



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Programming and Allocations Committee

DATE: April 8, 2009

FR: Executive Director

RE: American Recovery and Reinvestment Act of 2009: Proposal for State Element

On March 25th, the Commission released for review a spending proposal for the state element of the American Recovery and Reinvestment Act (ARRA). Three days later, the Governor signed into law ABX3 20, which suballocated 62.5% of the federal highway formula revenues directly to the regions including MTC. As an urgency measure, the bill became law immediately.

Based on final apportionments released by Caltrans, which includes a take-down for their administration costs, the amount available to the Bay Area is slightly less than reported in the earlier memorandum and is summarized in the table below.

<i>All Figures in Millions</i> Bay Area Distribution	Amount Under ABX3 20
MTC Suballocated (Already Programmed):	154.0
Added Highway Element (non-TE):	157.3
Added Transportation Enhancement (TE) Element:	9.6
Total Suballocated	320.9

At its April 1 meeting, the California Transportation Commission (CTC) reaffirmed its earlier action of approving \$625 million in ARRA funds for the SHOPP, and allocated \$50 million for Doyle Drive. The CTC further indicated its intent to prioritize the backfilling of stalled Proposition 1B projects ready for construction, and the intent that 100 percent of the state funding, rather than just 50 percent be obligated by the July 2, 2009 obligation deadline.

In addition, the state has confirmed its intent to use the recent \$6.5 billion general obligation bond sales to advance several more ready-to-go Bay Area Proposition 1B projects to construction, including projects identified in staff's initial March 25th proposal for ARRA funding. The projects are the I-580 Eastbound HOV Segment 2 project, the I-680 Sunol Grade-Southbound HOV Contract 2 project, and the I-580/SR 84 (Isabel Avenue) Interchange project all in Alameda County. The use of bond proceeds for these projects creates additional programming opportunities for the ARRA funding coming to the region, and allows all of the stalled Proposition 1B CMIA projects except for the \$90 million Sonoma US-101 HOV Central Segment project to move forward with either bond or substitute funding.

State Element ARRA Funding Proposal (Non-TE)

As a result of these positive changes on the bond front, staff is recommending directing the \$157 million in state ARRA funding to the projects outlined below:

- Direct \$120.3 million to move stalled Proposition 1B projects to construction: Fund the next two Proposition 1B projects on the priority list – Caldecott Tunnel and Marin I-580/101 Connector. Both of these projects are ready for a CTC allocation within a few of months and contract award within 6 months. By providing funding to the Caldecott Tunnel, the region can leverage \$90 million in additional ARRA funding from the State. Further, \$120 million in “freed up” bond funds will be available for programming at a later date. A list of these projects are included in attachment A-1.
- Fully Fund the Tier 2 Local Streets and Roads System Preservation amount (additional \$23.4 million): Provide an additional \$23.4 million to fully fund the local streets and roads system preservation category bringing the total to roughly \$145.4 million including the regional ARRA funding approved in February. Counties will be given flexibility to select projects, which may differ from the February approved Tier 2 list given the advancement of some projects through field review. In addition, staff will revise MTC Resolution 3885 to reflect that the Tier 2 contingency list of projects have been funded and incorporate the projects into the appropriate resolution.
- Add High Occupancy Toll (HOT) Lane projects as a priority funding category (\$13.5 million): Fund the Alameda I-580 EB HOT Lane element and the Santa Clara SR I-880/SR 237 HOT Connector. Originally, the anticipated revenues for the Regional Element were expected to be higher. To adjust the earlier program priorities to the lower funding levels, the HOT lane projects were cut from the initial list. Staff now proposes to bring these projects back into the State Element. Staff also evaluated advancing additional Freeway Performance Initiative projects, but the state of readiness was not as far along.

State Element ARRA Transportation Enhancement Funding Proposal (TE)

An additional \$9.6 million of the state funding is designated as TE, with the state’s intent that 100 percent be obligated by June 30. This challenges our ability to deliver new TE-eligible projects that traditionally have a long lead time to develop. Staff is recommending the following approach for the ARRA TE funds. A list of these projects is included in attachment A-2.

- Direct roughly \$9.6 million to advance ready-to-go TE-eligible projects, with approximately 80% based on the State Transportation Improvement Program (STIP) county share formula, and 20% directed on a regional basis, similar to the split for the Regional ARRA system preservation funding.
- The capacity created by advancing ready-to-go projects would be used to deliver additional enhancement projects later totaling \$7.5 million regionally.
- Since ready-to-go projects may not conform exactly to available county shares, counties will be allowed to ‘over-program’ their ARRA share on condition of programming future

- For TE projects, ABX3 20 requires that priority must be provided for projects that partner with a community or California conservation Corps to construct or undertake the project. Given that the aggressive delivery deadlines may limit the options available for TE funding, priority for any non-Corps projects must be provided for bicycle and pedestrian projects, prior to any other TE-eligible activity. Subsequent programming of the TE funds freed up by this proposal must provide priority in the same manner.

