

THE BAY AREA PARTNERSHIP

Partnership Technical Advisory Committee

June 16, 2008, 1:30 p.m. – 3:30 p.m.

MetroCenter, 1st Floor, Auditorium

101 - 8th Street, Oakland, CA 94607

AGENDA – (revised 6/11/08)

Estimated Time
for Agenda Item

1. Introductions **1:30 p.m.**
2. Minutes of April 21, 2008 PTAC Meeting*
3. Partnership Reports*
 - Partnership Board
The Partnership Board meets on June 27, 2008.
 - Transit Finance Working Group
Chair: Todd Morgan, BART
The Transit Finance Working Group met on June 4, 2008.
 - Local Streets and Roads Working Group
Chair: Julie Bueren, County of Contra Costa
The Local Streets and Roads Working Group met on June 6, 2008.
 - Programming and Delivery Working Group
Chair: Matt Todd, ACCMA
The Programming and Delivery Working Group met on June 16, 2008.

Discussion Items

2:00 p.m.

4. Transportation 2035 Plan:
(Staff seeks comments from this Committee on key elements of the Transportation 2035 Plan.)
 - a. Draft Investment Packages* *(Ashley Nguyen) – (revised 6/11/08)*
5. Lifeline Transportation Program Guidelines and Second Cycle Funding * *(Therese Knudsen)*
(Staff will present program guidelines for the second cycle of funding for the Lifeline Transportation Program)
6. SB 1474 Transit Coordination Implementation Plan (TCIP) Update** *(Jay Stagi)*
(Following up on recommendations from the Transit Connectivity Plan (2006), MTC staff proposes to revise its SB 1474 Transit Coordination Implementation Plan (Commission Res. No. 3055) to include regional transit hub signage and real-time transit information requirements)
7. Proposed Revision to Regional STP/CMAQ Project Delivery Policy * *(Ross McKeown)*
(Proposed revision to the regional project delivery policy to advance the obligation and obligation submittal deadlines in response to a recent change in the State's release date for unused regional Obligation Authority (OA)).

Information Items / Other Business

3:00 p.m.

8. TIP Amendment Update* (*Informational Only*)
(The current TIP and subsequent TIP Amendments are available online at:
<http://www.mtc.ca.gov/funding/tip>)
9. P-TAP Round 10 Proposed Recipient List* (*Sri Srinivasan*)
(MTC staff seeks comment on the proposed recipients of Pavement Technical Assistance Program (P-TAP) Round 10 Grants.)
10. Nominations and election for annual Vice-Chair position to PTAC, (*effective July 21, 2008*)
11. Recommended Future Agenda Items (*All*)
12. Public Comment

Next meeting on:

Monday, July 21, 2008
1:30 p.m. to 3:30 p.m.
MetroCenter, 1st Floor, Auditorium
101-8th Street, Oakland 94607

* Agenda Items attached

** Agenda Items with attachments to be distributed at the meeting.

Contact Craig Goldblatt at 510.817.5837 or cgoldblatt@mtc.ca.gov if you have questions regarding this agenda.

Public Comment: The public is encouraged to comment on agenda items at committee meetings by completing a request-to-speak card (available from staff) and passing it to the committee secretary or chairperson. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the Chair's judgment, it is necessary to maintain the orderly flow of business. **Record of Meeting:** MTC meetings are taped recorded. Copies of recordings are available at nominal charge, or recordings may be listened to at MTC offices by appointment. **Sign Language Interpreter or Reader:** If requested three (3) working days in advance, sign language interpreter or reader will be provided; for information on getting written materials in alternate formats call (510) 817-5757. **Transit Access to the MetroCenter:** BART to Lake Merritt Station. AC Transit buses: #11 from Piedmont or Montclair; #59 or #59A from Montclair; #62 from East or West Oakland; #88 from Berkeley. For transit information from other Bay Area destinations, call 511 or use the TakeTransitSM Trip Planner at www.511.org to plan your trip. **Parking at the MetroCenter:** Metered parking is available on the street. No public parking is provided at the MetroCenter. Spaces reserved for Commissioners are for the use of their stickered vehicles only; all other vehicles will be towed away.

PARTNERSHIP TECHNICAL ADVISORY COMMITTEE (PTAC) MINUTES

April 21, 2008

Page 1 of 2

1. Introductions

Marcella Rensi (Chair) requested introductions.

2. Minutes of March 17, 2008 PTAC Meeting

The minutes for the March 17, 2008 PTAC meeting were accepted.

3. Partnership Reports

Partnership Board - The Partnership Board meets on May 1, 2008 and May 22, 2008.

Transit Finance Working Group (TFWG) – *Todd Morgan, Chair* – The TFWG met on April 2, 2008. Highlights included: 1) Bay Area Transit Planning Group finalized their Vision; 2) SRTP revenue estimates will be available in May; 3) MTC staff presented its Lifeline Evaluation report; 4) Prop 1B update; and a 5) TDA revision update.

Local Streets & Roads Working Group (LS&RWG)– The LS&RWG met on April 4, 2008.

Programming and Delivery Working Group (PDWG) – *Matt Todd, Chair* - PDWG met on April 21, 2008. Key topics included: 1) Federal and STIP funding, and 2) a discussion on the proposed changes to the Regional Project Delivery Policy.

Discussion Items

4. Change in CMAQ Minimum Share Amount

Ross McKeown (MTC) reported that on February 13, 2008, FHWA issued guidance in response to language in the Energy Independence and Security Act that revised the federal CMAQ share requirement for CMAQ-funded projects. Subsequent to the initial guidance, and in response to various States and MPOs noting other provisions in law that allow the States to fund projects with more than the required minimum match, FHWA reconsidered its initial guidance. On April 7, 2008 FHWA issued revised guidance, and in effect withdrew the earlier requirement that CMAQ funds could be no less than 80 percent of the total cost. Ross cautioned the Group that the response received from the initial guidance revision will more than likely lead to further revisions to the next Act's guidance for CMAQ funding.

5. a. T2035 – May 2008 Public Participation & Outreach Workshops

Ursula Vogler (MTC) summarized the May 2008 public participation and outreach activities for the Transportation 2035 (T2035) Plan. Group members requested that the CMAs be allowed an opportunity to provide a brief presentation at each of their respective county outreach workshops and requested an opportunity to review the MTC/ABAG presentation materials prior to the workshop.

5. b. T2035 – Equity Analysis Methodology

Jennifer Yeamans (MTC) summarized the proposed Transportation 2035 (T2035) Plan Equity Analysis Methodology, which proposes a three-part framework: 1) financial analysis, 2) outcomes analysis, and 3) policy statements. Group members' comments included: 1) suggested using a comparative model between transit and autos on "how far you can go on \$2.00"; 2) requested trade-off need incorporate local streets and roads with transit; 3) recommended putting together an Equity Analysis subcommittee; and 4) combine household spending with transportation needs. Group members were particularly concerned with timeline issues.

5. c. T2035 – Investment Trade-Offs Framework

Lisa Klein (MTC) provided an update on the project evaluation process and summarized the proposed approach to framing the investment trade-offs discussion. The trade-off comparative is \$87B in project requests compared to \$30B in available funding. Group members' comments included: 1) transit operators requested that other needs, particularly facilities, be addressed in addition to score 16 needs; 2) suggested expanding Maintenance theme to cover Focused Growth, Climate, and Safety; 3) suggested adding deferred maintenance costs to future investments should the "High Maintenance" option not be supported; 4) requested clarification on model's assumption regarding Operations and Maintenance, especially projected shortfalls. In an effort to seek out a wider range of technical options, Marcella Rensi (Chair) requested that the Working Groups do more analysis on the trade-off scenarios; Transit Finance Working Group (TFWG) use the Transit Capital Priorities' average asset and the Local Streets &

PARTNERSHIP TECHNICAL ADVISORY COMMITTEE (PTAC) MINUTES

April 21, 2008

Page 2 of 2

Road Working Group (LS&RWG) should review the average pavement condition index (PCI) levels. The Working Groups should be prepared to provide more input to the trade-off discussion at the next PTAC meeting.

6. Release of Draft 2009 TIP for Public Review and Comment

Ross McKeown (MTC) reported that the Draft 2009 TIP has been released for public comment. The public comment period ends on May 1, 2008. No further amendments will be processed until after the Commission approves the 2009 TIP. The Commission is expected to approve the 2009 TIP at its meeting on May 29. MTC staff sought concurrence from the Committee to approve the existing Expedited Project Selection Process for the 2009 TIP. The Committee concurred. The Draft 2009 TIP can be found online at: <http://www.mtc.ca.gov/funding/tip/index.htm>.

7. Amendment to Regional Measure 2 Policies and Procedures

Shruti Hari (MTC) / Christina Verdin (MTC) summarized the common findings for the FY 2006-07 Regional Measure 2 Audit and summarized the proposed changes to the Policies and Procedures (P&P); the proposed changes will be presented to the Commission at its May meeting.

8. Proposed Programming Guidelines for New Freedom FY 2007 – 2009

Christina Atienza (MTC) summarized the proposed programming guidelines and comments received from the various working and advisory groups for New Freedom FY 2007 – 2009. The proposed guidelines prioritize projects by project type and funding agreements are to be based on fund estimates as opposed to actual apportionments. Comments included having a one-year cycle, followed by a two-year cycle. The deadline to submit comments is April 30, 2008. Comments will be incorporated into the final draft guidelines as much as possible and will be presented to the Programming and Allocations Committee for action at their May 14 meeting.

Information Items / Other Business

9. Solicitation for Nominations for MTC's 2008 Transportation Awards

Pam Grove (MTC) distributed nomination forms for MTC's 2008 Transportation Awards. The nomination deadline has been extended to May 23. Additional information and the nomination form are available online at: http://www.mtc.ca.gov/about_mtc/awards/index.htm

10. Notice of Proposed Rulemaking for New Starts/Small Starts

Tina Spencer (AC Transit) stated that the FTA announced a Notice of Proposed Rulemaking for the New Starts/Small Starts program for a 30-day review.

11. Recommended Future Agenda Items

Proposed Next Meeting:

Monday, May 19, 2008

1:30 p.m. – 3:30 p.m.

MetroCenter, 1st Floor, Auditorium

1:30 p.m. – 3:30 p.m.

101-8th Street

Oakland, CA 94607



METROPOLITAN
TRANSPORTATION
COMMISSION

LOCAL STREETS AND ROADS WORKING GROUP
101 - 8th St., Room 171 (1st Floor)
Friday, June 6, 2008
9:00 a.m. – 12:00 p.m.

AGENDA

<u>Topic</u>	<u>Estimated Time</u>
1. Introductions (<i>J. Bueren, Chair</i>)	5 min
2. Approval of May 2, 2008 Minutes* (<i>J. Bueren, Chair</i>)	5 min
3. Programming Updates:	
A. Report of Federal Inactive Obligations (<i>K. Kao, MTC</i>)	5 min
B. STP/CMAQ Program Monitoring Update* (<i>K. Kao, MTC</i>)	5 min
4. Standing Updates:	
A. Legislative Update	
1. May revise, proposed California State Budget (<i>K. Folan, MTC</i>)	10 min
2. Overview of Proposition 42 and Spillover Funding* (<i>T. Romell, MTC</i>)	10 min
B. Transportation 2035 (T2035):	
1. LS&R Trade-off Discussion (<i>B. Tripousis, City of San Jose /L. Patterson, City of San Mateo</i>)	20 min
C. PMP Certification Status* (<i>Memo Only</i>)	
5. Discussion Items:	
A. Revised Proposed Change in Regional Project Delivery Policy (MTC Res. 3606)* (<i>R. McKeown, MTC</i>)	15 min
B. Performance Sub-Committee Update (<i>F. Cisneros, Vice-Chair</i>)	10 min
C. Federal Programs Update (<i>S. Fung, Caltrans D4</i>)	20 min
1. Cognizant Indirect Cost Audit Requirements	
2. Call for Projects – Federal Safe Routes to School (SRTS) Cycle 2*	
D. P-TAP: Rounds 9 and 10 Program Update** (<i>S. Srinivasan, MTC</i>)	10 min
E. PMP User Week: July 2008 – Solicitation for Technology Transfer topics (<i>S. Srinivasan, MTC</i>)	5 min
6. Informational Items:	
A. Napa Valley Register Article: “Sales tax for transportation coming for voter approval in November”*	
B. St. Helena Star Article: “Tax would raise \$24 million for St. Helena streets”*	
C. InsideBayArea.com Article: “Street, road safety projects benefit Hayward students”*	
7. Recommended Agenda Items for Next Meeting: (<i>All</i>)	5 min

Proposed Next Meeting:

Friday, July 11, 2008 (NOTE: Date change due to Independence Day Holiday)

9:00 a.m. to 12:00 p.m.

