

THE BAY AREA PARTNERSHIP

Partnership Technical Advisory Committee
1:30 p.m. – 2:00 p.m.

Transit Finance Working Group
Immediately following PTAC

Monday, April 20, 2009
MetroCenter, 1st Floor, Auditorium
101 - 8th Street, Oakland, CA 94607

AGENDA

Estimated Time
for Agenda Item

-
- | | |
|---|------------------|
| 1. Introductions | 1:30 p.m. |
| 2. Minutes of March 16, 2009 PTAC Meeting* | |
| 3. Partnership Reports | |
| • Partnership Board
Chair: Rick Ramacier, CCCTA
<i>The next Partnership Board meeting is TBD.</i> | |
| • Transit Finance Working Group*
Chair: April Chan, Caltrain/SamTrans
<i>The Transit Finance Working Group met on April 1, 2009.</i> | |
| • Local Streets and Roads Working Group
Chair: Fernando Cisneros, City/County of San Francisco
<i>The Local Streets and Roads Working Group meets on May 1, 2009.</i> | |
| • Programming and Delivery Working Group
Chair: Sandy Wong, San Mateo C/CAG
<i>The Programming and Delivery Working Group met on April 20, 2009.</i> | |

Discussion Items

1:40 p.m.

- | | |
|--|--|
| 4. Transportation 2035 (T2035) (<i>Ashley Nguyen</i>)
(MTC staff will present the Proposed Final Plan, which is slated for Commission approval on April 22, 2009.) | |
| 5. Legislative Report (<i>Rebecca Long</i>)
(MTC staff will present an update on legislative actions including status of the State Budget.) | |
| 6. American Recovery and Reinvestment Act 2009 Update* (<i>Ross McKeown/ Anne Richman</i>)
(MTC staff will provide an update on the current activities related to the federal American Recovery and Reinvestment Act (ARRA) of 2009.) | |
| 7. Proposed Guidelines for New Freedom Cycle III Grants* (<i>Kristen Mazur</i>)
(MTC staff will present the proposed guidelines including two-year programming, timeline, evaluation criteria, and eligible projects.) | |

Estimated Time
for Agenda Item

Information Items / Other Business

2:00 p.m.

8. Proposed Revision to RM2 Policies and Procedures* (*Shruti Hari/ Christina Verdin*)
(*Staff will be proposing changes to the RM2 policies and procedures.*)
9. TIP Amendment Update* (*Memo Only*)
(*The current TIP and subsequent TIP Amendments are available online at:
<http://www.mtc.ca.gov/funding/tip> .*)
10. STP/CMAQ Program Monitoring Update* (*Memo Only*)
(*MTC staff has submitted a report on the STP/CMAQ Program monitoring status for FFY 2008-09 as well as additional program monitoring issues. The STP/CMAQ obligation deadline is April 30, 2009.*)
11. Recommended Future Agenda Items (*All*)
12. Public Comment

TRANSIT FINANCE WORKING GROUP

Discussion Items

2:05 p.m.

1. Update on Proposed Revisions to Regional Transit Capital Priorities Policy (Glen Tepke)
(*MTC staff will provide an update on proposed revisions to the region's Transit Capital Priorities policy for FY 2009-10 and beyond. The TCP policy governs the programming of Federal Transit Administration formula funds for transit capital replacement, rehabilitation and preventive maintenance.*)

Next meeting on:

Monday, May 18, 2009

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 Kenneth Folan at 510.817.5804 or kfolan@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

March 16, 2009

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1. Introductions

Ben Tripousis (Chair) requested introductions.

2. Minutes of December 15, 2008 PTAC Meeting

The minutes for the December 15, 2008 PTAC meeting were accepted.

3. Partnership Reports

Partnership Board – *Rick Ramacier, Chair* – The Partnership Board met on February 6, 2009. The meeting involved a discussion on the American Recovery and Reinvestment Act 2009 allocation.

Transit Finance Working Group (TFWG) – *April Chan, Chair* – The TFWG met on March 4 and March 13, 2009. The group discussed the challenge for operators due to the STA suspension and TDA shortfall. Operators asked for flexibility in processing 5307 and 5309 funds as there are limited funds for capital projects.

Local Streets & Roads Working Group (LS&RWG) – *Ben Tripousis, City of San Jose* - The LS&RWG met on March 6, 2009. Topics of discussion included the American Recovery and Reinvestment Act 2009 (ARRA) and PDA prioritization.

Programming and Delivery Working Group (PDWG) – *Sandy Wong, Chair* - PDWG met on March 16, 2009. Key topics included: 1) ARRA, 2) The deadline to submit STIP amendments for projects in FY 09-10 STIP projects, 3) Local Streets and Roads ARRA projects, CMAs are working with Caltrans to deliver projects; however, a new roadblock exists in the DBE change to a race-conscious program by June 2.

Discussion Items

4. Transportation 2035 (T2035):

Ashley Nguyen (MTC) reported that the approval of the Transportation 2035 (T2035) Plan had been postponed due among other things, changes in Santa Clara County's Measure A projections. The schedule changes are as follow: 3/25/09 – 4/8/09: 14-day comment period; 4/10: presenting Draft to the Planning Committee; 4/22: presenting Draft to the Commission for approval. Ashley advised the group that the PDA prioritization will take place in Phase 2 – Implementation, sometime in CY 2010. There will be no additional language pertaining to PDA distribution in the final Plan. Comments should be directed to Ashley Nguyen at anguyen@mtc.ca.gov.

5. Legislative Update

Rebecca Long (MTC) provided a legislative update, reporting on AB20xxx, SB406, AB744 – HOT Lanes, AB1135 – Bridge Toll increase, and AB338 - VMT. The legislative history is available online at www.mtc.ca.gov. The FY 2009-10 Budget was adopted with an \$8B shortfall along with an Omnibus 2009 Appropriations package. Sen. Oberstar intends to introduce a reauthorization bill in May.

6. American Recovery and Reinvestment Act 2009 Update

Ross McKeown (MTC) provided an overview of ARRA development to final program adoption. The Commission adopted the following delivery deadlines: 1) Local Streets & Roads: deadline one year, 90 days to obligate, 2) Award deadline for both LS&R and transit is September 30, 2009. Ross summarized the proposals for the State Highway Discretionary Program, stating that there is more flexibility if distributed through the STP formula. Depending upon which proposal is adopted will determine what happens to Prop 1B funds when they become available. Legislation states if the region applies the funds toward CMIA projects, the funds go back to the project sponsor.

Ross reported that the State has moved to a Race-Conscious Disadvantaged Business Enterprise (RC DBE) Program effective June 2, 2009. All contracts awarded must be under a RC DBE program.

Information Items / Other Business

7. TIP Amendment Update

The current TIP and subsequent TIP Amendments are available online at: <http://www.mtc.ca.gov/funding/tip>.

8. STP/CMAQ Program Monitoring Update

Staff report is included in the agenda packet for informational purposes.

PARTNERSHIP TECHNICAL ADVISORY COMMITTEE (PTAC) MINUTES

March 16, 2009

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9. Recommended Future Agenda Items

- Joint Policy Committee's PDA Policy

Proposed Next Meeting:

Monday, April 20, 2009

1:30 p.m. – 3:30 p.m.

MetroCenter, 1st Floor, Auditorium

101-8th Street, Oakland, CA 94607



METROPOLITAN
TRANSPORTATION
COMMISSION

TRANSIT FINANCE WORKING GROUP (TFWG) MEETING AGENDA

WEDNESDAY, APRIL 1, 2009, 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 March 4, 2009 Minutes* | 2 min |
| 3. Legislative Update (<i>Rebecca Long, MTC</i>) | 5 min |
| 4. Update on American Recovery and Reinvestment Act* (<i>Anne Richman, MTC</i>) | 20 min |
| 5. FY2010 TCP Policy Discussions Follow-up** (<i>Glen Tepke, MTC</i>) | 30 min |
| 6. FY09 TCP Program, Apportionments and POP Amendment** (<i>Glen Tepke, MTC</i>) | 5 min |
| 7. Proposed Revisions to RM2 Policies and Procedures* (<i>Shruti Hari, Christina Verdin, MTC</i>) | 15 min |
| 8. RM2 Operating Program for FY09-10** (<i>Christina Verdin, MTC</i>) | 10 min |
| 9. Proposed Guidelines for New Freedom Cycle III Grants* (<i>Kristen Mazur, MTC</i>) | 15 min |

Information Items / Other Items of Business:

- | | |
|--|-------|
| 10. 2009 TIP Updates* | 1 min |
| 11. Proposition 1B Update: Transit (PTMISEA) and Transit Security* (<i>Amy Burch, MTC</i>) | 2 min |
| 12. Recommended Future Agenda Items (<i>All</i>) | 5 min |

Next Transit Finance Working Group Meeting:

Wednesday, May 6, 2009
10:00 a.m. – 12:00 p.m.
Claremont 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.



METROPOLITAN
TRANSPORTATION
COMMISSION

PROGRAMMING AND DELIVERY WORKING GROUP MEETING
Monday, April 20, 2009
10:30 a.m. – 12:30 p.m.
MTC MetroCenter, 2nd Floor, Claremont
101-8th Street, Oakland, CA 94607

AGENDA

<u>Item</u>	<u>Estimated Time</u>
1. Introductions and Announcements	3 min
2. Review of Minutes from the March 16, 2009 Working Group Meeting*	2 min
3. Working Group Standing Items	
A. STP/CMAQ Program Monitoring Update* (<i>Marcella Aranda</i>) <i>(MTC staff will report on the STP/CMAQ Program monitoring status for FFY 2008-09 as well as additional program monitoring issues. The STP/CMAQ obligation deadline is April 30, 2009)</i>	10 min
B. Federal Inactive Obligations* (<i>Marcella Aranda</i>) <i>(MTC staff will discuss the projects on the federal inactive obligations dated December 31, 2008, updated as of February 18, 2009, look-ahead list for the next quarter, and final list of projects to be deobligated as of March 12, 2009.)</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 2008-09 of the STIP.)</i>	5 min
D. CTC 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.)</i>	10 min
4. Discussion Items	
A. State Budget Update* (<i>Kenneth Kao</i>) <i>(MTC staff will provide an update on the State Budget.)</i>	10 min
B. American Recovery and Reinvestment Act Update* (<i>Ross McKeown/ Sylvia Fung</i>) <i>(MTC staff will provide an update on the current activities related to the federal American Recovery and Reinvestment Act of 2009.)</i>	20 min
i. Adjustments at time of project award	
ii. Steps required to fully utilize the federal funds	
iii. Transportation Enhancement element update	
C. 2010 STIP Development (<i>Kenneth Kao</i>) <i>(The Group will discuss preliminary 2010 STIP development issues.)</i>	5 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>	
B. PMP Certification Status* (<i>Memo Only</i>) <i>(Current PMP Certification status is available online at: http://www.mtcpms.org/ptap/cert.html)</i>	

6. Caltrans Items

- A. Federal Programs Update (*Sylvia Fung, Caltrans D4*) 10 min
(*Caltrans will present updates on various federal program- related changes, including solicitations and announcements.*)
- i. FY 2009 Disadvantaged Business Enterprise (DBE) Program*
(*Caltrans staff will discuss the new race-conscious DBE requirements, and what that means for projects seeking E-76's after May 31, 2009.*)

7. Workshop Items

There is no Workshop Item this month.

8. Recommended Agenda Items for Future Meetings

The next PDWG meeting:

Monday, May 18, 2009

10:30 a.m. – 12:30 p.m.

MTC MetroCenter, 2nd Floor, Claremont

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.



**METROPOLITAN
TRANSPORTATION
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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 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.

- 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

Attachment A-1

PAC Memo - Item 3a

April 8, 2009

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American Recovery and Reinvestment Act

Attachment A-1**Non-TE State ARRA Funding Prioritization**

(All numbers in millions)

		State Commitments			New ARRA Commitments				
		Total Need	Funded Other Bond	Funded SHOPP	Remaining Need	ARRA Regional	Requested State ARRA	Total Funding	Shortfall
1. SHOPP Projects With State ARRA SHOPP Funding Commitment									
SOL	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									
ALA	I-580 Eastbound HOV Segment 2	45.1	30.9	14.2	0.0			45.1	0.0
ALA	I-580 Isabel Interchange, Contracts 1, 2, 3	68.0	68.0	0.0	0.0			68.0	0.0
ALA	I-680 Sunol Grade SB HOV Contract 2	35.7	9.9	25.8	0.0			35.7	0.0
ALA	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									
CC	SR-24 Caldecott Tunnel Fourth Bore (all)*	197.7			197.7	105.0	92.7	197.7	0.0
MRN	Marin I-580 / US-101 Connector	15.3			15.3	15.3		15.3	0.0
SON	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
Grand Totals		495.0	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	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						
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
	<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)						
RG	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

STP Suballocation Reconciliation

Regional STP-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

MTC Resolution No. 3896

Page 2

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
Page 1 of 9

**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> Bay Area Distribution – FHWA Funding	AB3X 20 Legislative Change
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			New ARRA Commitments		Total Funding	Shortfall
		Funded Other Bond	Funded SHOPP	Remaining Need	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

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

- 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

- 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.
- 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.

- 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, a few of the projects, including 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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**American Recovery and Reinvestment Act of 2009
Federal Economic Stimulus
for Developing Ready-To-Go Local Streets and Roads Projects
April 8, 2009
(in \$ thousands)**

LS&R	LS&R % Share	Previous ARRA Programming	Additional ARRA Programming	Total ARRA
County	100.0%	\$122,000	\$23,437	\$145,437
Alameda	20.2%	\$24,640	\$4,730	\$29,370
Contra Costa	14.6%	\$17,850	\$3,430	\$21,280
Marin	3.9%	\$4,800	\$920	\$5,720
Napa	2.6%	\$3,190	\$610	\$3,800
San Francisco	9.3%	\$11,350	\$2,187	\$13,537
San Mateo	9.1%	\$11,080	\$2,130	\$13,210
Santa Clara	21.7%	\$26,460	\$5,080	\$31,540
Solano	8.0%	\$9,730	\$1,870	\$11,600
Sonoma	10.6%	\$12,900	\$2,480	\$15,380
Total	100.0%	\$122,000	\$23,437	\$145,437



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: April 20, 2009

FR: Kristen Mazur

RE: New Freedom Program – Third Cycle Call for Projects (Large Urbanized Areas)

Background

The New Freedom Program provides grants for new capital and operational projects aimed at reducing, beyond the requirements of the Americans with Disabilities Act of 1990, transportation barriers faced by individuals with disabilities.

Funds are apportioned by formula to large urbanized areas (UAs), small UAs, and rural areas based on the population of persons with disabilities. Funds are required to be spent on projects that provide transportation services within those areas.

Designated recipients of the funds are responsible for conducting a competitive selection process to determine which projects should receive funding. MTC is the designated recipient for the Bay Area's large UA funds. Caltrans is the designated recipient for the Bay Area's small UA funds and the state's rural area funds; however, MTC may, at its discretion, conduct the competitive selection process on behalf of Caltrans for the Bay Area's small UA funds, and is currently working with Caltrans to determine if it is feasible for us to do so this year.¹

Third Cycle New Freedom Program Guidelines for Large UAs

MTC staff developed the attached program guidelines, which will be used to conduct the competitive selection process for the large UA funds comprising the Third Cycle New Freedom Program starting later this spring.

The following are highlights from the proposed Third Cycle Program Guidelines for large UAs:

- The total funding available for the Bay Area's large UAs in the third cycle is approximately \$3.5 million. This consists of the entire FY 2007-08 apportionment, and the entire estimated FY 2008-09 apportionment.² During the last cycle of programming, the Commission recommended that that previous cycle (Cycle II) be for FY 2006-07 funds only, followed by a third cycle that used two years of funding. The target programming amount for each large UA is shown in Table 1.

¹ Caltrans is conducting a separate Call for Projects for the small and non-UA funds. That Call for Projects has a different timeline, application form, and scoring criteria. Additional information about the small and non-UA call for projects can be found on the Caltrans website: <http://www.dot.ca.gov/hq/MassTrans/5317.html>

² The FY 2009 amount is an estimate because, as of March 23, 2009, FTA has only released a portion (43%) of the New Freedom FY09 apportionments (see Federal Register notice dated December 18, 2008). Final apportionments are expected to be available later in April.

Table 1. Programming Targets for New Freedom Program Third Cycle

Large Urbanized Area (UA)	Third Cycle Target
Bay Area Large UA (2-year program)	\$3,482,968
Antioch UA	\$130,928
Concord UA	\$263,102
San Francisco-Oakland UA	\$2,052,918
San Jose UA	\$862,988
Santa Rosa UA	\$173,032

- Projects are required to be derived from the Elderly & Disabled component of the Bay Area's Coordinated Public Transit-Human Services Transportation Plan, available at www.mtc.ca.gov/planning/pths/.
- Projects must be "new." Any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the STIP, is considered "new."
- Eligible applicants include: a) private non-profit organizations; b) state or local governmental authority; and c) operators of public transportation services, including private operators of public transportation services.
- There is no maximum amount for funding requests, except that applicants should not request more than the target amount for the large UAs in which their projects will provide services.
- Applications will be evaluated based on MTC-adopted criteria including: demonstration of need and expected benefits; evidence of coordination, partnership, and outreach efforts; and project readiness.
- Call for Projects is expected to be released at the end of May, following Commission adoption of the Program Guidelines (draft is attached).
- A workshop for prospective applicants will be held on Thursday, June 25, 2009 from 1:00pm to 3:00pm at the Fishbowl Conference Room on the third floor of MTC's offices. Attendance is not required, but is encouraged.
- Applications will be due to MTC by 5:00 p.m. on Friday, August 7, 2009. Preliminary results are expected to be announced in October 2009.

Proposed Policy Change

The Federal Transit Administration (FTA) is considering a policy change that would expand the type of projects that are eligible for funding under the New Freedom program. Should this policy change take effect during this funding cycle, MTC will review and score all projects that are considered eligible by the FTA at the time of the competitive scoring and selection process.

The following are the details of the policy change under consideration:

- On January 23, 2008, FTA issued a Notice of Proposed Policy Statement for Eligible New Freedom projects in the Federal Register (See Federal Register volume 74, No. 14). Comments on the proposal were due on February 23, 2009, and FTA is considering those comments now.
- In the past, FTA said that new and expanded fixed-route and demand-responsive transit services designed to meet the needs of individuals with disabilities were not eligible for New Freedom funding. In the proposed policy statement, FTA is considering a revised interpretation of the New Freedom circular, which would make these activities eligible for New Freedom funding. Examples of eligible projects would include the following:
 - Fixed-route service extended to serve a congregate living facility or a workplace serving large numbers of individuals with disabilities; or

- New or expanded demand-responsive service, including new hours or days of operation, or increased geographic coverage, to meet the needs of individuals with disabilities.

Next Steps

The proposed program guidelines will be discussed this month with the Partnership Technical Advisory Committee, Transit Finance Working Group, Elderly and Disabled Advisory Committee, and Partnership Accessibility Committee, and will be revised as appropriate based on comments received. The draft final guidelines will be presented to the Programming and Allocations Committee for approval at their May 13th meeting.

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**METROPOLITAN TRANSPORTATION COMMISSION
THIRD CYCLE NEW FREEDOM PROGRAM GUIDELINES**

April 2009

The following guidelines are excerpted from Federal Transit Administration (FTA) Circular C 9045.1, the *New Freedom Program Guidance and Application Instructions*, except where modified to meet the region's needs or where additional clarification is provided. The FTA Circular is available at www.fta.dot.gov/laws/circulars/leg_reg_6624.html.

1. **STATUTORY AUTHORITY.** The New Freedom Program is authorized under the provisions set forth in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, (SAFETEA-LU), enacted on August 10, 2005, as codified at 49 U.S.C. 5317. The Secretary may make grants to recipients for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 12101 et seq.), that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.
2. **PROGRAM GOAL.** The New Freedom formula grant program aims to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the work force and full participation in society. Lack of adequate transportation is a primary barrier to work for individuals with disabilities. The 2000 Census showed that only 60 percent of people between the ages of 16 and 64 with disabilities are employed. The New Freedom formula grant program seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990.
3. **FUNDING APPORTIONMENT AND AVAILABILITY.** New Freedom funds are first apportioned 60 percent to large urbanized areas¹ (UAs), 20 percent to small UAs, and 20 percent to non-UAs. Funds are then apportioned to all designated recipients for an area type by the ratio of the number of disabled individuals in the designated recipient's area to the total number of disabled individuals for that area type. **Figure 1** shows the Bay Area's five large UAs and seven small UAs. (Note that the names given to the urbanized areas correspond to the most populated city/cities within the area, and that the urbanized areas themselves are larger than the cities for which they are named.) **Table 1** shows actual apportionments for FYs 2006, 2007, and 2008 and the estimated apportionment for FY 2009. Funds are available during the fiscal year of apportionment plus two additional years.

¹ An urbanized area is an area encompassing a population of not less than 50,000 people that has been defined and designated in the most recent decennial census as an "urbanized area" by the Secretary of Commerce. Large urbanized areas as used in the context of FTA formula grant programs are urbanized areas with a population of greater than 200,000, and small urbanized areas are those with a population of at least 50,000 but less than 200,000.