The table below outlines the delivery deadlines for the categories outlined above:

Delivery Deadlines	Obligation Deadline	Award Deadline
Proposition 1B/ RTIP Replacement and TE funds	June 30, 2009	December 31, 2009
All remaining funds including Smart Highways and LS&R	November 30, 2009	June 30, 2010

Next Steps

Within the next few months, staff will return to the Commission with a proposal to reprogram the Proposition 1B (Corridor Mobility Improvement Account, CMIA, and Regional Transportation Improvement Program, RTIP) and TE funding capacity made available by advancing existing projects with ARRA funds. Under AB3X 20, if an agency funds a project to which bond funds were previously programmed and thus displaces the need for those bond funds on the project, the CTC shall allocate the same amount of funding to a qualifying project in the jurisdiction of that agency. The \$120.3 million proposed for the Caldecott Tunnel and I-580/ US 101 Connector projects free up \$89.3 million in Proposition 1B CMIA and \$31.0 million in RTIP funding available for redirection within the region. Alameda's and Contra Costa's RTIP shares on the Caldecott Tunnel that are displaced by the ARRA funding will be made available to MTC for redirection within the region. The \$7.5 million in advanced TE funds would be programmed by each county CMA based on their STIP formula share for TE funds, after any adjustments for actual ARRA TE programming.

The total funding available for a future programming cycle is \$127.8 million, including:

- CMIA: \$89.3 million
- RTIP: \$31.0 million
- RTIP-TE: \$7.5 million

Recommendation

Staff recommends that the Committee refer MTC Resolution No. 3896 to the Commission for approval, with the companion revisions to MTC Resolution 3885 noted above to be prepared and presented to the Commission on April 22, 2009.



Steve Heminger

Attachments: A-1 – List of State Element Non-TE Projects
A-2 – List of State Element TE Projects

American Recovery and Reinvestment Act

Attachment A-1
Non-TE State ARRA Funding Prioritization

(All numbers in millions)

	Total Need	State Commitments		New ARRA Commitments		Remaining Need	ARRA Regional	Requested State ARRA	Total Funding	Shortfall
		Funded Other Bond	Funded SHOPP	ARRA Regional	Requested State ARRA					
1. SHOPP Projects With State ARRA SHOPP Funding Commitment										
SOL	29.5		29.5			0.0			29.5	0.0
	<i>Totals:</i>	0.0	29.5			0.0	0.0	0.0	29.5	0.0
2. SHOPP Projects with Excess Bond Sale Funding Commitments										
ALA	45.1	30.9	14.2			0.0			45.1	0.0
ALA	68.0	68.0	0.0			0.0			68.0	0.0
ALA	35.7	9.9	25.8			0.0			35.7	0.0
ALA	14.5		14.5			0.0			14.5	0.0
	<i>Totals:</i>	108.8	54.5			0.0	0.0	0.0	163.3	0.0
3. Leverage Additional State Funds; Ready-To-Go Projects										
CC	197.7					197.7	105.0	92.7	197.7	0.0
MRN	15.3					15.3	15.3		15.3	0.0
SON	89.2					89.2			0.0	89.2
	<i>Totals:</i>	186.7	0.0			302.2	120.3	92.7	213.0	89.2
	Grand Totals	295.5	84.0			302.2	120.3	92.7	405.8	89.2

* CMIA will still provide \$11 million in unallocated contingency

STP Suballocation Reconciliation

Regional STP Available	157.3
RSTP Programming	120.3
Balance (Over) Under	37.0

CMIA/RTIP Funds to Return To Region for Reprogramming

CMIA Return to Region	89.3
RTIP Return to Region	31.0
Total Funds Returning to Region	120.3

American Recovery and Reinvestment Act

Attachment A-2
Transportation Enhancement State ARRA Funding Prioritization

(All numbers in thousands)

