

CALIFORNIA TRANSPORTATION COMMISSION

DRAFT High-Speed Passenger Train Bond Program Guidelines

General Program Policy

1. Authority and purpose of guidelines. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century approved by the voters as Proposition 1A on November 4, 2008, authorized the California Transportation Commission (Commission) upon appropriation by the Legislature to allocate funds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as set forth in Streets and Highways Code, Division 3, Chapter 20, Section 2704.04, subdivision (b) or that provide capacity enhancements and safety improvements. Section 2704.095 requires the Commission to program and allocate the net proceeds received from the sale of \$950 million in bonds authorized under Proposition 1A for the High-Speed Passenger Train Bond (HSPTB) Program.
2. Program of Projects. The Commission will adopt the Intercity Rail Program and the Commuter and Urban Rail Program as follows:
 - For the Intercity Rail Program, the program will consist of eligible project applications submitted by the Department of Transportation (Department) in two parts: A) (Formula) the Commission will program in each of the three intercity rail corridors a minimum of \$47,500,000 in eligible projects for a combined total of \$142,500,000 and B) (Competitive) the Commission, upon finding that the projects are consistent with the criteria identified under Section 11 shall program up to another \$47,500,000 in projects to any of the three intercity rail corridors.
 - For the Commuter and Urban Rail Program, a total of \$760,000,000 will be divided among eligible applicants using a formula distribution which incorporates the following factors: track miles, vehicle miles and passenger trips.
3. Program Schedule. The Commission expects to adopt a program at its May 20, 2010 regularly scheduled Commission meeting. As appropriate, if programming capacity remains, the Commission will adopt an annual program of projects for the HSPTB Program each fiscal year.
4. Administration. The Commission will set aside up to two percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may make an estimate of the amount that the Legislature will appropriate to the HSPTB Bond Fund and available for allocation, subject to adjustment based on the final appropriation in the Budget Act. The Department shall administer the Program and provide semi-annual progress reports to the Commission at regularly scheduled Commission meetings.

General Intercity Rail and Commuter and Urban Rail Eligibility

5. Usable Project/Segments. Projects considered for funding by the Commission for either the Intercity Rail Program or the Commuter and Urban Rail Program are expected to be usable or provide usable segments and be a reasonable expenditure, even if the high-speed train system as identified in the Streets and Highway Code, Division 3, Chapter 20, Section 2704.04, subdivision (b) is delayed, postponed or cancelled.
6. Useful Life. The useful life of a project under the HSPTB Program shall not be less than the required useful life (15 years or more) for capital assets pursuant to the State General Obligation Bond Law, specifically subdivision (a) of Section 16727 of the Government Code.
7. Programming and Full Funding. The Commission will program and allocate funding to projects rounded to the nearest thousands and will include a project only if it is fully funded from a combination of HSPTB Program and other committed funding. The Commission will not program or allocate HSPTB Program funds to match funding for preconstruction or right-of-way phases of work. The Commission will regard funds as committed when HSPTB Program funds are programmed by the Commission and when the agency with discretionary authority over non- HSPTB Program funds has made its commitment to the project by ordinance or resolution of its governing board to the Commission.
8. Amendments to Program of Projects. The Commission may approve an amendment of the HSPTB Program of projects. An amendment need only appear on the agenda published 10 days in advance of the Commission meeting.
9. Allocation from the HSPTB Program. The Commission will consider the allocation of funds from the HSPTB Program for a project when it receives an allocation request and recommendation from the Department. The recommendation will include determining the availability of appropriated funding from the HSPTB Program account and the availability of all identified and committed matching and supplementary funding.

The Commission will approve the allocation if the funds are available, the allocation is necessary to implement the project as included in the adopted HSPTB Program, and the project has the required environmental clearance. Expenditures made prior to the adoption of the project into the program and allocations by the Commission are not eligible for reimbursement.

Intercity Rail Program – Project Eligibility

10. Intercity Rail Formula. The Department shall present to the Commission the list of projects for the formula portion up to the minimum allowed per corridor.

11. Intercity Rail Competitive. The Department shall select the projects within each of the three corridors for the remaining twenty-five percent (\$47.5 million). The Commission expects the following factors are met for selecting the projects:
 - Project must be eligible under the Guidelines' General Intercity Rail and Commuter and Urban Rail Eligibility with priority given to those projects that provide direct connectivity to the high-speed train system.
 - Projects will be given priority if those projects are eligible or have committed federal funds.
 - Priority will be given to those projects that will promote increased ridership and increases On Time Performance and decreases running times.
12. Loans. Each corridor may loan up to \$47.5 million to another corridor once through the life of this program if programming capacity is available. All approved loans are expected to be repaid within 5 years. A request shall be made to the Commission and the Commission may approve such a loan, providing programming capacity is available and the following criteria are met:
 - Projects to be funded with the loaned amount must meet eligibility requirements for the Intercity Rail Program outlined in these guidelines.
 - The request must identify the amount of the loan and the repayment schedule and whether programming capacity is available in the corridor receiving the loan to repay the loan obligation.
 - Request must be signed by the Director of the Department.

Commuter and Urban Rail Program – Project Eligibility

13. Funding Share. The target totals for each eligible agency shall be determined using the distribution factors gathered from the most current available data in the National Transit Database, Federal Transit Administration (See Attachment I).

The Commission expects that connectivity to the high-speed train system will be made a priority by each eligible agency in their list of projects presented to the Commission.

14. Project Applications. The Commission will accept from each eligible agency their priority list of projects up to their target amounts. The Commission expects the project applications from each eligible recipient to meet the criteria set forth in Section 2704.095 (c) through (j) of the Streets and Highway Code.

Project Application – Intercity Rail and Commuter and Urban Rail Programs

15. Maximum Programming Allowed: The Commission's program of projects will not exceed the maximum allowed per program. The list of projects for each of the programs shall include the appropriate signatures including: the Director of the Department, Chief Executive Officer or other officer authorized by the applicant's

governing board and the signature of an authorized officer of the respective regional agency.

16. Project Information: The State Transportation Improvement Program (STIP) Project Programming Request (PPR) form will be used for each project application. In addition the information required in the PPR, eligible applicants shall include the following:

- An assessment of the project's useful life.
- A Governing Board Resolution documenting commitment of funding and all other requirements of these Guidelines, and the Streets and Highways Code Section 2704.095 that pertain to the HSPTB Program funds.

The list of projects and applications should be mailed or delivered to:

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California Transportation Commission
1120 N Street, Mail Station 52, Suite 2122
Sacramento, CA 95814