



Toll Credit Policy

July 2026

Table of Contents

List of Exhibits..... ii

Overview 1

Toll Credit Distribution 2

Programming and Reporting 3

List of Exhibits

Exhibit 1 County Allocations Table2

Overview

The Southern California Association of Governments (SCAG) establishes this policy to guide the use, programming, and management of toll credits (TC), also referred to as transportation development credits (TDC), within the SCAG region. TC/TDC are used as a match source for federal funding, allowing for a federal share of up to 100 percent on eligible projects.

This policy aligns with and implements the California Department of Transportation (Caltrans) Interim Toll Credits Use Policy dated March 13, 2026, which introduces statewide controls on TC/TDC use, including proportional allocation, annual caps, and reporting requirements across metropolitan planning organizations (MPOs).

Under the Caltrans policy:

- Total estimated availability is approximately \$390 million statewide for federal fiscal years (FFY) 2025-26 through 2027-28.
- MPO allocations are based on proportional shares of federal apportionments.
- SCAG's allocation under this framework is approximately \$54.6 million annually, or \$163.7 million total for FFY 2025-26 through 2027-28.
- SCAG is responsible for administering TC/TDC within its regional allocation.

Toll Credit Distribution

Methodology

SCAG will distribute TC/TDCs in accordance with the methodology established under the Caltrans Interim Toll Credits Use Policy.

Consistent with Caltrans guidance, SCAG will apply a proportional share methodology to allocate TC/TDC at the county level. This approach is based on each county's share of federal funding, including:

- Federal Transit Administration (FTA) formula programs (Sections 5307, 5310, and 5339).
- Surface Transportation Block Grant (STBG) program funding.
- Congestion Mitigation and Air Quality Improvement (CMAQ) program funding.

Distribution

County allocations serve as planning caps and are not guaranteed or reserved amounts. The allocations are used to guide Federal Transportation Improvement Program (FTIP) programming and approvals and are subject to adjustment based on overall availability and utilization.

To maximize regional use of TC/TDC, SCAG may reassign unused credits among counties, consistent with Caltrans guidance and within the overall SCAG allocation.

Exhibit 1 County Allocations Table

County	FTA ¹	STBG ²	CMAQ ²	Total	Share %	TC/TDC Allocation
Imperial	\$5,646,014	\$8,181,000	\$3,263,000	\$17,090,014	0.92%	\$1,473,748
Los Angeles	\$387,043,104	\$337,650,000	\$337,544,000	\$1,062,237,104	57.36%	\$91,601,465
Orange	\$84,656,580	\$109,009,000	\$106,560,000	\$300,225,580	16.21%	\$25,889,797
Riverside	\$53,185,739	\$74,623,000	\$78,226,000	\$206,034,739	11.13%	\$17,767,299
San Bernardino	\$46,769,507	\$78,434,000	\$68,847,000	\$194,050,507	10.48%	\$16,733,845
Ventura	\$24,138,081	\$26,428,000	\$21,516,000	\$72,082,081	3.89%	\$6,215,961
Total	\$601,439,025	\$634,325,000	\$615,958,000	\$1,851,720,025	100%	\$159,682,115

¹Based on FFY 2025-26 FTA allocations; ²Based on FFY 2026-27 & FFY 2027-28 STBG/CMAQ awards

In addition to the county allocations, SCAG will reserve approximately 2.5 percent or \$4 million of the region's toll credit amount to support regional planning priorities that are led by SCAG. Use of these toll credits will be documented in the annual SCAG Overall Work Program and FTIP as appropriate.

Programming and Reporting

Eligibility and Programming

The county TC/TDC allocations may be utilized as match for the following federal fund sources.

- Federal Highway Administration (FHWA) programs:
 - CMAQ.
 - Carbon Reduction Program.
 - Highway Bridge Program.
 - Highway Safety Improvement Program.
 - STBG.
- FTA programs:
 - Urbanized Area Formula Funding (Section 5307).
 - Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310).
 - State of Good Repair (Section 5337).
 - Bus and Bus Facilities Formula Program (Section 5339).

TC/TDC allocations may be utilized on any eligible federally funded project within the county. The county transportation commissions are responsible for distributing the TC/TDC within their respective county.

For all federally funded projects utilizing TC/TDCs, county transportation commissions must submit their required Caltrans Toll Credits spreadsheet to SCAG as part of the FTIP amendment or administrative modification package. SCAG will review the request for consistency with applicable federal and state requirements and will coordinate with Caltrans to obtain approval for TDC usage.

Where projects are submitted as grouped project lists, county transportation commissions must ensure that TC/TDC requests clearly identify project-level funding amounts and corresponding match requirements.

SCAG concurrence and Caltrans approval are required for all transit projects utilizing TDCs, including projects funded with FTA program funds and federally funded highway programs that may be transferred to FTA, such as CMAQ and STBG. Upon receipt of the required documentation, SCAG will coordinate the review and approval process and maintain records of approved TDC requests. FHWA-funded projects do not require Caltrans approval.

FTA TDC

For FTA funded projects, TDC is applied by increasing the total project cost while maintaining the federal share percentage. Please refer to FTA's Circular Guidance 5010.1F: [Award Management Requirements Circular | FTA](#) which provides information on how transportation development credits are calculated (see pp. VI-7 - 8). For grouped transit projects, TDC amounts must accurately reflect the required non-federal match for each project included in the grouped project list.

Reporting

SCAG is responsible for quarterly reporting of TC/TDC usage to Caltrans. To support accurate reporting and balance tracking, county transportation commissions shall notify SCAG of any changes affecting

previously approved TC/TDC amounts. SCAG will coordinate with county transportation commissions if needed to ensure reports are accurate.

LOANS

Inter-county loans are available in the event a county does not fully utilize their TC/TDC allocation within the respective FFYs. The county transportation commissions must provide SCAG with the agreed-to loan amount and payback schedule for reporting purposes.



MAIN OFFICE

900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
Tel: (213) 236-1800
www.scag.ca.gov

REGIONAL OFFICES

Imperial County

1503 N. Imperial Ave., Ste. 104
El Centro, CA 92243
Tel: (213) 236-1967

Inland Empire

3403 10th St., Ste. 805
Riverside, CA 92501
Tel: (951) 784-1513

Orange County

OCTA Building
600 S. Main St., Ste. 1108
Orange, CA 92868
Tel: (213) 630-1599

Ventura County

4001 Mission Oaks Blvd., Ste. L
Camarillo, CA 93012
Tel: (213) 236-1960