MTC MetroCenter, 3rd Floor, Fishbowl Conference Room (Note: Room Change)

* = Attachment in Packet ** = Handouts Available at Meeting

Contact MTC staff liaison, Sri Srinivasan, at 510.817.5793 if you have questions regarding this agenda.

Chair: Julie Bueren, County of Contra Costa

MTC Staff Liaison: Sri Srinivasan

Vice-Chair: Fernando Cisneros, City and County of San Francisco

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METROPOLITAN
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TRANSIT FINANCE WORKING GROUP (TFWG) MEETING AGENDA (REVISED)

WEDNESDAY, JUNE 4, 2008, 10:00 A.M. – 12:00 P.M.
METROCENTER, 3RD FLOOR, FISHBOWL CONFERENCE ROOM
101 EIGHTH STREET, OAKLAND, CA 94607

Estimated Time

Discussion Items

- | | |
|---|--------|
| 1. Introductions | 3 min |
| 2. Approval of the May 7, 2008 Minutes* | 2 min |
| 3. FY09 State Budget Update* (<i>Theresa Romell, MTC</i>) | 10 min |
| 4. Transit Planning Working Group Update (<i>Cory LaVigne, AC Transit</i>) | 5 min |
| 5. RTP Trade-off Discussion Overview * (<i>Doug Kimsey, MTC</i>) | 15 min |
| 6. FY2010 TCP Programming – Preliminary Discussions** (<i>Glen Tepke, MTC</i>) | 15 min |
| 7. New Freedom Second Cycle Call for Projects** (<i>Christina Atienza, MTC</i>) | 5 min |

Information Items / Other Items of Business:

- | | |
|--|--------|
| 8. 2007 and 2009 TIP Updates* (<i>Sri Srinivasan, MTC</i>) | 5 min |
| 9. Express Bus Program – Potential Reassignment of 11 Buses** (<i>Christina Verdin, MTC</i>) | 10 min |
| 10. Proposition 1B Update: Transit Security* (<i>Kenneth Folan, MTC</i>) | 5 min |
| 11. FY 2009 –2018 SRTP Revenue Projections** (<i>Theresa Romell, MTC</i>) | 5 min |
| 12. FTA Clean Fuels Grant Program Solicitation of Project Proposals** (<i>Glen Tepke</i>) | 5 min |
| 13. Recommended Future Agenda Items (<i>All</i>) | 5 min |

Next Transit Finance Working Group Meeting:

Wednesday, July 2, 2008
10:00 a.m. –12:00 p.m.
Fishbowl Conference Room, MTC MetroCenter

* = Attachment in Packet ** = Handouts Available at Meeting
Contact Glen Tepke of MTC at 510-817-5781 or gtepke@mtc.ca.gov if you have questions about this session.

Chair: Todd Morgan, BART

Vice-Chair: Mona Babauta, City of Santa Rosa

MTC Staff Liaison: Glen Tepke, MTC



METROPOLITAN
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COMMISSION

PROGRAMMING AND DELIVERY WORKING GROUP MEETING
Monday, June 16, 2008
10:30 a.m. – 12:30 p.m.
MTC Metrocenter, **Claremont Room, 2nd Floor**

AGENDA

<u>Item</u>	<u>Estimated Time</u>
1. Introductions and Announcements	3 min
2. Review of Minutes from the May 19, 2008 Working Group Meeting*	2 min
3. Working Group Standing Items	
A. STP/CMAQ Program Monitoring Update* (<i>Kenneth Kao</i>) (<i>MTC staff will report on the STP/CMAQ Program Monitoring status for FFY 2007-08 as well as additional program monitoring issues. The FFY 2007-08 deadline for obligations was <u>May 31, 2008.</u></i>)	3 min
B. Federal Inactive Obligations* (<i>Kenneth Kao</i>) (<i>MTC staff will discuss the projects on the federal inactive obligations look ahead lists for the period ending June.</i>)	3 min
C. STIP Project Delivery Monitoring Update* (<i>Kenneth Kao</i>) (<i>MTC staff will report on allocation status of projects programmed in FY 2007-08 of the STIP.</i>)	5 min
D. CTC and State Budget Update** (<i>Kenneth Kao</i>) (<i>MTC staff will report on the latest from the California Transportation Commission (CTC) with regards to new or revised policies, procedures, guidance and direction and updates on the State Budget.</i>)	10 min
4. Discussion Items	
A. 2008 STIP Staff Recommendations* (<i>Kenneth Kao</i>) (<i>MTC staff will discuss the CTC staff recommendations for the 2008 STIP, released on May 9, 2008.</i>)	10 min
B. CMIA Amendment and Proposition 1B Update* (<i>Kenneth Kao / Judy Li</i>) (<i>MTC and Caltrans staff will provide an update on the pending CMIA Amendments, as well as other information regarding Proposition 1B.</i>)	10 min
C. Revised Proposed Change in Regional Project Delivery Policy (MTC Res. 3606)* (<i>Ross McKeown</i>) (<i>MTC staff will present a revised proposal to change the Request for Obligation and Obligation deadlines in the Regional Project Delivery Policy, in response to comments received from other Working Groups.</i>)	15 min
5. Informational Items	
A. TIP Update* (<i>Memo Only</i>) (<i>The current TIP and subsequent TIP Amendments are available online at: http://www.mtc.ca.gov/funding/tip</i>)	
6. Caltrans Items	
A. Federal Programs Update (<i>Sylvia Fung, Caltrans D4</i>) (<i>Caltrans will present updates on various federal program related changes, including the DBE program and the environmental review backlog.</i>)	15 min
7. Workshop Items	
There is no Workshop Item this month.	

8. Recommended Agenda Items for Future Meetings

2 min

A. SACOG Project Tracker Presentation (*TBD, SACOG*)**The next PDWG meeting:**

Monday, July 21, 2008

10:30 a.m. – 12:30 p.m.

MTC MetroCenter, 3rd Floor, Fishbowl Conference Room

101 Eighth Street, Oakland 94607

* = Attachment in Packet ** = Handouts Available at Meeting

Contact MTC staff liaison, Kenneth Kao at (510) 817-5768 or kkao@mtc.ca.gov if you have questions about this session.



As presented to the
Planning Committee

METROPOLITAN
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Memorandum

TO: Planning Committee

DATE: June 13, 2008

FR: Deputy Executive Director, Policy

W. I.

RE: Transportation 2035: Financially Constrained Investment Tradeoffs

As you know, we've spent the last several months developing policies to help guide RTP investment strategies. A key part of the RTP investment strategy is the development of a financially constrained element. This financially constrained element, composed of federal, state, regional and local revenues, is what we think the region can reasonably deliver with revenues we expect to be available to the region over the next 25 years. Last month's Commission workshop moved us a large step closer to selection of a preferred investment option for the T-2035 financially constrained element.

Tradeoff Decisions

Of the \$220 billion in revenue projected to be available to the region over the next 25 years, \$190 billion is committed by voter mandate, statute or Commission policy towards maintaining and expanding our existing transportation system. This leaves \$30 billion in uncommitted discretionary revenues. Transportation priorities vying for this \$30 billion include: transit, local road, and State highway maintenance shortfalls; system operations strategies, including the Freeway Performance Initiative; programs aimed at focused growth, climate protection, and Lifeline service; and numerous capacity expansion projects throughout the region.

The purpose of the Commission workshop was to acquaint Commissioners with a host of options in the investment categories of maintenance, system efficiency and expansion. Staff presented four investment options in each category that emphasized a different objective that resulted in a particular funding level. Commissioners considered the merits of each investment option and discussed the consequences of how investing in any one option affected resources available to fund other options. The workshop outcome goal was to develop up to three alternative investment packages that would be subject to further partner, public and Commission discussion in June. The process will lead to a preferred investment plan, consistent with estimated financial constraints, for road and transit maintenance shortfalls, system efficiency programs and system expansion projects for Commission review and approval in July.

A lively workshop discussion of the issues and tradeoffs culminated with Commissioners developing three distinct investment packages focusing on different investment levels for maintenance, efficiency and expansion (see Attachment A). Digging a little deeper into these initial recommendations, staff made a few adjustments to some of the proposed funding levels in each of the three investment categories to more accurately portray historical uses of some of the funding that comprises the \$30 billion in uncommitted discretionary funding. For example, we adjusted the maintenance funding to be more consistent with CTC policy that excludes local road maintenance eligibility for STIP funding; in addition, while we are having ongoing discussions with the CMAs on the use of net HOT revenues, it's likely that most of these funds would be used for corridor expansion projects to provide mobility options

such as express bus service; smaller amounts would be available for efficiency programs and little, if any, available for maintenance.

As a result of these adjustments, the expansion category stays the same among the three packages; STIP, Proposition 1B State Local Partnership Program (SLPP) and HOT revenues (pending discussions with CMAs) comprise the funding for this category. Therefore the main tradeoffs occur between the maintenance and efficiency categories as shown in the attached pie charts – as maintenance costs increase, less is available for efficiency programs/projects and visa versa. This is consistent with the broad tradeoff elements of the Commission workshop discussion. As well, within the maintenance category, we retained further tradeoffs among transit, local road and state highway rehabilitation investment levels, as recommended by Commissioners. As Commissioners requested at the workshop, staff has also taken a first crack at dividing up the efficiency category among the various programs (Lifeline, TLC, FPI, etc.) for each of the investment packages; efficiency program options are also highlighted in Attachment A.

Next Steps

What's missing in the tradeoff discussions thus far is: 1) development of strategies for slicing up the various fund sources that make up the uncommitted \$30 billion (see Attachment B); and 2) identification of specific projects that would be funded in the expansion category, primarily with STIP and HOT revenues. For the first issue, staff will need to balance the assignment of available nearer-term funding and longer-term funding availability, including "anticipated/unspecified" and net HOT revenues. With regard to the second issue, staff will be reviewing results from our RTP project evaluation to ensure that the best performing projects are considered for inclusion in the final financially constrained investment package. Staff will be working closely over the next few weeks with the CMAs and other partner agencies to develop recommended funding strategies for the \$30 billion and to develop an approach that considers project evaluation outcomes along with existing local commitments.

Our intent is to bring a recommended financially constrained investment program of projects and companion funding strategy for you to consider and refer to the Commission for approval next month. After that, we'll commence with the RTP environmental assessment and begin writing the plan; both of these documents are expected to be available for public review by December 2008, with Commission adoption in March 2009 (see Attachment C for remaining RTP schedule).

We look forward to another productive discussion at your meeting.

