



CEAC Land Use Policy Committee

Wednesday, August 30, 2017 | 3:00 pm – 4:30 pm
CEAC 12th Annual Policy Conference
Capitol Event Center
1020 11th Street, 2nd Floor
Sacramento, CA 95814



AGENDA

Chair, Bob Bronkall, Humboldt County
Vice Chair, Brian Peters, Alpine County
Vice Chair, Carolyn Burke, Santa Cruz County

- | | | |
|---------|------|---|
| 3:00 pm | I. | Welcome, Self-Introductions & Opening Remarks
<i>Bob Bronkall, Chair, Humboldt County</i> |
| 3:05 pm | II. | Legislative & Administrative Update
<i>Chris Lee, CSAC Senior Legislative Analyst</i>
Attachment One: CSAC Priority Housing and Land Use Bills
Attachment Two: CSAC Comments on Draft Planning Grant Guidelines
Attachment Three: Final Draft SB 1 Planning Grant Guidelines |
| 3:30 pm | III. | 2017-18 CEAC Policy & Legislative Priorities – ACTION ITEM
<i>Chris Lee, CSAC Senior Legislative Analyst</i>
Attachment Four: 2017-18 CEAC Policy & Legislative Priorities |
| 3:40 pm | IV. | Rule 20A Update
<i>Kiana Valentine, CSAC Senior Legislative Representative</i>
<i>Gary Antone, Tehama County Public Works Director</i>
Attachment Five: PUC Order Instituting Rule 20 Rulemaking |
| 4:00 pm | V. | Roundtable Discussion |
| 4:30 pm | VI. | Adjournment |

LIST OF ATTACHMENTS

Legislative & Administrative Update

Attachment One..... CSAC Priority Housing and Land Use Bills

Attachment Two..... CSAC Comments on Draft Planning Grant
Guidelines

Attachment Three..... Final Draft SB 1 Planning Grant
Guidelines

2017-18 CEAC Policy & Legislative Priorities

Attachment Four 2017-18 CEAC Policy & Legislative
Priorities

Rule 20A Update

Attachment Five..... PUC Order Instituting Rule 20
Rulemaking

Attachment One
CSAC Priority Housing and Land Use Bills

Active Housing and Land Use Bills w/CSAC Positions
Tuesday, August 15, 2017

Measure	Author	Topic	Introduced	Status	CSAC Position
AB 72	Santiago D	Housing.	12/16/2016	7/18/2017-Read second time. Ordered to third reading.	Pending
AB 73	Chiu D	Planning and zoning: housing sustainability districts.	12/16/2016	7/18/2017-Read second time. Ordered to third reading.	Support
AB 556	Limón D	County ordinances: violations: fines.	2/14/2017	7/5/2017-Read second time and amended. Ordered to third reading.	Support
AB 571	Garcia, Eduardo D	Farmworker housing: income taxes: insurance tax: credits: low-income housing: migrant farm labor centers.	2/14/2017	7/18/2017-Read second time. Ordered to third reading.	Support
AB 678	Bocanegra D	Housing Accountability Act.	2/15/2017	7/18/2017-Read second time. Ordered to third reading.	Oppose_Unless_Amended
AB 879	Grayson D	Planning and zoning: housing element.	2/16/2017	7/17/2017-Read second time. Ordered to third reading.	Oppose
AB 943	Santiago D	Land use regulations: local initiatives: voter approval.	2/16/2017	7/19/2017-Read second time and amended. Re-referred to Com. on APPR.	Pending
AB 1350	Friedman D	Land use: housing element: regional housing need: noncompliant cities and counties: penalty.	2/17/2017	4/18/2017-In committee: Set, first hearing. Hearing canceled at the request of author.	Oppose
AB 1397	Low D	Local planning: housing element: inventory of land for residential development.	2/17/2017	7/18/2017-Read second time. Ordered to third reading.	Oppose
AB 1404	Berman D	California Environmental Quality Act: categorical exemption: infill development.	2/17/2017	7/10/2017-Read second time and amended. Re-referred to Com. on APPR.	Support
AB 1505	Bloom D	Land use: zoning regulations.	2/17/2017	7/11/2017-Read second time. Ordered to third reading.	Support
AB 1515	Daly D	Planning and zoning: housing.	2/17/2017	7/18/2017-Read second time. Ordered to third reading.	Oppose_Unless_Amended
AB 1521	Bloom D	Land use: notice of proposed change:	2/17/2017	7/18/2017-Read second time.	Support

		assisted housing developments.		Ordered to third reading.	
AB 1568	Bloom D	Enhanced infrastructure financing districts.	2/17/2017	7/19/2017-Read second time and amended. Ordered to third reading.	Support
ACA 4	Aguilar-Curry D	Local government financing: affordable housing and public infrastructure: voter approval.	2/17/2017	4/24/2017-Referred to Coms. on L. GOV. and APPR.	Support
SB 2	Atkins D	Building Homes and Jobs Act.	12/5/2016	7/12/2017-From committee: Do pass and re-refer to Com. on RLS. (Ayes 5. Noes 2.) (July 12). Re-referred to Com. on RLS.	Support
SB 3	Beall D	Affordable Housing Bond Act of 2018.	12/5/2016	7/12/2017-From committee: Do pass and re-refer to Com. on RLS. (Ayes 5. Noes 1.) (July 12). Re-referred to Com. on RLS.	Support
SB 166	Skinner D	Residential density and affordability.	1/23/2017	7/12/2017-From committee: Do pass and re-refer to Com. on RLS. (Ayes 5. Noes 2.) (July 12). Re-referred to Com. on RLS.	Oppose_Unless_Amended
SB 167	Skinner D	Housing Accountability Act.	1/23/2017	7/13/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	Oppose_Unless_Amended
SB 277	Bradford D	Land use: zoning regulations.	2/9/2017	7/17/2017-Read second time. Ordered to third reading.	Support
SB 540	Roth D	Workforce Housing Opportunity Zone.	2/16/2017	7/14/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	Support
SB 649	Hueso D	Wireless telecommunications facilities.	2/17/2017	7/18/2017-Read second time and amended. Re-referred to Com. on APPR.	Oppose
Total Measures: 22					
Total Tracking Forms: 22					

Attachment Two
CSAC Comments on Draft Planning Grant Guidelines

FY 2017-2018 Discussion Draft Grant Application Guide
Additional Sustainable Communities Grants from Senate Bill 1
Comment Form

Thank you for reviewing the FY 2017-2018 Discussion Draft Grant Application Guide document. Listed below are directions for submitting your input, ideas and comments specific to the Discussion Draft Grant Application Guide document. The public comment period for this document begins Wednesday, July 12, 2017 and ends Tuesday, July 25, 2017, 5:00 PM PST.

Directions for submitting comments:

1. Fill out your contact information (type preferred)
2. Fill out your comments individually, providing as much detail as possible (type preferred). Please reference chapter and page numbers.
3. Submit your comments via:
 - a. E-mail: Regional.Planning.Grants@dot.ca.gov
 - b. U.S. Mail:
Priscilla Martinez-Velez
Division of Transportation Planning, MS-32
California Department of Transportation
P.O. Box 942874
Sacramento, CA 94274-0001
 - c. Fax: (916) 653-0001
Attn: Priscilla Martinez-Velez
 - d. In person: 1120 N Street, Sacramento, CA
Attn: Priscilla Martinez-Velez - Division of Transportation Planning MS-32

Contact Information

We ask for your information so that we can contact you for clarification, if needed.

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Last Name: Lee

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FY 2017-2018 Discussion Draft Grant Application Guide
Additional Sustainable Communities Grants from Senate Bill 1
Comment Form

Comment

Please provide as much detail to your comment as possible (attach multiple pages if necessary).

Page: 1

Begin here:

- 1) **Page 9 – Competitive Funding:** In the draft guidelines, non-MPO jurisdictions are only eligible for funding under the statewide program. To encourage geographic equity, Caltrans should consider whether these non-MPO jurisdictions should receive special consideration over jurisdictions within MPOs under the statewide competitive funding program.
- 2) **Pages 10 & 11 – Eligible Uses:** The language in SB 1 is broad as to the type of planning activities that can be supported, recognizing the link between land use and transportation. The guidelines also intend to give priority to jurisdictions with HCD-approved housing elements in recognition of the fundamental link between development patterns and land use policies on transportation. Despite this recognition, the guidelines seem to be focused on a narrow interpretation of transportation-related planning. For instance, the sole land-use focused example included in the list of “example sustainable communities grant project types” is “station area plans.”

Many local jurisdictions need to update their general plans and specific elements within these plans, to promote consistency with sustainable communities strategies and adapt their local plans to reflect state regulatory changes, including implementation of SB 743. Accordingly, the guidelines and example projects should explicitly include general plan updates, circulation element updates, housing element updates, and any related specific plan updates, as eligible uses of funding. Within MPOs, any local land use plan that is being updated to better align with an SCS should explicitly be eligible. Outside of MPOs, any land use plan being updated to align with statewide planning goals should be eligible.

- 3) **Page 12 – Special Considerations & Page 5 – Disadvantaged Communities:** The guidelines include a statement that a minimum threshold of 50% of sustainable communities grants is expected to benefit disadvantaged communities. The guidelines also recognize that there are a variety of metrics to define disadvantaged communities. Such considerations are warranted given that a substantial portion of the state, especially in areas outside of MPOs, communities with high poverty are not designated as disadvantaged pursuant to CalEnviroScreen. The guidelines should clarify that metrics in addition to those listed on page 5 can be used to designate disadvantaged communities, and that grant awards benefitting any such communities can count towards the desired 50% threshold.

Attachment Three
Final Draft SB 1 Planning Grant Guidelines

CALTRANS SUSTAINABLE TRANSPORTATION PLANNING GRANT PROGRAM



–FINAL DRAFT–
FY 2017–2018

Grant Application Guide

Additional Sustainable Communities Grants from
Senate Bill 1 – The Road Repair &
Accountability Act of 2017



Application Deadline

California Department of Transportation
Division of Transportation Planning

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ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

Sustainable Transportation Planning Grant Program

The Sustainable Transportation Planning Grant Program was created to support the California Department of Transportation's (Caltrans') Mission: *Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability.*

The California Legislature recently passed, and Governor Brown signed into law, Senate Bill (SB) 1 - The Road Repair and Accountability Act of 2017, a transportation funding bill that will provide a reliable source of funds to maintain and integrate the State's multi-modal transportation system. As a result of this new transportation funding, an additional \$25 million in Sustainable Communities Grants is available for the Fiscal Year (FY) 2017-2018 grant cycle. The additional grant funding is intended to support and implement Regional Transportation Plan (RTP) Sustainable Communities Strategies (SCS) (where applicable) and to ultimately achieve the State's greenhouse gas (GHG) reduction target of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively.

Eligible planning projects must have a transportation nexus per Article XIX Sections 2 and 3 of the California Constitution. Therefore, successful planning projects are expected to directly benefit the multi-modal transportation system. Sustainable Communities Grants will also improve public health, social equity, environmental justice, and provide other important community benefits.

Sustainable Communities - Competitive Grants

\$12.5 million will be distributed through a competitive program to Metropolitan Planning Organizations (MPOs) with a sub-applicant(s), Regional Transportation Planning Agencies (RTPAs), cities and counties, transit agencies, and Native American Tribal Governments. MPOs can apply to the Sustainable Communities Competitive Grants only in collaboration with a sub-applicant(s). Funding distribution for the competitive program will depend on the quality and number of applications.

Sustainable Communities - Formula Grants

\$12.5 million will be distributed to the MPOs on a formula basis. The formula funds for the MPOs will reflect the same formula used to distribute Federal Highway Administration (FHWA) Metropolitan Planning PL funds. The FHWA PL formula has three components:

1. A base allocation
2. A two-part population component which distributes funds by the proportion of the total population of each MPO based on California Department of Finance estimates each January
3. An Air Quality component based on the proportion of federal Congestion Mitigation Air Quality funds to total programmatic FHWA PL funds

Sustainable Transportation Planning Grant Summary Chart

GRANT	FUND SOURCE	PURPOSE	WHO MAY APPLY	LOCAL MATCH
Sustainable Communities Competitive	<p>State Highway Account (SHA)</p> <p>Budget State funds \$12.5 million</p> <p>Grant Min \$50,000 for Disadvantaged Communities; \$100,000 for All Others</p> <p>Grant Max \$1,000,000</p>	Funds local and regional multimodal transportation and land use planning projects that further the region's RTP SCS (where applicable), contribute to the State's GHG reduction targets, and also assist in achieving the Caltrans Mission and Grant Program Overarching Objectives (See Page 3).	<p>The following are eligible to apply as a primary applicant:</p> <ul style="list-style-type: none"> • MPOs with sub-applicants • RTPAs • Transit Agencies; • Cities and Counties; • Native American Tribal Governments <p>The following are eligible to apply as a sub-applicant:</p> <ul style="list-style-type: none"> • MPOs/RTPAs • Transit Agencies • Universities and Community Colleges • Native American Tribal Governments • Cities and Counties • Community-Based Organizations • Non-Profit Organizations (501.C.3) • Other Public Entities** 	11.47% minimum (in cash or an in-kind* contribution). The entire minimum 11.47% local match may be in the form of an eligible in-kind contribution. Staff time from the primary applicant counts as cash match.
Sustainable Communities Formula	<p>State Highway Account (SHA)</p> <p>Budget State funds \$12.5 million</p>	Funds local and regional multimodal transportation and land use planning projects that further the region's RTP SCS (where applicable), contribute to the State's GHG reduction targets, and also assist in achieving the Caltrans Mission and Grant Program Overarching Objectives (See Page 3).	<p>The following are eligible to apply as a primary applicant:</p> <ul style="list-style-type: none"> • MPOs 	11.47% minimum (in cash or an in-kind* contribution). The entire minimum 11.47% local match may be in the form of an eligible in-kind contribution. Staff time from the primary applicant counts as cash match.

* For in-kind contribution requirements, refer to Page 20 of this Guide.

** Public entities include state agencies, the Regents of the University of California, district, public authority, public agency, and any other political subdivision or public corporation in the State (Government Code Section 811.2).

Integrating Objectives and Considerations

Successful grant applications address and articulate how the project relates to the Caltrans Mission, Grant Program Overarching Objectives, Grant Program Considerations, and the region's RTP SCS (where applicable). The Grant Specific Objectives on Page 11 indicate the specific purpose of the Sustainable Communities Grants, and must also be considered when preparing an application.

Grant Program Overarching Objectives

The following Grant Program Overarching Objectives are provided to guide grant application development, including:

Sustainability – Promote reliable and efficient mobility for people, goods, and services, while meeting the State's GHG emission reduction goals, preserving the State's natural and working lands, and preserving the unique character and livability of California's communities.

Preservation – Preserve the transportation system through protecting and/or enhancing the environment, promoting energy conservation, improving the quality of life, and/or promoting consistency between transportation improvements and State and Local planning growth and economic development patterns.

Mobility – Increase the accessibility of the system and mobility of people and freight.

Safety – Increase the safety and/or security of the transportation system for motorized and active transportation users.

Innovation – Promote the use of technology and innovative designs to improve the performance of our transportation system and provide sustainable transportation options.

Economy – Support the economic vitality of the area (i.e. enables global competitiveness, enables increased productivity, improves efficiency, etc.).

Health – Decrease exposure to local pollution sources, reduce serious injuries and fatalities on the transportation system, and promote physical activity especially through transportation means.

Social Equity – Promote transportation solutions that balance and integrate community values with transportation safety and performance, focusing on communities most affected by air pollution and climate change, while encouraging greater than average public involvement in the transportation decision making process.

Grant Program Considerations

The Grant Program also supports related State sustainability initiatives, explained further in the following pages and should be considered in grant application development, including:

- California Transportation Plan (CTP) 2040
- 2017 Regional Transportation Plan (RTP) Guidelines & Promoting Sustainable Communities in California
- Addressing Environmental Justice & Disadvantaged Communities
- Proposed 2017 Climate Change Scoping Plan Update, Appendix C
- Complete Streets & Smart Mobility Framework
- Climate Ready Transportation
- Planning for Housing

California Transportation Plan 2040

The *California Transportation Plan (CTP) 2040* vision is focused on sustainability: California's transportation system is safe, sustainable, universally accessible, and globally competitive. It provides reliable and efficient mobility and accessibility for people, goods, and services while meeting the State's GHG emission reduction goals and preserving the unique character of California's communities. This integrated, connected, and resilient multimodal system supports a thriving economy, human and environmental health, and social equity. *CTP 2040* is the umbrella plan that pulls together the State's long-range modal plans to envision the future system:

- Interregional Transportation Strategic Plan
- California Freight Mobility Plan
- California State Rail Plan
- California State Bicycle and Pedestrian Plan
- California High-Speed Rail Business Plan
- Statewide Transit Strategic Plan
- California Aviation System Plan

Competitive Sustainable Communities grant applications will integrate the appropriate *CTP 2040 Transportation Greenhouse Gas Reduction Strategies* (CTP 2040, Table 13 and Appendix 7 Technical Analysis). There are four categories of transportation GHG reduction strategies – demand management, mode shift, travel cost, and operational efficiency – that were developed based on input from the CTP 2040 advisory committees, and with input gathered from all of the State's 18 MPOs and 26 RTPAs.

