

2022 Local Partnership Program Guidelines Development Workshop



November 8, 2021



Welcome and Introductions

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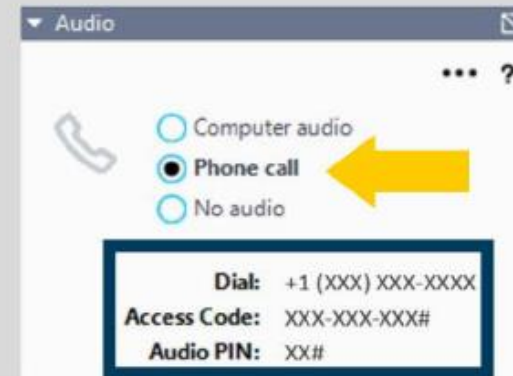
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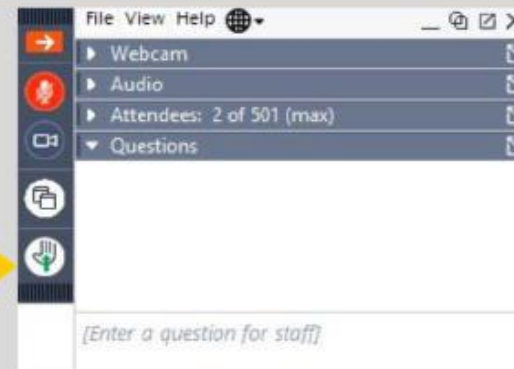


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Agenda Review



- October Workshop Recap
- Local Partnership Program Overview
- Discussion Focus: Competitive Program
 - ✓ Handout: 2020 Local Partnership Competitive Program Guidelines sections for discussion
- Prohousing Designation Program
- Closing and Next Steps



October Workshop Recap

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Summary of Attendees



- Total number of attendees
 - ✓ **108**
- 26% - State agencies
- 35% - Regional agencies
- 27% - Local agencies
- 2% - Community-based organizations
- 10% - Other interested stakeholders

Key Topics Discussed



- General Formulaic Program guideline updates
- Formulaic Funding Distribution (Section 1A)
 - Distribution factors
 - Unused incentive funding redistribution
- Programming (Section 8A)
 - Project nomination deadline for subsequent programming amendments
- Amendments (Section 10A)
- Project Cost Savings (Section 15A)
 - Deadline for reprogramming savings

Comments Received at Workshop



Formulaic Funding Distribution

- ✓ Distribution Factors:
 - ✓ Concerns that several measures in a county are reducing the funding distribution amount for all taxing authorities

Comments Received at Workshop (cont.)



Incentive Funding

- ✓ In support of redistributing unused incentive funds every year
- ✓ Request to redistribute unused incentive funds in the subsequent cycle
 - ✓ Too much staff time to submit project nominations for small amounts
- ✓ Allow agencies to augment existing projects with the redistributed funds
 - ✓ Shorten the application process for this.
- ✓ In support of using unused incentive funds to offset new tax measures, tolls or fees
- ✓ Allow redistributed unused incentive funds to roll over into next cycle

Comments Received at Workshop (cont.)



Programming

- ✓ Flexibility to reprogram funds or to allow a carryover at the end of cycle
- ✓ Not supportive to add a subsequent programming deadline.

General Comments

- ✓ In support of logical reorganization of Formulaic Program guideline sections
- ✓ Increase formulaic funding minimum annual amount to \$250,000
- ✓ Request (and support) to amend supplemental funding policy to allow supplemental funds to be added to current cycle projects

Comments Received at Workshop (cont.)



Project Cost Savings

- ✓ In support of longer timeline and flexibility to reprogram project cost savings
- ✓ In support of at least 12 months to reprogram project cost savings
- ✓ In support of rolling project cost savings to next cycle if savings are deprogrammed in last fiscal year of current cycle
- ✓ Request to change policy on project cost savings at “contract award” to “contract change order”
- ✓ Request that agencies that provide more than a 50% match are allowed to readjust the share to 50/50 at the last invoice

Discussions for Future Workshops



- ✓ New distribution factor to address tax measures in multiple counties
- ✓ Deadline to reprogram project cost savings
- ✓ Carryover unprogrammed funding distribution amounts to first year of subsequent cycle (related to length of cycle)
- ✓ Continue to redistribute the unused incentive funding annually
- ✓ Update the minimum amount to \$250,000



Local Partnership Program Overview

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Authority & Purpose



- Senate Bill 1 (SB 1) created the Local Partnership Program
 - Continuously appropriates \$200 million annually
- Program guidelines describe policy, standards and procedures.
 - Developed in cooperation with stakeholders
 - Modeled after Proposition 1B – State Local Partnership Program

Local Partnership Program Objectives



- Provide funding to counties, cities, districts, and regional transportation agencies:
 - 1.) that have voter-approved fees or taxes dedicated solely to transportation improvements; or
 - 2.) that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements.

The Program intent is to balance the need to direct increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding.

