9. FINANCIAL ELEMENT

The Financial Element of an RTP is statutorily required, and it is meant to guide State and local decision-makers in determining which projects can be planned for funding within the planning period. The Financial Element is meant to define realistic financing constraints and opportunities. ~~The purpose of the Financial Element is to "demonstrate how the adopted transportation can be implemented" and to provide "system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain Federal-aid highways and public transportation" (23 CFR 450.322(f)(10)).~~

> Generally speaking, federal and state funds each constitute less than one-quarter of all funding, with more than one-half of all transportation funding in California coming from local sources."
>
> *– California Transportation Commission 2017*

Below, This Financial Element first gives an overview of current federal transportation funding, including the Fixing America's Surface Transportation Act of 2015, and the status of the Highway Trust Fund. The chapter continues to briefly describe State transportation funding—with the recent passage of the Road Repair and Accountability Act of 2017—and local funding initiatives.

Then, as required, the Financial Element describes a Finance Plan to describe how HCAOG and member entities will plan for and budget the projects proposed in the RTP's Action Elements, which list both financially constrained and unconstrained (i.e. funded and unfunded) projects. The Finance Plan identifies revenue sources, estimates projected revenues for the 20-year planning term, and compares the revenues to estimated costs. ~~Below, under Finance Plan, this chapter estimates the costs and revenues to implement the projects that are listed in the regional projects tables of each mode, identified in the respective RTP elements.~~ ~~Both financially constrained and unconstrained (i.e. funded and unfunded) projects are identified. The Financial Element's tables summarize the forecasts of future costs and revenues by mode,~~ ~~and~~ This shows, to the best of our knowledge, potential (and known) funding shortfalls.

All HCAOG projects funded in the State Transportation Improvement Program (STIP), i.e. both the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP), are identified in the 20147 RTP Update and included in the Federal Transportation Improvement Program (FTIP) pursuant to the STIP guidelines.

Under Transportation Funding Programs, below, this chapter identifies potential new funding sources that the region could pursue to obtain supplemental revenues that are needed to implement the region's transportation vision over the long term.

~~STATUS OF~~ FEDERAL TRANSPORTATION FUNDING

The federal government's surface transportation programs are financed mostly through the Highway Trust Fund. The trust fund sets up two separate accounts, one for highways and one for mass transit ~~(which finances 80 percent of federal transit programs)~~. The trust fund derives its revenues mostly from federal excise taxes on gasoline and certain other motor fuels, ~~and~~ plus interest earned on its accumulated balances. The taxes are levied on a cents-per-gallon basis and are not indexed to inflation. As a result, "since the mid-1990s, inflation has eroded the purchasing power of federal transportation funds by nearly 40 percent" (US DOT 2017). ~~Because fuel consumption continues to decline, the nation is facing a very real, near-term insolvency crisis with the Federal Highway Trust Fund.~~ Along with inflation, other reasons for the decline in funding are: Congress has not increased federal fuel taxes per gallon since 1993; per capita vehicle miles traveled (VMT) has been decreasing since 2005 along with increasing fuel economy of passenger vehicle (on average by 12 percent), thereby reducing fuel use and thus fuel tax revenues (US DOT 2017).

While revenues have decreased, successive congresses (and Presidents) have authorized greater spending on highways and mass transit through federal transportation bills. The transportation bills of the last ~~two~~three decades, and their overall funding authorizations, were:

- 1991-1997 Intermodal Surface Transportation Efficiency Act (ISTEA), $147 billion.
- 1998 -2004 Transportation Equity Act for the 21st Century (TEA-21), $218 billion.
- 2005-2011 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), $286.4 billion.
- 2009-2010 American Recovery and Reinvestment Act of 2009 (ARRA) included $46.7 billion for surface transportation spending. Passed in direct response to the Great Recession economic crisis.
- 2013-2014 Moving Ahead for Progress in the 21st Century (MAP-21), $109 billion. (CEAL 2012).
- 2016-2020 Fixing America's Surface Transportation Act (FAST Act), $305 billion.

~~"MAP-21" Federal Transportation Bill~~

~~The Moving Ahead for Progress in the 21st Century Act (MAP-21, Public Law 112-141) is the most recent federal authorization for highway and transit programs. MAP-21 apportions Federal-Aid Highway Program funds for federal fiscal years 2013 and 2014, and expires on September 30, 2014. Federal transportation funds are paid from the Highway Account of the Highway Trust Fund for Federal-Aid Highways.~~

~~Table *Finance-1* MAP-21 Core Programs~~

~~Federal Programs Under MAP-21~~	~~Legislative Authorization~~	~~National Authorization Levels (estimated) FY 2013, FY 2014~~	~~California Apportion-ment FY 2014[1]~~	~~Federal Share in Projects[2]~~

~~CMAQ~~ ~~*Congestion Mitigation and Air Quality Improvement Program*~~	~~MAP-21 §1113 (23 U.S.C. 149)~~	~~$2.21 billion, $2.23 billion~~	~~$468,142,391~~	
~~HSIP~~ ~~*Highway Safety Improvement Program*~~	~~MAP-21 §1112 (23 USC 148(b), 150(b)(1))~~	~~$2.39 billion*, $2.41 billion*~~	~~$198,850,884~~	~~90%~~
~~Metropolitan Planning~~	~~MAP-21 §1105, 1201(23 USC 120)~~	~~$311 million, $314 million~~	~~$48,963,903~~	~~Per 23 USC 120~~
~~NHPP~~ ~~*National Highway Performance Program*~~	~~MAP-21 §1106 (23 U.S.C. 119)~~	~~$21.75 billion, $21.93 billion~~	~~$1.9 billion~~	~~80%; 90% for projects on the Interstate System; 65% for a State not conforming with an asset management plan~~
~~STP~~ ~~*Surface Transportation Program*~~	~~MAP-21 §1108 (23 USC 133)~~	~~$10.00 billion*, $10.09 billion*~~	~~$896,515,526~~	~~80%; 90% for projects on the Interstate System; 100% for workforce development, training, and education activities~~
~~TAP~~ ~~*Transportation Alternatives Program*~~	~~MAP-21 §1122 (23 USC 213(b) and 101(a)(29))~~	~~$809 million, $820 million~~	~~2% of total federal highway apportionment~~	~~80% for most TAP projects~~
~~TTP~~ ~~Tribal Transportation Program~~	~~MAP-21 §1119 (23 USC 201, 202)~~	~~$450 million, $450 million~~	~~N/A (allocated to Tribes)~~	~~100%~~
	~~*Apportioned Total*~~		~~*3,561,552,534*~~	

~~Source: www.fhwa.dot.gov/map21 (accessed July 2013).~~

~~Once each State's total Federal-aid apportionment is calculated, funds are set aside for Metropolitan Planning and the Congestion Mitigation and Air Quality Improvement Program (CMAQ). The remainder is divided among the rest of the formula programs as follows: 63.7% for the National Highway Performance Program (NHPP); 29.3% for the Surface Transportation Program (STP); and 7.0% Highway Safety Improvement Program (HSIP). Funds for each State's Transportation Alternatives Program (TAP), new under MAP-21, equal 2% of the State's total Federal-aid Highways Program apportionment [23 USC 213(a)]. Funds for the Railway-Highway Crossing Program are derived from a set-aside of the State's HSIP apportionment (www.fhwa.dot.gov/map21/rhc.cfm, accessed July 2013).~~

"In terms of its 'pay for,' the FAST Act largely used gimmicky offsets rather than dealing with the fundamental structural flaws inherent in the gas tax. Consequently, our system still lacks the galvanizing clarity of purpose and vision that can drive public support."

– Secretary Anthony Foxx
U.S. DOT 2017

~~MAP-21 changed several of the federal transportation programs and funding streams. These changes are described later in this chapter, under "Transportation Funding Sources."~~

Since 2001, outlays from the Trust Fund have generally exceeded revenues on an annual basis. Under current law, the trust fund cannot incur negative balances, nor is it permitted to borrow to cover unmet obligations presented to the fund (CBO 2016b). To make up for revenue shortfalls, Congress has, since 2008, transferred money from the Treasury's general fund to the Highway Trust Fund. Rather than raise fuel tax rates or reduce spending, Congress has avoided creating any new, ongoing revenue to deposit into the fund, opting instead to supplement federal transportation funding on an ad-hoc basis, primarily from the general fund.

The FAST Act of 2015

The Fixing America's Surface Transportation (FAST) Act, signed into law on December 4, 2015, transferred $71 billion, mostly from the general fund of the Treasury, to the Highway Trust Fund. Congress financed the transfer mostly by reducing both the surplus account of the Federal Reserve and the dividends paid to large member banks on their capital stock in the Federal Reserve. The FAST Act did not create any new revenue sources from transportation users (CBO 2016a).