CTP 2040 (CTP 2040 Table 13, Page 75; Appendix 7, Page 40):

<http://www.dot.ca.gov/hq/tpp/californiatrnsportationplan2040/2040.html>

2017 RTP Guidelines and Promoting Sustainable Communities in California

The California Transportation Commission recently adopted the *2017 RTP Guidelines for RTPAs and 2017 RTP Guidelines for MPOs* which now includes *Appendix K – Promoting Health & Health Equity in MPO RTPs* and *Appendix L – Planning Practice Examples*. These appendices highlight planning practices that are undertaken by large, medium, and small MPOs in both rural and urban areas throughout the State. The intent of additional Sustainable Communities grant funding, pursuant to SB 1 - The Road Repair and Accountability Act of 2017, is to encourage local and regional planning that furthers state goals, including but not limited to, the goals and best practices cited in the RTP Guidelines. Competitive applications will incorporate these cutting-edge planning practices into their proposed planning projects.

2017 RTP Guidelines (Appendix K, Page 273; Appendix L, Page 309):

<http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>

Caltrans supports SB 375 (Steinberg, Statutes of 2008) RTP SCS efforts. Successful applications must be compatible with an existing adopted SCS, where applicable, that meets the region's GHG targets, and must strongly support and aim to implement regional SCS efforts. The SCS planning process is intended to help communities reduce transportation related GHG emissions, coordinate land use and transportation planning, and assist local and regional governments in creating sustainable communities for residents throughout the State. Information on SB 375-related planning efforts can be found at: <http://www.arb.ca.gov/cc/sb375/sb375.htm>.

Although most rural areas of the State are not subject to SB 375 SCS requirements, Caltrans still promotes the development of sustainable communities in these areas of the State and efforts to match GHG reduction targets and other goals embodied in SCSs under SB 375. Eligible rural agencies are strongly encouraged to apply for Sustainable Communities Competitive Grants.

Addressing Environmental Justice and Disadvantaged Communities^{1,2}

Caltrans integrates environmental justice in all of its activities. In the past, low-income and minority communities disproportionately bore many of the negative impacts of transportation projects. It is the goal of environmental justice to ensure that when transportation decisions are made, low-income and minority communities have a full opportunity to participate in the decision-making process, and they receive an equitable distribution of benefits and not a disproportionate share of burdens, which contribute to poor health outcomes.

Caltrans encourages eligible applicants to apply for Sustainable Communities Competitive Grants to address transportation needs and deficiencies in disadvantaged communities. Supporting planning projects that benefit a disadvantaged community is a priority; therefore, a minimum threshold of 50 percent of Sustainable Communities Competitive Grants has been identified for projects that benefit disadvantaged communities, also including Native American Tribal Governments and rural communities. As such, special consideration will be given to planning projects that benefit disadvantaged communities. Grant applicants are required to provide justification in their grant application for how the project area meets their definition of a disadvantaged community. The optional tools below, related to environmental justice and health, are intended to help applicants define a very context-dependent definition of a disadvantaged community. Regionally and/or locally defined disadvantaged communities are acceptable. Applicants may also include other population characteristics, such as income or level of education. Information about environmental justice and disadvantaged communities can be found at:

Desk Guide – Environmental Justice in Transportation Planning Investments:

http://www.dot.ca.gov/hq/tpp/offices/ocp/documents/ej_titlevi_files/EnvironmentalJusticeDeskGuideJan2003.pdf

Community Primer on Environmental Justice & Transportation Planning:

http://www.dot.ca.gov/hq/tpp/offices/ocp/documents/ej_titlevi_files/EJ_Primer_4_10_WEB.pdf

SB 535 (De Leon, Statutes of 2012):

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535

Senate Bill 535 tasked the California Environmental Protection Agency with defining disadvantaged communities in order to meet the statutory requirements to invest a quarter of Greenhouse Gas Reduction Fund (GGRF) to projects benefiting disadvantaged communities and ten percent to projects located within a disadvantaged communities. SB 535 may assist applicants with defining disadvantaged communities and the many factors to consider.

Assembly Bill (AB) 1550 (Gomez, Statutes of 2016):

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550

AB 1550 further refined the GGRF statutory requirements to invest in disadvantaged communities. AB 1550 provides definitions for low income households and low income communities that may also be considered in application development.

¹ Source: Desk Guide – Environmental Justice in Transportation Planning Investments (2003)

² Source: Community Primer on Environmental Justice & Transportation Planning (2008)

SB 1000 (Leyva, Statutes of 2016):

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1000

SB 1000 requires local jurisdictions to develop environmental justice elements in their next general plan updates. Specifically, the environmental justice element, or the environmental justice goals, policies, and objectives in other elements, must be adopted or reviewed upon the adoption or next revision of 2 or more elements concurrently on or after January 1, 2018. Grant applicants are encouraged to describe efforts to comply with this new general plan requirement.

Displacement/Gentrification

Transportation improvements, especially new rail lines and stations to low-income communities, can increase access to opportunities. But they can also result in much higher property values and an increase in the cost of owning and renting property, inadvertently displacing existing residents and businesses. Being forced to leave a home is a stressful, costly and traumatic life event, especially when affordable housing is so limited. There is a growing recognition of tools and strategies that can be implemented alongside community investments to reduce displacement. Grant applicants are encouraged to reference the *2017 RTP Guidelines, Appendices K and L*, for best practices in addressing displacement of low income and disadvantaged communities.

CalEnviroScreen Version 3.0:

<http://oehha.maps.arcgis.com/apps/View/index.html?appid=c3e4e4e1d115468390cf61d9db83efc4>

CalEnviroScreen is a screening methodology that can be used to help identify California communities that are disproportionately burdened by multiple sources of pollution.

The tools below provide additional criteria and indicators for climate vulnerability and community health disadvantage that CalEnviroScreen does not. The tools can help reduce health inequities. The tools include:

California Health Disadvantage Index (HDI): <http://phasocal.org/ca-hdi/>

The California Health Disadvantage Index (HDI) is an interactive data and mapping tool that provides a detailed snapshot of the social determinants of health across California, mapped down to the Census tract level. HDI provides comparison rankings of Census tracts statewide and an accompanying policy action guide. Therefore, the HDI can be a useful tool in prioritizing areas with high levels of social and economic disadvantage for funding, policy, and planning interventions. HDI was developed by the Public Health Alliance of Southern California in collaboration with health departments and data experts across the state. Because the HDI focuses on the social and environmental conditions that contribute to health, policy makers and local agencies can use it to identify actionable policies that would improve health in their community, such as improving transportation access, housing affordability and quality, or access to parks and open space. The tool will soon be updated with a new map and additional indicators, and will be renamed the California Healthy Places Index (HPI).

Understanding the HDI Score

The HDI includes a composite score for each Census tract in the State. The higher the score, the greater the disadvantages to health. Each Census tract's score is converted to a percentile, which allows it to be compared to other California Census tracts. For example, an HDI percentile of 79 indicates that a Census tract would face more cumulative social challenges to health than 79% of the Census tracts in California. HDI percentile rankings are further broken into quartiles, with percentiles above 75 typically used to indicate disadvantaged communities. Thus, higher scores can

be used to demonstrate a community, or project/service area, is disadvantaged for purposes of qualifying for the minimum threshold of 50% for disadvantaged communities in this program.

In addition to the composite score and percentile ranking, applicants can review the individual domain scores or indicators themselves and explain how their project will improve one or more of these public health challenges. The numeric value and percentile ranking for these component indicators can be found either by using the [live map](#) or by accessing the [data directly](#).

HDI Examples:

Indicator	HDI Percentile	How will project improve this health challenge?
<i>Domain (Composite) Scores</i>		
Complete Communities Score	Percentile ranking of all complete communities-related indicators	Demonstrate how this plan will address health and transportation challenges related to complete communities indicators (park access, supermarket access, retail density and tree canopy)
Economic Resources Score	Percentile ranking of all economic-related indicators	Demonstrate how this plan will address health and transportation challenges related to economic indicators such as households without auto access, median income, high housing costs and unemployment rate
<i>Individual Indicators</i>		
No Auto Access	XX%	Describe how plan will increase and improve transportation access to vital destinations, goods and services for those without auto access.
Traffic density	XX%	Describe how the plan will improve traffic safety, including for people walking and bicycling in the project area.
No Park Access	XX%	Demonstrate how project will improve transportation access to parks/ open space.

For more information on the HDI, including how to calculate a score for your project area and suggested project types for improving public health, visit <http://phasocal.org/ca-HDI/>.

CDPH Climate Change and Health Profile Reports (CHPRs):

<https://www.cdph.ca.gov/Programs/OHE/Pages/ClimateHealthProfileReports.aspx>

The Climate Change and Health Profile Reports are designed to help counties in California prepare for the health impacts related to climate change through adaptation planning. The reports present projections for county and regional climate impacts, the climate-related health risks, and local populations that could be vulnerable to climate effects. The information is based on available science compiled from previously published, state-sponsored research and plans.

Proposed 2017 Climate Change Scoping Plan Update, Appendix C

The California Air Resources Board (ARB) proposed *2017 Climate Change Scoping Plan Update* includes *Appendix C, Vibrant Communities & Landscapes – A Vision for California in 2050*, to guide how the State develops communities, preserves and protects its landscapes, and ensures that all Californians have equitable access to housing, health care, jobs, and opportunity. Competitive Sustainable Communities grant applications will demonstrate a linkage to this land use vision.

The ARB proposed 2017 Climate Change Scoping Plan Update, Appendix C, also includes *Potential State-Level Strategies to Advance Sustainable, Equitable Communities and Reduce*

Vehicle Miles of Travel (VMT) which outlines a list of potential additional strategies that the State could pursue to help achieve further VMT reduction, support local and regional actions already underway, and advance multiple additional goals. While this document is intended to guide State-level actions, many of the potential strategies can also be implemented at a regional and local level. Sustainable Communities grant applicants are encouraged to explore these strategies and apply them, as appropriate, to proposed planning projects.

Proposed 2017 Climate Change Scoping Plan Update, Appendix C:
https://www.arb.ca.gov/cc/scopingplan/app_c_vibrant_comm_vmt_measures.pdf

Complete Streets and Smart Mobility Framework

Caltrans also supports complete streets and the Smart Mobility Framework (SMF). If applicable, Caltrans encourages applicants to consider the tools and techniques contained in the SMF as well as typical components of complete streets. Specifically, this might include how the project addresses components of community design, regional accessibility, place types, and priority activities to achieve smart mobility outcomes, community transition, and associated multimodal performance measures for the appropriate context of the problem. Information on these efforts can be found at:

Complete Streets: http://www.dot.ca.gov/hq/tpp/offices/ocp/complete_streets.html

SMF: <http://www.dot.ca.gov/hq/tpp/offices/ocp/smf.html>

Climate-Ready Transportation

California's six key climate change strategy pillars provide a framework for reducing California's GHG emissions and increasing resiliency to the anticipated effects of global warming:

(1) reducing today's petroleum use in cars and trucks by up to 50 percent; (2) increasing to 50 percent our electricity derived from renewable sources; (3) doubling the efficiency savings achieved at existing buildings and making heating fuels cleaner; (4) reducing the release of short-lived climate pollutants; (5) managing farm and rangelands, forests and wetlands so they can store carbon; and, (6) updating the Safeguarding California Plan - California's climate adaptation strategy. Climate change poses many threats to our communities' health, well-being, environment, and property. Extreme weather, rising sea levels, shifting snowpack, among other impacts will touch every part of peoples' lives in the next century. Planning key actions now will help lessen impacts and cope with changes. Government, at every level, must work together to safeguard our State by taking steps to reduce our own impacts and increase our resilience in the future.

Executive Order B-30-15 specifically addresses the need for all of the State's planning and investments to consider the exposures and risks from a changing climate, anticipating current and future impacts and disruptions that are likely to occur. The order establishes a California GHG emissions reduction target of 40 percent below 1990 levels by 2030, directs state government to take climate change into account in all planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives.

Executive Order B-30-15 describes four guiding principles when making planning and investment decisions:

- Priority should be given to actions that both build climate preparedness and reduce GHG emissions
- Where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts
- Actions should protect the state's most vulnerable populations
- Natural infrastructure solutions should be prioritized

The Governor's Office of Planning and Research led a Technical Advisory Group to develop guidance to help State agency personnel decide when to take climate change into account when planning infrastructure and investments, and how to do so while implementing the four above principles, including how to increase social equity and health for vulnerable communities in the course of planning and operations. The Guidance to implement Executive Order B-30-15 is available here: (to be provided at a later date when complete).

Community Climate Resiliency

Grant applicants are encouraged to consider if the surrounding community is experiencing any specific climate vulnerabilities and how the proposed planning project aims to address specific concerns. Grant applicants should also describe how potential climate impacts are taken into consideration in the proposed planning project, such as the incorporation of natural infrastructure, and, if applicable, how the project conforms with the local implementation of SB 379 (Jackson, Statutes of 2015), Government Code Section 65302(g)(4), where cities and counties are required to address climate adaptation and resiliency strategies in the safety element of their general plan.

Climate Action Plans: <http://www.ca-ilg.org/climate-action-plans>

Many California cities and counties are developing Climate Action Plans to reduce their GHG emissions. The website above provides a host of resources, including example Climate Action Plans and templates.

Safeguarding California: <http://resources.ca.gov/climate/safeguarding/>

Safeguarding California is the strategy that organizes state government climate change adaptation activities.

California Climate Adaptation Planning Guide:

http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/

The Adaptation Planning Guide provides guidance to support regional and local communities in proactively addressing the unavoidable consequences of climate change. It provides a step-by-step process for local and regional climate vulnerability assessment and adaptation strategy development.

Planning for Housing

Development patterns directly impact the emissions of greenhouse gases, including those from transportation between jobs and housing. Improved coordination between housing and transportation can reduce commute times, increase transit ridership, lower vehicle miles traveled, lower pollution and GHG, provide greater economic opportunity, and other positive outcomes. Adding coordination with housing planning as part of the Sustainable Communities grants furthers the State's planning goals, including the goals of SB 375, which supports the State's climate action goals to reduce GHG emissions through coordinated transportation and land use planning with the goal of more sustainable communities.

To support planning for housing California's growing population, the State's Department of Housing and Community Development (HCD) reviews local housing elements of general plans, which identifies capacity for projected housing needs and addresses governmental constraints on housing supply and cost. Local governments are further required to annually submit progress reports on the implementation the housing element and provide a detail of production toward their projected housing needs.

Special consideration will be given to city and county grant applicants with a housing element that has been adopted by the jurisdiction's governing body and subsequently determined to be in substantial compliance with State housing element law pursuant to Government Code Section 65585. The jurisdiction's adopted housing element will be deemed to have met this requirement if the adopted element is received by HCD by the grant application deadline; and, HCD subsequently determines the adopted housing element to be in substantial compliance pursuant to Government Code Section 65585 without further amendment by the date of the award recommendation. A jurisdiction's current housing element compliance status can be obtained at <http://www.hcd.ca.gov/community-development/housing-element/docs/status.pdf>.

In order to receive special consideration during the grant evaluation process, the city or county grant applicant must also provide a justification in their grant application and submit to HCD the Annual Progress Report (APR) required by Government Code Section 65400 for calendar years 2013, 2014, 2015, and 2016. For the purposes of the Grant Program, required APRs must be submitted by the date of award recommendation. Please note that charter cities are not exempt from this specific program requirement and must submit an Annual Progress Report for the calendar years mentioned above. More detail on APRs is at <http://www.hcd.ca.gov/community-development/housing-element/index.shtml> under Housing Elements - Annual Progress Reports.

In future grant cycles, Sustainable Communities grant applicants will be required to have a compliant housing element and submit APRs in order to be eligible for Sustainable Communities grant awards.

Sustainable Communities – Grant Specific Objectives

Competitive Grants

The grant specific objective of the Sustainable Communities Competitive Grants is to encourage local and regional multimodal transportation and land use planning that furthers the region's RTP SCS (where applicable), contributes to the State's GHG reduction targets and other State goals, including but not limited to, the goals and best practices cited in the 2017 RTP Guidelines, address the needs of disadvantaged communities, and also assist in achieving the Caltrans Mission and Grant Program Overarching Objectives (See Page 3).

Applicants should demonstrate how the proposed effort would:

- Integrate Grant Program Considerations (See Pages 3-10)
- Advance transportation related GHG emission reduction project types/strategies (i.e., mode shift, demand management, travel cost, operational efficiency, accessibility, and coordination with future employment and residential land use, etc.)
- Identify and address deficiencies in the multimodal transportation system, including the needs of environmental justice and disadvantaged communities
- Encourage stakeholder collaboration
- Involve active community engagement
- Coordinate transportation, housing, and land use planning
- Promote the region's RTP SCS (where applicable), State planning priorities (Government Code Section 65041.1, and climate adaptation goals (Safeguarding California)
- Ultimately result in funded and programmed multimodal transportation system improvements

Formula Grants

The grant specific objectives, eligibility requirements, and performance considerations for the Sustainable Communities Formula Grants awarded to MPOs are consistent with the Sustainable Communities Competitive Grants. The intent of the Sustainable Communities Formula Grants is to carry out the objectives of the region's RTP SCS (where applicable) and the RTP Guidelines Appendices K & L. In addition, MPOs are strongly encouraged to administer Sustainable Communities Formula funding in a transparent manner and maintain non-profit eligibility, consistent with the legislative intent of Senate Bill 1 – The Road Repair & Accountability Act of 2017. MPOs should meet the following minimum eligibility criteria to apply for Sustainable Communities Formula Grants:

- Consolidated Planning Grant Carryover is at, or below 100% of the annual FHWA PL allocation
- Have an RTP SCS that meets the SB 375 GHG reduction targets
- Meet civil rights and environmental justice obligations, as summarized in Section 4.2 of the RTP Guidelines

MPOs have flexibility for how the Formula Grant allocation is administered. For example, MPOs may use these funds for a regional competitive grant program, integrated land use and transportation planning activities related to developing their SCS, carrying out the best practices cited in the RTP Guidelines, or a combination thereof.