Project	Current Programming Need		New Programming Need Cost Increases	Total Need	ARRA TE
	Existing RTIP-TE	RTIP-TE Advance			
1. Existing Ready-To-Go TE Projects Currently Programmed in the STIP-TE Program					
AL	Oakland, 7th St / West Oakland TOD	1,300		1,300	1,300
CC	Concord, Monument Blvd Pedestrian Improvements	1,000		1,000	1,000
CC	Martinez, Marina Vista Streetscape	127		127	127
SF	MTA, Inner Sunset Traffic Calming, Transit Enhancements	343		343	343
SF	MTA, Pedestrian Signal Upgrade		589	589	589
SC	Campbell, E Campbell Ave Downtown Enhancements	1,200	960	2,160	2,160
SL	Benicia, State Park Overcrossing of I-780	320		320	320
SL	Solano Co., McGary Road Enhancements		640	640	640
SL	Solano Co., Old Town Cordelia Improvements, Ph 2		800	800	800
SN	Windsor, Old Redwood Hwy Pedestrian Enhancements	270		270	270
	Totals:	4,560	2,989	7,549	7,549
2. Other Ready-To-Go TE-eligible Projects in the STIP (Not Programmed in the STIP-TE)					
RG	Marin US-101 HOV Gap Closure (Supplemental)		2,100	2,100	2,100
	Totals:	0	2,100	2,100	2,100
	Totals	4,560	2,989	9,649	9,649

STP Suballocation Reconciliation

Regional STIP-TE Available	9,649
RSTP-TE Programming	9,649
Balance (Over) Under	0

ARRA TE County/Regional Split Reconciliation

County	ARRA TE Share	ARRA TE Program	2010 STIP Credits and Advances	TE Adjustment	Net TE Backfill
Alameda - West Oakland TOD	1,557	1,300	1,300	257	1,557
Contra Costa - Monument Blvd and Marina Vista	1,009	1,127	1,127	(118)	1,009
Marin - None	294	0	0	294	294
Napa - None	183	0	0	183	183
San Francisco - Inner Sunset Traffic Calming, Ped Signals	797	932	932	(135)	797
San Mateo - None	827	0	0	827	827
Santa Clara - E Campbell Downtown Enhancements	1,824	2,160	2,160	(336)	1,824
Solano - State Park, McGary Road, Old Town Cordelia	477	1,760	1,760	(1,283)	477
Sonoma - Old Redwood Highway Enhancements	581	270	270	311	581
County Subtotal	7,549	7,549	7,549	0	7,549
Regional - Marin 101 Gap Closure	2,100	2,100	0	0	0
County + Regional Total	9,649	9,649	7,549	0	7,549

* Negative numbers indicate overprogramming of ARRA-TE share (in Contra Costa, San Francisco, Santa Clara, and Solano Counties). In the next TE call for projects, these four counties will give up the amount they overprogrammed and allow counties that under

Date: April 22, 2009
W.I.: 1512
Referred by: PAC

ABSTRACT

Resolution No. 3896

This resolution adopts the project selection criteria, policies and programming for the State Element of the American Recovery and Reinvestment Act (ARRA) Program. The policy contains the project categories that are to be funded with FY 2008-09 ARRA program funds for inclusion in the 2009 Transportation Improvement Program (TIP).

The resolution includes the following attachments:

- Attachment A - American Recovery and Reinvestment Act Policy and Programming
- Attachment B - State Element Project List

Further discussion of the American Recovery and Reinvestment Act Program is contained in the MTC Executive Director's Memorandum to the Commission dated April 8, 2009.

Date: April 22, 2009
W.I.: 1512
Referred By: PAC

RE: American Recovery and Reinvestment Act: Policies and Programming

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3896

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization for the nine-county San Francisco Bay Area region (the region) and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of American Recovery and Reinvestment Act of 2009 (ARRA) funded projects; and

WHEREAS, MTC developed and endorsed a set of Economic Recovery Principles in December 2008; and

WHEREAS, MTC, in cooperation with the Bay Area Partnership, transit operators and Caltrans, has developed a framework for the state element of the ARRA and adopted the regional element of the ARRA on February 25, 2009; and

WHEREAS, MTC took into consideration the Economic Recovery Principles, Transportation 2030 policies, and investment decisions going into Transportation 2035 to develop a proposed set of projects and program investment areas to be funded with ARRA funds;

WHEREAS, MTC is mindful of the timely use of funds provisions established in the ARRA and has included in Attachment A regional provisions and deadlines to ensure that no funds are lost to the region; and

WHEREAS, the ARRA includes a certification process and extensive reporting requirements for the states, regions and funding recipients; and

WHEREAS, using the principles and procedures and criteria set forth in Attachment A of this Resolution, MTC developed a program of projects to be funded with the state element of the ARRA for inclusion in the federal Transportation Improvement Program (TIP); and

WHEREAS, MTC has identified a set of Non-TE and TE projects for amendment into the Transportation Improvement Program (TIP), as set forth in Attachment B of this Resolution, and incorporated herein as though set forth at length; and

WHEREAS, the 2009 TIP is subject to public review and comment; now therefore be it

