SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT AND FINANCE COMMITTEE

SJCOG Conference Room
555 E. Weber Avenue
Stockton 95202

HOSTED BY: CITY OF ESCALON

Wednesday, June 17, 2020
Noon

https://sjcog.zoom.us/j/91773261917

Teleconference Number: 1-669-900-6833
Meeting ID: 917 7326 1917

Note: If you don't have access to a smart device or a computer with a webcam & a mic, you can dial in using the teleconference number and meeting ID above.

Attention Callers: Please mute the call unless speaking.

NOTICE
Coronavirus COVID-19

In accordance with Governor Newsom’s Executive Order N-33-20, The San Joaquin Council of Governments and staff will be participating in this meeting via teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting electronically using the Zoom link, and shall have the right to observe and offer public comment at the appropriate time during this meeting. To be recognized to speak, please use the “raise hand” or chat feature in Zoom.

We have also provided a call-in number, as identified on this Agenda, and encourage you to attend by telephone. To be recognized to speak, press *9 which will signal the moderator.

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AGENDA

1. Call to Order and Self Introductions

2. Public Comments

3. Approve Minutes of May 20, 2020 Action
4. Regional Transportation Impact Fee (RTIF) Capital Projects List Amendments Action

5. Draft 2020 Federal Legislative Platform Action

6. Final 2019 Measure K Strategic Plan Action

7. COVID-19 Sales Tax Impact Update Information

8. Coronavirus Aid, Relief and Economic Security (CARES) Act Transit Funding Discussion

9. SB 743 (No staff report) Discussion

10. Executive Director’s Report

11. Other Matters of Business


Chair: Steve Schabauer City of Lodi

Vice Chair: Harry Black City of Stockton
AGENDA ITEM 3
SAN JOAQUIN COUNCIL OF GOVERNMENTS  
MANAGEMENT AND FINANCE COMMITTEE  
Meeting Held at:  
San Joaquin Council of Governments  
555 E. Weber Avenue, Stockton, CA 95202  
May 20, 2020  

MINUTES  

1. The meeting was called to order at 12:03 p.m. by Steve Schwabauer.

   Attendance via Conference Call:  
   Stephen Salvatore, Lathrop City Manager; Tammy Alcantor, Escalon City Manager; Steve Schwabauer, Lodi City Manager; Kimberly Gayle, SJRTD Deputy CEO; Kevin Sheridan, SJRRC Director of Capital Projects; Koosun Kim, Manteca Public Works Director; Karin Schnaider, City of Tracy Finance Director; Harry Black, Stockton City Manager; Andrew Chesley, SJCOG Executive Director; Steve Dial, SJCOG Executive Deputy Director/CFO; Diane Nguyen, SJCOG Deputy Director; David Ripperda, SJCOG Associate Planner; Christine Corrales, SJCOG Associate Regional Planner; Katy Castro, Administrator Clerk II.

   Other Attendees:  
   Eric Alvarez, City of Stockton.

   Committee Members Not Present:  
   Kevin Werner, Ripon Administrator; Miranda Lutzow, Manteca Interim City Manager; Monica Nino, County Administrator; Jenny Haruyama, Tracy City Manager; Stacey Mortensen, SJRRC Executive Director.

2. Public Comments:  
   None.

3. Approve Minutes of March 18, 2020:  
   It was moved/seconded (Alcantor/Schwabauer) to approve the minutes of March 18, 2020. Motion passed by roll call (6/2) with City of Lodi and SJRRC abstaining.

4. Update on Local Sales:  
   Steve Dial gave an update. He stated due to the current situation it is hard to forecast because SJCOG doesn’t know yet where the bottom of the downturn is, or how long it will last. The modeling assumes a 50% reduction for May and June to close out this fiscal year for a nearly 7% decrease in FY revenues or $4.3 million in FY 19-20. If he carries 50% forward to July, August, and September, then decrease the revenue shortfall to 25% for the next three months and then flat for the remainder of the FY, the Measure K revenue forecast will drop from $2.6 billion to $1.6 billion.

