

Appendix C: Funding Opportunities

The cost to transform Highway 9 through SLV into a “complete” corridor will be substantial and take many years. Some projects identified in this plan would cost well over \$5 million each. Funding available to plan and construct projects that maintain roadways, build bicycle, pedestrian, and transit facilities, improve traffic flow, enhance traffic safety, reduce pollution, prioritize smart growth, and improve community health and well-being are limited. While some components of projects identified as priorities in this plan could be implemented as part of other maintenance, development or redevelopment projects, it will be necessary to compete for grant funds for most projects. It is not uncommon for a combination of funds from several funding sources to be needed to fully fund a project. In general, Measure D sales tax revenues are expected to serve as match, in order to leverage those other funds.

The following describes some of the potential federal, state, regional, and local sources of funding, including potential community-based and private funding that may be available for transportation projects in SLV. Transportation funding is dynamic and funding programs can change over time. New funding programs may be available as projects are implemented. Implementing agencies (Caltrans, the County of Santa Cruz, METRO, and RTC) will need to monitor funding programs and pursue funding for projects which meet criteria and priorities of each source, as opportunities arise.

Federal Sources

In California, most federal transportation monies are administered through the California Department of Transportation (Caltrans). Federal funding is intended for capital improvements and safety and education programs, and projects must relate to the surface transportation system.

Fixing America’s Surface Transportation Act (FAST)

Fixing America’s Surface Transportation (FAST) authorizes funding from the federal highway account for highway, rail, and transit projects. Funds are available through a combination of formula and discretionary grant programs. Some of the major programs that may be available for transportation projects in SLV are described below.

Surface Transportation Block Grant Program (STBG)

Each state’s STBG funds (previously called RSTP) are sub-allocated geographically by population. The RTC is responsible for selecting projects to receive the county’s share of regional STBG funds, approximately \$3 million per year. A wide variety of transportation projects (highway, road, bike, pedestrian, and transit) are eligible.

More info: www.sccrtc.org/rtip

Transportation Alternatives and Recreational Trails Programs

The Transportation Alternatives Set-Aside and the Recreational Trails Program, which in California are administered through the Active Transportation Program (ATP), described below.

Highway Safety Improvement Program (HSIP)

HSIP provides funding for projects and programs that help communities achieve significant reductions in traffic fatalities and serious injuries on all public roads, bikeways, and walkways.

Infrastructure and non-infrastructure projects are eligible for HSIP funds. All HSIP projects must be consistent with the state's Strategic Highway Safety Plan. Grant size typically ranges from \$100,000 to \$10 million. In California this program is administered by Caltrans. HSIP funding is available to the agency with responsibility for the expenditure of federal-aid highway funds; in this case the County of Santa Cruz. HSIP funds are eligible for work on any public road or publicly owned bicycle or pedestrian pathway or trail that improves the safety for its users. Eligibility for these funds is based on collision metrics and benefits which are demonstrated through use of tools made available for the grant application.

More info: <http://www.dot.ca.gov/hq/LocalPrograms/hsip.html>

Federal Transit Administration Formula Grants for Rural Areas - 5311

The Federal Transit Administration (FTA) provides capital, planning, and operating assistance to support public transportation in rural areas with less than 50,000 people. The federal funding share is 80% for capital project, which can include bus shelter improvements and improvements that connect pedestrians and bicyclists to transit. Santa Cruz METRO determines the use of the county's share of these funds.

More info: <http://www.dot.ca.gov/drmt/>

Partnership for Sustainable Communities

The Partnership for Sustainable Communities is a joint project of the Environmental Protection Agency, the U.S. Department of Housing and Urban Development, and the U.S. Department of Transportation. The partnership aims to "improve access to affordable housing, more transportation options, and lower transportation costs while protecting the environment in communities nationwide." The Partnership is based on five Livability Principles, one of which explicitly addresses the need for bicycle and pedestrian infrastructure. The Partnership is not a formal agency with a regular annual grant program: rather, each participating agency separately offers funding opportunities. This is not a funding program in itself, but rather an overarching partnership that links to other specific funding programs.