Program Distribution and Funding



Annual Distribution:

\$200 million



\$20 million set aside for Formulaic Program Incentive Funding



\$180 million



60% Formulaic Program

40% Competitive Program

Local Partnership Program Formulaic vs. Competitive



	Formulaic	Competitive
Funding	Formulaic funding distribution established for each taxing authority based on a combination of proportional tax, toll, or fee revenues and population.	Discretionary funding for project that excel through an evaluation process that promotes shovel-ready, cost-effective, and transformative projects.
Eligibility	Sought and received voter approval of taxes, tolls, or fees, dedicated solely to transportation improvements	<ul style="list-style-type: none"> • Agencies eligible for the Formulaic Program • Agencies that have imposed fees, including uniform developer fees, that are dedicated solely to transportation improvements.
Project Nominations	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; and 5). funding and deliverability	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; 5). evaluation criteria; 6). funding and deliverability; community impacts; and 7). advance transportation, land use, and housing goals.

Local Partnership Program

Eligible Projects (GOV 8879.70(a)(b) and SHC 2032(a))



Capital improvement projects:

- ✓ Improvements to the state highway system
- ✓ Improvements to transit facilities
- ✓ Acquisition, retrofit, or rehabilitation of rolling stock, buses or other transit equipment
- ✓ Improvements to the local road system
- ✓ Improvements to bicycle or pedestrian safety or mobility
- ✓ Improvements to mitigate the environmental impact of new transportation infrastructure on a locality's or region's air or water quality
- ✓ Soundwalls
- ✓ Road maintenance and rehabilitation
- ✓ Other transportation improvement projects



General Guideline Changes

Competitive Program

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General Guideline Changes

Overview



- ❖ Rearrange section order
- ❖ Revise Matching Requirements section
- ❖ Performance Metrics Guidebook

General Guideline Changes



Similar with the Formulaic Program, rearrange for ease of flow and finding information.

Proposed section order:

1. Eligible Applicant
2. Eligibility Verification (new section)
3. Eligible Projects
4. Distribution
5. Matching Requirements
6. ...etc.

General Guideline Changes

2020 LPP Guidelines: Section 2B. Page 21



Matching Requirements

- Propose to add language to clarify use of Local Streets and Road Program funds for the match.
- Policy updates regarding matching requirements will be discussed in a subsequent workshop.

General Guideline Changes

2020 LPP Guidelines: Section 11B. page 30



Allocations

- Propose adding new language regarding advance allocations (**yellow text**):
If a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the Formulaic Program, the implementing agency may request an allocation in advance of the programmed year. The Commission may make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects.



Funding Restrictions

Section 3B

Funding Restrictions

2020 LPP Guidelines: Section 3B. page 22



A project will be considered for funding if at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA). A project may also be considered for funding if at time of adoption it has completed the final draft of a project level environmental document in accordance with CEQA and if applicable, NEPA. **Environmental clearance must be completed within 6 months of program adoption.**

- Ongoing discussion in the Solutions for Congested Corridors Program and Trade Corridor Enhancement Program workshops
- Topic will be revisited at future workshops.



Screening Criteria

Section 10B

Screening Criteria

2020 LPP Guidelines: Section 10B. page 26



Discussion Topic:

What are your thoughts on the current policy of prioritizing project nominations?

An applicant submitting multiple project nominations must clearly prioritize its project nominations. If a project is nominated by multiple applicants, the priority of the applicants should be consistent.



Project Rating Process

Section 11B

Project Rating Process

2020 LPP Guidelines: Section 11B, Pages 27



Discussion Topic:

What are your thoughts on the current policy of minimum funding request based on population?

To maximize the effectiveness of program funds, the minimum request for Local Partnership Competitive Program funds that will be considered is indicated below based on the population totals:

- **Category I (population \geq 1,500,000): \$5,000,000**
- **Category II (population 700,000 to 1,499,999): \$3,000,000**
- **Category III (population 300,000 to 699,999): \$2,000,000**
- **Category IV (population 100,000 to 299,999): \$1,000,000**
- **Category V (population $<$ 100,000): No minimum requirement**



Evaluation Criteria

Section 12B

Evaluation Criteria

2020 LPP Guidelines: Section 12B, pages 28



Regional and Local Transportation, Land Use, and Housing Goals

The nomination should explain how the project will advance transportation, land use, and housing goals within the region as identified in the region's Regional Transportation Plan, Sustainable Communities Strategy (where applicable), Regional Housing Needs Allocation and local Housing Element Implementation, as well as other local plans such as general plans and specific plans if applicable. For more information on resources available from the California Department of Housing and Community Development for the development and implementation of Housing Elements please visit:

www.hcd.ca.gov

Evaluation Criteria

2020 LPP Guidelines: Section 12B, pages 28



Propose revised language (**yellow text**):

Transportation, Land Use, and Housing Goals

- Regional - The nomination should explain how the project will advance transportation, land use, and housing goals within the region as identified in the region's Regional Transportation Plan, Sustainable Communities Strategy (where applicable), **and** Regional Housing Needs Allocation. **This may also include demonstrating how the project will support or align with the region's Regional Early Action Planning (REAP) grant investments or other regional planning or implementation efforts.**



Pro-Housing Designation Program

JOSH ROSA

Department of Housing and Community Development



Prohousing Criteria



Local Partnership Program: 2020 Guidelines

CTC-HCD collaboration expanded the following evaluation criterion:

- Projects that further the implementation of sustainable communities strategy

Applicants explained how projects will advance transportation, land use, and housing goals – at a local level and at a regional level - as identified in:

- Regional Transportation Plans
- Sustainable Communities Strategies
- Regional Housing Needs Allocation Plans
- Local Housing Elements
- As well as other local plans such as general plans and specific plans if applicable.

