

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

June 13, 2012

Item Number 2f

**Letter of Understanding to Advance Federal Apportionment**

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**Subject:** Letter of understanding with the Riverside County Transportation Commission (RCTC) to advance up to \$20 million in RCTC Congestion Mitigation and Air Quality Improvement (CMAQ) apportionment to MTC.

**Background:** On May 17, 2012, the Commission approved the programming for the New Federal Transportation Act Cycle 2 program, including regional planning, transit performance initiative, freeway performance initiative, and on-going regional programs. These projects are ready to proceed to implementation.

At the end of each federal fiscal year there is an opportunity for California to capture unused spending or Obligation Authority (OA) redistributed from other states. This is new OA not otherwise expected. Within California, Caltrans allows regions that have fully obligated their apportionment to share proportionately in this additional federal OA bonus.

To take advantage of the opportunity for additional OA from other states, staff proposes advancing up to \$20 million of federal apportionment for the just-approved Cycle 2 programs. There would be no net change in funding for the various programs or projects, simply advancing delivery from next federal fiscal year (FFY).

In order to expend federal funds on a project both apportionment (budget authority) and OA (spending authority) must be available. Because the Bay Area will use all of its apportionment for FY 2011-12, staff is recommending entering into an agreement with Riverside County Transportation Commission (RCTC), similar to the agreement executed with the Orange County Transportation Authority (OCTA) in September 2010, to temporarily move their available federal apportionment and OA to the Bay Area, allowing the Bay Area's ready to go projects to proceed. Caltrans would credit the Bay Area with over-delivery as well as not penalize RCTC for under-delivery, allowing the two agencies to establish a mutually beneficial arrangement. MTC will repay the advanced apportionment back to RCTC in federal FY 2012-13.

**Issues:** None.

**Recommendation:** Refer the attached letter of understanding to the Commission for approval and authorize the Executive Director to enter into the agreement with the Riverside County Transportation Commission (RCTC) to advance available apportionments to the Bay Area.

**Attachments:** Letter of Understanding with RCTC for the Executive Director's signature.

DRAFT

June 27, 2012

Mr. Denix Anbiah  
Chief, Division of Local Assistance  
California Department of Transportation  
1120 N Street MS 1  
Sacramento, CA 95814

RE: Fiscal Year 2011-12 Congestion Mitigation and Air Quality Improvement Program  
Apportionment - Letter of Understanding between the Riverside County  
Transportation Commission and the Metropolitan Transportation Commission

Dear Mr. Anbiah:

This letter constitutes our understanding of an exchange in Congestion Mitigation and Air Quality Improvement (CMAQ) apportionment between the Riverside County Transportation Commission (RCTC) and the Metropolitan Transportation Commission (MTC). RCTC has available up to \$20 million in CMAQ apportionment and obligation authority that it does not intend to use in federal fiscal year (FFY) 2011-12. MTC would like to obligate up to \$20 million in these funds for ready to go projects.

This letter is to formalize the transfer of up to \$20 million in CMAQ apportionment and equivalent obligation authority (OA) from RCTC to MTC. In exchange, amounts equivalent to the apportionment and OA used by MTC under this letter of understanding will be returned to RCTC in FFY 2012-13, contingent on federal disbursement of apportionment and OA to MTC for FFY 2012-13 at anticipated levels.

This exchange does not impact MTC's prior baseline delivery target for FFY 2011-12 but rather will provide additional delivery of apportionment and obligation authority for MTC in consideration of the August redistribution.

This exchange is permissive and it does not constitute a guarantee by either MTC to obligate funds above its apportionment level for FY 2011-12 or by RCTC to have apportionment available for use by MTC when requested. This letter of understanding sets forth MTC's and RCTC's intent for use of the identified CMAQ apportionment, and requests that Caltrans adjust each county's apportionment as appropriate once projects are obligated under this exchange. This exchange would benefit both MTC and RCTC: MTC is able to advance delivery of projects from next federal fiscal year to this federal fiscal year, while reducing RCTC's unobligated apportionment balance. We are relying on our understanding that this exchange is allowed per Caltrans' Apportionment/ Obligation Authority Management policy.

This letter of understanding will be in effect for obligations through September 30, 2012, only.

Mr. Denix Anbiah

June 27, 2012

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We appreciate this opportunity to exchange CMAQ apportionment and support our transportation partners. If you have any questions please contact Shirley Medina, RCTC's Programming and Planning Manager, at (714) 560-5915 or Ross McKeown, MTC's Programming and Funding Manager, at (510) 817-5842.

Sincerely,

Anne Mayer  
RCTC  
Executive Director

Steve Heminger  
MTC  
Executive Director

c: Shirley Medina, RCTC  
Ross McKeown, MTC  
Norma Ortega, Caltrans, HQ  
Rachel Falsetti, Caltrans, HQ  
Fardad Falakfarsa, Caltrans, HQ  
Bijan Sartipi, Caltrans, District 4  
Syed Raza, Caltrans, District 8