



AGENDA

Sacramento Transportation Authority (STA) Sacramento Abandoned Vehicle Service Authority (SAVSA)

700 H Street, Suite 1450 • Sacramento, California • 95814
(Board of Directors may participate via teleconference)

WEDNESDAY

OCTOBER 14, 2020

1:30 PM

Members: Sue Frost, Garrett Gatewood, Eric Guerra, Steve Hansen, Jeff Harris, Kerri Howell, Patrick Hume, Patrick Kennedy, Steve Miller, Don Nottoli (Vice Chair), Susan Peters, Paul Sandhu, Jay Schenirer, Phil Serna, Darrell Steinberg, Darren Suen (Chair)

Alternates: Nick Avdis, Steven Detrick, Shawn Farmer, Rosanna Herber, Mike Kozlowski, Porsche Middleton, Donald Terry

The Governing Boards of the Sacramento Transportation Authority (STA) and the Sacramento Abandoned Vehicle Service Authority (SAVSA) meet concurrently.

PUBLIC COMMENT PROCEDURES

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Written comment

- Send an email comment to BoardClerk@saccounty.net. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
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Sacramento Abandoned Vehicle Service Authority

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VIEW MEETING

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CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE

COMMENT ITEMS

1. Comments From The Public Regarding Matters Not On The Agenda
2. Executive Director's Report

Will Kempton

CONSENT ITEMS

3. Action Summary: Approve Action Summary For September 16, 2020
STA Governing Board Meeting ◀
4. SacMetro Freeway Service Patrol: Contract Award For Zone 8 ◀
5. Revenue Projections Update
6. Neighborhood Shuttle Contract Amendments ◀

Jennifer Doll

Jennifer Doll

Timothy Jones

Timothy Jones

AGENDA

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Sacramento Abandoned Vehicle Service Authority

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SEPARATE ITEMS

7. Adoption Of Principles For Remaining Capital Improvement Program (CIP) Allocations And Approval Of A Consensus CIP ◀ *Will Kempton*
8. Smart Growth Incentive Program Strategy For Next Sacramento Area Council Of Governments Community Design Grant Cycle ◀ *Will Kempton*
9. Re-Initiation Of 2019 Decennial Review *Will Kempton*
10. Comments From Authority Members *All*

◀ *Denotes items that require Board action*

Staff reports and associated materials are available online at www.sacta.org. For assistance with agenda packets, please contact STA at (916) 323-0080 or info@sacta.org. For questions regarding the agenda or any item on the agenda, please contact Will Kempton at (916) 323-0080 or will@sacta.org.



OCTOBER 14, 2020

AGENDA ITEM # 2

EXECUTIVE DIRECTOR'S REPORT

Action Requested: Receive and File

Key Staff: Will Kempton, Executive Director

Status of Recruitment Process

Following the final filing date of September 28th, the recruitment process for a new STA Executive Director continues to the next phase after receipt of 11 applications for appointment to the position. Per direction from Chair Suen, Authority members were provided with a copy of the resumes received from the applicants. The Selection Committee appointed by and including the Chair (Nottoli, Howell, Schenirer and Miller) met on October 8th to review applications and narrow the field to the most qualified applicants who will be interviewed by the Committee later this month. After completion of the interviews, the Committee will then select a recommended candidate or candidates for consideration by the full Board. The final interview(s) will take place in closed session at the STA Board Meeting on November 12th with the announcement of a selection expected to follow that session. The new Executive Director will assume his or her new role on December 11th.

Smart Growth Incentive Program (SGIP) Update

The Smart Growth Incentive Program included in the Measure A Expenditure Plan provides that 15% of the revenues collected through the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) shall be available to local jurisdictions on a competitive basis for projects that meet certain smart growth objectives. The program, to be administered by the Sacramento Transportation Authority, is to take into account the SACOG Community Design Competitive Funding Program.

The amount of money available for Smart Growth, based on current revenue estimates for the fee program, is roughly \$29 million, at least \$5 million of which must be spent on environmental mitigation to offset impacts resulting from the Capital Southeast Connector Project. That leaves approximately \$24 million to be made available to local jurisdictions for Smart Growth activities over the remaining life of the Measure A Program.

A Smart Growth Incentive Program as required by the existing Measure A Expenditure Plan has not yet been developed or implemented. That process, while overdue, is still expected to take some time especially in light of the Decennial Review currently underway and the need for discussions with the recipient agencies and agreement on a final proposal before the issue is brought to the Authority. However, SACOG is planning on implementing the first cycle of its Community Design Grant Program by December of this year. In order to make sure STA

member agencies can participate in that process, Item 8 on this month's agenda proposes a strategy to provide a funding source for matching dollars that will be available to recipient agencies for the first cycle while a more deliberate effort is underway to establish an equitable, longer-term Smart Growth Incentive Program.

Authority 2020 Meeting Schedule

Over the last several months, it has been necessary to modify the 2020 STA meeting schedule approved by the Governing Board in November of last year. A special meeting was called in July to consider the status of the 2020 Measure A ballot proposal, and the September and October meeting dates were changed in response to budget deliberations of the Board of Supervisors. The patience of the Board and respective administrative staff through these changes is very much appreciated. The meeting schedule for November (November 12th) and December (December 10th) will remain unchanged. A proposed meeting schedule for 2021 will be presented to the Board at the November meeting.

Legislative Update

The Governor has vetoed SB 1351 (Beall) which would have allowed bonding against Transportation Improvement Fee (TIF) dollars provided by Senate Bill 1, Statutes of 2017. The purpose of the legislation was to help fund a \$100 billion plan to stimulate the State's economy.

Still no progress on Federal legislation to either increase funding for a new COVID-19 relief package or for an extension of a transportation reauthorization proposal. Approval of either initiative would likely increase transportation funding and would be particularly helpful to the nation's transit program.

CTC Inquiries on Local Partnership Program Applications

Staff from the California Transportation Commission has contacted several STA member agencies regarding information contained in the Formulaic Local Partnership Program Applications submitted earlier this year. These contacts have sought clarification on data and information contained in agency applications and none of the questions raised are related to the eligibility of the projects submitted for funding. The inquiries do reflect that the Commission is taking the application review process seriously and is following up on needed corrections. Staff has advised member agencies of our availability to help with any responses, but, thus far, the agencies have handled responses on their own.



OCTOBER 14, 2020

AGENDA ITEM # 3

APPROVE ACTION SUMMARY: SEPTEMBER 16, 2020 STA GOVERNING BOARD MEETING

Action Requested: Approve

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Approve the attached Action Summary of the September 16, 2020 meeting of the STA Governing Board.