Figure 1. Map of Urbanized Areas

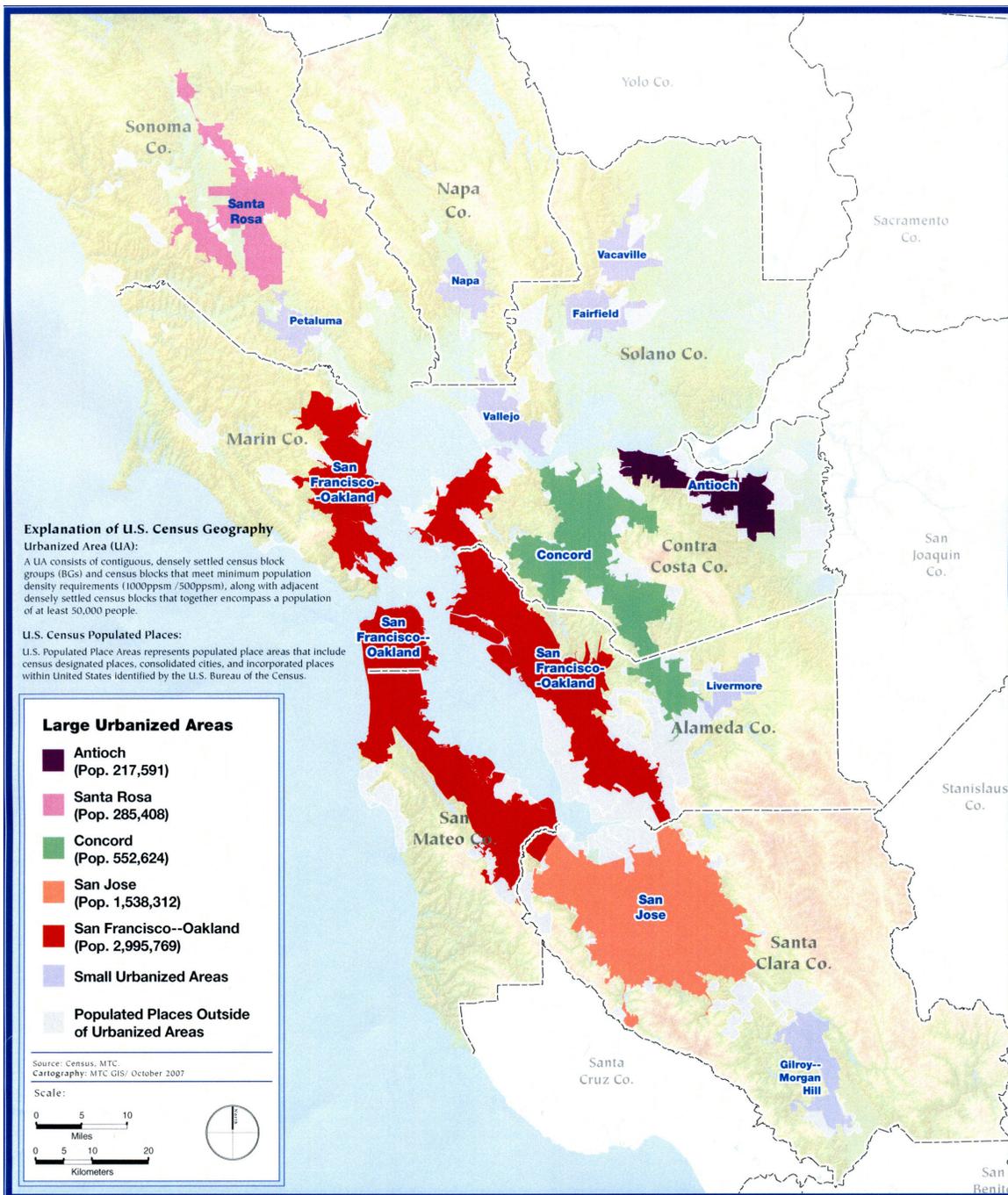


Table 1. New Freedom Program Apportionments

Area	Past Call for Projects		Current Call for Projects	
	Actual FY 2006	Actual FY 2007	Actual FY 2008	Estimated FY 2009 ¹
Bay Area Large UA	\$1,545,232	\$1,612,117	\$1,741,484	\$1,741,484
Antioch	\$56,232	\$60,601	\$65,464	\$65,464
Concord	\$127,429	\$121,779	\$131,551	\$131,551
San Francisco-Oakland	\$885,254	\$950,208	\$1,026,459	\$1,026,459
San Jose	\$404,370	\$399,440	\$431,494	\$431,494
Santa Rosa	\$71,947	\$80,089	\$86,516	\$86,516

UA = Urbanized Area

= Subject of Current Call for Projects

¹ As of March 2009, FTA has only released a portion (43%) of the New Freedom FY09 apportionments (see Federal Register notice dated December 18, 2008).

4. **ROLE OF THE DESIGNATED RECIPIENTS.** MTC is the designated recipient for the Bay Area's large UA funding apportionment, and Caltrans is the designated recipient for California's small and non-UA funding apportionments. The designated recipient is responsible for conducting the competitive selection process to determine which projects should receive funding. For the large UA apportionment, the competitive selection is conducted on a region-wide basis. For the small and non-UA apportionment, the competitive selection is conducted on a statewide basis; however, for the small UAs in the Bay Area, MTC conducted the competitive selection on behalf of Caltrans during the 2008 Call for Projects. Once projects are selected, the designated recipient is responsible for requesting the grant amounts from FTA on behalf of the subrecipients. The designated recipient is also responsible for monitoring the subrecipients' compliance with all federal requirements during the conduct of the project. Hence, subrecipients of large UA funds will be required to enter into agreements with MTC, while subrecipients for small and non-UA funds will be required to enter into agreements with Caltrans.
5. **FUNDING DISTRIBUTION.** Projects may compete for funding that is appropriated to the UA in which the project will provide services. Projects that will provide services in multiple UAs may compete for funding from all of the affected UAs. This call for projects is for large UAs only.

Large UA Programming Targets. The First Cycle programmed the FY 2006 apportionment, and the Second Cycle programmed the FY 2007 apportionment. **Table 2** shows the target programming amounts for the Third Cycle, which will program the FY 2008 and FY 2009 apportionments. There is no limitation on the amount of grant requests, except that applicants should not request more than the target amount for the large UAs in which their projects will provide services.

Small and Non-UA Programming Targets. In 2008, Caltrans conducted a call for projects for \$3.2 million in small UA funds and \$1.3 million in non-UA funds. This year, Caltrans is conducting a call for projects for \$1.6 million in small UA funds and \$0.7 million in non-UA funds. The small and non-UA call for projects is separate from this large UA call for projects, and has a different timeline, application form, and scoring criteria. Additional information

about the small and non-UA call for projects can be found on the Caltrans website:
<http://www.dot.ca.gov/hq/MassTrans/5317.html>

Table 2. Programming Targets for New Freedom Program Third Cycle

Area	Third Cycle Targets
Bay Area Large UA	\$3,482,968
Antioch	\$130,928
Concord	\$263,102
San Francisco-Oakland	\$2,052,918
San Jose	\$862,988
Santa Rosa	\$173,032

UA = Urbanized Area

6. ELIGIBLE SUBRECIPIENTS. There are three categories of eligible subrecipients of New Freedom funds: a) private non-profit organizations; b) state or local governmental authorities; and c) operators of public transportation services, including private operators of public transportation services.
7. ELIGIBLE ACTIVITIES. New Freedom Program funds are available for capital and operating expenses that support new public transportation services beyond those required by the ADA and new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services, including transportation to and from jobs and employment support services. “New” service is any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the STIP. In other words, if not for the New Freedom Program, the project would not have consideration for funding, and the proposed service enhancements would not be available for individuals with disabilities. Recipients or subrecipients may not terminate ADA paratransit enhancements or other services funded as of August 10, 2005, in an effort to reintroduce the services as “new” and then receive New Freedom funds for those services.

Both new public transportation services and new public transportation alternatives are required to go beyond the requirements of the ADA and must (1) be targeted toward individuals with disabilities; and (2) meet the intent of the program by removing barriers to transportation and assisting persons with disabilities with transportation, including transportation to and from jobs and employment services.

Following is an illustrative list of activities that are eligible for funding under New Freedom:

New Public Transportation Services Beyond the ADA

- Enhancing paratransit beyond minimum requirements of the ADA
- Feeder services
- Making accessibility improvements to transit and intermodal stations not designated as key stations under 49 CFR 37.47, 37.51, or 37.53, and that are not required under 49 CFR 37.43 as part of an alteration or renovation to an existing station
- Travel training

New Public Transportation Alternatives Beyond the ADA

- Purchasing vehicles to support new accessible taxi, ride sharing, and/or vanpooling programs
- Supporting the administration and expenses related to new voucher programs for transportation services offered by human service providers
- Supporting new volunteer driver and aide programs
- Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation

Refer to Appendix A for additional requirements pertaining to the above examples. The list is not intended to be exhaustive. Applicants are encouraged to develop innovative solutions to meet the needs of individuals with disabilities in their communities, considering the transportation needs, proposed solutions, and enhanced coordination strategies identified in the Bay Area's Coordinated Public Transit-Human Services Transportation Plan (see Section 9 below).

FTA is considering a policy change that would expand the type of projects that are eligible for funding under the New Freedom program. Should this policy change take effect during this funding cycle, MTC will review and score all projects that are considered eligible by the FTA at the time of the competitive scoring and selection process.

8. FEDERAL/LOCAL MATCHING REQUIREMENTS.

- a. General. New Freedom funds may be used to finance capital and operating expenses. The Federal share of eligible capital and planning costs may not exceed 80 percent of the net cost of the activity. The federal share of the eligible operating costs may not exceed 50 percent of the net operating costs of the activity.

The local share of eligible capital costs shall be no less than 20 percent of the net cost of the activity, and the local share for eligible operating costs shall be no less than 50 percent of the net operating costs. All of the local share must be provided from sources other than federal Department of Transportation (DOT) funds. Some examples of sources of local match which may be used for any or all of the local share include: state or local appropriations; other non-DOT Federal funds; dedicated tax revenues; private donations; revenue from human service contracts; toll revenue credits; and net income generated from advertising and concessions. Non-cash share such as donations, volunteer services, or in-kind contributions is eligible to be counted toward the local match as long as the value of each is documented and supported, represents a cost which would otherwise be eligible under the program, and is included in the net project costs in the project budget.

Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for New Freedom operating assistance. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service.

- b. Exceptions. The Federal share is 90 percent for vehicle-related equipment and facilities required by the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA). It is

only the incremental cost of the equipment or facility required by the CAA or ADA that may be funded at 90 percent, not the entire cost of the vehicle or facility, even if the vehicle or facility is purchased for use in service required by the ADA or CAA.

Applicants wishing to apply for assistance at the higher match ratio should inform MTC before submitting an application, as MTC would need to consult the FTA regional office for further guidance regarding methods of computing the incremental cost.

- c. **Use of Other Federal Funds.** Local match may be derived from other federal programs that are eligible to be expended for transportation, other than funds from DOT programs. Examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services. To be eligible for local match for FTA funds, the other federal funds must be used for activities included in the total net project costs of the FTA grant. Expenditure of other federal funds for transportation outside of the scope of the project cannot be applied as a credit for local match in the FTA grant. Specific program information for other types of Federal funding is available at www.unitedweride.gov.
9. **COORDINATED PLANNING.** SAFETEA requires that projects selected for funding under the Elderly Individuals and Individuals with Disabilities (Section 5310), Job Access and Reverse Commute (JARC), and New Freedom programs be “derived from a locally developed, coordinated public transit-human services transportation plan”, and that the plan be “developed through a process that includes representatives of public, private, and non-profit transportation and human services providers and participation by members of the public.” A locally developed, coordinated, public transit-human services transportation plan (“coordinated plan”) identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes, and provides strategies for meeting those local needs. The Bay Area’s Coordinated Plan is available at <http://www.mtc.ca.gov/planning/pths/>. The plan includes a low-income component and an elderly and disabled component, the latter being more germane to the New Freedom Program.

Agencies and organizations interested in applying for New Freedom funds must consider the transportation needs, proposed solutions, and enhanced coordination strategies presented in the Coordinated Plan in developing their project proposals. Applicants will be asked to demonstrate their proposed project’s consistency with the Coordinated Plan. Following is a summary of the solutions and strategies that are identified in Chapters 7 and 8, respectively, of the plan.

Solutions to Gaps

- Additions or improvements to ADA paratransit
- Additions or improvements to demand-responsive services other than ADA paratransit
- Additions or improvements to transit services
- Improved access to transit services
- Information and assistance

Strategies to Enhance Coordination of Service Delivery

- Enhance land use and transportation coordination.
- Promote enhanced pedestrian access to public transit and alternative modes of travel.

- Promote coordinated advocacy and improve efforts to coordinate funding with human service agencies.
- Improve interjurisdictional and intermodal travel.
- Develop and implement mobility management approaches.

10. APPLICATION FORMS AND TECHNICAL ASSISTANCE. The application form is available at http://www.mtc.ca.gov/funding/new_freedom.htm. Interested agencies must submit eight (8) paper copies and an electronic copy on CD of their application, including attachments, by 5:00 p.m. on Friday, August 7, 2009 to the addressee below. *Incomplete and/or late applications will not be considered.*

Kristen Mazur
Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland CA 94607-4700

A workshop for prospective applicants will be held at 1:00 p.m. on Thursday, June 25, 2009 at the Fishbowl Conference Room on the 3rd floor of MTC's office. Attendance is not required but is encouraged. Beyond the workshop, MTC staff is available provide technical assistance throughout the program process.

DRAFT

11. **APPLICATION EVALUATION.** Following an initial eligibility screening by MTC staff, eligible projects will be evaluated by a panel consisting of Bay Area representatives of disabled population interests and MTC staff. Applications will be evaluated based on the following criteria:

Need and Benefits	(maximum 40 points)
--------------------------	---------------------

Extent to which project addresses critical needs for disabled individuals as identified in the Coordinated Plan

Effectiveness at mitigating or eliminating transportation barriers for disabled individuals

Extent to which project promotes integration of disabled individuals into the work force and their full participation in society

Extent to which project could only be funded by New Freedom Program or federal human service grant programs

Extent to which project provides additional benefits

Coordination, Partnership, & Outreach	(maximum 30 points)
--	---------------------

Extent of coordination with other affected transportation systems, providers, and services, and with related social service programs

Extent to which project advances the development and implementation of coordinated transportation services

Extent of community support

Thoroughness of plan for marketing the project to beneficiaries

Project Readiness	(maximum 30 points)
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Reasonableness and completeness of funding plan

Project sustainability beyond the grant period

Thoroughness of implementation plan and reasonableness of project schedule

Ability to use New Freedom grant to leverage additional resources

Sponsor's experience in managing services for disabled individuals

How project fits into a larger program with well-defined goals, objectives, and performance standards

Sponsor's institutional capacity to manage the project

Sponsor's history of managing federal transportation funds

12. TIMELINE. The timeline for Third Cycle is as follows:

Release Call for Projects	End of May 2009
Outreach (Elderly and Disabled Advisory Committee, Transit Finance Working Group, County Paratransit Coordinating Councils, Partnership Accessibility Committee, web, etc.)	June 2009
Applicant Workshop at MTC	June 25, 2009
Project Applications Due to MTC	August 7, 2009
Project Selection	August to Sept. 2009
Present Recommended Program of Projects to Elderly and Disabled Advisory Committee, Transit Finance Working Group, Partnership Accessibility Committee, Partnership Technical Advisory Committee, etc.	October 2009
Present Recommended Program of Projects to MTC Programming & Allocations Committee	October 14, 2009
Commission Action: Program Adoption	October 28, 2009
Grants Processing by MTC and FTA	November to December 2009
Contract Negotiations between MTC and Subrecipients	

13. COMPLIANCE WITH FEDERAL REQUIREMENTS. As required by the FTA, successful applicants will be required to enter into an agreement with MTC. Applicants should be prepared to abide by all applicable federal requirements as specified in 49 U.S.C. Section 5317, FTA Circular C 9045.1, the most current FTA Master Agreement MA(13), and Section 20 of the most current Certifications and Assurances for FTA Assistance Programs, as conferred by MTC upon the applicant as a subrecipient of New Freedom funds.

14. REPORTING REQUIREMENTS. Successful applicants for large UA funds will be required to submit quarterly reports to MTC on the following:

- a. Budget or schedule changes, if any
- b. Progress toward meeting milestones
- c. Quantitative or qualitative information, as available, on the following measures:
 - (1) Services provided that impact availability of transportation services for individuals with disabilities as a result of the project for the reporting period;
 - (2) Additions or changes to environmental infrastructure, technology, vehicles that impact availability of transportation services as a result of the project for the reporting period;
 - (3) Actual or estimated rides (as measured by one-way trips) provided for individuals with disabilities as a result of the project for the reporting period
- d. Financial status report
- e. For projects awarded a New Freedom grant exceeding \$250,000, Disadvantaged Business Enterprise (DBE) participation.

Detailed reporting requirements will be included in the agreement.

**Appendix A
New Freedom Program – Eligible Activities**

The following list of eligible activities, excerpted from Federal Transit Administration (FTA) Circular C 9045.1, the *New Freedom Program Guidance and Application Instructions*, is intended to be illustrative, not exhaustive. Applicants are encouraged to develop innovative solutions to meet the needs of individuals with disabilities in their communities, considering the transportation needs, solutions, and strategies for enhanced coordination in the Bay Area’s Coordinated Public Transit-Human Services Transportation Plan (see Section 8 of MTC’s New Freedom Program Guidelines).

New Public Transportation Services Beyond the ADA*	
<p>Enhancing paratransit beyond minimum requirements of the ADA</p>	<p>ADA complementary paratransit services can be eligible under New Freedom in several ways as long as the services provided meet the definition of “new:”</p> <ul style="list-style-type: none"> ▪ Expansion of paratransit service parameters beyond the three-fourths mile required by the ADA; ▪ Expansion of current hours of operation for ADA paratransit services that are beyond those provided on fixed-route services; ▪ Incremental cost of providing same day service; ▪ Incremental cost of making door-to-door service available to all eligible ADA paratransit riders, but not as a reasonable modification for individual riders in an otherwise curb-to-curb system; ▪ Enhancement of the level of service by providing escorts or assisting riders through the door of their destination; ▪ Acquisition of vehicles and equipment designed to accommodate mobility aids that exceed the dimensions and weight ratings established for common wheelchairs under the ADA and labor costs of aides to help drivers assist passengers with over-sized wheelchairs. This would permit the acquisition of lifts with a larger capacity, as well as modifications to lifts with a 600 lb design load, and the acquisition of heavier-duty vehicles for paratransit and/or demand-response service; and ▪ Installation of additional securement locations in public buses beyond what is required by the ADA.
<p>Feeder services</p>	<p>New “feeder” service (transit service that provides access) to commuter rail, commuter bus, intercity rail, and intercity bus stations, for which complementary paratransit service is not required under the ADA.</p>

New Public Transportation Services Beyond the ADA* (continued)	
Making accessibility improvements to transit and intermodal stations not designated as key stations	<p>Improvements for accessibility at existing transportation facilities that are not designated as key stations established under 49 CFR 37.47, 37.51, or 37.53, and that are not required under 49 CFR 37.43 as part of an alteration or renovation to an existing station, so long as the projects are clearly intended to remove barriers that would otherwise have remained. New Freedom funds are eligible to be used for new accessibility enhancements that remove barriers to individuals with disabilities so they may access greater portions of public transportation systems, such as fixed-route bus service, commuter rail, light rail and rapid rail. This may include:</p> <ul style="list-style-type: none"> ▪ Building an accessible path to a bus stop that is currently inaccessible, including curbcuts, sidewalks, accessible pedestrian signals or other accessible features, ▪ Adding an elevator or ramps, detectable warnings, or other accessibility improvements to a non-key station that are not otherwise required under the ADA, ▪ Improving signage, or wayfinding technology, or ▪ Implementation of other technology improvements that enhance accessibility for people with disabilities including Intelligent Transportation Systems (ITS).
Travel training	New training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities. This includes travel instruction and travel training services.

New Public Transportation Alternatives Beyond the ADA*	
Purchasing vehicles to support new accessible taxi, ride sharing, and/or vanpooling programs.	New Freedom funds can be used to purchase and operate accessible vehicles for use in taxi, ridesharing and/or van pool programs provided that the vehicle has the capacity to accommodate a passenger who uses a “common wheelchair” as defined under 49 CFR 37.3, at a minimum, while remaining in his/her personal mobility device inside the vehicle, and meeting the same requirements for lifts, ramps and securement systems specified in 49 CFR part 38, subpart B.
Supporting the administration and expenses related to new voucher programs for transportation services offered by human service providers.	This activity is intended to support and supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Only new voucher programs or expansion of existing programs are eligible under the New Freedom Program. Vouchers can be used as an administrative mechanism for payment of alternative transportation services to supplement available public transportation. The New Freedom Program can provide vouchers to individuals with disabilities to purchase rides, including: (a) mileage reimbursement as part of a volunteer driver program; (b) a taxi trip; or (c) trips provided by a human service agency. Providers of transportation can then submit the voucher for reimbursement to the recipient for payment based on pre-determined rates or contractual arrangements. Transit passes for use on existing fixed route or ADA complementary paratransit service are not eligible. Vouchers are an operational expense which requires a 50/50 (Federal/local) match.
Supporting new volunteer driver and aide programs.	New volunteer driver programs are eligible and include support for costs associated with the administration, management of driver recruitment, safety, background checks, scheduling, coordination with passengers, and other related support functions, mileage reimbursement, and insurance associated with volunteer driver programs. The costs of new enhancements to increase capacity of existing volunteer driver programs are also eligible. FTA notes that any volunteer program supported by New Freedom must meet the requirements of both “new” and “beyond the ADA.” FTA encourages communities to offer consideration for utilizing all available funding resources as an integrated part of the design and delivery of any volunteer driver/aide program.

New Public Transportation Alternatives Beyond the ADA* (continued)	
Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation.	<p>Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a non-profit agency could receive New Freedom funding to support the administrative costs of sharing services it provides to its own clientele with other individuals with disabilities and coordinate usage of vehicles with other non-profits, but not the operating costs of the service. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. Mobility management activities may include:</p> <ul style="list-style-type: none"> ▪ The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals; ▪ Support for short term management activities to plan and implement coordinated services; ▪ The support of State and local coordination policy bodies and councils; ▪ The operation of transportation brokerages to coordinate providers, funding agencies and customers; ▪ The provision of coordination services, including employer-oriented Transportation Management Organizations' and Human Service Organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers; ▪ The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and ▪ Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of Geographic Information Systems (GIS) mapping, Global Positioning System Technology, coordinated vehicle scheduling, dispatching and monitoring technologies as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a stand alone capital expense).

* "New" service is any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the State TIP. In other words, the project would not have consideration for funding and the proposed service enhancement would not be available for individuals with disabilities if not for the New Freedom Program. Recipients or subrecipients may not terminate ADA paratransit enhancements or other services funded as of August 10, 2005, in an effort to reintroduce the services as "new" and then receive New Freedom funds for those services.

Date: June 23, 2004
W.I.: 1255
Referred by: PAC
Revised: 11/17/04-C
09/21/05-C
03/28/07-C
05/28/08-C
~~04/22/09-C~~

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Regional Measure 2 Regional Traffic Relief Plan Policies and Procedures

Amended April 22, 2009

Deleted: May 28, 2008 ¶

**MTC Resolution No. 3636
Attachment A**

Metropolitan Transportation Commission

Programming and Allocations Section
<http://www.mtc.ca.gov>

P&P TOC

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SECTION 1 – GENERAL PROVISIONS

BACKGROUND

On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area, by \$1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific capital projects and programs and transit operating assistance eligible to receive RM2 funding as identified in Sections 30914(c) & (d) of the California Streets and Highways Code.

The following serve as the general provisions in the management of RM2 funding.

FUND MANAGEMENT

The collection of toll revenue is estimated to equal \$113 million annually. Costs to administer the program are an annual drawdown on the revenue and an annual limit of up to 38 percent, a funding cap estimated to be reached in 2010, is made available for the RM2 operation projects. Available revenue for capital allocations will vary annually and capital allocations will be approved with respect to the fund management of the overall program. Final allocation decisions will be subject to the availability of funds. Finally, first year costs (FY 2004-05) include the required reimbursements to counties for the costs of administering the RM2 ballot measure as part of the March 2nd 2004 general election, as well as the 4-month discount from July 2004 through October 2004 to encourage more users to sign up for FasTrak®, the Bay Area's electronic toll collection system.

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Program Financing Costs

It is the intent of the Commission to implement those projects and programs outlined in Streets and Highways Code Section 30914 (c) and (d), to the funding amounts designated. The cost of bonding and financing associated with RM2, including interest payments shall be considered a program cost and shall be identified in the annual RM2 Budget as the first priority repayment. The financing costs are not expected to reduce the overall funding level available to projects and programs.

Funding Exchanges

Generally, the exchange of RM2 funding with other types of funding from projects not identified in RM2 shall not be allowed, nor shall projects be substituted.

Matching Funds

A local match is not required for RM2 funds. Complementary funds (non-RM2 funds), for the project phase where RM2 funds are being requested and identified in the financial plan must be available at the time of allocation. Regional Measure 2 funds can be used as the match for federal fund sources requiring a non-federal match.

PUBLIC INVOLVEMENT PROCESS

The capital improvement projects and operating assistance for transit services identified for funding in RM2 are established by state legislation (Senate Bill 916, Chapter 715, Statutes of

2004) approved by the voters on March 2, 2004. In accordance with the legislation as approved by the voters, the Bay Area Toll Authority (BATA) is the financial manager for RM2 funds, whose responsibilities include the preparation of financial plans, the issuance of debt financing, and the disbursal of funds to project sponsors. The Metropolitan Transportation Commission (MTC) is the program and project coordinator, whose responsibilities include reviewing project applications, programming and allocating funds to specific projects, and monitoring project delivery. In some cases, MTC also serves as the project sponsor, for the regional Transit Connectivity Study, as well as certain regional customer service projects, such as the Transit Commuter Benefits promotion, the Real Time Transit information program, and implementation of TransLink®.

