

SBCAG STAFF REPORT

SUBJECT: Funding Opportunity for Santa Barbara Highway 101 Multimodal Corridor through Federal Multimodal Projects Discretionary Grant Opportunity

MEETING DATE: April 21, 2022 **AGENDA ITEM:** 9

STAFF CONTACT: Sarkes Khachek

RECOMMENDATION:

- A. Receive presentation on availability of funding through Federal Notice of Funding Opportunity by U.S. Department of Transportation through the Multimodal Project Discretionary Grant Opportunity.
- B. Receive presentation on options for submittal applications to U.S. DOT with SBCAG Staff Recommendation and provide direction to staff on application submittal.

BACKGROUND:

On March 22, 2022, U.S. Secretary of Transportation Pete Buttigieg announced the availability of \$2.85 billion for major infrastructure projects through a combined Notice of Funding Opportunity. U.S. DOT combined three major discretionary programs into one [Multimodal Project Discretionary opportunity](#) (see Table 1) with the intention to reduce the burden for applicants and to increase the pipeline of “shovel worthy” projects. One of the programs is a legacy program known as INFRA and the remaining two new programs (MEGA and Rural) were created in the Bipartisan Infrastructure Law approved signed by President Biden in 2021. With the combined call for projects, applicants can choose to apply for multiple programs with one application. Applications are due to U.S. DOT by May 23, 2022.

<u>Table 1</u>	<u>Program Background</u>	<u>Amount Available</u>
<u>National Infrastructure Project Assistance (MEGA) program - NEW</u>	Funds major projects that are too large or complex for traditional funding programs. The program will provide grants on a competitive basis to support multijurisdictional or regional projects of significance that may also cut across multiple modes of transportation.	<u>\$1 Billion</u>
<u>Infrastructure for Rebuilding America (INFRA) program - EXISTING</u>	Existing competitive program that will see a more than 50 percent increase in this year’s funding due to the Bipartisan Infrastructure Law. These grants advance the Administration’s priorities of rebuilding America’s infrastructure and creating jobs by funding highway, multimodal freight and rail projects that position America to win the 21st century. Projects will improve safety, generate economic benefits, reduce congestion, enhance resiliency, and hold the greatest promise to eliminate supply chain bottlenecks and improve critical freight movements.	<u>\$1.55 Billion</u>



<u>Rural Surface Transportation Grant Program (RURAL) - NEW</u>	Supports projects to improve and expand the surface transportation infrastructure in rural areas to increase connectivity, improve the safety and reliability of the movement of people and freight, and generate regional economic growth and improve quality of life. Eligible projects for Rural grants include highway, bridge, and tunnel projects that help improve freight, safety, and provide or increase access to an agricultural, commercial, energy, or transportation facilities that support the economy of a rural area.	<u>\$300 Million</u>
	<u>TOTAL</u>	<u>\$2.85 Billion</u>

Application Options and Recommended Funding Application

This Notice of Funding Opportunity is important for SBCAG and Caltrans to submit for funding to help complete the remaining Highway 101 HOV segments (or final 2 miles) in Santa Barbara and Montecito and additional transit and bicycle and pedestrian improvements as part of the Santa Barbara Highway 101 Multimodal Corridor. Since the corridor is included in an Urbanized Area less than 200,000 population, SBCAG is eligible to apply for all three federal programs.

SBCAG staff and the corridor team (including Tom Walters and Associates (Federal Legislative Advocate) and PointC (Highway 101 Corridor Advisor)) held a consultation meeting with U.S. DOT representatives on April 13 to discuss the combined NOFO and components of our multimodal corridor.

Based on the available funding, project eligibility and benefits of completing the corridor, and per SBCAG Board direction to aggressively pursue all state and federal funding opportunities, SBCAG staff recommends the submittal of two separate grant applications for all three federal programs. The options and recommendation are presented below.

Application Options and Recommendation:

1. **Completion of Corridor:** Submit \$256 million funding application to complete the corridor for all remaining Highway 101 HOV segments (4D South, 4E North and South), Cabrillo Bicycle, Pedestrian and Rail Improvements, SBMTD Electric Transit Bus Replacements, and Santa Barbara Eastside Bicycle and Pedestrian Improvements with options within the application to fund separate segments and components.
2. **Single HOV Segment:** Submit \$90 million application solely for Highway 101 HOV 4D South segment.
3. **Submit both applications – SBCAG Staff Recommendation**

SBCAG staff is seeking direction from the Board on submittal of applications to U.S. DOT. Upon receiving direction, SBCAG staff will work with our corridor team to develop applications for submittal to U.S. DOT by the May 23 deadline. Staff will provide additional information on the application development at the April 21 Board of Directors meeting.

When do we hear back on our application?

Based on prior funding opportunities processes conducted by U.S. DOT, awards are expected to be announced two to three months after the application deadline or in July or August for this funding opportunity.