RESOLVED that MTC approves the project selection criteria, policies, procedures and programming for the regional portion of the state element of the American Recovery and Reinvestment Act, as set forth in Attachments A and B of this Resolution; and be it further

RESOLVED that the projects in Attachment B will be included in the 2009 TIP, subject to the final approval of the revision; and be it further

RESOLVED that jurisdictions receiving ARRA funding identified in Attachment B shall cooperate in a timely manner with the certification, monitoring and reporting requirements of the ARRA; and be it further

RESOLVED that the Executive Director or designee is authorized to revise Attachment B as necessary to reflect the programming of projects as the projects are revised in the TIP; and be it further

RESOLVED that the Executive Director is authorized to sign and submit certifications and reports as required by the ARRA, and shall forward a copy of this resolution, and such other documentation and information as may be required, to the Governor, Caltrans, and Federal Highway Administration, and to other such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Scott Haggerty, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on April 22, 2009.

Date: April 22, 2009
W.I.: 1512
Referred by: PAC

Attachment A
Resolution No. 3896
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American Recovery and Reinvestment Act

**State Funding Element
Policy and Programming
For FY 2008-09**

American Recovery and Reinvestment Act Policies and Programming

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BACKGROUND

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA), which enacted a \$787 billion economic recovery package calling for significant new spending as well as tax cuts. The ARRA includes \$48 billion for the Department of Transportation. Specifically, the proposal includes \$27.5 billion in Federal Highway Administration funding and \$8.4 billion in Federal Transit Administration funds. MTC programmed \$495 million in regional ARRA formula distribution funds in February 2009. This consisted of the roughly \$154 million in sub-allocated Surface Transportation Program and \$341 million in Federal Transit Administration formula funds provided for under existing law.

This resolution addresses the state element of the ARRA, which was suballocated to the region under AB3X 20.

AMERICAN RECOVERY AND REINVESTMENT ACT—STATE ELEMENT

Under existing federal and state law, the ARRA includes roughly \$1.7 billion in FHWA funds that flow to the state of California, separate and apart from the amounts sub-allocated to the regions.

With the recent passage of AB3X 20, the remaining state element of the ARRA is to be directed 62.5 % to the regions and 37.5 % to Caltrans. This results in an additional \$165.5 million in federal highway funding available to MTC for programming.

AB3X 20 directs how the State’s share of the funding would be spent, with the entire 37.5% (\$935 million) for the SHOPP, \$310 million of which would be temporarily ‘loaned’ for use by Proposition 1B projects. Once the bond funds begin to flow, the ‘loaned’ funding would be repaid and used for SHOPP projects. At their March meeting, the CTC approved \$625 million in ARRA funds for the SHOPP, with the Bay Area receiving \$132.3 million, (21 percent) including \$50 million for Doyle Drive.

Furthermore, Caltrans has estimated the cost of oversight for the ARRA projects to be about \$13.9 million with 62.5% or \$8.7 million set aside from the regional portion to cover these costs (approximately \$1.7 million from the Bay Area).

Fund Estimate

The total ARRA funding available for the Bay Area is \$321 million, as shown in the chart below. As a reminder, MTC already programmed \$154 million, leaving roughly \$157.3 million in ARRA FHWA flexible funds and \$9.6 million in Transportation Enhancement (TE) funding for this programming action.

<i>All Figures in Millions</i>	AB3X 20 Legislative Change
Bay Area Distribution – FHWA Funding	
MTC Regional Element (already programmed):	154.0
MTC State Element (non-TE):	157.3
MTC State Element (TE):	9.6
MTC SubTotal:	165.5
Total Suballocated	320.9

With AB3X20 as the framework for the State Element of the ARRA, there is likely to be transportation funding in an amount equivalent to the bond commitment addressed available for the region to meet future transportation needs. These “freed up” funds will be available at some future date that should enable a much more extensive round of outreach with the public and other stakeholders prior to Commission action.

To put this much-needed funding capacity to best use, and meet the expedited delivery requirements, staff is recommending an approach, described below, that directs funds to existing bond projects, to the extent possible, fully funds the Tier 2 for Local Streets and Roads, and funds two Smart Highway projects that were unable to be funded in the Regional ARRA program approved earlier.

