

7. Funding Resources

A number of funding sources could help implement plan recommendations. They offer alternatives for street design, community facilities, and other infrastructure.

The following funding sources are detailed here:

- City road maintenance and construction funds
- Development fees
- Special districts
- SACOG Community Design Grants
- Home Investment Partnership Program (HOME)
- RDA Housing Set-Aside
- California Trade and Commerce Agency
- Proposition 12 Tree Planting Grant Program
- Volunteer initiatives and private donations
- State and federal transportation funds
- Parks & In-lieu (Quimby) Fees

Each of these funding sources is subject to changes in state and federal law, budget levels, and target project priorities. A summary of the situation for each as it existed at the time of this writing follow below.



City Road Maintenance & Capital Funds

City road maintenance and construction funds can add striping, traffic calming, sidewalks, curbs and similar elements to other projects that already involve digging up or rebuilding street sections. For example, storm drain and sewer improvements, utility undergrounding projects, and routine street resurfacing are all projects that can provide an opportunity for implementing traffic calming measures.

The greater the extent of the reconstruction, the greater the opportunity for adding elements such as bulb-outs, mini-circles and raised intersections at a lower cost than that of a stand-alone project. Also, communities avoid the disruption, noise and expense of repeatedly digging up a street and detouring traffic.

Such combination projects will require coordination between departments, and capital improvement projects whose schedules and budgets are often separate.

Many cities have incorporated traffic calming into street reconstruction projects. In Venice, FL, for example, officials added \$80,000 to a previously planned Main Street resurfacing project to provide for intersection bulb-outs, mid-block bulb-outs, median crossings, and crosswalks of colorful paver stones.

Seattle has added planted medians to several streets at reduced cost as part of sewer upgrade projects. County transportation sales tax measures can provide substantial funding for city street maintenance and rehabilitation.

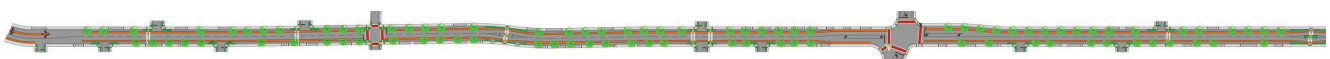
Development Fees

Some cities require developers to install or help pay for infrastructure improvements (streets, sidewalks, trails, landscaping, etc.) through individual development agreements. On a larger scale, SHRA could explore using development fees with a capital improvements program to help fund recommended improvements.

Special Districts

A special district such as a Business Improvement District (BID) can provide up-front and on-going funding for projects benefiting the area. Business-Based Improvement Districts are best suited for marketing, special events, and smaller expenditures like signage. Property-Based BIDs typically generate more revenues and are better suited for more expensive projects like landscaping. Landscaping and lighting districts can be established for streetscape improvements and maintenance.

Other types of facilities and infrastructure districts are sometimes created for parks, drainage and sewage. Special districts generally assess a charge levied upon parcels of real property within the district's boundaries to pay for "local improvements." To fund such a district it is necessary to charge an assessment or fee to property owners and/or merchants.



SACOG Community Design Grants

SACOG's Community Design Grants have been created to help implement their Blueprint Principles. The program is available for projects that are eligible for federal transportation funding. SACOG offers this program as funding becomes available, usually on a two year cycle. The program has three categories: Conventional, Complete Street, and \$100,000. By definition the improvements of the Martin Luther King Jr. Boulevard corridor fall into the Complete Street category which is eligible for up to 7 million dollars per project. There is a required 12% match from local funds and stiff competition for the grant money. The program focuses on projects that are implementable in the 2 year funding cycle of the grant.

Home Investment Partnership Program (HOME)

The City is also an entitlement grantee for the receipt of HOME funds from HUD. The HOME program was created by the National Affordable Housing Act of 1990, and provides funds to participating jurisdictions for the following objectives: provide decent affordable housing to lower-income households; expand the capacity of nonprofit housing providers; strengthen the ability of state and local governments to provide housing; and leverage private sector participation in the provision of affordable housing. Funds may be used for a variety of affordable housing activities designed for income-eligible households including: home owner rehabilitation, homebuyer activities, rental housing and tenant based rental assistance. Funds must also be set aside for use by Community Housing Development Organizations (CHDOs) to carry out one of the eligible activities.

RDA Housing Set-Aside

Each Redevelopment Agency in California is required to set aside a minimum of 20 percent of its tax increment for the construction and/or rehabilitation of housing affordable to low-moderate income households. The RDA has established its Low-Moderate Income Housing Fund as the repository for its 20 percent set aside. Funds may be used for acquisition, new construction, rehabilitation, on-site facilities and related costs associated with the provision of affordable housing, including assistance with home ownership. Redevelopment agencies must insure that a minimum of 15 percent of all housing units within a redevelopment project area are affordable to low-moderate income households, with no less than 6 percent of all housing units affordable to very-low income households.

Proposition 12 Tree-Planting Grant Program

This California Department of Urban Forestry program provides over \$1 million per year in grants to cities, counties, districts and nonprofit organizations for planting, and three years of maintenance of trees in urban public settings.

The maximum award is \$25,000 for a "small population community" and \$50,000 for "regular Proposition 12 applicants." For more information: www.ufe.org/files/grantinfo/Prop12Planting-Grants.html. For other possible funding sources for downtown trees: www.californiareleaf.org/grants_guide.html.



Volunteer Initiatives and Private Donations

In addition to funding sources, programs can be created for volunteer initiatives such as “Adopt-a-” programs where individuals or groups engage in beautification projects such as tree plantings. A program can also fund some projects, such as public art, by enlisting private donors to sponsor downtown enhancement activities. These programs can be administered by the City or by other community organizations.

State and Federal Transportation Funds

Major state and federal transportation funding resources are outlined below. For more information on these funding programs, visit Caltrans' Division of Local Assistance website: www.dot.ca.gov/hq/LocalPrograms

State Transportation Improvement Program (STIP)

Funded at \$8.3 billion over 1999-2005, this program represents the lion's share of California's state and federal transportation dollars. Three-quarters of the program's funds were earmarked for improvements determined by locally adopted priorities contained in Regional Transportation Improvement Programs (RTIP), submitted by regional transportation planning agencies from around the state

STIP funds can be used for a wide variety of projects, including road rehabilitation, road capacity, intersections, bicycle and pedestrian facilities, public transit, passenger rail and other projects that enhance the region's transportation infrastructure.

The 2004 STIP was adopted by the California Transportation Commission, the body that ultimately programs projects by adopting the STIP, on August 5, 2004.

Transportation Enhancement Funds

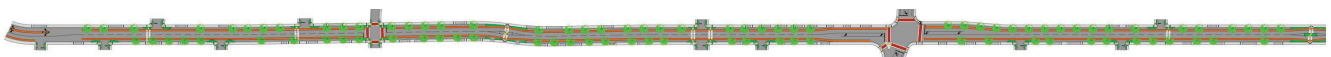
Federal Transportation Enhancement funds are for construction projects that are “over and above” normal types of transportation projects. These projects may include street trees and landscaping along roadways, pedestrian and bicycle access improvements and other scenic beautification. These are apportioned throughout the county.

California Department of Transportation Planning Grants

The California Department of Transportation (Caltrans) provides one-time transportation planning grants of up to \$300,000 for environmental justice context-sensitive planning. The environmental justice grants are intended to promote public participation and context-sensitive planning to improve mobility, access, equity and quality of life for underserved communities. A local contribution of 10 percent is required, with in-kind contributions limited to 5 percent. For more information visit the California Department of Transportation's Transportation Planning Grants website.

Hazard Elimination Safety Program (HES)

The Hazard Elimination Safety Program is a federal safety program that provides funds for safety improvements on all public roads and highways. These funds serve to eliminate or reduce the number and/or severity of traffic accidents at locations selected for improvement. Some of the street design elements recommended may be eligible for funding if the site selected is considered a high hazard location. Caltrans solicits applications for projects. Any local agency may apply for these safety funds.



Safe Routes to School (Caltrans)

Caltrans administers state and federally funded programs to improve walking and bicycling conditions to and from schools. Projects for federal funding must fall under infrastructure (capital) or non-infrastructure (education and encouragement) categories.

A standardized statewide SRTS training program with promotional materials and school resources will be developed to help communities implement programs.

The program seeks to fund projects that incorporate engineering, education, enforcement, encouragement and evaluation components. For more information: www.dot.ca.gov/hq/LocalPrograms/saferoute2.htm.

Bicycle Transportation Account (BTA)

This state fund, administered by the Caltrans Bicycle Facilities Unit, can be used to aid cyclists, including median crossings, bicycle/pedestrian signals and bike lanes. After 2005-06, annual BTA funding will be \$5 million.

To be eligible for BTA funds, a city or county must prepare and adopt a Bicycle Transportation Plan. Adoption of a plan establishes eligibility for five consecutive funding cycles.

Transportation Development Act (TDA)

TDA provides for two sources of funding: Local Transportation Funds (LTF) and State Transit Assistance (STA). The TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects.

The STA fund can only be used for transportation planning and mass transportation purposes.

Annual apportionments of TDA funds for region are distributed to transportation projects by the Sacramento Area Council of Governments.

Parks Dedication / In Lieu (Quimby) Fees

Cities and counties have been authorized since the passage of the 1975 Quimby Act (California Government Code §66477) to pass ordinances requiring that developers set aside land, donate conservation easements, or pay fees for park improvements. Revenues generated through the Quimby Act cannot be used for the operation and maintenance of park facilities.

The goal of the Quimby Act was to require developers to help mitigate the impacts of property improvements. The act gives authority for passage of land dedication ordinances only to cities and counties. Special districts must work with cities, and/or counties to receive parkland dedication and/or in-lieu fees. The fees must be paid and land conveyed directly to the local public agencies that provide park and recreation services community-wide.

In Sacramento they are used for acquisition, improvement, and expansion of park, playground and recreational facilities or the development of public school grounds. Land dedication, or a combination of fee and land dedication may be required. The number of acres and/or dollar amount is calculated by either the appraised value of the land, or by a set amount associated with the planning area within which the development is located. When land is dedicated, the developer is required to complete public improvements. When a fee is paid in lieu of land dedication, an additional 20% is charged to cover public improvements. In lieu fees must be spent within the planning area where they are collected.

For more information go to: <http://maps.cityofsacramento.org/feetool/one-deets-std.jsp?id=217>