If an MPO uses Formula Grant funds to administer a regional grant program, the MPO must submit their grant program criteria and list of eligible applicants and sub-applicants to the Caltrans District

and Caltrans Office of Regional Planning (ORP). This step is to ensure it aligns with the Caltrans Sustainable Communities Competitive Grants, including city and county housing element compliance. MPOs will also submit a list of awarded grants to the Caltrans District and ORP. MPOs should coordinate the submittal of this information with the Caltrans District and ORP to avoid delays for releasing the call-for-projects and grant awards.

MPOs are responsible for drafting a formal amendment to the current Overall Work Program (OWP) and OWP Agreement (OWPA), including a scope of work and timeline, for adding Sustainable Communities Formula Grant funds that will serve as the grant application, due October 20, 2017. The draft OWP/OWPA amendment process includes meaningful consultation with Caltrans district staff and Caltrans Office of Regional Planning. Once Caltrans concurs with the draft OWP/OWPA amendment, the MPO may seek board approval of the amendment. Caltrans district staff will issue formal approval of the OWP/OWPA amendment and Caltrans Office of Regional Planning will complete the programming process for these funds. For future years, Sustainable Communities Formula Grants will be a part of the annual draft OWP development and approval process.

The following funding table shows how formula funds will be distributed to each MPO:

MPO	Total Allocation
Tahoe Metropolitan Planning Organization	\$160,750
Madera County Transportation Commission	\$164,209
Kings County Association of Governments	\$162,943
Shasta Regional Transportation Agency	\$163,172
Butte County Association of Governments	\$180,569
Merced County Association of Governments	\$197,424
San Luis Obispo Council of Governments	\$195,962
Tulare County Association of Governments	\$246,944
Santa Barbara County Association of Governments	\$224,579
Stanislaus Council of Governments	\$291,053
San Joaquin Council of Governments	\$341,671
Kern Council of Governments	\$374,899
Association of Monterey Bay Area Governments	\$315,267
Fresno Council of Governments	\$407,484
Sacramento Area Council of Governments	\$774,991
San Diego Association of Governments	\$1,021,553
Metropolitan Transportation Commission	\$2,106,140
Southern California Association of Governments	\$5,170,390
Total	\$12,500,000

Example Sustainable Communities Grant Project Types

These examples include projects that explore and plan for reductions in GHG and VMT, and/or integrate Land Use and Transportation planning.

- Studies, plans or planning mechanisms that advance a community's effort to reduce single occupancy vehicle trips and transportation related GHG through strategies including, but not limited to, advancing mode shift, demand management, travel cost, operational efficiency, accessibility, and coordination with future employment and residential land use
- Studies, plans or planning mechanisms that assist transportation agencies in creating sustainable communities and transit oriented development
- SCS development
- Community to school studies or safe routes to school plans

- Studies, plans or planning mechanisms that advance a community's effort to address the impacts of climate change and sea level rise
- Studies that promote greater access between affordable housing and job centers
- Context-sensitive streetscapes or town center plans
- Complete street plans
- Active transportation plans, including bicycle, pedestrian and trail master plans
- Bike and pedestrian plans with a safety enhancement focus, including Vision Zero plans
- Traffic calming and safety enhancement plans
- Corridor enhancement studies
- Health and transportation studies, including health equity transportation studies and other plans that incorporate health into transportation planning
- Climate change adaptation plans for transportation facilities
- Identification of policies, strategies, and programs to preserve transit facilities and optimize transit infrastructure
- Studies that evaluate accessibility and connectivity of the multimodal transportation network
- Studies to improve access to social services and other community destinations for disadvantaged communities
- Studies, plans or planning mechanisms that address environmental justice issues in a transportation related context
- Station area planning
- Student internships for rural agencies and/or disadvantaged communities
- First Mile/Last Mile project development planning
- Planning for zero or near zero emission vehicles
- Planning for autonomous vehicles Integration of transportation and environmental planning
- Shared mobility services planning studies
- Road or parking pricing studies
- Transportation Demand Management Studies
- Congestion pricing studies and plans
- Commute trip reduction studies and plans
- Planning to remove or reduce barriers created by transportation infrastructure such as highways, overpasses and underpasses, that create disconnected communities

Land use planning activities ***in coordination with a transportation project***. Examples include:

- An update to a general plan land use element or zoning code that increases development opportunities around key transportation corridors or nodes
- Creation of a Transit-Oriented Development overlay zone or other special zoning district around key transportation corridors or nodes
- Studies, plans, and policies that address land use conflicts with major transportation corridors such as major highways, ports, shipping and freight corridors, etc. that are near sensitive land uses such as homes, schools, parks, etc. or potentially impacted by climate change

Eligible Activities and Expenses

Eligible activities must have a transportation nexus per the California Constitution, Article XIX Section 2 and 3. Please consult with Caltrans district staff for more information on whether costs are eligible for funding. Some examples of eligible costs include:

- Data gathering and analysis
- Planning consultants
- Conceptual drawings and design
- Community surveys, meetings, charrettes, focus groups
- Bilingual services for interpreting and/or translation services for meetings
- Community/stakeholder advisory groups
- Project administration (up to 5% of the grant is allowed, e.g., quarterly reports, invoicing, project management)

Ineligible Activities and Expenses

Some activities, tasks, project components, etc. are not eligible under these grant programs. If an application has any of the following elements, it will be disqualified. Ineligible activities and expenses include:

- Environmental studies, plans, or documents normally required for project development under the National Environmental Policy Act or the California Environmental Quality Act
- Engineering plans and design specification work
- Project Initiation Documents (PIDs)
- Regional Transportation Plans (RTP) or updates to the RTP, excluding SCS development
- Construction projects, capital costs, such as the building of a facility, or maintenance
- Purchasing of office furniture, or other capital expenditures
- Decorations, e.g., for public workshop events
- Acquisition of vehicles or shuttle programs
- Organizational membership fees
- Unreasonable incentives such as prizes for public participation
- Charges passed on to sub-recipient for oversight of awarded grant funds
- Other items unrelated to the project

General Information and Requirements

This section provides a brief overview of the grant application review process, financial, contracting, subcontracting, and legal requirements pertaining to the competitive grant program. The content of this section should be notably considered in the development of grant applications as it lays the foundation for what to expect when applying for these grant funds. Upon award, grantees will receive more specific guidelines including administrative and reporting requirements.

Application Review Process and Evaluation Considerations

Review Process

All applications submitted to the Sustainable Transportation Planning Grant Program go through multiple levels of review including reviews by Caltrans District and HQ staff, and State interagency review committees. District staff reviews all applications for content, submission of proper documentation, and overall relationship to regional and local planning efforts. The district rates each application and provides comments to inform the State interagency review committee. The grant review committees evaluate applications for content, completeness, meeting technical requirements, overall relationship to statewide planning efforts, and compliance with state and federal planning requirements. Grant applications that address every aspect of the grant specific objective will score higher overall. Once the grant review committees evaluate, rank, and select the best applications for grant funding, final recommendations are presented to Caltrans management and California State Agency for approval.

Community Engagement

Sustainable Communities Competitive Grant applications must include an explanation of how local residents and community-based organizations will be meaningfully engaged in developing the final product, especially those from disadvantaged and low-income communities, and how the final product will address community-identified needs. Below are some best practices in community engagement that applicants are encouraged to implement, as applicable and appropriate, in their transportation planning projects:

- Utilize a Participatory Budgeting (PB) planning process, as appropriate. PB is a democratic approach to public spending that meaningfully and deeply engages people in government and the community. During PB, community members democratically decide how to spend part of a public budget, enabling them to make the fiscal decisions that affect their lives and the health of their communities.
- Seek out existing community-based organizations or agencies that organize vulnerable populations, to be able to reach out and form collaborative relationships.
- Involve local health departments which can provide assistance in reaching community-based organizations and vulnerable community members.
- Collaborate with vulnerable communities to design and implement programs, plans and policies. Robust engagement of vulnerable communities in significant agency decisions brings about better decisions through increased input from different perspectives, increases buy-in and acceptance of decisions and support for their implementation.
- Make opportunities for input accessible in terms of formats (online, in public meetings, one on one, by mail, etc.), venues (at school and community events, community centers, libraries, transit hubs, etc.), hours (evening or weekend), and language (accessible to lay people and translated into the principle languages of the relevant communities, including accessible media such as caption videos).

- Utilize the International Association for Public Participation (IAP2) tool, a [Spectrum of Public Participation](#) that can help agencies define how much power they are offering communities over decisions.
- Develop a written collaboration agreement or memorandum of understanding that defines respective roles, expectations, desired outcomes, and agreements for how to work together.
- Establish an advisory group of representatives of vulnerable communities, including community leaders and give them worthwhile roles to design the public engagement process, so that community capacity is built during the collaboration process.

Performance Considerations

Previous grantee performance will be considered during the evaluation process. Applicants with a history of inadequate performance such as poor grant project management, failure to achieve grant project milestones, untimely invoice submittals, or an overall poor quality of the final grant product may be at a competitive disadvantage in the application review process. Grant funds may not be awarded to prior grant recipients with unresolved past grant performance issues. Additionally, applicants that have an excessive balance of or consistently relinquish any transportation funds administered by Caltrans Planning and/or have unresolved audit issues or findings will also be at a competitive disadvantage in the application review process. Applicants that have also failed to satisfy the required state and federal planning requirements, including submittal and administration of the Overall Work Program, RTPs, and Transportation Improvement Program, may not be awarded grants.

Award Terms

Caltrans is committed to being an active partner. If awarded a grant, the applicant should include Caltrans district staff when planning both technical advisory and community meetings. In addition, Caltrans district staff will help to ensure that the approved Scope of Work, Project Timeline, and project funding will be maintained throughout the life of the contract. Applicants are also recommended to engage Caltrans District Staff throughout the entire grant life, when applicable.

If an agency does not demonstrate adequate performance and timely use of funds, Caltrans may take appropriate actions, which can include termination of the grant.

Contracting with Caltrans and Project Timelines

Project Start Dates

All awarded grant funds must be programmed during the State FY 2017-2018. The project start date depends on the method of contracting with Caltrans. For MPOs and RTPAs with a current Master Fund Transfer Agreement (MFTA), work may begin as early as January 2018. For awarded grantees that do not have a current MFTA with the Caltrans Office of Regional Planning (i.e. cities, counties, transit agencies, Tribal Governments), Caltrans will contract directly with the primary grant recipients through the Restricted Grant Agreement (RGA) process. For grant recipients that undergo the RGA contracting process, work may begin as early as April 2018, assuming the grantee has received a fully executed contract and has been notified by Caltrans district staff to begin work. It is important for applicants to reflect the estimated project start date in the Scope of Work and Project Timeline. Project Timeline constraints for both methods of contracting with Caltrans are provided below. Awardees are required to submit all supporting materials and a signed agreement or risk forfeiting the grant award.

Restricted Grant Agreement (RGA) Project Timeline

Consider these dates when developing the Scope of Work and Project Timeline:

April 2018

- Anticipated start date

February 28, 2020

- Contract expires **(no time extensions will be granted)**
- Reimbursable work must be completed

April 28, 2020

- All final invoices must be submitted to Caltrans for approval and reimbursement. This allows Caltrans sufficient time to comply with the State Controller's Office payment requirements.

Master Fund Transfer Agreement Project Timeline (MPOs/RTPAs Only)

Consider these dates when developing the Scope of Work and Project Timeline:

January 2018

- Anticipated start date

February 28, 2020

- Project end date
- Reimbursable work must be completed

April 28, 2020

- A Final Request for Reimbursement must be submitted to Caltrans for approval and reimbursement. This allows Caltrans sufficient time to comply with the State Controller's Office payment requirements.

Contract Options for Native American Tribal Governments

Native American Tribal Governments have the following options for contracting with Caltrans:

- (1) Contracting with Tribes Directly – The authority Caltrans uses to contract with tribes directly comes from California Streets and Highways Code section 94, and is extremely limited. Caltrans Legal requires the tribes to provide a limited waiver of sovereign immunity. However, Caltrans Native American Liaison Branch makes sure that any waiver is very specifically limited in scope and in time to only applies to the contract itself (and to any possible audits). In an effort to streamline the RGA contracting process, there is a Sustainable Communities RGA boilerplate template for Native American Tribal Governments, available upon request.
- (2) Partnering with a Regional Agency – Another mechanism for contracting with Caltrans is to collaborate with an MPO or RTPA. Caltrans can pass through grant funding to tribes for planning projects where options or time are limited. This option uses the three-part contract, MFTA/OWP/OWPA, and is usually the quickest option to allow planning projects to get started.
- (3) Transferring Funds Pursuant to 23 U.S.C. 202(a)(9) – *Section 202(a)(9) of title 23, United States Code encourages cooperation between States and Tribes by allowing any funds received from a State, county, or local government to be credited to appropriations available for the Tribal Transportation Program (TTP). One potential source of such funding is funds apportioned or*

allocated to a State under title 23. Section 104(f)(3) allows the Secretary of Transportation to, at the request of a State, transfer among States, or to the FHWA, funds that have been so apportioned or allocated. This provision, used in conjunction with the authority under 23 U.S.C. 209(a)(9), allows State funds to be transferred to FHWA, which in turn would provide the funds to the specified Tribe. Please view [this document](#) for more information.

Caltrans has successfully used the federal *Section 202(a)(9)* process to transfer Sustainable Communities Grant funds to a Native American Tribal Government. In order to use this transfer process, an agreement would need to be in place with FHWA or Bureau of Indian Affairs, the Tribe, and the State that clearly identifies the project and the roles and responsibilities of all parties. Each interagency fund transfer includes 1) a fund transfer template and 2) an addendum lining out the specifics of the terms. This option requires involvement and approval by Caltrans Legal and the funds must be used for the intended purpose of the awarded Sustainable Communities grant.

Grant Project Administration Requirements

Overall Work Program (for MPOs/RTPAs Only)

All MPOs and RTPAs must have the entire grant award and local match programmed in the FY 2017-2018 OWP no later than May 1, 2018. Approved grant projects must be identified as **individual** Work Elements in the current OWP and in future OWPs until the project is completed.

Quarterly Reporting

For MPOs and RTPAs, the progress of each awarded grant project must be included as part of the OWP Quarterly Progress and Expenditure Report. If this method of reporting is not adequately satisfied, Caltrans staff will require separate quarterly reports for each awarded grant project.

All other primary grant recipients shall submit progress reports every quarter for each awarded grant project. Caltrans district staff will provide the brief report form and due dates.

Final Product

All final reports funded through the Sustainable Transportation Planning Grant Program shall credit the Caltrans' financial participation on the cover or title page. An electronic copy of all final reports shall be forwarded to the Caltrans District Office responsible for the administration and oversight of the grant.

Ownership

Any technologies or inventions that may result from the use of these grants are in the public domain and may not be copyrighted, sold, or used exclusively by any business, organization, or agency. Caltrans reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for public purposes.

Third Party Contracts

The agreements between a grantee and a sub-recipient, consultant, or sub-consultant are often referred to as "third party contracts." An eligible sub-applicant will be identified by an eligible applicant on the onset of the application. If a grantee or a sub-recipient is going to hire a consultant to perform work during the project, then proper procurement procedures must always be used.

Grantees may use their agency's procurement procedures as long as they comply with the Local Assistance Procedures Manual, Chapter 10. In addition, work can only be contracted if it has been stated in the applicant's Scope of Work and Project Timeline. A grantee is fully responsible for all work performed by its sub-recipient, consultant, or sub-consultant. Caltrans solely enters into a contract directly with the grantee; therefore the grantee is responsible to ensure that all third parties adhere to the same provisions included in the contractual agreement between Caltrans and the grantee.

All government funded consultant procurement transactions must be conducted using a fair and competitive procurement process that is consistent with the Local Assistance Procedures Manual, Chapter 10. All documentation of third party contract procurements must be retained and copies of all agreements must be submitted to Caltrans. For more information on third party contracting, visit the following link:

Local Assistance Procedures Manual: <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>

Non-Discrimination Requirements

Title VI Non-Discrimination Requirement

Title VI of the U.S. Civil Rights Act prohibits discrimination on the basis of race, color, or national origin in programs or activities receiving federal financial assistance. A similar prohibition applies to recipients of state funds under California Government Code section 11135, which prohibits discrimination on the basis of race, color or national origin, as well as ethnic group identification, religion, age, sex, sexual orientation, genetic information, or disability. Specifically Title VI provides the following:

No person in the United States shall, on the ground of race, color, national origin, religion, sex, age, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from the Federal government.

The FHWA and the Federal Transit Administration (FTA) each have requirements that recipients of Metropolitan Planning federal funds must demonstrate continued compliance with Title VI. Compliance with Title VI includes conducting meetings in a fair and reasonable manner that are open to all members of a community. Compliance reflects not only the law, but is also a good policy that builds the kind of trust and information sharing upon which successful planning is done. Even where a city or county may not be receiving federal funding for transportation, the Civil Rights Restoration Act of 1987 also obligates that a city or county comply with Title VI, if it receives any other federal funding for any program.