More info: <https://www.sustainablecommunities.gov/partnership-resources>

Better Utilizing Investments to Leverage Development (BUILD) Grants

The U.S. Department of Transportation's BUILD Discretionary Grant program (formerly called TIGER) invests in road, rail, transit, bicycle, pedestrian and port projects that enhance economic development and improve access to reliable and safe transportation. This highly-competitive program (about 5% of applications are approved for funds) is typically oriented to large scale visionary projects. In 2018 awards focused on rural areas.

More info: <https://www.transportation.gov/BUILDgrants>

State Grant Sources

Road Repair and Accountability Act of 2017 (SB1)

CA State SB 1 (2017), which raises the state taxes on diesel and gasoline and introduces new vehicle fees, includes funds to maintain state highways and local roads, partnership funds for jurisdictions that have initiated their own “self-help” sales tax transportation measures – like Measure D, funds for congested corridors, trade corridors and active transportation (bike and pedestrian) projects. The California Transportation Commission (CTC) selects project to receive most of the competitive grant funds, with the Caltrans State Transportation Authority selecting projects to receive certain transit grants. Caltrans is responsible for administrative actions.

More info: <http://rebuildingca.ca.gov/>

State Highway Operation and Protection Program (SHOPP)

The State Highway Operations and Protection Program (SHOPP) is one of the largest transportation programs in California. It funds the maintenance and repair of the State Highway system, as well as safety and some operational improvements. Caltrans is increasingly evaluating and incorporating complete streets components into the scope of SHOPP projects.

More info: <http://www.dot.ca.gov/hq/transprog/shopp.htm>

State Transportation Improvement Program (STIP)

The STIP is a multi-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the Transportation Investment Fund and other funding sources. STIP programming generally occurs every two years. The programming cycle begins with the release of a fund estimate of new funds available for the programming of transportation projects over a 5-year time period. Once the fund estimate is adopted, Caltrans and the regional planning agencies (following a public hearing) submit proposals for these funds to the California Transportation Commission (CTC) by December 15th (odd years). Caltrans prepares the Interregional Transportation Improvement Plan (ITIP) and regional agencies prepare Regional Transportation Improvement Programs (RTIPs). The CTC considers proposals from agencies statewide, the adopts the State Transportation Improvement Program (STIP) in spring of even years.

More info: <http://catc.ca.gov/programs/stip/>

Active Transportation Program (ATP)

The purpose of the ATP is to encourage the increased use of active modes of transportation to reduce greenhouse gas emissions and enhance public health. For example, funding could enable activities that increase the proportion of trips that use biking and walking or increase safety and mobility for non-motorized users, including infrastructure projects such as recreational trails and walkways. Some preference is given to low income and state-defined disadvantaged communities. The ATP program consolidates several programs, including past Safe Routes to Schools and Bicycle Transportation Account programs, as well as federal Transportation Alternatives and Recreational Trails funds and \$100 million per year allocated by Senate Bill 1 (2017).

More info: <http://www.dot.ca.gov/hq/LocalPrograms/atp/>

State Cap and Trade Programs

Per AB 32, California must reduce greenhouse gas emissions to 1990 levels by 2020. A key component of this goal is the creation of a carbon cap and trade program, which places a cap on carbon emissions and enables companies to buy and/or trade emissions allowances through a state-run marketplace. Auction revenue is deposited into the Greenhouse Gas Reduction Fund (GGRF), which includes appropriations to support low carbon transportation, including transit and affordable housing/transit grants.

More info: <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ggrfprogrampage.htm>

Environmental Enhancement and Mitigation (EEM) Grant Program

The EEM Program offers approximately \$5 to \$7 million statewide for small grants to state, local, federal and nonprofit organizations for projects directly or indirectly related to the environmental impact of transportation facility modifications or construction of new transportation facilities. The EEM Program encourages projects that produce multiple benefits, such as reducing greenhouse gas emissions, increasing water use efficiency, reducing risks from climate change impacts, and demonstrating collaboration with local, state and community entities. Applicable funding categories include assessing environmental impact for proposed transportation improvements and acquisition, restoration, or enhancement of resource lands to mitigate for loss or detriment to such lands near right of way for transportation improvements. In California this funding is available through the California Natural Resources Agency.