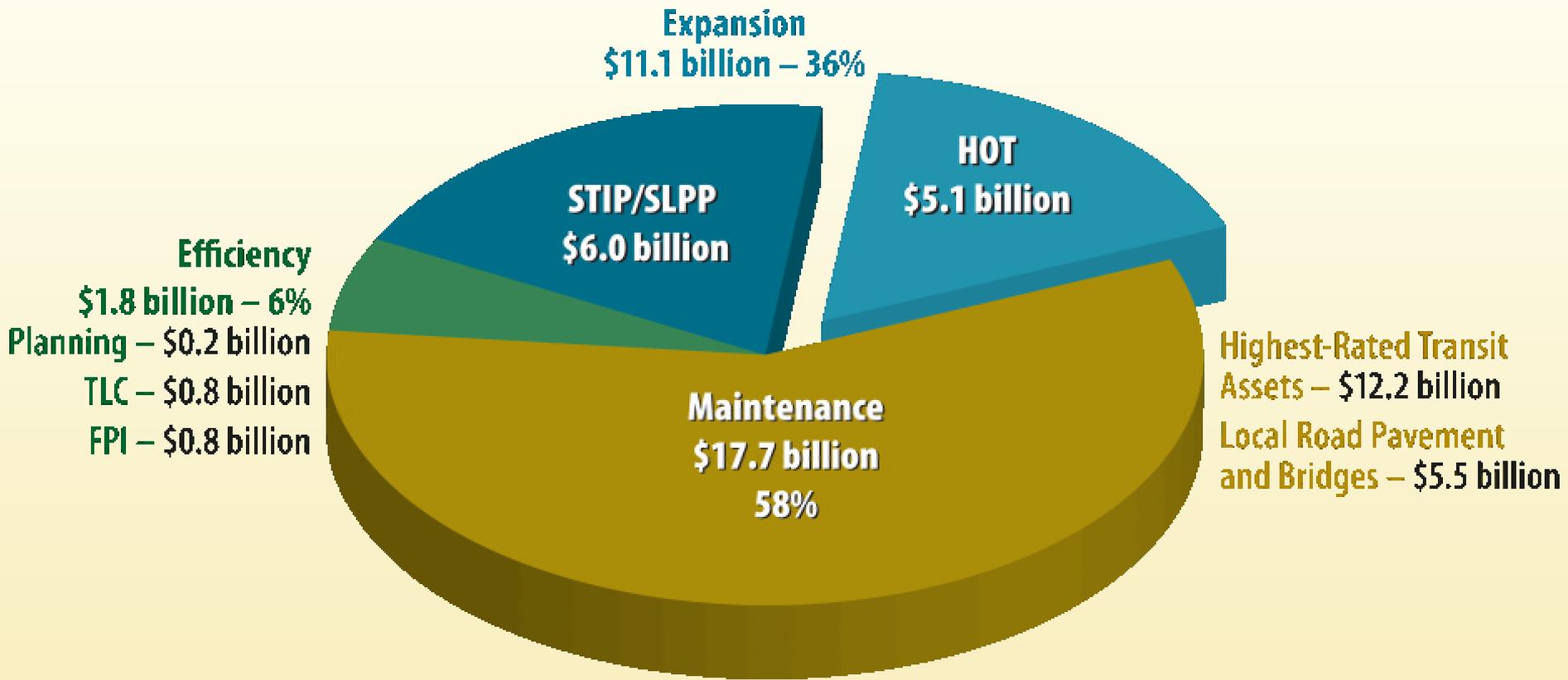
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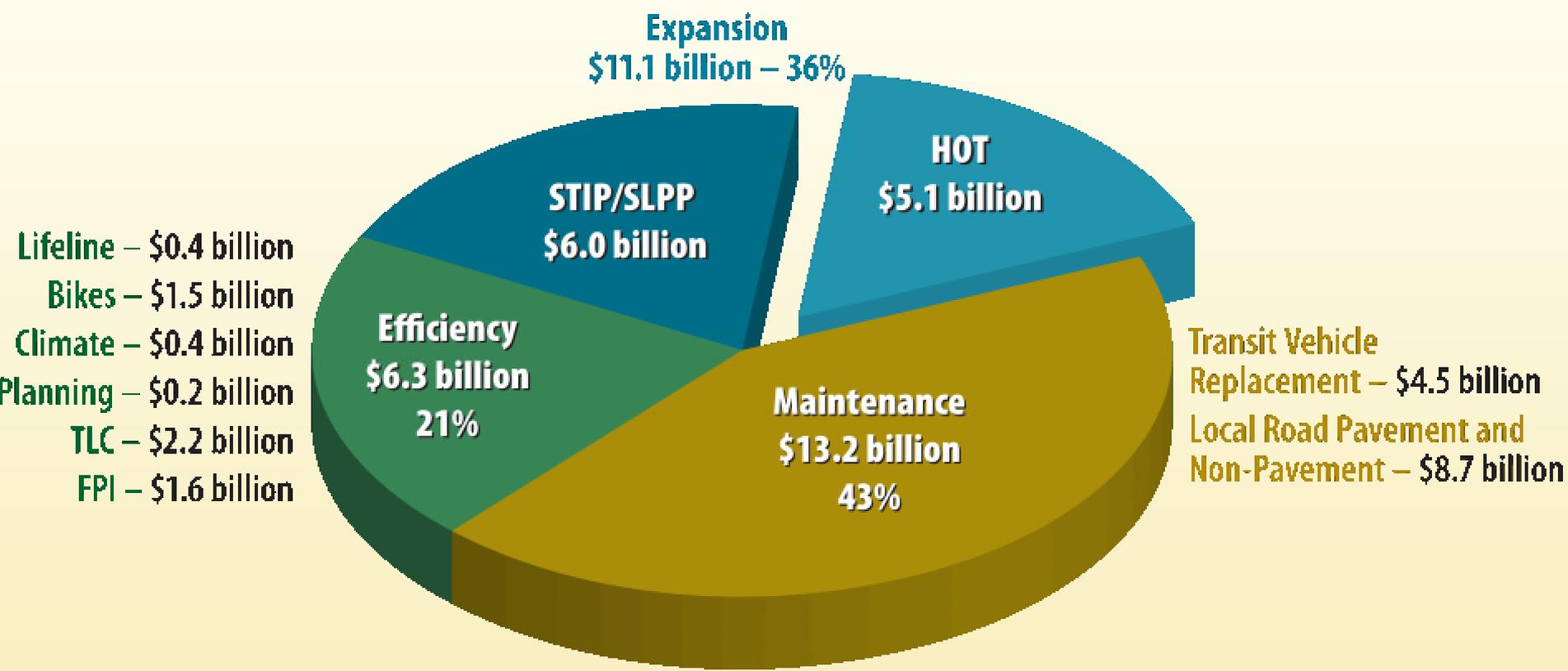
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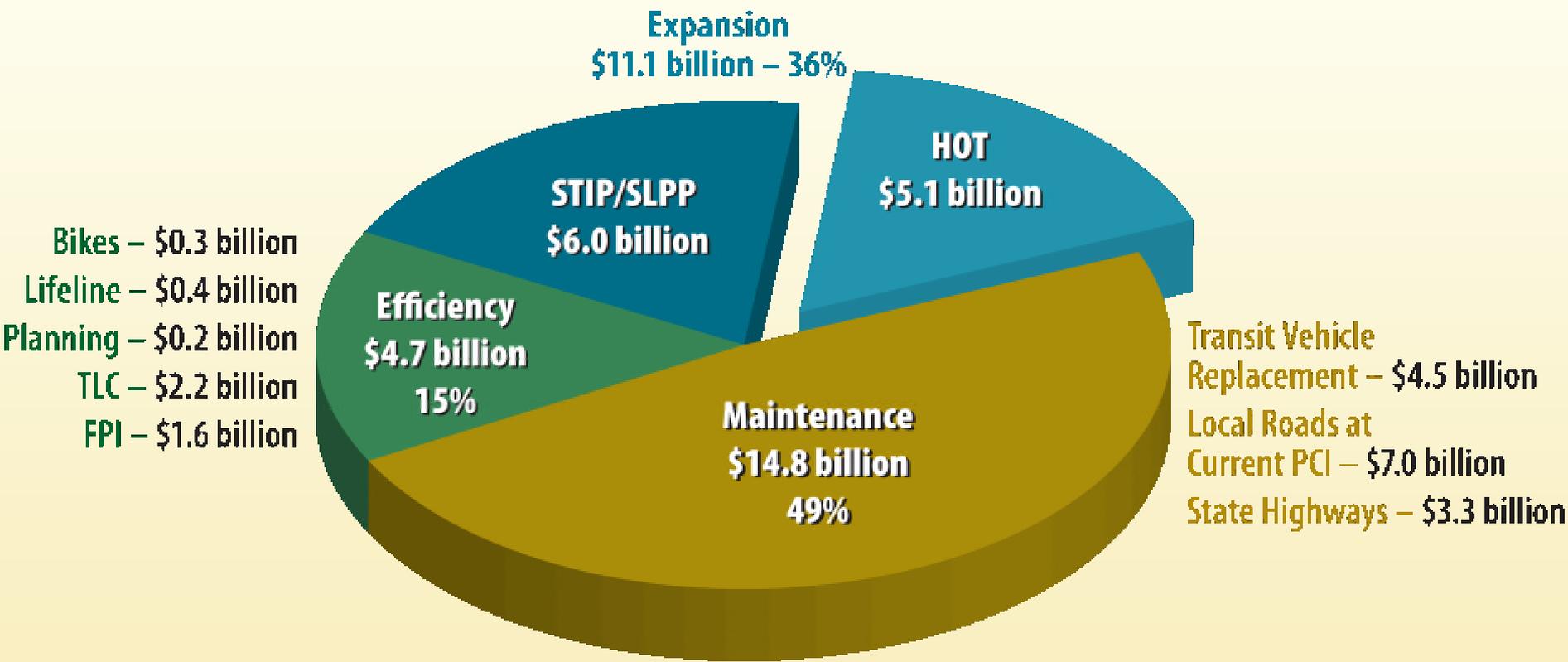
Option 1 = \$30.6 billion total



Option 2 = \$30.6 billion total

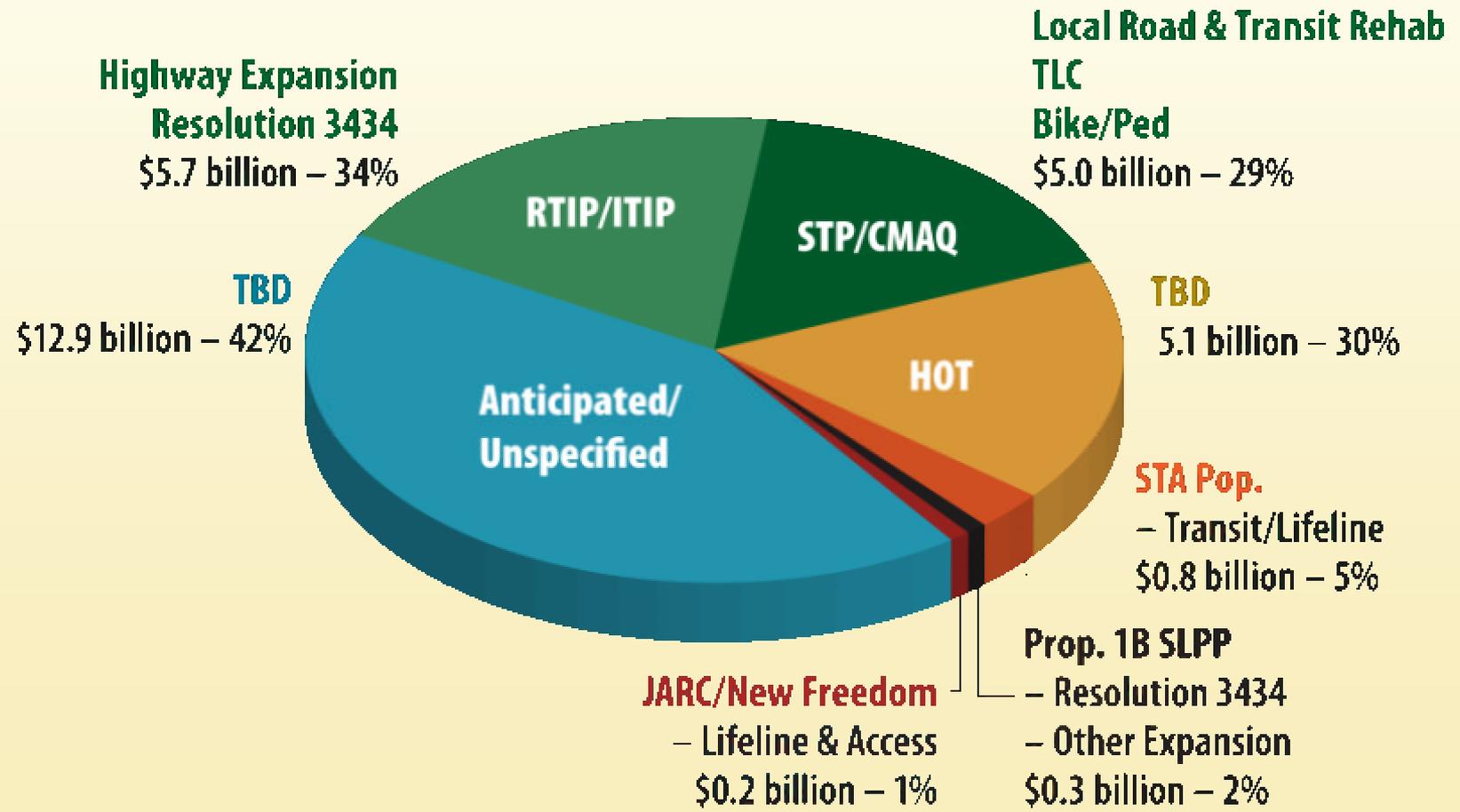


Option 3 = \$30.6 billion total



The Color of Money

Uncommitted Regional Discretionary Funds: \$30 billion total



Attachment C

**Transportation 2035 Schedule
(June 2008 – March 2009)**

Month	Day	Committee	Action Requested
Investment Trade-Off Discussions			
June	5	Joint Advisors Workshop	<ul style="list-style-type: none"> Review public outreach messages & Commission workshop outcomes & direction
	13	Planning Committee	<ul style="list-style-type: none"> Discuss Investment Packages
	27	Partnership Board	<ul style="list-style-type: none"> Discuss Investment Packages
Draft Financially Constrained Investment Plan			
July	11	Planning Committee	<ul style="list-style-type: none"> Approval of Draft Investment Plan & Referral to Commission
	18	Joint Policy Committee	<ul style="list-style-type: none"> Informational
	23	Commission	<ul style="list-style-type: none"> Approval of Draft Investment Plan
Technical Analysis & Report Preparation			
August - November	--	MTC Staff	<ul style="list-style-type: none"> EIR Air Quality Conformity Analysis Equity Analysis Transportation 2035 Plan
December	12	Planning Committee	<ul style="list-style-type: none"> Release of Draft Transportation 2035 Plan and EIR for 45-day public review
January 2009	9	Planning Committee	<ul style="list-style-type: none"> Public Hearing on Draft Transportation 2035 Plan Release of Draft Conformity Analysis for 30-day public review
Final Report Preparation			
February 2009	--	MTC Staff	<ul style="list-style-type: none"> EIR Response to Comments and Final EIR Air Quality Conformity Response to Comments and Final Conformity Analysis Final Transportation 2035 Plan
March 2009	13	Planning Committee	<ul style="list-style-type: none"> Approval of Final Transportation 2035 Plan, EIR, and Conformity Analysis & Referral to Commission
	25	Commission	<ul style="list-style-type: none"> Approval of Final Transportation 2035 Plan, EIR, and Conformity Analysis



METROPOLITAN
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Memorandum

TO: Partnership Technical Advisory Committee (PTAC)

DATE: June 9, 2008

FR: Therese Knudsen

W. I.

RE: Draft Lifeline Transportation Program Guidelines

Background

As you are aware, MTC recently completed an administrative evaluation of the interim Lifeline Transportation Program. Regional stakeholders, including PTAC, had an opportunity to provide input on the draft. Staff presented the evaluation to MTC's Programming and Allocations Committee at their May 14 meeting.