Attachment



ACTION SUMMARY
SACRAMENTO TRANSPORTATION AUTHORITY
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY
VIA TELECONFERENCE
700 "H" STREET - SUITE 1450
SACRAMENTO, CALIFORNIA 95814

WEDNESDAY

SEPTEMBER 16, 2020

1:30 PM

Members: Sue Frost, Garrett Gatewood, Eric Guerra, Steve Hansen, Jeff Harris, Kerri Howell, Patrick Hume, Patrick Kennedy, Steve Miller, Don Nottoli (Vice Chair), Susan Peters, Paul Sandhu, Jay Schenirer, Phil Serna, Darrell Steinberg, Darren Suen (Chair)

(Members Gatewood, Howell, Steinberg and Serna were not present)

Alternates: Nick Avdis, Steven Detrick, Shawn Farmer, Rosanna Herber, Mike Kozlowski, Porsche Middleton, Donald Terry

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PLEDGE OF ALLEGIANCE

COMMENT ITEMS

1. Comments From The Public Regarding Matters Not On The Agenda

1:38 PM Board Action: No public comments were made.

2. Executive Director's Report

1:38 PM Board Action: Executive Director Will Kempton provided an update regarding the estimated projected loss of revenue from the Measure A Program; legislative updates related to SB 1351 (Beall), SB 288 (Weiner) and the federal status of reauthorizing the Fixing America's Surface Transportation Act (FAST) and Invest in America Act; progress on the recruitment of a STA Executive Director; and the letter to the Governor from the transit advocates expressing the need for emergency transit funding. Mr. Kempton announced the STA meeting scheduled for October 8, 2020, has been moved to October 14, 2020, at 1:30 p.m.

CONSENT ITEMS

1:49 PM Board Action: Patrick Hume/ Steve Miller - Approved the Consent Matters, Items 3 through 9, as recommended.

AYES: Sue Frost, Eric Guerra, Steve Hansen, Jeff Harris, Patrick Hume, Patrick Kennedy, Steve Miller, Don Nottoli, Susan Peters, Paul Sandhu, Jay Schenirer, Darren Suen

NOES: (None)

ABSTAIN: (None)

ABSENT: Garrett Gatewood, Kerri Howell, Phil Serna, Darrell Steinberg

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

3. Action Summary: Approve August 13, 2020 STA Governing Board Meeting

1:49 PM Board Action: Approved as recommended.

4. Sacramento Abandoned Vehicle Service Authority Semiannual Status Report For Fiscal Year 2020 Year End

1:49 PM Board Action: Received and filed the report.

5. Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) Annual Report Fiscal Year 2020

1:49 PM Board Action: Received and filed the report.

6. Measure A Ongoing Programs Annual Report Fiscal Year 2020

1:49 PM Board Action: Received and filed the report.

7. Measure A Budget-to-Actual Report Fiscal Year 2020

1:49 PM Board Action: Received and filed the report.

8. Contract For Financial Advisory Services

1:49 PM Board Action: Approved as recommended.

9. STA Pay Rate Schedule

1:49 PM Board Action: Approved as recommended.

SEPARATE ITEMS

10. Update On Revisions to the Measure A Capital Improvement Program

2:25 PM Board Action: Received and filed the report. No Board action taken.

11. Approval Of Process For Re-Initiation Of The Measure A 2019 Decennial Review

2:54 PM Board Action: Steve Hansen/ Eric Guerra - Approved as recommended. Members requested staff return in October with a concurrent review process including public participation and comment for both the Measure A Capital Improvement Program and the Measure A 2019 Decennial Review.

AYES: Sue Frost, Eric Guerra, Steve Hansen, Patrick Hume, Patrick Kennedy, Steve Miller, Don Nottoli, Susan Peters, Paul Sandhu, Jay Schenirer, Darren Suen

NOES: (None)

ABSTAIN: (None)

ABSENT: Garrett Gatewood, Jeff Harris, Kerri Howell, Phil Serna, Darrell Steinberg

RECUSAL:(None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

12. Status Report On The Neighborhood Shuttle Program

1:52 PM Board Action: Presentations were made by the Sacramento Regional Transit District and Paratransit, Inc. Received and filed the report. No Board action taken.

13. Comments From Authority Members

3:11 PM Board Action: No comments were made.

Adjourned at 3:11 p.m.

Respectfully Submitted,


DORELLE JOHNSON, Deputy Clerk
Sacramento Transportation Authority/
Sacramento Abandoned Vehicle Service Authority



OCTOBER 14, 2020

AGENDA ITEM # 4

SACMETRO FREEWAY SERVICE PATROL: CONTRACT AWARD FOR ZONE 8

Action Requested: Approve

Key Staff: Jennifer Doll, Special Programs Manager

Recommendation

Authorize the Executive Director to execute Contract 20-FSP-01 with All American Towing.

Background

At the September 12, 2020 Governing Board meeting the STA reported adding an additional Freeway Patrol Service (FSP) zone in the Yolo county area that would cover Interstate 5 between the Sacramento/Yolo County Line in north Sacramento to State Route 113 in Woodland with one tow truck and one service truck, using Senate Bill (SB) 1 funds available for new services. The Board approved issuing a subsequent Request for Qualifications (RFQ) to establish a larger pool of qualified bidders to ensure the lowest qualified bid prices and the highest quality of bidders for the new zone contract.

On February 7, 2020 the STA released an RFQ for FSP service on Zone 8 in the Yolo County area. Four firms submitted responses to the RFQ by the March 5, 2020 deadline. The FSP Technical Advisory Committee (TAC)—comprised of the SacMetro FSP program manager, California Highway Patrol (CHP) Supervisor Officers Steve McCumsey and Jeff Monson, and the San Joaquin area FSP manager, Yvette Davis, completed its review of the February 7, 2020 RFQ submissions. The TAC determined three of the four firms met the minimum requirements specified in the RFQ, creating a qualified pool of bidders. An RFB was to be published following the establishment of the qualified pool of bidders but STA selected to delay publishing the RFB due to the unfortunate COVID-19 situation.

Discussion

After careful consideration of the SB 1 funding status and discussion with CHP Supervisor Officers and the qualified firms the STA choose to move forward with contract procurement for FSP Zone 8. On September 4, 2020 RFB #20-FSP-01 was released and all four qualified firms submitted electronic responses by the September 30, 2020 deadline.

Below are the total hourly rate bid prices proposed by each Bidder.

All American Towing	dba Extreme Towing	Sierra Hart Auto Service
\$160.00	\$190.85	\$165.00

The STA recommends the Board authorize the Executive Director to execute a contract as approved by legal counsel with All American Towing, the lowest responsible bidder, in accordance with Section 180154 of the Local Transportation Authority and Improvement Act (Public Utilities Code, §180000 et seq). The contract is for a term of four (4) years with an option to extend the contract period for one (1) year based on satisfactory performance.