Generally, in conducting its review and approval responsibilities stipulated under RM2, MTC will adhere to its public participation policies as outlined in MTC Resolution No. 2648, MTC's Policy and Procedures on Public Involvement.

Specific statutory provisions require further that as part of its assessment of the status of programs and projects under RM2, MTC may make a finding that a program or project cannot be completed or cannot continue due to financing or delivery obstacles making the continuation of the program or project unrealistic. MTC may then determine that the funding will be reassigned. Under these circumstances, the Commission shall hold a public hearing on the project after consultation with the program or project sponsor. The process outlined in MTC's Policy and Procedures on Public Involvement for notification of actions at BATA, Commission, and committee meetings will be adhered to. After the hearing, the Commission may vote to modify the program or the project's scope, decrease its level of funding, or reassign all of the funds to another or an additional regional transit program or project in the same corridor.

INDEMNIFICATION OF MTC

The sponsor shall indemnify and hold harmless MTC, its Commissioners, officers, agents, and employees from any and all claims, demands, suits, loss, damages, injury, and/or liability, direct or indirect, incurred by reason of any act or omission of sponsor, its officers, agents, employees, and subcontractors, under or in connection with the RM2 program. Sponsor agrees at its own cost, expense, and risk, to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against MTC, its Commissioners, officers, agents, and employees, or any of them, arising out of such act or omission, and to pay and satisfy any resulting judgments.

SECTION 2 – CAPITAL PROGRAM GUIDANCE

BACKGROUND

Projects eligible to receive funding from the Capital Program of the Regional Measure 2 (RM2) Regional Traffic Relief Plan are those projects identified to receive funding under Section 30914(c) of the California Streets and Highways Code (S&HC). Sponsors are required to submit an initial report to establish the baseline project data. These reports are the backbone of the allocation and funding agreements for the capital projects. The capital program is managed in a manner where allocations are approved based upon project sponsor need and readiness and the availability of funding in the bridge toll program. MTC's goal is to carry out the intent of the legislation and ensure that projects are delivered within the investments of the toll payers.

CAPITAL PROJECT DEFINITION

Initial Project Report (IPR)

Project sponsors with projects identified to receive funding under Section 30914(c) of the S&HC are required to submit an Initial Project Report (IPR) to MTC before July 1, 2004. An updated report must be submitted as needed or as requested by MTC; at a minimum, sponsors must submit an updated IPR with any funding allocation request. The Commission will consider approval of the report, or updated report, in conjunction with the allocation of funds.

This report shall include all information required to describe the project in detail, including identification of lead sponsor, the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount, if any, of funds expended to date, a summary of any impediments to the completion of the project and a detailed financial plan. Specific information on the Initial Project Report format is included in Appendix A.

Useable Segment/ Deliverable Product

RM2 funds for capital projects will be allocated with the specific intent of achieving a product. Deliverable products shall be considered as:

- A completed planning or transit study/ environmental decision/ project approval documentation when allocating to the environmental phase;
- The final design package including contract documents when allocating to the final design phase;
- Title to property/ easements/ rights of entry / possession or utility relocation when allocating to the right of way phase;
- A completely constructed improvement (or vehicle acquisition/ rehabilitation) available for public usage when allocating to the construction phase.

The expenditure of RM2 funds for any phase of the project should lead to making available to the public a useable or operable segment in accordance with the legislative intent. Any additional funds required to fully fund the project must be identified in the uncommitted funding plan of the Initial Project Report (IPR). If the RM2 revenues are funding only a phase or segment of a larger project, it must be demonstrated that the RM2 deliverable phase or segment is fully funded with committed funds.

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Project Phases

Project costs and revenue must be separated into the following project phases:

1. Planning Activities, Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)
2. Final Design - Plans, Specifications and Estimates (PS&E)
3. Right-of-Way Activities /Acquisition / Utility Relocation (R/W)
4. Construction / Rolling Stock Acquisition / Operating Service (CON)

(Planning studies should be categorized under the environmental phase. Vehicle acquisition or equipment purchase should be categorized under the construction phase.)

The project sponsor must display the project in these four components in the Initial Project Report and expenditure (cash flow) plans. If the project sponsors intend to use alternate delivery methods, such as but not limited to: design/build/operate/maintain, the preparation of the Request for Proposal is considered Final Design phase. The Alternate Delivery package is considered the Construction phase.

ALLOCATION AND FUNDING AGREEMENT PROCESS

The allocation process for RM2 capital projects shall also serve as the process for executing funding agreements, in lieu of a separate funding agreement for each capital project. These agreements are fully executed through a process of project sponsor governing board certification followed by Commission allocation action. Notwithstanding, under S&HC 30914(e), MTC has the option of entering into a memorandum of understanding between itself and a capital project sponsor addressing specific requirements to be met prior to the allocation of funds.

An IPR for capital projects, as outlined in S&HC 30914(e) and detailed in Appendix A and B, shall be prepared and adopted by the appropriate governing board prior to MTC approval of the IPR and allocation of funds. The sponsor is expected to certify, through an action of its governing board, that certain conditions (general and project specific) are acknowledged and will be adhered to and compliance with the RM2 Policies and Procedures. Along with the certification of conditions from the project sponsor governing board and the IPR, the sponsor will need to provide evidence that the other fund sources contributing toward that project phase are committed. It is recommended that the sponsors submit the allocation request to MTC staff for review sixty days prior to the action by their governing board.

Upon completion of the lead sponsor governing board certification, the Commission will consider the allocation of RM2 funds. An allocation request is considered complete and ready for Commission consideration when all of the component elements to the request are submitted and approved by MTC staff. ~~The Commission's resolution approving the IPR and allocation of RM2 funds will serve as the final agreement between MTC and the implementing agency and may include project specific conditions. Where the Commission approves an amount less than the sponsor requested, the Commission allocation amount prevails. Reimbursement of funds is subject to meeting the conditions as stipulated in the MTC allocating resolution.~~

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Allocation Principles

For the capital program, allocations will be considered ~~as requested and final allocation decisions will be subject to the availability of funds in the overall RM2 program.~~ (capital and operating elements). The Commission will carefully consider each allocation and apply the following principles in its allocation decisions:

1. **Replacement Fund Source Not Allowed.** RM2 funds will not be utilized as a replacement fund source on capital projects for any funds that have been programmed or allocated previously to the project, for the phase requested by the project sponsor, if such replacement results in a shortfall for the overall project or places prior programming commitments in jeopardy.

2. **Required Evidence of a Fully Funded Project Phase.** The Commission will allocate funds for capital projects only if it finds that the project phase is fully funded, either entirely with RM2 funds or with a combination of RM2 funds and other allocated funds. To receive an allocation of RM2 funds for a jointly funded phase, the other contributing funds must be approved, authorized, assigned and allocated to that phase of work by the authorizing authority. At the request of the project sponsor, the Commission may, on an exception basis, consider allocations of RM2 funding conditioned on the allocation of other funds for that phase. In granting conditional allocations, the Commission will consider the nature and timing of other funding commitments to the requested and future phases of work.

3. **Phase at a Time Allocations.** Allocations will only be made to projects one phase at a time: environmental/project approval, final design, right of way, and construction. Exceptions will be considered on a case-by-case basis; however, the Commission will strive to minimize funding risks in making allocation exceptions. However, multiple phases may proceed at the same time.

4. **Environmental Clearance.** RM2 funds will not be utilized for any capital expenditure, either for right of way or construction, until the project has been environmentally cleared and approved by the project sponsor. Pursuant to California Environmental Quality Act Public Resources Code §21000, et seq., all applicants are required to submit a valid environmental document that has been certified by the County Clerk for each project. Please refer to Public Resources Code and Title 14 of the California Code of Regulations for more information. Applicants are urged to refer to the statutory and regulatory sections cited when preparing any environmental assessment under CEQA or NEPA. Applicants should consult their environmental officer for guidance in completion of this requirement. If a project is federally funded or is anticipated to be federally funded, project sponsors must submit approved National Environmental Protection Act documents.

5. **Conditions of Right of Way Allocations.** RM2 funds will be allocated for right of way capital and support only after the project has identified and committed construction capital funds. The Commission will consider exceptions whereupon investment in right of way can be recovered if the project does not go forward. If the Commission approves an allocation of RM2 funds for advance acquisition of right of way meeting the conditions as outlined above, the project sponsor shall provide that the land is held in escrow until project approval occurs for the transportation improvement. Advance acquisitions made prior to completion of environmental and location processes are not to influence environmental assessment of the project. Note that there are federal and state laws, regulations and policies governing acquisition and relocation activities. It is not intended that the use of RM2 funds shall waive any of the laws, regulations, or policies that may apply.

Deleted: Federal funds must have received an obligation (E-76) or Advance Construction Authorization, or be included in an approved FTA Grant. State Transportation Improvement Program (STIP) and Transportation Congestion Relief Program (TCRP) funds must have received an allocation from the California Transportation Commission (CTC). Local Measure funds must have an allocation action by the authority. All other funding must have an action allocating the funds for that phase of work by the responsible authorizing agency or governing body.

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Deleted: ¶ **Right of Way Protection.** The Commission will give careful consideration to requests for right of way protection or hardship requests whereby early acquisition of right of way is necessary to respond to owner hardship, or to avoid excessive right of way cost increases in the future due to development of the site.

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- 6. **Deliverable Product.** RM2 funds will be allocated with the specific intent of achieving a deliverable product. The ability of the product to be completed will be taken into consideration when the Commission allocates funds to the project. Any impediments to achieving the specific product shall be brought to the attention to the Commission in the Initial Project Report and through progress reports submitted by the project sponsor. If in the opinion of the Commission, impediments are such that the required product is unachievable, the Commission may withhold allocations, rescind allocations or withhold reimbursements on previously allocated funds. The Commission reserves the right to issue a 30-day stop notice in the event it has to reevaluate the project per S&HC 30914(f).
- 7. **Complementary Funds Consideration.** Projects with funding from other sources may be given priority if there are pending timely use of funds requirements on the other fund sources.
- 8. **Complementary Funds Spend Down Rate.** Other fund sources committed to a project phase that are complementary to RM2 funds will be expected to be spent down at an approximate proportional rate to RM2 funds. Exceptions and proposals to consider alternative cash flows from other fund sources must be approved in advance, in writing by MTC staff.
- 9. **Transit Operating Considerations.** For transit systems, an allocation of funds for capital expenditures, either right of way or construction, may be predicated on an ability to demonstrate that the service meets operating requirements.

Allocation Request Process

Project sponsors or implementing agencies must initiate an allocation request by submitting a draft Initial Project Report and Sponsor/ Implementing Agency Resolution 60 days prior to the required Commission action. Thirty days prior to the Commission action, the project sponsor or implementing agency must submit the completed allocation application package to MTC. The allocation request consists of the following, detailed in Appendix A, and is available on the Internet (as applicable) at: <http://www.mtc.ca.gov>:

Intent to Request an Allocation (60 days prior to Commission action):

- 1. Draft Initial Project Report
- 2. Draft Sponsor/ Implementing Agency Resolution

Allocation Application Package (30 days prior to Commission action):

- 1. Sponsor/ Implementing Agency Resolution of Project Compliance
- 2. Opinion of Legal Counsel / MTC Indemnification*
- 3. Board or Official Governing Body Approved Initial Project Report (IPR)
- 4. Environmental Documentation
- 5. Evidence of Allocation and Commitment of Complementary Funds

* Project sponsors have the option of consolidating the 'Opinion of Legal Counsel / MTC Indemnification' within the 'Implementing Agency Governing Board Resolution of Project Compliance'.

Deleted: <#>Future Funding Commitment. When proposing allocations for only the preconstruction components of a capital project, the implementing agency must demonstrate the means by which it intends to fund the construction of a useable or operable segment or product, consistent with the Regional Transportation Plan. The anticipated total project cost and source of any uncommitted future funding must be identified in the IPR. To be considered committed for future phases of work, federal funds must be in the current TIP or have a Full Funding Grant Agreement (FFGA) or approved Earmark. State Transportation Improvement Program (STIP) funds must be in the current STIP and Local Measure funds must have a commitment action by the governing authority. Transportation Congestion Relief Program (TCRP) funds are considered committed, however, based on current state budget actions. All other funding must have an action committing the funds by the responsible authorizing agency

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Deleted: That product shall be the environmental decision/ project approval documentation when allocating to the environmental phase, the final design package including contract documents when allocating to the final design phase, title to property/ easements/ rights of entry or possession when allocating to the right of way phase, and a constructed improvement or minimum operating segment available for public usage when allocating to the construction phase.

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Advance acquisition of property may be advisable prior to the completion of the environmental decision and the approval of the project. This generally occurs either under conditions of hardship [1]

EXPENDITURES AND REIMBURSEMENTS

Authority to Expend

The project sponsor must obtain the Commission’s approval of the allocation and description of eligible costs prior to incurring costs. Project sponsors shall not receive reimbursement of costs incurred prior to MTC approval of the allocation of funding. Project sponsors shall proceed solely at their own risk in advertising, opening bids, or awarding a contract prior to an allocation of RM2 funds. The advertising, bid opening, or awarding of a contract by the sponsor shall in no way prejudice the Commission into making an allocation they deem unsuitable. Final allocation decisions will be subject to the availability of funds.

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If a project or project component is ready for implementation earlier than RM2 funding is available, the sponsor may request an allocation of funds covering eligible expenditures but only with the full understanding that reimbursement will be deferred until RM2 funds are available in accordance with the approved allocation.

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Deleted: A commitment of the funding may be made by the Commission including a determination of when the funds will be available. This action will be taken with the concurrence of the project sponsor; otherwise, the sponsor may elect to wait for an allocation until such time revenues are available. The sponsors will proceed at their own expense recognizing that any interest incurred will not be eligible for reimbursement. The sponsor shall adhere to the policies and procedures governing allocations and reimbursements. This deferred reimbursement is similar in concept to the Federal Highway Administration’s (FHWA)’s Advance Construction (AC) authorization, or the Federal Transit Administration’s (FTA)’s pre-award authority or the California Transportation Commission’s (CTC)’s AB 3090 approval.

Eligible Expenses

To ensure that that RM2 funds are put to the most efficient use, limitations on allowable expenses have been placed on environmental, design, right of way, construction, staff support, oversight, consultant services and other aspects of project delivery. Furthermore, agency overhead costs, including administrative support, office equipment, and office leases, shall not exceed the cap as described under “Implementing Agency Costs” below.

Note that for all project phases, RM2 funds are limited to the statutorily authorized amount:

1. Environmental Studies and Preliminary Engineering

Expenses incurred by sponsor staff and consultant staff for environmental study costs, including determination of the appropriate environmental document, preparation of all preliminary engineering for each alternative, including geometric layouts, determination of right-of-way needs, environmental technical studies (such as air, noise, energy, cultural resources and hazardous waste), and all other studies or activities necessary to prepare and to finalize the appropriate environmental document for approval are eligible for reimbursement. Environmental costs eligible for reimbursement shall be limited to the project as described in S&HC Section 30914 (c). Any environmental costs associated with an element of the environmentally scoped project that is beyond the project scope and intent as outlined in S&HC 30914 (c) and approved by the Commission in the IPR is not eligible for reimbursement under RM2.

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2. Design Costs

RM2 funds are eligible for expenses incurred by sponsor staff and consultant staff for design activities related to the project scope identified in S&HC 30914 (c) and as approved by the Commission in the IPR. These activities include but are not necessarily limited to, preparation of alternative design studies; materials and foundation reports; drainage, hydrology and hydraulic reports; management oversight; surveying and mapping; preparation of the plans, specifications and estimate; preparation of bid documents and files for project; preparation of permit applications and maintenance agreements; coordination of

agency reviews and any other activities necessary to prepare final PS&E for bid advertisement and award.

3. **Right-of-Way Acquisition and Utility Relocation**

RM2 funds are eligible for expenses incurred by sponsor staff and consultant staff for all activities related to right-of-way, advanced right-of-way, and hardship acquisitions, including determination of right-of-way needs; title searches; parcel appraisals; hazardous materials disposition; preparation of right-of-way acquisition documents; negotiation with property owners; activities involved with acquiring rights-of-way including condemnation proceedings, right-of-way capital costs, and cost-to-procure impacts related to the acquisition; utility relocation costs.

Services provided for right-of-way activities involved with the property but not necessary for the RM2 project as defined in the scope of work approved by the Commission in the IPR shall be at the expense of the sponsor and borne by non-RM2 fund sources.

If any excess right-of-way is sold, or otherwise disposed of, the value of such property shall be returned to MTC, including any profit realized from the sale of the property based on the prorated percentage of funds MTC contributed to the purchase of the property.

4. **Construction Costs**

RM2 funds are available to cover all construction expenditures for the project including construction capital, management and inspection, surveys, public outreach, and others as appropriate that are part of the scope of work approved by the Commission in the IPR. RM2 funds are eligible for reimbursement of sponsor's management oversight expenses associated with the construction of the project. This would include activities such as construction management, inspection, expenses associated with reviewing proposed change orders, and activities involved with managing the fund sources contributing to the project.

Any questions regarding eligible costs will be resolved in writing by MTC staff.

Capital improvements and vehicle procurements for the implementation of the approved RM2 projects are eligible for construction funds. Vehicles procured with RM2 funds must be operated in revenue service for their useful life, as defined by MTC's Transit Capital Priorities process and criteria program.

5. **Project Sponsor/ Implementing Agency Costs**

The amount for which the project sponsor/implementing agency can be reimbursed will be limited, as described below. In all cases, project sponsor/ implementing agency costs will be reimbursed within the cap of project funds stipulated in RM2. These changes are applicable to expenses beginning July 1, 2005. Prior to July 1, 2005, overhead expenses are not eligible for reimbursement.

- a) **DIRECT STAFF COSTS.** Implementing agency staff costs are eligible, provided costs are directly related to the project tasks. Allowable implementing agency staff costs shall include the actual salary and fringe benefits directly related to the project only.

Deleted: If the sponsor wishes to include items of work not covered under the statutory description of the project and as approved by the Commission in the IPR, the cost for including the additional work shall be segregated and the cost borne by the sponsor from non-RM2 fund sources. Items of work that would fall into this area would be the correction or betterment of pre-existing items such as pavement, drainage facilities, landscaping (beyond Caltrans standards) or pedestrian facilities, unless these are an integral part of the project scope and necessary to meet the congestion relief goals of the RM2 program.¶

Deleted: Sponsor may include additional work beyond the scope of work for the RM2 project at their expense. These costs will be segregated from the other item work expenses and paid for with non-RM2 funds. Items of work could include correction or betterment of pre-existing facilities such as pavement, drainage, landscaping or pedestrian facilities. Items of work within the scope, but covering more expensive treatment for the facility such as specialized lighting standards and signs, more elaborate landscaping or specialized treatment on the face of soundwalls and retaining walls, and specialized sidewalk/hardscape treatments will also be segregated from other project work and paid with non-RM2 funds.

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- b) **INDIRECT OVERHEAD COSTS.** An overhead rate for indirect costs can be assessed on direct staff costs (salary and fringe benefit costs) only. The overhead rate shall be calculated by multiplying total labor cost (salaries and fringe benefits as described in above), by the sponsors' or implementing agencies' overhead rate as approved in its OMB Circular A-87 standard or an equivalent rate accepted by MTC. For projects with multiple project sponsors, the project sponsors must mutually agree to the method and overhead rate being applied to that particular RM2 project. The overhead rate effective July 1 of each year shall be applied for the entire fiscal year. Sponsors and implementing agencies may update the rate as of July 1 of each fiscal year. The amount reimbursable for the overhead rate shall not exceed 50% of the direct staff cost and shall not be leveraged on consultant contract or equipment costs. Project sponsors and implementing agencies must self certify and submit an independent opinion with respect to its agency compliance with OMB Circular A-87 standards and laws.
- c) **OTHER DIRECT PROJECT COSTS.** Other direct costs as approved by MTC.
- d) **CONSULTANT COSTS.** Consultant services directly responsible for delivering the project are eligible. Consultant services shall be listed separately and supported in the invoice submittal to MTC.

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6. Miscellaneous Costs

The costs of fees from other agencies, including permit fees, or reimbursement for review or oversight costs needed for the project are eligible costs. However, the cost of permits or fees from the sponsor will not be eligible. Utility relocation costs are eligible for reimbursement according to previous agreements establishing rights for those utilities. The costs for specialized equipment for testing, analysis or production of documents for project-related work are also eligible.

Invoicing and Reimbursements

All eligible costs shall be invoiced on a reimbursable basis. Sponsors are encouraged to invoice quarterly and not more frequently than monthly. Any exceptions for supplemental payments must be approved in advance by MTC. For each fiscal year in which expenditures are incurred, sponsors should invoice at least once in that fiscal year. Invoices shall include only eligible costs and must show that the RM2 and matching fund sources are reimbursed and drawn down at approximately the same rate as the RM2 funds. Costs shall be accounted for in the invoice, sufficient to detail services performed with respect to the project scope as approved by MTC and payments made. An invoice format is provided to sponsors by MTC and shall include appropriate supporting reports from the sponsoring agency's general ledger. Approval of invoices shall be contingent on the timely submittal of Progress Reports. In the event such Progress Reports are not complete and current, approval of invoices shall be withheld until an acceptable Progress Report is submitted. Final reimbursement of funds will be subject to review of the delivered useable/ operable phase or segment and project close out procedures except if all the funds are used before project closeout.

Deleted: Sponsors are encouraged to invoice quarterly and not more frequently than monthly. Any exceptions should be requested when submitting the IPR to MTC.

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Availability for Audits

Sponsors of capital projects shall be available for an audit as requested by MTC.

TIMELY USE OF FUNDS PROVISIONS AND DEADLINES

The majority of fund sources used for transportation improvements are bound by timely use of funds deadlines. Failure to meet specific funding milestones can result in the funds being deleted from the project. In the event of funding loss due to the sponsor's inability to meet timely use of funds provisions, the sponsor must demonstrate that the project or project phase is still deliverable.

Generally, project sponsors should encumber funds within one year of receiving an allocation. With respect to project phase milestones 1) sponsors should not take more than 3 years to complete the environmental document and clearance process for environmental phase allocations and 2) Right of Way agreements should be finalized within two years of the allocation of funds for right of way acquisition. Deviations from these timely use of funds guidelines should be highlighted in the progress reporting process and sponsors are required to provide an explanation for this lapse. Amendments, adjustments and extensions should be requested in writing and must be approved, in writing, by MTC staff.

Project sponsors must demonstrate and certify that they can meet all of the timely use of funds deadlines as part of the financial plan included in the Initial Project Report for the various fund sources on the project. It is encouraged that project sponsors follow the provisions of the Regional Project Delivery Policy (MTC Resolution No. 3606).

Project Cancellation

- 1) If the RM2 project or project phase is not completed, the project sponsor shall repay MTC any RM2 funds expended above the proportionate share of eligible costs for the project or project phase. With regard to vehicle procurements, removal from revenue service or sale of the vehicle prior to the end of the vehicle's useful life will result in repayment to MTC and the RM2 program for the depreciated value of the vehicle at the time of removal or sale.

