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STAFF REPORT

Date: April 19, 2023  
 To: Environmental Improvement, Transportation, & Public Outreach Committee  
 From: TRPA Staff  
 Subject: Transportation Funding Update

Summary and Staff Recommendation:

No action is requested at this time. This is an informational item. Staff will provide an update on transportation funding through Quarter 2 of the Federal Fiscal Year (October 1, 2022 – March 31, 2023).

Background:

Transportation funding remains a priority for TRPA and partners to deliver on VMT reduction and other goals identified in the Lake Tahoe Regional Transportation Plan (RTP). The momentum around the shared funding approach (the 7-7-7 strategy) remains strong. Since the last update, there have been additional formal endorsements of the 7-7-7 shared funding approach by Placer County, Washoe County, Secretary of Natural Resources in California, Director of the Nevada Department of Conservation and Natural Resources, and City of South Lake Tahoe. Formal endorsement is also in motion by multiple additional partners, including a pending resolution of support in the Nevada Legislature. The collaborative momentum and commitment to the 7-7-7 strategy across multiple sectors and partners has resulted in significant new funding for transportation projects and services identified in the [Transportation Action Plan](#).

FFY23 Q2	Federal	State-CA	State-NV	Local/Private
<b>Target</b>	\$7,000,000	\$4,500,000	\$2,500,000	\$7,000,000
<b>Secured</b>	\$9,575,000	\$	\$2,600,000	\$7,148,000
<b>Difference</b>	+\$2,575,000	-\$4,500,000	+\$ 100,000	+\$ 148,000

Sustainable Funding Initiative Overview

The Sustainable Funding Initiative began shortly after the adoption of the 2020 RTP, guided by the Bi-State Consultation on Transportation, with the support of the TRPA Governing Board’s Environmental Improvement, Transportation and Public Outreach Committee (EITPO) and the board of the Tahoe Transportation District. The Tahoe Transportation Implementation Committee (TTIC) has also collaborated extensively on this initiative, helping to identify and secure new transportation funding sources to fulfill an annual \$20M minimum funding gap identified to achieve RTP goals.

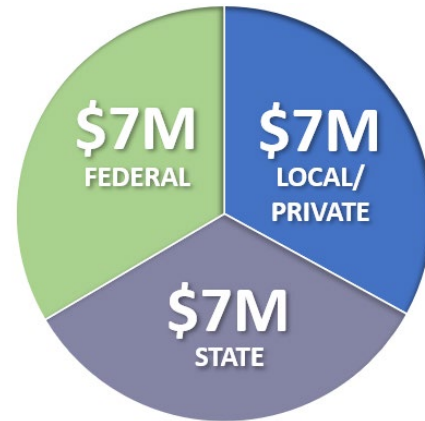
The [Transportation Action Plan](#) is a strategic regional Capital Improvement Program (CIP) that includes regionally significant projects. With new funding available, it is critical for all sectors to move forward

together to meet cost sharing requirements and to leverage investments. The Transportation Action Plan is focused on accelerating implementation of RTP priorities that will:

- Contribute to required per capita VMT reductions
- Protect Lake clarity and the environment
- Address peak periods of recreation site congestion
- Support workforce/affordable housing
- Improve roadway safety for all users

### **Sectors Approach: “7-7-7” Framework**

A funding strategy evaluation was completed in December 2021. After review of this analysis and a robust stakeholder process, stakeholder groups determined a single revenue source was not the preferred path to fulfill the funding gap at this time. In response to the pivot from a single regional revenue source, the partnership developed a shared funding approach dubbed the “7-7-7 strategy.” This framework utilized the model of the Environmental Improvement Program (EIP) and distributed the \$20+ million annual shortfall among the Federal, State, and Local/Private sectors to advance transportation needs in each sector. This 7-7-7 strategy supports implementation of transportation improvements across the region and across all sectors.



A schedule of milestones to close the funding gap for the Regional Transportation Plan and reduce vehicle miles traveled (VMT) was adopted by the TRPA board in 2021. The next upcoming milestone is the realization of funding source(s) that are reasonably expected to meet the needs set forth for it in the Regional Transportation Plan by December 31<sup>st</sup>, 2023. If this is not achieved, the standard of significance for all land uses shall be no-net unmitigated VMT, except for deed restricted affordable and/or workforce housing. This measure will remain in effect until the funding sources described in DP-5.4.B are realized.

### **7-7-7 Progress (Through Q2 = 10/1/22- 3/31/23)**

There has been a significant ramp up in funding for transportation over the last year following the establishment of the Transportation Action Plan and the 7-7-7 funding strategy. Below is an update on the progress for meeting the identified \$20 million additional annual funding need across all sectors. Additional detail is also included in the funding tracking worksheet (Attachment A).

**Federal sector:** The region continues to pursue the unprecedented levels of funding available from the Federal Infrastructure Investment and Jobs Act (IIJA) through a coordinated and collaborative partnership. We are proud to report that new federal funding awarded this fiscal year has exceeded the \$7 million federal target and brought in nearly \$9 million as of April 1, 2023. The Tahoe Region has also received funding for three transportation projects under the new Community Project Funding/Congressionally Designated Spending programs. The support from Tahoe’s congressional delegation and active grant pursuit from regional partners has contributed to priority projects in the Transportation Action Plan.