1. State Funding (Non-TE):

- **Direct \$120.3 million to move Proposition 1B projects to construction:**
Consistent with information discussed during the circulation of the ARRA regional programming proposal, MTC staff is proposing to focus the ARRA State element funds that will come to the region on ready-to-go Proposition 1B bond highway projects that have been stalled and unable to move to construction given the state budget impasse and credit market uncertainty. The action by MTC/BATA in January to buy almost \$200 million in state debt kept several projects in construction and allowed for the award of one new project in Sonoma County. Recent favorable bond sales have allowed additional Proposition 1B funded projects to move forward. The region still needs an additional \$302 million to deliver all of the ready-to-go bond projects after considering bond and state SHOPP commitments. Staff is proposing that the region partner with Caltrans and leverage additional state funding with regional ARRA funding. The table below prioritizes the projects based on ready-to-go status and the ability to attract and leverage the maximum amount of state funds.
- **Fully Fund the Tier 2 Local Streets and Roads System Preservation amount (additional \$23 million):** Provide an additional \$23 million to fully fund the local streets and roads system preservation category bringing the total to roughly \$153 million. Counties will be given flexibility to select projects, which may differ from the February approved Tier 2 list given the advancement of some projects through field review.
- **Add HOT Lane projects as a priority funding category (\$13.5 million):** Fund the Alameda I-580 EB HOT Lane element and the Santa Clara SR I-880/SR 237 HOT Connector. Originally, the anticipated revenues for the Regional Element were expected to be higher. To adjust the earlier program priorities to the lower funding levels, the HOT lane projects were cut from the initial list. Staff now proposes to bring these projects back into the State Element. Staff also evaluated advancing additional Freeway Performance Initiative projects, but the state of readiness was not as far along.

(All numbers in millions)

	Total Need	State Commitments		Remaining Need	New ARRA Commitments		Total Funding	Shortfall
		Funded Other Bond	Funded SHOPP		ARRA Regional	Requested State ARRA		
1. SHOPP Projects With State ARRA SHOPP Funding Commitment								
Solano I-80 HOV Lanes Contract 3	29.5		29.5	0.0			29.5	0.0
<i>Totals:</i>	29.5	0.0	29.5	0.0	0.0	0.0	29.5	0.0
2. SHOPP Projects with Excess Bond Sale Funding Commitments								
I-580 Eastbound HOV Segment 2	45.1	30.9	14.2	0.0			45.1	0.0
I-580 Isabel Interchange, Contracts 1, 2, 3	68.0	68.0	0.0	0.0			68.0	0.0
I-680 Sunol Grade SB HOV Contract 2	35.7	9.9	25.8	0.0			35.7	0.0
I-680 Sunol Grade SB HOV Contract 3	14.5		14.5	0.0			14.5	0.0
<i>Totals:</i>	163.3	108.8	54.5	0.0	0.0	0.0	163.3	0.0
3. Leverage Additional State Funds; Ready-To-Go Projects								
SR-24 Caldecott Tunnel Fourth Bore (all)*	197.7			197.7	105.0	92.7	197.7	0.0
Marin I-580 / US-101 Connector	15.3			15.3	15.3		15.3	0.0
US-101 HOV Lanes Central Segment	89.2			89.2			0.0	89.2
<i>Totals:</i>	302.2	186.7	0.0	302.2	120.3	92.7	213.0	89.2
<i>Grand Totals</i>	495.0	295.5	84.0	302.2	120.3	92.7	405.8	89.2

* CMA will still provide \$11 million in unallocated contingency

2. **State TE Funding:** An additional \$9.6 million of the state funding is designated as TE, with the state's intent that 100 percent be obligated by June 30. This places challenges in delivering new TE-eligible projects that traditionally have a long lead time to develop. For the Transportation Enhancements (TE) program, staff is recommending that the funds be directed to TE-eligible projects that are ready-to-go now, with approximately 80% based on the STIP county share formula, and 20% directed on a regional basis, similar to the split for the Regional ARRA System Preservations funding. The additional capacity created by advancing ready-to-go projects that were expected to receive those funds could then be used to deliver additional enhancement projects later. Staff will work with the County Congestion Management Agencies (CMAs) on the specifics and timing of this process.
- Direct roughly \$9.6 million by advancing TE-eligible projects that are ready-to-go now, with approximately 80% based on the STIP county share formula, and 20% directed on a regional basis, similar to the split for the Regional ARRA System Preservations funding.
 - The capacity created by advancing ready-to-go projects will be used to deliver additional enhancement projects later.
 - Since ready-to-go projects may not conform explicitly to available county shares, counties will be allowed to 'over-program' their ARRA share on condition of programming future TE backfill share in another county. Final total programming of the ARRA and the backfilled TE funds will meet the intent of the STIP formula share for TE funds.

The table below shows the priority of projects for programming of ARRA TE.

