, and the general public.

2. The Authority shall notify the Board of Supervisors and the city councils in writing of its initiation of an amendment, reciting findings of necessity.
3. Actions of the Board of Supervisors and city councils to approve or to oppose the amendment shall be communicated to the Authority within 60 days after the date the notice is mailed. Failure of the Board of Supervisors or any city council to notify the Authority of formal action within 60 days after the date the notice is mailed shall constitute approval.
4. The amendment must be approved by the Board of Supervisors.
5. The amendment must be approved by a majority of the city councils constituting a majority of the incorporated population."

It is unclear as to whether this process could be enacted sooner than 2029 under the terms of the Measure A ordinance.

The process to amend the overall funding distribution of the Sacramento Countywide Transportation Mitigation Fee Program portion of the measure is much simpler, however, as it only requires a 2/3 majority vote from the STA Board.

Reconsidering Local Projects

Sacramento County jurisdictions receiving pass-through Measure A funds may reconsider how they want to spend those funds through a lens of reducing GHG and VMT.

Approaches that Sacramento Regional Transit may consider pursuing with STA and SACOG to augment operations funding for transit programs including SmaRT Ride, high frequency bus service, or BRT include:

Transit Operations as Mitigation

One short-term opportunity for directing additional Measure A funds towards augmenting transit operations is at the project sponsor/jurisdiction level via suballocation of those entities' existing share of formula or capital funding. The idea is, those road projects that are going through, such as Caltrans' managed lane projects, need mitigation for at least their VMT impacts, if not GHG as well.

As an example, Sacramento Regional Transit has estimated VMT/GHG mitigation benefits for the Downtown, North Sacramento, and Rancho Cordova SmaRT Ride zones to reduce VMT by 75,246 miles annually with a GHG emission reduction of 173.9 metric tons of CO2. As for BRT, the Federal Transit Administration (FTA) studies estimate transit ridership in the corridors where implemented increase from 20% to 96%. Discussions have already started between Caltrans and Sacramento Regional Transit to develop reasonable mitigations for the future I-5 Managed Lanes project, to include high frequency transit service. Adding frequent service to Sacramento Regional Transit's Route 11 and extending it to the Sacramento International Airport has been identified as a project that could mitigate 553,000 vehicle miles annually. The Green Line light rail extension proposed to parallel I-5 to the airport could mitigate over 12 million vehicle miles annually, though at a much higher cost per vehicle mile. Alternatively, the region is beginning to consider BRT as an early delivery version of the Green Line light rail project providing similar benefits.

Costs for mitigation are included in the overall budget for a capital improvement project, just like design, right of way, and construction would be. Sacramento Regional Transit can work with sponsors of capacity increasing projects to explore how they can address those mitigation needs using the project's Measure A funding, documenting the mechanics of those allocations and costs in funding plans executed in Cooperative Agreements.

As noted previously, unlike most State and Federal funding pots, Measure A sales tax funds can be used for both capital and operations; in this case, the allocation would be made under the measure's capital program, but the revenue source for mitigation would be able to be used for operations.

Exchanging Capital Funding for Operations

Another short-term opportunity for generating transit operations funds is to "change the color of money". In this case, Sacramento Regional Transit would identify capital funding allocated to the district and work with STA to trade it for Measure A sales tax revenues that are not subject to Article XIX or AB 1600 restrictions and thus can be used for operations. Sacramento Regional Transit would, in exchange, substitute a project previously programmed by STA eligible for those capital dollars. Depending on the original capital programming, there may need to be a true-up to balance out the actual funds used.

New Transportation Sales Tax

An obvious longer-term solution is a new transportation sales tax. In the wake of the failure of the 2022 citizens' initiative for a Measure A update, STA has formed a Future Transportation Funding subcommittee of their Board of Directors and including two citizen advisory members to explore the potential for a successful new measure. Fundamental to this effort is coordination with regional and local agencies to understand the transportation needs and feasibility of implementation from a planning, regulatory, and engineering standpoint, with equal emphasis on outreach and dialogue with community groups and stakeholders, as well as the broader public.

Given that climate change and social equity are required considerations for most or all transportation programs, Sacramento Regional Transit must be a major player in any sales tax measure discussions. While it is likely the measure will be aspirational, it will be critical for Sacramento Regional Transit to ensure that the measure provides adequate transit operations funding, allows flexibility for capital and operations, and does not commit the agency to projects that are not feasible to deliver.