OCTOBER 14, 2020

AGENDA ITEM # 5

REVENUE PROJECTIONS UPDATE

Action Requested: Receive and File

Key Staff: Timothy Jones, Chief Financial Officer

Background:

During the annual budget development cycle, the Authority engages a consultant to develop revenue projections for the Measure A Sales Tax Program through FY 2038-39. This year that effort was completed by Avenu Insights & Analytics in mid-February prior to the impacts of the pandemic. Subsequently, we brought a proposed budget to the Governing Board in April at which point staff acknowledged the potential negative impact on sales tax revenues as a result of the pandemic. However, it was too soon to determine the timing or to quantify the dollar impact, so staff committed to monitoring revenues and responding accordingly. In May, when the Governing Board adopted the FY 2020-21 budget, there was insufficient data to support adjusting the revenues, so again staff committed to revisiting the issue in late summer or early fall at which time more information would be available to make an informed decision.

Discussion

Given the concerns about the economic impact of the pandemic on the Authority's sales tax revenues, we expected a moderate to significant decrease in revenues in the third and fourth quarters of FY 2019-20. However, contrary to all predictions, revenue which was expected to be \$131.773 million based on our FY 2019-20 adopted budget, came in at \$131.591 million, just \$200,000 less than budgeted.

Some business sectors in Sacramento County posted sales declines in the last two quarters of FY 2020-21 – most significantly restaurants and hotels and fuel and service stations – but the declines were offset by increased sales in the food and drug and general consumer goods sectors. The general consumer goods sector includes significant internet sales which produced an estimated \$4 million in new sales tax revenue as a result of the **Wayfair Decision** which taxes goods purchased from out of state vendors regardless of whether they have a physical presence in California. This new revenue source will continue to grow as more internet goods are purchased.

Sales tax revenue received in September 2020 (for July sales) was \$11.726 million which compares to receipts of \$10.806 million in September 2019. Although there are still significant

uncertainties surrounding the pandemic and its impact on the economy, locally there has yet to be any significant impact on the Authority’s primary revenue source.

The adopted budget for FY 2020-21 includes sales tax revenue totaling \$4.394 billion through FY 2038-39. This projection is based on information provided by Avenu Insights & Analytics in February 2020. As promised, Authority staff revisited the sales tax projections by requesting updated projections from Avenu Insights & Analytics in August 2020 and hiring a second firm – HdL Associates – to perform similar projections which were completed in September 2020. Both firms’ projections affirm that the sales tax revenue projection in the Authority’s adopted FY 2020-21 budget is relevant. As such, ***no budget amendment is necessary at this time***, but staff will continue to monitor the situation and respond accordingly. The table below summarizes the sales tax data contained in the most recent projections with the data included in the Authority’s adopted FY 2020-21 budget.

Sales Tax Revenues (millions)	FY 2020-21	Variance to Budget	5-year	Variance to Budget	30-year	Variance to Budget
Adopted FY 2020-21 Budget	133.5		702.9		4,394	
Avenu Insights & Analytics Aug 2020	129.2	-3.2%	690.6	-1.7%	4,355	-0.9%
HdL Associates Sept 2020	128.2	-4.0%	698.4	-0.6%	4,587	4.4%

The short-term decline in sales tax revenue will have an immaterial impact on the Authority’s capital program during the budget year as it is fully funded through current cash and monthly inflows of pay-go revenue. The ongoing programs (pass-through) will also be immaterially impacted.



OCTOBER 14, 2020

AGENDA ITEM # 6

NEIGHBORHOOD SHUTTLE GRANT AGREEMENT AMENDMENTS

Action Requested: Authorize Staff

Key Staff: Timothy Jones, Chief Financial Officer

Recommendation:

Authorize the Executive Director to execute the attached grant agreement amendments with Sacramento Regional Transit District and Paratransit, Inc.

Background:

In the voter-approved Expenditure Plan, Section VI of Exhibit A in Ordinance No. STA 04-01 establishes a Neighborhood Shuttle System and requires at least \$30 million in sales tax revenues be utilized to fund the development of additional Neighborhood Shuttles throughout Sacramento County. Funding has been accumulating at the rate of \$1 million a year since program inception for this purpose. In May 2018, the STA Governing Board established the program by approving grant agreements with Sacramento Regional Transit District (SacRT) and Paratransit, Inc. (PI). The terms of STA's agreement with these agencies requires periodic reports on the service, which your Board received during the September 2020 meeting. Given the program successes outlined during those presentations, future funding beyond the current agreements was requested.

Discussion

In an effort to continue funding both agencies providing Neighborhood Shuttle System services beyond the current grant agreement period which expires June 30, 2021, staff recommend extending each agreement through June 30, 2023 and updating the reimbursement rates to better reflect actual costs. The original agreements established pilot programs based on anticipated costs. Now that the programs have been in operation for over two years, each agency has data to support actual program costs. The amendments reflect those adjustments. Below is a summary of the changes by agency captured in the grant agreement amendments.

- Sacramento Regional Transit District – extend agreement two years through June 30, 2023. Provide new funding of \$1 million per year for FY 2021-22 and FY 2022-2023. Establish an hourly reimbursement rate based on Revenue Vehicle Hours instead of a fixed rate per zone. Refine zone descriptions.

- Paratransit – extend agreement two years through June 30, 2023. Provide new funding of \$156,600 for FY 2021-22 and \$161,298 for FY 2022-23.

Attached are the original grant agreements and the grant agreement amendments for each agency.

Attachments

SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A NEIGHBORHOOD SHUTTLE PROGRAM
GRANT AGREEMENT
AMENDMENT NO. 1

MICROTRANSIT PILOT ZONES

This Agreement Amendment No. 1 is made as of _____, 2020 by and between the **Sacramento Transportation Authority**, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and the **Sacramento Regional Transit District**, hereinafter called "Entity".

RECITALS

1. Authority and Entity, collectively referred to as PARTIES, entered into the Measure A Grant Agreement for the Neighborhood Shuttle Program "AGREEMENT" on May 25, 2018.
2. AGREEMENT outlined the transfer of sales tax revenue ("Revenue") from the Authority to Entity. The Revenue will be used to fund defined Microtransit Pilot Zones and additional zones proposed by Entity during the term of this AGREEMENT, as approved by the STA Governing Board.
3. PARTIES have agreed to enter into this AGREEMENT Amendment to extend the expiration date, increase the total allocation, redefine the reimbursement rate, and refine project/zone descriptions.