(All numbers in thousands)

Project	Current Programming Need		New Programming Need	Total Need	ARRA TE
	Existing RTIP TE	RTIP-TE Advance	Cost Increases		
1. Existing Ready-To-Go TE Projects Currently Programmed in the STIP-TE Program					
Oakland, 7th St / West Oakland TOD	1,300			1,300	1,300
Concord, Monument Blvd Pedestrian Improvements	1,000			1,000	1,000
Martinez, Marina Vista Streetscape	127			127	127
MTA, Inner Sunset Traffic Calming, Transit Enhancements	343			343	343
MTA, Pedestrian Signal Upgrade		589		589	589
Campbell, E Campbell Ave Downtown Enhancements	1,200	960		2,160	2,160
Benicia, State Park Overcrossing of I-780	320			320	320
Solano Co., McGary Road Enhancements		640		640	640
Solano Co., Old Town Cordelia Improvements, Ph 2		800		800	800
Windsor, Old Redwood Hwy Pedestrian Enhancements	270			270	270
<i>Totals:</i>	<i>4,560</i>	<i>2,989</i>	<i>0</i>	<i>7,549</i>	<i>7,549</i>
2. Other Ready-To-Go TE-eligible Projects in the STIP (Not Programmed in the STIP-TE)					
Marin US-101 HOV Gap Closure (Supplemental)			2,100	2,100	2,100
<i>Totals:</i>	<i>0</i>	<i>0</i>	<i>2,100</i>	<i>2,100</i>	<i>2,100</i>
Totals	4,560	2,989	2,100	9,649	9,649

3. **Ensure Regional Success in Project Delivery:** Although the ARRA requires only 50% of the funds to be obligated by July 2, 2009 and the remaining funds obligated by March 2, 2010, the State expects all of the state element funds, including TE, to be obligated by July 2, 2009 and awarded by January 2, 2010. To ensure projects will be delivered in advance of the required state and federal deadlines, project sponsors must meet regional deadlines as outlined in the General Programming Policies.

4. **Future RTIP/Bond Capacity Programming:** It is the intent that any additional capacity created by freeing up Proposition 1B bond-funded programs, including the Corridor Mobility Investment Account (CMIA) and Regional Transportation Improvement Program, would return to the region for reprogramming, once bond funds are made available again. MTC would initiate a subsequent programming cycle to identify projects to use these funds.

Under AB3X 20, if an agency funds a project to which bond funds were previously programmed and thus displaces the need for those bond funds on the project, the CTC shall allocate the same amount of funding to a qualifying project in the jurisdiction of that agency. The \$120.3 million provided to Caltrans for the Caldecott Tunnel and I-580/ US 101 Connector projects free up \$89.3 million in Proposition 1B CMIA and \$31.0 million in RTIP funding available for redirection within the region. Alameda's and Contra Costa's RTIP shares on the Caldecott Tunnel that are displaced by the ARRA funding will be made available to MTC for programming within the region.

5. **Future TE Capacity Programming:** The capacity freed up by using ARRA TE to advance projects currently programmed with STIP TE will be used to deliver additional enhancement projects in a subsequent TE programming cycle, and will be directed back to the counties in accordance with their county share formulas to the extent possible. The \$7.5 million in advanced TE funds would be programmed by each county CMA based on their STIP formula share for TE funds, after any adjustments for actual ARRA TE programming.

GENERAL PROGRAMMING POLICIES

1. **Public Involvement.** MTC is committed to a public involvement process that is proactive and provides comprehensive information, timely public notice, full public access to key decisions, and opportunities for continuing involvement. MTC provides many methods to fulfill this commitment, as outlined in MTC's Public Participation Plan, Resolution No. 3821. The Commission's adoption of the ARRA program, including policy and procedures, are similarly subject to the MTC Public Participation Plan. MTC's advisory committees and the Bay Area Partnership were consulted in the development of the region's ARRA funding program, including the framework on how to approach the State element of the ARRA. The Commission released the proposal for the state element for review and comment on April 22.
2. **2009 Transportation Improvement Program (TIP).** Projects approved as part of the ARRA Program must be included in the 2009 TIP. The federally required TIP is a comprehensive listing of all San Francisco Bay Area transportation projects that receive federal funds, and/or subject to a federally required action, such as federal environmental clearance, and/or are regionally significant for air quality conformity or modeling purposes. It is expected that funding for all of ARRA projects will be programmed in the TIP.
3. **Air Quality Conformity.** In the Bay Area, it is the responsibility of MTC to make an air quality conformity determination for the TIP in accordance with federal Clean Air Act requirements and Environmental Protection Agency (EPA) conformity regulations. MTC evaluates the impact of the TIP on regional air quality during the biennial update of the TIP. Non-exempt projects that are considered for funding in the American Recovery and Reinvestment Act Program must be included in the existing TIP or part of the air quality conformity finding for Transportation 2035.
4. **Environmental Clearance.** Project sponsors are responsible for compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.), and the National Environmental Protection Act (42 USC Section 4-1 et seq.) standards and procedures.
5. **Application, Resolution of Local Support, and Opinion of Legal Counsel.** Project sponsors/ Implementing Agencies must submit a completed project application for each project proposed for funding. The project application consists of two parts: 1) an application submittal and/or TIP amendment request form to MTC staff, and 2) Resolution of Local Support approved by the project sponsor/ Implementing Agency's Board.
6. **Project Screening and Compliance with Regional and Federal Requirements:** MTC staff has performed a preliminary review of projects proposed for American Recovery and Reinvestment Act Program to ensure 1) eligibility; 2) RTP consistency; 3) project readiness and 4) other requirements of the ARRA legislation. The projects are also subject to compliance with the following:
 - Federal Project Eligibility;