Property Based Assessment

Another longer-term solution for future transit operations could be a property-based tax program. Bay Area Rapid Transit (BART) passed a $3.5 billion dollar bond in Alameda, San Francisco, and Contra Costa Counties via a 2/3 majority vote on the 2016 ballot which is funded by a $17.49 per $100,000 valuation assessment of property in the district which funds capital and operations in those counties. On a smaller scale, a community facilities district (CFD) formed under the Mello-Roos Act of 1982 in North Natomas assesses property in the district to pay for JIBE transit, bike, and pedestrian services, generating $1.6 million in FY 2022/23.

Passing bond measures or CFDs in established areas is challenging, as they require approval of 2/3 of the voters (bond measure) or property owners (CFD) within that district. That challenge is far lessened in newly developing areas when, prior to the development and sale of individual units, there are only a few landowners. CFDs are often included as a requirement in the development agreements with the jurisdiction as an exercise of the local land use authority.

Uniting Support

There is a lot of cross representation on Sacramento Regional Transit, SACOG, City Councils, Board of Supervisors, and STA Boards that can help support Sacramento Regional Transit's efforts. For example, the three Sacramento County Supervisors that sit on the Sacramento Regional Transit Board also sit on the STA Board, and the current chair of SACOG is also the chair of the Sacramento Regional Transit Board. Councilmembers from the Cities of Folsom and Sacramento sit on SACOG and Sacramento Regional Transit, while Councilmembers from Sacramento and Elk Grove sit on STA and Sacramento Regional Transit. In other words, there is ample opportunity for direct and consistent communications amongst these leadership of these agencies.

Further, identifying one or more leaders as a project champion, particularly local elected officials that sits on these boards, that is willing to discuss the project with funding agencies, influencers, and other elected officials can make a tremendous positive difference in the success of an effort. Time and time again, when it comes to transportation funding challenges, the squeaky wheel gets the grease.

A Call to Action

The region has identified an MTP target for GHG, and the pressure is on to produce results. It is clear that there are number of challenges that must be addressed in order to place a new transportation sales tax on a future ballot. A dedicated funding source is a critical piece for long term solutions, but shorter term action is both possible and necessary. Strategic options described in this report could maximize currently available funding to reduce VMT and GHG through the delivery of high quality public transit and associated corridor improvements, such as BRT, with added benefits to infill housing, safety and state of good repair, and opportunities for active transportation. These are the bold actions that are needed to achieve the region's high priority transportation goals.

APPENDIX A:

A Deeper Dive on Locally Controlled Transportation Funding Programs

Funding programs which are administered by local transportation agencies include:

1. Local Transportation Fund/State Transit Assistance, as administered by the Sacramento Area Council of Governments (SACOG)
2. Regional Funding Programs, as administered by SACOG
3. State and Local Active Transportation Programs, as administered by SACOG and the California Transportation Commission (CTC)
4. Measure A Transportation Sales Tax, as administered by the Sacramento Transportation Authority (STA)

California places significant restrictions on the use of funding for transit operations, primarily because Article 19 of the California State Constitution both sets aside funds for the Transportation Development Act for transit operations and restricts use of other state transportation funds for that purpose. This is augmented by the inability to use developer impact fees for operations, as the Mitigation Fee Act of 1987 (AB 1600) requires a nexus via physical location while transit operations, by definition, move around. This is why transit agencies have looked to locally generated funds to provide these needed dollars.

The following section discusses the major sources of locally controlled funding decisions and how they operate. This provides a basis of a deeper understanding of the opportunities and constraints they provide for the partners.

Transportation Development Act (TDA)

The overall process for the distribution of TDA funds includes the county preparing a fund estimate for the Local Transportation Fund (LTF) while the state provides a fund estimate for State Transit Assistance (StateTA) subsequent to the annual state budget process based on the revenues to the State excise tax on diesel fuel. SACOG then applies the distributions for these funds in accordance with state law and using the policies adopted in their Transportation Development Act Guidelines, with the most recent version adopted in 2017.

LTF is primarily for transit capital or operations and is distributed based on population within the specified areas, with Sacramento Regional Transit covering virtually all of Sacramento County. StateTA can only be used for transit capital or operations purposes. It is distributed to regions with 50% of the funds based on the population of the region compared to the population of the state, and the remaining 50% is allocated according to the prior-year proportion of regional transit operator revenues compared with statewide transit operator revenues.