Following the Commission consultation with the sponsor, public hearing and determination to redirect funds from the project, payment to MTC shall be made with interest and shall be made in accordance with a negotiated repayment schedule, not to exceed 24 months. MTC shall withhold funds due the sponsor for any missed payments under the negotiated agreement.

OTHER PROJECT COST CONDITIONS

Maintenance and Operating Costs

Pertaining to capital projects outlined in Streets and Highways Code Section 30914 (c), it is the obligation of the project sponsor to arrange for all costs to operate and maintain the improvement constructed under RM2. No costs will be considered as eligible for reimbursement out of RM2 funds to operate or maintain the facility or any portion of the facility. Requests for any initial startup costs as part of the construction contract must be approved in writing by MTC staff.

Escalated Costs

RM2 funding for any individual project or program shall be limited to the amount designated in the RM2 legislation without escalation notwithstanding the provisions of Section 30914(f). If funding beyond RM2 amounts are required to complete the project phase the sponsor is responsible for securing the additional funding prior to allocation of RM2 funds.

Deleted: Timely use of funds provisions are established in state and federal statutes for the State Transportation Improvement Program, the federal Surface Transportation Improvement Program (STP), and the federal Congestion Mitigation and Air Quality Improvement (CMAQ) program. MTC's Regional Project Delivery Policy (MTC Resolution No. 3603, approved October 22, 2003) established additional funding milestones for regional STP and CMAQ funding. Given that most RM2 projects are jointly funding with STIP, STP or CMAQ funding, project sponsors must be cognizant of the funding deadlines of the other funds on the project, and reflect appropriate deadlines in the financial plans submitted as part of the Initial Project Report.

Deleted: ¶ Although legislation governing RM2 does not place specific deadlines on the funds, MTC will be managing the availability of RM2 funding to ensure continued progress and timely project delivery. As part of its assessment of the status of programs and projects, MTC shall consider the reasonable progress of the project after receiving its allocation. If a program or project cannot continue to be delivered, as evidenced in part by a lack of reasonable further progress, the Commission shall consult with project sponsors, hold a public hearing on the project, then determine whether to modify the project's scope or funding; or to reassign the funds to another or an [2]

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Deleted: for expenditure and reimbursement pertinent to each project shall be identified in the allocating resolution.

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Deleted: Lease financing of vehicle procurements that do not result in the removal of the vehicles from revenue service is permissible. Project sponsors entering into a sale-leaseback or lease-leaseback financing agreement for the purpose of generating operating fu [3]

Deleted: If a minimum operating segment or other useable segment of the facility is open for public use prior to the entire facility being opened, and if that segment is still the responsibility of the contractor for operation and maintenance, then these contractor costs can be [4]

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Deleted: The cost of the project phases should be escalated to the year of expenditure when submitting project cost information to MTC. RM2 funds do not escalate. Local project sponsors may use the state escalation rates or their own rates in determining the escalated [5]

Cost Increases

In cases where more than RM2 funds are needed to complete a project phase, it is the sole responsibility of the sponsor to secure the additional necessary funding. In the event that the sponsor cannot secure additional funding, and/or the project cannot be segmented to meet the available funds and still conform to the intent of the legislation and voter mandate, the Commission shall consult with the program or project sponsor, and conduct a public hearing as outlined in S&HC Section 30914(f). After the hearing, the Commission may vote to modify the project's or program's scope, decrease its level of funding, or reassign all of the funds to another regional project or program within the same corridor. If the existing project is removed from the RM2 program, MTC and the sponsor agree to share expenditures of eligible costs to date in accordance with the allocation conditions accompanying the project allocation.

Deleted: MTC participation in project or program costs shall be limited to those dollar amounts as outlined in S&HC Section 30914 (c). All cost estimates by project phase, being environmental/project approval, design, right of way, and construction, shall be shown in the Initial Project Report in the year of expenditure. ¶

Contract change orders or cost increases that may arise once the contract has been awarded that are in excess of \$250,000 or 20% of the project cost, whichever is less, shall be noticed to MTC as soon as those increases have been identified or no later than the next scheduled Progress Report. The project sponsor will provide assurance that the project phase the Commission allocated to is still deliverable. A revised financial plan for the project shall be included as part of the submitted Progress Report.

Deleted: It is the responsibility of the project sponsor to provide Progress Reports, working in cooperation with MTC and its consultants. Proposed c

The sponsor is not authorized to claim any RM2 funds in excess of the allocation amount approved by the Commission.

Deleted: in association with the scope, cost, and schedule approved by the Commission. Increased costs are eligible for allocation of unallocated RM2 funds if the sponsor provides an updated funding plan indicating that funds from other phases or other sources are available to assure the delivery of the prescribed RM2 project or project phase. This must be accompanied by evidence that other fund sources, either new or increased in dollar amount, are committed. As mentioned elsewhere in this Policy and Procedure document, other fund sources must be programmed and allocated to the project phase requesting an allocation of RM2 funds or a supplement to the allocation of RM2 funds prior to the Commission approving an allocation of RM2 funds. In no case shall the financial responsibility of BATA and/or MTC regarding RM2 funds exceed the amount designated in S&HC 30914 (c) and (d). ¶

In no case shall the financial responsibility of BATA and/or MTC regarding RM2 funds exceed the amount designated in S&HC 30914 (c) and (d) unless the Commission reassigns funds. **Cost Savings and Cost Increases at Bid Opening**

At the time of bid opening, the responsible low bid may exceed the funding commitment of RM2 funds as well as other fund sources. If in the event of construction budget exceedences, the sponsor may seek an allocation of any remaining RM2 funds not yet allocated to the project only if other funds are committed in sufficient amounts to deliver the construction phase. If all available fund sources are not sufficient to award the project, the sponsor shall consult with MTC on suitable measures to enable the project to proceed, including but not limited to downscoping the project and rebidding, providing additional clarity to enable a more cost-effective bid, or seeking additional revenues. In no case shall the sponsor exceed the levels of RM2 funding allowable under Street and Highway Code Section 30914(c). In utilizing all available funding from all sources for contract award, the sponsor shall consult with MTC staff on the likelihood of cost increases during construction and what contingencies are available to address these costs, including the presentation of a risk management plan for constraining construction expenditures to available revenues.

Deleted: If outside funding is found to be available for the RM2 project or project phase to partially offset the RM2 funds, the RM2 funds will not be transferred out of the project until after it is ensured that any known cost increases are adequately addressed.

In the event of cost savings at bid opening, the sponsor shall consult with MTC staff on any proposed changes to the funding plan.

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MONITORING AND REPORTING REQUIREMENTS

Annual Updates

On an annual basis, sponsors and implementing agencies may be asked to notify the Commission of anticipated allocation requests for subsequent fiscal year (12 months). The Commission's capacity to allocate RM2 funds depends in part on the information provided by the sponsors and the failure to comply may result in the sponsor's allocation request being deferred until such time when RM2 funds become available.

Deleted: distribute bid savings proportionately to all construction fund sources, including both capital and support.

Deleted: The RM2 funds shall be available to the sponsor for any cost increases associated with the project after construction award until the time of final close-out of the construction phase, including the settlement of all claims.¶

Semi-annual Progress Reports

As directed by MTC, sponsors and/or implementing agencies will provide MTC with a Semi-Annual Progress Report. Semi-annual periods begin on July 1 and January 1 of any given fiscal year. These reports are meant to update MTC on the project’s scope, cost, and schedule. These reports shall include the following:

- Status: the phase currently underway and the progress since the last report; major meetings and decisions on the project; any significant accomplishments; any setbacks to the project. The sponsor should note whether they anticipate any problems, and what area these problems exist in.
- Expenditures to date: these will be specified as expenditures since the prior reporting, and will include all funding sources including RM2. These will be in sufficient detail to determine that they are eligible expenses.
- Schedule changes: any changes in the project schedule as outlined and approved in the IPR and the consequences of those changes, particularly related to project costs. If the schedule has been modified, a revised schedule must be attached.
- Cost changes: all changes should be noted in the Progress Report; changes greater than 20% or \$250,000 dollars, whichever is less, must be accompanied by a detailed explanation of what options the sponsor has considered to manage the change. If costs have changed by more than \$250,000 or 20%, whichever is greater, a revised funding plan and cash flow schedule must be attached.
- Potential Claims: If RM 2 funds are utilized for the construction phase of the project, then the sponsor must certify if there are any Notices of Potential Claim. If they exist, a summary of such notices as well as the likely cost or schedule impact shall be included.
- Address of Project Specific Conditions: If project specific conditions were approved as part of the allocation, the sponsor must address the status of meeting the condition.
- Failure to provide the report and required information shall be ground for MTC to withhold reimbursements until a report is submitted and accepted by MTC.

Project Close Out

The Implementing Agency shall be responsible for notifying MTC of the completion of project, prior to submitting the final invoice for the project. After notification, MTC staff will provide the sponsor with the appropriate forms to close out the project, specific to the project type. The final close-out procedure for a project may include sponsor provided documentation verifying the completion of the project, summarizing project costs and expenditures with a reconciliation of balances remaining on the project, transmittal of final deliverables, and on-site field visits. For projects that expend all of the RM 2 funds before completing the overall project as stipulated in statute, MTC has the discretion to continue requesting progress reports on the project. This will be considered on a case-by-case basis.

At Risk Report/Cooperation with Consultants

Upon receipt of the sponsor-submitted semi-annual progress reports, MTC shall prepare an At-Risk Report (Report) for submittal to the Commission that outlines critical scope, cost, or schedule changes to the project. The sponsor shall cooperate with MTC or any authorized agent of MTC in the preparation of the Report. The report will be presented to the Commission to determine the ability of the project or project phase to be delivered, per Section 30914(f) of the S&HC. Regarding scope changes, any changes resulting in changes in costs or schedule should be delineated.

Deleted: , including but not limited to what savings can be realized elsewhere in the project to compensate for the change, and what the risks are to not funding the change

Deleted: MTC acknowledges that information may be limited, given the need for confidentiality between the sponsor and the contractor. A confidential discussion with MTC staff may be requested; the sponsor shall make every effort to comply with this information request.

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Deleted: MTC may retain a project control and monitoring consultant to monitor projects, and report to the Commission on projects or project phases at risk for meeting the adopted scope, cost, or schedule, assessing what options are available to the sponsor to respond to the at-risk condition, and what recommendations may be available to the Commission.

Deleted: and its consultant

Deleted: This report shall include options the sponsor has or has not considered and the costs and risks associated with those options. The sponsor is expected to participate in discussions with the Commission regarding options to proceed.

Deleted: will take the Report into consideration when assessing

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Deleted: The sponsor at a minimum should mention changes in scope due to permit agency requirements, local governing board direction, or changes in federal, state, or local laws and regulations. The sponsor shall cooperate with MTC or its consultants in the preparation of these documents.¶

CONSISTENCY WITH OTHER PLANS AND POLICIES

RTP Consistency

Capital projects seeking allocations must be consistent with the adopted Regional Transportation Plan (RTP), which state law requires be consistent with federal planning and programming requirements.

CMP Consistency

For capital projects, it is required that all committed project phases be included in a Countywide Plan. The phase of the project requiring funding shall be in an approved County Congestion Management Plan (CMP) or in an adopted Capital Improvement Program (CIP) for counties that have opted out of the CMP requirement, prior to seeking allocation of RM2 funds. For multi-county projects, the project must be in the countywide plans and CMP/CIP of the counties affected by the project.

TIP and Air Quality Conformity

Federal laws governing requirements for regions to achieve or maintain federally mandated air quality standards require that all regionally significant transportation improvements be part of a required regional conformity finding. This conformity finding is performed by MTC, the Metropolitan Planning Organization (MPO) for the Bay Area, in concert with the Bay Area Air Quality Management District and the Association of Bay Area Governments and must state that if all the transportation improvements proceed, air quality standards can be reached.

A project is regionally significant if it increases transit or highway capacity or offers an alternative to established regional highway travel. Projects must be included in the conformity analysis, regardless of their fund source. To that extent, all regionally significant RM2 projects must be included in the conformity analysis for the Regional Transportation Plan (Plan) and Transportation Improvement Program (Program). Project sponsors are responsible for updating the TIP listing for their projects following an RM2 allocation or rescission or other significant change to the project. Project specific air quality conformity analysis and findings are the sole responsibility of the project sponsor.

Accommodations for Bicyclists, Pedestrians and Persons with Disabilities

Federal, state and regional policies and directives emphasize the accommodation of bicyclists, pedestrians, and persons with disabilities when designing transportation facilities. As with many existing projects in the Bay Area, an RM2 project is likely to have a number of fund sources that make it whole. A project must incorporate the appropriate policy associated with the fund sources that make up the project. Federal, State, and regional policies and directives regarding non-motorized travel include the following:

Federal Policy Mandates

TEA-21 states that, "Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation projects, except where bicycle and pedestrian use are not permitted" (Section 1202).

State Policy Mandates

Caltrans Deputy Directive 64 (<http://www.dot.ca.gov/hq/tpp/offices/bike/DD64.pdf>), states: “the Department fully considers the needs of non-motorized travelers (including pedestrians, bicyclists, and persons with disabilities) in all programming, planning, maintenance, construction, operations, and project development activities and products. This includes incorporation of the best available standards in all of the Department’s practices. The Department adopts the best practices concept in the US DOT Policy Statement on Integrating Bicycling and Walking into Transportation Infrastructure.”

Routine Accommodations Policy

MTC Resolution 3765 requires agencies applying for regional transportation funds to consider the needs of bicyclists and pedestrians in the process of planning and designing a project.

Resolution 3434 TOD policy

In order to support the development of communities around new transit lines and stations, MTC adopted a [Transit-Oriented Development \(TOD\) Policy](#) that applies to key transit extension projects in the Bay Area. RM2 projects, as appropriate shall comply with the TOD policy.

Intelligent Transportation Systems Policy

In collaboration with federal, state, and local partners, MTC is developing the regional Intelligent Transportation Systems (ITS) architecture. MTC, state and federal agencies will soon require projects funded with federal highway trust funds to meet applicable ITS architecture requirements. Through the on-line WEBFMS application process, project sponsors will identify the appropriate ITS category, if applicable. Information on the regional ITS architecture can be found at: <http://www.mtc.ca.gov/planning/ITS/index.htm>.

Traffic Operations System Policy for Major New Freeway Projects

It is the Commission’s policy that all major new freeway projects included in the Transportation 2030 Plan and subsequent regional transportation plans shall include traffic operations system (TOS) elements to effectively operate the region’s freeway system and coordinate with local transportation management systems. MTC is requiring that all applicable RM2 projects conform to the regional policy. For purposes of this policy, a “major freeway project” is a project that adds lanes to a freeway, constructs a new segment of freeway, modifies a freeway interchange, or reconstructs an existing freeway. A project is considered “new” if it does not have an approved Project Study Report (PSR) by December 2004. Caltrans shall operate, manage, maintain and replace the TOS elements installed within its right-of-way.

SECTION 3 – OPERATING PROGRAM GUIDANCE

BACKGROUND

Regional Measure 2 (RM 2) will provide operating support for a number of transit services. These projects are identified in Section 30914(d) of the California S&HC.

On October 13, 2004, the Federal Highway Administration with concurrence of the Federal Transit Administration approved the use of toll revenues from the four non-federalized Bay Area bridges for funding transit operations through the RM2 program. This decision allows MTC to begin allocating operating funds to the projects that were approved as part of RM2.

RM2 funds for operating assistance will be made available annually in accordance with the policies and procedures defined in this section.

ALLOCATION PROCESS

Prior to the beginning of each fiscal year, MTC will adopt a project specific budget for RM 2 operating funds. It is against this budget, subject to meeting eligibility requirements and fund availability, that project sponsors should request operating allocations.

Deleted: , pending resolution of the federal limitation concerning using toll revenues for operations,

In S&HC 30914.5(b), MTC is directed to execute an operating agreement with sponsors seeking RM2 funding covering operating assistance for transit services. These agreements are to be executed through a process of project sponsor governing board certification followed by Commission allocation action. The annual funding agreement will consist of approval by both project sponsors and MTC of the terms outlined in the sponsor Implementing Agency Resolution and Operating Assistance Proposal (OAP). The Implementing Agency Resolution should provide evidence of a full funding plan, adherence to performance measures, local agreement to conditions, local certification of absence of legal impediments and local indemnification of the Commission and adherence to the planned activity as outlined in the OAP.

Environmental Documentation

Pursuant to California Environmental Quality Act (CEQA) Public Resources Code §21000, et seq., all applicants are required to indicate that an environmental document has been filed with the County Clerk for each project in their annual application. Please refer to Public Resources Code and Title 14 of the California Code of Regulations for more information. At the time of service initiation, an applicant may submit a request for RM2 funding to cover the costs of the environmental assessment for the RM2 route. Applicants are urged to refer to the statutory and regulatory sections cited when preparing the environmental assessment documents. Applicants should consult their environmental officer for guidance in completion of this requirement. An application for operating funds solely to maintain existing transit services normally will be a Class I categorical exemption under CEQA, and requires only a Notice of Exemption. Applicants should check with their environmental officer for further assistance.

Deleted: For projects identified in Streets and Highway Code Section 30914(d) that are eligible for operating funds, the project sponsors may defer requesting allocation of such funds until capital elements of their respective projects are in place. The project sponsors shall provide MTC with an expenditure plan outlining a schedule when these funds will be requested not later than February of each year. The expenditure plan shall be reviewed annually, and may be revised by the project sponsor as necessary, subject to the concurrence of MTC. The projects include RM2 projects 2, 3, 4, 5, and 6. For TransLink®, operations funds may be allocated and expended in three non-consecutive years and the total amount is not to exceed \$20 million.¶

Allocation Applications

An allocation request will be considered complete and ready for consideration by the Commission when all of the component elements to the request are submitted and approved for

forwarding to the Commission by MTC staff. Each request must be submitted using the most current forms available on the MTC website. Most operating project sponsors will prepare their requests as part of an application for Transportation Development Act funds submitted to MTC annually. For project sponsors that do not receive those funds, applications for operating assistance should be submitted sixty days prior to the expected allocation date and should include the following material:

1. Cover letter detailing the allocation request;
2. Implementing Agency Resolution; *
3. Operating Assistance Proposal;
4. Opinion of Legal Counsel; *
5. Environmental documentation;
6. Certifications and assurances; and
7. Fiscal audit.

* Project sponsors have the option of consolidating the 'Implementing Agency Resolution' and the 'Opinion of Legal Counsel.'

Appendix B details the formats for the Implementing Agency Resolution, Operating Assistance Proposal, the Opinion of Legal Counsel, and the Certifications and Assurances. RM2 operating project sponsors not eligible for Transportation Development Act funding should contact MTC for the most recent Operating Assistance Proposal.

Staff will review the operating assistance request to ensure that the project request meets eligibility per S&H code 30914(d), compliance with financial audit requirements, satisfaction of established performance measures, and other requirements outlined in this policies and procedures manual.

ELIGIBILITY

Reimbursable Activities

Transit services eligible to receive operating assistance under RM2 are those projects identified under Section 30914(d) of the S&HC. These projects and services have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors. Due to other federal, state and regional requirements, full eligibility for the receipt of RM2 funding is not determined until approval of the funding allocation by the Commission.

Operating costs included in the operating expense object classes of the uniform system of accounts, exclusive of depreciation and amortization expenses and direct costs for providing charter service, are eligible for RM2 operating assistance. Eligible expenses for operating follow the eligibility criteria for Transportation Development Act funds.

Service initiation costs for RM2 routes – including preparation of environmental clearance – are an eligible expense.

No operator or transit service claimant shall be eligible to receive moneys during the fiscal year from RM2 operating assistance for operating costs that exceed its actual operating cost for the service identified in S&HC 30914(d) or subsequently amended through an action by the MTC

Deleted: In the case of a transit service claimant that is allocated funds for payment to an entity, which is under contract with it to provide transportation services, "operating cost" also includes the amount of the fare revenues that are received by the entity providing the services and not transferred to the claimant.

Commission (including payment for disposition of claims arising out of the operator’s liability) in the fiscal year less the sum of the following amounts:

- 1. The actual amount of fare revenues received during the fiscal year.
- 2. The amount of other operating subsidies directed at the service during the fiscal year.

For those cases where the RM2 service is a portion of an operator’s service, the methodology used to derive the costs and revenues for the route must be specified at the time of allocation.

Any change in the methodology must be approved by MTC staff in advance and may require a revision to the allocation.

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The period of eligibility for operating expenses is for the fiscal year for which the allocation is made. The term fiscal year has reference to the year commencing July 1 and ending June 30 of the following year.

Notwithstanding the provisions listed above for transit operating, for purposes of TransLink® and Water Transit Authority administrative expenses, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) have determined that planning activities are eligible for reimbursement from toll revenues. Allocation for planning activities will be in accordance with federal guidance and may need to be reviewed by federal agencies in advance of the allocation to confirm that the planned activities are Title 23 eligible.

Consistency with Plans

In addition to the eligibility requirements outlined above, applicants must demonstrate consistency with regional plans and federal planning requirements including but not limited to:

- MTC Regional Transportation Plan: For operations projects, applicants should provide the necessary project reference or information to verify that their project is compatible with the RTP.
- Applicant's Short Range Transit Plan (SRTP) or Countywide Plan: For operations projects, applicants should reference how the project is reflected in their Short Range Transit Plan or County-wide Five Year Plan. All transit operators that receive operating assistance shall prepare a Short Range Transit Plan, or planning/budget document equivalent for their system, including reference to the planned use of RM2 bridge tolls as part of their overall operations. Failure to complete an SRTP could delay an allocation or make a project sponsor ineligible for RM2 operating assistance.
- Air Quality Conformity: An applicant’s project must be consistent with the TIP for which MTC has completed an air quality conformity assessment.

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DISBURSEMENT OF FUNDS

After approval by the Commission, allocations of RM2 operating funds will be disbursed in accordance with the terms and conditions established in the allocation instructions by MTC.

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Generally, allocation instructions will direct payments to be made monthly in advance, subject to quarterly adjustments to reflect actual expenses against monthly invoices. Sponsors are required

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to submit the final fiscal year invoice by July 30th. All disbursements are subject to the

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availability of bridge toll revenues and determination of eligible expenses. Specific invoicing procedures will be provided to the sponsor.

Deleted: that do not require regular monthly payments in advance and do not invoice quarterly

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Disbursement of RM2 operating assistance may be delayed, cancelled, or adjusted based on MTC audit findings of ineligible expenses. Delinquency of report submittals or failure to comply with other RM2 operating assistance conditions could be grounds for withholding disbursement of funding or rescinding allocations.

Deleted: is conditional on timely and satisfactory completion of a fiscal audit and

MONITORING REQUIREMENTS

Annual Update of Operating Assistance Plan

Streets and Highway Code 30914.5(b) requires that MTC enter into an agreement with all recipients of RM2 operating assistance that shall include, at a minimum, a fully funded operating plan that conforms to and is consistent with the adopted performance measures. The agreement shall also include a schedule of projected fare revenue and any other operating revenues needed to demonstrate that the service is viable in the near-term and is expected to meet the adopted performance measures. These agreements are to be executed through a process of project sponsor governing board certification followed by Commission allocation action as discussed above in Allocation Process.

Applicants for RM2 operating assistance will use the Operating Assistance Plan (OAP) to demonstrate a fully funded operating plan that is consistent with MTC adopted performance measures. The submittal shall be due May 1st for July allocations, or on a rolling basis thereafter, and be updated to reflect audited actual expense data as well as adjusted current year financial and operating data statistics, as appropriate.