- RTP Consistency;
- Title VI Compliance;
- Accommodations for Bicyclists, Pedestrians and Persons with Disabilities (FHWA funds only);
- Local Resolution of Support; and
- Fully Funded Projects.

For TE projects, priority must be provided for projects that partner with a community or state conservation Corps to construct or undertake the project. Given that the aggressive delivery deadlines may limit the options available for TE funding, priority for any non-Corps projects must be provided for bicycle and pedestrian projects, prior to any other TE-eligible activity. Subsequent programming of the TE funds freed up by this proposal must provide priority in the same manner.

Finally, the following factors were considered in the project selection process as required by the ARRA:

- Funds can be obligated and contracts can be awarded within the deadlines of this Act.
- Inclusion status in an approved Statewide Transportation Improvement Program (STIP) and/or Metropolitan Transportation Improvement Program (TIP)
- Projection of project completion within a three-year time frame
- Location in economically distressed areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161) for FHWA funding only.

- 7. Local Streets and Roads Tier 2 Funding:** The additional funding for Local Streets and Roads Tier 2 funding could place additional burdens on Caltrans Local assistance in delivering the other local projects for Fiscal Year 2008-09. To minimize impacts to Caltrans due to the additional workload, the obligation deadline for the Tier 2 funds have been extended to November 30, 2009. Furthermore, these funds should not be added to an existing Tier 1 project if it means the Tier 1 project would be delayed, or requires additional work or hardship for Caltrans Local assistance (such as requiring another field review, or revisiting the environmental clearance, if that has already occurred).
- 8. Certification and Reporting:** Project sponsors/ implementing agencies must comply with the certification and reporting requirements of the ARRA and cooperate with the state and region in responding to these requirements within established deadlines. Failure to meet the certification and reporting requirements and timelines could significantly delay the project or result in the project becoming ineligible for ARRA funding.
- 9. MTC Routine Accommodations of Pedestrians and Bicyclists Policy:** Applicable project sponsors need to complete the Routine Accommodations of Pedestrians and Bicyclists Accommodations checklist and make this information available to local bicycle advisory committees prior to project programming in the TIP as set forth by MTC Resolution 3765.
- 10. Project Delivery and Award Deadline Conditions:** A primary objective of the ARRA program is economic recovery and as a result, projects receiving grants are required to meet

stringent project delivery deadlines set forth by the legislation and by MTC. These deadlines ensure that ARRA funds will not be lost to the region. Specifically, 50% of the funds must be obligated by July 2, 2009, which is 120 days after the release of federal apportionments. Although the ARRA requires only 50% of the funds to be obligated by July 2, 2009 and the remaining funds obligated by March 2, 2010, the State expects all funds, to be obligated by July 2, 2009.

To ensure funds are not lost the region has established deadlines in advance and in addition to the ARRA deadlines. The Proposition 1B/RTIP backfill and TE funds must receive an obligation by June 30, 2009 and contract award by December 31, 2009. The remaining funds, including Smart Highways and LS&R preservation must receive an obligation by November 30, 2009 with award of a contract by June 30, 2009.

- 11. Fixed Program and Specific Project Selection.** The regional ARRA program is project specific and the ARRA funds programmed to projects are for those projects alone. Any changes must be accompanied by an amendment to the Transportation Improvement Program. The ARRA Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with ARRA funds. Project sponsors are responsible for securing the necessary funds, in the case of cost increases or additional funding needed to complete the project including contingencies.
- 12. Local Match.** Projects may be funded with ARRA Program funding up to 100% of the total project cost, unless otherwise noted.
- 13. Technical Adjustment.** For full transparency, the ARRA includes extensive reporting requirements throughout the life of an ARRA-funded project. To facilitate in the reporting of the funds consistent with the specific federal funding programs and associated requirements, the additional Local Streets and Roads funding may need to be amended into the previously approved Regional ARRA program (MTC Resolution 3885) and an equal amount of funding amended back into the State element to facilitate funding accountability.