Disadvantaged Business Enterprises

The Road Repair and Accountability Act of 2017 requires Caltrans to develop a plan to increase, up to 100 percent, the dollar value of contracts/procurements awarded to Small Businesses, Disadvantaged Business Enterprises (DBEs), and Disabled Veteran Business Enterprises (DVBES). Caltrans is required to have this plan by January 1, 2020. Until then, successful grant applicants are expected to market contracting opportunities to all small businesses, including DBEs and DVBES.

For details about DBE requirements, visit the Office of Regional Planning DBE website at:
<http://www.dot.ca.gov/hq/tpp/offices/orip/DBE/DBE.html>.

Invoicing and Financial Requirements

Requests for Reimbursements

Grant payments are made only as reimbursements. Invoices or Requests for Reimbursements (RFR) need to be submitted no more frequently than monthly or at a minimum quarterly. Grantees must pay sub-recipients and subcontractors prior to submitting a RFR to Caltrans. A one-time, **lump sum RFR for the entire grant is not allowed**. Local match (cash and third party in-kind contributions) must be expended on a proportional basis coinciding with each grant Work Element (MPOs/RTPAs only) and/or tasks in each RFR. The proportional expenditure of local match must be clearly identified in the Project Timeline. The minimum required local match (i.e., 11.47%) must be rendered during the invoicing period to which the matching requirement applies. The minimum required local match must also be satisfied with each RFR.

Local Match Contribution

All grants require a local match. Revenue sources for a local match can include local sales tax, special bond measures, private donations, private foundations, etc. The Sustainable Communities grants require the applicant to provide a minimum 11.47 percent local match—any source of funds may be used for the local match. The minimum local match is a percentage of the total project cost (i.e., minimum local match amount plus the grant amount). The local match can be all cash, all third party in-kind contributions, or a combination of the two.

To better assist applicants, the Local Match Calculator can be found at:

http://www.dot.ca.gov/hq/tpp/offices/orip/Grants/2015/Match_Calculator.xlsx

Third Party In-Kind Contributions

Third party in-kind contributions are typically goods and services donated from outside the primary grantee's agency. Examples of third party in-kind contributions include donated printing, facilities, interpreters, equipment, advertising, time and effort, staff time, and other goods and services. The value of third party in-kind contributions must be directly benefiting and specifically identifiable to the project. Third party in-kind contribution information must be identified on the Grant Application Cover Sheet, the Project Timeline, and the project specific Work Element in the OWP (if applicable).

If third party in-kind contributions are used to satisfy the local match requirements, a third party in-kind valuation plan must also be submitted to Caltrans for approval as a condition of grant acceptance. The third party in-kind valuation plan is an itemized breakdown by task and serves as documentation for the goods and/or services to be rendered. The Third Party In-Kind Valuation Plan Checklist and Sample are provided on Pages 43-44.

Accounting Requirements

Grantees are required to maintain an accounting and record system that properly accumulates and segregates incurred project costs and matching funds by line item. The accounting system of the grantee, including its sub-applicants and subcontractors, must conform to Generally Accepted Accounting Principles that enable the determination of incurred costs at interim points of completion and provides support for reimbursement payment vouchers or invoices sent to or paid

by Caltrans. Allowable project costs must comply with 2 Code of Federal Regulations (CFR), Part 200. It is the grantee's responsibility, in conjunction with Caltrans district staff, to monitor work and expenses to ensure the project is completed according to the contracted Scope of Work and Project Timeline. Grantees must monitor work and costs to ensure invoices are submitted on a regular and timely basis (monthly or quarterly as milestones are completed). Grantees must communicate with their local Caltrans District Office to ensure any issues are addressed early during the project period.

Indirect and Direct Costs

Indirect costs require an Indirect Cost Allocation Plan (ICAP). For example, reproduction costs, computer rental and office supplies are considered indirect costs. However, if these costs are tied to a specific task or activity, they are considered direct costs.

If a grantee, including sub-recipients and third party contractors/consultants, are seeking reimbursement of indirect costs, they must annually submit an ICAP or an Indirect Cost Rate Proposal (ICRP) to Caltrans Audits and Investigations for review and approval prior to reimbursement. An ICAP or ICRP must be prepared and submitted in accordance with 2 CFR, Part 200. For more information visit the following website:

Indirect Cost Allocation Plan: http://www.dot.ca.gov/hq/audits/icap_icrp.html

Due to the competitive nature of the grant award process, applications must include any indirect costs in the Project Timeline. Indirect costs can only be reimbursed if they are identified in the Project Timeline submitted with the initial application.

Travel Expenses

Grantees may be eligible to claim travel expenses if they have been approved in the Scope of Work and Project Timeline. Travel expenses and per diem rates are not to exceed the rate specified by the State of California Department of Personnel Administration for similar employees (i.e. non-represented employees). For more information on eligible travel expenses, visit the following website:

Caltrans Travel Guide: <http://www.dot.ca.gov/hq/asc/travel/>

Pre-Award Audit

The Sustainable Communities grants are available in amounts up to \$1 million. However, any awarded grant in excess of \$250,000 may require a pre-award audit. The pre-award audit is to ensure that recipients of state funds maintain adequate financial management systems prior to receiving the funds. Pre-award audits may be required of new grantees, agencies that have not recently been audited, agencies that have undergone prior audits with significant weaknesses or deficiencies in their financial management systems, or those determined to be a higher risk to Caltrans. If a pre-award audit is needed, the local Caltrans District Office will contact the grantee to facilitate the appropriate action.

Application Preparation

The Sustainable Transportation Planning Grant Program is highly competitive. This section provides applicants with supplemental information as well as details on required documents that must accompany an application at the time of submittal. All applicants are strongly encouraged to adhere to these requirements in order to score competitively during the application evaluation process.

Early Coordination with Primary Applicants

Sub-applicants are encouraged to work far in advance of the application deadline with the appropriate primary applicant to coordinate application development. It is also beneficial for sub-applicants to be informed of the appropriate primary applicant process and schedule, as they may differ slightly from those of Caltrans. RTPAs residing within MPO boundaries should also coordinate application development with the MPO, as it is critical to ensure that proposed studies align with the RTP/SCS for the entire MPO region and do not duplicate efforts being applied for or already awarded to the MPO.

Technical Assistance

Caltrans District Office staff (See Pages 48-49) will be available during the application period to answer questions and help interested groups complete their applications.

For questions specific to the Grant Application Guide, applicants are also welcomed to contact the Caltrans Office of Regional Planning:

Erin Thompson Email: Erin.Thompson@dot.ca.gov Phone: (916) 654-2596	Priscilla Martinez-Velez Email: Priscilla.Martinez-Velez@dot.ca.gov Phone: (916) 651-8196
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For questions about the “Planning for Housing” (See Pages 9-10) special consideration, please contact the Department of Housing and Community Development:

Paul McDougall Email: Paul.McDougall@hcd.ca.gov Phone: (916) 263-7420
--

Required Documents

Use the samples and checklists provided for the following required documents:

- Application
- Scope of Work
- Project Timeline

A **map of the project area** is also required to clearly identify the boundaries of the project area and to context for the project.

Additional Documents

The following documents are not required, but enhance the overall application and typically result in a more competitive application during the evaluation process:

- **Letters of Support**
 - If submitted, letters of support must be included with the application package. Letters received separate from the application package may not be considered. The letters should be addressed to the applicant. Such letters can come from community-based organizations, local governments, Native American Tribal governments, service agencies, and elected officials.
- **Graphics**
 - Photographs, maps, planning diagrams, land use or design illustrations, or other relevant graphic representations of the proposed project area convey existing conditions and help to further explain the need for the grant and the priority of the proposed planning project with respect to community need.
- **Safety Data**
 - Statistical data such as pedestrian-vehicle injuries/crashes or fatalities resulting from lack of safe infrastructure, or other road conditions that contribute to possible injuries. This information may be obtained from police reports, transit agencies, National Highway Traffic Administration or the Governor's Highway Safety Association.
- **Travel Mode Data**
 - Data on mode share, commute patterns, accessibility for low-income and disadvantaged populations, access to job centers, or other data to show the need and potential for mode shift to non-auto transportation modes.
- **Other Data**
 - As applicable, to indicate the need and potential for reducing VMT and GHG, where available.

Tips and Pointers for Writing a Successful Grant Application

- ✓ Consult with your district representative for technical assistance before the application deadline.
- ✓ Use the Samples and Checklists provided for the Application, Scope of Work, and Project Timeline.
- ✓ Include Caltrans as an active partner in the study.
- ✓ Provide letters of support and project area photographs to enhance the application.
- ✓ **Overall Grant Application:** Clearly demonstrate how the project promotes State Planning Goals, *without stating the goals verbatim*. Also demonstrate how the project fits *every* aspect of the Grant Specific Objective.
- ✓ **Project Summary:** Concisely describe the project in less than 100 words. Explain the “Who, what, when, where, and why.”
- ✓ **Project Justification:** Clearly define and explain the transportation problem or deficiency that the project will attempt to address. Why is it critical to address the problem now? Make the case for a critical need that the project will address and support it with verifiable data, if available.
- ✓ **Scope of Work:** Identify the project area demographics, public participation, and project implementation.
- ✓ **Project Timeline:** Identify the current indirect cost rate *if* indirect costs will be sought for reimbursement. If FY 2017-2018 indirect cost rates are not available, the rate will be an estimate based on the currently approved rate.
- ✓ Keep administrative project tasks below 5 percent of the grant amount requested.
- ✓ Ensure the correct minimum local match amount, calculated as a percentage of the total project cost (grant plus local match), is provided.

Application Submittal Instructions

All grant application packages are required to be submitted **via e-mail**. **An agency may only submit one application package per e-mail**. The Caltrans District Office contact must be copied (refer to the **District Contact List** on Pages 48-49) and the subject line needs to identify the district number, grant program, and *brief* project title (e.g., D1, SC, City of Can Do Planning Project). The required items outlined on the Grant Application Checklist on Page 26 must be attached to the e-mail as separate documents.

Please submit your application package to: Regional.Planning.Grants@dot.ca.gov

**APPLICATIONS MUST BE SUBMITTED VIA E-MAIL NO LATER THAN
FRIDAY OCTOBER 20, 2017
BY 5:00 PM**

**HARD COPIES WILL NOT BE ACCEPTED &
LATE APPLICATIONS WILL NOT BE REVIEWED**

The Grant Application Guide and application form are available at the following website:
<http://www.dot.ca.gov/hq/tpp/grants.html>

Anticipated award announcements: **December 2017**

Download the latest version of [Adobe Reader DC ®](#) to complete the application form. This version of Adobe is available free of charge.

Caltrans District Office staff will be available during the application period to answer questions and help interested groups complete their applications. Refer to the District Contact List on Pages 48-49 for contact information.

Grant Application Checklist

The following documents are required and must be submitted via e-mail as separate attachments. Please do not combine documents into a single attachment. Please keep file names brief, as files become corrupted when the names are too long. Refer to the Grant Application Guide for additional information and/or samples. Failure to include any of the required documents will result in a reduced application score.

Required Application Documents:

- ☐ Application (Complete and submit the PDF form in the exact format provided online at <http://www.dot.ca.gov/hq/tpp/grants.html> - **Scanned or hard copies of the application will not be accepted**)
- ☐ Application Signature Page (print, sign, and scan this page in PDF format)
- ☐ Scope of Work (Microsoft Word format)
- ☐ Project Timeline (Microsoft Excel format)
- ☐ Map of Project Area

Supplemental Information:

- ☐ Graphics of Project Area (when applicable) - see description on Page 23
- ☐ Letter(s) of Support
- ☐ Data – see description on Page 23

Sample Grant Application

SAMPLE Fiscal Year 2017-18 **CALTRANS SUSTAINABLE TRANSPORTATION PLANNING** **SUSTAINABLE COMMUNITIES GRANT APPLICATION**

PROJECT TITLE			
PROJECT LOCATION (city and county)			
	APPLICANT	SUB-APPLICANT	SUB-APPLICANT
Organization			
Mailing Address			
City			
Zip Code			
Executive Director/designee and title	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>
E-mail Address			
Contact Person and title	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>	Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/>
Contact E-mail Address			
Phone Number			
FUNDING INFORMATION Use the Match Calculator to complete this section. Match Calculator			
Grant Funds Requested	Local Match - Cash	Local Match - In-Kind	Total Project Cost
\$	\$	\$	\$
Specific Source of Local Cash Match (i.e. local transportation funds, local sales tax, special bond measures, etc.)			

SAMPLE

Fiscal Year 2017-18

CALTRANS SUSTAINABLE TRANSPORTATION PLANNING SUSTAINABLE COMMUNITIES GRANT APPLICATION

LEGISLATIVE INFORMATION*			
Information in this section must directly be tied to the applicant's address.			
All legislative members in the project area do not need to be listed.			
State Senator(s)		Assembly Member(s)	
Name(s)	District	Name(s)	District

*Use the following link to determine the legislators.
<http://findyourrep.legislature.ca.gov/> (search by address)

Please identify the best practices cited in the 2017 Regional Transportation Plan (RTP) Guidelines, Appendices K and L, that would be employed in the proposed transportation planning grant project. Select all that apply and provide an explanation. For future grant cycles, this section may be considered for points and/or threshold requirements.

☐ Coordination with Other Planning Processes

Please explain how: _____

☐ Regional Travel Demand Modeling & Analysis

Please explain how: _____

☐ RTP Consultation and Coordination

Please explain how: _____

☐ Integrating Ecological Considerations into Transportation Planning

Please explain how: _____

☐ RTP Financial Overview

Please explain how: _____

☐ RTP Modal Discussion

Please explain how: _____

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

☐ Transportation System Management and Operations

Please explain how: _____

☐ Future of Transportation and New Technology

Please explain how: _____

☐ Sustainable Communities Strategy (SCS) Contents and Development

Please explain how: _____

☐ Land Use and Transportation Strategies to Address Regional GHG Emissions

Please explain how: _____

☐ Adaptation of the Regional Transportation System to Climate Change

Please explain how: _____

☐ Performance Measures

Please explain how: _____

☐ Policies and Programs that Promote Health and Health Equity

Please explain how: _____

Please identify the Grant Program Overarching Objectives (Grant Application Guide, Page 3) that the proposed transportation planning grant project will address. Select all that apply and provide an explanation.

☐ Sustainability – Promote reliable and efficient mobility for people, goods, and services, while meeting the State’s GHG emission reduction goals, preserving the State’s natural and working lands, and preserving the unique character and livability of California’s communities.

Please explain how: _____

☐ Preservation – Preserve the transportation system through protecting and/or enhancing the environment, promoting energy conservation, improving the quality of life, and/or promoting consistency between transportation improvements and State and Local planning growth and economic development patterns.

Please explain how: _____

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

- ☐ Mobility – Increase the accessibility of the system and mobility of people and freight.

Please explain how: _____

- ☐ Safety – Increase the safety and/or security of the transportation system for motorized and active transportation users.

Please explain how: _____

- ☐ Innovation – Promote the use of technology and innovative designs to improve the performance of our transportation system and provide sustainable transportation options.

Please explain how: _____

- ☐ Economy – Support the economic vitality of the area (i.e. enables global competitiveness, enables increased productivity, improves efficiency, etc.).

Please explain how: _____

- ☐ Health – Decrease exposure to local pollution sources, reduce serious injuries and fatalities on the transportation system, and promote physical activity especially through transportation means. .

Please explain how: _____

- ☐ Social Equity – Promote transportation solutions that balance and integrate community values with transportation safety and performance, focusing on communities most affected by air pollution and climate change, while encouraging greater than average public involvement in the transportation decision making process.

Please explain how: _____

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

1. Project Description (100 words maximum) (20 points): Briefly summarize project.

A good project description is one that can summarize the project in a clear and concise manner, including major deliverables and any connections to state or regional planning efforts.

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

- 2. Project Justification (Do not exceed the space provided.) (25 points):** Describe the problems or deficiencies the project is attempting to address, as well as how the project will address the identified problems or deficiencies. Additionally, list the ramifications of not funding this project.

This section needs to clearly define the existing issues surrounding the project (e.g., transportation issues, inadequate transit services, impacts of heavy trucking on local streets, air pollution, etc.). Competitive applications support the need for the project with empirical data, describe how this project addresses issues raised, and describe the impact of not funding the project.

SAMPLE
Fiscal Year 2017-18
CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION

- 3. Grant Specific Objective (Do not exceed the space provided.) (25 points):** Explain how the proposed project addresses the grant specific objective of the Sustainable Communities grant program: to encourage local and regional multimodal transportation and land use planning that furthers the region's RTP SCS (where applicable), contributes to the State's GHG reduction targets and other State goals, including but not limited to, the goals and best practices cited in the 2017 RTP Guidelines, and also assist in achieving the Caltrans Mission and Grant Program Overarching Objectives (Grant Application Guide, Page 3).