Deleted: The original submittal of the OAP for FY 2004-05 was due by May 1st for sponsors requesting allocation in the fiscal year and by June 1st for all other sponsors. In subsequent years, t

Deleted: follow a similar schedule

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The OAP required information is included in Appendix B or in the most current Transportation Development Act funding application. RM2 operating project sponsors not eligible for Transportation Development Act funding should contact MTC for the most recent OAP.

Performance Measures

Prior to allocation of revenue for transit operating assistance under subdivision (d) of Section 30914 of the S&HC, the MTC shall adopt performance measures related to farebox recovery, ridership, and other performance measures as needed. The performance measures are included in Appendix C, Part 5. Any request to change approved performance measures, or the recording and reporting of those measures, must be approved in advance and in writing by MTC staff.

The performance measures, as developed in concert with the affected transit operators and the Advisory Council and as approved by the Commission, will effect allocations starting in FY 2006-07. The applicable year for calculating performance measures will be two years in arrears of a requested allocation year. In other words, for FY 2006-07 operating allocations, the Commission will base compliance with the performance measures on FY 2004-05 operating performance.

An independent auditor in the fiscal audit, as discussed below shall verify the certification of compliance with adopted performance measures. Failure to report and meet performance measures established by MTC may be grounds for delays or adjustment to future allocations.

Fiscal Audit

As established in S&H Code 30914.5(c), prior to annual allocation of transit operating assistance by the MTC, the MTC shall conduct an independent audit that contains audited financial

information, including an opinion on the status and costs of the project and its compliance with the approved performance measures. At a minimum, the fiscal audit will provide the auditor's professional opinion as to whether RM2 operating assistance was spent on eligible costs and performance measures status.

All fiscal and accounting records and other supporting papers shall be retained for a minimum of four years following the close of the fiscal year of expenditure.

Cooperation with MTC and MTC's Consultants

Recipients of RM2 operating assistance funds agree to work cooperatively with MTC staff and MTC consultants to provide operating statistics that will be used to monitor the effectiveness of the RM2 operating program and consistency with MTC adopted performance measures. This includes but is not limited to assisting in the collection of survey data, on-board vehicle counts, and making available relevant ridership and costs information. It is important to note that, in most cases, these performance measures will be route-specific and therefore require isolation of the operating cost, passenger boardings, and fare revenue for the route or line for which RM 2 operating assistance is secured.

Regional Coordination/Participation in MTC Programs

Recipients of RM2 operating assistance agree to participate in regional programs aimed at enhancing transit information and customer service. At a minimum, recipients agree to 1) provide their schedule and real-time transit information/data to 511, maintain the data so that it is updated in a timely and accurate manner, and market 511 as the way to learn about the transit service; and 2) offer TransLink® services and market TransLink® as the fare medium to pay for the transit service, as applicable based on transit operator implementation of TransLink®. Recipients also agree to participate in the Integrated Fare Structure and Transit Connectivity studies, as authorized under S&H codes 30914(c). Further, transit operators receiving RM2 operating assistance agree to make reasonable efforts to implement any recommendations resulting from these studies, as appropriate.

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Deleted: In addition, a project sponsor should include RM2 expenses and revenues in its general fiscal audit. This annual certified fiscal audit shall be submitted to MTC within 180 days after the close of the fiscal year in which the RM2 allocation was received. MTC may suspend disbursement of RM2 operating assistance if an operator fails to meet this deadline. ¶

¶ The Commission's determination of eligibility for operating assistance will depend on the fiscal audit that is two years in arrears. The first year that fiscal audits must address is FY 2004-05, for use in allocation decisions for FY 2006-07.¶

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Appendix A – Capital Allocation Request Forms**Part 1: RM2 Implementing Agency Resolution of Project Compliance****Resolution No.****Implementing Agency:****Project Title:**

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred as Regional Measure 2, identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

WHEREAS, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for Regional Measure 2 funding; and

WHEREAS, allocations to MTC must be submitted consistent with procedures and conditions as outlined in Regional Measure 2 Policy and Procedures; and

WHEREAS, (agency name) is an eligible sponsor of transportation project(s) in Regional Measure 2, Regional Traffic Relief Plan funds; and

WHEREAS, the (project title) is eligible for consideration in the Regional Traffic Relief Plan of Regional Measure 2, as identified in California Streets and Highways Code Section 30914(c) or (d); and

WHEREAS, the Regional Measure 2 allocation request, attached hereto in the Initial Project Report and incorporated herein as though set forth at length, lists the project, purpose, schedule, budget, expenditure and cash flow plan for which (agency name) is requesting that MTC allocate Regional Measure 2 funds; now, therefore, be it

RESOLVED, that (agency name), and its agents shall comply with the provisions of the Metropolitan Transportation Commission's Regional Measure 2 Policy Guidance (MTC Resolution No. 3636); and be it further

RESOLVED, that (agency) certifies that the project is consistent with the Regional Transportation Plan (RTP); and be it further

RESOLVED, that the year of funding for any design, right-of-way and/or construction phases has taken into consideration the time necessary to obtain environmental clearance and permitting approval for the project; and be it further

RESOLVED, that the Regional Measure 2 phase or segment is fully funded, and results in an operable and useable segment; and be it further

RESOLVED, that (agency name) approves the updated Initial Project Report, attached to this resolution; and be it further

RESOLVED, that (agency name) approves the cash flow plan, attached to this resolution; and be it further

RESOLVED, that (agency name) has reviewed the project needs and has adequate staffing resources to deliver and complete the project within the schedule set forth in the updated Initial Project Report, attached to this resolution; and, be it further

RESOLVED, that (agency name) is an eligible sponsor of projects in the Regional Measure 2 Regional Traffic Relief Plan, Capital Program, in accordance with California Streets and Highways Code 30914(c); and be it further

RESOLVED, that (agency name) is authorized to submit an application for Regional Measure 2 funds for (project name) in accordance with California Streets and Highways Code 30914(c); and be it further

RESOLVED, that (agency name) certifies that the projects and purposes for which RM2 funds are being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et. seq. and the applicable regulations thereunder; and be it further

RESOLVED, that there is no legal impediment to (agency name) making allocation requests for Regional Measure 2 funds; and be it further

RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further

RESOLVED, that (agency name) indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of (agency name), its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages, and be it further

RESOLVED, that (agency name) shall, if any revenues or profits from any non-governmental use of property (or project) that those revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs, otherwise the Metropolitan

Transportation Commission is entitled to a proportionate share equal to MTC's percentage participation in the projects(s); and be it further

RESOLVED, that assets purchased with RM2 funds including facilities and equipment shall be used for the public transportation uses intended, and should said facilities and equipment cease to be operated or maintained for their intended public transportation purposes for its useful life, that the Metropolitan Transportation Commission (MTC) shall be entitled to a present day value refund or credit (at MTC's option) based on MTC's share of the Fair Market Value of the said facilities and equipment at the time the public transportation uses ceased, which shall be paid back to MTC in the same proportion that Regional Measure 2 funds were originally used; and be it further

RESOLVED, that (agency name) shall post on both ends of the construction site(s) at least two signs visible to the public stating that the Project is funded with Regional Measure 2 Toll Revenues; and be it further

RESOLVED, that (agency name) authorizes its (Executive Director, General Manager, or his/her designee) to execute and submit an allocation request for the (environmental/ design/ right-of-way/ construction) phase with MTC for Regional Measure 2 funds in the amount of (\$_____), for the project, purposes and amounts included in the project application attached to this resolution; and be it further

RESOLVED, that the (Executive Director, General Manager, or his/her designee) is hereby delegated the authority to make non-substantive changes or minor amendments to the IPR as he/she deems appropriate.

RESOLVED, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the (agency name) application referenced herein.

Part 2: RM2 Sample Opinion of Legal Counsel

Project sponsors have the option of including specified terms and conditions within the Resolution of Local Support as included in Part 1. If a project sponsor elects not to include the specified language within the Resolution of Local Support, then the sponsor shall provide MTC with a current Opinion of Counsel stating that the agency is an eligible sponsor of projects for the Regional Measure 2; that the agency is authorized to perform the project for which funds are requested; that there is no legal impediment to the agency applying for the funds; and that there is no pending or anticipated litigation which might adversely affect the project or the ability of the agency to carry out the project. A sample format is provided below.

(Date)

To: Metropolitan Transportation Commission
Fr: (Applicant)
Re: Eligibility for Regional Measure 2 funds

This communication will serve as the requisite opinion of counsel in connection with the allocation of (Applicant) _____ for funding from Regional Measure 2 Regional Traffic Relief Plan made available pursuant to Streets and Highways Code Section 30914(c)(d) for (Project Name) _____

1. (Applicant) _____ is an eligible sponsor for the Regional Measure 2 funding.
2. (Applicant) _____ is authorized to submit an allocation request for Regional Measure 2 funding for (project) _____
3. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to (Applicant) _____ making applications for Regional Measure 2 funds. Furthermore, as a result of my examinations, I find that there is no pending or threatened litigation that might in any way adversely affect the proposed projects, or the ability of (Applicant) _____ to carry out such projects.

Sincerely,

Legal Counsel

Print name

Part 3: RM2 Initial Project Report (IPR) Format

Section 30914(e) of the California Streets and Highways Code requires that project sponsors with projects listed in the capital program of the Regional Traffic Relief Plan (Section 30914(c)) submit an Initial Project Report (IPR) to the Metropolitan Transportation Commission (MTC) by July 1, 2004. Furthermore, MTC requires the project sponsor to submit an updated report along with any funding allocation request. The governing board of the agency submitting the allocation request must approve the updated IPR before MTC can approve the IPR, or allocation of funds. MTC will approve the report, or updated report, in conjunction with the funding allocation.

The report shall include all information required to describe the project in detail, including identification of lead sponsor, the status of any environmental documents relevant to the project, additional funds beyond RM2 required to fully fund the project, the amount, if any, of funds expended to date, a summary of any impediments to the completion of the project, a detailed financial plan, and notification of whether Regional Measure 2 (RM2) funds will be needed within the subsequent 12 months (following fiscal year). The Initial Project Report is outlined below, with the electronic template available at www.mtc.ca.gov.

- **Project Description and Sponsor Information**, including identification of lead sponsor in coordination with all identified sponsors, and identification of agency to seek and receive allocations from MTC,
- **Project Delivery Information**, including summary of any impediments to the completion of the project, status of any environmental documents relevant to the project, status of the project phases and delivery milestones, and discussion of the operability of the project once completed.
- **Project Budget Information**, including the total budget for the project, and any prior expenditure.
- **RM2 Funding Need Information**, including RM2 expenditure (cash flow) plan, status of any prior RM2 expenditures, and identification of any RM2 funding needs for the next fiscal year, and beyond.
- **Project Funding Information**, including identification of committed funding to the project, any uncommitted funding required to fully fund the project, and segregation of the RM2 deliverable segment if different from the total project. Any timely use of funds requirements must be noted and incorporated into the overall funding schedule of the financial plan. The RM2 phase or component must be fully funded with committed funds, and it must be demonstrated that the RM2 funded phase or component results in a useable or operable segment. For transit projects resulting in expanded or enhanced services, the sponsor shall document the financial capacity to operate and maintain those services for a period of at least 10 years following the year services are initiated.
- **Allocation Budget Plan**. The sponsor must complete an Estimated Budget Plan (EBP) outlining the agency costs, consultant costs, and any other costs associated with the delivery of the Work Plan element for the allocation request. The EBP should represent both the RM2 funds as well as the complementary funds (for projects with complementary fund sources) for the entire work scope. **Governing Board Action**,

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including verification of approval of the IPR. The IPR must be approved by the board or governing body of the agency responsible for preparing and submitting the IPR and requested the allocation of RM2 funding prior to MTC approval of the IPR and allocation of funds. Verification of the governing board action should be attached to the IPR.

- **Agency Contact and IPR Preparation Information**, including agency and project manager, and IPR preparer contact information, and date the report was prepared or updated.

Part 4: Environmental Documentation

Pursuant to California Environmental Quality Act Public Resources Code §21000, et seq., all applicants are required to submit a valid environmental document that has been certified by the County Clerk for each project. Please refer to Public Resources Code and Title 14 of the California Code of Regulations for more information. Applicants are urged to refer to the statutory and regulatory sections cited when preparing any environmental assessment under CEQA or NEPA. Applicants should consult their environmental officer for guidance in completion of this requirement. If a project is federally funded or is anticipated to be federally funded, project sponsors must submit approved National Environmental Protection Act documents.

Part 5: RM2 Evidence of Allocation and Commitment of Complementary Funds

Applicants are required to submit evidence of the commitment of complementary funds for the phase for which the applicant is seeking an allocation of RM2 funds. Copies of the applicable resolution(s) and/or governing body actions allocating the funds to the phase, within the years displayed in the cash flow plan, must be attached to the allocation request. The applicant must demonstrate that the phase is entirely funded prior to the allocation of RM2 funds. Part 6: RM2 Allocation Work Plan

The implementing agency must submit a detailed Work Plan covering the deliverables for which a RM2 funding allocation is being sought. The Work Plan should be consistent with the parameters included in the Board approved Initial Project Report, and must have sufficient detail regarding each deliverables' scope, cost and schedule. The elements of the work plan will serve as the basis of MTC staff review of project sponsor invoices. MTC staff will work with sponsors to ascertain the work breakdown level appropriate to the funding request being made. The Work Plan must be submitted with the allocation application request.

Appendix B – Operating Allocation Request Forms**Part 1: Certifications and Assurances**

(Sample form is available at www.mtc.ca.gov)

Applicant certifies that, if RM-2 funding was received in the prior year, it has included the RM-2 costs and revenues in its general fiscal audit for that year. Applicant also assures that it will include the RM-2 costs and revenues in its general fiscal audit for the year in which funds are requested.

Applicant certifies to one of the following:

- 1) For bus operators, that it has submitted a copy of the California Highway Patrol (CHP) certification, which was issued within the last 13 months indicating compliance with California Vehicle Code §1808.1 and Public Utility Code §99251 (CHP "pull notice system and periodic reports").
- 2) For rail or ferry operators, it certifies that it is current on all inspections and certifications required by federal and state agencies.

Applicant for RM2 funds certifies that it has current SB 602 "joint fare revenue sharing agreements" in place with transit operators in the MTC region with which its service connects, and that it has submitted valid and current copies of all such agreements to MTC.

Applicant also agrees to participate in the Integrated Fare Structure and Transit Connectivity studies authorized in SB 916 (Chapter 715, Statutes of 2004).

Applicant for funds certifies that it complies with MTC's Transit Coordination Implementation Plan (MTC Resolution No. 3055, revised) and with Public Utilities Code §99314.5(c) and §99314.7).

The applicant may be asked to certify such other assurances as MTC may deem appropriate consistent with the RM2 Policies and Procedures outlined above.

Part 2: RM2 Operating Assistance Proposal (OAP)

The Operating Assistance Proposal (OAP) includes the information outlined below. The format for sponsors to complete is available to be downloaded at www.mtc.ca.gov.

1. Description of Proposed Service

- a. Map of service area.
- b. Description of markets being served (both travel demand as well as inter-operator connections)
- c. Description of methodology used to estimate ridership/assign ridership

2. Service Parameters

- a. Service start/end times.
- b. Headways in the peak and off-peak
- c. Vehicles in service during the peak and off-peak
- d. Daily revenue vehicle hours

3. Budget Information

- a. Basis of expense projections, i.e., description of cost model.
- b. Basis of fare revenue projections (assumptions on fare structure, including any increases over the five years, and resulting average fare).
- c. Description of other revenues – if subsidies from other agencies are included, describe status of commitments.
- d. Five-year projections and audited past actual and adjusted current year information for operating cost and revenue. Revenue projections should disaggregate fare revenue, TDA, local sales tax, private sector contributions, and other subsidies.

4. Operating Data and Performance Measures

- a. Five-year projections and audited past actual and adjusted current year information for service parameters including annual ridership, weekday ridership, revenue vehicle hours, and revenue miles.
- b. Five-year projections and audited past actual and adjusted current year information for performance measures including farebox recovery ratio, passengers per revenue hour, cost per rider, subsidy per rider, and cost per revenue hour.

5. Implementation Schedule and Status Report

- a. Proposed start date
- b. Environmental clearance – status and schedule
- c. Vehicles/other capital – status and procurement schedule for incremental capital needed to support RM2 funded operations.
- d. If partnering with other agencies, provide letters of support from partners.
- e. Description of potential implementation issues
- f. Once operational, please provide a status report on the implementation to-date as well as any planned schedule adjustments or other service changes in the coming year.

Part 3: Sample RM2 Operating Board Resolution**Resolution No.****Implementing Agency:****Project Title:**

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred as Regional Measure 2, identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

WHEREAS, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for Regional Measure 2 funding; and

WHEREAS, allocations to MTC must be submitted consistent with procedures and conditions as outlined in Regional Measure 2 Policy and Procedures; and

WHEREAS, (agency name) is an eligible sponsor of transportation project(s) in Regional Measure 2, Regional Traffic Relief Plan funds; and

WHEREAS, the (project title) is eligible for consideration in the Regional Traffic Relief Plan of Regional Measure 2, as identified in California Streets and Highways Code Section 30914(c) or (d); and

WHEREAS, the Regional Measure 2 allocation request, attached hereto in the Operating Assistance Proposal and incorporated herein as though set forth at length, demonstrates a fully funded operating plan that is consistent with the adopted performance measures, as applicable, for which (agency name) is requesting that MTC allocate Regional Measure 2 funds; and

WHEREAS, Part 2 of the project application, attached hereto and incorporated herein as though set forth at length, includes the certification by (agency name) of assurances required for the allocation of funds by MTC; now, therefore, be it

RESOLVED, that (agency name), and its agents shall comply with the provisions of the Metropolitan Transportation Commission's Regional Measure 2 Policy Guidance (MTC Resolution No. 3636); and be it further

RESOLVED, that (agency) certifies that the project is consistent with the Regional Transportation Plan (RTP).

RESOLVED, that (agency name) approves the updated Operating Assistance Proposal, attached to this resolution; and be it further

RESOLVED, that (agency name) approves the certification of assurances, attached to this resolution; and be it further

RESOLVED, that (agency name) is an eligible sponsor of projects in the Regional Measure 2 Regional Traffic Relief Plan, Capital Program, in accordance with California Streets and Highways Code 30914(d); and be it further

Appendix B

RESOLVED, that (agency name) is authorized to submit an application for Regional Measure 2 funds for (project name) in accordance with California Streets and Highways Code 30914(d); and be it further

RESOLVED, that (agency name) certifies that the projects and purposes for which RM2 funds are being requested are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and, if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et. seq. and the applicable regulations thereunder; and be it further

RESOLVED, that there is no legal impediment to (agency name) making allocation requests for Regional Measure 2 funds; and be it further

RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further

RESOLVED, that (agency name) indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of (agency name), its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages.

RESOLVED, that (agency name) shall, if any revenues or profits from any non-governmental use of property (or project) that those revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs, otherwise the Metropolitan Transportation Commission is entitled to a proportionate share equal to MTC's percentage participation in the projects(s); and be it further

RESOLVED, that (agency name) authorizes its (Executive Director, General Manager, or his/her designee) to execute and submit an allocation request for operating or planning costs for (Fiscal Year) with MTC for Regional Measure 2 funds in the amount of (\$_____), for the project, purposes and amounts included in the project application attached to this resolution; and be it further

RESOLVED, that the (Executive Director, General Manager, or his/her designee) is hereby delegated the authority to make non-substantive changes or minor amendments to the IPR as he/she deems appropriate.

RESOLVED, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the (agency name) application referenced herein.

Part 4: RM2 Sample Opinion of Legal Counsel

Project sponsors have the option of including specified terms and conditions within the Resolution of Local Support as included in Part 3. If a project sponsor elects not to include the specified language within the Resolution of Local Support, then the sponsor shall provide MTC with a current Opinion of Counsel stating that the agency is an eligible sponsor of projects for the Regional Measure 2; that the agency is authorized to perform the project for which funds are requested; that there is no legal impediment to the agency applying for the funds; and that there is no pending or anticipated litigation which might adversely affect the project or the ability of the agency to carry out the project. A sample format is provided below.

(Date)

To: Metropolitan Transportation Commission
Fr: (Applicant)
Re: Eligibility for Regional Measure 2 funds

This communication will serve as the requisite opinion of counsel in connection with the allocation of (Applicant) _____ for funding from Regional Measure 2 Regional Traffic Relief Plan made available pursuant to Streets and Highways Code Section 30914(c)(d) for (Project Name) _____

4. (Applicant) _____ is an eligible sponsor for the Regional Measure 2 funding.
5. (Applicant) _____ is authorized to submit an allocation request for Regional Measure 2 funding for (project) _____
6. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to (Applicant) _____ making applications for Regional Measure 2 funds. Furthermore, as a result of my examinations, I find that there is no pending or threatened litigation that might in any way adversely affect the proposed projects, or the ability of (Applicant) _____ to carry out such projects.

Sincerely,

Legal Counsel

Print name

Appendix B**Part 5: RM2 Performance Measures for Operating Projects**

1. The objective in establishing performance measures is to ensure that the Regional Measure 2 (RM2) operating dollars are directed to productive services within the corridors identified in the legislation, or as redirected by the Commission after a public hearing process.
2. Two performance measures will be used to assess cost recovery and ridership change in accordance with California Streets and Highway Code (S&HC) 30914.5(a), which requires that MTC shall adopt performance measures related to farebox recovery ratio and ridership: 1) farebox recovery and 2) change in passengers per revenue vehicle hour. Farebox recovery ratio and change in passengers per hour performance measures are established in items 4 and 5.
3. Recognizing that the market demands as well as policy goals for the operating projects in S&HC 30914(d) are not uniform, several thresholds for farebox recovery are established and outlined in item 4.
4. An operating segment must meet or exceed the farebox recovery ratio conforming to its particular mode and service type as defined in the table below. Peak service is defined as service that does not continue at least hourly between the morning and afternoon commute periods. All day service is generally defined as service that is provided at least hourly between the hours of 6 a.m. and 7 p.m. Long-haul bus services (> 25 miles) will be deemed "all day" if service is provided at least every two hours during the midday. Owl service is service that has been developed with the specific goal of closing a temporal gap in the transit network.

For purposes of establishing compliance with the performance measures, the farebox recovery ratio for the audit year or the average farebox recovery ratio for a three-year period will be used, whichever is more favorable.

Service Type	Ferry	Rail	Bus
Peak Service	40%	35%	30%
All Day Service	30%	25%	20%
Owl Service	N/A	N/A	10%

Projects (8) and (9) in S&HC 30914(d) are exempt from the farebox thresholds above and instead must meet the farebox requirements established for receiving allocation for state funds (Transportation Development Act, State Transit Assistance, and AB 1107).

5. It is the expectation that all operating segments will maintain a positive change in passengers per revenue vehicle hour when a rolling average over a three-year period is applied. The first three years of service must demonstrate an increase in passengers each year. From the fourth year forward, three-year averages will be calculated and compared. The previous three-year average will be compared to the most recent three-year average, with the most recent year being added and the oldest year being dropped from each average (FYs 2004, 2005 and 2006 will be compared to FYs 2005, 2006, and 2007, and so on). If productivity during the audit year is better than the most recent three-year average, then the previous three-year average will be compared to the audit year. A negative change in an amount equal to or less than a negative

Appendix B

change in Transportation Development Act revenues in the county of operation (or average between the origination and destination) for the same period will be allowable. The goal is to have positive ridership change between each three-year cycle, but the allowance for a negative change is to account for economic adjustments in the region and for fluctuations in regional market demand for each service.