The result is SACOG's Finding of Apportionment, under which claimants such as Sacramento Regional Transit can receive their allocated funds. For FY 2023/24, Sacramento Regional Transit's share is just over $97 million.

The guidelines note there is an apportionment restriction in the Transportation Development Act that applies to the Sacramento Regional Transit District. In this area, the apportionment may only be allocated for public transportation, 5% of this amount goes to community transit services, and 2% for pedestrian and bicycle facilities purposes. The apportionment may not be used for street and road purposes. This is noted only by contrast to the area outside the Sacramento Regional Transit District within Sacramento County, which is largely Isleton and Galt, where the apportionment not needed for public transit purposes or the 2% that goes to pedestrian and bicycle facilities, if a determination is made by SACOG that the funds are not needed for bicycle and pedestrian purposes, can be used for streets and roads purposes.

SACOG apportions LTF within the District to Sacramento Regional Transit for public transportation, to Paratransit, Inc. for community transportation services, and to the City and the County of Sacramento for pedestrian and bicycle purposes.

Sacramento Area Council of Governments (SACOG)'s Regional Funding

Every two to three years, SACOG allocates a variety of State and Federal funds through a competitive Regional Funding Program. Projects compete in one of three categories, either Transformative Projects, Community Design or Maintenance and Modernization. In the 2022/23 round, SACOG has estimated $115 million available, including Revolving Match, with at least 50 percent of the funds going to the Maintenance and Modernization program.

How it Works

Transformative Projects are road or transit expansions over $5 million and can include operations funds for up to three years for new transit projects. Projects are evaluated based on benefit, cost effectiveness, leverage, and readiness. Advancing racial equity is also a cross-cutting factor considered in this competitive program. Applicants can choose two out of seven possible performance outcomes under which their project would be ranked, including:

- Reduce VMT and/or GHG per capita.
- Reduce regional congested VMT per capita.
- Increase multi-modal travel/alternative travel/choice of transportation options.
- Provide long-term economic benefit, recognizing the importance of sustaining urban and rural economies.
- Improve goods movement, including farm-to-market travel, in and through the region.
- Significantly improves safety and security.
- Demonstrate "state of good repair" benefits that maintain and improve the existing transportation system.

The Maintenance and Modernization program funds projects that demonstrate "state of good repair" benefits that maintain and improve the existing transportation system. Maintenance projects are evaluated based on sponsor priority, maintenance need, and cost effectiveness, but do not include transit operations. Modernization projects are evaluated under the applicant's choice of up to two of the following criteria:

- Reduce regional VMT and/or GHG per capita.
- Increase multi-modal travel/ alternative travel/ choice of transportation options.
- Provide long-term economic benefit, recognizing the importance of sustaining urban and rural economies.
- Improve goods movement, including farm-to-market travel, in and through the region.
- Significantly improve safety and security.

SACOG also sets aside 10% of the overall Regional Funding program for the Community Design category, which funds projects that will support land uses that that lead to fewer VMT and more walking, biking, and transit use. The 2020 framework added elements to Community Design that align with SACOG's Green Means Go initiative to lower GHG by accelerating infill development and reducing and electrifying vehicle trips. The focus is to leverage state funding to accelerate projects in targeted Green Zones. Applicants can apply for grant funds up to $4.0 million per project on a competitive basis. The Non-Competitive Category allows cities and counties to submit one project for funding for a lesser amount between $100,000 and $500,000.

Sacramento Regional Transit projects would only be eligible for the Competitive category, as the Non-Competitive funds are limited to cities or counties, and transit operations are not eligible. Further, projects must provide a minimum 11.47% match.

Regional and State Active Transportation Program (ATP)

The ATP is designed to encourage an increased use of active modes of transportation, such as biking and walking by a variety of methods, including:

- Increasing the proportion of trips accomplished by biking and walking.
- Increasing the safety and mobility of non-motorized users.
- Advancing the active transportation efforts of regional agencies to achieve greenhouse gas reduction.
- Enhancing public health, including reduction of childhood obesity by programs including, but not limited to, projects eligible for Safe Routes to School Program funding.
- Ensuring that disadvantaged communities fully share in the benefits of the program.
- Providing a broad spectrum of projects to benefit many types of active transportation users.

