



**November 16, 2020**

**To:** Members of the Board of Directors

**From:** Donna DeMartino, Managing Director *Donna DeMartino*

**Subject:** Fiscal Year 2020-21 Through Fiscal Year 2024-25 State Rail Assistance

### **Overview**

Senate Bill 1, the Road Repair and Accountability Act of 2017, is expected to provide over \$54 billion in funding by 2027 to maintain and improve California's transportation system. An element of Senate Bill 1, the State Rail Assistance program, provides funding for both operational and capital improvements to commuter and intercity passenger rail services. Consistent with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency annual business plan and State Rail Assistance program guidelines, staff has developed a proposed five-year program of projects to utilize these funds.

### **Recommendations**

- A. Approve the recommended program of projects for Fiscal Year 2020-21 through Fiscal Year 2024-25 State Rail Assistance formula funds.
- B. Approve Resolutions No. 2020-L001 and No. 2020-L002 authorizing the Managing Director to act on behalf of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency in obtaining funding under the State Rail Assistance Program.
- C. Authorize the Managing Director to negotiate and execute necessary agreements and program supplements to facilitate the utilization of State Rail Assistance funding.

### **Background**

Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017, is intended to provide over \$54 billion by 2027 to maintain and improve California's transportation infrastructure. This includes approximately \$454 million directed specifically to commuter and intercity passenger rail services through the State Rail Assistance (SRA) program. The SRA program is intended

to fund both operational and capital improvements through a combination of formula and competitive distribution. The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is an eligible recipient of these funds. The SRA program is administered by the California State Transportation Agency (CalSTA), which is responsible for evaluating the eligibility of projects, disbursing funds and tracking progress of delivery through extensive required reporting from recipients.

### ***Discussion***

The SRA program guidelines were most recently amended and adopted by CalSTA on December 31, 2019. There is flexibility provided within the guidelines that allows eligible agencies to utilize funds for either or both operations and capital improvements as summarized below.

- Operational Improvements: funds can be used for service development plans, strategic plans, ridership modeling, multi-agency integration efforts, schedule optimization, customer outreach and engagement, and improving customer amenities.
- Capital Improvements: funds can be used for equipment purchases and track and station improvements with the intent of increasing capacity, reducing travel delays, improving accessibility, and enhancing the customer experience.

The guidelines define the requirements for funding including eligibility and disbursement as well as use and reporting requirements. The complete guidelines are included as Attachment A.

CalSTA programs SRA similar to the State Transportation Improvement Program, utilizing a five-year horizon. The current guidelines include a statutorily required revenue forecast and allocations for each eligible agency. For the current five-year period, fiscal year (FY) 2020-21 through 2024-25, the LOSSAN Agency is expected to receive \$29.8 million, including \$5.7 million in FY 2020-21. Future year estimates will be updated annually and can fluctuate with the price and consumption levels of diesel fuel.

Staff has developed a proposed program of projects that utilizes the full five years of estimated funding. Programming the full estimate allows the LOSSAN Agency to maximize funding by demonstrating need and also generating interest on the allocated funds. The proposed program of projects is summarized in the following table:

<b>Project Title</b>	<b>Description</b>	<b>Funding Amount</b>
Equipment Overhaul and Procurement Matching Funds	Staff to work with Caltrans to evaluate options for procuring new rail cars and other equipment to sustain and expand Pacific Surfliner service. These SRA funds may be utilized as matching funds to leverage future federal and/or state funding opportunities.	\$ 22,970,000
Corridor Hardening and Safety Improvements	Improvements include slope / bluff stabilization, security fencing, crossings or pedestrian access, communication upgrades and improvements, and various other safety related projects along the Santa Barbara Subdivision.	\$ 5,880,000
Interregional Connectivity Improvement Project	This will be a coordinated effort to provide seamless interagency transfers between the Pacific Surfliner and other transportation services within California.	\$ 550,000
LOSSAN Strategic Plan Update	Update the long-term plan for the continued improvement of the Pacific Surfliner service. The plan will develop an updated vision for the LOSSAN Agency, using a short-term horizon, a near-term 2025 horizon, and a long-term 2035 horizon.	\$ 400,000
<b>Total (All Projects)</b>		<b>\$ 29,800,000</b>

These projects focus on both operational and capital improvements that will help to improve safety, on-time performance, and interregional connectivity. Both the interregional connectivity improvement project and the Strategic Plan update were previously programmed using SRA funding, but were placed on hold due to higher priority needs for the funding. These projects are consistent with the LOSSAN Agency goals, the Board approved the Annual Business Plan and the State Rail Plan.

#### **Next Steps**

Upon Board approval of the proposed projects, staff will work with CalSTA to submit the necessary documentation to receive the project allocations on a quarterly basis. Included in the required documents are governing body resolutions that authorize the Managing Director to submit project allocation requests on behalf of the LOSSAN Agency. Copies of these resolutions are included in Attachments B and C and are presented for Board approval.

#### **Summary**

The State Rail Assistance program, an element of Senate Bill 1, is intended to provide a reliable funding source to commuter and intercity passenger rail services for both operational and capital improvements. The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is an eligible recipient of these funds. Staff has developed a proposed program of projects that will maximize the use of these

funds and interest earnings and provide the most benefit for passenger rail services on the LOSSAN rail corridor and long-term growth of the Pacific Surfliner service.

***Attachments***

- A. State Rail Assistance, Final Guidelines, December 31, 2019, Applicable for 2020-21 through 2024-25 Funding
- B. Resolution of the Board of Directors of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the State Rail Assistance
- C. Resolution of the Board of Directors of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Authorization for the Execution of State Rail Assistance Projects for FY 2020-21 Through FY 2024-25

**Prepared by:**



Russ Henry  
Grants and Funding Manager  
(714) 560-5990