THE PARTIES AGREE AS FOLLOWS:

1. Article #2 is amended to read as follows: All references to the term "route" are hereby deleted and replaced with the term "zone" which more accurately reflects the manner in which service is provided. The zones authorized under this AGREEMENT are defined as follows:
 - a. Arden/Carmichael SmarT Ride which generally serves the Arden/Arcade and Carmichael areas. This zone is the combination of two existing zones – Arden/Arcade and Carmichael/American River College.
 - b. Citrus Heights/Orangevale/Antelope/Historic Folsom Light Rail Station SmarT Ride which generally serves Citrus Heights, Orangevale, and parts of Fair Oaks with a connection to light rail in Folsom.
 - c. Downtown Sacramento/East Sacramento SmarT Ride which generally serves the areas of Downtown Sacramento, Old Sacramento, Midtown, McKinley Park, Mercy General Hospital, UCD Medical Center, Broadway and California State University Sacramento.

This zone is the combination of two existing zones – Downtown/Midtown and California State University Sacramento.

- d. Elk Grove SmarT Ride which generally serves the Elk Grove area.
- e. Folsom SmarT Ride which generally serves the Folsom area, its major employment centers and the Historic Folsom Light Rail Station.
- f. Franklin Blvd/South Sacramento West SmarT Ride which generally serves the South Sacramento West area around Franklin Blvd. and including Kaiser Permanente South Sacramento Medical Center, and Methodist Hospital.
- g. North Sacramento/Natomas SmarT Ride which generally serves the North Sacramento area and Natomas.
- h. Rancho Cordova SmarT Ride which generally serves the Rancho Cordova area and its major employment centers.
- i. Southeast Sacramento/Gerber SmarT Ride which generally serves southern Sacramento east of Highway 99.
- j. Additional SmarT Ride(s) proposed by SacRT that serve other area(s) and are approved by the STA Governing Board.

2. Article #4 is amended to read as follows:

- a. Amount of Allocation and Period of Expenditure. The total allocation amount is increased to **\$14,000,000** for expenditure on the operation of projects/zones. The remaining allocation under this amendment is \$9,512,797. This sum is available to and may be claimed by the Entity prior to June 30, 2023. No additional funds will be provided under this Agreement Amendment unless extended by mutual agreement of the PARTIES.

3. Article #6 is amended to read as follows:

- a. During the term of this agreement, Entity may invoice the Authority at an hourly rate of \$110.32 multiplied by scheduled Revenue Vehicle Hours for the service provided in all zones approved by the STA Governing Board. The hourly rate may be adjusted annually to reflect actual operating costs.

The PARTIES promise and agree to abide by the terms of this Agreement as set forth above.

Sacramento Transportation Authority

Sacramento Regional Transit District

Will Kempton, Executive Director Date

Henry Li, General Manager Date

SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A NEIGHBORHOOD SHUTTLE PROGRAM
GRANT AGREEMENT

MICROTRANSIT PILOT ROUTES

This Agreement is made and entered into as of MAY 25, 2018 by and between the **Sacramento Transportation Authority**, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and the **Sacramento Regional Transit District**, hereinafter called "Entity".

RECITALS

WHEREAS, In 2004, the electors of Sacramento County approved, by two-thirds vote, sales tax Measure 'A' and Authority Ordinance No. 04-01 ("the Measure A Ordinance"); and

WHEREAS, the Measure A Ordinance includes a the "Sacramento County Transportation Expenditure Plan 2009-2039" (the "Expenditure Plan"); and

WHEREAS, the Expenditure Plan provides for the allocation of "at least \$30 million in sales tax revenues [to] fund the development of additional Neighborhood Shuttles throughout Sacramento County"; and

WHEREAS, the Authority Board of Directors has authorized the Authority's Executive Director to enter into an agreement with Entity consistent with the Neighborhood Shuttle System requirement of the Expenditure Plan.

NOW, THEREFORE, THE AUTHORITY AND ENTITY AGREE AS FOLLOWS:

1. Purpose. The purpose of this Agreement is to:
 - a. Provide for the transfer by the Authority to Entity of Measure A sales tax revenue from the Neighborhood Shuttle Program for the Projects described in Section 2.
 - b. Set forth Entity's obligations with respect to the receipt and expenditure thereof.

2. Description of Projects. The Projects funded by this Agreement are the following microtransit pilot routes:
 - a. Orangevale | Antelope | Historic Folsom Light Rail Station SmarT Ride which generally serves the Orangevale area and parts of Fair Oaks with a connection to light rail in Folsom.

- b. Franklin Blvd | South Sacramento West SmaRT Ride which generally serves the South Sacramento West area around Franklin Blvd. and including Kaiser Permanente South Sacramento Medical Center, and Methodist Hospital.
 - c. Downtown Sacramento | Midtown | Old Sacramento SmaRT Ride which generally serves the area of Downtown Sacramento, Old Sacramento, Midtown, McKinley Park, Mercy General Hospital, and Broadway.
 - d. Rancho Cordova SmaRT Ride which generally serves the Rancho Cordova area and its major employment centers.
 - e. Arden/Arcade SmaRT Ride which generally serves the Arden/Arcade area, including Arden Fair Mall, Kaiser Permanente Medical Center on Morse Avenue, Point West, and Cal Expo.
 - f. Sac State SmaRT Ride which generally serves the campus of the California State University, Sacramento.
 - g. Carmichael | American River College SmaRT Ride which generally serves the Carmichael area and the American River College with connections to the light rail station at Watt Avenue and Interstate 80.
 - h. South Sacramento East | Farm to Future SmaRT Ride which generally serves the eastern portion of south Sacramento and the future Farm to Future affordable housing development.
 - i. Folsom SmaRT Ride which generally serves the Folsom area.
 - j. Elk Grove SmaRT Ride which generally serves the Elk Grove area.
 - k. Additional SmaRT Ride(s) proposed by SacRT that serve other area(s) and are approved by the STA Governing Board.
3. Definitions. Unless the context otherwise requires, as used in this Agreement, the following terms shall have the following meanings:
- a. "Act" means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.
 - b. "Board" means the Governing Board of the Sacramento Transportation Authority.
 - c. "Grant" means financial assistance provided by Authority for the particular purpose of providing local shuttle services with limited involvement by the Authority.
 - d. "Measure A" or "Ordinance" means Sacramento Transportation Authority Ordinance No. STA 04-01.