More info: <http://resources.ca.gov/grants/environmental-enhancement-and-mitigation-eem/>

Urban Greening Grant Program

Through the Urban Greening Grant Program, funding is available to assist entities in developing a master urban greening plan that will ultimately result in projects to help the State meet its environmental goals and the creation of healthy communities. These funds assist entities preserve, enhance, increase or establish community green areas such as urban forests, open spaces, wetlands and community spaces (e.g., community gardens). Successful projects focus on conversion of paved areas to green space, natural storm water management, and generally green infrastructure projects that reduce GHG emissions. Projects must have one other co-benefit as well, such as reducing vehicle miles traveled through the construction of pedestrian and bicycle facilities that provide safe routes between residences, commercial centers, workplaces, and schools. Approximately \$26 million was available in 2018.

More info: <http://sgc.ca.gov/Grant-Programs/UGG-Program.html>

California Highway Patrol (CHP) and Office of Traffic Safety Programs

CHP is responsible for traffic patrol on state highways and roadways in the unincorporated areas of Santa Cruz County. OTS has grant programs aimed at increasing awareness of traffic rules, rights, and responsibilities, with an emphasis on bicycle and pedestrian safety skills for students, impaired driver education. OTS Selective Traffic Enforcement Program (STEP) grants focus on traffic enforcement and education, including impaired driving enforcement, DUI checkpoints enforcement operations focusing on distracted driving, motorcycle safety, and pedestrian and bicycle safety.

More info: <https://www.ots.ca.gov/grants/> and <https://www.chp.ca.gov/programs-services>

Regional & Local Sources

Santa Cruz County Measure D

In November 2016 Santa Cruz County approved Measure D, a half-cent, 30-year sales tax that provides roughly \$20 million per year to improve the transportation network and fund sustainable alternative transportation efforts. The voter-approved expenditure plan for Measure D includes \$10 million to the San Lorenzo Valley area for Highway 9 corridor improvements through 2035. The RTC is responsible for administering the funds. Additionally, 16% of Measure D funds are allocated to Santa Cruz METRO to provide bus and paratransit service in Santa Cruz County, 4% to Lift Line for paratransit services, and approximately 14% of Measure D funds are allocated to the County of Santa Cruz for transportation projects in unincorporated areas. Recipient agencies select projects through 5-year program of projects, updated annually, typically in the spring as agencies prepare their budgets and capital improvement programs.

More info: www.sccrtc.org/move

Monterey Bay Air Resources District (MBARD) – AB 2677 Grant Program – Clean Air Management Program

In 1990 the State passed AB 2677, which enables the Monterey Bay Air Resources District to charge a \$4 vehicle registration fee with proceeds going to a grant program that enables local agencies to invest in projects that reduce motor vehicle fuel emissions. Roundabouts, adaptive traffic signal control projects, and related planning and technical studies are eligible for funding. The maximum grant award is \$200,000.

More info: <http://mbard.org/programs-resources/planning/grants-incentives/ab2766-grant-program/>

Transportation Development Act

Funds are derived from a ¼ - cent sales tax collected by the State and returned to Santa Cruz County. Most TDA funds in Santa Cruz County are allocated by formula to Santa Cruz METRO for transit service operations. Some funds are also allocated for Lift Line and Volunteer Center paratransit programs, to the County Health Services agency and Ecology Action for bicycle and pedestrian education and encouragement programs, to local jurisdictions for bicycle and pedestrian projects, and to the RTC for planning. The RTC's Bicycle Advisory Committee and Elderly and Disabled Transportation Advisory Committee (E&D TAC) review proposals (claims) for funds for bicycle, transit, paratransit, and pedestrian projects and programs.

County of Santa Cruz funding

The County of Santa Cruz's capital budget and Capital Improvement Plan (CIP) provide opportunities to address some of the priorities identified in this plan. It includes a combination of funding sources and has focused on repair and maintenance of county roads. While maintaining roads is a priority of this plan, the County does have the option to also dedicate some County funds for other complete street project both on county roads and state highways. Primary county sources of funds are described below.