~~STATUS~~ SOLVENCY OF THE FEDERAL HIGHWAY TRUST FUND

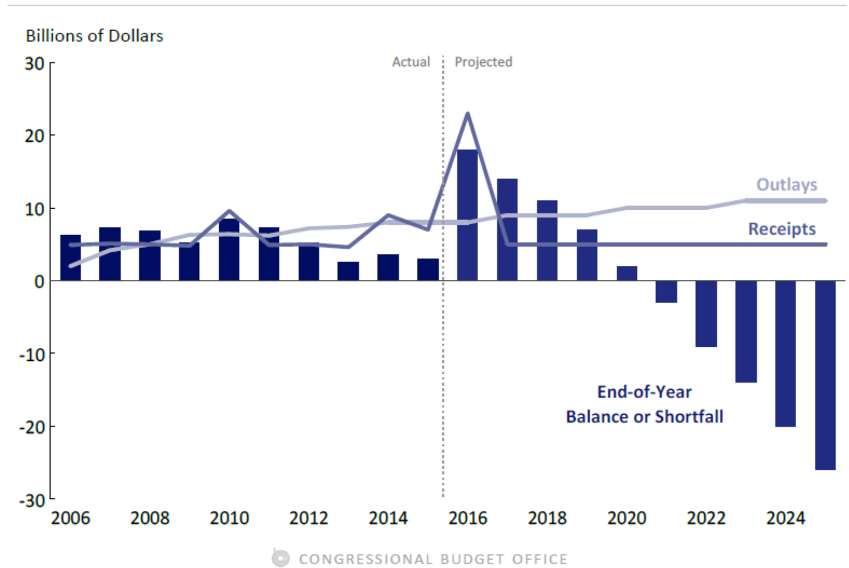
~~The federal government's surface transportation programs are financed mostly through the Highway Trust Fund. The fund sets up two separate accounts, one for highways and one for mass transit (which finances 80 percent of federal transit programs). The fund derives its revenues mostly from excise taxes on gasoline and certain other motor fuels and interest earned on its accumulated balances. The taxes are levied on a cents-per-gallon basis and are not indexed to inflation. Because fuel consumption continues to decline, the nation is facing a very real, near-term insolvency crisis with the Federal Highway Trust Fund.~~

~~With MAP-21 (enacted in 2012), Congress transferred $18.8 billion from the general fund and $2.4 billion from Leaking Underground Storage Tank Trust Fund. However, Congress did not create any new, ongoing revenue for the Highway Trust Fund (CBO 2013a).~~ The FAST Act authorized surface transportation programs through 2020. However, by 2021, the Congressional Budget Office (CBO) projects, revenues credited to both the highway and transit accounts of the Highway Trust Fund will be insufficient to meet the fund's obligations (CBO 2016a). CBO projects the highway account will end 2017 with a balance of $42 billion. However, by 2027, the cumulative shortfall will grow to $99 billion. CBO also projects that the transit account will have a balance of $15 billion in 2017, but a cumulative shortfall totaling $39 billion by 2027 (CBO 2017). Furthermore, the CBO estimates revenues based on "the assumption that all of the expiring taxes credited to the fund will continue to be collected after fiscal year 2020," such as taxes on certain heavy vehicles and tires and all but 4.3 cents of the federal tax on motor fuels, all of which are scheduled to expire September 30, 2020 (ibid).

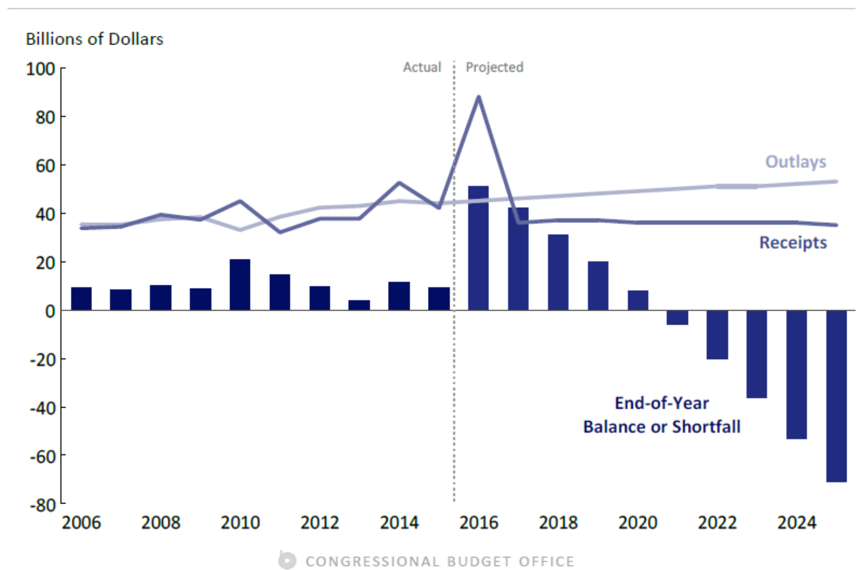
> "The 10-year outlook for the Trust Fund has the Highway and Mass Transit deficit totaling $84 billion for 2018-2022, which will grow to -$196 billion during 2018-2027."
>
> – Congressional Budget Office, 2017

The graphs below show the CBO's projected balances for the federal highway account and transit account.

Status of the Transit Account of the Highway Trust Fund



Status of the Highway Account of the Highway Trust Fund



Source: CBO 2016a

~~Status of the State Highway Account~~

State of California Transportation Funding

By most accounts, transportation funding in California has been deficient for decades, leading agencies at all levels to defer maintenance on infrastructure and fall behind on meeting transportation system demands. Funding derived from user fees and fuel excise taxes was chronically declining as a result of reduced fuel consumption, limited federal funding resulting from the federal excise tax, and funding being redirected to other State programs. For example, Caltrans estimated that the cost to sufficiently fund the State Highway Operations and Protection Program (SHOPP), for FY 2014-2015 through FY 2023-24, would be $8.2 billion per year, while available funding would reach only $2 billion (Caltrans 2013a). Finally, in 2013, the State adjusted the tax rate for inflation for the first time in over 15 years. Then, in 2017, the California legislature and Governor Jerry Brown approved a major funding agreement reflected in Senate Bill 1 (Beall), the Road Repair and Accountability Act. They also passed a constitutional amendment (ACA 12, Frazier) that protects the funds from being diverted or used for other purposes. ~~The viability of the State Highway Account (SHA) also continues to be a cause for concern. The SHA funds the State Highway Operation and Protection Program (SHOPP), which finances projects to maintain the State Highway System. Additionally, unallocated funds in the SHA may be used to make short-term loans to advance the capital improvement phase of STIP-eligible projects, provided the project costs over $10 million and is included in an adopted RTP. (www.dot.ca.gov/hq/innovfinance/sha_loan/sha_highlights.htm, accessed July 2013.)~~

~~The SHA is funded by state gasoline and diesel fuel excise taxes. In 2013, the State adjusted the tax rate for inflation for the first time in over 15 years. SHA funding is declining as a result of reduced fuel consumption, limited federal funding resulting from the federal excise tax, and redirection of funding for highway maintenance.~~

~~Caltrans estimated the cost to sufficiently fund the SHOPP to meet needs. For the next ten years (FY 2014-2015 through FY 2023-24), the "goal-constrained need" is $82 billion (escalated dollars), or $8.2 billion per year. This amount would cover capital construction, right-of-way acquisition, and project development and construction engineering support. Unfortunately, the projected SHA funding available for the SHOPP is $2 billion a year, or just 25% of the estimated goal-constrained need (Caltrans 2013b).~~

~~Caltrans has developed a ten-year plan for the SHOPP, based on the anticipated funding shortage. Caltrans estimates that the SHOPP will be funded statewide at $2 billion annually. The ten-year "financially-constrained needs plan" estimates a total need of $2,082,000,000 annually (2012 dollars) from fiscal year 2014-2015 through 2023-24, (Caltrans 2013b).~~

Road Repair and Accountability Act of 2017 (State Senate Bill 1)

California's Road Repair and Accountability Act is "the first significant, stable, and ongoing increase in state transportation funding in more than two decades" (CTC 2017). The Act provides for $5.2 billion annually, for ten years, to be deposited into the newly created Road Maintenance and Rehabilitation Account (RMRA). The Act reforms some program administration, as summarized in the following:

- Increases authority of the California Transportation Commission (CTC) to oversee the SHOPP (State Highway Operation and Protection Program);
- Requires local agencies to be transparent about what projects they fund with new revenues;
- Creates the Independent Office of Audits and Investigations at Caltrans;
- Creates an Advanced Mitigation Program for transportation projects;
- Requires Caltrans to update the *Highway Design Manual* to include "complete streets" design concept, by January 1, 2018.
- Requires Caltrans to double the dollar value of its contracts awarded to small businesses; and
- Requires Caltrans to implement efficiency measures with the goal to generate at least $100 million annually in savings (League of California Cities, 2017).

Road Repair and Accountability Act (Senate Bill 1) Revenues

Revenue Source	Date Effective	Inflation Adjustments	
• 12 cents increase to the gasoline excise tax and adjustments to the current base gas tax.	Nov. 1, 2017	Annually beginning July 1, 2020	$1.8 billion
• "Reset" the price-based excise tax on gasoline to its historical average of 17.3 cents	July 1, 2019		$1.1 billion
• Transportation improvement fee collected with vehicle registration fees, based on market value of the vehicle	Spring 2018		$1.6 billion
• 20 cents-per-gallon increase to the diesel excise tax	Nov. 1, 2017		$600 million
• 4% increase to the diesel sales tax	Nov. 1, 2017	n.a.	$300 million
• $100 vehicle registration fee on zero emission vehicles sold after January 1, 2020	July 1, 2020	January 1, 2021 then annually	$20 million
• One-time funds from repayments of loans made from the Transportation Congestion Relief Program	Over 3 years	n.a.	$706 million

Source: League of California Cities, 2017

The revenues generated by SB1 will fund existing programs and newly created programs:

- **Active Transportation Program** (ATP) is augmented by $100 million annually, beginning in 2017.
- **Local Partnership Program** will receive $200 million annually for existing and aspiring self-help jurisdictions (i.e. counties that have voter-approved supplemental taxes for transportation or that have imposed fees, including uniform developer fees). California Transportation Commission staff has recommended implementing this as a 50% competitive program and 50% formulaic program; the Commission will adopt guidelines in October 2017. {To be updated}
- **Local Transportation Planning Grants**, allocated by Caltrans, will have $25 million.
- **State Highway Operation & Protection Program** will receive approximately $1.9 billion for SHOPP and Caltrans maintaining the state highway system.
- **State Transportation Improvement Program (STIP)** funds are expected to be stabilized with $1.1 billion restored annually for capital projects and state highway system improvements.
- **(New) Local Streets & Roads** will have a continuous appropriation of $1.5 billion annually for maintenance and rehabilitation projects.
- **(New) Solutions for Congested Corridors Program** will have $250 million annually to reduce congestion in highly congested commute corridors. Projects may include improving state highways, local streets and roads, transit, bicycle and pedestrian facilities, and protecting local habitat or open space. Projects may be nominated by the State or regional or county transportation agencies.
- **(New) Trade Corridor Enhancement Account** will have $300 million annually to fund freight, trade corridor and goods movement projects nominated by local agencies and the State.
  - In addition, SB1 funding will be allocated for Bridges and culverts – $400 million

- Public transportation – $750 million
- Transit and intercity rail – $27.5 million annually
- Freeway service patrol – $25 million
- CSU and UC – $7 million for transportation research and workforce training

Passage of SB1 not withstanding, the 2018 STIP Fund Estimate indicates that there is negative program capacity for the Public Transportation Account (PTA). This means that many of the transit projects currently programmed in the STIP will have to be delivered either by using State Highway Account funds or federal funds, or projects will have to be unprogrammed (CTC 2017).