   Karin Schnaider asked for clarification on the 22%. Steve Dial stated it should be about the same each year. FY 19/20 wasn’t doing all that great before the stay-at-home order, the first quarter was about 13% lower than the quarter of the previous year. Mr. Dial continues to state he carried the 50% loss in the first quarter and only backing it of 25% in the following quarter.
5. **Draft 2019 Measure K Strategic Plan:**
David Ripperda stated in January 2020, the SJCOG Board approved keeping the Measure K Renewal revenue estimate at the level, $2.6 billion. While the COVID-19 crisis has had a drastic impact on sales tax revenues it is currently difficult to quantify the magnitude of the economic impacts. Therefore, SJCOG staff proceeded with the Draft 2019 Strategic Plan using the $2.6 billion estimate. This estimate will be reevaluated during Fiscal Year 2020/21 as part of the 2021 Strategic Plan update.

Eric Alvarez asked about the plan for the Lower Sacramento road widening project moving forward with construction. David Ripperda stated there isn’t any funding identify most of City of Stockton was previously advance for projects that were completed in the early action program. For construction SJCOG staff assumed it will be a combination of development fees and state and federal grants.

This item is for discussion only.

6. **2020 Measure K Ordinance and Expenditure Plan Amendments:**
David Ripperda stated SJCOG Board will consider this request to amend the Measure K Expenditure Plan at a public hearing on May 28, 2020. If the Board approves the amendment request, SJCOG staff will notify all cities in San Joaquin and the County of San Joaquin of the Board action.

Andrew Chesley commented that Valley Link did consider asking for an amendment of the Expenditure Plan to include construction for Valley Link system in San Joaquin County with no funding attached to it.

It was moved/seconded (Alcantor/ Schnaider) to recommend to the SJCOG Board that they amend the Measure K Renewal Ordinance to revise the Regional Congestion Management Plan language as shown in Attachment B. Motion passed unanimously by roll call (8/0) vote.

7. **Annual Adjustment of the Regional Transportation Impact Fee:**
Hailey Lang gave an update. She stated based on Section 3.2 from the Regional Transportation Impact Fee (RTIF) Operating Agreement, the region-wide RTIF fee schedule is annually adjusted by each participating agency at the beginning of each fiscal year (July 1). The approved annual adjustment methodology is a rolling three-year average of the Engineering News-Record California Construction Cost Index (CCCI). Based on this methodology, an adjustment of the fees of +2.49% is indicated.

It was moved/seconded (Alcantor/ Schwabauer) to recommend to the Board approval of the new RTIF fee schedule resulting from the annual administrative adjustment to go into effect on July 1, 2020. Motion passed unanimously by roll call (8/0) vote.

8. **One Voice® Options:**
Andrew Chesley gave an update, he stated staff is working with CJ Lake to come up with viable options for a 2020 One Voice® trip in the COVID-19 environment. CJ Lake will participate in
our Executive Committee meeting Friday, May 15th to share some of the strategies that they are exploring with other clients and Administration and legislative staff that they believe may work for us.

This item was for discussion only.

9. **2022 RTP/SCS Briefing: Refining a Regional Approach to Housing:**
Christine Corrales presented this report with a PowerPoint and highlighted discussions regarding a refining regional approach to housing. She reviewed AB 101: housing and Homelessness Budget Trailer Bill which includes $250 million in planning grants and requires that the eight Valley COG’s form a working group to address the housing homelessness crisis. San Joaquin Valley will receive $18.9 million for this program.

This item was for discussion only.

10. **Executive Director’s Report:**
Andrew Chesley commented on the Measure K Renewal program that deals with local roads and street programs.

Andrew Chesley commented that on the SJCOG board agenda there will be an item to select an Executive Firm search to begin the process searching and recruiting for a new Executive Director for SJCOG.

11. **Other Matters of Business:**
None.

12. **Adjournment:**
There being no further business to discuss, the M&F meeting was adjourned at 12:54 PM. The next meeting will adjourn to Wednesday, June 17, 2020, at 12:00 PM.
STAFF REPORT

SUBJECT: Regional Transportation Impact Fee (RTIF) Capital Project List Amendments

RECOMMENDED ACTION: Approve Amendments to 2017 RTIF

SUMMARY:

The Regional Transportation Impact Fee (RTIF) is a countywide, multi-jurisdictional capital improvement funding program. SJCOG has received a request from the City of Tracy for an amendment to the RTIF Program that will revise the project costs for the following two interchange projects that are on the Project List.