The overall ATP program receives about $400 M annually statewide from Federal and State sources, including gas taxes. 50% of those funds go into a Statewide ATP program, with 40% divided amongst MPOs with a population of 200,000 or more, and the remaining 10% going to rural areas. 25% of the total pot must be spent in Disadvantaged Communities (DAC).

Applications are made under one of four categories:

- Infrastructure Projects: Capital improvements that will further the goals of this program.
- Non-Infrastructure (NI) Projects: Education, encouragement, and enforcement activities that further the goals of the ATP.
- Combination Projects: A project that combines Infrastructure and Non-Infrastructure components.
- Plans: The development of a community wide bicycle, pedestrian, safe routes to school, or active transportation plan located in a disadvantaged community.

In Cycle 6 adopted in late 2022, the CTC awarded $853 M in projects statewide, including approximately $31 M for five projects in Sacramento County. Included in those are funding for complete street projects for Stockton Blvd, Franklin Blvd, and Elkhorn Blvd, along with the Envision Broadway project, and a pedestrian/bicycle overcrossing in Rancho Cordova.

In addition, the CTC apportioned $45 M to SACOG to fund regional ATP projects. SACOG has solicited project proposals for that share, which they expect to award in late 2023.

Sacramento Transportation Authority (STA) Measure A Transportation Sales Tax and Developer Impact Fee Program

Measure A was passed in Sacramento County in 2004, imposing a ½% sales tax and developer impact fee for transportation purposes as described in the Expenditure Plan included in the measure ordinance. The thirty-year program spans the years 2009 through 2039, and requires a review of the Expenditure Plan every ten years "to ensure that the program reflects current community needs as demographics, economics and technology change."

Key principles include:

- The Expenditure Plan can only be changed upon approval by the Sacramento County Board of Supervisors and a majority of all cities in the County representing a majority of the incorporated population.
  - The Expenditure Plan has been changed once since original adoption. In 2021, language was added to specify additional bicycle and pedestrian projects for eligibility for Traffic Control and Safety Program and the Safety, Streetscaping, Pedestrian and Bicycle Facilities Program.
- The maintenance of effort requirement states that the funds are not intended to replace traditional revenues generated through locally adopted development fees and assessment districts.
  - Funding recipients self-certify that they are meeting this requirement.
- An Independent Taxpayer Oversight Committee (ITOC) is created to supervise fiscal and performance audits regarding the use of all sales tax funds and provide for independent review to ensure that all Measure funds are spent in accordance with provisions of the Expenditure Plan and Ordinance as approved by the voters.
  - The ITOC was established in 2010 and meets monthly to review audits, budgets, expenditures, and other items of transparency for the implementation of Measure A.

How it Works

Measure A transportation sales taxes are collected by the state and remitted to STA monthly and expended in accordance with the Expenditure Plan, while developer impact fees are collected by the jurisdictions when building permits are pulled and remitted to STA quarterly.

The Expenditure Plan accounts for the fact that developer impact fees are subject to Mitigation Fee Act of 1987, also known as AB 1600, which requires a nexus to be established between the improvements being paid for and the development that is paying the fees. This nexus must be proportional to the impact created by the development to the cost of the overall improvement, as evidenced through a nexus study.

While transportation sales tax revenues can be used for any purpose specified in the Expenditure Plan, developer impact fees can only be used for capital projects. While stationary transit capital projects such as bus stops or transit stations can be eligible, transit operation is not. Measure A specifies a $1000 per development unit equivalent (DUE) and provides for an annual inflationary adjustment to the fee program, through the commonly used Engineering News Record (ENR) index. The current fee as of 2023/24 adopted in February 2023 is $1,532 per DUE.

Funds are distributed according to the parameters of the Measure A ordinance as follows:

- 30% of the sales tax revenue goes to the City Street and County Road Maintenance Program distributed to jurisdictions by a formula weighted with 75% on population and 25% on road miles. This is calculated and distributed monthly.
  - **Sacramento Regional Transit is not eligible for direct receipt of these funds.**
- 8% of the sales tax revenue collected and 35% of the revenues collected from new development shall fund local arterial safety and traffic operations improvements. The 8% portion would be separated into two categories of which 5% would be dedicated to the Local Arterial Program and 3% will be dedicated to the Traffic Control and Safety Program.
  - **Sacramento Regional Transit does not provide the projects or services eligible for direct receipt of these funds.**
- 38.25% of the sales tax revenue and 20% of the developer impact fees go to the Transit Congestion Relief Program. 34.5% of the sales tax funds go to transit operations, maintenance, and safety for bus, light rail, and neighborhood shuttles. The entire 20% of the developer fees and 3.75% of the sales tax goes to fund the Transit Capital Improvement Program, with 1.25% of the sales tax directed to the Downtown Intermodal Station and 2.5% to LRT and Regional Rail improvements.
  - **Sacramento Regional Transit is eligible and currently receives these funds.**
- An average of 4.5% of the sales tax revenue goes to Senior & Disabled Transportation Services, with 3.5% for the first 10 years, 4.5% for years 11-20, and 5.5% for years 21-30.
  - **Sacramento Regional Transit is eligible and currently receives these funds.**
- 12% of the sales tax and 20% of the developer impact fees goes to the Freeway Safety and Congestion Relief Program. The 12% from the sales tax is divided into 9% to regional bus/ carpool lanes on SR50, I-5, and I-80 and 3% specified freeway interchange upgrades on SRs 50 and 99, I-5, and I-80.
  - **Sacramento Regional Transit does not provide the projects or services eligible for direct receipt of these funds.**
- 5% of the sales tax revenue goes to Safety, Streetscaping, Pedestrian, and Bicycle Facilities.
  - **Sacramento Regional Transit does not provide the projects or services eligible for direct receipt of these funds.**

- 1.5% of the sales tax revenues goes to Transportation-Related Air Quality Programs, which is administered by the Sacramento Metropolitan Air Quality Maintenance District (SMAQMD).
    - **Sacramento Regional Transit could potentially provide the projects or services eligible for these funds.**
- 15% of the developer impact fees goes to the Smart Growth Incentive Program, including at least $5 million for the Consumnes River Open Space Preserve as a mitigation for the Capitol SouthEast Connector and/or other projects.
    - **Sacramento Regional Transit could potentially provide the projects eligible for these funds.**
- 10% of the developer impact fees goes to the Transportation Project Environmental Mitigation Program, which includes environmental mitigations for projects in Measure A, including at least $5 million for the Consumnes River Open Space Preserve as a mitigation for the Capitol SouthEast Connector and/or other projects.
    - **Sacramento Regional Transit could potentially provide projects or services eligible for these funds.**
- .75% of the sales tax revenues goes for Program Administration, including the independent audit and support for the Independent Taxpayers' Oversight Committee.
    - **Sacramento Regional Transit is not eligible for direct receipt of these funds.**

Project Categories

The categories of projects are divided into the Ongoing and Capital programs as follows:

Ongoing

- City Street and County Road Maintenance Program
- Traffic Control and Safety Program
- Transit Operations, Maintenance, and Safety
- Neighborhood Shuttle System
- Senior & Disabled Transportation Services
- Safety, Streetscaping, Pedestrian, and Bicycle Facilities
- Transportation-Related Air Quality Program
- Transportation Project Environmental Mitigation Program
- Program Administration

Capital

- Local Arterial Program
- Transit Capital Improvement Program
- Freeway Safety and Congestion Relief Program
- Smart Growth Incentive Program

The Ongoing program receives approximately 80% of the sales tax revenue through monthly formulaic allocations as prescribed in the Measure A Ordinance. The Capital program receives approximately 20% of the sales tax revenue. The Capital program funds capital projects through reimbursement agreements and pays for existing debt service. Most of the Capital program funds are used for payment of debt service.

Sacramento Regional Transit

Image: KATHRYN M. KINGSLEY

STOCKTON BOULEVARD PARTNERSHIP

September 26, 2023

To: Laura Ham, VP Planning & Engineering
Sacramento Regional Transit District
1400 29th Street
Sacramento, CA 95816

From: Stockton Boulevard Partnership
5657 Stockton Blvd
Sacramento, CA 95824

RE: Sacramento Regional Transit #51 Stockton/Broadway BRT project:

The Stockton Boulevard Partnership is in full support of the Sacramento Regional Transit #51 Stockton/ Broadway BRT project to complete a comprehensive plan to upgrade SacRT's existing #51 Stockton/ Broadway bus route to bus rapid transit, along the one 1/2 mile stretch of Stockton Blvd from F Street to Florin Road. This type of investment will improve the physical environment, address public safety concerns and allow residents to connect with much needed resources.