Applicants should demonstrate how the proposed effort would:

- Integrate Grant Program Considerations (Grant Application Guide, Pages 3-10) –
 - California Transportation Plan (CTP) 2040
 - 2017 Regional Transportation Plan (RTP) Guidelines & Promoting Sustainable Communities in California
 - Addressing Environmental Justice & Disadvantaged Communities
 - Proposed 2017 Climate Change Scoping Plan Update, Appendix C
 - Complete Streets & Smart Mobility Framework
 - Climate Ready Transportation
 - Planning for Housing
- Advance transportation related GHG emission reduction project types/strategies (i.e., mode shift, demand management, travel cost, operational efficiency, accessibility, and coordination with future employment and residential land use, etc.)
- Identify and address mobility deficiencies in the multimodal transportation system including the mobility needs of environmental justice and disadvantaged communities
- Encourage stakeholder collaboration
- Involve active community engagement
- Coordinate transportation, housing, and land use planning components of the project to inform one another (i.e., regular coordination meetings between responsible entities, joint community meetings, letters of commitment from all relevant implementing agencies, etc. Examples of transportation components include, but are not limited to, planning for:
 - New or expanded transit service
 - New or expanded bike or pedestrian infrastructure
 - Complete Streets
 - Removing or reducing barriers created by transportation infrastructure such as highways, overpasses and underpasses, that create disconnected communities

Examples of land use components include but are not limited to:

- An update to a general plan land use element or zoning code that increases development opportunities around key transportation corridors or nodes;
- Creation of a transit-oriented development overlay zone or other special zoning district around key transportation corridors or nodes;
- Studies, plans and policies that address land use conflicts with major transportation corridors such as major highways, ports, shipping and freight corridors, etc. that are near sensitive land uses such as homes, schools, parks, etc. or potentially impacted by climate change.
- Promote the region's RTP SCS (where applicable), State planning priorities (Government Code Section 65041.1) and climate adaptation goals (Safeguarding California)
- Ultimately result in funded and programmed multimodal transportation system improvements

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

4. Project Management (30 points)

- A. Scope of Work in required Microsoft Word format (15 points)
- B. Project Timeline in required Microsoft Excel format (15 points)

See Scope of Work and Project Timeline samples and checklists for requirements.

SAMPLE
Fiscal Year 2017-18
**CALTRANS SUSTAINABLE TRANSPORTATION PLANNING
SUSTAINABLE COMMUNITIES GRANT APPLICATION**

Application Signature Page

If selected for funding, the information contained in this application will become the foundation of the contract with Caltrans.

To the best of my knowledge, all information contained in this application is true and correct. If awarded a grant with Caltrans, I agree that I will adhere to the program guidelines.

Signature of Authorized Official (Applicant)

Print Name

Title

Date

Signature of Authorized Official (Sub-Applicant)

Print Name

Title

Date

Scope of Work Checklist

The Scope of Work is the official description of the work that is to be completed during the contract. **The Scope of Work must be consistent with the Project Timeline. Applications with missing components will be at a competitive disadvantage.** Please use this checklist to make sure your Scope of Work is complete.

The Scope of Work must:

- ☐ Be completed using the Fiscal Year 2017-18 template provided and in Microsoft Word format.
- ☐ List all tasks and sub-tasks using the same title as stated in the project timeline.
- ☐ Have task and sub-task numbers in accurate and proper sequencing; consistent with the project timeline.
- ☐ List the responsible party for each task and subtask and ensure that it is consistent with the project timeline (i.e. applicant, sub-applicant, or consultant).
- ☐ Have a thorough Introduction to describe the project and project area demographics, including a description of the disadvantaged community involved with the project, if applicable.
- ☐ Have a thorough and accurate narrative description of each task and sub-task.
- ☐ Include a task for a kick-off meeting with Caltrans at the start of the grant.
- ☐ Include a task for procurement of consultants, if consultants are needed.
- ☐ Include a task for invoicing.
- ☐ Include a task for quarterly reporting to Caltrans.
- ☐ Include detailed public participation and services to diverse communities.
- ☐ Include project implementation/next steps.
- ☐ List the project deliverable for each task in a table following each task and ensure that it is consistent with the project timeline.
- ☐ NOT include environmental, complex design, engineering work, and other ineligible activities.

Sample Scope of Work

City of Can Do Complete Street Plan

The City of Can Do Complete Street Plan will provide a conceptual multi-modal planning foundation for the City's downtown main street corridor. The Plan will be used to evaluate how different complete street features enhance or detract from the vision of the community. The city intends to gather public input through interactive community workshops which will be the driving factor of the planning process. The City of Can Do Complete Street Plan will contain conceptual design only. It is the City of Can Do's intent that once this plan is complete, it will lead to implementation and development.

The scope of work shown below reflects the anticipated process and deliverables for the City of Can Do Complete Street Plan.

RESPONSIBLE PARTIES

The City of Can Do with the assistance of a consulting firm will perform this work. The City has not yet selected a consulting firm and the proper procurement procedures will be used through a competitive RFP process. City staff anticipates these figures will not differ substantially and will not exceed the grant request amount.

OVERALL PROJECT OBJECTIVES

- Reduce street crown and replace surface with enhanced and/or porous street pavers.
- Sidewalk widening and fully accessible ramp improvements at intersections.
- Add and improve bicycle lanes.
- Improve bike and pedestrian connectivity for residents of nearby apartments and homes.
- Installation of street trees with grates and tree grates for existing trees that can be preserved.
- Installation of pedestrian-scale street lighting at intersections.
- Installation of street furniture and other design features.
- Application of "green street" concepts, such as storm water planter boxes and porous pavement where possible.
- Conceptual designs for underground utilities.
- Conceptual designs to improve drainage conveyance.

1. Project Initiation

Task 1.1: Project Kick-off Meeting

- The City will hold a kick-off meeting with Caltrans staff to discuss grant procedures and project expectations including invoicing, quarterly reporting, and all other relevant project information. Meeting summary will be documented.
- Responsible Party: The City

Task 1.2: Staff Coordination

- Monthly face-to-face project team meetings with consultants to ensure good communication on upcoming tasks and to make sure the project remains on time and within budget. Caltrans staff will be invited to the project team meetings.
- Responsible Party: The City

Task 1.3: RFP for Consultant Services

- Complete an RFP process for selection of a consultant using the proper procurement procedures.
- Responsible Party: The City

Task 1.4: Identify Existing Conditions

- Gather existing conditions and background data by identifying opportunities and constraints as well as standards that should be used to guide preparation of the plan such as existing and planned land uses, population characteristics, and travel projections within the City.
- Inventory and evaluate existing bicycle and pedestrian facilities and nearby apartments and homes.
- Responsible Party: Consultant

<i>Task</i>	<i>Deliverable</i>
<i>1.1</i>	<i>Meeting Notes</i>
<i>1.2</i>	<i>Monthly Meetings Notes</i>
<i>1.3</i>	<i>Copy of Procurement Procedures and Executed Consultant Contract</i>
<i>1.4</i>	<i>Existing Conditions Report</i>

2. Public Outreach

Note: All meetings will be publically noticed to ensure maximum attendance. All public notices will be in English and Spanish. Spanish translators and sign language interpreters will be present at all workshops.

Task 2.1: Community Workshop #1

- Walking tour and workshop. This workshop will introduce the project to the public, define project parameters, inform the community of project opportunities and constraints, and solicit opinions from the community to shape Task 3.1, Develop Streetscape Concept.
- Responsible Party: Consultant

Task 2.2: Community Workshop #2

- An interactive workshop that will use clicker technology, modeling tools, and maps to present the streetscape design concept alternatives. Community will decide on preferred alternatives. Continue to solicit feedback from the community to shape Task 3.3, Draft Complete Street Plan.
- Responsible Party: Consultant

Task 2.3: Community Workshop #3

- Present Draft Design Concept and Report and continue to solicit feedback for public comments to shape Task 3.3, Draft Complete Street Plan and Task 3.6, Final Complete Street Plan.
- Responsible Party: Consultant

Task	Deliverable
2.1	PowerPoint Presentation, Workshop Summary, Photos
2.2	PowerPoint Presentation, Workshop Summary, Photos
2.3	PowerPoint Presentation, Workshop Summary, Photos

3. Streetscape Plan

Task 3.1: Develop Streetscape Concept

- Based on the existing conditions report and the community input from Workshop #1, a streetscape concept will be developed. Streetscape conceptual design will incorporate complete streets concepts and will include plans, sketches, and photos.
- Responsible Party: Consultant

Task 3.2: Develop Conceptual Design Concept Alternatives

- Up to three complete street conceptual design alternatives will be developed. Illustrations will be made in plan view, as street cross sections, and as sketches. A model simulation will be developed for each alternative. The alternatives will be prepared and presented at Community Workshop #2.
- Responsible Party: Consultant

Task 3.3: Draft Complete Street Plan

- Based on the preferred design alternative chosen in Workshop #2, a draft report will be prepared. The draft report will be presented at Workshop #3 for public comment.
- Responsible Party: Consultant

Task 3.4: Identify Potential Funding Sources

- Review and identify potential funding sources for future implementation of the preferred alternative.
- Responsible Party: Consultant

Task 3.5: Joint Planning/Parking and Safety/Bicycle/Housing Advisory Commission Meeting

- Coordinate a joint session among the four commissions to review the draft report and conceptual design alternative. Solicit feedback, respond to any questions, and resolve any critical issues.
- Responsible Party: The City/Consultant

Task 3.6: Final Complete Street Plan

- Complete the final report that addresses the comments given from Workshop #3 and the Joint Commission Meeting. Four hard-copies and four electronic copies of the final report will be submitted to Caltrans. Credit of the financial contribution of the grant program will be credited on the cover of the report.
- Responsible Party: Consultant

Task 3.7: City Council Adoption

- Present the final Complete Street Plan at the City Council meeting. Resolve any critical issues. Adopt final City of Can Do Complete Street Plan.
- Responsible Party: The City/Consultant

Task	Deliverable
3.1	<i>Sketches, illustrations</i>
3.2	<i>Sketches, illustrations</i>
3.3	<i>Draft Report</i>
3.4	<i>Funding Source Report</i>
3.5	<i>PowerPoint Presentation, Workshop Summary, Photos</i>
3.6	<i>Final Report</i>
3.7	<i>Meeting Notes</i>

4. Fiscal Management

Task 4.1: Invoicing

- Submit complete invoice packages to Caltrans District staff based on milestone completion—at least quarterly, but no more frequently than monthly.
- Responsible Party: The City

Task 4.2: Quarterly Reports

- Submit quarterly reports to Caltrans District staff providing a summary of project progress and grant/local match expenditures.
- Responsible Party: The City

Task	Deliverable
4.1	<i>Invoice Packages</i>
4.2	<i>Quarterly Reports</i>

Project Timeline Checklist

The Project Timeline is the official documentation of the budget and time frame of the project. **The Project Timeline must be consistent with the Scope of Work and the Grant Application Cover Sheet. Applications with missing components will be at a competitive disadvantage.**

The Project Timeline must:

- ☐ Be completed using the Fiscal Year 2017-18 template provided (do not alter the template) and submitted in Microsoft Excel format.
- ☐ List all tasks and sub-tasks with the same title as stated in the scope of work.
- ☐ Have task and sub-task numbers in proper sequencing, consistent with the scope of work.
- ☐ Include a task for a kick-off meeting with Caltrans at the start of the grant.
- ☐ Include a task for procurement of consultants, if consultants are needed.
- ☐ Include a task for quarterly reporting to Caltrans.
- ☐ Include a task for invoicing.
- ☐ List the responsible party for each task and sub-task, and ensure that it is consistent with the scope of work (i.e. applicant, sub-applicant, or consultant).
- ☐ Complete all budget columns as appropriate: Total Cost, Grant Amount, Local Cash Match, and if applicable, Local In-Kind Match.
- ☐ State a realistic total cost for each task based on the work that will be completed. Project management/administration costs should not exceed 5% of the grant amount requested.
- ☐ Include a proportional spread of local match amongst each task. The match amount must be at least the minimum amount required by the grant program.
- ☐ Identify the indirect cost rate if indirect costs will be reimbursed.
- ☐ Have a best estimate of the amount of time needed to complete each task.
- ☐ Have the timeframe start at the beginning of the grant period (January 2018 for MPO/RTPAs; April 2018 for non-MPO/RTPAs).
- ☐ Have the timeframe extend all the way to the end of the grant period (February 2020 for all grantees).
- ☐ List the deliverable for each task as stated in the scope of work.

Sample Project Timeline

California Department of Transportation Sustainable Transportation Planning Grants Fiscal Year 2017-18

SAMPLE PROJECT TIMELINE

Project Title			City of Can Do Complete Street Plan												Grantee		The RTPA of Can Do														
Task Number	Task Title	Responsible Party	Budget				FY 2017/18												FY 2018/19				FY 2019/20				Deliverable				
			Total Cost	Grant Amount	Local Cash Match	Local In-Kind Match	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F		M	A	M	J
Project Initiation																															
1.0																															
1.1	Project Kick-off Meeting	The City	\$970	\$776	\$194	\$0																									Meeting Notes
1.2	Staff Coordination	The City	\$3,000	\$2,400	\$600	\$0																									Monthly Meeting Notes
1.3	RFP for Consultant Services	The City	\$1,500	\$1,200	\$300	\$0																									Copy of Procurement Procedures and Executed Consultant Contract
1.4	Identify Existing Conditions	Consultant	\$2,400	\$1,920	\$480	\$0																									Existing Conditions Report
Public Outreach																															
2.0																															
2.1	Community Workshop #1	Consultant	\$17,743	\$13,949	\$3,794	\$349																									PowerPoint Presentation, Workshop Summary, Photos
2.2	Community Workshop #2	Consultant	\$17,744	\$13,995	\$3,749	\$350																									PowerPoint Presentation, Workshop Summary, Photos
2.3	Community Workshop #3	Consultant	\$17,743	\$14,194	\$3,550	\$18																									PowerPoint Presentation, Workshop Summary, Photos
Streetscape Plan																															
3.0																															
3.1	Develop Streetscape Concept	Consultant	\$25,000	\$20,000	\$5,000	\$0																									Sketches, Illustrations
3.2	Develop Conceptual Design Concept Alternatives	Consultant	\$12,000	\$9,600	\$2,400	\$0																									Sketches, Illustrations
3.3	Draft Complete Street Plan	Consultant	\$18,000	\$14,400	\$3,600	\$0																									Draft report
3.4	Identify Potential Funding Sources	Consultant	\$1,500	\$1,200	\$300	\$0																									Funding Source Report
3.5	Joint Planning/Parking and Safety/Bicycle Advisory Commission Meeting	The City/Consultant	\$2,200	\$1,760	\$440	\$0																									PowerPoint Presentation, Workshop Summary, Photos
3.6	Final Complete Street Plan	Consultant	\$7,000	\$5,600	\$1,400	\$0																									Final Report
3.7	City Council Adoption	The City/Consultant	\$500	\$400	\$100	\$0																									Meeting Notes
Fiscal Management																															
4.0																															
4.1	Invoicing	The City	\$1,000	\$800	\$200	\$0																									Invoice Packages
4.2	Quarterly Reports	The City	\$1,200	\$960	\$240	\$0																									Quarterly Reports

Reimbursement of indirect costs is allowable upon approval of an Indirect Cost Allocation Plan for each year of project activities. Provide rate if indirect costs are included in the project budget. Approved Indirect Cost Rate: _____ %

This sample timeline is for illustrative purposes only. Your scope of work and timeline will include different tasks, funding amounts, deliverables, etc. The project timeline must be consistent with the scope of work.
Note: Each task must contain a grant amount and a local cash match amount. Local cash match must be proportionally distributed by the at least the minimum required match percentage throughout each task. Local in-kind match needs to be indicated where in-kind services will be used. Please review the grant program section that you are applying to for details on local match requirements.

Third Party In-Kind Valuation Plan Checklist

The Third Party In-Kind Valuation Plan is an itemized breakdown by task and sub-task and serves as documentation for the goods and/or services to be donated. **The Third Party In-Kind Valuation Plan must be consistent with the information provided on the Project Timeline and Grant Application Cover Sheet.**

This document is required upon grant award as a condition of grant acceptance.

The third party in-kind valuation plan must:

- ☐ Be completed using the Fiscal Year 2017-18 template provided (do not alter the format).
- ☐ Name the third party in-kind local match provider.
- ☐ Describe how the third party in-kind local match will be tracked and documented for accounting purposes.
- ☐ Describe the fair market value of third party in-kind contributions and how the values were determined.
- ☐ Include an itemized breakdown by task and sub-task consistent with the project timeline.
- ☐ Be consistent with the in-kind local match amount reflected on the grant application cover sheet.

Sample Third Party In-Kind Valuation Plan

**Sample
Third Party In-Kind Valuation Plan**

Task	Activity	Title	Name of In-Kind Match Provider	Fair Market Value Determination	Fair Market Value or Hourly Rate	Number or Hours	Estimated Cost
2.1	Community Workshop #1	Donated Workshop Conference Room	CBO	The rental rate is established by CBO.	\$50	4	\$200
		Workshop Volunteer	Joe Smith, CBO	City of Can Do researched the cost for workshop facilitators and determined the average rate.	\$43	4	\$170
2.2	Community Workshop #2	Use of Projector and Laptop	CBO	The rental rate is established by CBO.	\$50	4	\$200
		Workshop Volunteer	Joe Smith, CBO	City of Can Do researched the cost for workshop facilitators and determined the average rate.	\$43	4	\$170
2.3	Community Workshop #3	Copies and Flyers	CBO	Average Copy Costs	\$0.35	570	\$200
		Workshop Volunteer	Joe Smith, CBO	City of Can Do researched the cost for workshop facilitators and determined the average rate.	\$43	4	\$170
		Total In-kind Match :					\$1,111

How the third party in-kind match will be documented for accounting purposes:	The third party in-kind provider will submit a statement for donated services rendered to the City of Can Do with the value of the estimated cost for each task noted.
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Local Resolution Checklist (Not Applicable to MPO/RTPAs)

A Local Resolution is NOT required at the grant application stage; however, it is required upon award, as a condition of grant acceptance.