Guideline Changes

Most of the input received about the Lifeline Program Guidelines during the evaluation process pertained to adding information about the funding sources to give project sponsors a better idea about the types of projects that are eligible and what to expect throughout the process. These comments were incorporated into the attached draft Guidelines for the second-cycle Lifeline Program, and were reviewed by the Transit Finance Working Group, Lifeline Program Administrators (Congestion Management Agencies (CMAs) and Santa Clara County¹), MTC's Minority Citizens Advisory Lifeline Subcommittee, and the Regional Welfare to Work Transportation Working Group. Staff had originally intended to take the Guidelines to the Commission for approval in June. However, during the review process, a few points were raised that required additional follow-up. Therefore, staff will take the Second Cycle Lifeline Transportation Program Guidelines to MTC's Programming and Allocations Committee in July instead of June as originally anticipated.

Noteworthy highlights evolving out of the review process include:

- Assessment criterion added – with the majority of community-based transportation plans (CBTPs) completed from phase one of the program, priority should be placed on funding projects emerging from these plans. A new assessment criterion will be added to evaluate projects on this basis. Weighting of all assessment criteria will continue to be left up to the discretion of the Lifeline Program Administrators (LPAs).
- Means-based fare pilot program – fare assistance programs consistently emerge from CBTPs as top priority. MTC will reserve up to \$1.5 million in STA funds off-the-top of the second cycle Lifeline Program to fund a means-based fare pilot project with a transit operator to be determined. The selected transit operator would be responsible for any exchange of funds necessary to implement the pilot given STA eligibility limitations. Staff will facilitate initial

¹ In Santa Clara County, the Lifeline Program is jointly administered by VTA, the CMA, and Santa Clara County.

meetings with transit operators, social service stakeholders and advocates to help develop pilot program objectives, establish a workscope and schedule, and refine budget requirements.

- Program administration – Funds for administration will not be taken off-the-top of funds allocated to the Lifeline Program – all funds will be reserved for Lifeline projects. MTC will be reviewing with CMAs the adequacy of the STP 3% Planning augmentation of \$1.2 million annually to meet CBTP and Lifeline administration needs. As background, in 2005, the CMAs requested additional planning funds to meet new demands associated with CBTP implementation, as well as Lifeline and Bicycle/Pedestrian programming. The Commission granted this request through FY 2009 to supplement the roughly \$4.4 million per year already dedicated to planning activities, including transportation and land use.

Following project selection, LPAs are expected to coordinate contract administration. In cases where non-profits receive STA funds, LPAs will designate a local transit operator to serve as project sponsor (if the non-profit is not already working with one). In addition, LPAs will work with MTC to develop appropriate monitoring for Lifeline projects, and will oversee monitoring implementation.

- Tiered Programming - Since FY 2009 and FY 2010 funding amounts for STA will not be finalized by the release of the call for projects due to the state budget, MTC recommends that LPAs select projects in two programming tiers. The Tier I Program would cover the first two years of funding (funding for the second year is expected to be known definitively by September 2008). The Tier II Program would cover the third year of funding, which is expected to be known definitively by September 2009. LPAs may conduct a consolidated competitive selection process for both Tiers, selecting Tier II projects at the same time as Tier I projects. However, funding for Tier II projects will not be available until after they are presented to the Commission for adoption in December 2009.

I will review the draft Guidelines, as well as the points noted above, at your June 16 meeting.

DRAFTSecond-Cycle Lifeline Program Guidelines
5/5/08**Lifeline Transportation Program Guidelines****Second-Cycle Lifeline Transportation Program Funding
FY 2009 through FY 2011**

Program Goals: The Lifeline Transportation Program is intended to fund projects that result in improved mobility for low-income residents of the nine San Francisco Bay Area counties, and are expected to carry out the following regional Lifeline Program goals:

The Lifeline Program supports community-based transportation projects that:

- Are developed through a collaborative and inclusive planning process that includes broad partnerships among a variety of stakeholders such as public agencies, transit operators, community-based organizations and other community stakeholders, and outreach to underrepresented stakeholders.
- Address transportation gaps and/or barriers identified through a Community-Based Transportation Plan (CBTP), countywide or regional Welfare-to-Work Transportation Plan, the Coordinated Public Transit-Human Services Transportation Plan, or are otherwise based on a documented assessment of needs within the designated communities of concern. Findings emerging from one or more CBTPs may also be applied to other low-income areas, or otherwise be directed to serve low-income constituencies within the county, as applicable.
- Improve a range of transportation choices by adding a variety of new or expanded services including but not limited to: enhanced fixed route transit services, shuttles, children's programs, taxi voucher programs, improved access to autos, capital improvement projects. Transportation needs specific to elderly and disabled residents of low-income communities may also be considered when funding projects.

Program Administration: The Lifeline Program will be administered by county congestion management agencies (CMAs) or other designated county-wide agencies as follows:

County	Lifeline Program Administrator
Alameda	Alameda County Congestion Management Agency
Contra Costa	Contra Costa Transportation Authority
Marin	Transportation Authority of Marin
Napa	Napa County Transportation Planning Agency
San Francisco	San Francisco County Transportation Authority
San Mateo	City/County Association of Governments
Santa Clara	Santa Clara Valley Transportation Authority and Santa Clara County
Solano	Solano Transportation Authority
Sonoma	Sonoma County Transportation Authority

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Lifeline Program Administrators are responsible for soliciting projects for the Lifeline Program, which requires a full commitment to a broad, inclusive public involvement process. Further guidance for public involvement is contained in MTC's Public Participation Plan. Lifeline Program Administrators must also consider equitable solicitation and selection of project candidates in accordance with federal Title VI requirements.

Funding: Fund sources for the second-cycle Lifeline Program (FY 09 - FY 11) include Job Access Reverse Commute (JARC), State Transit Assistance (STA) and Proposition 1B - Transit funds, as shown in Table A. Funding amounts will be assigned to each county by each fund source, based on the county's share of poverty population consistent with the estimated distribution outlined in Table B. Lifeline Program Administrators will assign funds to eligible projects. Funded projects must meet the eligibility requirements of the respective funding source.

For projects receiving JARC Funds: Lifeline Program Administrators will enter projects into the Transportation Improvement Program (TIP). Following approval of the TIP, MTC will enter projects into MTC's Federal Transit Administration (FTA) grant to be submitted in spring 2009. Following FTA approval of the grant, MTC will enter into funding agreements with project sponsors.

For projects receiving STA funds: For transit operators receiving STA funds, MTC will allocate funds directly through the annual STA claims process. For other STA eligible projects administered by sponsors who are not STA eligible recipients, MTC or the local transit operator will enter into a funding agreement directly with the project sponsor.

For projects receiving Proposition 1B: Project sponsors receiving Proposition 1B funds must submit a Proposition 1B application to Caltrans. The estimated due date to Caltrans is November 2008. The state will distribute funds directly to the project sponsor.

Multi-Year Programming: The second-cycle Lifeline Transportation Program will cover a three-year programming cycle.

MTC recommends that Lifeline Program Administrators program funds through one selection process for the three-year period, with projects due to MTC by October 31, 2008¹. MTC will develop the second-cycle Lifeline Program of Projects for Commission approval in December 2008.

MTC will revise the Lifeline Program of Projects in July 2009 for counties that are unable to program their full allocation by October 2008. However, due to the timing of federal deadlines associated with JARC and state deadlines associated with Proposition 1B, any projects submitted after the October 2008 deadline will experience a delay in receipt of funds of up to one year. Therefore, it is strongly recommended that JARC and Proposition 1B funds be programmed by October 2008.

¹ Small Urbanized Area JARC projects will be due to MTC in September 2008.

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Competitive Process: Projects should be selected through an open, competitive process². In an effort to address the sustainability of fixed-route transit operations, Lifeline Program Administrators may elect to allocate a portion of their STA funds directly to transit operators for Lifeline transit operations within the county. Projects must be identified as Lifeline projects before transit operators can claim funds, and will be subject to Lifeline Program reporting requirements.

Funds must not be allocated by formula to sub-areas within a county. Projects must be selected consistent with the findings of a CBTP, MTC's Coordinated Public Transit-Human Services Transportation Plan, countywide regional welfare-to-work plan or other documented assessment of needs within the designated communities of concern. Where plans have not been completed, projects should be selected that best exemplify the program principles and result in the greatest community benefit.

Grant Application: To ensure a streamlined application process for project sponsors, a universal application form (or standard format and content for project proposals) will be used, but may be modified as appropriate by the Lifeline Program Administrator for inclusion of county-specific grant requirements.

Program Match: The Lifeline Program requires a minimum local match of 20% of the total project cost; new Lifeline Transportation Program funds may cover a maximum of 80% of the total project cost.

There are two exceptions to the 20% match requirement.

(1) JARC operating projects require a 50% match. However, consistent with MTC's approach in previous funding cycles, Lifeline Program Administrators may use STA funds to cover the 30% difference for projects that are eligible for **both** JARC and STA funds.

(2) All auto-related projects require a 50% match.

Project sponsors may use local funding sources (Transportation Development Act, operator controlled State Transit Assistance, local sales tax revenue, etc.) to meet the match requirement. In addition, the required match can include other *non*-Department of Transportation (DOT) federal funds. Eligible sources of non-DOT federal funds include: Temporary Assistance to Needy Families (TANF), Community Services Block Grants (CSBG) and Social Services Block Grants (SSBG) administered by the US Department of Health and Human Services, Community Development Block grants (CDBG) and HOPE VI grants administered by the US Department of Housing and Urban Development (HUD). Grant funds from private foundations may also be used to meet the match requirement, and in-kind costs associated with oversight of the project may also be considered to meet the match requirement.

² All JARC projects must be selected through a competitive process, per federal requirements.

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Project Assessment: Standard evaluation criteria as previously developed by MTC and regional stakeholders will be used to assess and select projects. The five criteria include (1) project need/stated goals and objectives, (2) implementation plan, (3) project budget/sustainability, (4) coordination and program outreach, and (5) cost-effectiveness and performance indicators. Lifeline Program Administrators may establish the weight to be assigned for each criterion in the assessment process.

Additional criteria may be added to a county program but should not replace or supplant the regional criteria. MTC staff will review the proposed county program criteria to ensure consistency and to facilitate coordination among county programs.

Each county will appoint a local review team of CMA staff, as well as representatives of local stakeholders, such as local jurisdictions, transit operators or other transportation providers, community-based organizations, social service agencies, and members of MTC's Minority Citizens Advisory Committee, to score and select projects. Each county will assign local priorities for project selection.

Project Selection/Draft Program of Projects: In funding projects, preference will be given to strategies emerging from local CBTP processes, countywide regional welfare-to-work transportation plans, the Coordinated Public Transit-Human Services Transportation Plan or other documented assessment of need within the designated communities of concern. Findings emerging from one or more CBTPs or other relevant planning efforts may also be applied to other low-income areas, or otherwise be directed to serve low-income constituencies within the county, as applicable. Regional Lifeline funds should not supplant or replace existing sources of funds. Funds may be used for either capital or operating purposes.

Eligible operating projects, consistent with requirements of funding sources, may include (but are not limited to) new or enhanced fixed route transit services, restoration of lifeline-related transit services eliminated due to budget shortfalls, shuttles, children's transportation programs, taxi voucher programs, improved access to autos, etc. See Attachment 1 for additional details about eligibility by funding source.

