



TO: Mayor and Councilmembers

SUBMITTED BY: Luz “Nina” Buelna, Public Works Director

PREPARED BY: Teresa Lopes, Principal Engineer
Deanna Salas, Project Manager

SUBJECT: Proposed Capital Improvement Program Grant Opportunities

RECOMMENDATION:

Receive information on Capital Improvement Program grant applications and upcoming grant opportunities: (1) *FY 2027 Local Highway Safety Improvement Program (HSIP)*, (2) *Sustainable Communities Grant Program*, (3) *Office of Traffic Safety Grant Program (OTS)*.

BACKGROUND:

Capital Improvement Program (CIP) projects are funded through a variety of revenue sources, with the primary funding derived from dedicated funds designated for capital use. These funds are accounted for within the City’s special revenue funds and include development impact fees, transportation-related revenues, and previously awarded state and federal grants. State and federal grant funding continues to serve as a critical resource for advancing CIP projects.

Public Works staff is actively evaluating upcoming state and federal grant opportunities to support both existing and planned projects. These efforts are aligned with the City’s goals and adopted plans, including the Bicycle and Pedestrian Master Plan, Systemic Safety Analysis Report (SSAR)/Local Road Safety Plan (LRSP)/Goleta Traffic Safety Study (GTSS), and Vision Zero initiative.

DISCUSSION:

Public Works staff is evaluating upcoming grant opportunities to support projects that reduce traffic-related fatalities and serious injuries, prioritize safety, multimodal access, and alignment with the City’s adopted plans and Vision Zero goals. Decisions regarding grant applications will be based on project readiness, funding requirements, competitiveness, and alignment with City priorities.

FY 2027 Local Highway Safety Improvement Program (HSIP)

The Bipartisan Infrastructure Law (BIL) established the Highway Safety Improvement Program (HSIP). It is a core federal-aid program for states to achieve a significant reduction in fatalities and serious injuries on public roads. Local HSIP projects must be identified on the basis of crash experience, crash potential, crash rate, or other data-supported means.

Proposed applications are anticipated to include:

- South La Patera Bicycle and Pedestrian Improvements (Formerly part of CIP 9079, now FY 25/26 TBD-08)
- Hollister Avenue Crosswalk at Magnolia Avenue and ADA Parking Improvements Project (CIP 9142)
- High Visibility Crosswalks at School Locations
- Bike Striping Enhancements
- Other Rectangular Rapid Flashing Beacon Locations

Grant Agency	Federal Highway Administration (FHWA) administered by California Department of Transportation (Caltrans)
Grant Program Funding Available	Approximately \$370,000,000 in HSIP funds that will cover two application categories: Benefit Cost Ratio (BCR) and Funding Set-Asides. Any project receiving \$1.2 million or more in HSIP funding is federalized. All other projects will use state funds. Agencies can submit more than one application; however, the maximum total of all applications cannot exceed \$10,000,000
Grant Matching Funds	10% local match, currently unfunded
Application Deadline	November 2, 2026
Grant Awards Announced Date	TBD

Sustainable Communities Grant Program

The program awards funds to support planning, infrastructure, behavioral, and operational initiatives to prevent death and serious injury on roads and streets involving

all roadway users, including pedestrians, bicyclists, public transportation, personal conveyance, and micromobility users; motorists; and commercial vehicle operators.

Proposed Sustainable Communities planning application includes:

- Expand and update the City's Bicycle and Pedestrian Master Plan into a comprehensive Active Transportation Plan (ATP)
- Expansion of the Vision Zero Safe Routes to School program to additional Goleta-area schools (CIP 9086)
- Hollister Safety Improvements (Storke to Pebble Beach Drive) (CIP 9139)

Grant Agency	Caltrans
Grant Program Funding Available	Approximately \$30,400,000
Grant Matching Funds	11.47% local match, currently unfunded
Application Deadline	October 2026
Grant Awards Announced Date	Anticipated Spring or Summer 2027

Office of Traffic Safety Grant Program (OTS)

The California Office of Traffic Safety annually provides grant funding for education, enforcement, outreach, and transportation safety initiatives that reduce traffic-related injuries and fatalities. The City has successfully received OTS funding in previous grant cycles to fund pedestrian and bicycle safety programs at Goleta schools. Staff proposes pursuing the next available OTS funding opportunity to support ongoing traffic safety programs and initiatives consistent with the City's transportation safety goals. Applications are anticipated to be due in January 2027.

Grant Agency	California Office of Traffic Safety (OTS) funded by National Highway Traffic Safety Administration (NHTSA)
Grant Program Funding Available	OTS awards approximately 500 grants annually and administers more than \$140,000,000 in federal traffic safety funding statewide
Grant Matching Funds	No specific match is required
Application Deadline	January 2027
Grant Awards Announced Date	Anticipated Summer 2027

FISCAL IMPACTS:

Submitting the grant applications does not have an immediate fiscal impact beyond staff time preparing the applications. However, if successful, the City would be obligated to

provide local matching funds of approximately 10% of any HSIP funding awarded (estimated at \$8M, based on anticipated various applications total amounts) and 11.47% for any Sustainable Communities funding awarded (estimated at \$500,000). The local funding match is anticipated to be sourced from Measure A, Transportation Development Impact Fees, other street-related funds, or the General Fund. OTS requires no match.

If a grant is awarded, staff will return to Council for approval of grant agreements and formal appropriation requests.

ALTERNATIVES:

None.

LEGAL REVIEW BY: Isaac Rosen, City Attorney

APPROVED BY: Robert Nisbet, City Manager