

CALIFORNIA TRANSPORTATION COMMISSION

High-Speed Passenger Train Bond Program Guidelines

General Program Policy

1. Authority and purpose of guidelines. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century approved by the voters as Proposition 1A on November 4, 2008, authorized the California Transportation Commission (Commission) upon appropriation by the Legislature to allocate funds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as set forth in Streets and Highways Code, Division 3, Chapter 20, Section 2704.04, subdivision (b) or that provide capacity enhancements and safety improvements. Section 2704.095 requires the Commission to program and allocate the net proceeds received from the sale of \$950 million in bonds authorized under Proposition 1A for the High-Speed Passenger Train Bond (HSPTB) Program.
2. Program of Projects. The Commission will adopt the Intercity Rail Program and the Commuter and Urban Rail Program as follows:
 - For the Intercity Rail Program, the program will consist of eligible project applications submitted by the Department of Transportation (Department) in two parts: A) (Formula) the Commission will program in each of the three intercity rail corridors a minimum of \$47.5 million in eligible projects for a combined total of \$142.5 million and B) (Competitive) the Commission, upon finding that the projects are consistent with the criteria identified under Section 12 shall program up to another \$47.5 million in projects to any of the three intercity rail corridors.
 - For the Commuter and Urban Rail Program, a total of \$760 million will be divided among eligible applicants using a formula distribution which incorporates the following factors: track miles, vehicle miles and passenger trips.
3. Program Schedule. The Commission intends to implement the program of projects on the following schedule:

Commission adoption of the Guidelines	February 24, 2010
Project applications due	March 15, 2010
Draft list of projects to the Commission	April 7, 2010
Commission adopts the initial program of projects	May 20, 2010

The Commission intends to adopt an initial three-year program of projects starting with the 2010-11 Fiscal Year. As appropriate, if programming capacity remains, the Commission will adopt an annual rolling three-year program of projects for the HSPTB Program each fiscal year.

4. Administration. The Commission will set aside up to two percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may make an estimate of the amount that the Legislature will appropriate to the HSPTB Bond Fund and available for allocation, subject to adjustment based on the final appropriation in the Budget Act. The Department shall administer the Program and provide semi-annual progress reports to the Commission at regularly scheduled Commission meetings.

General Intercity Rail and Commuter and Urban Rail Eligibility

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

project has the required environmental clearance. Expenditures made prior to the adoption of the project into the program and before an initial allocation by the Commission are not eligible for reimbursement.

10. Timely Use of Funds. Projects receiving an allocation from the HSPTB Program shall award the funds no later than six months after the Commission makes the allocation, unless the Commission approves an extension. Applicants shall submit extension requests prior to the end of the six month deadline and the Commission will consider extension requests in the same manner as for STIP projects

In instances where the allocation may result in multiple awards, the eligible agency requesting the allocation, may request to the Commission as part of the allocation to allow for the deadline to be extended beyond the six month period. If the Commission grants the requesting agency an award period greater than six months, the agency shall report quarterly to the Department on its progress in awarding the contracts.

Intercity Rail Program – Project Eligibility

11. Intercity Rail Formula. The Department, in consultation with the public agencies who own the intercity rail right-of-way and the passenger rail operators on the intercity rail lines, shall present to the Commission the list of projects for the formula portion up to the minimum allowed per corridor. The Commission will approve the list presented provided that the projects in the list meets the eligibility requirements under the General Intercity Rail and Commuter and Urban Rail Eligibility section of these Guidelines and addresses Section 17.
12. Intercity Rail Competitive. The Department, in consultation with the public agencies who own the intercity rail right-of-way and the passenger rail operators on the intercity rail lines, shall select the projects within each of the three corridors for the remaining twenty-five percent (\$47.5 million) and present them to the Commission for approval. The Commission will give priority in the following order:
 - Project that provide direct connectivity to the high-speed train system;
 - Project that is eligible for or has committed federal funds;
 - Projects that promotes increased ridership, increases On Time Performance and decreases running times.
13. Loans. Each corridor may loan up to \$47.5 million to another corridor once through the life of this program if programming capacity is available. All approved loans are expected to be repaid within 5 years. A request shall be made to the Commission and the Commission may approve such a loan, providing programming capacity is available and the following criteria are met:
 - Projects to be funded with the loaned amount must meet eligibility requirements for the Intercity Rail Program outlined in these guidelines.
 - The request must identify the amount of the loan and the repayment schedule and whether programming capacity is available in the corridor receiving the loan to repay the loan obligation.

- Request must be signed by the Director of the Department.

Commuter and Urban Rail Program – Project Eligibility

14. **Funding Share.** The target totals for each eligible agency shall be determined using the distribution factors gathered from the most current available data in the National Transit Database, Federal Transit Administration, Attachment I.
15. **Project Applications.** The Commission will accept from each eligible agency their priority list of projects up to their target amounts. Each project must meet the criteria set forth in Section 2704.095 (c) through (j) of the Streets and Highway Code. In addition, the Commission will:
 - Give priority to those projects that provide direct connectivity to the high-speed train system;
 - Require that the matching funds used by the eligible agencies shall be non-state funds. The non-state match must be matched to the phase programmed with HSPTB funds. The match for commuter and urban rail projects begins with the expenditures that date from the adoption of the program. Non-State funds shall be defined as local, private and federal funds, as well as those state funds not under the Commission's purview.

Project Application – Intercity Rail and Commuter and Urban Rail Programs

16. **Maximum Programming Allowed:** The Commission's program of projects will not exceed the maximum allowed per program. The list of projects for each of the programs shall include the appropriate signatures including: the Director of the Department, Chief Executive Officer or other officer authorized by the applicant's governing board and the signature of an authorized officer of the respective regional agency.
17. **Project Information:** The State Transportation Improvement Program (STIP) Project Programming Request (PPR) form will be used for each project application. In addition the information required in the PPR, eligible applicants shall include the following:
 - An assessment of the project's useful life.
 - A Governing Board Resolution documenting commitment of funding and all other requirements of these Guidelines, and the Streets and Highways Code Section 2704.095 that pertain to the HSPTB Program funds.

The list of projects and applications should be mailed or delivered to:
Bimla Rhinehart, Executive Director
California Transportation Commission
1120 N Street, Mail Station 52, Suite 2122
Sacramento, CA 95814