Eligible capital projects, consistent with requirements of funding sources, include (but are not limited to) purchase of vehicles; bus stop enhancements, including the provision of bus shelters, benches, lighting or sidewalk improvements, rehabilitation, safety or modernization improvements, etc.; or other enhancements to improve transportation access for residents of low-income communities. See Attachment 1 for additional details about eligibility by funding source.

Inter-county projects may also be funded if two or more counties wish to jointly plan for and fund such a project. Interested project sponsors or CMA staff should contact MTC to facilitate coordination.

Transportation needs specific to elderly and disabled residents of low-income communities may also be considered when funding Lifeline projects.

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Project Delivery: All projects funded under the county programs will be subject to MTC obligation deadlines and project delivery requirements. All projects will be subject to a “use it or lose it” policy. MTC will revise the Lifeline Program of Projects in July 2009 for counties that are unable to program their full Lifeline allocation by October 31, 2008.

Policy Board Adoption: Projects recommended for funding must be submitted to and approved by the respective governing board. The appropriate governing board shall resolve that approved projects not only exemplify Lifeline Program goals, but that the local project sponsors understand and agree to meeting all project delivery, funding match and eligibility requirements, and obligation deadlines.

Project Oversight: Lifeline Program Administrators will be responsible for oversight of projects funded under the county programs and ensuring projects meet MTC obligation deadlines and project delivery requirements. In addition, Lifeline Program Administrators will ensure, at a minimum, that projects substantially carry out the scope described in the grant applications. All scope changes must be fully explained and must demonstrate consistency with Lifeline Program goals. All changes to JARC-funded projects must be reported to MTC and reconciled with FTA.

Lifeline Program Administrators are responsible for programmatic and fiscal oversight of new Lifeline projects. As part of the Call for Projects, applicants will be asked to establish project goals, and to identify basic performance indicators to be collected in order to measure the effectiveness of the Lifeline projects. At a minimum, performance measures for service-related projects would include: documentation of new “units” of service provided with the funding (e.g. number of trips, service hours, workshops held, car loans provided, etc.), cost per unit of service, and a qualitative summary of service delivery procedures employed for the project. For capital-related projects, project sponsors are responsible to establish milestones and report on the status of project delivery.

Timeline Summary

Action	Due Date
Issue Lifeline Call for Projects	Late June 2008
Small Urbanized Area JARC projects due to MTC	September 2008
All other Lifeline projects due to MTC	October 31, 2008
Proposition 1B transit projects due to Caltrans	November 2008 (estimated)
Commission approval of second cycle Lifeline Program of Projects	December 2008
STA-funded projects: project sponsors begin to claim funds or enter into agreements	January 2009
Proposition 1B transit-funded projects: project sponsors receive funds from state	February (estimated)
MTC submits Federal Transit Administration (FTA) grant with JARC projects	Spring 2009
JARC-funded projects: project sponsors begin to enter into agreements	Summer 2009 (following FTA grant approval)
Revision of Lifeline Program of Projects	July 2009

**Table A - Lifeline Transportation Program
Second Cycle Funding
FY 2009 – FY 2011**

Fund Source	3-YR Total	Actual/Proposed	Estimated	Remaining Future Commitment 2012-2018
STA	\$ 43,986,585	\$ 26,044,740	\$ 17,941,845	\$ 134,758,181
Prop 1B	\$ 27,504,040	\$ 17,187,188	\$ 10,316,852	\$ 72,217,961
JARC	\$ 3,175,177	\$ 289,809	\$ 2,885,368	\$ -
TOTAL	\$ 74,665,801	\$ 43,521,737	\$ 31,144,064	\$ 211,264,325

Notes:

- § Actual/proposed amounts are based on finalized or proposed budgets or appropriations. Estimated amounts are dependent on future budget proposals.
- § STA includes funding from the STA Consolidated Policy, Proposition 1B Swap and Spillover funds
- § STA commitments are per MTC Resolution 3837. Basis for amounts listed is the FY 09 Fund Estimate.
- § Prop. 1B commitment is per MTC Resolution 3814. Basis for amounts listed is the FY 08 actual and proposed FY 09 state budget.
- § JARC is estimated FY 09 large urbanized area (UA) apportionment and small UA targets only, plus the difference between actual and estimated FY 2007 and FY 2008 apportionments and targets.
- § Program administration costs are under consideration. If an amount is assigned for program administration, the total amount available for programming will be reduced.

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**Table B - Estimated Funding Target by Fund Source per County
Second-Cycle Funding
FY 2009 – FY 2011**

County	% poverty population	TOTAL	STA	Prop 1B	JARC
Alameda - Available	27.4%	\$15,275,013	\$12,052,324	\$2,436,107	\$786,582
Alameda - Advanced		5,100,000		5,100,000	
Contra Costa	12.5%	9,295,171	5,498,323	3,438,005	358,843
Marin	2.7%	2,007,757	1,187,636	742,609	77,510
Napa	1.7%	1,299,835	747,772	467,569	84,494
San Francisco	15.1%	11,228,567	6,641,974	4,153,110	433,483
San Mateo	7.1%	5,279,657	3,123,048	1,952,787	203,823
Santa Clara	21.7%	16,145,742	9,545,089	5,968,377	632,276
Solano	5.5%	4,348,819	2,419,262	1,512,722	416,834
Sonoma	6.3%	4,685,241	2,771,155	1,732,754	181,331
	TOTAL	\$74,665,801	\$43,986,585	\$27,504,040	\$3,175,177

Notes:

- § Estimates intended for planning purposes only. Actual allotment of funds may differ than those indicated above.
- § Poverty percentages by county are based on federal poverty levels reported in 2000 US Census
- § JARC estimates include small urbanized area funds administered by Caltrans. The small urbanized areas in the region include Livermore, Gilroy, Petaluma, Fairfield, Vacaville, Vallejo and Napa. These funds are subject to Caltrans requirements.
- § The Alameda County – Advanced total reflects \$5.1 million in Prop. 1B programmed in advance under Res. 3834
- § Program administration costs are under consideration. If an amount is assigned for program administration, the total amount available for programming will be reduced.

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5/5/08**ATTACHMENT 1****Lifeline Transportation Program
Second-Cycle Funding, FY 2009 – FY 2011****Funding Source Information**

	State Transit Assistance (STA)	Proposition 1B – Transit	Job Access Reverse Commute (JARC)
Detailed Guidelines	http://www.dot.ca.gov/hq/MassTrans/Docs-Pdfs/TDA2007Work.pdf	www.mtc.ca.gov/funding/infrastructure/PTMIS_EA_12-05-07.PDF	www.fta.dot.gov/documents/FTA_C_9050.1_JARC.pdf
Eligible Recipients	<ul style="list-style-type: none"> § Transit operators § Cities and Counties § Other entities with eligible projects may be eligible to receive funds if an eligible recipient serves as fiscal agent for the project. 	<ul style="list-style-type: none"> § Transit operators or local agencies that are eligible to receive STA funds, as listed by State Controller's Office. 	<ul style="list-style-type: none"> § Operators of public transportation services, including private operators of public transportation services § Private non-profit organizations § State or local governmental authority
Eligible Projects	<p><u>Transit Capital and Operations</u>, including:</p> <ul style="list-style-type: none"> § New, continued or expanded fixed-route service § Purchase of vehicles § Shuttle service if available for use by the general public § Purchase of technology (i.e. GPS, other ITS applications) § Capital projects such as bus stop improvements, including bus benches, shelters, etc. § Some elements of mobility management 	<p><u>Transit Capital</u> (including a minimum operable segment of a project) for:</p> <ul style="list-style-type: none"> § Rehab, safety, or modernization improvements § Capital service enhancements or expansions § New capital projects § Bus rapid transit improvements § Rolling stock procurement, rehab, or replacements <p>Projects must be consistent with most recently adopted short-range transit plan or other publicly adopted plan that includes transit capital improvements.</p>	<p><u>Capital or Operating projects</u> that improve access to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities</p> <ul style="list-style-type: none"> § Jobs § Services § Ridesharing and carpooling § Transit-related aspects of bicycling § Local car loan programs § Marketing § Administration and expenses for voucher programs § ITS, AVL, etc. for improving scheduling and dispatch § Reverse commute subsidies § Mobility management <p>Projects must be derived from the regionally-adopted Coordinated Public Transit-Human Services Transportation Plan.</p>

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Second-Cycle Lifeline Program Guidelines
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<p>Lifeline Program Local Match</p>	<p>20%</p>	<p>20%</p>	<ul style="list-style-type: none"> § 50% for operating projects (Lifeline Program Administrators may use STA funds to cover the 30% difference for projects that are eligible for both JARC and STA funds. § 50% for auto projects § 20% for capital projects
<p>Estimated availability of funds to project sponsor</p>	<ul style="list-style-type: none"> § Transit operators can initiate claims immediately following MTC approval of program of projects for current fiscal year funds. § MTC or the local transit operator will initiate funding agreements for other STA eligible projects administered by sponsors who are not STA eligible recipients following MTC approval of Program of Projects. 	<ul style="list-style-type: none"> § Project sponsors must submit a Proposition 1B application to Caltrans. The estimated due date is November 2008. Disbursement is estimated to occur within 3 months of receipt of the application. 	<ul style="list-style-type: none"> § Lifeline Program Administrators will only select JARC projects that are derived from the Coordinated Public Transit-Human Services Transportation Plan, as federally required. MTC will certify this following submittal to MTC. § Final amount of funding available for FY 09 depends on Congressional appropriation, usually due in winter/spring. Following final appropriations, MTC and Lifeline Program Administrators will assess actual funding compared to the estimates and work with project sponsors if adjustments are needed. § Lifeline Program Administrators will then enter the JARC project into the Transportation Improvement Program (TIP). § Following approval of the TIP, MTC will enter the project into MTC's Federal Transit Administration (FTA) grant to be submitted in spring 2009. § Following FTA approval of the grant (approx. 3 month process), MTC will enter into funding agreements with project sponsors.

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Second-Cycle Lifeline Program Guidelines

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<p>Accountability & Reporting Requirement</p>	<p>§ Before submitting annual claims, transit operators will be required to submit an annual performance report containing ridership statistics for Lifeline projects. Prior to submittal to MTC, reports will be submitted to Lifeline Program Administrators for review.</p> <p>§ Non-profits or other entities receiving funds outside of the claims process will be required to submit quarterly performance reports with invoices for reimbursement to MTC. Prior to submittal to MTC, reports will be submitted to Lifeline Program Administrators for review.</p>	<p>§ Using designated Caltrans forms, project sponsors are required to submit project activities and progress reports to the state every six months, as well as a project close-out form. Caltrans will track and publicize progress via their website.</p>	<p>§ All project sponsors will submit quarterly performance reports with invoices for reimbursement to MTC. Prior to submittal to MTC, reports will be submitted to Lifeline Program Administrators for review.</p>
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Note: Information on this chart is accurate as of May 2008. MTC will strive to make Lifeline Program Administrators aware of any changes to fund source guidelines that may be enacted by the appropriating agencies (i.e. State of California, Federal Transit Administration).

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of May 1, it was suggested by the group that the obligation request submittal deadline remain at March 1, requiring sponsors to process their E-76 requests through Caltrans in 60 days rather than the 90 days currently allowed by the policy. It was believed that project sponsors would have difficulty in meeting the advanced submittal deadline of February 1.

Following the April PDWG meeting, this proposal was presented to the Local Streets and Roads Working Group Meeting. That group felt it would be too difficult for Caltrans to process the requests within 60 days, and suggested that MTC discuss the proposed change with Caltrans. The LS&R Working Group was more concerned with the ability of Caltrans and FHWA to process the requests within 60 days, than in meeting the earlier submittal deadline date.

MTC discussed the advanced deadlines with Caltrans Local Assistance on May 6. Although Caltrans would like to process requests within 60 days, it often takes more time to assist project sponsors with their submittals, especially the smaller jurisdictions that may not have complete expertise with the federal-aid local assistance process. Caltrans Local Assistance expressed a desire to keep the 90-day processing time.

The proposal was presented again at the May PDWG meeting, with the concerns expressed by Caltrans and the Local Streets and Roads Working Group regarding the need for a 90-day processing period. Following lengthy discussion regarding the difficulty for sponsors to meet the February 1 deadline, which is early in the federal fiscal year, the group decided to proceed with the original proposal to move the request submittal deadline to February 1, with the understanding that the group would evaluate the affects of the earlier deadline after its first year of implementation.

The proposal was once again presented to the Local Streets and Roads and Programming and Delivery and Working Groups at their June meetings.