- e. "Microtransit" or "SmaRT Ride" means flexible-route, on-demand, ride-sharing transit service.
 - f. "Neighborhood Shuttle Program" means the Authority's competitive grant program among local public transit providers to promote the development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service.
 - g. "Pilot" means a small scale, limited-term experiment meant to help Authority and Entity learn how a large-scale or permanent project might work in practice.
4. Amount of Allocation and Period of Expenditure. The Board has reserved for Entity the sum of \$12,000,000 for expenditure on the operation of Projects. This sum is available to and may be claimed by Entity prior to June 30, 2021. No additional funds will be provided under this Agreement. This Agreement expires on June 30, 2021, unless extended by mutual agreement of the Parties.
5. Compliance. The use and expenditure of sales tax revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this Agreement, and all other applicable contractual and legal requirements. In the event of non-compliance by Entity, the Authority reserves the right to withhold funding, cancel funding, seek repayment of sums previously disbursed under this Agreement and/or other appropriate action.
6. Disbursement of Revenues.
- a. Disbursements of revenue pursuant to this Agreement are awarded as grants.
 - b. During the term of this Agreement, Entity may invoice Authority \$33,333 per project for each month (full or partial) that project is in operation, with the following exceptions:
 - i. For the Orangevale | Antelope| Historic Folsom Light Rail Station SmaRT Ride, the monthly amount is \$62,500.
 - ii. For the Downtown Sacramento | Midtown | Old Sacramento SmaRT Ride, the monthly amount is \$83,333 when operated with four vehicles, \$62,500 when operated with three vehicles, and \$41,667 when operated with two vehicles.
 - iii. For the Sac State SmaRT Ride, the monthly amount is \$41,667.
 - iv. For any additional SmaRT Ride service approved under Section 2.k, above, the monthly amount is \$83,333 when operated with four vehicles, \$62,500 when operated with three vehicles, and \$41,667 when operated with two vehicles.

- c. Claims for payment shall be submitted no more often than monthly and no less often than semi-annually.
- d. All claims shall be approved by Entity's Project Manager prior to submission to Authority.

7. Reporting.

- a. Entity shall present a status report to the STA Governing Board at a regular meeting approximately once every six months or as requested by STA Executive Director. Information in the status report shall include:
 - Progress on implementation of routes
 - Daily boardings and/or other statistical metrics
 - Adoption rate by new customers
 - Findings and learnings
- b. Authority Executive Director shall coordinate with Project Manager the dates and times for the delivery of status reports.

8. Audits.

- a. Authority staff will review payment claims on a selected basis.
- b. Annual audits of the STA, as a whole, will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures may also be audited.
- c. Claims found to have inadequate supporting documentation may be denied by the Authority Executive Director. Funds spent for any expenditures found to be in noncompliance with this Agreement may be withheld from future payments. The Board shall reallocate any funds so withheld for other Neighborhood Shuttle Program projects.

9. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff regarding administration of this Agreement.

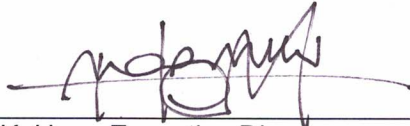
10. Signs. Entity shall display signs on shuttle Project vehicles stating that the project is funded with Measure A funds. The signs must be approved by the Authority's Executive Director.

11. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this Agreement by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Agreement as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By:



Norman K. Hom, Executive Director

Dated:

17 MAY 18

SACRAMENTO REGIONAL TRANSIT DISTRICT

By:



Henry Li, General Manager

Dated:

5/24/18

SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A NEIGHBORHOOD SHUTTLE PROGRAM
GRANT AGREEMENT
AMENDMENT NO. 1

WORKFORCE TRANSPORTATION FOR YOUTH AND YOUNG ADULTS

This Agreement Amendment No. 1 is made as of _____, 2020 by and between the **Sacramento Transportation Authority**, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and the **Paratransit, Inc**, hereinafter called "Entity".

RECITALS

1. Authority and Entity, collectively referred to as PARTIES, entered into Measure A Grant Agreement for the Neighborhood Shuttle Program "AGREEMENT" on May 10, 2018.
2. AGREEMENT outlined the transfer of sales tax revenue ("Revenue") from the Authority to Entity. Said revenue will be used to fund the Workforce Transportation for Youth and Young Adults Program.
3. PARTIES have agreed to enter into this AGREEMENT Amendment to extend the expiration date and increase the total allocation.

THE PARTIES AGREE AS FOLLOWS:

1. Article #4 is amended to read as follows:
 - a. Amount of Allocation and Period of Expenditure. The total allocation amount is increased to **\$717,898** for expenditure on the operation of projects/routes. The remaining allocation under this amendment is \$417,900. This sum is available to and may be claimed by the Entity prior to June 30, 2023. No additional funds will be provided under this Agreement Amendment unless extended by mutual agreement of the PARTIES.
 - b. Entity may invoice Authority at the following rates:
 - i. \$33,334 for quarters two, three, and four in FY 2020-21
 - ii. \$39,150 per quarter for FY 2021-22
 - iii. \$40,324.50 per quarter for FY 2022-23

SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A NEIGHBORHOOD SHUTTLE PROGRAM
GRANT AGREEMENT

WORKFORCE TRANSPORTATION FOR YOUTH AND YOUNG ADULTS

This Agreement is made and entered into as of MAY 10, 2018 by and between the **Sacramento Transportation Authority**, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and **Parantransit, Inc.**, hereinafter called "Entity".

RECITALS

WHEREAS, In 2004, the electors of Sacramento County approved, by two-thirds vote, sales tax Measure 'A' and Authority Ordinance No. 04-01 ("the Measure A Ordinance"); and

WHEREAS, the Measure A Ordinance includes a the "Sacramento County Transportation Expenditure Plan 2009-2039" (the "Expenditure Plan"); and

WHEREAS, the Expenditure Plan provides for the allocation of "at least \$30 million in sales tax revenues [to] fund the development of additional Neighborhood Shuttles throughout Sacramento County."; and

WHEREAS, the Authority Board of Directors has authorized the Authority's Executive Director to enter into an agreement with Entity consistent with the Neighborhood Shuttle System requirement of the Expenditure Plan.

NOW, THEREFORE, THE AUTHORITY AND ENTITY AGREE AS FOLLOWS:

1. Purpose. The purpose of this Agreement is to:
 - a. Provide for the transfer by the Authority to Entity of Measure 'A' sales tax revenue from the Neighborhood Shuttle Program for the Project described in Section 2.
 - b. Set forth Entity's obligations with respect to the receipt and expenditure thereof.
2. Description of Projects. The Project funded by this Agreement is the following pilot:
 - a. Workforce Transportation for Youth and Young Adults, a.k.a, Moving Youth to Jobs the Civic Lab project to provide travel and mobility training and transportation service(s) for youth and young adults to internships and other employments opportunities.

