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August 1, 2019



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Ms. Susan Bransen
Executive Director
California Transportation Commission
1120 N St., MS-52
Sacramento, CA 95814

Re: 2020 State Transportation Improvement Program (STIP) Guidelines

Dear Ms. Bransen:

Thank you for the opportunity to comment on the 2020 State Transportation Improvement Program (STIP) Guidelines, which will be presented at the August CTC meeting for approval. MTC staff appreciates the workshop CTC and Caltrans held on the STIP Fund Estimate and Guidelines on July 22, 2019. This letter expands the comments MTC staff provided at that workshop.

Overall, MTC supports the flexibility the draft 2020 STIP Guidelines affords local and regional agencies. Below are our comments:

Support Flexibility for Uncommitted Funds for SB1 Competitive Programs

The proposed Guidelines allow regions to commit STIP funds to match a project applying for Senate Bill 1 (SB1) competitive programs (specifically, for the Solutions for Congested Corridors, Trade Corridor Enhancement, and Local Partnership Competitive Programs). As currently written, the Guidelines would give sponsors up to six months to find substitute funding for an unsuccessful SB1 competitive project; otherwise, the Commission will delete that project's STIP funds. MTC appreciates the additional time to complete the funding plan on projects that end up not receiving SB1 competitive funding. MTC recommends the CTC include stipulations that allow regions to propose a substitute project or projects to replace STIP funds proposed for deletion. CTC should also give first priority to regions that have unprogrammed STIP shares, over counties that have overdrawn their STIP shares, when deciding how to program the additional STIP capacity created by the de-programming of unsuccessful SB1 competitive projects. Finally, MTC recommends the Commission include other statewide competitive programs, such as the Active Transportation Program and the Transit and Intercity Rail Capital Program, for inclusion under the Uncommitted Funds paragraph.

Support Expanded Level of State-Only Funding

The Guidelines refer to Caltrans's state-only funding policy in determining which projects will receive state-only funding. Caltrans recently updated its policy to increase the threshold

for pre-approved state-only funds to projects up to \$10 million. MTC appreciates this flexibility. Still, in light of the proposed federal “SAFE Vehicle” rule which could invalidate the state’s air quality travel model and prevent STIP projects from moving forward, state-only funds serve as an important means to keep projects on track. Therefore, MTC recommends that CTC work with Caltrans to increase the amount of state-only funding flowing to the STIP. This increase could come from the State Highway Operation and Protection Program (SHOPP), since most SHOPP projects are exempt from air quality conformity as they are maintenance projects and therefore could continue to use federal funds even after the SAFE Vehicle rule is ratified.

Permit Use of Toll Credits on Public Transportation Account Eligible Projects

The 2020 STIP Fund Estimate does not identify any STIP capacity coming from the Public Transportation Account (PTA). This means that any transit project proposed in the STIP must be eligible for State Highway Account funding and meet California Constitution Article 19 rules, or be eligible for federal funds. MTC recommends that CTC work with Caltrans to continue allowing the use of toll credits for transit projects programmed in the STIP, so that transit projects may use 100% federal funds for projects programmed in the STIP.

Increase Construction Award Deadline to Nine Months After Allocation

The current Guidelines set the construction award deadline at six months after STIP funding allocation. Prior to 2012, the Guidelines set the award deadline at 12 months. With the transportation industry facing increased construction costs, MTC suggests increasing the award deadline to nine months. A nine month deadline will provide project sponsors with additional flexibility to resolve unexpected issues that occur from time-to-time, such as bid challenges, higher-than-anticipated bid amounts or lack of bids. A nine month award deadline will also help minimize the need for deadline extensions that would otherwise be approved, providing staff more time to focus on other significant issues brought before the Commission.

Thank you for your consideration of our comments on the proposed 2020 STIP Guidelines. We look forward to working with CTC, Caltrans, and our regional partners to prepare the 2020 Regional Transportation Improvement Program (RTIP) for inclusion in the 2020 STIP. If you have any questions regarding our comments, please contact Anne Richman, Director of Programming and Allocations, at arichman@bayareametro.gov, or Kenneth Kao, Principal Planner of State Programs, at kkao@bayareametro.gov.

Sincerely,



Alix A. Bockelman
Deputy Executive Director, Policy

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