The Local Resolution must:

- ☐ State the title of the project. ①
- ☐ State the job title of the person authorized to enter into a contract with Caltrans on behalf of the applicant. ②
- ☐ NOT be more than a year old or will not be accepted. ③
- ☐ Be signed by the governing board of the grant applicant. ④

Sample Local Resolution

CITY OF CAN DO RESOLUTION NO. 009-2012

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF CAN DO AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE CITY OF CAN DO COMPLETE STREET PLAN

1

WHEREAS, the Board of Directors of the City of Can Do is eligible to receive Federal and/or State funding for certain transportation planning related plans, through the California Department of Transportation; and

WHEREAS, a Restricted Grant Agreement is needed to be executed with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs; and

WHEREAS, the City of Can Do wishes to delegate authorization to execute these agreements and any amendments thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Can Do, authorize the Executive Director, or designee, to execute all Restricted Grant Agreements and any amendments thereto with the California Department of Transportation.

APPROVED AND PASSED this 4th day of August, 2015.

3

4


John Doe, Chair

ATTEST:


Eileen Wright, Executive Director

Caltrans District and Regional Agency Boundaries Map



Caltrans Sustainable Transportation Planning Grants District Contact List

DISTRICT	CONTACT	MPO/RTPA
DISTRICT 1 1656 Union Street P.O. Box 3700 Eureka, CA 95502	Mendocino and Lake Counties— Rex Jackman (707) 445-6412 Email: rex.jackman@dot.ca.gov Del Norte and Humboldt Counties— Kevin Tucker (707) 441-5770 Email: kevin.tucker@dot.ca.gov	<ul style="list-style-type: none"> • Del Norte LTC • Humboldt CAOG • Lake CCAPC • Mendocino COG
DISTRICT 2 1657 Riverside Drive Redding, CA 96001	Kathy Grah (530) 229-0517 Email: kathy.grah@dot.ca.gov	<ul style="list-style-type: none"> • Lassen CTC • Tehama CTC • Modoc LTC • Trinity CTC • Plumas CTC • Siskiyou CLTC • Shasta RTA
DISTRICT 3 703 B Street Marysville, CA 95901	Kevin Yount (530) 741-4286 Email: kevin.yount@dot.ca.gov	<ul style="list-style-type: none"> • Butte CAG • Sierra LTC • Colusa CTC • Glenn CTC • El Dorado CTC • Nevada CTC • Placer CTPA • Sacramento Area COG • Tahoe MPO
DISTRICT 4 111 Grand Avenue P.O. Box 23660 Oakland, CA 94623-0660	Becky Frank (510) 286-5536 Email: becky.frank@dot.ca.gov Blesilda Gebreyesus (510) 286-5575 Email: blesilda.gebreyesus@dot.ca.gov	<ul style="list-style-type: none"> • Metropolitan Transportation Commission
DISTRICT 5 50 Higuera Street San Luis Obispo, CA 93401-5415	Hana Mengsteab (805) 549-3130 Email: hana.mengsteab@dot.ca.gov	<ul style="list-style-type: none"> • Monterey TAMC • Santa Cruz CCRTC • San Benito COG • Association of Monterey County Bay Area Governments • Santa Barbara CAG • San Luis Obispo COG

Caltrans Sustainable Transportation Planning Grants District Contact List

DISTRICT	CONTACT	MPO/RTPA
DISTRICT 6 1352 W. Olive Avenue P.O. Box 12616 Fresno, CA 93778-2616	Paul Marquez (559) 445-5867 Email: paul.marquez@dot.ca.gov	<ul style="list-style-type: none"> Fresno COG Tulare CAG Kern COG Kings CAG Madera CTC
DISTRICT 7 100 S. Main Street Los Angeles, CA 90012	Charles Lau (213) 897-0197 Email: charles.lau@dot.ca.gov	<ul style="list-style-type: none"> Southern California Association of Governments
DISTRICT 8 464 W. 4 th Street Mail Station 722 San Bernardino, CA 92401	Rebecca Forbes (909) 388-7139 Email: rebecca.forbes@dot.ca.gov	<ul style="list-style-type: none"> Southern California Association of Governments
DISTRICT 9 500 S. Main Street Bishop, CA 93514	Ryan Dermody (760) 872-0691 Email: ryan.dermody@dot.ca.gov	<ul style="list-style-type: none"> Inyo LTC Mono LTC Eastern Kern (COG)
DISTRICT 10 1976 E. Dr. Martin Luther King Boulevard P.O. Box 2048 Stockton, CA 95201	Mountain Counties— Carl Baker (209) 948-7325 Email: carl.baker@dot.ca.gov Merced, San Joaquin, Stanislaus Counties— Tom Dumas (209) 941-1921 Email: tom.dumas@dot.ca.gov	<ul style="list-style-type: none"> Alpine CTC Amador CTC Calaveras COG Mariposa LTC Merced CAG Tuolumne CCAPC San Joaquin COG Stanislaus COG
DISTRICT 11 4050 Taylor Street Mail Station 240 San Diego, CA 92110	San Diego County— Barby Valentine (619) 688-6003 Email: barbara.valentine@dot.ca.gov Imperial County— Beth Landrum (619) 403-3217 Email: bethlandrum@dot.ca.gov	<ul style="list-style-type: none"> San Diego Association of Governments Southern California Association of Governments
DISTRICT 12 1750 E. 4 th Street Santa Ana, CA 92705	Yatman Kwan (657) 328-6277 Email: yatman.kwan@dot.ca.gov Marlon Regisford (657) 328-6288 Email: marlon.regisford@dot.ca.gov	<ul style="list-style-type: none"> Southern California Association of Governments

Attachment Four
2017-18 CEAC Policy & Legislative Priorities



**** Proposed Updates for 2018 ****

2017-18 CEAC Policy and Legislative Priorities

The annual Policy and Legislative Priorities are best achieved through collaboration and shared responsibility. To achieve the following, CEAC, CSAC staff, and individual county staff must combine resources, including policy and technical knowledge and expertise to maximize our influence, efficacy, and successful outcomes.

State Priorities

Transportation

1. **SB 1 Implementation & Best Practices.** The Road Repair and Accountability Act of 2017 (SB 1) has a strong emphasis on maintenance, rehabilitation, and safety on the existing local street and road system with increased accountability and transparency provisions. CSAC will work with counties to implement SB 1 including, but not limited to, development of annual SB 1 revenue projections by counties, adoption of annual SB 1 project lists, development and submittal of project expenditure reports, achieve any necessary changes to the California Transportation Commission's reporting guidelines, and development and disseminating best practices to build capacity at the local level to meet the goals of SB 1.
1. ~~Pursue additional funding to address local transportation needs. Cities and counties currently have \$7.3 billion in unmet annual funding needs for the maintenance and preservation of local streets and roads and related facilities. CSAC will continue to advocate for at least \$3 billion in new ongoing funding for local streets and roads to be allocated to counties by formula with maximum flexibility for local transportation maintenance and improvements to roads and supporting infrastructure, including bridges and complete streets. Advocacy on new transportation funding also includes the return of the new HUTA revenues attributable to Off Highway Vehicles (OHV), watercraft, and agricultural vehicle fuel sales to counties, cities, and the State as intended under the transportation Tax Swap, the return of weight fee revenues back to transportation projects, and repayment of all existing transportation loans. This item may be resolved by November 30, 2106 as part of the Legislature's ongoing special session on transportation and infrastructure development.~~
2. **City and County Pavement Improvement Center.** CSAC staff will work with CEAC, the League of California Cities, and UC/CSU representatives on the creation of the City and County Pavement Improvement Center (CCPIC). Tasks for 2018 include potential legislation to provided on-going funding for the CCPIC, creation of a

governing board and other operational tasks, and surveying the membership to establish the scope and priorities for research and training.

3. Develop CSAC Policy on Autonomous Vehicles and Emerging Technology.

Technological advancements, including autonomous vehicles and associated infrastructure, are rapidly changing. Counties may already be responding to, and deploying, new technology. As technology continues to change, CSAC must be poised to respond and ensure, at minimum, any new mandates are funded. CSAC staff will work with the CEAC Transportation Policy Committee to develop and recommend to CSAC new policy.

2.4. Explore Road User Charge Policy Options. Work with CSAC to reexamine the association's position on mileage-based user charges as an eventual replacement for the gasoline excise tax. As improvements in the fuel efficiency of vehicles reduces gas tax revenue per mile travelled and inflation continues to erode the purchasing power of the excise tax revenues, alternatives to the gas tax are being seriously considered by transportation stakeholders. CEAC will study the policy implications of mileage based user fees and work with CSAC to develop positions on this method of taxation, which will be the focus of extensive study and a state pilot project over the next several years.

3.5. Local Streets and Roads Needs Assessment. Work with the Needs Assessment Oversight Committee and consultant to publicize the 2016 biennial report and engage in education and advocacy in support of new revenues from transportation infrastructure. Develop strategies to increase attention to all statewide efforts that highlight needs of the statewide transportation system. Continue to work with counties, cities, regional agencies, and Caltrans to secure funding for the needs assessment contract.

Land Use

1. CEQA Streamlining – Infill. Support CEQA streamlining for infill projects including the infrastructure necessary to support that development, especially as opportunities present themselves in transportation special session or in the continued discussion of proposals to streamline the development of housing for families of all income levels.
2. Fund Infill Infrastructure. Support funding sources for infrastructure related to infill projects that fall under applicable streamlining, including the Affordable Housing and Sustainable Communities grant program, as well as other proposals to fund infill infrastructure in tandem with affordable housing development, including proposals for a bond measure.

3. SB 743 Implementation. Work with the Governor's Office of Planning and Research (OPR) to ensure that the potential use of Vehicle Miles Travelled as a replacement metric for Level of Service for the purpose of CEQA transportation impacts analysis can be feasibly implemented by local governments. Support efforts to ensure that the new metric is applied in appropriate contexts and that funding and technical assistance are available to smooth the implementation process, including offering training opportunities in collaboration with OPR.

Resource Recovery and Waste Management

1. AB 1826 and SB 1383 Implementation. Engage in CalRecycle and the Air Resources Board's process for implementing AB 1826 and SB 1383 which creates an organic management program in California. Continue to advocate for resources for local governments to develop the necessary infrastructure to implement organics diversion programs.
2. Conversion Technology. Support legislative efforts to advance the development, design and implementation of conversion technologies.
3. Funding for solid waste recovery infrastructure. Alternative to AB 939 fees.

Flood Control

1. Stormwater Funding Outreach and Engagement Effort. Increase public awareness and countywide support for stormwater programs by providing education and information on the needs, challenges, and benefits of stormwater and flood control programs throughout the state.
2. Stormwater Funding. Continue to support the development of a funding mechanism that would allow cities and county to finance compliance with Clean Water Act permit requirements, stormwater capture and flood protection services.

Surveyor

1. Surveyor Monument Preservation. Support legislation that would simplify the collection of the Monument Preservation Fund Fee.

Federal Priorities

Transportation

1. FAST Act Implementation: Work to ensure that California counties are well-positioned to utilize environmental review streamlining opportunities available from the FAST Act.

Continue to educate Congress and the Administration about the need to further streamline the federal process to reduce costs and improve project delivery.

2. Federal Transportation Funding. Take advantage of opportunities to educate Congress and the incoming Administration about the need for new federal funding for transportation in advance of the next reauthorization effort.
3. Offset Impacts from Federal Lands. Support continued federal funding to offset impacts to counties from federal lands, such as the Secure Rural Schools program.

Flood Control

1. Clean Water Act. Support legislation that would amend Section 404 of the Clean Water Act to provide a narrow exemption for maintenance activities involving the removal of sediment, debris and vegetation from flood control channels and basins.

Attachment Five
PUC Order Instituting Rule 20 Rulemaking

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Consider Revisions to Electric Rule 20
and Related Matters.

FILED
PUBLIC UTILITIES COMMISSION
MAY 11, 2017
MERCED, CALIFORNIA
RULEMAKING 17-05-010

**ORDER INSTITUTING RULEMAKING TO CONSIDER REVISIONS
TO ELECTRIC RULE 20 AND RELATED MATTERS**

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ORDER INSTITUTING RULEMAKING TO CONSIDER REVISIONS TO ELECTRIC RULE 20 AND RELATED MATTERS

Summary

This Order institutes a rulemaking proceeding to consider revisions to Rule 20, the Commission's program for replacement of overhead with underground electric facilities.

The Commission may revise or otherwise modify Rule 20, or take another course of action based on the Commission's assessment of which option is most likely to enhance the fair, efficient allocation of ratepayer funds to communities for the undergrounding of electric infrastructure in specified locations and circumstances. The Commission will primarily focus on revisions to Electric Tariff Rule 20A but may make conforming changes to the other parts of Rule 20.

1. Summary of Electric Tariff Rule 20A

Rule 20 defines the policies and procedures followed by the electric utilities to convert overhead power lines and other equipment to underground facilities. Rule 20A is part of Electric Tariff Rule 20 of the California investor-owned electric utilities, including Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), PacifiCorp, Bear Valley Electric Service Company (BVES), and Liberty Utilities (Liberty).¹ Under Rule 20A, these utilities annually allocate work credits to California's communities – either cities or unincorporated areas of counties – to convert overhead electric facilities to underground. The

¹ Rule 20 includes four sets of rules – Rule 20A, 20B, 20C and 20D. While the rules are interrelated, the scope of this updated rulemaking focuses on revisions to Rule 20A and conforming changes to Rules 20B, 20C and 20D.

communities accumulate their annual allocations until they have enough credits to fund an undergrounding project. After the local communities work with their utility to complete the project, the utility requests authorization from the Commission to include completed projects in its rate base and recover project costs from ratepayers.

As discussed in earlier Commission decisions, the public overwhelmingly supports the undergrounding of electric facilities for a variety of reasons. Undergrounding enhances safety and reliability, provides aesthetic benefits, and increases property values.² In general, undergrounding a facility may make the system more reliable (since the facility is protected by being underground). At the same time, undergrounding may make the electric system less resilient since accessing the line/facility is made more complicated (and therefore taking longer when compared to above-ground facilities).

The Commission has also approved parallel rules to Rule 20A for the undergrounding of communications lines and facilities. Undergrounding of electric and communication facilities often needs to be coordinated because utilities attach different types of infrastructure to utility poles; undergrounding only the electric facility may not achieve the public interest benefits of undergrounding.

When it established the Rule 20A undergrounding program, the Commission required that any such projects must have been determined, by the

² See, for example, Decision (D.) 73078 (67 CPUC 490, 512) and D.01-12-009 at 19.

governing body of the community, to be in the public interest for one or more of the following reasons:³

1. Undergrounding will avoid or eliminate an unusual heavy concentration of overhead electric facilities;
2. The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
3. The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public; and
4. The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research Guidelines.

We note that the Rule 20A tariffs of PG&E and SDG&E also require that the governing body to acknowledge that wheelchair access is in the public interest and will be considered as a basis for defining the boundaries of projects that otherwise qualify for Rule 20A under the four criteria listed above.

Currently, annual work credit allocations are based on the amount allocated to a city or a county in 1990 as the base and adjusted for the following:

- 50% of the change from the 1990 total budgeted amount is allocated in the same ratio as the number of overhead meters in any city or unincorporated area to the total system overhead meters; and
- 50% of the change from the 1990 total budgeted amount is allocated in the same ratio as the total number of meters in any city or the unincorporated area to the total system meters.

³ The first three criteria date back to the 1967 creation of the program in D.73078. The Commission added the fourth criterion in 2001.

The intent of this allocation formula is to insure that work credits are allocated equitably to all communities that need undergrounding of their overhead electric lines, but with slightly more weight given to those communities that have a greater undergrounding need.

In addition to meeting the public interest criteria listed above, the Rule 20A tariff requires that the local community has adopted an ordinance creating an underground district in the project area, requiring, among other things, (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property installs the electrical facilities necessary to receive service from the utility's underground facilities, and (3) authorizing the utility to discontinue its overhead service.

The utilities work with the communities to plan and schedule conversion work. Each electric utility forecasts annual spending on these projects during its three-year General Rate Case (GRC) cycle based on its estimate on the projects that communities will be initiating during those years. Medium and large telecommunications and cable companies do not have GRCs and do not earn a rate of return on capital investment nor collect revenues from their customers in the same manner as the electric utilities. The cost to underground electric lines and facilities varies dramatically by location, with large differences between urban and rural settings. Once approved by the Commission, the utility earns a return on these capital investments.

2. Legislative and Procedural Background

The Commission has a long history when it comes to Rule 20. In 1965, the Commission opened Case 8209, which was an "Investigation on the Commission's Own Motion into the Tariff Schedules, Rates, Rules, Charges, Operations, Practices, Contracts, Service, and Aesthetics and Economics of

Facilities of All Electric and Communication Public Utilities in California.”