3. Definitions. Unless the context otherwise requires, as used in this Agreement, the following terms shall have the following meanings:
- a. “Act” means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.
 - b. “Board” means the Governing Board of the Sacramento Transportation Authority.
 - c. “Civic Lab” means a team effort coordinated by the Sacramento Area Council of Governments to bring together local and partner agencies to work together fostering and promoting smart mobility options through innovation and the creation of new technologies.
 - d. “Grant” means financial assistance provided by Authority for the particular purpose of providing local shuttle services with limited involvement by the Authority.
 - e. “Measure A” or “Ordinance” means Sacramento Transportation Authority Ordinance No. STA 04-01.
 - f. “Neighborhood Shuttle Program” means the Authority’s competitive grant program among local public transit providers to promote the development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service.
 - g. “Pilot” means a small scale, limited-term experiment meant to help Authority and Entity learn how a large-scale or permanent project might work in practice.
4. Amount of Allocation and Period of Expenditure. The Board has reserved for Entity the sum of \$400,000 for expenditure on the Project. This sum is available to and shall be claimed by Entity prior to June 30, 2021. No additional funds will be provided under this Agreement. This Agreement shall expire on June 30, 2021, unless extended by mutual agreement of the Parties.
5. Compliance. The use and expenditure of sales tax revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this Agreement, and all other applicable contractual and legal requirements. In the event of non-compliance by Entity, the Authority reserves the right to withhold funding, cancel funding, seek repayment of sums previously disbursed under this Agreement and/or other appropriate action.
6. Disbursement of Revenues.
- a. Disbursements of revenue pursuant to this Agreement are awarded as grants.

- b. Entity may invoice Authority according to the following schedule:
- i. \$35,000 in Quarter 1.
 - ii. \$45,000 in Quarter 2.
 - iii. \$58,000 in Quarter 3.
 - iv. \$56,000 in Quarter 4.
 - v. \$31,000 in Quarter 5.
 - vi. \$25,000 per quarters in Quarters 6 through 12.
- c. Claims for payment shall be submitted no more often than monthly and no less often than semi-annually.
- d. All claims shall be approved by Entity's Project Manager prior to submission to Authority.

7. Reporting.

- a. Entity shall present a status report to the STA Governing Board at a regular meeting approximately once every six months or as requested by STA Executive Director. Information in the status report shall include:
- Progress on implementation
 - Statistical metrics
 - Findings and learnings
- b. Authority Executive Director shall coordinate with Project Manager the dates and times for the delivery of status reports.

8. Audits.

- a. Authority staff will review payment claims on a selected basis.
- b. Annual audits of the STA, as a whole, will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures may also be audited.
- c. Claims found to have inadequate supporting documentation may be denied by the Authority Executive Director. Funds spent for any expenditures found to be in noncompliance with this Agreement may be withheld from future payments. The Board shall reallocate any funds so withheld for other Neighborhood Shuttle Program projects.

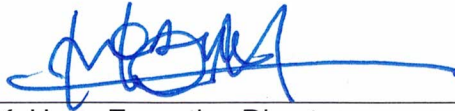
9. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff regarding administration of this Agreement.
10. Signs. Entity shall display signs on shuttle Project vehicles stating that the project is funded with Measure A funds. The signs must be approved by the Authority's Executive Director.
11. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this Agreement by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Agreement as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By:

Dated:



7/29/19

Norman K. Hom, Executive Director

PARATRANSIT, INC.

By:

Dated:



7/29/19

Tiffani Fink, Chief Executive Officer



OCTOBER 14, 2020

AGENDA ITEM # 7

ADOPTION OF PRINCIPLES FOR REMAINING CAPITAL IMPROVEMENT PROGRAM (CIP) ALLOCATIONS AND APPROVAL OF A CONSENSUS ALLOCATION PLAN

Action Requested: Adopt and Approve

Key Staff: Will Kempton, Executive Director

Recommendation

Adopt a set of principles governing the allocation of remaining Capital Improvement Program (CIP) funding and approve a consensus plan that includes allocation levels for certain recipient agencies and programs.

Background

Measure A was approved by Sacramento County's electorate in November of 2004, four years ahead of the start of the 30-year program period. After development of a proposed CIP and to accelerate project delivery prior to program inception, a decision was made to bond against anticipated revenue to pay for capital projects that were ready to go at the time. The resulting debt service and the cost of additional bonding since that time has reduced available project funding. Compounding this problem, at the start of the program period, a severe recession contributed to a drop in projected sales tax revenue and less than expected developer fees have added to the shortfall. The net impact of these changes is that there is only 54 percent of the original program amount, or an estimated \$761.2 million, available to pay for the \$1.4 billion in planned CIP projects which number was based on original revenue estimates.

To date, \$524 million has been spent or committed to the program through recipient agency contracts. Existing contracts for funding commitments with most recipient agencies run through the end of this fiscal year. Caltrans and the County have contracts which extend beyond the end of FY 2020-21, but to date, all contractual obligations for the CIP have or will be met. However, meeting these obligations through the end of the contracted timeframes will reduce the amount of funding expected to be available for the rest of the program to an estimated \$236.5 million. There is also a need to implement additional programs as required by the Expenditure Plan, such as the Smart Growth Incentive and Environmental Mitigation Programs, which will place at least an additional \$34 million demand on remaining funding.

The issues for consideration by the Governing Board are to determine distribution amounts for the remaining CIP and capital program funding and to address the equity problem that has resulted from project spending to date. Some recipient agencies have received project allocations based on the original version of the CIP due to early project delivery and other agencies with later delivery

schedules will not receive their planned share of CIP funds due to the funding limitations described above. The recommendations contained in this report provide a potential solution to this dilemma.

Discussion

The original version of the CIP established allocation amounts to ten recipient agencies for the program period. The percentage distribution of the expected \$1.4 billion in funding to those agencies was based on the assignment to jurisdictions of 53 projects identified in the Expenditure Plan. When the available funding was reduced to \$761.2 million with the loss of projected revenue, planned allocation levels could not be met.

Unfortunately, this problem hasn't been addressed until recently. Staff has been working with a subcommittee of the Professional Advisory Group (PAG), including representatives from the County, Elk Grove, Citrus Heights, the City of Sacramento, the Connector Joint Powers Authority, Caltrans and SACOG, to develop recommendations to address these issues. The subcommittee and the recipient agency members of the PAG have reached agreement on a proposed set of principles (see attached) governing the distribution of remaining CIP funding to recipient agencies. The five key elements contained in these principles are summarized below:

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.

The adjusted allocation amounts used in the calculations for the distribution proposal are based on the \$761.2 million in overall funding for the capital program and applies the same distribution percentages used in the original CIP. The goal is to provide 100% of the adjusted allocation amount determined for each recipient agency. There are ten recipient agencies included in the CIP. Five of those agencies who delivered project work early in the program period actually received more than 100% of their adjusted allocations, while five agencies with later project delivery schedules will require additional funding to meet the goal.