STATUS OF LOCAL TRANSPORTATION FUNDING

~~In light of constrained funding for transportation and economic hardships for both state and federal governments, competition for limited resources will continue to be pressing for the region. This creates an environment in which HCAOG must build on its leadership role in its regional capacity to prioritize candidate projects that promote an efficient regional transportation system.~~ Jurisdictions that have a local source of revenue for transportation projects will be able to better predict and budget funding for maintenance, operations, and new infrastructure. The local revenue can also serve as matching funds that are required for many grant funds. State and federal funds are not always as predictable; for example, ~~There remain~~ HCAOG has nominated several-~~-~~million-~~-~~dollars worth of ~~programmed~~ STIP projects ~~that HCAOG has nominated~~ to be programmed for the region, ~~that are still awaiting funds from~~ but the California Transportation Commission has delayed disbursements for several years due to the State's funding shortfalls.

Local Sales Tax Measures

~~A local sales tax will augment limited state and federal sources, and are sometimes more predictable to budget for.~~ Several jurisdictions in California have opted for sales tax initiatives to help their governments become more self-reliant. Cities and counties may add a local sales tax within their jurisdictions if voters approve it by a two-thirds supermajority. Counties that pass such measures are referred to as "Self-Help Counties;" there is much encouragement at the State level for counties to secure this local source of transportation funding. In Humboldt County, the following jurisdictions have recently ~~had~~ passed sales tax initiatives:

Jurisdiction	Initiative	Tax Rate & Use	Annual Revenue
City of Arcata	Measure G approved in 2008 for 20 years.	¾ percent retail transactions and use tax. Although a general tax , the City is committed to using the new tax revenue for improving public works (streets) and public safety services.	$1.5 million
City of Eureka	Measure O approved in November 2010.	½ percent retail transactions and use tax for five years.	$3.2 million
	Measure Q Sales Tax Extension approved in November 2014.	Continue a ½ percent general sales tax for five years beginning on July 1, 2016.	$4.1 million based on FY 2012-13 revenues

City of Fortuna	Measure E general tax approved November 2016	¾ percent sales tax for 8 years, for essential City services including repairing aging/ deteriorating streets	$1,200,000 annually
Humboldt County	Measure Z (Public Safety/Essential Services Measure) approved in November 2014.	½ percent general sales tax for five years beginning on April 1, 2015.	$12.1 million FY 2017; $11.87 million projected for FY 2018
City of Trinidad	Measure G approved in November 2016.	¾ percent transaction and use tax continued for four years starting on April 1, 2017.	$100,000

- ~~City of Arcata, general purpose tax – Approved in 2008, Measure G added an additional three-quarter percent (¾%) retail transactions and use tax levied within the City of Arcata. The increased tax is estimated to generate approximately $1.5 million per year for the City's general fund. The City Council allocates these funds for general city needs they identify, including transportation projects, infrastructure improvements, public safety, and improving City facilities and services.~~
- ~~City of Eureka general purpose taxes – In November 2008, Eureka voters approved Measure D, adding one-quarter of one percent (¼%) to the sales tax rate in the City of Eureka, and simultaneously repealing an existing 3% Utility Users Tax. In November, 2010, voters passed Measure O, levying a one-half of one percent (½%) increase to Eureka's sales tax rate. The ½% tax is estimated to generate approximately $3.2 million per year. Measure O became operative on April 1, 2011 and terminates five years thereafter. The City plans on placing a measure on the ballot in 2014 to renew the ½% sales tax. Eureka's sales tax revenues go into the City's General Fund to pay for "essential services" under general City operations and programs, including street maintenance.~~
- ~~City of Rio Dell –Bonds for Street Improvements – In November, 2012, City of Rio Dell voters were asked to pass Measure J, to authorize the City Council to issue $2 million in general obligation bonds to finance the costs of constructing street improvements. The bond measure failed. Although a majority (55.6%) of voters voted yes, a two-thirds (2/3) approval was required to pass.~~
- ~~City of Trinidad general purpose tax – In November, 2012, City of Trinidad voters approved extending, for four years, the ¾ cent (¾ %) increase in the transaction and use tax. The extension is effective from April 1, 2013 through March 31, 2017.~~

Two relatively recent ballot measures asked for dedicated transportation funds. Both measures required a two-thirds supermajority vote to pass, and both failed. In 2012, the City of Rio Dell asked voters to authorize the City Council to issue $2 million in general obligation bonds to finance the costs of constructing street improvements (Measure J). Although a majority (55.6%) of voters voted yes, the measure failed fore lack of a two-thirds supermajority. In 2016, the County of Humboldt placed Measure U on the ballot, asking voters to approve an additional ½ percent sales tax to supplement funding for maintenance, rehabilitation, and reconstruction of existing transportation, to be in effect for 20 years countywide. If it had passed the tax would have generated an estimated $10 million annually; however, only 48.8% of voters voted yes. HCAOG provided voter education for Measure U.

FINANCE PLAN

In developing its RTP, an RTPA is required to make a reasonable estimate of anticipated revenues, forecasted for the next 20 years. The following funding assumptions are made for estimating the costs and revenues for the short-term and long-term planning horizons. The following summarizes anticipated costs and revenues for the HCAOG region (projected for 20 years), and assumptions made to calculate these forecasts.

FINANCIAL ASSUMPTIONS

- **Future Funds Constant:** It is generally assumed that federal, state, and regional funding programs and levels will remain constant at current funding levels over the 20-year horizon (i.e., flat except for inflation).
- **Inflation Rate:** The 20-year projected costs assume an annual inflation rate of ~~3~~2%, based on the Consumer Price Index (U.S. Bureau of Labor Statistics 201~~3~~7). The average inflation rate in the U.S. for the last five years, ~~2008-~~2012-2016, is ~~two~~1.3 percent~~ (2%)~~. The approximate average for the last 20 years (1997~~0~~-201~~1~~6) is 2.2~~5~~%. For the updated planning period (fiscal year ~~2013/14-~~2017/18-2027/2028~~2023/24~~), we are assuming operations,~~ and~~ maintenance, capital, and construction costs will increase, on average, ~~three~~ two percent (2~~3~~%) annually.

Complete Streets Financing (Highway, Roads, Pedestrian, Bicycle)

Assumptions:

- **HSIP:** This projection is based on the approved project list (dated November 21, 2016) for HSIP Cycle 8. Caltrans District 1 has $3,734,610 in federal funding for eight projects, six of which are in Humboldt (three for the City of Eureka, one for the City of Fortuna, two for County of Humboldt) and two in Lake County. Humboldt's six projects are funded for Humboldt for $2,441,210. As a gross estimate, HCAOG is estimating 50% of the District's Cycle 8 apportionment ($1,867,000) as an average annual amount for Humboldt's finance plan.
- **R~~S~~TIP Funding Levels:** HCAOG based STIP funding forecasts on Humboldt County's share in the draft 2018 STIP Fund Estimate (Table 4, June 2017), which shows $7,983,000 for the two-year period. For consistency, we have assumed 3,992,000 annually (rounded up). ~~shares from 2009 through 2013. Over those five years, Humboldt's total share ranged from $26.4 million to $37.0 million (STIP shares represent five years' worth of funding). However, these STIP levels include Transportation Enhancement (TE) monies, which are no longer included in the STIP. Instead, those monies will be available through MAP-21's new TAP or the State's new Alternative Transportation Program (ATP). Therefore, HCAOG has subtracted the average amount of TE money, $3.3 million, to forecast future STIP levels. The average STIP share, without TE monies, was $28.8 million in the last five years.~~
- **TAP/ATP Funding:** ~~HCAOG assumes that jurisdictions in Humboldt will be successful in garnering TAP/ATP funding equivalent to TE monies from the STIP.~~ There is no sure way to predict how

much ATP funding jurisdictions will apply for, much less how much will be awarded. HCAOG will assume that bi-annual funds will approximate the average that has been awarded to Humboldt in the first three cycles of the ATP. ~~A~~Bi-annual funds are assumed to be $3.3 million. {To be updated after ATP Augmentation money is awarded in October 2017.}

- **ITIP Funding:** HCAOG assumes a one-time ITIP share of $15 million for the Redwood Coast Corridor Project on State Route 101. These are the only ITIP funds assumed for the 20-year finance plan.
- **SHOPP Funding Levels:** ~~The State was allocated, over a four-year period through fiscal year 2011-12, $159.3 million in SHOPP funds for Humboldt County.~~ HCAOG shall assume the same funding levels for the 20-year projection.
- **RST~~P~~BG Funding Levels:** For the past several years, the regional portion of STBG (formerly STP) funds was $1,147,300 annually. ~~In fiscal year 2012-13, HCAOG received $1,318,500~~. For the 20-year forecast, HCAOG assumes a conservative average of $~~1,200,000~~1,151,000 annually, with 2% inflation.
- **LTF Non-Transit Monies:** Of HCAOG's share of the Local Transportation Fund (from TDA monies), approximately $80,000 per year is set-aside for pedestrian and bicycle projects (starting FY2013-14). After higher priority expenditures, approximately $~~410,000~~355,000 has been available for spending on roads. HCAOG estimates the sum, $435,000, will be the average annual LTF non-transit monies. Thus, over 20 years, $~~9.8~~10.5 million is estimated for LTF revenues reasonably available for "complete streets" projects.
- **Gas Tax Subventions:** The State of California returns a portion of the statewide gas tax revenues to each jurisdiction for the purpose of maintaining roadways. ~~The County and the Cities directly receive a total of $4.5 million per year in gas tax subventions. These funds can be used for any roadway expense (e.g. engineering, other maintenance). Using State Controller's data, it can be assumed that 40% of subventions are used for non-major rehabilitation/construction projects. Therefore, the annual estimate is $2.7 million (60%).~~ These revenues are deposited in the Highway Users Tax Account (HUTA) and, beginning in 2017, in the Road Maintenance and Rehabilitation Account (RMRA) in accordance with Senate Bill 1 (Beall, 2017). HUTA monies can be spent on research, planning, construction, improvements, maintenance, and operation of public streets and highways, including mass transit and environmental impact mitigation (per Streets and Highways Code §2101). The CTC refers to distribution of RMRA funds to cities and counties as the Local Streets and Roads (LSR) program; fiscal year 2018-19 is the first full year of funding.
- **Grant Funds:** HCAOG and individual member agencies and Tribes will apply for various grant programs to finance all types of transportation projects, from planning to construction and education. ~~For example, several member agencies will be applying for federal TIGER grants for the Humboldt Bay Trail[1] and other projects.~~ HCAOG has no solid basis for estimating the amount of grant funds ~~we~~the region will receive~~, either collectively or individually~~. Therefore, we do not hazard a guess, but do note that grant funds will surely supplement other transportation funds in the next five to 20 years.