In 1967, the Commission issued Decision (D.) 73078 which promulgated the first rules concerning service connections and overhead conversions, and directed that they be filed by all of the electric and communication utilities. For the electric utilities, these rules became Rule 20. Rule 20A continued to be updated and refined periodically over time – perhaps most notably in D.82-01-18 and in D.90-05-032. While some of the modifications were more technical in nature, D.90-05-032 addressed the issue of equity in the allocation formula. In that decision, the Commission modified the allocation formula in order to assist communities that have eligible projects but insufficient allocations, and to address concerns that while all ratepayers contribute to Rule 20 funding, some have only a very small fraction of their contributions returned for use by their communities.⁴ The allocation methodology described above is a result of the Commission’s action in D.90-05-032.

As we consider updates to Rule 20A, we also look to any relevant guidance given to the Commission by the California Legislature. As first enacted in 1971, California Public Utilities (Pub. Util.) Code § 320 states:⁵

The Legislature hereby declares that it is the policy of this state to achieve, whenever feasible and not inconsistent with sound environmental planning, the undergrounding of all future electric and communication distribution facilities which are proposed to be erected in proximity to any highway designated a state scenic highway pursuant to Article 2.5 (commencing with Section 260) of Chapter 2 of Division 1 of the Streets and Highways Code and which would be visible

⁴ See D.90-05-032, Finding of Fact 2.

⁵ Stats. 1971, Ch. 1697.

from such scenic highways if erected above ground. The commission shall prepare and adopt by December 31, 1972, a statewide plan and schedule for the undergrounding of all such utility distribution facilities in accordance with the aforesaid policy and the rules of the commission relating to the underground of facilities.

The commission shall coordinate its activities regarding the plan with local governments and planning commissions concerned.

The commission shall require compliance with the plan upon its adoption.

This section shall not apply to facilities necessary to the operation of any railroad.

While § 320 is limited to undergrounding of facilities in proximity to scenic highways, it provides relevant history for the Commission's actions in undergrounding. While the due date for the statewide plan is no longer relevant, § 320 informs the Commission with legislative guidance in terms of the need for an overall plan and set of rules for undergrounding in general.

In 1999, the California Legislature adopted Assembly Bill 1149.⁶ This legislation directed the Commission to complete a study on ways to amend, revise, and improve rules governing the replacement of overhead electric and communications facilities with underground facilities. The Commission opened Rulemaking (R.) 00-01-005 in response to this legislation.

As part of R.00-01-005, the Commission held numerous Public Participation Hearings in a variety of geographic locations. The Commission's rulemaking process was also informed by broad participation from electric and telecommunications companies, cable companies, consumer groups and several

⁶ Stats. 1999, Ch. 844.

municipalities. D.01-12-009, which mandated the current rules that provide for the uniformity of Rule 20A, benefitted from all of this participation. In that decision, the Commission directed PG&E, SDG&E and SCE to draft and file by Advice Letter a model Tariff Rule 20. D.01-12-009 also expanded Rule 20A “public interest” criteria to include projects where the street or road or right-of-way is considered an arterial street or major collector; extended the use of Rule 20A funds by allowing cities to (a) leverage funds with Rule 20B funds and (b) mortgage Rule 20A funds by borrowing up to five years’ worth of credits ahead of time;⁷ required standardized reporting from the utilities; improved communication between utilities and residents; and ordered the creation of an updated Undergrounding Planning Guide.

In D.01-12-009, the Commission envisioned that there would be a second phase of R.00-01-005. Subjects contemplated in D.01-12-009 for this second phase included, but were not limited to, the following:⁸

- whether or not to establish standards for conversion projects so that third parties can competitively bid on projects with no compromise of quality, safety, or reliability;
- whether incentive mechanisms are a better way to manage costs and encourage timely completion of projects;

⁷ Local communities may accumulate their Rule 20A credits and bank them for future projects and can also borrow against future anticipated allocations to facilitate the undergrounding of particular projects. D.01-12-009 lengthened the borrowing timeline from three to five years.

⁸ D.01-12-009 at 25-26.

- investigation of whether there should be a “breakpoint” in allowing new overhead pole and line installation or whether the current exemption process is working;⁹
- explore the value of charging for undergrounding via a line item on utility bills;
- the creation of a fair, equitable, and competitively neutral recovery mechanism for telecommunications carriers and cable companies to recover their undergrounding costs;
- whether adjustments in the Rule 20A allocation formula are appropriate; and
- are there reforms to the undergrounding program that are more properly within the legislative domain?

The Commission ultimately closed R.00-01-005 before reaching this second phase. As discussed nearly four years later in D.05-04-038, “Overtaking events in the electric industry required the Commission to manage and control its resources such that Phase 2 of the proceeding was never fully initiated...”

D.05-04-038 closed the rulemaking and directed that the Interim Order issued in D.01-12-009 revising the rules for converting overhead utility lines to underground will stay in place until the Commission opens a new proceeding, or until further order of the Commission.

In 2001, the City of San Diego (City) adopted an ordinance to underground all of its utility facilities in the next 20 years, including infrastructure that went beyond the established public interest criteria for undergrounding and would therefore be ineligible for recovery under Rule 20. In 2002, the Commission

⁹ D.01-12-009, footnote 1: “In this context, a break point would denote where there would be no further installations of overhead lines.” The footnote states that “the granting of exemptions for new construction is frustrating the overall goals of the program.”

approved Resolution E-3788, which authorized a franchise fee surcharge within the City for electric conversions not eligible under Rule 20. As part of this effort, there was need for greater coordination in the City between SDG&E's implementation of Rule 20 and SBC (later AT&T California, Inc.) use of its Tariff Rule 32. In D.06-12-039, the Commission authorized AT&T California to collect from its customers a limited-time surcharge to help pay for the undergrounding of its lines in the service area that overlapped with the city of San Diego.¹⁰ The Commission deemed AT&T California's circumstances "unique" given the transition from traditional rate regulation to the Universal Regulatory Framework, and directed Commission staff to advise any utilities seeking similar measures, either as surcharges or increases in franchise fees, that the statewide plan (established as summarized above) continues to control utility undergrounding. In 2014, the Commission authorized SDG&E the ability to consider wildfires when converting electric facilities to underground. The Commission agreed with SDG&E that undergrounding could "mitigate the risks of wildfires in the more fire-prone areas of SDG&E's service territory."¹¹ The Commission approved a SDG&E-specific version of Rule 20D that is modeled on Rule 20A, but limited to areas where the governing body has determined that such undergrounding will occur in the SDG&E Fire Threat Zone as developed in accordance with D.09-08-029 and will occur in an area where the SDG&E has determined that undergrounding is a preferred method to reduce fire risk and enhance the reliability of the facilities to be undergrounded.

¹⁰ See Application (A.) 05-03-005 for additional background.

¹¹ D.14-01-002, Finding of Fact 6.

3. Current Status of Rule 20A Implementation

In the over 15 years since the current version of Rule 20A was adopted, we have considered on a case-by-case basis changes to the Rule 20A program established in D.01-12-009. For example, the Commission temporarily revised annual allocation amounts in a previous PG&E GRC decision.¹² The Commission has also issued resolutions concerning Rule 20A allocations and policy, including Resolutions E-3788, E-4731, E-4001, E-3637, and E-4146.

In November 2016, the Commission's Policy and Planning Division authored a staff report reviewing Rule 20A entitled, "Program Review: California Overhead Conversion Program, Rule 20A for Years 2011-2015."¹³ The staff report's review of the Rule 20A allocations over this five year period indicates that there is a large balance of unclaimed credit allocations: local communities have been allocated but have not yet redeemed the equivalent of approximately one billion dollars of Rule 20A credits. It is unclear at this time how many of these allocated credits will be redeemed in the future and on what time horizon.

The staff report shows that costs to underground an electric line or facility can vary significantly based on whether the project is in an urban, suburban or rural location. Rule 20A may not adequately accommodate this cost differential between the urban, suburban and rural locations in allocating the credits to local communities. Some local communities are simply unaware of the existence of

¹² See, D.11-05-018 in PG&E's 2011 GRC Application (A.) 09-12-020.

¹³ Available online at [http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Divisions/Policy_and_Planning/PPD_Work_Products_\(2014_forward\)\(1\)/PPD_Rule_20-A.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Divisions/Policy_and_Planning/PPD_Work_Products_(2014_forward)(1)/PPD_Rule_20-A.pdf)

their allocations and do not consider undergrounding facilities in their local planning process. Some local communities are so small that their work credit allocations are marginal and not sufficient to conduct an undergrounding project of even modest size. The staff report also observes that there is a need for additional coordination between electric and telecommunication companies on conversion projects, a subject envisioned for Phase 2 of R.00-01-005.

4. Discussion

Based on issues identified in the staff report such as the large number of unredeemed Rule 20A credits and the urban/suburban/rural differences in costs of undergrounding a facility, as well as various ratemaking issues noted in the GRC process and the potential need to re-examine the criteria that makes up the “public interest” as being a rationale for redeeming the Rule 20A credits, we conclude that it is reasonable to institute this new rulemaking.

In this rulemaking, the Commission will also require additional information about how joint infrastructure above-ground poles and other facilities can be converted to undergrounding. We also intend to examine whether there is a need to modify the allocation methodology to local jurisdictions depending on the types of attachments to the above-ground pole/facility.

The Commission should also consider updates to Rule 20A that would leverage the undergrounding opportunity and maximize the local community investment with all utility facilities. Accordingly, we include in the scope of this rulemaking any revisions to Rule 20A that are necessary to leverage undergrounding opportunities with communications facilities. We name as respondents to this rulemaking the Facilities-Based Competitive Local Exchange Carriers, including the telecommunications Incumbent Local Exchange Carriers

(ILECs) AT&T California, Cal-Ore Telephone Company, Calaveras Telephone Company, Citizens Telecommunications Company of California, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Frontier California, Volcano Telephone Company, Consolidated Communications of California, Winterhaven Telephone Company and the other Facilities-Based Companies. We invite other communication providers that have an interest in electric undergrounding, including but not limited to cable companies and wireless companies to seek party status and to participate in this rulemaking. In addition, we also invite local municipalities who are allocated the work credits to participate.

As noted above, the electric utilities seek recovery of Rule 20A project costs as part of their General Rate Case process, based on annual budgets for project expenditures established in those proceedings. Since the Commission's action in D.01-12-009, we have considered on a case-by-case basis the reduction of work credit allocations and whether there is a mismatch between funds authorized and spent. While we do not make any determinations about any pending GRCs in this order, we do think it is appropriate to examine the ratemaking issues associated with Rule 20A to ensure that there is a proper match between the demand to underground, the design of the Rule 20A allocation methodology, and the regulatory process to ensure that Commission-approved budgets for Rule 20A projects are spent in a reasonable manner.

5. Preliminary Scoping Memo

This rulemaking will be conducted in accordance with Article 6 of the Commission's Rules of Practice and Procedure, "Rulemaking."¹⁴ As required by Rule 7.1(d), this order instituting rulemaking includes a preliminary scoping memo as set forth below, and preliminarily determines the category of this proceeding and the need for hearing.

5.1. Scope

The scope of this rulemaking proceeding is to consider whether to revise or otherwise modify Rule 20 to enhance the fair, efficient allocation of ratepayer funds to communities for the undergrounding of electric infrastructure in specified locations and circumstances. The Commission will primarily focus on revision of Electric Tariff Rule 20A but may also consider conforming changes to other parts of Rule 20.

The scope shall also include consideration of changes to Rule 20A to facilitate the undergrounding of other utility infrastructure at the same time as the electric lines and facilities are converted to underground.

Also included in the scope are a series of broad questions listed below in Section 5.1.2. A subset of these questions were previously identified in D.01-12-009, including whether or not we should establish standards for conversion projects so third parties can competitively bid on projects with no compromise of quality, safety or reliability, whether adjustments in the Rule 20A allocation formula is appropriate, and whether or not there are benefits to listing the charges for undergrounding as a line item on utility bills.

¹⁴ All references to "Rules" are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website.

We also include in the scope general consideration of undergrounding in urban/suburban/rural local communities, whether disadvantaged communities fully benefit from the program, and whether the criteria for considering the public interest should be updated.¹⁵

The scope of the proceeding will broadly consider the fair and equitable distribution of ratepayer dollars allocated to undergrounding, including equal access and potential to enjoy benefits from undergrounding at reasonable cost.

The scope of this proceeding will also include potential modifications to Rule 20 to account for changes to the communications regulatory system created by switching to the Uniform Regulatory Framework in 2006 in D.06-08-030, which occurred after the Commission last revised Rule 20. When last examined in R.00-01-005, both electric utilities and ILECs were under traditional rate-of-return regulation. With the changes starting in 2006, the landscape has changed and assumption embedded in Rule 20 about ILECs may no longer be valid. In light of the communications transition, Rule 20 may also need to be revised to account for competitive neutrality, since in 1998 the Commission granted SCE a Certificate of Public Convenience and Necessity (CPCN) for limited communications transport service and PG&E has recently filed an application for similar authority.¹⁶ In addition, the number and type of communication companies which make use of utility poles has grown

¹⁵ The CalEnviroScreen, as produced by the state's Office of Environmental Health Hazard Assessment, contains one definition of disadvantaged communities. (See <https://oehha.ca.gov/calenviroscreen/> for additional information.)

¹⁶ SCE was granted a CPCN in D.98-12-083; PG&E filed its request for a CPCN in A.17-04-010. We note that the electric utilities may also provide communication services, with Southern California Edison already doing so.

considerably, including video, broadband, mobile. Moreover, these providers are competing in the same geographic area where access to the utility pole is a significant issue. The scope of this rulemaking will consider revisions to Rule 20 to promote equitable and competitively neutral recovery of underground project costs.

Consistent with Rule 6.3(a) of the Commission's Rules of Practice and Procedure, any decision by the Commission in this proceeding to modify or amend Rule 20 will apply prospectively.

5.2. Initial Questions and Information

To support this rulemaking, the Commission intends to seek extensive information from the electric utilities and the Facilities-Based Competitive Local Exchange Carriers and the ILECs regarding the Rule 20A program, and to seek responses to a wide range of questions about the program. The preliminary list of information we intend to seek, and the initial list of the questions we intend to ask, are provided below. Respondents and interested persons are asked to file comments evaluating the appropriateness of the wording of the questions and the validity of the data sources identified herein. Respondents and interested persons are also encouraged to recommend additional questions or data that may facilitate the Commission's review of the Rule 20A program. Following receipt of these comments, the Commission will hold a workshop and prehearing conference to discuss and refine the list of data and the initial questions and will thereafter, by ruling, issue a final list of questions for comment.

5.2.1. Preliminary Information from Electric Utilities

As part of this Order Instituting Rulemaking (OIR), we anticipate directing each electric utility to file and serve the following data for the 2005-2016 calendar

years. This data will create a common baseline on the relevant issues identified in this rulemaking.

- A complete list of Rule 20A-eligible communities;
- The amount of work credit allocations available to each community each year;
- The number of projects in the following categories:
 - initiated for the next ten years (process has started but no Utilities Conversion Plan);
 - (in planning phase with a Utilities Conversion Plan);
 - in progress (construction); or
 - completed.

The data should denote whether these projects are in urban, suburban or rural locations or if the project is located in a disadvantaged community.

- The estimated cost of individual projects initiated and/or in progress;
- The total cost of each completed project, including both the ratepayer and non-ratepayer cost of each completed project;
- The number of work credit allocations used for each project, including the number of mortgaged or borrowed credit allocations;
- The number of projects completed or underway that relied on credits that were bought or traded, if any; the percentage of the project funding provided by those credits; the cost to acquire those credits (if known).
- The utility's total annual Rule 20A spending;
- The CalEnviroScreen Score of the locations with completed projects;
- A general description of the utility's Rule 20A-related outreach and education efforts plans, partnerships, staffing and resources. To the extent applicable, describe how and

in what ways these strategies vary by region (including urban/suburban/rural and whether the project is in a disadvantaged community);

- The number of meters installed each year using new electric lines that were granted an exemption from the requirement to underground and the number of meters installed using new electric lines that were not exempt from requirement to underground; and
- A list of communities that have never completed a Rule 20A project nor utilized Rule 20A work credit allocations for projects.

5.2.2. Audit of Electric Utilities' Rule 20A Programs

Each electric utility shall file and serve a programmatic and financial audit of its administration of its Rule 20A program, conducted by an independent firm in consultation with the Commission's Utility Audit Finance & Compliance Branch and Energy Division. The audit will review compliance with the Commission's prior decisions, as well as review for the proper financial oversight of the use of Rule 20A ratepayer funds. Each electric utility shall send a copy of their proposed audit scope to the Director of the Commission's Energy Division and the manager of the Commission's Utility Audit Finance & Compliance Branch, and provide a copy to the service list within 60 days of today's Order. The Energy Division director shall have 30 days to respond in writing to each utility's proposed scope. The audit shall examine issues including but not limited to:

- 1) Percentages of cost spent on project overhead, labor, materials, and any other cost categories;
- 2) Whether communities are receiving credits but have not used them for extended periods of time;
- 3) Identification of factors that contribute to any identified project cost overruns;

- 4) Percentages of project cost paid by utilities, local government, residents, and any other entities with cost responsibility; and
- 5) The audit shall also address: the utility Rule 20A program communication and outreach efforts; the utility process for developing Rule 20A revenue requirements for its GRC; whether Rule 20A credit trading and transfer takes place between communities and how the utility is involved in that process; and the utility's communication practices for coordinating with other utilities that have facilities that are co-located on the pole.