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Projects (8) and (9) in S&HC 30914(d) are exempt from the passenger per revenue vehicle hour changes and instead must meet the performance measure requirements established for receiving allocation for state funds (Transportation Development Act, State Transit Assistance, and AB 1107).

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6. If an operating program or project cannot achieve its performance objectives described above, MTC staff will consult with the project sponsor about potential service adjustments or redeployment to increase the productivity of the route and best serve transit in the corridor. After this consultation, the sponsor will be given the opportunity to present to the Commission a corrective action plan for meeting the RM2 performance measures. Based on the corrective action plan recommendation, the Commission shall give the sponsor a time certain to achieve the performance measure or have its funding reassigned. If there are no other eligible claimants within the RM2 eligible program category, the Commission shall hold a public hearing concerning the project. After the hearing, the Commission may vote to modify the program's scope, decrease its level of funding, or to reassign all of the funds to another or an additional project.

Deleted: If the project continues to not meet the performance measure

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7. Only transit operations will be subject to the performance measure outlined in this policy. Projects (10) and (11) outlined in RM2 under S&HC 30914(d) are not subject to these performance measures as these projects do not meet the definition of transit operations.

8. Each operating project that requests RM2 operating funding will be given a two-year ramp-up period to meet the performance measures with an expectation that measures will be met in the third year of service. If an operating scope or definition is changed at the sponsor request after initial rollout of the operating project, no new ramp-up period will be granted.

9. Compliance with the performance measures must be certified as part of the annual fiscal audit prepared by the project sponsor. The compliance and, therefore eligibility for RM2 operating funds, for a given fiscal year will be based on fiscal audit two years in arrears. Therefore, the first year for which performance measures will be assessed is for FY 2008-09 operating requests; these requests will take into consideration performance in FY 2006-07.

10. For purposes of calculating farebox recovery ratio and passengers per revenue vehicle hour, project sponsors must allocate costs in accordance with the cost allocation shown below for the various service types. This cost allocation strategy must be consistent with that provided to MTC as part of the annual Operating Assistance Plan (OAP). Further, baseline data on ridership, costs, fares, and average fare must be established as part of the OAP for RM2 services that represent an incremental change to the operator's overall service plan. The operator should establish a data collection plan for assessing changes to the baseline system for purposes of calculating ridership, costs, and fare for the new RM2 incremental services.

Service Type	Cost Allocation Methodology
Peak Service	Fully Allocated Costs
All Day Service	Fully Allocated Costs
Owl Service	Marginal Costs

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11. For purposes of this policy, the farebox recovery ratio is the ratio of fares collected on the RM2-funded segment to total operating costs for that same segment. Passenger per revenue vehicle hour is defined as the total passengers (total of all adult, youth and student, senior and disabled, inter-operator paid transfer, and non-revenue boardings) divided by the revenue vehicle hours (the total number of hours that each transit vehicle is in revenue service, including layover time).

Right of Way Hardship and Protection

Advance acquisition of property may be advisable prior to the completion of the environmental decision and the approval of the project. This generally occurs either under conditions of hardship or protection.

Hardship is defined as a situation where unusual personal circumstances of an owner are aggravated by the proposed transportation improvement and cannot be solved by the owner without acquisition by the project sponsor. Owners of hardship parcels should receive full consideration and service from the project sponsor consistent with normal acquisition procedures, including appropriate relocation assistance and sufficient time to consider the sponsor's offer.

Protection is defined as an acquisition where substantial building activity or appreciation of vacant land value in excess of surrounding market appreciation is both likely and imminent in the event early purchase is not undertaken. Acquisition can occur with a showing that substantial new improvements are planned for the property or existing improvements are to be altered or enlarged, resulting in a substantial increase in future acquisition cost.

If applying for an allocation of RM2 funds for right of way hardship or protection acquisition, the sponsor must investigate need for acquisition, including but not limited to independent appraisals of the property including appropriate investigations of the site for any environmental conditions affecting the value of the property. In the case of advance acquisition due to hardship, the project sponsor must submit to MTC documentation addressing the following minimum criteria prior to a hardship allocation being approved:

The owner demonstrates a need to dispose of the property.

The owner is unable to dispose of the property at fair market value because of the pending transportation facility plans.

The owner cannot reasonably alleviate the hardship in the absence of the sponsor's purchase of the property.

The sponsor's purchase will substantially alleviate the hardship.

In the case of advance acquisition for the purpose of protection, the aforementioned showing must be made that prompt acquisition is required to prevent development of property, which would cause substantially higher acquisition or construction costs if acquisition were deferred. Relocation costs of residences or businesses should be considered in the final financial analysis provided by the sponsor.

Advance acquisitions made prior to completion of environmental and location processes are not to influence environmental assessment of the project. Note that there are federal and state laws, regulations and policies governing acquisition and relocation activities. It is not intended that the use of RM2 funds shall waive any of the laws, regulations, or policies that may apply.

If the Commission approves an allocation of RM2 funds for advance acquisition of right of way meeting the conditions as outlined above, the project sponsor shall provide that

the land is held in escrow until project approval occurs for the transportation improvement.

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Shruti Hari

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Although legislation governing RM2 does not place specific deadlines on the funds, MTC will be managing the availability of RM2 funding to ensure continued progress and timely project delivery. As part of its assessment of the status of programs and projects, MTC shall consider the reasonable progress of the project after receiving its allocation. If a program or project cannot continue to be delivered, as evidenced in part by a lack of reasonable further progress, the Commission shall consult with project sponsors, hold a public hearing on the project, then determine whether to modify the project's scope or funding; or to reassign the funds to another or an additional program or project within the same corridor.

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Shruti Hari

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Lease financing of vehicle procurements that do not result in the removal of the vehicles from revenue service is permissible. Project sponsors entering into a sale-leaseback or lease-leaseback financing agreement for the purpose of generating operating funds are permitted to do so provided:

- Federal, state, and local tax and finance regulations are adhered to;
 - Any sales lease back agreement be structured so that no change of ownership for U.S. tax analysis occurs;
 - MTC is provided with opinion from the transit operator's tax counsel of compliance with applicable regulations;
 - The transit operator indemnifies and defends MTC as to any challenges of any such transactions and to pay the costs of any resulting liability arising from such challenges; and
 - RM2 funded vehicles must remain in service for their depreciable service term.
- Failure to comply with these conditions may result in the rescission of the RM2 allocation and reimbursement to MTC of the prorated value of the vehicles.

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If a minimum operating segment or other useable segment of the facility is open for public use prior to the entire facility being opened, and if that segment is still the responsibility of the contractor for operation and maintenance, then these contractor costs can be considered eligible for reimbursement as a capital expense. For transit projects that result in enhanced or expanded services, this financial capacity should be documented as part of the Initial Project Report and its updates (as outlined in Appendix A).

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The cost of the project phases should be escalated to the year of expenditure when submitting project cost information to MTC. RM2 funds do not escalate. Local project sponsors may use the state escalation rates or their own rates in determining the escalated project phase cost for the year of expenditure.



METROPOLITAN
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Memorandum

TO: Partnership Technical Advisory Committee

DATE: April 20, 2009

FR: Sri Srinivasan

RE: TIP Update

2009 TIP Revisions

TIP Revision 09-01 - Approved

Final Caltrans approval for TIP Revision 09-01 was received on December 16, 2008.

TIP Revision 09-02 - Approved

Revision 09-02 was approved by the MTC Commission on December 17, 2008. Caltrans approval was received on January 7, 2009 and final federal approval was received on January 23, 2009.

TIP Revision 09-03 - Approved

Revision 09-03 was approved by the Director on January 29, 2009. Caltrans approval was received on February 10, 2009.

TIP Revision 09-04 - Approved

TIP Amendment 09-04 makes revisions to 64 projects with a net increase in funding of \$303.5 million. Among other changes, it updates project lists and costs of several SHOPP Grouped listings. The amendment updates the funding plan to identify \$35 million in CMAQ funds and advances these funds from outside the TIP period for AC Transit's Enhanced Bus - Telegraph/International/East 14th project as part of the implementation of the Resolution 3434 Strategic Plan. It adds the I-880 High Street Bridge rehabilitation project back into the TIP and amends ten new projects into the TIP. Of these, four projects received FTA Transit in Parks Program (5320) grant funds and the revenues are accounted for as part of this revision.

The amendment programs the second cycle funds of the Safe Routes to School grants into the TIP, adds in FY 2010 and FY 2011 funds into the Highway Safety Improvement Program and archives seven projects. The amendment adds the State and Local Partnership Program revenues into the TIP. Changes made with this revision do not affect the air quality conformity determination or conflict with financial constraint requirements. The amendment was approved by the commission on February 25, 2009. Caltrans approval was received on March 3, 2009 and final federal approval was received on March 17, 2009.

TIP Revision 09-05 - Approved

TIP Amendment 09-05 amends in the funding revenues for the American Recovery and Reinvestment Act (ARRA) as shown in the table below. This amendment adds in additional revenues only, to

TIP revision Update as of March 23, 2009

April 20, 2009

Page 2 of 2

demonstrate financial constraint for the 2009 TIP. Several projects to be funded with ARRA funding are included in a companion Amendment 09-07.

ARRA Funding Revenues TIP Revision 09-05	
Fund Type	Amount
FHWA Administered Funds	\$845,000,000
FTA Administered Funds	\$343,148,640
Total	\$1,188,148,640

The changes made pursuant to this amendment will not change the air quality conformity finding or conflict with the financial constraint requirements of the TIP. Caltrans approval was received on February 26, 2009 and final federal approval was received on March 17, 2009.

TIP Revision 09-06 - In Process

Revision 09-06 is an amendment being processed by MTC. The 2009 TIP is presently a reflection of the 2030 Regional Transportation Plan (T-2030). MTC is in the process of developing and adopting an updated Regional Transportation Plan (T-2035). This amendment conforms the 2009 TIP to the new RTP (T-2035), revises existing projects and amends in new Air-Quality non-exempt projects.

The public comment period closed on February 9, 2009. Caltrans approval is expected in late May and final federal approval is expected in mid-June 2009.

TIP Revision 09-07 – Approved

Amendment 09-07 amends in 26 new grouped listings into the TIP with a net change in funding of \$485.3 million in American Recovery and Reinvestment Act (ARRA) and local funds. This revision programs \$395.1 million of the ARRA revenues amended into the TIP as part of Revision 09-05. The changes made pursuant to this amendment will not change the air quality conformity finding or conflict with the financial constraint requirements of the TIP.

Revision 09-07 was approved by the MTC Commission on February 25, 2009. Caltrans approval was received on March 2, 2009 and final federal approval and final federal approval was received on March 17, 2009.

TIP Revision 09-08– Approved

Revision 09-08 is an administrative modification that makes revisions to 6 projects with a net change in funding of \$3.15 million. The revision programs \$132,298,000 in federal American Recovery and Reinvestment Act (ARRA) funds in place of existing funding and adds Highway Maintenance projects. Among other changes, the US-101 Doyle Drive Replacement project in San Francisco (SF-991030) received \$50,000,000 in federal ARRA-SHOPP funding instead of later local funds to allow a segment of the project to be delivered sooner. Changes made with this revision do not affect the air quality conformity determination or conflict with financial constraint requirements.

Revision 09-08 was approved by the Director on March 17, 2009. Caltrans approval was received on March 18, 2009.

Projects in all the revisions can be viewed at: <http://www.mtc.ca.gov/funding/tip/revisions.htm>. The FMS system has also been updated to reflect the approvals received. If you have any questions regarding any TIP project, please contact Sri Srinivasan at (510) 817-5793.



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Memorandum

TO: Partnership Technical Advisory Committee

DATE: April 20, 2009

FR: Marcella Aranda

RE: FY 2008-09 STP/CMAQ Obligation Status

Background

AB 1012 (Chapter 783, Statutes of 1999 - Torlakson) established strict timely use of funds and project delivery requirements for transportation projects. Under AB 1012, Surface Transportation Program (STP) and Congestion Mitigation Air Quality Improvement (CMAQ) funds must be obligated within three years of the apportionment. The obligation requirement applies to the aggregate programmed amounts of STP and CMAQ amounts for a given fiscal year. Funds not obligated by the deadline are lost to the region. Furthermore, Obligation Authority (OA) is assigned to the STP/CMAQ apportionments on an annual basis. Regional OA not used by May 1 of each year is made available to other regions on a first-come first-served basis, with any remaining OA not used by the end of each federal fiscal year taken by the state; with no guarantee the funds will be returned.

In addition to the state requirements, MTC's regional project delivery policy (MTC Resolution 3606) requires the obligation of STP and CMAQ funds on a project-by-project basis for established regional deadlines that are earlier than those required by AB 1012. This is to ensure that no funds are lost to the region due to missed state and federal requirements and to facilitate project delivery. Funds not obligated by the regional deadlines are returned to MTC for reprogramming within the region.

On November 21, 2008, MTC submitted the required FY 2008-09 annual obligation plan to Caltrans. The original plan identified over 118 STP/CMAQ projects totaling \$166.8 million in committed STP/CMAQ obligations for FY 2008-09. As of March 31, 2009, approximately \$96.5 million or 55.1% of the STP/CMAQ funds have been obligated. The obligations by fund source are summarized below.

STP/CMAQ Obligation Status for FY 2008-09

Fund Source	FY 2008-09 Obligation Plan (as submitted)	FY 2008-09 Obligation Plan (as of 3/31/09)	Obligations through March 31, 2009	% Obligated	Balance Remaining	% Remaining
STP	\$58,459,360	\$61,847,865	\$54,459,146	88.1 %	\$7,388,719	11.9 %
CMAQ	\$108,373,000	\$113,456,827	\$42,073,603	37.1 %	\$71,383,224	62.9 %
Total	\$166,832,360	\$175,304,692	\$96,532,749	55.1 %	\$78,771,943	44.9 %

FY 2008-09 Obligation Status

MTC staff continuously monitors the delivery of STP/CMAQ funded projects, and has been informing members of the Bay Area Partnership on a regular basis of the project delivery requirements and pending deadlines. Sponsors with regional STP/CMAQ funds programmed in FY 2008-09 of the federal TIP were required to submit the obligation/ transfer request to Caltrans by February 1, 2009, and to receive

FY 2008-09 STP/CMAQ Obligation Status

April 20, 2009

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obligation (an E-76 / federal authorization to proceed) by April 30, 2009. Sponsors should continue to work with their Caltrans Local Assistance Engineer to conduct field reviews and obligate their funds as soon as possible.

Any funding changes to projects in the Plan must be added to FY 2008-09 of the TIP through a TIP Revision approved by MTC, before the change is incorporated into the Obligation Plan. Attached is a listing of the STP/CMAQ funds programmed in FY 2008-09 and must be submitted to Caltrans Local Assistance by February 1, 2009, and obligated **by April 30, 2009**. Funds that do not meet these deadlines are subject to reprogramming.

Attachment

A – FY 2008-09 STP/CMAQ Obligation Status Report, April 7, 2009

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Metropolitan Transportation Commission

STP/CMAQ Obligation Status Report

Fiscal Years: FY 08/09

April 07, 2009

Sponsor	TIP ID	Ver	Fund Code	Federal Proj Info			Appn FY	Prog FY	Fund Programming Information			Obligation Information			
				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount
Alameda County															
AC Transit	ALA050017	7	CMAQ-T3-3B-3434			Enhanced Bus - Telegraph/Int/East 14th (CON)	08/09	08/09		35,000,000	35,000,000				35,000,000
ACCMMA	ALA010032	10	STP-T3-3-TCP-SF	STPL	6273052	I-580 San Leandro Estudillo Noise Barrier (CON)	08/09	08/09	7,262,000		7,262,000	03/30/2009	7,262,000		7,262,000
ACCMMA	ALA050036	9	CMAQ-T3-1-AQ	CML	6273047	Alameda SMART Corridors Operations & Management (CON)	08/09	08/09		283,000	283,000	01/28/2009		283,000	283,000
ACCMMA	ALA070020	7	CMAQ-T3-1-AQ	HPLUL	6204080	I-580 (TriValley) Corridor - EB HOV/HOT Lane (CON)	08/09	08/09		1,000	1,000	12/20/2008			1,000
ACCMMA	ALA070020	7	CMAQ-T3-1-AQ	HPLUL	6204071	I-580 (TriValley) Corridor - EB HOV/HOT Lane (CON)	08/09	08/09		160,000	160,000	12/20/2008			160,000
ACCMMA	ALA070020	7	CMAQ-T3-3B-SYS-SFTY-SWAP	HPLUL	6204071	I-580 (TriValley) Corridor - EB HOV/HOT Lane (CON)	08/09	08/09		2,000,000	2,000,000	12/20/2008			2,000,000
ACCMMA	ALA070020	7	CMAQ-T3-3B-SYS-SFTY-SWAP	HPLUL	6204071	I-580 (TriValley) Corridor - EB HOV/HOT Lane (CON)	08/09	08/09		4,000,000	4,000,000	12/20/2008			4,000,000
ACCMMA	ALA991084	13	CMAQ-T3-1-AQ			I-680 Sunol Grade - Alameda SB HOV Final Phase (CON)		08/09							
Alameda County	ALA050072	5	STP-T3-3-LSR-SF			Alameda County - Castro Valley Blvd Rehabilitation (CON)	08/09	08/09	758,000		758,000				758,000
Alameda County	ALA070040	4	CMAQ-T3-1-AQ			Hampton Rd Streetscape Improvements (CON)	08/09	08/09		257,000	257,000				257,000
Alameda County	ALA070040	4	CMAQ-T3-1-TROC-LIFE			Hampton Rd Streetscape Improvements (CON)	08/09	08/09		159,000	159,000				159,000
Alameda County	ALA070040	4	CMAQ-T3-2-TROC-LIFE			Hampton Rd Streetscape Improvements (CON)	08/09	08/09		1,841,000	1,841,000				1,841,000
Alameda County	ALA070040	4	CMAQ-T3-2-TROC-LIFE			Hampton Rd Streetscape Improvements (ROW)		08/09							
Alameda County	ALA070040	4	CMAQ-T3-3-RBP-CO			Hampton Rd Streetscape Improvements (CON)	08/09	08/09		742,000	742,000				742,000
BART	ALA070051	2	CMAQ-T3-1-AQ			BART Station Electronic Bike Lockers, Ph. 2 (CON)	08/09	08/09		130,000	130,000				130,000
Berkeley	ALA050073	4	STP-T3-3-LSR-SF	STPL	5057030	Berkeley - University Ave Rehabilitation (CON)	08/09	08/09	630,000		630,000	02/05/2009	630,000		630,000
Caltrans	ALA050059	4	STP-T3-2-TLC-SAP	STPL	6204063	SR 13 Median Landscaping (CON)	08/09	08/09	99,765		99,765	01/13/2009	99,765		99,765
Caltrans	ALA070042	4	CMAQ-T3-1-AQ			I-880 SB HOV Lanes - Marina Blvd to Hegenberger (PE)	08/09	08/09		24,000	24,000				24,000
Caltrans	ALA070042	4	CMAQ-T3-3B-SYS-SFTY-SWAP			I-880 SB HOV Lanes - Marina Blvd to Hegenberger (PE)	08/09	08/09		2,757,000	2,757,000				2,757,000
Caltrans	ALA070042	4	STP-T3-2-TCP-SF			I-880 SB HOV Lanes - Marina Blvd to Hegenberger (PSE)		08/09							
Caltrans	ALA070042	4	STP-T3-3-TCP-SF			I-880 SB HOV Lanes - Marina Blvd to Hegenberger (PE)	08/09	08/09	198,000		198,000				198,000
Dublin	ALA050082	6	CMAQ-T3-1-AQ	CML	5432013	E. Dublin BART Station Corridor Bike/Ped Enh. (CON)	08/09	08/09		76,000	76,000	03/10/2009		76,000	76,000
Dublin	ALA050082	6	CMAQ-T3-2-TLC-HIP	CML	5432013	E. Dublin BART Station Corridor Bike/Ped Enh. (CON)	08/09	08/09	1,459,000		1,459,000	03/10/2009	1,459,000		1,459,000
Dublin	ALA050083	5	CMAQ-T3-2-TLC-HIP			W. Dublin BART Station Corridor Bike/Ped Enh. (CON)	08/09	08/09	1,052,000		1,052,000				1,052,000
Fremont	ALA070037	3	CMAQ-T3-3-TLC-REG	CML	5322029	Bay Street Streetscape & Parking Project (CON)	08/09	08/09		1,570,000	1,570,000	01/16/2009		1,570,000	1,570,000
Livermore	ALA070038	2	CMAQ-T3-3-TLC-REG	CML	5053016	Downtown Livermore Pedestrian Transit Connection (CON)	08/09	08/09	1,060,000		1,060,000	03/31/2009	43,309	43,309	1,016,691
Livermore	ALA070059	3	CMAQ-T3-3-TLC-HIP	CML	5053016	Livermore Downtown Pedestrian Improvements (CON)	08/09	08/09	845,000		845,000	03/31/2009	845,000		845,000
MTC	ALA050060	5	CMAQ-T3-3-TLC-HIP			Emeryville - San Pablo/MacArthur Bike/Ped Imps. (CON)	08/09	08/09		128,000	128,000				128,000

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Sponsor	TIP ID	Ver	Fund Code	Federal Proj Info			Appn FY	Prog FY	Fund Programming Information			Obligation Information					
				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining	
Alameda County																	
Oakland	ALA050061	5	CMAQ-T3-2-TLC-HIP			Oakland - Latham & Telegraph Pedestrian Imps. (CON)		08/09									
Oakland	ALA050080	6	CMAQ-T3-3-TLC-HIP	CML	5012082	7th Street,W. Oakland Transit Village Improvements (CON)	08/09	08/09		750,000	750,000	01/22/2009		750,000	750,000		
Oakland	ALA050080	6	CMAQ-T3-3-TLC-REG	CML	5012082	7th Street,W. Oakland Transit Village Improvements (CON)	08/09	08/09		1,580,000	1,580,000	01/22/2009		1,580,000	1,580,000		
Oakland	ALA070011	4	CMAQ-T3-2-TLC-HIP	CML	5012087	Coliseum Gardens Phase 3-66th Avenue Streetscape (CON)	08/09	08/09		1,230,000	1,230,000	03/31/2009		1,230,000	1,230,000		
Oakland	ALA070057	4	CMAQ-T3-3-TLC-HIP	CML	5012088	Fruitvale Ave Streetscape & Ped. Improvements (CON)	08/09	08/09		2,320,000	2,320,000	03/10/2009		2,320,000	2,320,000		
Oakland	ALA070057	4	CMAQ-T3-3-TLC-HIP			Fruitvale Ave Streetscape & Ped. Improvements (PE)	08/09	08/09		300,000	300,000				300,000		
San Leandro	ALA050078	5	CMAQ-T3-3-RBP-CO		5041025	Bay Trail Bridge at Oyster Bay Slough (CON)	08/09	08/09		750,000	750,000	12/20/2008		750,000	750,000		
Union City	ALA050070	3	STP-T3-3-LSR-SF	STPL	5354024	Union City - Alvarado-Niles Road Rehabilitation (CON)	08/09	08/09		421,000	421,000	01/28/2009		421,000	421,000		
Alameda County Totals										9,368,765	60,474,000	69,842,765		8,412,765	10,906,309	19,319,074	50,523,691