The Stockton Boulevard Partnership is a collaborative effort of property and business owners along Stockton Boulevard working to address issues impacting the business corridor, specifically, focused on Security and Safety, Image, Maintenance, Advocacy and Economic Development.

The Sacramento Regional Transit #51 Stockton/Broadway BRT project is partnering with the City of Sacramento, Sacramento County, Sacramento Transportation Authority, and the Sacramento Area Council of Governments for the transformation of SacRTs busiest bus corridor in Sacramento. The transformation will include bus/station improvements, signage visibility, pedestrian-scale lighting and updated look to the bus stop themselves. These improvements will encourage an increase in consumer traffic from residents that live and work in the vicinity. Additional benefits will include increased retail business, improved civic pride, and a renewed sense of community in the area.

It makes strategic and economic sense to improve this stretch of Stockton Boulevard. Businesses are enhanced with bus stop improvements, as well as the lives of the individuals that walk, and use public transportation to drive to and from work every day therefore the Stockton Boulevard Partnership strongly supports SacRT in enhancing bus route #51 Stockton/Broadway BRT project in their efforts and will lend staff support to reach their goal.

We urge you to support the proposal. We look forward to the future improvements of Stockton Blvd with the #51 Stockton/Broadway BRT project.

Sincerely,

Frank Louie, Executive Director
STOCKTON BOULEVARD PARTNERSHIP

October 23, 2023

Dear Chair Kennedy & the SacRT Board,

Sacramento is the Capital City of the fourth-largest economy in the world and a rich, vibrant, and diverse community. Sacramento's growing economic engine and history of regional collaboration and cooperation help us pursue a better quality of life.

We applaud the content included in the Evaluation of Funding Opportunities Memo to support transit, infrastructure, and address climate change. It has been 20 years since the first "Measure A" passed and the regulatory, legislative, and political landscapes today are vastly different from what they were in 2004. The report delivered to you today makes it very clear that we must take a different approach, especially as the fastest growing region in the state. Our transportation focus must address climate change, accelerate our zero-emission transition, while addressing social justice and equity concerns.

The Stockton Boulevard Corridor is a prime example of regional collaboration to deliver a project that addresses climate change through infill and high-quality public transportation, along with critical infrastructure and safety needs in the congested corridor.

We need local governments, the business community, and environmental organizations all pulling in the same direction in order to create jobs, improve our transportation network and secure billions of dollars in state and federal grants.

We hope this report will be shared with the Sacramento Transportation Authority (STA) and the Sacramento Area Council of Governments (SACOG) for their consideration and we are open for continued dialogue regarding our region's transportation network. In the absence of new local funding, this report gives us a path forward to leveraging much needed funding our region is currently missing out on, while addressing our ambitious climate mandates.

We offer this letter to demonstrate our region's spirit of collaboration and cooperation, and we stand ready to discuss these important and timely concepts with you. The signers of this letter are ready to work together to rethink this issue and find new ways to pay for improving infrastructure, protecting the environment, creating jobs, and growing the local economy.

Sincerely,

Barry Broome
President & CEO
Greater Sacramento Economic Council

Pat Fong Kushida
President & CEO
Sacramento Asian Pacific Chamber of Commerce

Dave Roughton
Interim President & CEO
Metro Chamber

Azizza Davis Goines
President & CEO
Sacramento Black Chamber of Commerce

Michael Ault
Executive Director
Downtown Sacramento Partnership

Cathy Rodriguez Aguirre
President & CEO
Sacramento Hispanic Chamber of Commerce

Frank Louie
Executive Director
Stockton Boulevard Partnership

Emily Baime Michaels
Executive Director
Midtown Association

Kendra Macias Reed
Executive Director
Franklin Neighborhood Development Corporation

Sean Rooney
Executive Director
Oak Park Business Association

Corey Deroo
Executive Director
Florin Road Partnership

Jhason Wint
Executive Director
Watt I-80 District/PBID

Devin Strecker
Executive Director
The River District

Daniel Savala
Executive Director
Del Paso Boulevard Partnership

Rachel Brown
Executive Director
Power Inn Alliance

Kathilynn Carpenter
Executive Director
Sunrise MarketPlace

Bill Knowlton
Executive Director
The Mack Road Partnership

Joan Borucki
Executive Director
SacTowerDistrict

cc: Kevin Bewsey, Executive Director, Sacramento Transit Authority
James Corless, Executive Director, SACOG