Table *Finance-2*, below, shows the summary of reasonably anticipated revenues and costs for projects (excluding SHOPP) identified in the "Complete Streets Element" of this RTP. The revenue estimates are simple projections of current revenues over 20 years, increased by 2~~3~~% annual inflation. The value in this exercise is less as a definitive calculation than as an indicator of a significant problem: estimated revenues for the next 20 years equal 94%{TBD} of the revenue needed to meet *existing* needs.

Table *Finance-2*. Financial Projections for HCAOG Regional Complete Streets Projects*

Revenue/Cost	Annual Projected Revenues (2017~~3~~ dollars, in $1,000s)	20–Year Projected Revenues ($1,000s)	Existing Costs/Backlog ($1,000s)	Difference in 20-year revenue to current costs
HSIP	1,867~~590~~	45,400~~15,900~~		
ITIP	750[1]	15,000[1]		
~~S~~RTIP	3,992[2]~~5,800~~	97,000~~156,000~~		
TA~~P~~/ATP	3,300{TBD Oct.}	88,700{TBD Oct.}		
RSTBG~~P~~	1,151~~1,200~~	28,000~~32,200~~		
LTF (for roads, ped, and bike)	355~~490~~	8,600~~13,100~~		
Gas Tax Subventions:	~~4,500~~	~~72,500~~		
HUTA	6,815	165,600		
RMRA (SB1)	5,566	135,200		
Funded Priority Projects			42,780{TBD}	
Unfunded Priority Projects			165,500{TBD}	
Maintenance Backlog			211,370 {TBD}	
Totals	**23,800+TBD~~16,600~~**	**583,500+TBD~~393,400~~**	**TBD~~419,650~~**	**TBD~~94~~ percent**

*Costs and revenues have been projected assuming an annual rate of inflation of 2~~3~~%.
[1]Annual average shown for consistency; one-time share of $15 million, in FY2020, therefore not calculated for inflation.
[2] Annual average of bi-annual disbursement.
Sources: ITIP, RTIP: CTC 2017; Gas Tax Subventions, LSR: Coleman Advisory Services.

Public Transportation Financing

Acquiring funds continues to be a significant constraint for providing more public transportation services in Humboldt County. Extended Sunday public transit services are not being planned for the ETS and A&MRTS programs because the City of Eureka and City of Arcata currently expend all of their resources on current service levels. Expanding DAR/DAL service is not currently feasible, due to the high public subsidy costs of services and the inability of the cities to absorb the cost of increased services. The A&MRTS's limited evening service is subsidized by Humboldt State University.

Revenues from transit operations include, as applicable: fares, advertising, State Local Transportation Fund (TDA), State Transit Assistance Fund (TDA), Federal-FTA, rents/leases, interest income, carryover, City General Fund (ETS only), HSU transit user revenues, tribal contributions, and other transit sources. Capital revenues include, as applicable: State Prop 1B (PTMISEA), State Transit Assistance Fund, State Local Transportation Fund, Federal-FTA 5310, 5311, 5311(f), and Federal Tribal Grants (BLRTS, KT-NeT).

~~In the 2008 RTP Update, HCAOG assumed that costs would grow with inflation, and that the annual inflation rate would be four percent (4%). As it turns out, the annual inflation rate in the United States has been much lower, ranging from 3.8% in 2008 to a low -0.4% (deflation) in 2009.~~
Assumptions:

- **Revenues & Costs:** For operations and capital, revenues and costs are assumed to stay flat in constant dollars, but increase by a ~~3~~2% annual inflation cost, based on the national average for the past 20 years, per the US Bureau of Labor Statistics (2017).
- **TDA Allocation:** TDA revenues will continue to be allocated per the current formula.
- **STA Fund (TDA funds):** In fiscal year~~s 2012-13 and 2013-14~~2016-17, local transit operators received ~~a total~~an average of approximately $596,000~~847,000 and $793,000, respectively.~~ HCAOG assumes ~~an~~ that average ~~of these ($820,000 annually)~~ for forecasting 20 years of STA revenues.
- **LTF Transit Monies (TDA funds):** In fiscal year ~~2012-13~~2015-16, the County and Cities spent $~~3,670,900~~ 4,518,000 in LTF monies for transit operations. HCAOG assumes this amount for future annual funds.
- **FTA 5310:** FTA 5310 revenues are awarded by a competitive grant process. Generally, in Humboldt, at least one transit operator a year is awarded a grant to purchase a vehicle. Based on federal funds awarded in the last four years (FFY ~~2009-2012~~2012-2016), HCAOG assumes that Humboldt will receive an average of $300~~135~~,000 annually (plus inflation) over 20 years.
- **FTA 5311:** HCAOG's program of projects for FTA 5311 funds totaled $744,000~~519,855~~ in ~~2011~~2016. ~~and in 2012, and $884,620 in 2013.~~ HCAOG forecasts future annual revenues to be $744~~700~~,000~~, based on recent estimates~~.

Public Transit Financial Projections

The current *Transit Development Plan* (HCAOG 2012) includes a short-term financial plan for each of Humboldt County's major local transit providers (i.e., HTA, ETS, A&MRTS, FTS, BLRTS, and K-T NeT). The financial plans include five-year operating budgets and capital plans for fiscal years 2011/12 to 2015/16. Table *Finance-3* summarizes the TDP's five-year financial projections for public transit. The table also projects transit's long-term (20-year) costs and revenues.

Table *Finance-3*. Transit System Financial Projections[1]

Transit System	Revenues FY 2015-16~~2011/12~~ ($1,000s)	Revenues, 20-Year Projection ($1,000s)	Annual Costs FY 2015-16 ~~2011/12~~ ($1,000s)	Costs, 20-Year Projection ($1,000s)
HTA	$5,613~~$4,235~~	$126,300~~113,800~~	$7,017~~$4,090~~	$170,500~~109,900~~
ETS	$1,756~~$2,425~~	$42,700~~65,100~~	$1,743~~$2,590~~	$42,400~~69,600~~
A&MRTS	$943~~$1,150~~	$22,900~~30,900~~	$940~~$1,055~~	$22,800~~28,300~~
K-T NeT	$155~~$95~~	$3,800~~2,600~~	$155~~$95~~	$3,700~~2,600~~
FTS	$432~~$165~~	$10,500~~4,400~~	$130~~$165~~	$3,200~~4,400~~
BLRTS	$77~~$35~~	$1,900~~900~~	$14~~$35~~	$300~~900~~
System Total (rounded)	**$8,976~~8,100~~**	**$218,200~~217,700~~**	**$9,999~~8,000~~**	**$242,900~~215,700~~**

[1] Simple 20-year projections with 2~~3~~% annual inflation rate. Revenues and costs include operations and capital.
Source: ~~“FY 2011/12-2015/16 Transportation Development Plan for Humboldt County Transit Systems,”2012~~ “FY 2015-16 Fiscal and Compliance Reports,” HCAOG 2017.

Table *Finance-4*. Projected 20-Year Transit Program Revenues

Program Source	Forecasted Annual ($1,000s)	Forecasted 20 Years* ($1,000s)
FTA 5310	$300~~135~~	$7,300~~3,600~~
FTA 5311	$744 ~~700~~	$18,100~~18,800~~
LTF (Transit funds)	$4,518~~3,670~~	$109,800~~98,600~~
STA Fund	$596~~820~~	$14,500~~22,000~~
SB1 (RRAA)	$800	$19,400
Total	**$6,958~~13,325~~**	**$169,100~~143,000~~**

*Assumes 2~~3~~% annual inflation.

Goods Movement Financing

The financial plans and funding sources for the implementation of truck-related freight/goods movement and development of intermodal facilities are covered in large degree by the financial plans for the Complete Streets Element. Financing for the rail system is not presented as the system is currently not operating.

The Harbor District (HBHRCD) manages public financing for maritime good movement on Humboldt Bay. The Harbor District’s principal sources of income include Humboldt County property taxes, tideland leases from dock operators and mariculture operations, rents and leases from commercial sources, and the Harbor Improvement Surcharge (levied on cargo and deep draft vessels using Humboldt Bay’s maintained navigation channels). The District also utilizes grant funding from various sources.

The HBHRCD budget for FY 2013/14 includes $6.04 million in net revenue, $2.9 million in operating expenses, $3 million in non-operating expenses (capital expenses, debt payment). The year's total budget balance is $74,883.

Aviation Financing

There are few funding sources available to Humboldt County for financing the projects identified in the Aviation Element. It is difficult to assess anticipated revenue streams because funding priorities shift regularly. For example, the Senate in March 2016 (114th Congress 2nd Session) did not reauthorize appropriations for the Federal Aviation Administration for fiscal years 2016 through 2017 (S. 2658, Thune). U.S. Senate and House committees advanced different bills in June and July, 2017, for FAA reauthorization legislation. The current short-term authorization of federal aviation programs will expire September 30, 2017.