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				Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Contra Costa County																
BART	CC-030003	9	STP-T3-2-BF	FTASTPL	6000039	Richmond BART Parking Structure (CON)	08/09	08/09	4,320,000		4,320,000	01/21/2009	4,320,000		4,320,000	
CC County	CC-990046	10	CMAQ-T3-3-RBP-CO	CML	5928048	Iron Horse Trail Over-crossing at Treat (CON)	08/09	08/09		1,520,000	1,520,000	02/19/2009		1,520,000	1,520,000	
CC County	CC-990046	10	CMAQ-T3-3-TLC-CO	CML	5928048	Iron Horse Trail Over-crossing at Treat (CON)	08/09	08/09		754,000	754,000	02/19/2009		754,000	754,000	
CC County	CC-990046	10	CMAQ-T3-3-TLC-HIP	CML	5928048	Iron Horse Trail Over-crossing at Treat (CON)	08/09	08/09		2,522,000	2,522,000	02/19/2009		2,522,000	2,522,000	
Concord	CC-070030	3	CMAQ-T3-3-RBP-CO			Concord Blvd. Gap Closure, Phase 2 (CON)	08/09	08/09		820,000	820,000				820,000	
Concord	CC-070083	2	CMAQ-T3-3-TLC-REG			Monument Blvd & Meadow Ln Pedestrian Improvements (CON)	08/09	08/09		1,200,000	1,200,000				1,200,000	
El Cerrito	CC-070074	4	CMAQ-T3-3-TLC-CO	CML	5239010	San Pablo Avenue Streetscape (CON)	08/09	08/09		506,000	506,000	01/30/2009		506,000	506,000	
El Cerrito	CC-070074	4	CMAQ-T3-3-TLC-REG	CML	5239010	San Pablo Avenue Streetscape (CON)	08/09	08/09		1,800,000	1,800,000	01/30/2009		1,800,000	1,800,000	
Martinez	CC-070085	3	CMAQ-T3-3-TLC-HIP			Martinez - Marina Vista Streetscape (CON)	08/09	08/09		1,600,000	1,600,000				1,600,000	
Moraga	CC-050069	4	STP-T3-3-LSR-SF	STPL	5415008	Moraga - Moraga Road Rehabilitation (CON)	08/09	08/09	375,000		375,000	04/01/2009	375,000		375,000	
Pinole	CC-050073	3	STP-T3-3-LSR-SF	STPL	5126009	Pinole - Appian Way Rehab: Phase II (CON)	08/09	08/09	540,000		540,000	01/16/2009	540,000		540,000	
Richmond	CC-070066	4	CMAQ-T3-3-RBP-CO	CML	5137035	Central Richmond Greenway (East Segment) (CON)	08/09	08/09		20,000	20,000	03/25/2009		20,000	20,000	
Richmond	CC-070080	3	CMAQ-T3-3-TLC-HIP			Richmond Downtown Bike & Ped Improvements (CON)	08/09	08/09		1,100,000	1,100,000				1,100,000	
St. Rte. 4 BA	CC-070067	3	CMAQ-T3-3-RBP-CO			Mokelumne Trail Bike/Ped Overcrossing (CON)	08/09	08/09		1,520,000	1,520,000				1,520,000	
Contra Costa County Totals									5,235,000	13,362,000	18,597,000		5,235,000	7,122,000	12,357,000	6,240,000

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Federal Proj Info							Fund Programming Information			Obligation Information						
Sponsor	TIP ID	Ver	Fund Code	Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Marin County																
San Rafael	MRN070016	4	CMAQ-T3-2-TROC-LIFE			San Rafael Canal Street Pedestrian Access (CON)	06/07	08/09		288,000	288,000					288,000
Marin County Totals									0	288,000	288,000		0	0	0	288,000

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				Federal Proj Info			Fund Programming Information			Obligation Information						
Sponsor	TIP ID	Ver	Fund Code	Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Napa County																
American Canyon	NAP050011	4	STP-T3-2-LSR-SF			American Canyon - Elliott Street Rehabilitation (CON)	08/09	08/09	48,000		48,000					48,000
American Canyon	NAP070004	2	STP-T3-3-LSR-SF			West American Canyon Road Rehabilitation (CON)	08/09	08/09	281,000		281,000					281,000
NCTPA	NAP070008	2	CMAQ-T3-3-RBP-CO			East Avenue Sidewalk Project (CON)	08/09	08/09		284,000	284,000					284,000
Napa	NAP070003	3	STP-T3-3-LSR-SF			Napa - Browns Valley Road Rehabilitation (CON)	08/09	08/09	664,000		664,000					664,000
Napa	NAP070006	3	STP-T3-3-LSR-SF			Napa - Soscol Avenue Rehabilitation (CON)	08/09	08/09	221,000		221,000					221,000
Napa	NAP070007	3	STP-T3-3-LSR-SF			Napa - Soscol Road Rehabilitation Phase 2 (CON)	08/09	08/09	574,000		574,000					574,000
Napa County	NAP070005	2	STP-T3-3-LSR-SF			Deer Park Road Rehabilitation (CON)	08/09	08/09	46,581		46,581					46,581
Napa County Totals									1,834,581	284,000	2,118,581		0	0	0	2,118,581

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Sponsor	TIP ID	Ver	Fund Code	Federal Proj Info			Appn FY	Prog FY	Fund Programming Information			Obligation Information				
				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Regional Totals																
BART	REG050020	6	STP-T3-3-TCP-SF	FTASTPL	6000039	BART Car Exchange (Preventive Maintenance) (CON)	08/09	08/09	22,683,000		22,683,000	01/21/2009	22,683,000		22,683,000	
MTC	MTC030003	12	CMAQ-T3-3-RO			Freeway Operations TOS (CON)	08/09	08/09		934,000	934,000				934,000	
MTC	MTC030003	12	CMAQ-T3-3-RO			Freeway Operations TOS (CON)	08/09	08/09		1,000,000	1,000,000				1,000,000	
MTC	MTC030003	12	CMAQ-T3-3-RO			Freeway Operations TOS (PE)	08/09	08/09		266,000	266,000				266,000	
MTC	MTC030005	7	STP-T3-3-TLC-PL			TLC/HIP Planning Grants (ENV)		08/09								
MTC	REG050008	5	STP-T3-3-TLC-PL	STPL	6084146	Station Area Planning Program (PE)	08/09	08/09	855,000		855,000	11/14/2008	855,000		855,000	
MTC	REG050008	5	STP-T3-3-TLC-SAP	STPL	6084146	Station Area Planning Program (PE)	08/09	08/09	9,200,000		9,200,000	11/14/2008	9,200,000		9,200,000	
Regional Totals									32,738,000	2,200,000	34,938,000		32,738,000	0	32,738,000	2,200,000

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STP/CMAQ Obligation Status Report

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				Federal Proj Info			Fund Programming Information			Obligation Information						
Sponsor	TIP ID	Ver	Fund Code	Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
San Francisco County																
MUNI	SF-010037	14	CMAQ-T3-3-RBP-CO	FTASTPL	6328027	SF Muni Third St LRT Phase 2 - New Central Subway (PSE)	08/09	08/09		2,025,000	2,025,000	02/24/2009		2,025,000	2,025,000	
SF DPW	SF-070031	2	CMAQ-T3-3-TLC-REG	HPLUL	5934133	Valencia Streetscape Improvements (CON)	08/09	08/09		2,600,000	2,600,000	03/20/2009		2,600,000	2,600,000	
SF DPW	SF-070032	3	CMAQ-T3-3-TLC-HIP	RPSTPLE	5934140	Leland Avenue Streetscape Improvements (CON)	08/09	08/09		1,640,000	1,640,000	03/20/2009		1,640,000	1,640,000	
SF DPW	SF-070039	4	CMAQ-T3-3-TLC-HIP			Divisadero Streetscape and Ped. Improvements (CON)	08/09	08/09		2,614,000	2,614,000					2,614,000
San Francisco County Totals									0	8,879,000	8,879,000		0	6,265,000	6,265,000	2,614,000

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Sponsor	TIP ID	Ver	Fund Code	Federal Proj Info			Appn FY	Prog FY	Fund Programming Information			Obligation Information				
				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
San Mateo County																
Belmont	SM-050011	5	STP-T3-2-LSR-SF	STPL	5268014	Belmont - Old County Road Rehabilitation (CON)	08/09	08/09	120,000		120,000	12/24/2008	120,000		120,000	
CCAG	SM-070037	3	CMAQ-T3-3-RO	CML	6419007	San Mateo County Traffic Incident Management (PE)	08/09	08/09		367,000	367,000	01/28/2009		367,000	367,000	
CCAG	SM-070043	2	CMAQ-T3-2-RO			San Mateo County Ramp Metering Study (PE)		08/09								
Colma	SM-070042	4	CMAQ-T3-3-RBP-CO	CML	5264002	Colma - 'D' Street Pedestrian Enhancements (CON)	08/09	08/09		235,000	235,000	01/16/2009		180,743	180,743	
Colma	SM-070042	4	CMAQ-T3-3-TLC-HIP	CML	5264002	Colma - 'D' Street Pedestrian Enhancements (CON)	08/09	08/09		250,000	250,000	01/16/2009		250,000	250,000	
Daly City	SM-050046	8	CMAQ-T3-2-TLC-HIP	CML	5196030	Daly City - Mission St. Pedestrian Imps.- Phase I (CON)	08/09	08/09		47,000	47,000	03/10/2009		47,000	47,000	
Daly City	SM-050046	8	CMAQ-T3-3-RBP-CO	CML	5196030	Daly City - Mission St. Pedestrian Imps.- Phase I (CON)	08/09	08/09		499,000	499,000	03/10/2009		499,000	499,000	
Daly City	SM-050046	8	CMAQ-T3-3-TLC-CO	CML	5196030	Daly City - Mission St. Pedestrian Imps.- Phase I (CON)	08/09	08/09		293,000	293,000	03/10/2009		293,000	293,000	
Daly City	SM-050046	8	CMAQ-T3-3-TLC-HIP	CML	5196030	Daly City - Mission St. Pedestrian Imps.- Phase I (CON)	08/09	08/09		123,000	123,000	03/10/2009		123,000	123,000	
Daly City	SM-050046	8	CMAQ-T3-3-TLC-REG	CML	5196030	Daly City - Mission St. Pedestrian Imps.- Phase I (CON)	08/09	08/09		900,000	900,000	03/10/2009		900,000	900,000	
Foster City	SM-070012	2	STP-T3-3-LSR-SF			Foster City - Shell Boulevard Rehabilitation (CON)		08/09								
MTC	SM-070036	3	CMAQ-T3-3-TLC-HIP			Colma HIP Streetscape & Pedestrian Improvements (CON)	08/09	08/09								
Pacifica	SM-070027	6	CMAQ-T3-3-RBP-CO		5350015	San Pedro Terrace Multi-Purpose Trail (CON)	08/09	08/09		150,000	150,000				150,000	
Pacifica	SM-070027	6	CMAQ-T3-3-RBP-CO	CML	5350015	San Pedro Terrace Multi-Purpose Trail (CON)	08/09	08/09		450,000	450,000	01/13/2009		450,000	450,000	
Pacifica	SM-070027	6	CMAQ-T3-3-RBP-CO		5350015	San Pedro Terrace Multi-Purpose Trail (PE)	08/09	08/09		50,000	50,000	10/22/2008		200,000	200,000	
Redwood City	SM-070001	7	CMAQ-T3-2-TLC-HIP	CML	5029019	Redwood City - El Camino Real/Broadway Streetscape (CON)	08/09	08/09		8,000	8,000	01/15/2009		8,000	8,000	
Redwood City	SM-070001	7	CMAQ-T3-3-TLC-HIP			Redwood City - El Camino Real/Broadway Streetscape (CON)	08/09	08/09		251,000	251,000				251,000	
Redwood City	SM-070001	7	CMAQ-T3-3-TLC-HIP	CML	5029019	Redwood City - El Camino Real/Broadway Streetscape (CON)	08/09	08/09		380,000	380,000	01/15/2009		380,000	380,000	
San Mateo	SM-070026	5	CMAQ-T3-3-RBP-CO	CML	5102032	San Mateo - Delaware Street Improvement (CON)	08/09	08/09		70,000	70,000	01/16/2009		70,000	70,000	
San Mateo Co	SM-070028	4	CMAQ-T3-3-RBP-CO	CML	5935044	Mirada Surf Coastal Bike and Pedestrian Trail (CON)	08/09	08/09		181,000	181,000	02/06/2009		181,000	181,000	
San Mateo Co	SM-070038	4	CMAQ-T3-3-TLC-HIP			'F' Street Sidewalk Imps. and Streetscape (CON)	08/09	08/09								
San Mateo Co	SM-070039	5	CMAQ-T3-3-RBP-CO	CML	5935046	Menlo Park - Santa Cruz Avenue Pedestrian Imps. (CON)	08/09	08/09		27,000	27,000	01/28/2009		27,000	27,000	
San Mateo Co	SM-070040	4	CMAQ-T3-3-RBP-CO	CML	5935045	Westborough Blvd. Bicycle Lanes Improvements (CON)	08/09	08/09		18,000	18,000	01/22/2009		15,900	15,900	
San Mateo Co	SM-070046	2	CMAQ-T3-3-TLC-HIP	CML	5935048	Install Permanent Traffic Calming Advisory Signs (CON)	08/09	08/09		40,000	40,000	01/15/2009		40,000	40,000	
San Mateo County Totals									120,000	4,339,000	4,459,000		120,000	4,031,643	4,151,643	307,357

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Fiscal Years: FY 08/09

April 07, 2009

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				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount
Santa Clara County															
Caltrans	SCL030008	7	STP-T3-2-BF	STPL	6024067	SR 87 Guadalupe Freeway Corridor (CON)	08/09	08/09	1,211,400		1,211,400	10/23/2008	1,211,400		1,211,400
Caltrans	SCL030008	7	STP-T3-2-BF	STPL	6204067	SR 87 Guadalupe Freeway Corridor (CON)	08/09	08/09	208,600		208,600				208,600
Caltrans	SCL030008	7	STP-T3-2-BF			SR 87 Guadalupe Freeway Corridor (PSE)	08/09	08/09	60,000		60,000				60,000
Gilroy	SCL070010	5	CMAQ-T3-2-TROC-LIFE	CML	5034015	Gilroy Pedestrian Improvements (CON)	08/09	08/09		323,000	323,000	10/23/2008		323,000	323,000
Gilroy	SCL070039	3	CMAQ-T3-3-TLC-CO	CML	5034017	Gilroy 6th Street Streetscape West/East (CON)	08/09	08/09		459,000	459,000	01/15/2009		459,000	459,000
Gilroy	SCL070039	3	CMAQ-T3-3-TLC-HIP			Gilroy 6th Street Streetscape West/East (CON)	08/09	08/09		515,000	515,000				515,000
Los Altos Hills	SCL070025	3	CMAQ-T3-3-RBP-CO	CML	5324004	Los Altos Hills - El Monte Road Bike/Ped Path (CON)	08/09	08/09		440,000	440,000	10/23/2008		440,000	440,000
Los Gatos	SCL050029	5	STP-T3-3-LSR-SF	STPL	5067013	Los Gatos - Various Streets Rehabilitation (CON)	08/09	08/09	272,000		272,000	10/22/2008	272,000		272,000
Milpitas	SCL070037	3	CMAQ-T3-3-TLC-CO			So. Abel & So. Main Streetscape Imps. - Phase 1 (CON)	08/09	08/09		850,000	850,000				850,000
Morgan Hill	SCL070014	3	CMAQ-T3-3-TLC-REG	CML	5152016	Morgan Hill - Third Street Promenade (CON)	08/09	08/09		1,520,000	1,520,000	01/28/2009		1,520,000	1,520,000
San Jose	SCL050061	5	CMAQ-T3-3-TLC-HIP	CML	5005093	San Jose State Univ. / Japantown Pedestrian Imps. (CON)	08/09	08/09		1,555,000	1,555,000	01/28/2009		1,393,654	1,393,654
San Jose	SCL050081	7	CMAQ-T3-3-RBP-CO	HPLUL	5005084	Lower Guadalupe River Trail (PSE)	08/09	08/09		1,377,000	1,377,000	01/31/2009		1,377,000	1,377,000
San Jose	SCL070040	4	CMAQ-T3-3-RBP-CO	CML	5005094	San Jose - Jackson Street Pedestrian Imps. (CON)	08/09	08/09		435,000	435,000	02/05/2009		435,000	435,000
San Jose	SCL070040	4	CMAQ-T3-3-TLC-CO	CML	5005094	San Jose - Jackson Street Pedestrian Imps. (CON)	08/09	08/09		865,000	865,000	02/05/2009		865,000	865,000
Santa Clara Co	SCL050072	5	STP-T3-3-LSR-SF	STPL	5937125	Santa Clara Co. - Capitol Expwy. Rehabilitation (CON)	08/09	08/09	819,919		819,919	02/19/2009	728,860		728,860
Santa Clara Co	SCL050072	5	STP-T3-3-LSR-SF			Santa Clara Co. - Capitol Expwy. Rehabilitation (ENV)		08/09							
Santa Clara Co	SCL050072	5	STP-T3-3-LSR-SF	STPL	5937125	Santa Clara Co. - Capitol Expwy. Rehabilitation (PE)	08/09	08/09	75,081		75,081	10/22/2008	75,081		75,081
Santa Clara Co	SCL050075	6	STP-T3-3-LSR-SF	STPL	5937126	Santa Clara Co. - Oregon/Page Mill Expwy Rehab (CON)	08/09	08/09	1,180,972		1,180,972	03/05/2009	1,181,000		1,181,000
Santa Clara Co	SCL050075	6	STP-T3-3-LSR-SF			Santa Clara Co. - Oregon/Page Mill Expwy Rehab (ENV)	08/09	08/09							
Santa Clara Co	SCL050075	6	STP-T3-3-LSR-SF		5937126	Santa Clara Co. - Oregon/Page Mill Expwy Rehab (PE)	08/09	08/09	75,028		75,028	10/22/2008	75,028		75,028
Santa Clara Co	SCL050076	6	STP-T3-1A-LSR-SF			Santa Clara Co. - Various Non-Expressway Rehab (CON)	08/09	08/09	850,000		850,000				850,000
Santa Clara Co	SCL050076	6	STP-T3-3-LSR-SF			Santa Clara Co. - Various Non-Expressway Rehab (PE)		08/09							
Santa Clara Co	SCL070042	2	CMAQ-T3-1-AQ-SWAP	CML	5937127	San Tomas Bicycle Shoulder Delineation - Phase 2 (CON)	08/09	08/09		216,000	216,000	01/28/2009		216,000	216,000
Santa Clara Co	SCL070042	2	CMAQ-T3-1-AQ-SWAP	CML	5937127	San Tomas Bicycle Shoulder Delineation - Phase 2 (CON)	08/09	08/09		34,000	34,000	01/28/2009		34,000	34,000
Santa Clara Co	SCL070051	2	CMAQ-T3-3-RBP-CO	CML	5937130	Foothill Expressway Loyola Bridge Bicycle Imp. (CON)	08/09	08/09		320,000	320,000	03/10/2009		320,000	320,000
Saratoga	SCL070026	3	CMAQ-T3-1-AQ-SWAP	CML	5332012	Saratoga - DeAnza Bike/Ped Trail (CON)	08/09	08/09		1,231,000	1,231,000	08/13/2008		1,400,000	1,400,000
Saratoga	SCL070026	3	CMAQ-T3-1-AQ-SWAP	CML	5332012	Saratoga - DeAnza Bike/Ped Trail (ROW)	08/09	08/09		169,000	169,000				169,000
Saratoga	SCL070038	2	CMAQ-T3-3-TLC-CO	CML	5332013	Saratoga Village Pedestrian Enhancements (CON)	08/09	08/09		425,000	425,000	03/05/2009		425,000	425,000
Saratoga	SCL070050	2	CMAQ-T3-2-RBP-REG		5332011	Highway 9 Safety Improvements (PE)	08/09	08/09		462,000	462,000	02/27/2009		462,000	462,000

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April 07, 2009

Sponsor	TIP ID	Ver	Fund Code	Federal Proj Info			Appn FY	Prog FY	Fund Programming Information			Obligation Information				
				Prefix	Proj ID	Project Name			STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Santa Clara County																
Sunnyvale	SCL050027	6	STP-T3-3-LSR-SF	STPL	5213030	Sunnyvale - Various Streets Rehabilitation (CON)	08/09	08/09	530,234		530,234	10/22/2008	530,234		530,234	
Sunnyvale	SCL070036	4	CMAQ-T3-3-TLC-CO	CML	5213028	Sunnyvale-Murphy Ave Streetscape Revitalization (CON)	08/09	08/09		397,000	397,000	01/23/2009		397,000	397,000	
Sunnyvale	SCL070036	4	CMAQ-T3-3-TLC-HIP	CML	5213028	Sunnyvale-Murphy Ave Streetscape Revitalization (CON)	08/09	08/09		1,300,000	1,300,000	01/23/2009		1,300,000	1,300,000	
Sunnyvale	SCL070036	4	CMAQ-T3-3-TLC-HIP			Sunnyvale-Murphy Ave Streetscape Revitalization (PE)	08/09	08/09								
VTA	SCL090031	1	CMAQ-T3-1-AQ-SWAP	FTACML	6264039	Grade-Separated Pedestrian Crossing (PSE)		08/09		257,827	257,827				257,827	
VTA	SCL090031	1	CMAQ-T3-3-RBP-CO	FTACML	6264039	Grade-Separated Pedestrian Crossing (PSE)		08/09		1,210,000	1,210,000				1,210,000	
VTA	SCL990046	21	STP-T3-3-TCP-SF	FTASTPL	6264038	VTA Preventive Maintenance (CON)	08/09	08/09	1,199,780		1,199,780	01/21/2009	1,199,778		1,199,778	
Santa Clara County Totals									6,483,014	14,360,827	20,843,841		5,273,381	11,366,654	16,640,035	4,203,806

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				Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Solano County																
Benicia	SOL070045	2	CMAQ-T3-3-RBP-CO			State Park Road Bridge Widening (CON)	08/09	08/09		1,311,000	1,311,000			1,311,000		
Benicia	SOL070045	2	CMAQ-T3-3-TLC-CO			State Park Road Bridge Widening (CON)	08/09	08/09		40,000	40,000			40,000		
Dixon	SOL070046	2	CMAQ-T3-3-AQ-SOL			SR113 Pedestrian Improvements (CON)	08/09	08/09		90,000	90,000			90,000		
Fairfield	SOL070027	2	CMAQ-T3-3-RBP-CO			W. Texas St. Gateway Project Phase I & II (CON)	06/07	08/09		85,000	85,000			85,000		
STA	SOL991066	13	CMAQ-T3-3-AQ-SOL	CML	6249015	Eastern Solano / SNCI Rideshare Program (PE)	08/09	08/09		195,000	195,000	02/27/2009	195,000	195,000		
Solano County	SOL050024	5	CMAQ-T3-3-AQ-SOL	CML	5923086	Vacaville-Dixon Bicycle Route (CON)	08/09	08/09		337,000	337,000	01/16/2009	337,000	337,000		
Solano County	SOL050046	6	CMAQ-T3-3-TLC-CO	RPSTPLE	5923073	Old Town Cordelia Enhancements (CON)	08/09	08/09		500,000	500,000	02/24/2009	499,998	499,998	2	
Vacaville	SOL050013	5	CMAQ-T3-2-AQ-SOL			Vacaville Intermodal Station (CON)	08/09	08/09		900,000	900,000			900,000		
Vacaville	SOL050013	5	CMAQ-T3-3-TLC-HIP			Vacaville Intermodal Station (CON)	08/09	08/09		2,128,000	2,128,000			2,128,000		
Vacaville	SOL070028	2	CMAQ-T3-3-AQ-SOL	CML	5094047	Vacaville Downtown Creekwalk Extension (CON)	08/09	08/09		694,000	694,000	02/24/2009	693,999	693,999	1	
Vacaville	SOL070028	2	CMAQ-T3-3-AQ-SOL	CML	5094047	Vacaville Downtown Creekwalk Extension (PSE)	08/09	08/09		53,000	53,000	01/13/2009	53,000	53,000		
Vacaville	SOL070029	2	CMAQ-T3-3-AQ-SOL	CML	5094051	Ulatis Creek Bike Path - Allison to I-80 (ENV)	08/09	08/09		169,000	169,000	01/28/2009	169,000	169,000		
Vacaville	SOL070047	2	CMAQ-T3-2-AQ-SOL			Peabody Rd & Marshall Rd Pedestrian Improvements (CON)	08/09	08/09		120,000	120,000			120,000		
Vacaville	SOL070047	2	CMAQ-T3-3-AQ-SOL			Peabody Rd & Marshall Rd Pedestrian Improvements (CON)	08/09	08/09		28,000	28,000			28,000		
Vallejo	SOL010027	6	STP-T3-3-LSR-SF	STPL	5030045	Vallejo - Lemon Street Rehabilitation (CON)	08/09	08/09	672,000		672,000	03/05/2009	672,000	672,000		
Vallejo	SOL050048	4	CMAQ-T3-2-TLC-HIP			Downtown Vallejo Pedestrian Enhancements.- Ph I (CON)	08/09	08/09		580,000	580,000			580,000		
Solano County Totals									672,000	7,230,000	7,902,000		672,000	1,947,997	2,619,997	5,282,003