Based on comments from PDWG, LS&RWG and Caltrans, it is proposed that the STP/CMAQ obligation and obligation request submittal deadlines be advanced by one month, from May 31 to April 30 and from March 1 to February 1 respectively, in response to the change in Caltrans' OA Management Policy. This change will take affect in 2009. Following the first year of implementation, the advanced obligation submittal deadline will be evaluated by the Working Groups to determine the impacts to project delivery and any difficulties in meeting the new advanced submittal deadline.

The proposed revised Regional Project Delivery Policy (Resolution 3606) is attached.

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**Metropolitan Transportation Commission
Regional Project Funding Delivery Policy
for SAFETEA - STP and CMAQ Funding
Proposed Revision
June 16, 2008**

General Policy

The region has established deadlines for funding in the regional Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) Program to ensure timely project delivery against state and federal funding deadlines. This resolution establishes a standard policy for enforcing project funding deadlines and project substitutions for these funds during the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA) and subsequent extensions.

STP and CMAQ funds are to be programmed in the Transportation Improvement Program (TIP), up to the apportionment level for that fiscal year, in the fiscal year in which the funds are to be obligated by the Federal Highway Administration (FHWA) or transferred to the Federal Transit Administration (FTA), similar to the programming of the State Transportation Improvement Program (STIP).

The regional STP and CMAQ programs are project specific. Projects are chosen for the program based on eligibility, project merit, and deliverability within the established deadlines. The programmed STP and CMAQ funds are for those projects alone. STP/CMAQ funds may be used for any phase of the project in accordance with Caltrans procedures and federal regulations.

It is the responsibility of the implementing agency at the time of project application and programming to ensure the regional deadlines and provisions of the regional project funding delivery policy can be met. Agencies with difficulty in delivering existing federal-aid projects will have future programming and Obligation Authority (OA) restricted for additional projects until the troubled projects are brought back on schedule, and the agency has demonstrated it can deliver new projects within the required deadlines.

MTC staff will actively monitor and report the obligation status of projects to the Working Group (FWG) of the Bay Area Partnership. The FWG will monitor project funding delivery issues as they arise and make recommendations to the Partnership Technical Advisory Committee (PTAC) as necessary.

The implementing agency or MTC may determine that circumstances may justify changes to the STP and CMAQ programming. These changes, or amendments to these regional programs, are not routine. Proposed changes will be reviewed by MTC staff before any formal actions on program amendments are considered by the Commission. STP/CMAQ funds may be shifted among any phase of the project without the concurrence or involvement of MTC if allowed under Caltrans procedures and federal regulations. All changes must follow MTC policies on the Public Involvement Process and Federal Air Quality Procedures and Conformity Protocol. Changes must be consistent with the Regional Transportation Plan (RTP), must not adversely affect the expeditious implementation of Transportation Control Measures (TCMs), must comply with the provisions of Title VI, must not negatively impact the deliverability of other projects in the regional programs, and must not affect the conformity finding in the TIP.



In selecting projects to receive redirected funding, the Commission may use existing lists of projects that did not receive funding in past programming exercises, or direct the funds to agencies with proven on-time project delivery, or could identify other projects with merit to receive the funding, or retain the funding for future programming cycles. Final decisions regarding the reprogramming of available funds will be made by the Commission.

Programming to Apportionment in the Year of Obligation

Federal funds are to be programmed in the TIP, up to the apportionment level available, in the fiscal year in which the funds are to be obligated by FHWA or transferred to FTA. The implementing agency is committed to obligate/transfer the funds by the required obligation deadline once the program year in the TIP becomes the current year, and the annual Obligation Plan has been developed for that year. This will improve the overall management of federal apportionment and Obligation Authority (OA) within the region and help ensure apportionment and OA are available for projects that are programmed in a particular year. It will also assist the region in meeting federal financial constraint requirements. At the end of the federal authorization Act, MTC will reconcile any differences between final apportionments, programmed amounts, obligations and actual OA received.

Advanced Project Selection Process

Obligations for funds advanced from future years of the TIP will be permitted only upon the availability of surplus OA with Advance Construction Authorization (ACA) projects in the annual obligation plan having first priority for OA in a given year, and current programmed projects that have met the delivery deadlines having second priority for OA in a given year. Advanced obligations will be based on the availability of OA and generally will only be considered after ~~March 1~~February 1 of each fiscal year. In some years OA may not be available for advancements until after ~~June 1~~May 1, but the funds must be identified in the annual obligation plan, and the obligation request for the advanced OA should be received by Caltrans prior to ~~June 1~~May 1.

Agencies requesting advanced funding should be in good standing in meeting deadlines for other federal-aid projects. Restrictions may be placed on the advancement of funds for agencies that are delivery-challenged (continue to have difficulty delivering projects within required deadlines) or have current projects that are in violation of funding deadlines. MTC may consult with Caltrans and/or the appropriate CMA to determine whether the advancement of funds is warranted and will not impact the delivery of other projects.

Implementing agencies wishing to advance projects may request Advance Construction Authorization from FHWA, or pre-award authority from FTA, to proceed with the project using local funds until OA becomes available. ACA does not satisfy the obligation deadline requirement.

Important Tip: Caltrans releases unused local OA on ~~June 1~~May 1 of each year. Projects that do not access their OA through obligation or transfer to FTA by that date are subject to having their funds taken by other regions. This provision allows the advancement of projects after ~~June 1~~May 1, by using unclaimed OA from other regions.

Advance Construction Authorization (ACA)

Agencies that cannot meet the regional, state or federal requirements have the option to use Advance Construction Authorization (ACA) rather than seeking an obligation of funds and risk losing the funds due to missing subsequent deadlines. For example if the expenditure of project development funds or award of a construction contract cannot easily be met within the required deadline, the agency may consider



using ACA until the project phase is underway and the agency is ready to invoice. ACA may also be considered by agencies that prefer to invoice once – at the end of the project, rather than invoice on the required semi-annual basis.

ACA conversion to full obligation receives priority in the annual obligation plan. MTC will monitor the availability of OA to ensure delivery of other projects is not impacted by ACA conversions. At the end of the federal authorization Act, ACA may be the only option available should the region's OA be fully used.

Project Cost Savings/Changes in Scope/Project Failures

Projects may be completed at a lower cost than anticipated, or have a minor change in scope resulting in a lower project cost, or may not proceed to implementation. In such circumstances, the implementing agency must inform MTC, Caltrans and the appropriate county Congestion Management Agency (CMA) within a timely manner that the funds resulting from these project reductions will not be used. Federal regulations require that the project proceed to construction within ten years of initial federal authorization of any phase of the project. Furthermore, if a project is canceled, or fails to proceed to construction in ten years, FHWA will de-obligate any remaining funds, and the agency is required to repay any reimbursed funds.

Project funding reductions accrued prior to the established obligation deadline are available for redirection within the program of origin. Savings within the CMA administered programs (such as Local Streets and Roads Rehabilitation) are available for redirection within the program by the respective CMA, subject to Commission approval. Project funding reductions within regional competitive programs, such as the Transportation for Livable Communities (TLC) program, or for regional operations projects, are available for redirection by the Commission. For all programs, projects using the redirected funding reductions prior to the obligation deadline must still obligate the funds within the original deadline.

Minor adjustments in project scope may be made to accommodate final costs, in accordance with Caltrans procedures and federal regulation. However, STP/CMAQ funding for the project is limited to the amount approved by MTC. Once funds are de-obligated there is no guarantee the funds will be available for the project.

Project funding reductions or unused funds realized after the obligation deadline return to MTC. Any STP/CMAQ funds that have been obligated but remain unused will be deobligated and returned to the Commission for reprogramming.

Important Tip: If a project is canceled as a result of the environmental process, the agency does not have to repay reimbursed costs for the environmental activities. However, if a project is canceled after the environmental process is complete, or a project does not proceed to construction within 10 years, the agency is required to repay all reimbursed federal funds.

Annual Obligation Plan

California Streets and Highway Code 182.6(f) requires the regions to notify Caltrans of the expected use of OA each year. Any local OA, and corresponding apportionment that is not used by the end of the fiscal year will be redistributed by Caltrans to other projects in a manner that ensures the state continues to receive increased obligation authority during the annual OA redistribution. There is no provision in state statute the local apportionment and OA used by the state will be returned.

MTC will prepare an annual Obligation Plan at the beginning of each federal fiscal year based on the funding programmed in the TIP, and the apportionment and OA expected to be available. This plan will be the basis upon which obligations will be made for the year. It is expected that the CMAs and project sponsors with funds programmed in the TIP will assist in the development of the plan by ensuring the TIP



is kept up to date, and if necessary, review the plan prior to submittal to Caltrans. Projects listed in the plan that do not receive an obligation are subject to de-programming. Projects to be advanced from future years, or converted from ACA must be included in the plan to receive priority for obligations against available OA.

If a project or project phase will not be ready for obligation in the year programmed, the agency responsible for the project should request to delay the project prior to entering the program fiscal year. The agency shall be considered committed to delivering the project (obligating the funds or transferring to FTA) once the program year becomes the current fiscal year, and the annual Obligation Plan has been developed for that year.

In the event that OA is severely limited, such as at the end of a federal authorization act, and there is insufficient OA to obligate all of the projects in the annual obligation plan, restrictions may be placed on funds for agencies that are delivery-challenged (continue to have difficulty delivering projects within required deadlines) or have current projects that are in violation of funding deadlines.

Specific Policy Provisions

Projects selected to receive STP or CMAQ funding must have a demonstrated ability to use the funds within the established regional, state and federal deadlines. This criterion will be used for selecting projects for funding, and for placement of funding in a particular year of the TIP. Agencies with a continued history of being delivery-challenged and continue to miss funding delivery deadlines will have restrictions placed on future obligations and programming.

It is the responsibility of the implementing agency to ensure the funds can be used within the established regional, state and federal deadlines and that the provisions of the regional funding delivery policy can be met. It is also the responsibility of the implementing agency to continuously monitor the progress of the programmed funds against regional, state and federal deadlines, and to report any potential difficulties in meeting these deadlines, to MTC, Caltrans and the appropriate county CMA within a timely manner, to seek solutions to potential problems well in advance of potential delivery failure or loss of funding.

Specific provisions of the Regional Project Funding-Delivery Policy are as follow:

- **Field Reviews**

Implementing agencies are required to request a field review from Caltrans Local Assistance within 12 months of approval of the project in the TIP, but no less than 12 months prior to the obligation deadline of construction funds. This policy also applies to federal-aid projects in the STIP. The requirement does not apply to projects for which a field review would not be applicable, such as FTA transfers, regional operations projects and planning activities.

Failure for an implementing agency to make a good-faith effort in requesting and scheduling a field review from Caltrans Local Assistance within twelve months of programming into the TIP could result in the funding being reprogrammed and restrictions on future programming and obligations. Completed field review forms must be submitted to Caltrans in accordance with Caltrans Local Assistance procedures.

- **Environmental Submittal Deadline**

Implementing agencies are required to submit a complete environmental package to Caltrans for all projects (except those determined Programmatic Categorical Exclusion as determined by Caltrans at the field review), twelve months prior to the obligation deadline for right of way or construction funds.



This policy creates a more realistic time frame for projects to progress from the field review through the environmental and design process, to the right of way and construction phase. If the environmental process, as determined at the field review, will take longer than 12 months before obligation, the implementing agency is responsible for delivering the complete environmental submittal in a timely manner. Failure to comply with this provision could result in the funding being reprogrammed. The requirement does not apply to FTA transfers, regional operations projects or planning activities.

- **Disadvantaged Business Enterprise (DBE)**

Obligation of federal funds may not occur for contracted activities (any combination of environmental/ design/ construction/ procurement activities performed outside the agency) until and unless an agency has an approved DBE program and methodology for the current federal fiscal year. Therefore, agencies with federal funds programmed in the TIP must have a current approved DBE Program and annual methodology (if applicable) in place prior to the fiscal year the federal funds are programmed in the TIP.

STP/CMAQ funding for agencies without approved DBE methodology for the current year are subject to redirection to other projects after ~~March 1~~February 1. Agencies should begin the DBE process no ~~later than January 1~~as early as possible to meet the ~~March 1~~February 1 deadline. Projects advanced under the Expedited Project Selection Process (EPSP) must have an approved DBE program and annual methodology for the current year (if applicable) prior to the advancement of funds.

Important Tip: An agency DBE plan is required before the obligation of federal funds. Furthermore, an annual DBE methodology must be approved prior to the obligation of federal funds for services to be contracted out (such as environmental/ design/ construction/ procurement activities performed outside the agency). An annual DBE methodology may not be required if the activities (such as environmental or design) are to be performed in-house using internal staff resources. It generally takes a minimum of 90 days (including a minimum 45-day public comment period) to have an annual DBE methodology approved. Due to the complexities of the DBE requirements, agencies should contact Caltrans Local Assistance to determine whether an annual DBE methodology is required. If a DBE methodology is required, agencies are encouraged to begin the process by June of the preceding federal fiscal year so the process may be complete by the beginning of the federal fiscal year in October.