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Sponsor</th>
<th>Gross Project Cost</th>
<th>RTIF Eligible Cost</th>
<th>Type of Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-205 @ International Parkway</td>
<td>City of Tracy</td>
<td>$52,900,000</td>
<td>$3,395,051</td>
<td>Update Cost</td>
</tr>
<tr>
<td>I-580 @ International Parkway/Patterson Pass Road</td>
<td>City of Tracy</td>
<td>$48,150,000</td>
<td>$7,951,697</td>
<td>Update Cost</td>
</tr>
</tbody>
</table>

Amendments to the RTIF are routine because the next major update will not be until 2022. The project costs of the interchanges are much higher since the plan adoption three years ago. This necessitated a recalculation to determine the maximum RTIF eligible costs for the two interchanges which could be eligible for RTIF collected by City of Tracy for projects within City of Tracy. The program’s objective is to offset the effects of development on the regional transportation network through an impact fee. These funds can be used with federal, state, and other local funding to make transportation improvements that increase regional mobility and reduce congestion.

The proposed amendments are described in greater detail below.

RECOMMENDATION:

SJCOG staff recommends approval of the amendment to the 2017 RTIF.
**FISCAL IMPACT:**

This action will increase the RTIF-eligible project cost of the I-205/Mountain House Parkway interchange from $256,715 to $3,395,051, and the I-580/International Parkway/Patterson Road interchange from $1,486,298 to $7,951,697 allowing the City of Tracy to expend additional RTIF on those projects.

This action will not affect the ongoing costs of administrating the RTIF nor will it affect the fee rates assessed by member agencies on development projects.

**BACKGROUND:**

**RTF Program Background**

2. Revised Operating Agreement was adopted April 2015 and fully executed during FY 2015-2016.
3. Each jurisdiction contributes via residential and non-residential development permit fees.
4. The region-wide RTIF structure is annually adjusted by each Participating Agency each fiscal year.
5. RTIF program fee structure is set according to a nexus analysis.
6. Transportation impacts of new development projects are linked to a “fair share” (e.g. percentage) of the cost of transportation projects that mitigate those impacts.
7. The RTIF Capital Project List includes projects that are eligible for expenditure of RTIF funds collected by cities, the county, and SJCOC. The Capital Project List was comprehensively updated as part of the 2017 RTIF update.
DISCUSSION

Update to I-205/Mountain House Parkway Interchange and I-580/International Parkway/Patterson Pass Road Interchange Project Costs

The City of Tracy submitted a letter to SJCOG on April 18, 2019, requesting an amendment to the Regional Transportation Impact Fee (RTIF) program to update the Gross Project Cost for the following two interchange projects.

<table>
<thead>
<tr>
<th>RTIF ID</th>
<th>Project</th>
<th>EXISTING RTIF Gross Project Cost</th>
<th>EXISTING RTIF Eligible Cost</th>
<th>REQUESTED UPDATE RTIF Gross Project Cost</th>
<th>UPDATED RTIF Eligible Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>I-205 @ Mountain House Parkway</td>
<td>$4,000,000</td>
<td>$256,715</td>
<td>$52,900,000</td>
<td>$3,395,051 (pending*)</td>
</tr>
<tr>
<td>24</td>
<td>I-580 @ International Parkway/Patterson Pass Road</td>
<td>$9,000,000</td>
<td>$1,486,298</td>
<td>$48,150,000</td>
<td>$7,951,697 (pending*)</td>
</tr>
</tbody>
</table>

*Denotes the figure is subject to approval by SJCOG Board at its June 2020 meeting.

Since the last RTIF update, the projects have been better defined and updated cost estimates have been prepared. The requested update to the Gross Project Cost will also update the RTIF Eligible Cost (defined as a percentage of the Gross Project Cost), allowing Tracy to commit additional funds on the projects and be better positioned to fulfill local match requirements for state and federal grant opportunities.

Based on the information provided, SJCOG completed a minor revision to the RTIF Nexus Analysis to increase the combined gross project cost for the two projects from $13,000,000 to $101,050,000, resulting in an increase in the RTIF-eligible project cost from $1,743,013 to $11,346,748.

As of December 31, 2019, the City of Tracy had an RTIF Fund Balance of $11,243,471.74 as reported in their Fiscal Year 2019/2020 Semi-Annual Report #1. In this report, the City of Tracy did not commit any RTIF funding to their projects. At their discretion, the City can commit their RTIF Fund Balance toward the RTIF Eligible Maximum Contribution of the two interchange projects.