Airports not included in the NPIAS are ineligible for FAA Airport Improvement Program funds under existing legislation; however, they may be eligible for State grants, which require a minimum 10% local match. Caltrans' Division of Aeronautics provides aviation funding to public agencies for airport safety, maintenance, and capital improvements through California Aid to Airports Program (CAAP) grants and the Airport Loan Program (ALP). The Division's operations and grants are funded from the Aeronautics Account and not the State Highway Account. The Aeronautics Account is funded from excise tax revenues that are collected on General Aviation (GA) non-commercial jet fuel and aviation gasoline (Caltrans 2016a).

The County of Humboldt does not allocate any of its general funds to support the six airports owned by the County. Thus, the Aviation Division of Public Works relies on grant funds, airport-generated income, and retained earnings in order to be self-supporting. The Redwood Coast Airport collects some revenues from the passenger facility charge (PFC), which is a $4.50 fee added to each roundtrip airfare at the airport.

Airports such as Kneeland Airport are primarily supported by Aviation Division revenue and various federal and state funding programs. Kneeland Airport's limited revenue-generated income comes from non-aviation sources such as providing a favored backdrop for companies filming car commercials.

Assumptions:

- Both Murray Airport and the Shelter Cove Airport receive a $10,000 annual grant from the State of California Annual Grant program. It is anticipated that they will continue to receive this annual grant for the RTP's twenty-year planning horizon.

Table *Finance*-5 summarizes total revenues and costs for projects proposed in this RTP. The amounts are copied from the project tables in the respective elements.

Table *Finance-5*. 20-Year Projected Transportation Revenues and Costs

Mode	**Year 1 Projected Revenues*** (000s)	**20-Year Projected Revenues*** (000s)	**20-Year Projected Costs** (000s)
Complete Streets			
Priority Regional Projects (Table *Streets*-5)			277,620[1] {TBD}
All Projects (Table *Streets*-6)	16,000	393,400	514,700+ {TBD}
Public Transportation (Table *Finance*-3)	$8,976~~8,100~~	218,200~~217,700~~	$242,900~~38,208+TBD~~ {+projects TBD}
Aviation (Table *Aviation*-3)	n.a.	TBD	15,303 {TBD}
Goods Movement (Table *Goods*-3)	n.a	TBD	40,355 to 46,355+ {TBD}
Emergency Transportation (Table *Emergency*-1)	–	–	0
SUMS	~~24,100~~**TBD**	~~611,100~~ **TBD**	~~608,566 to 614,566+TBD~~ **TBD**

*Does not account for individual grants. Assumes ~~3~~2% annual rate of inflation.
[1]This amount is included in the cost of "All Projects."

TRANSPORTATION FUNDING PROGRAMS

The following summarizes the principal sources anticipated to be available for HCAOG's RTP projects for the 20-year planning period. (Note: Potential funding sources for bicycle and pedestrian projects are also listed in these three HCAOG documents: *Humboldt County Regional Pedestrian Plan* (2008), *Humboldt County Regional Trails Master Plan* (2010), and *Humboldt Regional Bicycle Plan Update* (201~~2~~7 pending).)

Every $1 billion in highway and transit investments supports 13,000 jobs.

– California Transportation Commission, 2017

FAST Act Federal Transportation Bill

Congress and President Obama passed into law the Fixing America's Surface Transportation (FAST) Act in December 2015, enacting the first long-term transportation bill in 10 years. The FAST Act authorizes $305 billion over fiscal years 2016 through 2020. The funds are provided for surface transportation projects, and research, technology, and statistics programs (for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, and rail). Additionally, the FAST Act authorizes the first dedicated source of federal dollars for freight projects.

FAST Act Nationwide Authorization	
FY 2016	$39.7 billion
FY 2017	$40.5 billion
FY 2018	$41.4 billion
FY 2019	$42.4 billion
FY 2020	$43.4 billion

As under previous transportation bills, the FAST Act authorizes a single amount for each year for all apportioned highway programs combined. That annual amount is apportioned among the States; each State's apportionment is then divided among six individual, federal-aid highway formula programs (including certain set-asides within the programs). The six programs and nationwide funding apportionments are outlined below.

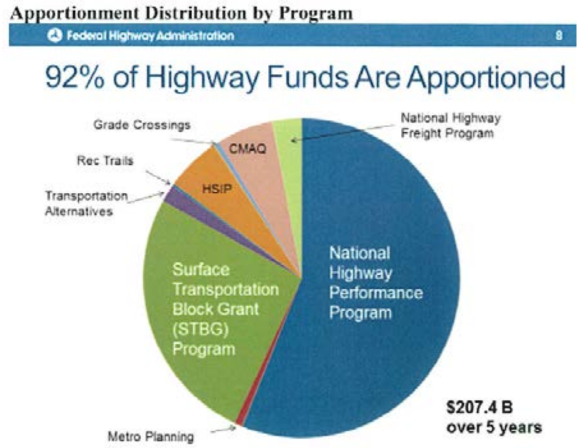


Table *Finance-1.* FAST Act's Nationwide Apportionment Totals & Percentage Increase from 2015 Levels, by Program

FAST Act Program	Avg. Annual Funding (millions)	Change from FY2015
National Highway Performance Program (NHPP)	$23,280	+6.3%
Surface Transportation Block Grant Program (STBG)	$11,654	+15.6%
• Transportation Alternatives (TA) set-aside	[$760]	+3.3%
• Recreational Trails Program set-aside	[$84]	0.0%
• Surface Transportation Block Grant Program (net of TA and Rec Trails)	[$10,809]	+7.3%
Congestion Mitigation and Air Quality Improvement Program (CMAQ)	$2,405	+6.1%
Highway Safety Improvement Program (HSIP)	$2,317	+5.7%
Railway-Highway Crossing Program	$235	+6.8%
Metropolitan Planning	$343	+9.5%
National Highway Freight Program (NHFP) *new program*	$1,249	+100.0%

Source: U.S. DOT/FHWA 2016

The table below indexes the transportation funding programs potentially available to HCAOG and/or HCAOG member entities, transit operators, and tribes. Each program is described below.

Table *Finance-6.* Transportation Funding Programs Potentially Available to HCAOG

Program	Abbreviation	Eligible Modes/Purposes
Active Transportation Program	ATP	Active modes, to increase safety & mobility, and decrease greenhouse gas emissions. including for recreational trails and Safe Routes to School programs.
~~Airport Improvement Program~~	~~AIP~~	~~Airports~~
California Aid to Airports Program and the Airport Loan Program	CAAP, ALP	Aviation, publicly-owned, public-use airports

Program	Abbreviation	Eligible Modes/Purposes
California Office of Traffic Safety Grants	OTS	Pedestrian & bicycle
~~California Safe Routes to School~~	~~SR2S~~	~~Highway, roads, pedestrian & bicycle~~
California Streets and Highways Code §887.8(b) & §888.4	n/a	Non-motorized facilities
Caltrans' Division of Aeronautics Grants & Loans		~~Aviation~~
Caltrans Transportation Planning Grant Programs	n/a	Community-based, environmental justice, partnership, and transit planning
Emergency Relief for Federally-Owned Roads	ERFO	Tribal and Federal lands transportation facilities, public roads on Federal lands
Emergency Relief Program for Federal-aid Highways	ER	Highway, roads, tribal transportation
~~Environmental Enhancement and Mitigation Program~~	~~EEMP~~	~~Highway landscaping, resource lands projects,~~
Federal Airport Improvement Program	FAIP	Aviation
Federal Lands Access Program	FLAP	Highway
Federal Transit Administration (FTA) Section 5304	5304	~~Education for State Departments of Transportationm~~Multimodal transportation planning
FTA Section 5310	5310	Transit, para-transit and senior transit
FTA Section 5311	5311	Rural transit
FTA Section 5311(b)(2)(3) Rural Transit Assistance Program	RTAP	Transit support services, training, technical assistance, research

Table continues on next page.

Program	Abbreviation	Eligible Modes/Purposes
Highway Safety Improvement Program	HSIP	Streets (local), highway, roads, pedestrian & bicycle, Safe Routes to School, and safety infrastructure ~~workforce development, training & education~~
Interregional Transportation Improvement Program	ITIP	State highways, intercity rail, and transportation enhancements
~~Local Highway and Bridge Program~~	~~HBP~~	~~Highway bridges~~
Local Streets & Roads Funding Program (created under SB1)	LSR	Maintenance and rehabilitation
Mello-Roos Community Facilities Act of 1982-Community Facilities District	Mello-Roos	Roads, pedestrian & bicycle
National Highway Freight Program	NHFP	Includes funding for federal aid highway system bridges not on the NHS. The FAST Act's National Multimodal Freight Policy includes a goal to improve movement of goods traveling between rural areas and population centers, and across rural areas between population centers
National Highway Performance Program	NHPP	Federal aid highway system bridges not on the NHS, and administrative and subsidy costs for Transportation Infrastructure Finance and Innovation Act (TIFIA) projects
Proposition 116: Clean Air & Transportation Improvement Act of 1990	Prop 116	Transit, pedestrian & bicycle
~~Proposition 1B: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006~~	~~Prop 1B~~	~~Highways, roads, transit, traffic reduction, air quality, port security, air quality, bridges, railroad crossings~~

Program	Abbreviation	Eligible Modes/Purposes
Recreational Trails Program Set-Aside from STGB Program	RTP	Trails and trail-related facilities
Regional Transportation Improvement Program	RTIP	Highway, roads, transit, pedestrian & bicycle
Rural Planning Assistance	RPA	State transportation planning
State Gas Taxes		Roads (including maintenance)
State Highway Operations and Protection Program	SHOPP	Highway, roads, pedestrian & bicycle
State Highway-Railroad Grade Separation Program	SHRGSP	Highway, road
State Planning and Research	SPR	Transportation planning mandated by federal and state law
State Transportation Improvement Program	STIP	Highway, roads, transit, pedestrian & bicycle
Surface Transportation Block Grant~~Program~~	ST~~P~~BG	Highway, roads, bridge, pedestrian & bicycle, transit, environmental mitigation, streets (local)
~~Trade Corridor Improvement Fund~~	~~TCIF~~	~~Trade corridors (highways, roads, freight railways, ports and bridges, air freight)~~
Trade Corridors Enhancement Account (created under SB1)	TCEA	Incorporates SB1 funding and federal freight funding into a single program. Federally designated Trade Corridors of National and Regional Significance, Primary Freight Network, and other corridors with high volumes of freight movement..
~~Traffic Congestion Relief Program, Proposition 42~~	~~TCRP~~	~~Highway, roads, transit facilities~~
Transportation Alternatives Set-Aside from STBG Program	TA~~P~~	Pedestrian & bicycle, recreational trails, transit, environmental mitigation, Safe Routes to School, landscaping
Transportation Development Act of 1971	TDA	Highway, roads, transit, pedestrian & bicycle
Transportation Infrastructure Finance and Innovation Act	TIFIA	Surface transportation infrastructure improvements.
Transportation Investment Generating Economic Recovery	TIGER	Grants to fund planning and capital projects across surface transportation modes
Tribal Transportation Program	TTP	Road, bridge, transit, transportation planning
U.S. Forest Service	n/a	Roads

Active Transportation Program (ATP) – *State*

The California Legislature created the ATP to encourage increased use of active modes of transportation, such as biking and walking. The ATP consolidates into a single program several transportation programs, including the federal Transportation Alternatives Program, state Bicycle Transportation Account, and federal and state Safe Routes to School programs.