Cycle 3 will continue this focus, with more specific links to resources and metrics, broken out by local and regional.



Climate Action Plan for Transportation Infrastructure (CAPTI)

Strategy 7:

- Leverage Transportation Investments to Incentivize Infill Housing Production: Reduce VMT by incentivizing infill housing and densities feasible for each community, building upon the Prohousing program and Housing Elements.



Prohousing Designation Program

Provides incentives to cities and counties in the form of additional points or other preferences in the scoring of competitive funding programs

- Designed for flexibility and adaptability
- Effective and achievable goals
- Focused on broader state goals for housing, equity, resilience, and climate change



Areas for Exploration

- Build-on LPP's existing “Local Transportation, Land Use, and Housing Goals” criterion to reduce VMT
- Incorporating Prohousing criteria by reference can lay out clear expectations
- HCD provides technical assistance, guidance, and other incentives to support local communities with meeting Prohousing criteria



Prohousing Criteria

39 total Prohousing Policies,
divided among 4 categories:

1. Favorable zoning and land use *(10 policies)*
2. Accelerating production timeframes *(13 policies)*
3. Reducing construction and development costs *(8 policies)*
4. Providing financial subsidies *(8 policies)*



Prohousing Criteria

8 total Enhancement Factors

- Demonstrate policies align with Principles
- Additional points per scoring item



Scoring Flexibility

- 30 point minimum
- Minimum 1 Prohousing Policy per category
 1. Favorable zoning and land use
 2. Accelerating production timeframes
 3. Reducing construction and development costs
 4. Providing financial subsidies



Example Prohousing Jurisdiction



Zoning and Land Use
1A+1B+1D+1F
+10 pts.

Accommodate 150% or greater of current or draft RHNA + missing middle + density bonus + reduce parking



Accelerate Production
2A+2B+2D+2E
+9 pts.

Streamlined approvals + CEQA + permits + hearings



Reduce Costs
3A+3D+3F
+5 pts.

Waive residential impact fee + promote universal design + innovative housing



Financial Subsidies
4A+4B+4F+4G
+6 pts.

Housing trust fund + ADU grants + subsidy pool + general fund



Points for Enhancements
+2 pts.

Rezone for location efficiency + Affirmatively Further Fair Housing

TOTAL: 32 pts.



Outreach and Technical Assistance

- HCD provides technical assistance through the prohousingpolicies@hcd.ca.gov inbox
- Regional and Statewide Workshops
- Responses are being compiled into an FAQ which will be available in the next week or two
- See www.hcd.ca.gov/community-development/prohousing



Designation Benefits

Competitive funding programs will prioritize projects in Prohousing communities:

- Infill Infrastructure Grant Program
- Affordable Housing Sustainable Communities Programs
- Transformative Climate Communities Programs
- Transit and Intercity Rail Capital Program
- And more



Areas for Exploration

- LPP could utilize the Prohousing program as an objective, uniform process for defining, evaluating, and verifying local government policies
- LPP could allow applicants to demonstrate “Local Transportation, Land Use, and Housing Goals” that reduce VMT, by demonstrating the local adoption of specific Prohousing criteria
- Sets consistent standards for local governments to prioritize as goals, for zoning and land use, accelerating permitting, and reducing development costs





Discussion





Questions and Comments

Key Topics for Future Workshops



- **Carryover Key Topics**
 - ✓ **Formulaic Funding Distribution**
 - **Distribution Factors**
 - **Unprogrammed Formulaic Funding**
 - **Unused Incentive Funding Redistribution**
 - **Formulaic Program - Minimum Funding Amount**
 - ✓ **Formulaic Program – Project Cost Savings**
- **Matching Requirements**
- **Competitive Program - Funding Restrictions (CEQA/NEPA)**
- **Programming Cycle Years**
- **Program Schedule**
- **Project Nominations**
- **Performance Metrics Guidebook**

Closing and Next Steps



- Discussion Recap
- Next Workshop Date:
 - ✓ **December 14 - rescheduled**
 - ✓ Save the Date Announcement
 - ✓ Workshop Agenda

Questions or Comments



Email LPP@catc.ca.gov

For latest updates, visit the Commission's website at www.catc.ca.gov and follow the Commission on [Twitter](#) or [Facebook](#).

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Thank You!