



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 26-170

May 19, 2026

Introduced: 5/5/2026

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Approve and Authorize the Director of Public Works, Facilities and Parks (PWFP) to execute a 3-year Master Funding Agreement between the Transportation Agency of Monterey County (TAMC) and the County of Monterey for Regional Surface Transportation Program (RSTP) Exchange Funds, Transportation Development Act (TDA) 2% funds, and Regional Development Impact Fee (RDIF) funds for County projects, effective upon the date the Agreement is fully executed.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and Authorize the Director of Public Works, Facilities and Parks (PWFP) to execute a 3-year Master Funding Agreement between the Transportation Agency of Monterey County (TAMC) and the County of Monterey for Regional Surface Transportation Program (RSTP) Exchange Funds, Transportation Development Act (TDA) 2% funds, and Regional Development Impact Fee (RDIF) funds for County projects, effective upon the date the Agreement is fully executed.

SUMMARY:

The Master Funding Agreement (Agreement) (Attachment A) between the Transportation Agency of Monterey County (TAMC) and the County of Monterey details state requirements for Regional Surface Transportation Program (RSTP) funds, Transportation Development Act (TDA) 2% funds, and Regional Development Impact Fee (RDIF) funds and other fiscal provisions required to comply with State and Federal regulations. Said Agreement is required for County to receive these funds that will be used to help fund Capital projects as established in the County 5-year Capital Improvement Plan (CIP). RSTP funds are reimbursable and are subject to audit by an independent certified public accountant and by the State of California. The Agreement is updated every three years. The previous Agreement, dated April 22, 2023, expired on April 22, 2026; therefore, a new Agreement is needed.

DISCUSSION:

Under the Federal Surface Transportation Program (STP), federal gas tax dollars are apportioned to states for roads, transit, non-motorized and other transportation needs. In California, these funds are administered by Caltrans. In turn, Caltrans assigns a portion of the STP funds to regional transportation agencies such as TAMC.

As authorized by Section 182.6 (g) of the California Streets and Highways Code, TAMC has entered into an agreement with the State of California to assign a portion of its annual RSTP apportionment to Caltrans in exchange for State funds. These funds are allocated to local agencies to implement projects.

TAMC, as authorized by Chapter 2, Title 21, Rule 6640 of the TDA, apportions Local Transportation Funds for the TDA 2% program. These funds are apportioned to cities, Monterey-Salinas Transit, and the County for bicycle and pedestrian projects. TAMC, as authorized by the Joint Powers Agreement for the County's RDIF, is designated to administer and allocate the fees to projects.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved the Agreement as to form and fiscal provisions, respectively.

FINANCING:

RSTP, TDA 2% and RDIF funds are reimbursable grants. The County pays up front for costs and then invoices TAMC for reimbursement on a quarterly basis. Project costs and funding are recognized on an annual basis in Road Fund 002, Appropriation Unit PFP004. These funds do not require a local match. The County received \$1.5 million for the 2026 cycle.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The recommended action supports the Board's Strategic Plan Goals to provide adequate infrastructure by ensuring the County has access to its share of funding provided by RSTP, TDA 2% and RDIF.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy

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Attachments:

Attachment A - Proposed Master Funding Agreement