Below is the proposed consensus approach to distributing CIP funding to the remaining recipient agencies by setting target allocations which would meet the goal of funding 100% of adjusted allocation amounts for those agencies, with the exception of Caltrans:

PROPOSED ALLOCATION TARGETS (\$ x Million)
County of Sacramento - \$100
Caltrans - \$100
Citrus Heights - \$9
City of Sacramento - \$37.5
Connector JPA - \$21
TOTAL - \$267.5

In addition to these targeted allocations, it will be necessary to set aside \$34 million in capital funds for required programming, specifically the Smart Growth Incentive Program (\$29 million which includes at least \$5 million for the Connector JPA) and the Transportation Project Environmental Mitigation Program (which includes at least \$5 million to the Connector JPA). Adding these program requirements to the proposed CIP allocation targets increases the total amount of remaining capital funding needs to \$301.5 million. As previously stated, this level of expenditures can only be achieved with additional revenue, and notwithstanding efforts to obtain more dollars for the program, actual allocations will be limited to available funding. If the additional revenue necessary to support these target allocation levels does not materialize over the life of the program, available CIP funding will be distributed proportionately to the five recipient agencies listed above.

The next step in the process of administering the CIP is to program the remaining dollars to projects identified in the Measure A Expenditure Plan, many of which are ongoing. This exercise will be necessary in part to ensure an equitable drawdown of available funding over the remaining life of the program. It is expected that this process will take several months and will be a difficult task as well given the Program's projected cash flow. This problem will become critical beginning in FY 2028-29 when principle payments on outstanding bonds become due. However, in order to effectively manage the CIP and other capital programs, staff and the recipient agency members of the PAG are recommending that the Governing Board adopt the attached principles and approve the consensus allocation plan for the remaining capital program.

Attachment

PROPOSED PRINCIPLES *for* MEASURE A CIP ALLOCATIONS *through* 2029

- 1.** All allocations of remaining Capital Improvement Program (CIP) funds must be in compliance with the existing Measure A Ordinance and Expenditure Plan, except as allocation requirements may be modified by an amendment to the Plan pursuant to Section XII of Ordinance No. STA 04-01.
- 2.** STA will strive to be equitable in allocations of remaining funds considering the needs of all recipient agencies and consideration of previous allocations to date.
- 3.** Project delivery should be a consideration in determining the timing of future allocations and agencies should focus on the delivery of capital projects that are consistent with the objectives of the Measure A Ordinance and Expenditure Plan.
- 4.** The prospect for leveraging additional federal, state and local funding should be a major consideration in determining projects for allocation.
- 5.** The potential for economic stimulus in the earlier years of the decennial program period should be a factor in the allocation process.
- 6.** The adjusted allocation amount of \$761,197,544 in CIP funding as determined on June 30, 2020 shall serve as the base for calculating program balances. Adjusted allocations by jurisdiction shall be based on the same percentages of distribution contained in the original CIP.
- 7.** Agencies that have received 100% or more of their adjusted allocation amount (after deduction of debt service and reduced revenues) should not receive additional CIP funding through 2029.
- 8.** In terms of a minimum allocation, jurisdictions due remaining funding should receive as close to 100% of their adjusted allocation amount as possible. It may not be possible to achieve this principal with all remaining recipient agencies based on the amount of their adjusted allocation.
- 9.** Funding for the Smart Growth Incentive Program (SGIP), including \$5 million for the Connector JPA, shall be taken “off the top” of remaining capital funds, and the Connector JPA shall also receive \$5 million from the Transportation Project Environmental Mitigation “off the top” of funds remaining for allocation. As a separate capital program, SGIP funds will be available to all CIP recipient agencies.
- 10.** Given capital program demands, the needs of the remaining recipient agencies and the focus on achieving a consensus on the distribution of funds, it is necessary to set a program allocation target of \$301.5 million for the capital program over the remaining Measure A period. The amount of proposed allocations for the remaining CIP recipient agencies will be adjusted to reflect this target, but actual allocations to those jurisdictions will be dependent on whatever revenue is available for the program on a proportional

basis. The higher allocation targets assume a potential for additional revenue over the Measure A Program period, including increased sales tax and mitigation fee receipts, savings from refinancing existing debt, and the possibility of a successful countywide initiative to increase transportation funding prior to 2039. STA should also work collaboratively with SACOG on development of a joint capital program to identify additional funding to achieve target allocations. However, to be clear, actual allocations to jurisdictions will be dependent on whatever revenue is available for the program.

- 11.** The distribution of remaining funds should be carefully monitored through FY 2029-30. STA staff will update the estimated remaining total allocation of CIP funding during the Authority's annual budget cycle. In addition, a comprehensive review of the status of the CIP should be conducted in FY's 2024-25 and 2029-30 and the CIP updated as necessary after completion of those reviews.

- 12.** Notwithstanding these principles, the program's cash flow will be the controlling factor in the CIP allocation process, and the timing and amount of all annual CIP allocations will be dependent on cash flow. Given the acceleration of principal debt service payments near the end of the second Decennial Period (FY 2028-29), it is also prudent to provide for a fiscal year-end cash reserve of at least \$2 million over the program period to cover debt costs in the event that revenue falls below projected amounts.



OCTOBER 14, 2020

AGENDA ITEM # 8

SMART GROWTH INCENTIVE PROGRAM STRATEGY FOR NEXT SACOG COMMUNITY DESIGN GRANT CYCLE

Action Requested: Approve Strategy

Key Staff: Will Kempton, Executive Director

Recommendation

Approve a strategy for implementing a first phase of funding for the Smart Growth Incentive Program (SGIP) authorized in the Measure A Expenditure Plan to allow recipient agencies to participate in the next cycle of the SACOG Community Design Grant Program and set aside \$5.5 million in capital funding for this purpose.

Background Information

Section XI of Exhibit A (Expenditure Plan) of Ordinance NO. STA 04-01 requires that 15% of the revenues collected from new development (Sacramento Countywide Transportation Mitigation Fee Program or SCTMFP) shall be available to local jurisdictions on a competitive basis for projects that meet certain smart growth objectives.

Section XI also requires the program to be administered by the Authority and to take into account the SACOG Community Design funding program. The program further includes planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the Capital SouthEast Connector Project and/or any other environmental mitigation needed to offset impacts from that project consistent with the adjacent local jurisdictions' land use planning documents and processes.

Eligible funding categories include promotion of transit-oriented joint development with at least \$5 million set aside for the mitigation work described above, with the Capital SouthEast Corridor Joint Powers Authority the recipient agency for this set aside. Current estimates of funding from the SCTMFP are \$193 million for the Measure A Program period, significantly lower than the originally projected \$488 million. The lower estimate results in an availability of \$29 million for the SGIP which could increase if more fee revenues are realized over the life of Measure A.

To date, no fee dollars have been spent on the SGIP and there has been no development of a specific program for implementation. Now that the Measure A Program is in its second decennial period, it is necessary to begin the process for the development and implementation of an effective program. This effort could take some time and could also benefit from input received as part of the Decennial Review currently underway. However, SACOG is preparing to initiate a new cycle of its

Community Design Grant Program which offers a significant opportunity to leverage additional funding for STA member agencies with matching money provided through the SGIP.