- **Obligation/Submittal Deadline**

Projects selected to receive STP and CMAQ funding must demonstrate the ability to obligate programmed funds by the established obligation deadline. This criterion will be used for selecting projects for funding, and for placement in a particular year of the TIP. It is the responsibility of the implementing agency to ensure the deadlines can be met.

In order to ensure funds are obligated or transferred to FTA in a timely manner, the implementing agency is required to deliver a complete funding obligation / FTA Transfer request package to Caltrans Local Assistance by ~~March 1~~February 1 of the year the funds are listed in the TIP. Projects with complete packages delivered by ~~March 1~~February 1 of the programmed year will have priority for available OA, after ACA conversions that are included in the Obligation Plan. If the project is delivered after ~~March 1~~February 1 of the programmed year, the funds will not be the highest priority for obligation in the event of OA limitations, and will compete for limited OA with projects advanced from future years. Funding for which an obligation/ FTA transfer request is submitted after the ~~March 1~~February 1 deadline will lose its priority for OA, and be viewed as subject to reprogramming.

Important Tip: Once a federal fiscal year (October 1 through September 30) has begun, and the Obligation Plan for that year developed, the agency is committed to obligating/transferring the funds by the required obligation deadline for that fiscal year. Funds that do not meet the obligation deadline are subject to de-programming by MTC.

Within the CMA administered programs, such as the Local Streets and Roads Rehabilitation program, the CMAs may adjust delivery, consistent with the program eligibility requirements, up until ~~March 1~~ February 1 of the programmed year, swapping funds to ready-to-go projects in order to utilize all of the programming capacity. The substituted project(s) must still obligate the funds within the original funding deadline.

For funds programmed through regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional operations projects, such as 511, or for planning activities, such as the CMA planning activities, the Commission has discretion to redirect funds from delayed or failed projects.

STP and CMAQ funds are subject to an obligation/FTA transfer deadline of ~~May 31~~ April 30 of the fiscal year the funds are programmed in the TIP. Implementing agencies are required to submit the completed request for obligation or FTA transfer to Caltrans Local Assistance by ~~March 1~~ February 1 of the fiscal year the funds are programmed in the TIP, and receive an obligation/FTA transfer of the funds by ~~May 31~~ April 30 of the fiscal year programmed in the TIP. For example, projects programmed in FY ~~2007-08~~ 2008-09 of the TIP have an obligation/FTA transfer request submittal deadline (to Caltrans) of ~~March 1, 2008~~ February 1, 2009 and an obligation/FTA transfer deadline of ~~May 31, 2008~~ April 30, 2009. Projects programmed in FY ~~2008-09~~ 2009-10 have an obligation request submittal deadline (to Caltrans) of ~~March 1, 2009~~ February 1, 2010 and an obligation/FTA transfer deadline of ~~May 31, 2009~~ April 30, 2009. No extensions will be granted to the obligation deadline.

- Submittal Deadline: ~~March 1~~ February 1 of the fiscal year programmed in the TIP. The Implementing Agency is required to submit a complete obligation/transfer package to Caltrans (3 months prior to the Obligation Deadline).
- Obligation Deadline: ~~May 31~~ April 30 of the fiscal year programmed in the TIP. No extensions will be granted to the obligation deadline.

~~March 1~~ February 1 - Regional submittal deadline. Complete package submittals, and ACA conversion requests for projects in the annual obligation plan received by ~~March 1~~ April 1 of the fiscal year the funds are programmed in the TIP will receive priority for obligations against available OA.

~~March 1~~ February 1 – ~~May 31~~ April 30 - Projects submitted during this timeframe are subject to deprogramming. If OA is still available, these projects may receive OA if obligated by ~~May 31~~ April 30. If OA is limited, these projects will compete for OA with projects advanced from future years on a first come-first serve basis. Projects with funds to be advanced from future years must request the advance prior to ~~May 31~~ April 30, in order to secure the funds within that federal fiscal year.

~~May 31~~ April 30 - Regional obligation deadline. Funds not obligated (or transferred to FTA) by ~~May 31~~ April 30 of the fiscal year programmed in the TIP will be returned to MTC for reprogramming. No extensions of this deadline will be granted. Projects seeking advanced obligations against funds from future years should request the advance prior to ~~May 31~~ April 30 in order to secure the funds within that federal fiscal year.



The obligation deadline may not be extended. The funds must be obligated by the established deadline or they will be de-programmed from the project and redirected by the Commission to a project that can use the funds in a timely manner.

Note: Advance Construction Authorization does not satisfy the regional obligation deadline requirement, except under certain circumstances such as when Caltrans uses ACA for state projects.

Important Tip: In some years OA for the region may be severely limited, especially toward the end of the federal Authorization Act. When OA is limited, ACA conversions identified in the annual obligation plan and submitted before the deadline of ~~March 1~~February 1 have priority, followed by other projects in the annual obligation plan submitted before the deadline of ~~March 1~~February 1. Projects in the obligation plan but submitted after ~~March 1~~February 1 may have OA (and thus the obligation of funds) restricted and may have to wait until OA becomes available – either after ~~June 1~~May 1, when unused OA is released from other regions, or in the following federal fiscal year when Congress approves additional OA. Obligation requests submitted after the ~~March 1~~February 1 deadline have no priority for OA for that year. Agencies with projects not in good standing with regards to the deadlines of this policy may have OA restricted.

- **Program Supplement Agreement (PSA) Deadline**

The implementing agency must execute and return the Program Supplement Agreement (PSA) to Caltrans in accordance with Caltrans Local Assistance procedures. The agency must contact Caltrans if the PSA is not received from Caltrans within 60 days of the obligation. This requirement does not apply to FTA transfers.

Agencies that do not execute and return the PSA to Caltrans within the required Caltrans deadline will be unable to obtain future approvals for any projects, including obligation and payments, until all PSAs for that agency, regardless of fund source, meet the PSA execution requirement. Funds for projects that do not have an executed PSA within the required Caltrans deadline are subject to deobligation by Caltrans.

- **Construction Advertisement / Award Deadline**

For the Construction (CON) phase, the construction/equipment purchase contract must be advertised within 6 months of obligation and awarded within 9 months of obligation. However, regardless of the advertisement and award deadlines, agencies must still meet the invoicing deadline for construction funds. Failure to advertise and award a contract in a timely manner could result in missing the subsequent invoicing and reimbursement deadline, resulting in the loss of funding.

Agencies must submit the notice of award to Caltrans in accordance with Caltrans Local Assistance procedures, with a copy also submitted to the applicable CMA. Agencies with projects that do not meet these award deadlines will have future programming and OA restricted until their projects are brought into compliance.

For FTA projects, funds must be approved/awarded in an FTA Grant within one federal fiscal year following the federal fiscal year in which the funds were transferred to FTA.

Important Tip: Agencies may want to use the flexibility provided through Advance Construction Authorization (ACA) if it will be difficult meeting the deadlines. Agencies may consider proceeding with ACA and converting to a full obligation at time of award when project costs and schedules are more defined or when the agency is ready to invoice.



- **Invoicing Deadline**

Funds for each federally funded phase and for each federal program code must be invoiced against at least once every six months.

Funds for each federally funded (Environmental (ENV/ PA&ED), Preliminary Engineering (PE), Final Design (PS&E) and Right of Way (R/W) phase and for each federal program code within these phases, must be invoiced against at least once every six months following obligation. Funds that are not invoiced at least once every 12 months are subject to de-obligation. There is no guarantee that funds will be available to the project once de-obligated.

Funds for the Construction (CON) phase, and for each federal program code within the construction phase, must be invoiced and reimbursed against at least once within 12 months of the obligation, and then invoiced at least once every 6-months there after. Funds that are not invoiced and reimbursed at least once every 12 months are subject to de-obligation by FHWA. There is no guarantee that funds will be available to the project once de-obligated.

If a project does not have eligible expenses within a 6-month period, the agency must provide a written explanation to Caltrans Local Assistance for that six-month period and submit an invoice as soon as practicable to avoid missing the 12-month invoicing and reimbursement deadline.

Agencies with projects that have not been invoiced against and reimbursed within a 12-month period, regardless of federal fund source, will have restrictions placed on future programming and OA until the project is properly invoiced. Funds that are not invoiced and reimbursed against at least once every 12 months are subject to de-obligation by FHWA.

Important Tip: In accordance with Caltrans procedures, federal funds must be invoiced against for each obligated phase and each federal program code at least once every six months. Funds that are not invoiced and reimbursed at least once every 12 months are subject to de-obligation by FHWA. There is no guarantee the funds will be available to the project once de-obligated. Agencies that prefer to submit one final billing rather than semi-annual progress billings can use ACA to proceed with the project, then convert to a full obligation prior to project completion. ACA does not meet the obligation deadline, but ACA conversions do receive priority in the annual obligation plan.

- **Inactive Projects**

Most projects can be completed well within the state's deadline for funding liquidation or FHWA's ten-year proceed-to-construction requirement. Yet it is viewed negatively by both FHWA and the California Department of Finance for projects to remain inactive for more than twelve months. It is expected that funds for completed phases will be invoiced immediately for the phase, and projects will be closed out within six months of the final project invoice. Funds that are not invoiced and reimbursed at least once every 12 months are subject to de-obligation by FHWA. There is no guarantee the funds will be available to the project once de-obligated.

- **Liquidation/Reimbursement Deadline**

Funds must be liquidated (fully expended, invoiced and reimbursed) within six years of obligation.

California Government Codes 16304.1 and 16304.3 places additional restrictions on the liquidation of federal funds. Generally, federal funds must be liquidated (fully expended, invoiced and reimbursed)



within 6 state fiscal years following the fiscal year in which the funds were appropriated. Funds that miss the state's liquidation/ reimbursement deadline will lose State Budget Authority and will be de-obligated if not reappropriated by the State Legislature, or extended (for one year) in a Cooperative Work Agreement (CWA) with the California Department of Finance. This requirement does not apply to FTA transfers.

- **Project Completion /Close-Out Deadline**

Implementing Agencies must fully expend federal funds on a phase one year prior to the estimated completion date provided to Caltrans.

At the time of obligation, the implementing agency must provide Caltrans with an estimated completion date for that project phase. Any unreimbursed federal funds remaining on the phase after the estimated completion date has passed, is subject to project funding adjustments by FHWA.

Projects must be properly closed out within six months of final project invoice. Projects must proceed to construction within 10 years of federal authorization of the initial phase.

Federal regulations require that federally funded projects proceed to construction within 10 years of initial federal authorization of any phase of the project. Furthermore, if a project is canceled, or fails to proceed to construction in 10 years, FHWA will de-obligate any remaining funds, and the agency is required to repay any reimbursed funds. If a project is canceled as a result of the environmental process, the agency does not have to repay reimbursed costs for the environmental activities. However, if a project is canceled after the environmental process is complete, or a project does not proceed to construction within 10 years, the agency is required to repay all reimbursed federal funds.

Agencies with projects that have not been closed out within 6 months of final invoice will have future programming and OA restricted until the project is closed out or brought back to good standing by providing written explanation to Caltrans Local Assistance, the applicable CMA and MTC.

Consequences of Missed Deadlines

It is the responsibility of the implementing agency to ensure the funds can be used within the established regional, state and federal deadlines and that the provisions of the regional funding delivery policy, and other state and federal requirements, can be met. It is also the responsibility of the implementing agency to continuously monitor the progress of the project against these regional, state and federal funding deadlines and report any potential difficulties in meeting these deadlines to MTC, Caltrans and the appropriate county CMA within a timely manner. MTC, Caltrans and the CMAs are available to assist the implementing agencies in meeting the funding deadlines, and may be able to find solutions that avoid the loss of funds.

Agencies that do not meet these funding deadlines risk the loss of federal funds. To minimize such losses to the region, and encourage timely project delivery, agencies that continue to be delivery-challenged and/or have current projects that have missed the funding deadlines will have future obligations, programming or requests for advancement of funds restricted until their projects are brought back into good standing. Projects are selected to receive STP or CMAQ funding based on the implementing agency's demonstrated ability to delivery the projects within the funding deadlines. An agency's proven delivery record will be used for selecting projects for funding and placement in a particular year of the TIP, and for receipt of OA.