~~Airport Improvement Program (AIP) – *Federal*~~

~~The Federal Aviation Administration (FAA) administers the Airport Improvement Program, which provides grants for planning and developing public-use airports included in the National Plan of Integrated Airport~~

~~Systems (NPIAS). (Humboldt's six county-owned airports are registered in the NPIAS.) Eligible projects include improvements to enhance airport safety, capacity, security, and mitigate environmental concerns. Projects related to airport operations and revenue-generating improvements are typically not eligible for funding. The program provides 90 percent federal participation and ten percent local participation on small primary, reliever and general aviation eligible airport projects in California.~~

~~The AIP was reauthorized, under the FAA Modernization and Reform Act of 2012, for four years, FFY 2012 through 2015. National funding levels are set at $3.35 billion per year. Because the demand for AIP funds exceeds what is available, the FAA distributes funds based on current national priorities and objectives.~~

California Office of Traffic Safety (OTS) Grants – *State*

The goal of the California Office of Traffic Safety (OTS) is to reduce deaths, injuries, and economic losses resulting from traffic related collisions. OTS funds traffic safety programs at both the statewide and community level. OTS grants fund bicycle and pedestrian safety and educational programs. Grants are not awarded for constructing bikeway facilities. Grants are based on a statewide competitive basis. (www.ots.ca.gov)

California Safe Routes To School (SR2S) – *State*

Established in 1999, the State-legislated Safe Routes to School (SR2S) program was extended indefinitely in 2007 (per AB 57). Targeted beneficiaries include children in grades K through 12. Eligible projects include infrastructure projects located in the vicinity of a school. For SRTS non-infrastructure projects, traffic education and enforcement activities must take place within approximately two miles of a primary or middle school (grades K-8). Other eligible non-infrastructure activities do not have a location restriction. SRTS infrastructure projects are eligible for TAP funds regardless of their ability to serve school populations. SRTS infrastructure projects are broadly eligible under other TAP eligibilities, which do not have any location restrictions. SRTS infrastructure projects also may be eligible in the HSIP or STP.

California Streets and Highways Code Section 887.8(b) and 888.4 – *State*

These two sections of the California Streets and Highways Code permit Caltrans to construct and maintain non-motorized facilities where such improvements will increase the capacity or safety of a State Highway. Section 888.4 requires an annual statewide budget of at least $360,000 for new non-motorized transportation facilities to be used in conjunction with the State Highway System.

~~Caltrans' Division of Aeronautics Grants & Loans~~ California Aid to Airports Program (CAAP) and Airport Loan Program (ALP) – State

The California Aviation System Plan (CASP) identifies priority projects eligible for one of the Division of Aeronautics funding programs, focusing primarily on general aviation and reliever airports. (Commercial service airports seldom apply for project funding from the Division.) These funds are derived solely from General Aviation fuel excise taxes. The Division of Aeronautics, in consultation with RTPAs, prepares the CASP every five years. The current CASP Policy Element was updated in October 2016~~2011~~, and the CASP Capital Improvement Plan 2016-2025 was updated in ~~2013~~ August, 2015.

Caltrans' Division of Aeronautics provides aviation funding through CAAP grants and ALP loans. The CAAP has three grant programs:

- Annual Credit Grants to publicly-owned, public-use General Aviation airports. provide a $10,000 per year entitlement to reimburse eligible expenditures.
- Airport Improvement Program (AIP) to assist General Aviation (GA) and Reliever airports. The AIP Matching Grant program can fund up to 5% of the required 10% local match for a federal AIP project.
- Acquisition & Development (A&D) Grants to eligible airports for airport improvement projects or ALUCP Land Use Compatibility Plans. (A&D programmed projects constitute the Aeronautics Program.)

In addition, ALP loans are available for revenue-generating projects such as hangars and fueling facilities at eligible publicly-owned, public-use airports. Loans can also be used for airport development projects or for local matches for federal funds (Caltrans 2016).

~~The State's four aviation funding programs are:~~

~~*Acquisition and Development Grant Program* – A&D Grant Program funds can be used for construction projects, land acquisition and planning projects such as Master Plans and airport layout plans. The minimum grant amount is $10,000; the maximum is $500,000. The state's grant share is 90 percent and the local match is 10 percent. The CTC allocates these state grants based on priorities set forth in the STIP and the CASP.~~

~~*Annual Credit Grants* – The Annual Credit Grant provides $10,000 per year to eligible public use airports. With the permission of the Division of Aeronautics, an airport can accumulate its funds for up to five years to save for a large capital project. The funds can also be used as part of a local match for federal grants. Commercial service and reliever airports are not eligible for this annual grant.~~

~~*Airport Loan Program* – The program provides loans to eligible public airports, at below-commercial interest rates. The maximum term of a loan is 17 years. Loan funds can be used for specified revenue-generating projects, and as the local share for FAA grant-funded projects. Loans are most commonly used for constructing revenue-producing hangars, and developing facilities for storing and dispensing aviation fuel (http://www.dot.ca.gov/hq/planning/aeronaut/documents/grants_and_loans/Grants_Loans_Web_Loan_Program.htm, accessed July 2013).~~

~~*State AIP Matching Grants* – Effective May 24, 2012, the State AIP Match Rate has been set at 5.0 percent of the federal grant (4.5 percent of total project cost). The remaining match must be provided by the local agency; however, the Annual Grant funding can be applied toward this match. To be eligible, projects must be included in the State Transportation Improvement Program.~~

Caltrans Transportation Planning Grant Programs – *State*

As updated by passage of Senate Bill 1 (Road Repair & Accountability Act of 2017), Caltrans envisions that these planning grants will "support regional sustainable communities strategies and ultimately achieve the State's greenhouse gas reductions targets of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively" (www.dot.ca.gov/hq/tpp/grants.html). ~~These grants support "the multi-modal transportation system of the future" which is integrated, connected and resilient, and offers mobility and accessibility for all people. The State wants to create a multi-modal system to reduce GHG emissions (AB 32 and SB 375 goals) and support California's planning goals: economy, equity, and environment.~~ Grant programs change periodically, but the ~~intent~~ overarching objective of the transportation planning grants remains generally the same: ~~to promote a balanced, comprehensive, multimodal transportation system~~ to ensure that transportation planning statewide considers the major efforts of, among others, sustainability, preservation, mobility, safety, innovation, economy, health, and equity. The two planning grant funds are

- Transportation Planning Grants ($25 million annually). SB1 has allowed additional Sustainable Communities Grants for FY 2017-2018; and
- Climate Change Adaptation Planning Grants ($20 million over three years).

Caltrans' Division of Transportation Planning administers these grant programs through the Office of Regional and Interagency Planning (ORIP).

~~*Community-Based Transportation Planning (CBTP)* – Funding is available for "coordinated land use and transportation planning that promotes public engagement, livable communities, and a sustainable transportation system, which includes mobility, access, and safety" (Caltrans 2013a).~~
~~*Environmental Justice Transportation Planning* – Funds support projects that focus on transportation and community development issues that address the interests of low-income, minority, Native American, and other under-represented communities. Grant funding aims to involve those communities "in planning transportation projects to prevent or mitigate disproportionate, negative impacts while improving mobility, access, safety, and opportunities for affordable housing and economic development" (Caltrans 2013a).~~
~~*Transit Planning* – Grant fund are available for public transportation planning studies in rural or small urban areas of California (transit service area with population of 100,000 or less). The aim is for planning studies that would improve transit services and help relieve congestion by offering a sustainable alternative to the single occupant vehicle. Studies should address transit planning issues of statewide or regional significance.~~

Emergency Relief Program for Federal-Aid Highways (ER) – *Federal*

The ER program provides funds for repairing federal-aid highways and roads on federal lands which have been seriously damaged by natural disasters or catastrophic failures from an external cause. These federal funds are meant to supplement resources from States, their political subdivisions, or other Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions. The ER Program also funds the Emergency Relief for Federally Owned Roads (ERFO) Program, which offers 80 to 100~~%~~ percent Federal share for costs to repair roads to pre-disaster conditions. A State can receive up to $100 million in ER funding for each qualifying natural disaster or catastrophic failure. The FAST ACT (effective 2016-2020) continued this program's ~~is funded by a~~ permanent annual authorization of $100 million from the from the Highway Account of the Highway Trust Fund (HTF). Congress can appropriate additional funds ~~along with general fund appropriations provided by Congress on a~~ on the basis of "such sums as necessary" ~~basis~~ (http://flh.fhwa.dot.gov/programs/erfo, accessed ~~July 2013~~ August 2017).