Prepared by: Tim Kohaya, Senior Regional Planner
SUBJECT: Draft 2020 Federal Legislative Platform

RECOMMENDED ACTION: Adopt the Federal Legislative Platform and include these positions as part of the San Joaquin One Voice® Program

DISCUSSION:

SUMMARY:

SJCOG annually develops a set of principles and policy positions to support SJCOG’s work in linking transportation, housing, and air quality. This comes forwards as the Federal Legislative Platform. The platform represents a foundation for key issues that are anticipated to be considered during the course of the legislative session. Once formally adopted, the legislative platform will guide staff’s analysis and recommendations on pending legislative and regulatory items in the upcoming session and will be used in the SJCOG One Voice® effort.

Having these issues and priorities identified will further help SJCOG navigate the ever-changing political landscape in Washington and ensure the region continues to take advantage of opportunities for funding and engagement with our policymakers at the Federal level. It is particularly timely to have a Federal Legislative Platform due to the expiration of the FAST Act on September 30, 2020.
BACKGROUND:

Since 2000, SJCOG has retained a federal legislative advocacy firm to assist the agency in policy development and appropriations requests, including funding requests for several regional transportation projects as part of federal transportation reauthorization bills. The current legislative consultant, CJ Lake, has also kept SJCOG staff abreast of transportation, housing, energy, and air quality related developments in Washington and has assisted in communicating SJCOG’s positions on different planning-related issues or specific legislation.

SJCOG has worked with CJ Lake to develop the draft legislative platform in Attachment A. This platform adds to last year’s platform. The draft platform highlights the position of SJCOG on important issues and provides general direction to staff and SJCOG’s legislative advocates as they prepare for a “virtual” San Joaquin One Voice® trip in September and when working with our partner agencies or SJCOG’s state association, CALCOG.

RECOMMENDATION:

Staff recommends approving these positions so they can be utilized to represent the region’s interests in Washington DC. This platform will be used in the San Joaquin One Voice® program which is anticipated in September 2020 as a smaller scale, virtual “trip”.

FISCAL IMPACT:

None.

Attachment A: Draft Federal Legislative Platform

Prepared by: Diane Nguyen, Deputy Director
ATTACHMENT A:

DRAFT 2020 SJCOG FEDERAL LEGISLATIVE PLATFORM

(CONTINUANCE OF 2019 POLICY POSITIONS AND POTENTIAL POSITIONS FOR 2020)

DATED: June 10, 2020

DRAFT 2020 SJCOG FEDERAL LEGISLATIVE PLATFORM

(CONTINUANCE OF 2019 POLICY POSITIONS AND POTENTIAL POSITIONS FOR 2020)

2019 Federal Legislative Platform – continue the following positions:

Aviation

- Support flexibility with respect to the Airport Improvement Program (AIP), a federal grant program that provides funding to airports to help improve safety and efficiency.

- Support language that would address the 2014 FAA rule regarding voter approved general sales taxes. San Joaquin County, like many other self-help counties, has an airport and the County receives funds raised on the sales tax associated with the sale of aviation fuel. The 2014 FAA rule changed the definition of "local taxes on aviation fuel" to apply to all sales taxes rather than specific excise taxes on aviation fuel. This change diverts funding away from projects outlined in local sales tax measures.

Automated and Connected Vehicles

- Support local authority over the integration of AVs and Connected Vehicles into the nation's transportation system. Regional organizations (such as Councils of
Governments) should have the opportunity to guide the testing and adoption of AVs that makes the most sense for their community and region.

- Support regional organizations’ leadership in facilitating the regional sharing, storage, and use of data.

**Economic Incentives for Job Growth**

- Promote the inclusion of transportation and other types of infrastructure funding in any federal proposal for an economic stimulus package.
- Support economic development incentives and jobs training for economically hard hit areas.
- Support local government authority to determine the types of development eligible for Opportunity Zone investments in any regulations implementing the program.
- Support the introduction of air quality empowerment zone legislation.

**Transportation Funding**

- Support stabilizing and increasing transportation infrastructure funding sources to avoid the bankruptcy of the federal highway and transit trust funds. Could include:
  - Support to increase and index the gas tax to inflation.
  - Explore innovative funding mechanisms, such as a pay-by-the-mile user fee and public private partnerships.
  - Expand access to Transportation Infrastructure Finance and Innovation Act (TIFIA) loans.
  - Remove procedural obstacles that impede expenditure of authorized federal funding.
  - Support the return of directed federal funding for transportation priorities.