Discussion

As mentioned in this month's Executive Director's Report, staff has recently been working on the SGIP issue with our counterparts at SACOG and with input from Measure A recipient agencies. Recognizing that development and implementation of a SGIP is overdue, there is still a significant amount of effort and collaboration which will be necessary prior to bringing recommendations on a final program structure to the STA Governing Board for consideration. Unfortunately, with SACOG planning on an anticipated December, 2020 deadline for submitting grant applications for the next cycle of the Community Design Grant Program, a creative strategy is necessary to provide Measure A funds for this SACOG program while preserving the ability to develop a longer-term SGIP structure that equitably distributes revenue from this limited funding source and includes any Board direction on project applications.

However, based on the significant and immediate transportation needs of our recipient agencies, staff is recommending a strategy which would make \$5.5 million of SGIP funding available as potential matching dollars for the upcoming SACOG grant cycle. These funds can be used toward local match needs on the Community Design grants and should lead to more successful applications being submitted for this program. Of the total anticipated funding of \$29 million for the SGIP and a \$5 million set aside for mitigation associated with the Capital SouthEast Connector Project, approximately \$24 million is available for matching purposes over the life of the Measure A Program.

According to officials at SACOG, a small amount of Federal funding, roughly \$16 to \$19 million, is available for the six-county region every two years. It is anticipated that there will be ten two-year cycles for this grant program occurring through the remainder of the Measure A timeframe, and an appropriate distribution cycle for SGIP funding will need to be determined. Providing \$5.5 million from which grant applicants can draw matching funds for the upcoming Community Design grant cycle, however, will ensure Measure A recipient agencies can take advantage of near-term leveraging opportunities. Meeting or exceeding minimum Community Design match requirements can result in successfully leveraging more than \$5 in SACOG funding for every \$1 provided in Measure match.

There are two components of the Community Design Grant Program: a "guaranteed" portion and a "competitive" piece of funding. For the guaranteed program, jurisdictions are eligible for funding levels based on housing and land use considerations and qualify for grants on the basis of a required match. While agencies applying for guaranteed funding will receive at least a minimum amount of money, a higher match can increase the grant amount and the competitive standing of an agency competing within the guaranteed component. Only SACOG member agencies are eligible for guaranteed funding. SacRT and other special districts can only pursue competitive Community Design funds.

For the Competitive component, project grant applications are limited to \$4 million with no more than a 25% match. If an applicant is successful in pursuing a grant, then the amount of the match

must be applied to the project cost. There is a risk, however, in that a grant application may not be approved and the agency applying for the grant receives nothing. It is anticipated that most of the Measure A recipient agencies will apply for the guaranteed grants, but some of our larger agencies will likely go after the competitive funding.

Staff recommends that \$5.5 million in capital program funding through the SCTMFP be set aside for this upcoming grant cycle as a funding commitment sufficient to ensure that Measure A recipient agencies will have adequate access to the dollars available through the next cycle of the Community Design Grant Program. Because it is unlikely that Sacramento County agencies will all submit successful grant applications (aside from those agencies that apply for guaranteed funding), any money remaining from the set aside can be made available for distribution in future cycles of the grant program.

After this initial set aside of dollars for the Smart Growth Incentive Program, there will still be close to \$18.5 million to be distributed for remaining cycles of the grant program or other programs as determined by the Authority and the structure and distribution mechanism for those remaining funds can be determined at a later date. In addition, staff will continue to work with recipient agencies on a proposed distribution mechanism for the \$5.5 million initial set aside and will bring a recommendation on this issue to the Governing Board for consideration at the November meeting.



OCTOBER 14, 2020

AGENDA ITEM # 9

RE-INITIATION OF 2019 DECENNIAL REVIEW

Action Requested: Receive and File

Key Staff: Will Kempton, Executive Director

Recommendation

Receive a report on the status of implementing the process to re-initiate the decennial review of the 2004 Measure A Expenditure. Receive any public comment on the plans for conducting the Decennial Review.

Background

Section XII of Ordinance No. STA 04-01 requires that an Expenditure Plan review be conducted every ten years, beginning in 2019, to ensure that the existing transportation sales tax program reflects current needs as demographics, economics and technology changes. Given the past year's effort exploring the potential for a November 2020 transportation sales tax proposal, the Authority approved Resolution STA-20-0001 in January of this year, continuing the initial ten-year review until a decision was made as to whether to place a new measure on the ballot and, if necessary, the voters decided the issue. The Governing Board rescinded Ordinance No. STA 20-001 in July due to insufficient voter support as determined by polling in late June, and the Authority approved a plan at the September meeting to re-initiate the ten-year review process.

Discussion

Section XII of the Measure A implementing Ordinance states that "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."

The first step in implementing the plan for re-initiating the Decennial Review is publicizing and advertising that the review process is underway and communicating the opportunities for participation. This effort, which is underway, involves soliciting participation by mail, social media and other appropriate means so that input from organizations and the public is received as outlined in the Ordinance. To accomplish the solicitation effort, the STA website has been updated to include visible and accessible information regarding the review, and electronic communications are going out to local governments, transportation agencies and members of the public and other interest groups who participated in the 2019 outreach effort conducted as

part of preparing for a sales tax initiative in 2020 and also engaging those who took part in the discussions related to the proposed 2020 Measure A Expenditure Plan earlier this year.

Next, the Authority will be conducting a series of public hearings to be held in conjunction with scheduled Authority meetings over the next three months beginning in November. Per Section XII of the Ordinance, the first hearing will take input from local governments, the second hearing in December will take input from transportation agencies and interest groups, and the final hearing in January will be open to the general public.

At the end of the hearing process, staff will compile the input and develop recommendations for any proposed amendments to the Expenditure Plan for the Governing Board's consideration in February. Recommendations from staff will include suggestions regarding the scope of amendments which should be considered. If necessary, the Authority will notify the Board of Supervisors and the City Councils of its initiation of any amendment, reciting findings of necessity.

Actions of the Board of Supervisors and City Councils to approve or to oppose the amendment(s) must be communicated to the Authority within 60 days after the date the notification is provided. Failure to notify the Authority of formal action within 60 days after the date of the notice will constitute approval (May). To be successful, an amendment(s) must be approved by the Board of Supervisors and by a majority of the City Councils constituting a majority of the incorporated population. The process will be completed by June 30, 2021, as required by Resolution STA-20-001.

While the goal is to maximize the amount of public participation in this process, it should be recognized that current COVID-19 restrictions and the County process in place to comply with those restrictions will make the effort of taking significant public input very challenging. Staff will be working with the County Clerk's Office over the next several weeks to streamline the process as much as possible. Sacramento County's continued progress in controlling the spread of the virus could be very helpful if participation restrictions are relaxed in the near future.