Gas Tax/HUTA

The state of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations dedicated

to transportation purposes. These allocations flow through the Highway Users Tax Account (HUTA). The funds are allocated to cities and counties for projects on public streets and highways (and their related public facilities for nonmotorized traffic). The County of Santa Cruz's estimated share of these funds in FY18/19 is \$10.7 million, with approximately \$4.7 million of those funds the result of the 2017 SB1 Road Maintenance and Rehabilitation Account.

County Service Areas(CSA)/Benefit assessment subzones

Another option to address priority projects and roadway repairs in SLV are CSAs. These subzones are typically small neighborhood benefit assessment areas, raising funds for pavement maintenance and other projects at the local level. These subzones are usually self-initiated and citizen-driven through a petition process through the County Board of Supervisors. The funding generated can only be utilized in the neighborhoods where the residential subzones were created.

More info: <http://www.dpw.co.santa-cruz.ca.us/>

Private Sources

Private funding sources can be acquired by applying through advocacy groups, foundations, or corporate donations, although funding can tap into federal and state sources as well. Below are several examples of private funding opportunities available.

Foundations

Foundation funding sources are typically private or community-based, and can be in the form of gifts, grants, or loans. Private foundations are generally comprised of a small core set of donors that can include an individual, a family, or a corporation, which dictate its funding interests. In turn, community foundations grants are generally donor-driven and focused on the local geographic area in which it is located. In either case, funding opportunities are often available through open Request for Proposals or can be relationship-driven. A wide range of funding interests exist through foundations, including community health and wellness, traffic and pedestrian safety, environmental conservation, and investments in smart growth. In recent years, the Land Trust of Santa Cruz County has provided funds for some transportation projects.

Corporate Donations

Corporate donations are often received in the form of liquid investments (i.e., cash, stock, bonds) and in the form of land. Employers recognize that creating places to bike and walk is one way to build community and attract a quality workforce. Bicycling and outdoor recreation businesses often support local projects and programs. Municipalities typically create funds to facilitate and simplify a transaction from a corporation's donation to the given municipality. Donations are mainly received when a widely-supported capital improvement program is implemented. Such donations can improve capital budgets and/or projects.

People for Bikes Community Grants

People for Bikes community grants are supported by partners in the bicycle industry and go towards important and/or influential projects that will leverage federal funding and "build momentum for bicycling in communities across the U.S." The program funds corridor improvements, mountain bike trails, BMX parks, trails, and park access. Grants range from \$1,000-\$10,000.

More info: <http://www.peopleforbikes.org/pages/community-grants>

Development projects

In addition to applying for government grants, the County of Santa Cruz could require that transportation projects and ideas identified in Chapter 3 and Appendix B be constructed as a condition of approval for development and redevelopment projects in the corridor. This could include fronting sidewalks and paths and streetscape amenities such as street lights. Even in relatively slow-growing areas, such opportunities present themselves as land uses change and as buildings are replaced or upgraded.

Transportation Project Programming Process

The process for securing funds noted above varies by program. In general, for competitive grants, the County of Santa Cruz, Caltrans, Santa Cruz METRO and other public agency sponsors are eligible to submit applications for projects in San Lorenzo Valley. The lead agency decides which projects to submit applications for after considering eligibility and competitiveness of the project for those funds. Most transportation grants are administered by Caltrans, the California Transportation Commission (CTC) or Federal Transit Administration. The Santa Cruz County Regional Transportation Commission (RTC), as the state-designated regional transportation agency for Santa Cruz County, is responsible for selecting projects to receive certain local, state and federal funds. This includes Measure D, Transportation Development Act (TDA), State Transportation Improvement Program (STIP)-with CTC concurrence, and Surface Transportation Block Grant Program (STBG) funds. The Regional Transportation Improvement Program (RTIP) identifies projects the RTC has programmed to receive certain state and federal funds. It acts as Santa Cruz County's proposal to the California Transportation Commission (CTC) (coordinated with Caltrans District 5) for programming State Transportation Improvement Program (STIP) funds (see www.sccrtc.org/rtip).