- Support the continuation of, and increased investment in, federal discretionary grant opportunities such as the Infrastructure for Rebuilding America (INFRA) and Better Utilizing Investments to Leverage Development (BUILD) programs.
Expand the INFRA program to include both competitive and formula-based awards.

**Mobility**

- Engage on issues related to transit technology/clean corridor tracking/new technology/platooning
- Explore opportunities for Federal grants to fund various transportation priorities, including transit and bikeways

**Regional Transportation Plan**

- Support efforts to change the adoption cycle for the Regional Transportation Plan from the current four-year requirement to a flexible timeframe (6-10 years).

**Project Streamlining**

- Support legislation and/or administrative reforms to streamline the federal and state government’s project delivery process and to eliminate unnecessary and/or duplicative requirements (CEQA/NEPA)

**Potential Policy Additions to the Federal Legislative Platform**

**Infrastructure Package/Surface Transportation Reauthorization**

**Modifications to Federal Matching Funds/Share Requirements**

- *Local Match Modifications* - Request a waiver of local share/match for all ongoing transportation projects. Full federal participation eliminates the risk of uncertain locally-generated revenues subject to major reductions due to COVID-19, and will provide confidence to contractors that they will be paid, and to the
public that the project will be built. It will minimize the risk of projects being shelved, providing the stimulus vitally needed for economic recovery.

- **Increased FHWA Share** - Request Congress increase FHWA share to 90% due to COVID-19, authorizing the COVID-19/national pandemic emergency as an eligible reason for assistance, mirroring the 23 USC §125 Emergency Relief program for disaster response.

- **Local Share Delays** - Request a delay in requirements to provide local share for a certain time period, similar to the payroll tax provision in the CARES Act.

- **Project Reclassification** - Reclassify projects sources of federal funds (classify projects as Highway Safety Improvement Program (HSIP) or another program) to circumvent local share/match requirements.

### Modify Surface Transportation Block Grant Utilization

- Utilize the Surface Transportation Block Grant Program (STBGP) (23 U.S.C. §133) under the federal-aid highway program and public transportation program for stimulus spending. Distribute this funding using existing formulas and sub-allocation procedures under 23 U.S.C. §133. Further, as part of STR, increase the STBGP set-aside for MPO up to 65% after five years.

- Remove local match requirements so federal funds can cover 100% of a project’s costs. Allow funds provided in a stimulus bill to be used as the local share funds for any program, including the Surface Transportation Block Grant Program, Congestion Mitigation and Air Quality, and Metropolitan Planning. Allowing new funds to be used to match other program funds would help ensure speedier project delivery.

- Support expanded funding levels, as included in the House INVEST Act, responsive to the adverse impacts to Local Streets and Road budgets due to COVID-19 impacts. Public agencies are experienced significant reductions in Local Transportation Funds, Local Transportation Sales Tax Measures, and Local Development Impact Fees. Increased funding levels will be needed to continue the delivery of transportation projects.

### Air Quality and Sustainability Program

- Support new CMAQ funding (and additional funds) to include no limitation on years of operations funding for Vanpools, Public-Private Partnerships on Employee Shuttles, and MicroTransit (first and last mile). Further, support Buy America requirements under FHWA that continue to promote domestic content
and manufacturing and that reduce unintended consequences with respect to the procurement of energy efficient and emission reducing technologies/component parts in vehicles to satisfy CMAQ program goals.

- Support robust funding for conversion of essential city fleets, such as garbage trucks and sewer trucks or light duty vehicles like police cars” which can demonstrate air pollution reductions with conversion.

**Trade Corridor/ Goods Movement**

- Support strategic investments to improve goods movement for agricultural supply chain and manufacturing logistics throughout San Joaquin County.
- Support additional funding opportunities for managed lanes, particularly in corridors which serve as gateways between regions.
- Support new funding and planning opportunities to support electric vehicle infrastructure and programs for both private vehicles and public transit fleets.
- Support funding specific to rehabilitation or operational improvements to STAA routes.
- Support funding focused specific to bridge rehabilitation and replacement in trade corridors.