SCHEDULE

As noted previously, this supplementary funding is subject to very short project delivery deadlines. In order to ensure that the funds are not lost due to not meeting the obligation deadlines, the policy development and programming will be on an expedited timeline as outlined below.

American Recovery and Reinvestment Act (ARRA) Program: State Funding Element Programming Schedule	
February 6, 2009	Partnership Board meeting
February 10, 2009	MTC Joint Advisors meeting
February 11, 2009	Programming and Allocations Committee review of regional programming proposal
February 17, 2009	Enactment of the ARRA
February 22, 2009	Commission approval of Regional ARRA Program
March 2, 2009	FHWA release of apportionments
March 25, 2009	Commission release of state element proposal for review and comment
April 8, 2009	Programming and Allocations Committee review of state element proposal
April 22, 2009	Commission approval of ARRA State Element and TIP Amendment
June 30, 2009	Regional Obligation Deadline for Proposition 1B/RTIP Backfill and TE funds
July 2, 2009	AB3X 20 obligation deadline (Intent for 100% of state's portion)
July 2, 2009	ARRA obligation deadline for 50% of State Element funding (120 days)
November 30, 2009	Obligation Deadline for all remaining funds including Smart Hwys and LS&R
December 31, 2009	Regional Award Deadline for Proposition 1B/RTIP Backfill and TE funds
January 2, 2010	AB3X 20 award deadline (Intent for 100% of state's portion)
March 2, 2010	ARRA obligation deadline for remaining funds (1 year)
June 30, 2010	Award Deadline for all remaining funds including Smart Highways and LS&R

METROPOLITAN TRANSPORTATION COMMISSION
American Recovery and Reinvestment Act (ARRA)
State Element
April 22, 2009

Project Title	Category	Implementing Agency	Fund Source	ARRA Funding
State Element - Non-TE				\$157,237,410
Contra Costa SR-24 Caldecott Tunnel Fourth Bore	Prop 1B Backfill	Caltrans	ST-STP-ARRA	\$105,000,000
Marin I-580 / US 101 Connector	Prop 1B Backfill	Caltrans	ST-STP-ARRA	\$15,300,000
Alameda I-580 EB HOT Lane	Smart Hwys	Alameda County CMA	ST-STP-ARRA	\$7,500,000
Santa Clara - SR 237 - I-880 HOT Connector	Smart Hwys	Santa Clara VTA	ST-STP-ARRA	\$6,000,000
Alameda - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$4,730,000
Contra Costa - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$3,430,000
Marin - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$920,000
Napa - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$610,000
San Francisco - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$2,187,410
San Mateo - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$2,130,000
Santa Clara - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$5,080,000
Solano - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$1,870,000
Sonoma - Local Streets and Roads	LS&R Sys Pres	Various	ST-STP-ARRA	\$2,480,000
Total Non-TE				\$157,237,410
State Element - Transportation Enhancements (TE)				\$9,649,295
Oakland - 7th St / West Oakland TOD	TE - Bike/Ped	City of Oakland	TE-ARRA	1,300,000
Concord - Monument Blvd Pedestrian Imps	TE - Bike/Ped	City of Concord	TE-ARRA	1,000,000
Martinez - Marina Vista Streetscape	TE - Bike/Ped	City of Martinez	TE-ARRA	127,000
Marin - US-101 HOV Gap Closure Bike Path	TE - Bike/Ped	Caltrans	TE-ARRA	2,100,000
San Francisco - Inner Sunset Traffic Calming and Enhancements	TE - Ped	San Francisco MTA	TE-ARRA	343,000
San Francisco - Pedestrian Signal Upgrade	TE - Ped	San Francisco MTA	TE-ARRA	589,295
Campbell - East Campbell Avenue Downtown Enhancements	TE - Bike/Ped	City of Campbell	TE-ARRA	2,160,000
Benicia - State Park Overcrossing of I-780	TE - Bike/Ped	City of Benicia	TE-ARRA	320,000
Fairfield - McGary Road Enhancements	TE - Bike/Ped	City of Fairfield	TE-ARRA	640,000
Solano County - Old Town Cordelia Enhancements	TE - Enhancements	County of Solano	TE-ARRA	800,000
Windsor - Old Redwood Hwy Pedestrian Enhancements	TE - Bike/Ped	City of Windsor	TE-ARRA	270,000
Total Transportation (TE)				\$9,649,295
ARRA - State Element Total				\$166,886,705

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