~~Environmental Enhancement and Mitigation Program (EEMP) – *State*~~

~~The EEMP, established in 1989, is funded from State gasoline tax monies. EEMP provides $10 million annually for grants to mitigate the environmental impacts of modified or new public transportation facilities. The California Natural Resources Agency evaluates grant proposals, and Caltrans administers the program. Grants are awarded in four categories: Highway Landscaping and Urban Forestry Projects; Resource Lands Projects; Roadside Recreation Projects; and Mitigation Projects Beyond the Scope of the Lead Agency.~~

~~Eligible EEMP projects mitigate over and above the minimum required for the related transportation project. Grants are generally limited to $350,000. EEMP does not require matching funds or cost shares for grants; however, projects with the highest proportion of other sources of monetary funding are rated highest (www.resources.ca.gov/eem, accessed July 2013.~~

Federal Transit Administration (FTA) Transit Grant Programs – *Federal*

FTA Section 5304 Transit Planning Grant Program – This program is administered by Caltrans. This includes the Rural or Small Urban Transit Planning Studies Program for service areas with populations of 100,000 or less. The program offers technical planning grants to support transit and/or intermodal planning studies. In FY ~~2013-14~~ 2017-2018, approximately $2.8 million in FTA 5304 funding was available (in the MPO/RTPA pool) for Sustainable Communities grants of $50,000 to $500,000 ~~$900,000 was available and the~~ ($1 million maximum for MPOs) ~~grant was $100,000~~ (Caltrans 2016b~~2013a~~)~~.~~

FTA Section 5310 Elderly Individuals & Individuals with Disabilities – The Section 5310 program is a discretionary capital assistance program to serve the transportation needs of elderly persons and persons with disabilities. Section 5310 grants are awarded to public transit operators or to private non-profit organizations. Projects must be included in the RTPA's adopted "coordinated public transit–human services transportation plan" to be eligible for funds.

FTA Section 5311 Formula Grants for Rural Areas – Section 5311 targets low-density states and rural areas. Funds can cover capital and operating expenses for non-urbanized transit systems. A portion of Section 5311 funds is set aside each year for Native American tribes. Section 5311 fund revenues are shared among the Humboldt County transit operators. The operators collaborate on programming the grant fund, normally five years at a time. Typically, one vehicle per year is funded by the grant, with a matching amount from state or local sources.

FTA Section 5311(b)(2)(3) Rural Transit Assistance Program (RTAP) – The RTAP provides funds for support services for transit operators in non-urbanized areas. Support services can be for training, technical assistance, research, and related support services. Eligible recipients are States, local governments, and entities that provide rural transit services. The State RTAP is allocated to the states based on an administrative formula (www.fta.dot.gov/grants/13093_3554.html, accessed ~~July 2013~~ August 2017).

The RTAP is administered by California Association for Coordinated Transportation, Inc. (Cal ACT), based in Sacramento, through an agreement with Caltrans. Regional transportation planning agencies (RTPAs) assist Cal ACT in administering this program.

FTA Section 5311(f) Intercity Bus Program – 5311(f) grants provide funds for operating, capital, and/or planning intercity bus service in non-urbanized areas. The funding objectives are to connect non-urbanized intercity bus service with the larger regional or national system, and to assist with related planning, marketing, and capital facilities.

Federal Lands Access Program ~~(FLAP)~~ – *Federal*

The FAST Act continued this program (Pub. L. 114-94) established by ~~This~~ MAP-21. ~~program replaces the Federal Lands Highway Program~~. The goal of the Access Program is to improve transportation facilities that provide access to, are adjacent to, or are located within Federal lands (FLATF, Federal Land Access Transportation Facility). The Access Program supplements State and local resources for transportation planning, research, engineering, preventive maintenance, rehabilitation, and construction of FLATFs, and operation and maintenance of transit facilities ~~public roads, transit systems, and other transportation facilities, with an emphasis on high-use~~

~~recreation sites and economic generators~~ (~~www.fhwa.dot.gov/map21/guidance/guideflap.cfm,~~ https://flh.fhwa.dot.gov/programs/flap/documents/FLAP%20Implem%20Guidance.pdf accessed August 201~~3~~7).

Highway Safety Improvement Program (HSIP) – *Federal*

The HSIP is a core Federal-aid program whose purpose (performance goal) is to significantly reduce fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. Eligibility of specific projects, strategies and activities generally are based on:

- (i) consistency with a State's Strategic Highway Safety Plan (SHSP);
- (ii) crash experience, crash potential, crash rate, or other data-supported means;
- (iii) compliance with title 23 requirements; and
- (iv) State's strategic or performance based safety goals to reduce fatalities and serious injuries on all public roads (~~www.fhwa.dot.gov/map21/ guidance/guidehsip.cfm~~www.dot.ca.gov/trafficops/hsip/, accessed ~~July 2013~~ August 2016).

Mello-Roos Community Facilities Act of 1982 – *State*

The act allows any county, city, special district, school district, or joint powers authority to establish a Mello-Roos Community Facilities District (CFD), which allows for financing public improvements and services when no other source of money is available. This is a flexible tool to help local governmental agencies finance needed community facilities and services by levying voter-approved special taxes.

~~Proposition 1B: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 – *State*~~

~~California voters approved funds from bond revenues to be allocated for the following purposes:~~

~~*Congestion Reduction, Highway and Local Road Improvements* ($11.3 billion) – for capital improvement projects to reduce congestion and increase capacity on state highways, local roads, and public transit. Funds for local streets and roads projects are distributed by a formula based on a county's ratio of registered vehicles (75% of funds) and ratio of county-maintained road miles (25% of funds), relative to counties statewide. Eligible public transportation projects include capital improvements such as purchasing buses and rail cars, and making safety enhancements to existing transit facilities. As of May 7, 2013, $1.15 billion of the $3.6 billion authorized transit funds remained unallocated (Caltrans 2013b).~~

~~*Safety and Security* ($1.5 billion) – for projects to protect against a security threat or improve disaster response capabilities on publicly owned ports, harbors, and ferry terminals (grants administered by the State OES) and transit systems. Also for grants to improve the safety of rail crossings, and seismically retrofit local bridges, ramps, and overpasses.~~

~~*Goods Movement and Air Quality* ($3.2 billion) – for projects to improve the movement of goods via ports, state highways and rail. Also for projects (administered through CARB) to improve air quality by reducing emissions related to goods movement and replacing or retrofitting school buses (Caltrans 2013b).~~

~~Proposition 116: Clean Air & Transportation Improvement Act of 1990 – *State*~~

~~Under Proposition 116, non-urban county transit funds can be made available for transit or non-motorized facilities. These funds are provided on a per capita basis, using the Federal census. In 2010, the CTC reported, of the original $1.99 billion authorization, $153.5 million remained unallocated (not encumbered or expended). "The inability to sell~~

~~bonds due to the State's fiscal problems has prevented the Commission from approving Proposition 116 allocations that have been requested by agencies" (CTC Resolution PA-10-01; February, 24-25, 2010).~~

Recreational Trails Program – *Federal*

~~MAP-21 (Section 1122) amended~~ The FAST Act reauthorized the Recreational Trails Program for Federal fiscal years 2016 through 2020 as a set-aside of funds from the Transportation Alternatives (TA) Set-Aside. ~~to make the funding a set-aside from the TAP~~. Unless the Governor opts out in advance, an amount equal to the State's FY 2009 Recreational Trails Program apportionment is to be set aside from the State's TAP funds for recreational trails projects.

Rural Planning Assistance– *State*

Rural Planning Assistance (RPA) funding is for state transportation planning activities. RPA funding is allocated to non-MPO (non-Metropolitan Planning Organization), rural RTPAs, such as HCAOG. RPA funds are allocated annually based on a population formula.

State Highway Operations & Protection Program (SHOPP) – *State*

The purpose of the SHOPP program is to maintain the integrity of the State Highway System. Projects are nominated within each Caltrans District office and are sent to Caltrans Headquarters for programming. Final projects are determined by CTC approval. ~~Because funding is insufficient to preserve and maintain the existing transportation infrastructure, Caltrans will continue to focus on available resources on the most critical categories of projects in the SHOPP (emergency, safety, bridge, and pavement preservation)(Caltrans 2013b).~~ There is no formula for allocating SHOPP revenues, which presents a degree of uncertainty. Humboldt County could receive a large share of revenues in one cycle, then much less in future cycles.

State Planning and Research Funds

Caltrans uses State Planning and Research funds for planning activities mandated by federal and state law. The funds are varied and can include the FHWA Partnership Planning for Sustainable Transportation funds, the partnership planning projects that the Caltrans District works collaborates with the regional agencies on, and the SP&R that Caltran's Division of Research, Innovation and System Information handles.

State Transportation Improvement Program (STIP) – *State*

The STIP is a five-year capital improvement program to assist the state and local entities to plan and implement transportation improvements. All STIP projects must be capital projects to improve transportation, including improvements to mobility, accessibility, reliability, sustainability and safety.

The STIP is split into two programs: the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). The RTIP gets 75 percent of the STIP funds, and the ITIP gets 25 percent. Regional agencies, such as HCAOG, prepare RTIPs, and Caltrans prepares the ITIP to submit to the CTC. The CTC has authority to approve RTIPs and the ITIP, which combined constitute the STIP. The CTC adopts the STIP generally every two years.

The RTIP is itself subdivided into county shares by a formula of population (25%) and road mileage (75%). HCAOG sets aside two percent of the regional STIP allocation for transit projects. These transit capital projects are programmed through HCAOG's RTIP. Local transit agencies use these funds for transit amenities such as bus shelters, rather than operations or maintenance costs, due to the tenuous nature of the STIP funding stream.

Of ITIP funds, three-fifths (3/5, i.e., 15% of STIP) are reserved, by statute, for intercity rail projects and improvements outside urbanized areas on interregional road system routes selected by Caltrans. Two-fifths (2/5) of ITIP funds (i.e., 10% of STIP) are for projects that may include State highways, intercity passenger rail, mass transit guideway, grade separation, and non-capital costs for transportation system or demand management. Caltrans nominates all projects. Regional agencies can provide input and seek co-funding on specific ITIP projects for their region.