**Work From Home/ Telework**

- Reduce impediments to non-contact or digital interactions with respect to MPO requirements to state transportation agencies. Further, standardize those requirements to incorporate virtual or electronic submission of documents.
- Support planning research & funding to MPOs for planning studies on regional teleworking policies, ordinances and measures to improve air quality.
- Support funding to capital programs for the development of telework and broadband network implementation strategies to reduce VMT.
AGENDA ITEM 6
STAFF REPORT

SUBJECT: Final 2019 Measure K Strategic Plan

RECOMMENDED ACTION: Recommend to the SJCOG Board that they adopt the 2019 Measure K Strategic Plan

SUMMARY:
The Measure K Strategic Plan serves as the guiding document for the delivery of Measure K (Renewal) projects and programs. In January 2020, the SJCOG Board approved keeping the Measure K Renewal revenue estimate at the level previously adopted in the 2017 Strategic Plan update, $2.6 billion.

While the COVID-19 crisis has had a drastic impact on sales tax revenues it is currently difficult to quantify the magnitude of the economic impacts. Therefore, SJCOG staff proceeded with the Draft 2019 Strategic Plan using the $2.6 billion estimate. This estimate will be reevaluated during Fiscal Year 2020/21 as part of the 2021 Strategic Plan update.

The Draft 2019 Strategic Plan document was provided for public review online on May 6. No comments on the draft plan were received from any members of the public, local agencies, or transit operators. The final document is available at: https://www.sjcog.org/302/Plans-Publications.

RECOMMENDATION:
SJCOG staff recommend that the Management & Finance Committee recommend to the SJCOG Board that they adopt the 2019 Measure K Strategic Plan.

FISCAL IMPACT:
None at this time. There will be direct fiscal impacts from the adoption of the Measure K Strategic Plan which will set Measure K allocations for eligible projects through Fiscal Year 2030/31.

BACKGROUND:
Measure K is the half-cent sales tax dedicated to transportation projects in San Joaquin County. With its original passage in November 1990, Measure K began laying the groundwork for funding for a system of improved highways and local streets, new passenger rail service, regional and inter-regional bus routes, new bicycle facilities, and railroad crossings.
Measure K Renewal: On November 7, 2006, San Joaquin County voters decided to extend Measure K for an additional 30 years.

The categorical allocations of Measure K Renewal (hereafter referred simply as Measure K) include Local Street Repairs and roadway Safety (35%), Congestion Relief projects (32.5%), Railroad Crossing Safety Projects (2.5%), and Passenger Rail, Bus, and Bicycles (30%), which includes subcategories for Rail Transit, Bus Transit, Bus Rapid Transit, and Bicycle, Pedestrian, and Safe Routes to Schools improvements.

The renewal of Measure K was initially estimated to generate $3 billion, but current estimates as of January 2020 are at $2.6 billion, representing a $370 million decrease.

The Measure K Strategic Plan serves as the guiding document for the delivery of Measure K (Renewal) projects and programs. The Strategic Plan functions as a Measure K capital improvement program (CIP) for all eligible categories approved by San Joaquin voters. Its financial plan describes the long-term revenue forecast, capital funding requirements, borrowing needs and the associated debt service costs of the program. The current version of the Plan, the 2017 Measure K Strategic Plan, provides a twenty-year outlook of Measure K projects through Fiscal Year 2030/31. Pursuant to the Measure K Renewal Expenditure Plan, a Strategic Plan is to be updated every two years:

SJCOG will prepare a Strategic Plan every two years. The Strategic Plan will be the master document for delivery of the Expenditure Plan projects and can be amended at any time. The purposes of the Strategic Plan are as follows:

- Defines the scope, cost, and schedule of each project
- Identifies accomplishments and critical issues
- Lists a set of amendments to these projects
- Details the revenue projections and possible financing tools needed to deliver the Expenditure Plan
- Gathers into one document the policies and procedures of the Expenditure Plan
- Serves as an annual budget

The San Joaquin Council of Governments (SJCOG) is the administrator of the Measure K half-cent sales tax program. Due to the decrease in revenue from the Great Recession and the COVID-19 crisis, not all Measure K projects identified in the Expenditure Plan can be funded in the 30-year life of the sales tax program. The region will need to delve into difficult policy decisions and make hard choices on what Measure K projects can be funded. This means Measure K expenditures, project priorities, and policies will be re-examined and possibly new policies developed to create a financially constrained plan that balances project delivery within funding limitations.
2019 Measure K Strategic Plan

Throughout spring 2020, SJCOG staff met with all local agencies and transit operators to discuss the implications of the Measure K financial picture and how to prioritize projects. Staff worked with project sponsors to finalize the scope, cost, and schedule of all Measure K projects. In January 2020, the SJCOG Board approved keeping the Measure K Renewal revenue estimate at the level previously adopted in the 2017 Strategic Plan update, $2.6 billion.