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April 07, 2009

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				Prefix	Proj ID	Project Name	Appn FY	Prog FY	STP Amount	CMAQ Amount	Total Amount	Date	STP Amount	CMAQ Amount	Total Amount	Balance Remaining
Sonoma County																
Cotati	SON050032	3	STP-T3-3-LSR-SF			Cotati - Old Redwood Highway South Rehab (CON)		08/09								
Healdsburg	SON050017	4	CMAQ-T3-3-RBP-CO			Healdsburg Foss Creek Bicycle/Ped Pathway (PE)	08/09	08/09		149,000	149,000				149,000	
MTC	SON050025	4	CMAQ-T3-3-TLC-HIP			SMART Regional Bike/Ped Path: Ph. III (CON)		08/09								
Santa Rosa	SON050036	3	STP-T3-3-LSR-SF	STPL	5028051	Santa Rosa - Various Streets Rehabilitation (CON)	08/09	08/09	2,008,000		2,008,000	03/30/2009	2,008,000		2,008,000	
Santa Rosa	SON070006	3	CMAQ-T3-3-TLC-HIP		5028044	Santa Rosa Courthouse Square Enhancements (CON)	08/09	08/09		434,000	434,000	01/16/2009		434,000	434,000	
Santa Rosa	SON070017	2	CMAQ-T3-3-RBP-CO			Piner Road Pathway/Stony Circle Sidewalk (CON)	08/09	08/09		235,000	235,000				235,000	
Sebastopol	SON070015	2	CMAQ-T3-3-RBP-CO			Street Smart Sebastopol Phase 2 (CON)	08/09	08/09		485,000	485,000				485,000	
Sonoma County	SON050011	8	STP-T3-3-LSR-SF			Sonoma County - Various Streets Rehabilitation (CON)	06/07	08/09	3,388,505		3,388,505				3,388,505	
Sonoma County	SON070018	2	CMAQ-T3-3-RBP-CO			Western Avenue Bike Ped. Project (CON)	08/09	08/09		429,000	429,000				429,000	
Windsor	SON070019	2	CMAQ-T3-3-RBP-CO			Windsor Road Ped & Bike Gap Closure (CON)	08/09	08/09		308,000	308,000				308,000	
Sonoma County Totals									5,396,505	2,040,000	7,436,505		2,008,000	434,000	2,442,000	4,994,505
Report grand									61,847,865	113,456,827	175,304,692		54,459,146	42,073,603	96,532,749	78,771,943



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee/Transit
Finance Working Group

DATE: April 20, 2009

FR: Glen Tepke

RE: Update on Transit Capital Priorities Policy

Over the past several months, MTC staff has been working with the region's transit operators to update elements of the Transit Capital Priorities (TCP) policy, which governs distribution of the region's transit capital funds (FTA 5307 and 5309). At your meeting on April 20th, staff will bring forward several key issues that were discussed with the transit General Managers when they met on April 6th. Several attachments are included that were handed out at that meeting. We are seeking transit operator input on the following proposals, summarized below:

- **Creation of a “vehicle procurement reserve” to begin pre-funding the several major vehicle procurements that are expected to occur over the next ten years.** Staff compared the projected “capped” Score 16 needs from FY10 to FY12 to the revenues expected over that period, and the results indicate a funding balance at the regional level of \$200 million over those three years. However, over the next ten years, the projected revenue is expected to be just sufficient to cover the region's score 16 projects (including fixed guideway projects at their capped levels). Therefore, staff is proposing to create a reserve using \$150 million of the FY10-12 surplus to help meet the upcoming costs of vehicle procurements including the BART car, Caltrain EMU, and SFMTA trolley replacements. Additional funding would be needed for these projects in subsequent years, and staff also recommends that the region adopt a policy-level commitment to funding these procurements.
- **Creation of a preventive maintenance/productivity enhancement reserve, in combination with the 10% flexible set aside.** Because of the pressures on transit operating budgets resulting primarily from sharp declines in state and local revenues, transit operators are considering whether preventive maintenance could be used to help offset budget shortfalls in the short term. However, there are still pressing capital replacement needs in the region. In an effort to assist with operating budget issues, while maintaining the bulk of the capital program, staff proposes to also establish a \$50 million reserve over the three years from FY10 to FY12 that operators could use for preventive maintenance, or for other non-score 16 capital needs. This amount, in combination with the \$70 million projected to be available in the 10% flexible set aside during that same period, would yield \$120 million in flexible capital funds. These funds would not be

subject to the current TCP preventive maintenance policy requiring that assets exchanged for PM be removed from the program for the life cycle of the asset. One option for distributing these combined funds would be to use the flexible set aside formula in the current TCP, though updated slightly to take into consideration Benicia, Petaluma, and Alameda-Oakland Ferry at the request of those operators.

- **Use of needs-based Fixed Guideway project caps.** A few revisions to the fixed guideway project caps are proposed. The first is to set the regional total level of the caps at \$113 million per year, in order to allow for sufficient funding of the vehicle replacements. This is less than the maximum allowable caps in the current policy, but on par with the actual usage over the last five years. The second revision would be to distribute the caps based on capital need as calculated from the Regional Transit Capital Inventory. This results in some shifts compared to the current policy, so MTC has also added a floor so that no operator's cap is reduced by more than 10% from their historic usage. The final revision is the proposal to allow for an operator to apply their caps to any single or multiple projects, rather than having separate caps for different project types.

The General Managers requested at their meeting on April 6th that these issues be brought back to PTAC for further discussion. Please be prepared to discuss your agency's position. Additional materials will be available at the meeting, including an initial look at how the three year program would work given urbanized area constraints. Also, as a reminder, following is the proposed schedule for the major steps required to complete the TCP update and FY10-12 program. Note that the call for projects for FY10 is expected to be released shortly; operators are urged to begin reviewing the capital projects they may propose.

If you have any questions please contact Glen Tepke at 510-817-5781, or gtepke@mtc.ca.gov.

Mid-late April

- Call for projects for FY10 – FY12

PTAC – April 20

- Finalize fixed guideway project caps
- Finalize reserves and set-asides

TFWG – May 6

- Review draft TCP policy

Mid-May

- Responses to call for projects due

Programming and Allocations Committee – May 13

- Present draft TCP policy

TFWG – June 3

- Review final TCP policy
- Review proposed FY10- FY12 program

Programming & Allocations Committee – June 10

- Adopt final TCP policy
- Adopt FY10- FY12 program

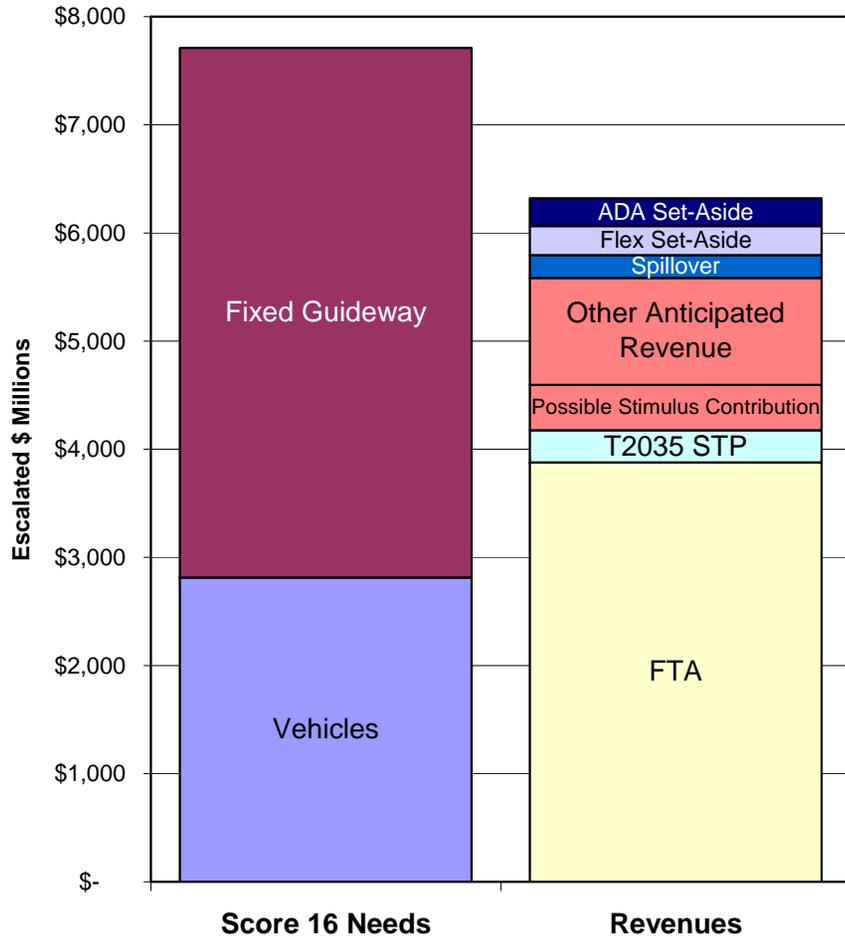
Commission – June 24

- Adopt final TCP policy
- Adopt FY10- FY12 program

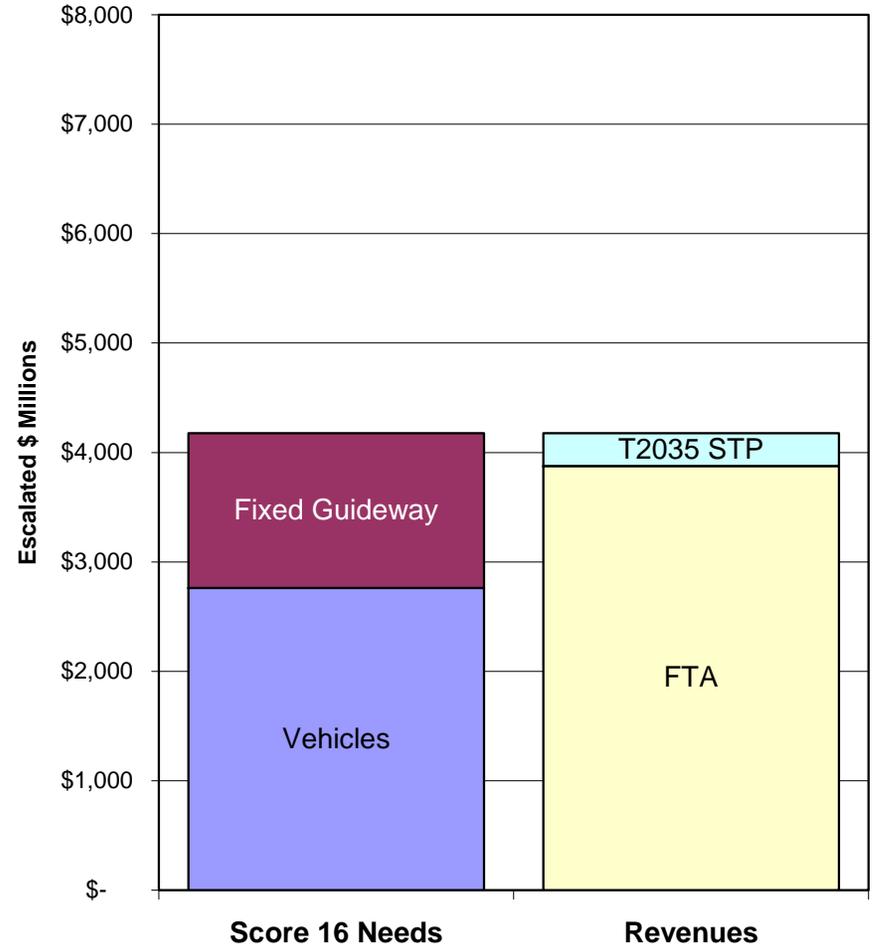
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Transit Capital Score 16 Needs vs. Revenues FY10 to FY19

Unconstrained



Constrained



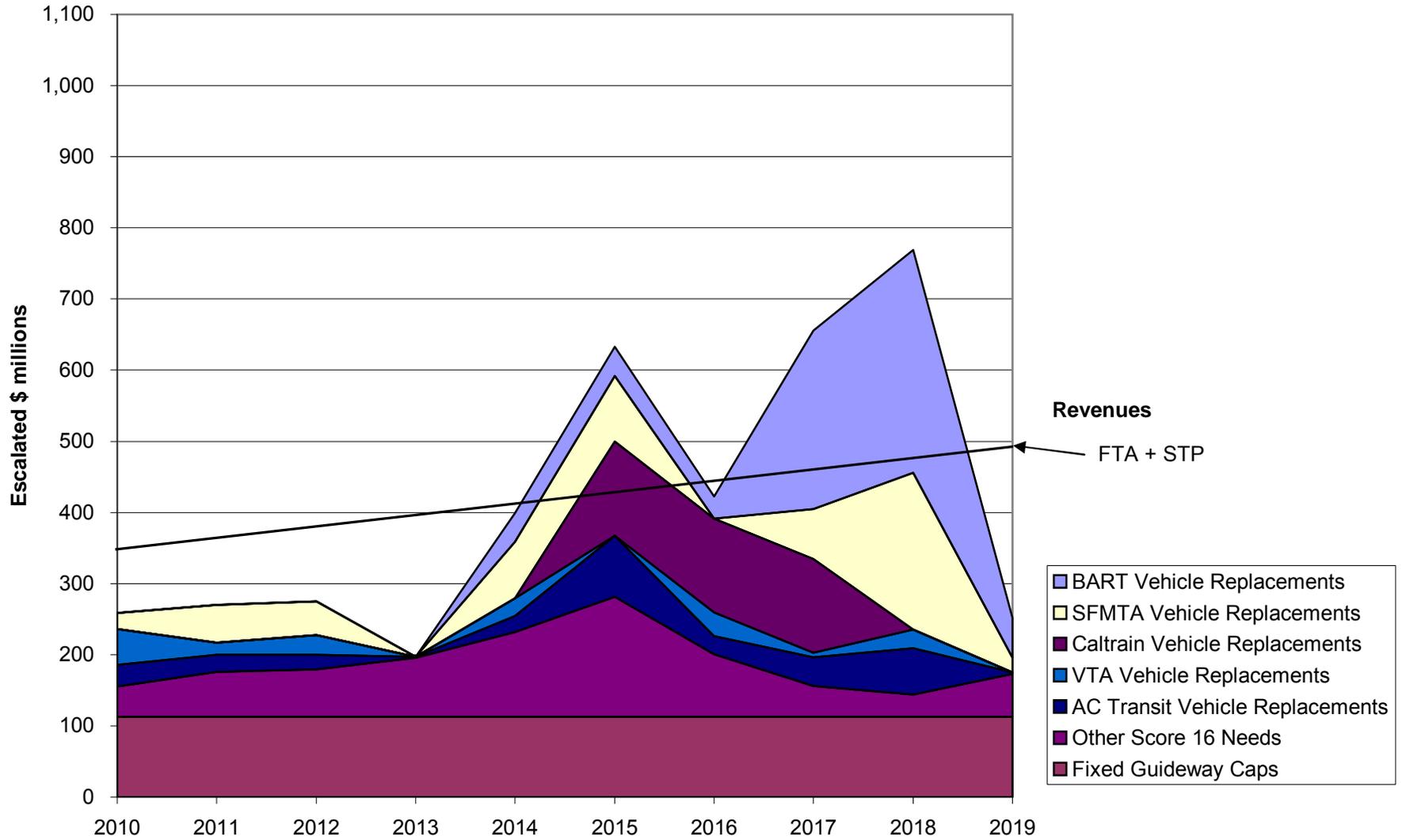
Major Assumptions – Both Scenarios

- 80% federal share eligible for TCP for all projects; local match costs and revenues not shown
- All pay-as-you-go; no project financing
- 4% growth in FTA revenues; no major program changes

Constrained Scenario

- Revenue vehicle replacements funded first
- Fixed guideway projects capped at \$113M/year
- No Anticipated Revenue, Spillover, Stimulus or Set-Asides Available

Transit Capital Score 16 Needs vs. Revenues FY10 to FY19 Fixed Guideway Capped



Transit Operating Budget and Preventive Maintenance Summary

-WORKING DRAFT-

As of 4/10/09

Large Operators	FY09 Agency Operating Budget	Estimated FY10		PM in FY09 5307/5309 PoP	PM in ARRA Tier I System Preservation	FY10 PM Proposal	Total PM Request
		Operating Shortfall After Budget Actions*	Operating Shortfall After Budget Actions*				
AC Transit	\$ 322.2	\$ 23.1	\$ 0**	\$ 23.2	\$ 31.2	\$ 54.4	
BART	\$ 538.0	\$ 50.0	\$ 5.2	\$ 10.0		\$ 15.2	
Caltrain	\$ 97.8	\$ 9.0				\$ -	
Golden Gate	\$ 96.7	\$ 47.0				\$ -	
SFMTA	\$ 646.0	\$ 75.0		\$ 18.0		\$ 18.0	
Samtrans	\$ 134.8	\$ 22.0	\$ 1.1	\$ 4.0		\$ 5.1	
SCVTA	\$ 364.2	\$ 5.0	\$ 18.6			\$ 18.6	
Subtotal	\$ 2,199.7	\$ 231.1	\$ 24.9	\$ 55.2	\$ 31.2	\$ 111.3	

Small Operators	FY09 Agency Operating Budget	Estimated FY10		PM in FY09 5307/5309 PoP	PM in ARRA Tier I System Preservation	FY10 PM Proposal	Total PM Request
		Operating Shortfall After Budget Actions*	Operating Shortfall After Budget Actions*				
CCCTA	\$ 34.6	\$ -	\$ 0.3	\$ 4.3		\$ 4.6	
ECCTA	\$ 20.9	\$ 0.0	\$ 0.3	\$ 2.8		\$ 3.1	
Fairfield	\$ 0.8	\$ 0.7		\$ 0.6		\$ 0.6	
LAVTA	\$ 15.8	\$ 1.4	\$ 0.2	\$ 1.7		\$ 1.9	
NCTPA	\$ 9.4	\$ 2.0	\$ 0.2			\$ 0.2	
City of Petaluma	\$ 2.2	\$ 0.3			\$ 0.3	\$ 0.3	
Santa Rosa CityBus	\$ 11.4	\$ 2.0	\$ 2.0	\$ 3.6		\$ 5.6	
Sonoma County Transit	\$ 11.4	\$ 4.0		\$ 1.4		\$ 1.4	
WestCat	\$ 9.0	\$ 0.6		\$ 0.8		\$ 0.8	
Other Operators	\$ 35.7	\$ 2.6	\$ 1.3	\$ 4.0		\$ 5.3	

Subtotal	\$ 151.3	\$ 13.5	\$ 4.4	\$ 19.0	\$ 0.3	\$ 23.6
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Regional Total	\$ 2,351.0	\$ 244.6	\$ 29.3	\$ 74.2	\$ 31.5	\$ 134.9
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* Estimates are based on expense information provided by operators in FY 2007-08 and revised projections for several major operating revenue sources. Budget actions as reported by operators include service cuts, fare increases, etc.

**AC Transit used \$24,602,980 for vehicle exchange

Operators express possible interest in PM

Near-Term FTA Program: Three Years (FY2010 - FY2012)

Escalated \$ millions, 80% Federal share, fixed guideway and vehicle procurements capped, flexible and ADA set-asides not shown

	FY09-10	FY10-11	FY11-12	3-Year Total
Regional Totals				
Revenue Vehicles	\$145.6	\$148.5	\$153.3	\$447.5
Fixed Guideway Caps	113.0	113.0	113.0	339.0
Non-FG Score 16 Systems	0.0	9.4	6.8	16.1
Proposed Vehicle Procurement Reserve	12.0	63.0	75.0	150.0
Proposed Preventive Maintenance Funding	50.0			50.0
Total Proposed Program	\$320.6	\$333.9	\$348.1	\$1,002.6

Would fully fund vehicles in FY10-12, fund fixed guideway projects at capped amounts, with 10% ADA set-aside.

Proposal for Discussion:

- Dedicate \$150M over three years for vehicle reserve (to address 10-year needs)
- Establish a \$50M reserve over three years for preventive maintenance/productivity improvements, combine with 10% flexible set-aside (\$70 million over 3 years) to provide pot of flexible capital funds
- One option is to distribute the \$120M PM/flexible reserve using existing flexible set aside formula (updated to take into consideration Benicia, Petaluma, and Alameda-Oakland Ferry); operators to inform decision of how to spread across years
- Propose one-year firm program for FY10, draft plan for FY11 and FY12
- Propose change to fixed guideway cap operator distribution (see next page)

Transit Capital Priorities: Fixed Guideway Project Cap Alternatives

Proposed Regional Annual Total: \$113M

(in millions)

Operator	Current Caps		Option A: Based on Current Maximum	Option B: Based on FG Need with Floor*
	FY09 Policy Maximum Eligible	FY05 - FY08 Historic Usage	Proposed Caps	Proposed Caps
ACE	3.2	1.1	2.2	1.5
BART	46.5	39.0	32.2	42.8
Caltrain	22.5	15.0	15.6	13.5
GGBHTD	10.0	6.0	6.9	5.4
SFMTA	48.5	41.0	33.6	36.9
Vallejo	10.0	4.0	6.9	3.6
VTA	22.5	7.5	15.6	9.3
Regional Total	163.2	113.6	113.0	113.0

* Floor: Proposed caps adjusted so that no operator's cap is reduced by more than 10% from Historic Usage.

Rationale for caps:

- Established to allow full funding of vehicle replacement
- Regional total cap set to balance program over 10 years based on projected revenues

Options for consideration:

- Distribution option A uses same proportion as current policy caps
- Distribution option B based on fixed guideway needs identified in Regional Transit Capital Inventory
- In both A and B, additional flexibility offered compared to current program – single cap per agency can be applied to any single or multiple projects; currently caps for each operator are divided into three to five project categories

MTC recommendation: Option B as it is based on capital needs established in the Regional Transit Capital Inventory work by the transit operators