Surface Transportation Block Grant Program (STBG) – *Federal*

The FAST Act converted the long-standing Surface Transportation Program into the Surface Transportation Block Grant Program, acknowledging that this program has the most flexible eligibilities among all Federal-aid highway programs (FAST Act § 1109; 23 U.S.C. 133). States and localities may use STP funding for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge, and tunnel projects on any public road, pedestrian and bicycle infrastructure, transit capital projects, and public bus terminals and facilities. Eligible projects also include environmental restoration and pollution abatement

~~MAP-21 continues the special rule for funding projects on minor collectors. Up to 15 percent of the amounts required to be obligated in areas with a population of 5,000 or less for each of fiscal years 2013 through 2014 may be obligated on roads functionally classified as minor collectors. (The Secretary may suspend this special rule with respect to a State if the FHWA division office determines that this authority is being used excessively by the State (23 U.S.C. 133(h).) (www.fhwa.dot.gov/map21/stp.cfm, accessed July 2013.)~~

Funds are distributed among the states based on lane miles of Federal-aid highways, (including on the NHS), total vehicle-miles traveled on those Federal-aid highways, and estimated contributions to the Highway Account of the Highway Trust Fund. A portion of the STBG~~P~~ is set aside for TA Set-Aside~~P~~ and State Planning and Research. Federal STBG~~P~~ monies come to HCAOG as Regional ST~~P~~BG (RSTP) money.

Transportation Alternatives ~~Program~~ (TA~~P~~) – *Federal*

The FAST Act replaced the Transportation Alternatives Program (TAP), created under MAP-21, with a set-aside of Surface Transportation Block Grant (STBG) program funding for transportation alternatives (TA). All projects and activities that were previously eligible under TAP are eligible for TA set aside funds, encompassing a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity (FAST Act §1109; 23 U.S.C. 133(h)). ~~"MAP-21 established TAP as a new program that provides for a variety of alternative transportation projects, including many that were previously eligible activities under separately funded programs." Programs~~

~~and projects defined as "transportation alternatives" include on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail projects; safe routes to school projects; and projects for planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former divided highways.~~ TA~~P~~ projects are not required to be located along Federal-aid highways. The TAP is a competitive program and is not included in the STIP. ~~MAP-21 requires the State to have a competitive process to allow eligible entities to submit projects for funding; therefore, the State may not suballocate the nonurban area funds by population to individual counties, cities, or other local government entities (23 U.S.C. 213(c)(4)(A))~~ (~~www.fhwa.dot.gov/map21/tap.cfm, accessed July 2013~~www.fhwa.dot.gov/fastact/factsheets/transportationalternativesfs.pdf, accessed August 2017).

Transportation Development Act (TDA) of 1971 – *State*

The Transportation Development Act (TDA) of 1971 created two funds primarily for public transportation: the State Transit Assistance (STA) account and the Local Transportation Fund (LTF). However, as the statute allows, HCAOG has adopted the policy to set aside part of the LTF allocation "for pedestrian and bicycle allocations equivalent to 2%, or the LTF increase from baseline fiscal year 2012/13, whichever is less" (HCAOG TDA Rules, adopted September 2012). Furthermore, if a jurisdiction either does not have public transportation service or is meeting all "unmet needs that are reasonable to meet" (per California PUC §99401.5), then the RTPA may approve LTF funds for streets and roads projects. TDA funds are allocated to areas of each county based on population, taxable sales, and transit performance.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The federal TIFIA program is an "innovative finance" mechanism to leverage other credit assistance for big infrastructure projects. The federal and state government encourages public-private financing partnerships. TIFIA monies are low-interest loans, loan guarantees, or lines of credit to partially finance transportation surface transportation projects. The FAST Act authorizes $275 million to $300 million annually. Other "innovative finance" programs are the Railroad Rehabilitation and Improvement Financing Program (RRIF), and tax-exempt qualified private activity bonds (PABs). Loans are repaid by project revenues (e.g. tolls) and/or sponsor contributions (US DOT 2017).

The Transportation Investment Generating Economic Recovery (TIGER) Program – *Federal*

The TIGER Program, initiated as part of the American Recovery and Reinvestment Act of 2009 in response to the Great Recession, is a competitive grant program that funds surface transportation planning and capital projects. TIGER was originally funded for $1.5 billion, and has been renewed seven times. These federal funds leverage money from private sector partners, states, local governments, metropolitan planning organizations, and transit agencies. In total, the U.S. DOT has received more than 7,300 applications requesting more than $143 billion in TIGER grants (U.S. DOT 2017). The 2017 budget proposed by the Trump Administration proposes to cut this program.

Tribal Transportation Program (TTP) – *Federal*

> "While the American public believes in the importance of transportation, they are unable to agree on how to pay for it. Some are not convinced that governments will make efficient use of new revenues. Others want to be assured that tax dollars and other investments are distributed to the region where they live, or to the mode that they use."
>
> – *Beyond Traffic 2045*

The Tribal Transportation Program was established under MAP-21 and continued under the FAST Act, to "provide funding to Tribes to address their transportation needs and provide access to basic community services to enhance the quality of life in Indian country" (Office of Federal Lands Highway 2017). ~~supports projects that improve access to and within Tribal lands.~~ This program generally assumes and replaces the former Indian Reservation Roads (IRR) program, adding new set-asides for tribal bridge projects (in lieu of the existing Indian Reservation Road Bridge program) and tribal safety projects. ~~Annually, $450 million in TTP funds will be allocated among the Tribes using a new statutory formula based on tribal population (39%), eligible road miles (27%) and average tribal shares of SAFETEA-LU IRR funding (34% divided equally among the 12 Bureau of Indian Affairs (BIA) regions and then distributed among Tribes in that region). The new formula will be phased in incrementally over four years (FY2013-2016).~~ Twenty percent of the funds made available are distributed based on the tribal shares percentages of the IRR Program as calculated in FY 2011. Of the remainder of the funds, 27% is distributed based on eligible road miles; 39% is distributed based on tribal population, and 34% is divided equally among the twelve BIA regions and then distributed among Tribes in each region based on their average FY 2005-FY 2011 formula distribution.

~~Eligible activities for TTP funds include:~~

- ~~Transportation planning, research, maintenance, engineering, rehabilitation, restoration, construction, and reconstruction of tribal transportation facilities; environmental mitigation.~~
- ~~Operating and maintaining transit programs and facilities that are located on, or provide access to, tribal land, or are administered by a tribal government.~~
- ~~Any transportation project eligible for assistance under 23 USC that is located within, or that provides access to, tribal land, or is associated with a tribal government (http://www.fhwa.dot.gov/map21/ttp.cfm, accessed July 2013).~~

~~MAP-21 also authorizes the Tribal High Priority Projects Program, a discretionary program modeled on an earlier program from the IRRP. MAP-21 provides $30 million per year from the General fund (subject to appropriation) for this new program (www.fhwa.dot.gov/map21/ summaryinfo.cfm, accessed July 2013).~~

U.S. Forest Service – *Federal*

The U.S. Forest Service places a fee on all timber receipts from national forests. By law (Title 16 U.S.C. §500), "states are entitled to 25 percent of the receipts from national forest timber sales located within their boundaries; the "State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated" (U.S. Senate 2008). ~~so that the receipts can be used to benefit roads and schools in the counties where the receipts were earned" (GAO 1995).~~ Humboldt County school districts and the County of Humboldt receive half of these receipts. These monies become part of the County Road Fund, to be used for operational improvements.

POTENTIAL NEW FUNDING SOURCES

HCAOG acknowledges the considerable challenges associated with financing transportation investments. HCAOG recognizes the importance of finding new and innovative ways to pay for improving the regional transportation system, including the expanding backlog of investment needs just to maintain existing facilities. The following local funding sources may potentially be considered in Humboldt County.

Local Sales Tax (Retail Transactions And Use Tax)

Local sales taxes provide a reliable and stable funding stream; in California, these taxes outstrip state and federal funding on an annual basis. Twenty California county transportation agencies have successfully proposed and passed sales tax initiatives, which have been instrumental in providing accessible, safe, innovative and cutting-edge transportation solutions in their regions. The voters in those counties approved, by super-majorities, increasing their own local sales tax rates, typically by ½ cent (0.5%), in order to fund transportation programs for transit, highways, freight, bicycles, and pedestrians. Combined, these counties pump $3 to $4 billion each year into California's transportation infrastructure, creating jobs, maintaining existing roadways, expanding mobility, and enhancing local facilities and the environment. A similar sales tax measure in the Humboldt region is estimated to generate an additional $8.9 to $9.3 million annually for local programs.

Local sales tax initiatives are successful when they are clear about revenues and expenditures, when they include meaningful and effective accountability measures, and when these details are outlined in an Expenditure Plan that voters approve. Successful campaigns have benefitted from direct access to local decision-makers and regular public participation.

The new Local Partnership Program (created under SB1 in 2017) designates road maintenance and rehabilitation funding expressly for self-help counties.

Vehicle Registration Fee (Senate Bill No. 1183, DeSaulnier)

Senate Bill 1183 authorizes "a city, county, or regional park district to impose and collect, as a special tax, a motor vehicle registration surcharge of not more than $5 for bicycle infrastructure purposes until January 1, 2025." These revenues could pay local improvements to paved and natural surface trails and bikeways, including existing and new trails and bikeways and other bicycle facilities, and for associated maintenance purposes (SB 1183, September 2014, Chapter 516, Section 9251 of the Vehicle Code). Voters must approve this fee with a two-thirds supermajority.

New Development/Traffic Mitigation Fees

Traffic mitigation fees are one-time charges on new development. The fees pay for providing public facilities to the new development, and to mitigate impacts created by the development. The fees must be clearly related to the costs incurred as a result of the development (AB 1600). Fees cannot be used to correct existing problems or pay for improvements needed for existing development.

Benefit Assessment Act of 1982

The Benefit Assessment Act of 1982 enabled developing county-wide assessments for drainage, flood control, and street lighting. A 1989 amendment to the Act added street maintenance assessments. To date, very few cities or counties in California have instituted this assessment for street maintenance, and none in Humboldt have.

Public-Private Partnerships

A public-private partnership (PPP or P3) represent a broad category of financing mechanisms that are being used to harness public sector participation. PPPs have been used with mixed success in several states nationwide. The State of California has enacted legislation to permit PPP approaches for transportation infrastructure development.

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