Regional Project Funding Delivery Policy Intent

The intent of this regional funding delivery policy is to ensure implementing agencies do not lose any funds due to missing a federal or state funding deadline, while providing maximum flexibility in delivering transportation projects. It is also intended to assist the region in managing Obligation Authority, and in meeting federal financial constraint requirements. MTC has purposefully established regional deadlines in addition to state and federal funding deadlines to provide the opportunity for implementing agencies, the CMAs, Caltrans, and MTC to solve potential project delivery issues and bring projects back on-line in advance of losing funds due to a missed funding deadline. The policy is also intended to assist in project delivery, and ensure funds are used in a timely manner.

Although the policy specifically addresses the regional STP and CMAQ funds managed by MTC, the state and federal deadlines cited apply to all federal-aid funds administered by the state (with few exceptions such as Congressionally mandated projects including Earmarks). Implementing agencies should pay close attention to the deadlines of other state and federal funds on their projects so as not to miss any other applicable funding deadlines.

This regional Project delivery policy was developed by the San Francisco Bay Area's Partnership, through the Project Delivery Task Force of the Bay Area Partnership's Finance Working Group (FWG), consisting of representatives of Caltrans, the county Congestion Management Agencies (CMAs), transit operators, counties, and MTC staff.



Milestone	Deadline	Authority	Consequence of Missed Deadline
Programming in TIP	Agency committed to obligate funds by April 30 of the year listed in TIP	Regional	Deprogramming of funds and redirection to other projects that can use the OA.
Field Review (If applicable)	Within 12 months of inclusion in TIP	Regional	Restrictions on future programming, obligations and OA until deadline is met.
Pre-Draft Environmental Document Submittal (Non-Cat Ex)	12 months prior to obligation of Right of Way or Construction funds	Regional	Reprogramming of funds.
MTC Annual Obligation Plan	Beginning of each federal fiscal year	Regional	Funds not identified in MTC's annual Obligation Plan do not receive priority for OA and may need to wait until after May 1 to receive obligation/ transfer of funds.
Disadvantaged Business Enterprise (DBE) Goals (If Applicable)	Start by January 1, complete by March 1 <u>February 1</u> , of year programmed in TIP	Regional	Deprogramming of funds and redirection to other projects that can use the OA if not obligated by May 31 <u>April 30</u> .
Obligation/ FTA Transfer Request Submittal	March 1 <u>February 1</u> of year programmed in TIP	Regional	Project loses priority for OA. Other projects in region may be given OA.
Obligation/ Transfer to FTA	May 31 <u>April 30</u> of year programmed in TIP	Regional	Deprogramming of funds and redirection to other projects that can use the OA.
Release of Unused OA	June 1 <u>May 1</u>	Caltrans	Unused OA is made available for other regions to access.
End of Federal Fiscal Year. - OA no Longer Available	August 30	Caltrans, Federal	FHWA Obligation system shut down. Unused OA at the end of the fiscal year is taken for other projects. No provision that the funds taken will be returned.
Program Supplement Agreement (PSA)	60 days after receipt from Caltrans 6 months after obligation	Caltrans	Restrictions on future programming, obligations and OA until deadline is met. De-obligation by Caltrans after 6 months.
Construction Advertisement	6 months after obligation	Regional	Restrictions on future programming, obligations and OA until deadline is met
Construction Award	9 months after obligation	Regional	Restrictions on future programming, obligations and OA until deadline is met
Invoicing & Reimbursement	Agency must invoice and receive reimbursement at least once every 6 to 12-months following obligation of funds	Caltrans, Federal, Regional	Explanation in writing if funds not invoiced in past 6-month period. (Caltrans) Deobligation if project inactive for 12 months. (FHWA) Restrictions on future programming, OA and obligations if agency has not invoiced and received reimbursement at least once every 12-months after obligation. (MTC)
Liquidation	6 years after obligation	State of California	Loss of State Budget Authority and de-obligation by State of California
Project Close-Out	6 months after final invoice	Caltrans, Regional	Explanation in writing. (Caltrans) Restrictions on future programming, obligations and OA. (MTC)





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Memorandum

TO: Partnership Technical Advisory Committee

DATE: June 16, 2008

FR: Sri Srinivasan

RE: TIP Update

TIP Amendment 07-23

Amendment 07-23 is an amendment that updates the project listing and funding for 22 existing projects and adds three new air-quality exempt projects to the 2007 TIP. Some of the significant changes in the amendment are as follow: Adds prior-year federal earmark funds totaling \$496,000 to the Almaden Expressway Pedestrian Overcrossing project; Redirects \$13 million from the Transportation for Livable Communities (TLC)/Housing Incentive Program (HIP) and the regional exchange programs pursuant to Commission action on the Third Cycle Congestion Mitigation and Air Quality Improvement (CMAQ) Bonus; Redirects \$2.47 million from the Latham & Telegraph Pedestrian Improvement project to five other Oakland TLC/HIP projects at the request of the City of Oakland. Revisions made with this amendment do not change the air quality conformity or conflict with the financial constraint requirements. Final approval of Amendment 07-23 was received on May 12, 2008.

Annual Transit Pop TIP Amendment (TIP Amendment 07-24)

TIP Amendment 07-24 is the annual Transit Program of Projects TIP amendment. The amendment constrains the FY 2007-08 Federal Transit Administration (FTA) Section 5307 and Section 5309 programs to actual appropriations, adding FTA funded earmarks, and making adjustments to other previously programmed FTA-funded projects. The amendment also adds the FY 2008-09 FTA Section 5307 and Section 5309 programs to the TIP, which total approximately \$350 million. The amendment also updates the grouped listing for the FTA programs. Revisions made with this amendment do not change the air quality conformity or conflict with the financial constraint requirements. Final approval of Amendment 07-24 was received on May 12, 2008.

TIP Amendment 07-25

Amendment 07-25 is an amendment being presented to the Programming and Allocations Committee on June 11th, 2008. It updates the project listing and funding for 33 existing projects; adds six new air-quality exempt projects to the 2007 TIP and deletes two projects from the 2007 TIP. Some of the significant changes in the amendment are changes made as part of updating the listings to reflect the Highway Bridge Program listing and transfer of funds between the Sonoma and Marin US 101 Marin/Sonoma Narrows projects. Federal approval of the amendment is anticipated by the end of July 2008.

For additional information, please contact Sri Srinivasan at (510) 817-5793.



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Memorandum

TO: Partnership Technical Advisory Committee

DATE: June 16, 2008

FR: Sri Srinivasan

RE: List of Projects for PTAP Round-10

MTC staff seeks the Partnership's feedback on the attached list of projects chosen to receive PTAP Round 10 Grant Funding. The list of projects was chosen on the basis of the scoring system stated in the call for projects.

Number Of Applications

MTC received a total of 61 applications from Bay Area Agencies. The 61 requests totaled approximately \$1.76 million dollars, while the amount available to expend is approximately \$900,000. Of the 61 projects, 30 were chosen to receive funding on the basis of the scoring system stated in the application.

PTAP Project Scoring System Adopted

The scoring system, published as part of the application, included scores for the type of project; the number of centerline miles in a jurisdiction; version of StreetSaver; if/when a jurisdiction last received a PTAP grant; certification status; and preventive maintenance budget.

In addition, the application clearly stated that jurisdictions that did not submit their Local Streets and Roads Revenue Survey would not be eligible to receive grant monies. In addition to the above, and in keeping with the Metropolitan Transportation Commission Regional Project Funding Delivery Policy for SAFETEA - STP and CMAQ Funding (MTC Resolution No. 3606), a negative score of (-25) was given to jurisdictions that have consistently not delivered projects on time. The negative scores did not affect any of the applications.

- **Local Contribution**

PTAP has been an enormous success over the years, with jurisdictions submitting more applications for participation in the program than can be funded. To help ensure that those jurisdictions that truly need and want the assistance, can receive funding, as well as to provide additional services through the PTAP program, the project sponsor (the jurisdiction) will be required to provide a local non-federal contribution of 20 percent of the grant project amount. Of this amount, 11.47 percent will be counted as the match to the federal funds.

- **Timely Submittal of Local Contribution**

In the past, MTC has had difficulty receiving the contribution from local jurisdictions. Since the majority of the program is funded with federal funds, it is crucial that the required match is received. Therefore, jurisdictions that have not submitted their required contribution by the established deadline will be subject to removal from the program. MTC will then fund the next applicant(s) on the list. The deadline to receive the required local contribution is **July 3, 2008**.

- **StreetSaver**

MTC provides a standardized Pavement Management System (PMS) called StreetSaver, which was developed in house. In order to maintain and sustain StreetSaver, MTC charges the local jurisdictions a subsidized annual fee of \$1,000. Because it is difficult for some jurisdictions to pay the annual fee, some have opted in the past to use the local contribution portion of the grant money for P-TAP to pay for the software as part of the consultant services. All the local jurisdictions in the MTC region use StreetSaver as their Pavement Management System, with the exception of one; therefore, a two or three-year subscription to the online version of StreetSaver will be included as part of the P-TAP grant. This will facilitate the processing of StreetSaver accounts, by providing multi-year, rather than annual purchase arrangements, as well as ease the accounting burden for jurisdictions by having a single transaction for both P-TAP and StreetSaver. This will also help cities that currently use older versions of the system to upgrade to the latest online version.

Upon receipt of the P-TAP grant monies; please remember that the deadline for subscribing to StreetSaver Online is November 1, 2008. It is important to note that the effective date(s) of the software subscriptions are as follows: for new or upgrading subscribers to StreetSaver Online, the effective date is immediate with their login creation date; for existing online subscribers, the effective date would be their renewal date for their current subscription, but not earlier than 2009.

Next Steps

MTC will enter into contracts with the P-TAP consultants. The consultants will meet with the respective jurisdictions and work on the scope of the projects. However, the scope will also have to be approved by MTC staff.

The following MTC staff is available for assistance:

Sri Srinivasan – P-TAP Program Manager, 510-817-5793, ssrinivasan@mtc.ca.gov.

Attached is the list of projects chosen to receive funding.

P-TAP Round 10 - Final List of Recipients

Number	Name of Jurisdiction	Scope of Work Points	CL Miles Points	Prior PTAP Recipients	Certification Points	Prev. Maintenance Points	StreetSaver Points	Final Score	Total Project Cost	Local Contribution
1	Larkspur	15	15	20	20	10	20	100	\$9,330	\$1,866
2	Vacaville	15	10	20	15	10	20	90	\$40,000	\$8,000
3	Walnut Creek	15	10	20	15	10	20	90	\$40,000	\$8,000
4	Los Gatos	15	10	20	20	10	10	85	\$30,750	\$6,150
5	Pittsburg	15	15	10	20	10	10	80	\$35,100	\$7,020
6	Foster City	15	15	20	10	10	10	80	\$16,200	\$3,240
7	Pacifica	15	15	20	20	10	0	80	\$26,700	\$5,340
8	San Bruno	15	15	20	20	10	0	80	\$26,550	\$5,310
9	Novato	15	10	20	15	10	10	80	\$20,472	\$4,094
10	Contra Costa County	15	5	20	15	10	10	75	\$40,000	\$8,000
11	Los Altos	15	10	20	10	10	10	75	\$32,400	\$6,480
12	San Leandro	15	10	20	20	10	0	75	\$40,000	\$8,000
13	Daly City	15	10	20	20	10	0	75	\$34,800	\$6,960
14	Morgan Hill	15	10	20	20	10	0	75	\$34,800	\$6,960
15	Mountain View	15	10	20	15	10	0	70	\$40,000	\$8,000
16	Presidio Trust	15	15	20	0	10	10	70	\$9,489	\$1,898
17	Santa Rosa	15	5	20	10	10	10	70	\$40,000	\$8,000
18	Fairfield	15	10	20	15	10	0	70	\$40,000	\$8,000
19	Alameda County	15	5	20	20	10	0	70	\$40,000	\$8,000
20	Menlo Park	15	15	10	10	10	10	70	\$29,580	\$5,916
21	Burlingame	15	15	10	10	10	10	70	\$25,200	\$5,040
22	Cotati	15	15	20	10	0	10	70	\$7,500	\$1,500
23	Millbrae	15	15	20	20	0	0	70	\$16,500	\$3,300
24	San Rafael	15	10	20	10	10	0	65	\$40,000	\$8,000
25	Redwood City	15	10	10	10	10	10	65	\$40,000	\$8,000
26	Fremont	15	5	20	15	10	0	65	\$40,000	\$8,000
27	Pleasant Hill	15	10	20	10	10	0	65	\$21,000	\$4,200
28	Petaluma	15	10	10	10	10	10	65	\$40,000	\$8,000
29	Ross	15	10	20	10	10	0	65	\$7,500	\$1,500
30	San Ramon	15	10	10	10	10	10	65	\$40,000	\$8,000
Total									\$903,871	\$180,774