While the COVID-19 crisis has had a drastic impact on sales tax revenues it is currently difficult to quantify the magnitude of the economic impacts. Therefore, SJCOG staff proceeded with the Draft 2019 Strategic Plan using the $2.6 billion estimate. This estimate will be reevaluated during Fiscal Year 2020/21 as part of the 2021 Strategic Plan update.

In April 2020, SJCOG’s financial consultant PFM completed a cash flow analysis of the Measure K Capital Program based upon existing and future anticipated debt service and revenue as shown in Figure 1. The cash flow analysis indicated that only approximately $74.5 million would be available to program to new Congestion Relief projects between Fiscal Year 2020/21 and Fiscal Year 2030/31. SJCOG developed a Strategic Plan programming scenario based upon this cash flow analysis and several underlying policies and assumptions.

Prepared by: David Ripperda, Associate Regional Planner
AGENDA ITEM 7
STAFF REPORT

SUBJECT: COVID-19 Sales Tax Impact Update

RECOMMENDED ACTION: Information

SUMMARY:

Last month staff presented the attached PowerPoint presentation to the San Joaquin Council of Governments Board of Directors. This presentation displays the most current information available to us regarding the impacts of COVID-19 on the two sales tax programs for which SJCOG is responsible: Local Transportation Fund (LTF) and Measure K.

COVID-19 Sales Tax Impact Update 5-28-2020

The presentation provides the assumptions used to make a revenue forecast for both the LTF and Measure K. In terms of relevant data, it is very early to be able to make a more definitive forecast. The next piece of information will come June 19th when the California Department of Tax and Fee administration releases data on sales from the month of April. And, ultimately, it likely will not be until we receive information on May and June sales in July and August before a more definitive forecast can be provided.

If you have any questions regarding the presentation, please don't hesitate to contact me.

Prepared by: Steve Dial, Deputy Executive Director/CFO
AGENDA ITEM 8
STAFF REPORT

SUBJECT: Coronavirus Aid, Relief, and Economic Security (CARES) Act Transit Funding

RECOMMENDED ACTION: Discussion

SUMMARY:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed on March 27, 2020, provides $2 trillion in federal funding through a number of programs to address issues as a result of the COVID-19 pandemic. Public transit will receive $25 billion through the CARES Act. Specifically, within San Joaquin County, the following has been made available to urbanized areas (UZA):

- Stockton UZA – $33,734,638
- Lodi UZA – $5,532,640
- Manteca UZA – $6,830,739
- Tracy UZA – $7,101,511

California has been apportioned $94,976,667 for rural transit providers. Caltrans is responsible for distributing these funds to regions.

Funding will be provided at a 100-percent federal share, with no local match required – to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. FTA will permit Urbanized Area Formula Program or Formula Grants for Rural Areas Program funding to be used for COVID-19-related public transportation capital or operating expenses at an 80 percent federal share, regardless of whether operating expenses generally are an eligible expense for a recipient. Eligible activities include emergency protective measures to eliminate or lessen threats to public health and safety, such as performing enhanced cleaning/sanitizing of rolling stock, stations, bus shelters, etc.; placing hand sanitizer dispensers in high traffic areas; and providing personal protective equipment as appropriate. Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. Funds are available until expended. There is no lapse date to obligate funds available under the CARES Act.

Split and/or sub allocation letters must be updated to include funds made available under the CARES Act. SJCOG staff held meetings with transit operators to discuss needs and priority criteria, and to seek agreement on strategy to split funds. SJCOG staff has worked with RTD, ACE, Lodi, Manteca, Tracy, and Ripon to identify appropriate split of Stockton UZA, Lodi UZA, Manteca UZA, and Tracy UZA funds. Specifically, the split of funding is as follows:
- RTD – $16,257,304 from the Stockton UZA
- ACE – $17,477,334 from the Stockton UZA
- Lodi – $5,532,640 from the Lodi UZA
- Manteca – $6,830,739 from the Manteca UZA
- Tracy – $7,101,511 from the Tracy UZA

RECOMMENDATION:
Discussion.

FISCAL IMPACT:
None at this time.

ATTACHMENTS:
None.

Prepared by Ryan Niblock, Senior Regional Planner