The deadline for the audit will be 180 days after the Pre-Hearing Conference unless otherwise revised or determined by the Assigned Commissioner's Scoping Memo.

5.2.3. Preliminary Information from Facilities-Based Providers

As part of this OIR, we anticipate directing each Facility-Based Provider named as a respondent to this rulemaking to provide a summary of current undergrounding practices, including any coordination or collaboration with the electric utilities, and any relevant overlaps with Rule 20A. The summary should include the timelines, funding, coordination outreach efforts with local communities, coordination with electric utilities, and best practices from their existing undergrounding tariffs.

5.2.4. Initial Scoping Questions

To accomplish the goals of this rulemaking, our review will address, but may not be limited to, the following questions:

Rule 20A Work Credits

- 1) For the purposes of allocating Rule 20A work credits, is it reasonable to have a different methodology within each utility service territory for urban, suburban and rural areas? Would changing the work credit allocation

methodology promote additional conversion of lines and facilities to underground in a more fair and equitable manner than current practices?

- 2) In addition to banking and borrowing Rule 20A allocation credits, should a local government be allowed to buy/sell/trade its Rule 20A credits with other local jurisdictions so long as the total number of allocations redeemed does not exceed total project cost? If yes, should the electric utility be the entity to monitor and record this market activity? Should trading be limited to local jurisdictions within the same utility service territory?
- 3) Should rules be developed to increase Rule 20A participation from small municipalities, rural areas, and un-incorporated areas? What about projects located in disadvantaged communities?
- 4) Should the Commission examine appropriate ratemaking treatment options, such as one-way memorandum accounts, for tracking Commission-authorized Rule 20A budgets to prevent these funds from being used for other purposes?

Public Interest Criteria

- 5) Should current criteria listed in the Rule 20A tariff for determining “the public interest” be augmented to include updates to existing factors (including safety and reliability) or newer factors, such as wheelchair access, new forms of public safety promotion, or other environmental factors beyond scenic and aesthetic benefits?
- 6) Should the criteria to determine “the public interest” be different depending on whether the project area is an urban, suburban, or rural location? Are the “safety and reliability” benefits of undergrounding different for these different locations?
- 7) Should the public interest criteria be revised to balance the trade-offs between promoting safety and reliability versus concerns of resiliency and recovery? Does the geographic

region of the underground project (urban/suburban/rural) influence this distinction?

Allocation Methodology/Funding

- 8) Should the Rule 20A allocation methodology be modified to prioritize undergrounding utility infrastructure located in high fire areas, as defined in R.15-05-006, the Commission's rulemaking to develop and adopt fire-threat maps and fire-safety regulations? If yes, are there any safety concerns the Commission should consider when undergrounding in these high-fire areas?
- 9) Should Rule 20A be modified to have a different allocation methodology if the overhead pole (or other eligible facility) being replaced has telecommunications or other public use infrastructure co-located on the pole? Are there other modifications to Rule 20A that would help promote the simultaneous undergrounding of telecommunications infrastructure?
- 10) Should the Rule 20A allocation methodology take into account different ownership models of the above-ground infrastructure? For example, if the utility pole is owned solely by the electric utility versus co-owned by another entity, such as an ILEC or another facilities-based communications service provider?
- 11) Should entities with facilities attached to the above-ground pole bear any financial responsibility when a Rule 20A project is implemented?
- 12) How do pole ownership/leasing agreements influence the undergrounding process, if at all?
- 13) How, if at all, should the allocation methodology be modified to ensure competitive neutrality between the electric utilities and the facilities based providers?
- 14) Should the allocation methodology be modified to leverage grant or public-use programs or other sources of non-electric-ratepayer funds to help promote the new undergrounding of additional projects?

- 15) Besides Rule 20A funds, how else could local governments finance undergrounding of utility infrastructure? Are there non-ratepayer sources of funds that could be better leveraged to promote undergrounding? Should the allocation methodology be revised to recognize different local tax bases/financial resources of communities that are located in urban/suburban/rural parts of the state, or those potential projects located in disadvantaged communities?
- 16) Should there be an overall cap on Rule 20A credits allocated to local communities? Should an electric utility suspend the issuance of new credits to a community if it attests that it does not plan to use an allocation in the next five years? Would letting Rule 20A credits expire or be transferred to another community if they are not used by a certain time improve or limit achieving Rule 20A objectives? Should the Commission examine the disposition of historic unused work allocation credits? For example, will communities be able to redeem unused work allocation credits?

Outreach Strategies

- 17) Should the electric utilities modify their local government outreach, existing partnerships or other approaches to facilitate a more equitable uptake of Rule 20A credits allocated to local communities? Should there be different strategies for coordination with local governments if they are in an urban, suburban or rural setting? What if the potential project is located in a disadvantaged community?

Additional Rule 20 Concerns

- 18) Should the Commission consider different revisions to Rule 20 for the small multi-jurisdictional electric utilities (BVES, Liberty, and PacifiCorp) to promote the undergrounding of lines and facilities in their service territories?

- 19) Should third parties be allowed to bid on Rule 20A projects? If so, what rules must the Commission establish to ensure the projects are high quality and meet all relevant safety and reliability standards? What contract provisions should the Commission establish to ensure proper labor protections?
- 20) Should the Commission consider how incentive mechanisms could be used as a way to manage costs and encourage timely completion of projects?
- 21) Should the Commission consider whether there should be a “breakpoint” in allowing new overhead pole and line installation, or is the current exemption process working?
- 22) Should the Commission change how the utility bill presents the costs of undergrounding facilities?
- 23) Should the Commission consider the use of Rule 20A allocations for conversion-related work like grid hardening, subsurface transformers, hazardous waste cleanup, etc.?
- 24) Does the undergrounding of existing utility infrastructure prevent the deployment of future infrastructure or upgrades of existing equipment?
- 25) Should the Commission review or modify Rules 20B, 20C or 20D as part of our comprehensive review of Rule 20A? If so, suggest what modifications, if any, are needed to better align Rules 20B, 20C or 20D with the suggested changes to Rule 20A?
- 26) Should poles that include wireless antennas be exempt from underground conversions? Alternatively, is it possible to mitigate the impact of underground conversions by relocating wireless facilities to other poles?
- 27) Should the Commission modify Rule 20 to better leverage or coordinate with existing broadband grant programs, such as the California Advanced Services Fund? Should the Commission consider exempting the undergrounding of poles where grants have already been given?

5.3. Proceeding Category and Need for Hearings

Pursuant to Rule 7.1(d), we preliminarily determine that (1) the category for this rulemaking proceeding is quasi-legislative as that term is defined in Rule 1.3(d), and (2) there is no need for evidentiary hearings in this proceeding. As permitted by Rule 6.2, parties may address these preliminary determinations in their written comments that are to be filed and served in accordance with the preliminary schedule for this proceeding. The assigned Commissioner will make a final determination regarding the category of this proceeding and the need for hearings in a scoping memo issued pursuant to Rules 7.1(d) and 7.3(a).

Pursuant to Pub. Util. Code § 1708.5(f), the Commission intends to conduct this proceeding using notice and comment rulemaking procedures. Accordingly, the comments and reply comments submitted pursuant to the preliminary schedule may constitute the record used by the Commission to decide matters within the scope of this proceeding. In addition to responding to those questions, parties should include in their comments and reply comments all information they want the Commission to consider in this proceeding, as there may not be another opportunity for parties to present such information to the Commission.

Pub. Util. Code § 1708.5(f) also provides that “the commission may conduct any proceeding to adopt, amend, or repeal a regulation using notice and comment rulemaking procedures, without an evidentiary hearing, except with respect to a regulation being amended or repealed that was adopted after an evidentiary hearing, in which case the parties to the original proceeding shall retain any right to an evidentiary hearing accorded by Section 1708.” Because the Commission adopted and subsequently amended the model Rule 20A in R.00-01-005 without an evidentiary hearing, Pub. Util. Code § 1708.5(f) allows the

Commission to amend Rule 20A in this rulemaking proceeding without an evidentiary hearing.¹⁷

5.4. Preliminary Schedule

For purposes of meeting the preliminary scoping memo requirements and to expedite the proceeding, we establish the following preliminary schedule:

Event	Date
OIR issued	May 11, 2017
Comments on OIR Scope/Schedule/Questions/Data filed and served	45 days after OIR issued
Preliminary Information from ILECs filed and served	45 days after OIR issued
Prehearing Conference/Initial Public Workshop to discuss (1) best questions (2) best data (3) audit scope	No later than 60 days after OIR issued
Electric IOUs filed and serve audit scope	60 days after OIR issued
The Energy Division director provides written response to each utility's proposed audit scope	30 days after IOUs file and serve audit scope
Scoping Memo (including final data and questions)	No later than 90 days after OIR issued
Intervenor Compensation NOIs filed and served	30 days after Prehearing Conference
Electric IOU data served	60 days after Prehearing Conference
Responses to Scoping Memo questions filed and served	30 days after Electric IOUs serve data
Replies to Responses filed and served	21 days after responses to Scoping Memo questions filed and served
Public Participation Hearings	September -- October 2017
Electric IOU audits filed and served	180 days after audit scope is filed
Comments on Electric IOU audits filed and served	30 days after Electric IOU audits filed and served
Reply Comments on Electric IOU audits filed and served	14 days after Comments on Electric IOU audits filed and served
Submittal date (based on this Preliminary Schedule)	February 2018
ALJ Proposed Decision	May 2018
Final Decision	July 2018

¹⁷ Parties may request evidentiary hearings as set forth in this Order and consistent with the Rules of Practice and Procedure.

5.5. Modification Process

Any person filing comments on this OIR shall state any objections to the preliminary scoping memo regarding the category, need for hearing, issues to be considered or schedule. (Rule 6.2.)

The assigned Commissioner through his/her ruling on the scoping memo and subsequent rulings, and the assigned Administrative Law Judge (ALJ) by ruling with the assigned Commissioner's concurrence, may modify the schedule as necessary during the course of the proceeding to promote the efficient and fair resolution of the rulemaking. We anticipate this proceeding will be resolved within 18 months from the issuance of the scoping memo.

6. Service of this OIR

The Commission's Executive Director shall cause copies of this order to be served on named respondents to this Order Instituting Rulemaking and the service lists for R.17-03-009, Investigation (I.) 15-11-007, A.16-09-001, A.15-09-001 and A.14-11-003.

Pursuant to Pub. Util. Code § 1711(a), the Commission shall, where feasible and appropriate and before determining the scope of the proceeding, seek the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The Commission shall demonstrate its efforts to comply with this Section in the text of the initial scoping memo of the proceeding. Therefore, the Commission's Executive Director is hereby directed to work with the Commission's News and Outreach Office to ensure that notice of this OIR is provided to communities and counties in the service areas of the respondents, since they are likely to be directly impacted by this proceeding.

7. Parties, Service List, and Subscription Service

PG&E, SCE, SDG&E, Liberty, BVES, and PacifiCorp are named as respondents to this rulemaking.

We also name as respondents the Facilities-Based Competitive Local Exchange Carriers, including the ILECs, namely AT&T California, Cal-Ore Telephone Company, Calaveras Telephone Company, Citizens Telecommunications Company of California, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Frontier California, Volcano Telephone Company, Consolidated Communications of California, Winterhaven Telephone and the other facilities-based communication providers.

We also invite, but do not require, other communication providers that attach to the pole, cable companies, and wireless companies to seek party status and to participate in this rulemaking. We also encourage participation from local municipalities who are allocated Rule 20 work credits and participate in undergrounding.

Addition to the official service list is governed by Rule 1.9(f). Any person will be added to the “Information Only” category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue,

San Francisco, California 94102). Please include the Docket Number of this Rulemaking in the request.

Persons who file responsive comments pursuant to the preliminary schedule of this proceeding thereby become parties to the proceeding (see Rule 1.4(a)(2)) and will be added to the “Parties” category of the official service list upon such filing. Nevertheless, in order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the “Information Only” category as described above. Requests for party status made independent of the comment process shall be governed by Rule 1.4.

The Commission’s practice is to list only one representative per party in the “Party” category of the official service list. Other representatives for the same party may be placed on the service list in the “State Service” category or the “Information Only” category. The Commission’s Process Office will publish the official service list on the Commission’s website (www.cpuc.ca.gov) and will update the list as necessary. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets this definition.

8. Subscription Service

Persons may monitor this proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the service list in order to use the subscription service. Instructions for enrolling in the subscription service are available at <http://subscribecpuc.cpuc.ca.gov>.

9. Filing and Serving Documents

This proceeding will utilize the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or only served. This Rule provides for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by United States mail. In this proceeding, concurrent e-mail service to all persons on the service list for whom an e-mail address is available will be required, including those listed under “Information Only.” Parties are expected to provide paper copies of served documents upon request. E-mail communication about this OIR proceeding should include, at a minimum, the following information on the subject line of the e-mail: R.17-05-010 – Rule 20A Rulemaking. In addition, the party sending the e-mail should briefly describe the attached communication; for example, “Comments.” As required by Rule 1.10(e) paper format copies, in addition to electronic copies, shall be served on the assigned ALJ.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Information about electronic filing of documents is available at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission’s Docket Office must include the caption approved by the Docket Office.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures may obtain more information by visiting the Commission’s website at <http://consumers.cpuc.ca.gov/pao>, by calling the Commission’s Public Advisor at 866-849-8390 or 415-703-2074 or

866-836-7825 (TTY)), or by e-mailing the Public Advisor at public.advisor@cpuc.ca.gov.

11. Intervenor Compensation

In accordance with Pub. Util. Code § 1804(a)(1) and Rule 17.1, a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation no later than 30 days after the date of the prehearing conference or as otherwise directed by the assigned Commissioner or ALJ.

12. *Ex Parte* Communications

This proceeding is preliminarily categorized as quasi-legislative. In a quasi-legislative proceeding, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors, and the ALJ are permitted without restriction or reporting as described in Pub. Util. Code § 1701.4(b) and Article 8 of the Commission's Rules.

Any workshops in this proceeding shall be open to the public and noticed in the Commission's Daily Calendar. The notice in the Daily Calendar shall inform the public that a decision-maker or an advisor may be present at the workshop. Parties shall check the Daily Calendar regularly for such notices.

O R D E R

Therefore, **IT IS ORDERED** that:

1. The Commission institutes this Rulemaking on its own motion to revise or otherwise modify Electric Tariff Rule 20, or take another course of action based on the Commission's assessment of which option is most likely to enhance the fair, efficient allocation of ratepayer funds to communities for the undergrounding of electric infrastructure in specified locations and circumstances.

2. The California investor owned electric utilities, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Bear Valley Electric Service Company, Liberty Utilities, and PacifiCorp, are named as respondents to this Rulemaking.

3. The California Facilities-Based Communication Providers, including the Incumbent Local Exchange Carriers, AT&T California, Cal-Ore Telephone Company, Calaveras Telephone Company, Citizens Telecommunications Company of California, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Frontier California, Volcano Telephone Company, Consolidated Communications of California, Winterhaven Telephone Company and other facilities based communication providers are named as respondents to this Rulemaking.

4. The electric utilities, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities, Bear Valley Electric Service Company, and PacifiCorp, shall serve a copy of the proposed audit scope as outlined in Section 5.2.2 of this Order within 60 days of today's Order. The Energy Division director shall have 30 days to respond in writing to each utility's proposed scope. The electric utilities shall file and serve the results of the independent funded audit, as specified in Section 5.2.2 of this Order, within 180 days of the prehearing conference, unless otherwise specified by the Assigned Commissioner's Scoping Memo. The electric utilities shall also provide a copy of the audit to the Director of the

Commission's Energy Division and the manager of the Commission's Utility Audit Finance & Compliance Branch.

5. The preliminary category for this rulemaking proceeding is quasi-legislative as that term is defined in Rule 1.3(d) of the Commission's Rules of Practice and Procedure.

6. It is determined on a preliminary basis that there is no need for evidentiary hearings in this rulemaking proceeding.

7. Any persons objecting to the preliminary categorization or to the preliminary determination on the need for hearings, issues to be considered, or schedule shall state their objections in their opening comments on this Order Instituting Rulemaking.

8. The preliminary schedule for this rulemaking proceeding is set forth in Section 5.3 of this Order. The assigned Commissioner through his/her ruling on the scoping memo and subsequent rulings, and the assigned Administrative Law Judge by ruling with the assigned Commissioner's concurrence, may modify the schedule as necessary during the course of the proceeding to promote the efficient and fair resolution of the rulemaking.

9. Respondents and interested persons are asked to file comments evaluating the appropriateness of the wording of the questions and the validity of the data sources identified in Section 5.2 of this Order.

10. Commenters shall include in their opening comments any objections regarding the category, need for hearing, issues to be considered, or schedule. The deadline in this Rulemaking proceeding to file and serve notices of intent to claim intervenor compensation is 30 days after the date of the prehearing conference or as otherwise directed by the assigned Commissioner or the assigned Administrative Law Judge.

11. The Commission's Executive Director shall cause notice of this Rulemaking to the following service lists: Rulemaking 17-03-009, Investigation 15-11-007, and Application (A.) 16-09-001, A.15-09-001, A.17-04-010 and A.14-11-003 et al.

12. The Commission's Executive Director shall work with the Commission's News and Outreach Office to ensure that notice of this Order Instituting Rulemaking is provided to communities and counties in the service areas of the respondents, since they are likely to be directly impacted by this proceeding.

This order is effective today.

Dated May 11, 2017, at Merced, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners