Metropolitan Transportation Commission
Programming and Allocations Committee

April 8, 2026 **Agenda Item 3a-26-0398**

Regional Approach and Prioritization Principles for Bay Area Senate Bill 1 (SB1) Competitive Program Nominations

Subject:

Proposed Regional Approach and Prioritization Principles for Bay Area SB1 competitive program nominations, including Solutions for Congested Corridors, Trade Corridor Enhancement, and Local Partnership Programs.

Background:

The Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1, Beall), provides over $5 billion in new transportation revenues annually to both new and existing funding programs. Since then, the State has programmed three rounds of SB1 competitive funding; the selected Bay Area projects are shown in Attachment A. In general, the Bay Area was quite successful in earlier rounds.

The California Transportation Commission (CTC) is now preparing for the next round of grants covering Fiscal Years (FYs) 27-28 and 28-29, with applications due in late 2026.

Below is a summary of upcoming programs and their expected application due dates.

Program	**MTC Role***	**Funding Amount (Years: FY 27-28 and FY 28-29)**	**Application Due Date**
Solutions for Congested Corridors (SCCP)	Nominate	$500 M Statewide Over Two Years	Late 11/2026 (to CTC)
Trade Corridor Enhancement Program (TCEP)	Compile Nominations	Up to $1.0 B Statewide Over Two Years (Assumes federal funds)	Late 11/2026 (to CTC)
Local Partnership Competitive Program (LPP-C)	Regional Support	$144 M Statewide Over Two Years	Late 11/2026 (to CTC)

** For all programs, MTC also confirms that nominated projects are consistent with the region's RTP/SCS* – Plan Bay Area 2050+.

State statute and CTC program guidelines mandate MTC's role in SCCP (to nominate and prioritize) and TCEP (to compile nominations). To maximize the region's grant performance and competitiveness, MTC staff proposes continuing a regional approach to prioritize grant

applications based on principles that closely align with the state's project selection criteria and program goals, and with regional plans, policies, and priorities (including *Plan Bay Area 2050+*). Similar to past cycles, staff recommends including deliverability, full funding plans, improving mobility, demonstrated partnership, and alignment with the state's Climate Action Plan for Transportation Infrastructure (CAPTI) as prioritization metrics, as detailed in Attachment B. For this cycle, staff recommend continuing to elevate projects advancing CAPTI goals as a higher priority over other metrics.

Focus on CAPTI

The California State Transportation Agency (CalSTA) adopted CAPTI in 2021, and expanded it in 2025. CAPTI details state priorities for discretionary transportation funds, including SB1 programs, to address climate change while supporting public health, safety, and equity. The California Department of Transportation (Caltrans) takes an implementing role for CAPTI and is developing the Caltrans System Investment Strategy (CSIS) that will serve as an investment framework to guide transportation investments and decisions. Caltrans's CSIS will guide which projects receive Caltrans support for funding programs including SB1, using data from Caltrans as well as self-supplied data from applicants. CTC, through its funding programs, has also included language in the draft SB1 guidelines recognizing CAPTI goals and a preference for projects that align with CAPTI. CAPTI and CSIS both advance the goals of *Plan Bay Area 2050+*, especially around Vehicle Miles Traveled (VMT) and greenhouse gas emission reduction targets.

Given the statewide focus on CAPTI, projects that strongly align with CAPTI and Caltrans's CSIS are better poised to receive funding from the state. Therefore, MTC staff recommends giving higher scoring weight to projects that closely align with CAPTI/CSIS, over other metrics such as leverage and partnership. Project types and project scopes that align with the CAPTI guiding principles include projects that:

- Build toward an integrated statewide rail and transit network,
- Promote safe bicycle and pedestrian infrastructure networks,
- Invest in zero-emission vehicle infrastructure,
- Advance equity and social and environmental justice,
- Improve safety with a focus on Vision Zero,
- Address climate risk and improve resiliency against climate change,
- Do not significantly increase passenger vehicle travel, and where appropriate, include pricing and multimodal options to mitigate vehicle miles traveled,
- Promote infill development and protect against displacement,
- Develop a zero-emission freight transportation system, and
- Protect natural and working lands.

The CAPTI 2.0 framework, adopted in 2025 and which expands on the original CAPTI framework, includes direction to CTC to update TCEP guidelines to state "goods movement projects that mitigate their passenger Vehicle Miles Traveled (VMT) impacts are more competitive for funding," and update SCCP guidelines to "target a VMT neutral suite of investments… to prioritize projects that reduce VMT." Staff note that projects with VMT benefits aligning with CAPTI 2.0 will be prioritized in MTC's SB1 program of projects.

Process, Engagement, and Schedule

MTC staff previewed the proposed principles with the Bay Area County Transportation Agency Project Delivery Committee in March. Upon adoption of the principles, staff will request project nomination candidates from partner agencies. Staff would evaluate the candidates against the prioritization principles, as well as alignment with other policies such as the Bipartisan Infrastructure Law (BIL) Strategy and Major Project Advancement Policy (MAP) and bring MTC's endorsement actions to this Committee in Summer 2026. An anticipated timeline of actions is included on the last slide of Attachment C.

MTC adopted the 2026 Regional Transportation Improvement Program (RTIP) policies and procedures in September 2025. In it, MTC requires sponsors to use RTIP (or other local) funds as match to SB1 competitive program applications before MTC will commit other regional discretionary funding.

The Transit and Intercity Rail Capital Program (TIRCP), another state competitive program for which MTC has an established endorsement framework (MTC Resolution 4130, Revised), has an application due date of May 18, 2026. Staff are currently working with transit operators to gauge likely applications, and plan to bring recommended project endorsements to the Programming and Allocations Committee and Commission in May.

Issues:

State Guidelines. The State has not yet finalized guidelines for the programs (other than TIRCP) discussed in this memo; CTC plans to consider the final guidelines and release the call for projects in August 2026. If the final guidelines affect the proposed prioritization principles, staff will return to this committee to propose revising the principles.

Policy Compliance: Staff recommend that selected projects comply with all applicable regional policies, such as the Complete Streets Policy (MTC Resolution No. 4493), and the Transit Priority Policy for Roadways (MTC Resolution No. 4739).

Recommendations:

Staff recommend the Committee:

- Provide feedback to staff on prioritization principles; and
- Refer the Proposed Prioritization Principles (Attachment B) to the Commission for approval in preparing staff's recommended Bay Area SB1 Competitive Program Project Nominations for MTC Commission consideration in Summer 2026.

Attachments:

- Attachment A: List of Previous Bay Area SB1 Awards
- Attachment B: Proposed Prioritization Principles
- Presentation - Principle Discussion

Andrew B. Fremier

Attachment B: Prioritization Principles for Bay Area 2026 SB1 Competitive Program Nominations

Subject:

This document includes the proposed prioritization principles for each Senate Bill 1 competitive program for which MTC has a role. The prioritization principles will be used to select and rank projects for MTC's nomination in the Solutions for Congested Corridors Program, and to refine projects for MTC's compilation of projects for the Trade Corridor Enhancement Program.

Solutions for Congested Corridors Program (SCCP):

Senate Bill 1 identifies $250 million per year for the Solutions for Congested Corridors Program (SCCP). The SCCP funds projects that make specific performance improvements designed to reduce congestion in highly traveled corridors. MTC and Caltrans are the only eligible nominating agencies in the Bay Area and must prioritize their nominations.

Prioritization Principle	**Discussion**
Alignment with CAPTI and CSIS	Degree of alignment with California State Transportation Agency's (CalSTA's) Climate Action Plan for Transportation Infrastructure (CAPTI) and the Caltrans System Investment Strategy (CSIS) – both of which advance *Plan Bay Area 2050+* goals.
Addresses mobility in key congested corridors	Supports overall program intent; potential to use most recent Vital Signs Top Congested Corridors data, Caltrans data, and other regional planning documents
Demonstrates Benefits to EPCs	Emphasizes projects that provide meaningful benefits to residents of Equity Priority Communities (EPCs)
Reduces Greenhouse Gas Emissions	The Governor's Executive Order N-19-19 directs the California State Transportation Agency (CalSTA) to prioritize projects that lower fuel consumption and greenhouse gas emissions from transportation.

Prioritization Principle	Discussion
Deliverability by FY 28-29 and Leveraging/Full Funding	Emphasize ready-to-go projects that have at least 35% design, and leverage other funds to complete funding plan
Partnership	Demonstrate Caltrans and other partner support; Caltrans joint-nomination is preferred (announcement expected mid-2026)

Trade Corridor Enhancement Program (TCEP):

Senate Bill 1 identifies $300 million per year to be deposited into the Trade Corridor Enhancement Account (TCEA). The TCEA, along with any federal freight formula funds for California, form the basis for the Trade Corridor Enhancement Program. The TCEP funds infrastructure improvements on corridors that have a high volume of freight movement. MTC compiles project nominations from the region.

Prioritization Principle	Discussion
Alignment with CAPTI and CSIS	Degree of alignment with California State Transportation Agency's (CalSTA's) Climate Action Plan for Transportation Infrastructure (CAPTI) and the Caltrans System Investment Strategy (CSIS), both of which advance *Plan Bay Area 2050+* goals.
Address mobility in key freight corridors	Emphasize projects on Primary Highway Freight Network, multi-modal/ rail/ port projects, and projects in MTC's Goods Movement Investment Strategy
Demonstrates Benefits to EPCs	Emphasizes projects that provide meaningful benefits to residents of Equity Priority Communities (EPCs)

Prioritization Principle	Discussion
Address community impacts from freight corridors	Encourage mode shift from highway to rail, emission reduction projects.
Deliverability by FY 28-29 and Leveraging/ Full Funding	Emphasize ready-to-go projects that have at least 35% design; Support projects that previously received TCEP funds and leverage other funds to complete funding plan
Partnership	Demonstrate Caltrans and other partner support; Caltrans joint-nomination is preferred (announcement expected mid-2026)

Local Partnership Program (LPP):

Senate Bill 1 identifies $200 million per year for the Local Partnership Program. The California Transportation Commission first takes $20 million off the top each year for an incentive program (awarding immediate funds for a new or renewed tax, toll, or fee dedicated solely to transportation) and splits the remaining money 60% to a formulaic share based on population and revenue generated, and 40% to a competitive program. LPP allows local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects. MTC has no formal role in nominating projects, aside from projects using regional bridge tolls to qualify for LPP funds.

Proposal:

Provide MTC letters of support for projects that further the goals and priorities of MTC's Regional Transportation Plan / Sustainable Communities Strategy, *Plan Bay Area 2050+*, and that address funding gaps.