**Target: \$7M**

**Secured: \$9.6M = Target Met**

**State sector:** Legislative and administrative pursuits for funding are underway in both states. California is facing an estimated \$24 billion budget shortfall causing uncertainty for financial commitments. A recent \$22.5M California budget request did not move forward, however new funding requests are submitted and pending. This includes a significant TTD application for over \$48 million to the Transit and Intercity Rail Capital Program (TIRCP). TRPA is also exploring other legislative vehicles to align the recognition of the federal population of 210,000 that was designated for Tahoe to apply to various state transportation formula funding programs.

In Nevada, new funding for the Spooner Mobility Hub and AIS Inspection Station project has been secured (\$2.6M) from the Nevada Department of Transportation (NDOT). With this new critical funding investment, the project is now fully funded and can move forward to final planning and implementation. Funding discussions are also in progress with the Nevada Division of State Lands regarding Tahoe EIP Bonds and Conserve Nevada programs to support recreation access along the SR 28 corridor. The Nevada Legislature is also considering a resolution of endorsement of the Tahoe Transportation Action Plan and the 7-7-7 funding strategy via ACR5, and the authorization of additional Tahoe EIP Bond capacity.

**CA Target: \$4.5M**  
**Secured \$0 Target Not Met**

**NV Target: \$2.5M**  
**Secured \$2.6M Target Met**

**Local/Private sector:** The commitment to the 7-7-7 funding strategy has been illustrated by the increased funding participation from local governments and the private sector. The expansion and support of new pilot microtransit around Lake Tahoe has resulted in an expanding public/private partnership to deliver new services. New funding totaling over \$7 million has been secured to operate new microtransit services in Incline Village, North, and South Lake Tahoe. The additional funding has also contributed critical local match for Transportation Action Plan Projects along SR 28, Douglas County, South Tahoe, and in Placer County. Transportation investments continue to be a priority for local governments and new private sector partners, in addition to the Tahoe Fund and League to Save Lake Tahoe.

**Local/Private Target: \$7M**  
**Secured \$7.05M Target Met**

For additional information visit the funding initiative website: [Sustainable Funding Initiative | Tahoe Regional Planning Agency - TRPA](#)

Contact Information:

For questions regarding this agenda item, please contact Nick Haven, MPO Director, at 775-589-5256 or [nhaven@trpa.gov](mailto:nhaven@trpa.gov).

Attachment:

- A. 7-7-7 Transportation Funding Tracking Worksheet

Attachment A

7-7-7 Transportation Funding Tracking Worksheet

**7-7-7 Transportation Funding Tracking Worksheet****(Qtr. 2 - as of 4/1/23)**

This working list of secured funding includes funding above and beyond expected revenue anticipated by the 2020 Regional Transportation Plan. This list will be updated as new funding is secured during the balance of the 2022-23 Federal Fiscal Year.

**Federal:**

CDS/Earmarks Received:	SR 28/Spooner Mobility Hub	\$2,000,000
	TTD Transit Maintenance Facility	\$2,000,000
	Kahle Drive Complete Streets	\$1,385,000
	TTD Strengthening Mobility and Revolutionizing Transportation (SMART)	\$1,045,000
	Regional Grant Program – IJJA Increased Project funds(STBG, CMAQ, and CRP)	\$ 745,000
	SNPLMA (USFS) – SR 28 Chimney Beach Parking	\$2,400,000
	<b>Total FY23</b>	<b>\$9,575,000</b>

**State of CA:**

-CA facing \$24 billion budget shortfall, TRPA budget request not moved forward.  
 -Pending TTD Application for Transit and Intercity Rail Capital Program (TIRCP) for \$48,000,000.  
 -Exploring legislative fix to recognize Federal Population change in state programs (145,000 CA + 65,000 NV) Estimated resulting funding \$4,000,000 annually.

**Total FY23      \$0****State of NV:**

Multiple active legislative requests:

- ACR 5 NV support of Tahoe Transportation Action Plan and 7-7-7 strategy.
- Tahoe EIP Bond capacity authorization

NV Department of Transportation - Spooner Mobility Hub/AIS	\$2,600,000
<b>Total FY23</b>	<b>\$2,600,000</b>

**Local/Private:**

City of South Lake Tahoe	Microtransit (\$200k/ yr+ \$662k seed)	\$ 862,000
Placer County	Microtransit+Projects (TART Connect)	\$2,400,000
El Dorado County	Microtransit (Lake Link)	\$ 200,000
Douglas County	Microtransit (Lake Link)	\$ 520,000
	Kahle Complete Streets	\$ 250,000
Washoe County	Microtransit (TART Connect)	\$ 130,000
	Microtransit (TART Connect) RTC	\$ 290,000
Private Sector	Lake Link Private Consortium	\$1,000,000
	League to Save Lake Tahoe (Micro)	\$ 120,000
	IVCBVB Incline Microtransit	\$ 65,000
	Kahle Complete Streets	\$ 350,000
	Tahoe Fund (SR 28 & Incline Micro)	\$ 961,000
	<b>Total FY23</b>	<b>\$7,148,000</b>

	<b>Federal</b>	<b>State-CA</b>	<b>State-NV</b>	<b>Local/Private</b>
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