



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Programming and Allocations Committee DATE: November 14, 2007
FR: Deputy Executive Director, Policy
RE: Third Cycle Congestion Mitigation and Air Quality Improvement (CMAQ) Program Bonus

Background

Attached is some good news on the federal funding front. MTC anticipates an additional \$72 million in federal CMAQ apportionment through FY 2008-09. The additional funding is available as a result of: 1) the region's successful delivery of CMAQ funds in advance of state and federal deadlines and ability to capture excess funding capacity; 2) more active monitoring by the state and federal governments that has resulted in some funding being returned to the region because past projects did not proceed; and 3) apportionment coming in higher than programming.

In the past, the region has been rewarded for its strong performance in the area of project delivery. The rules say, "Use it or lose it," and the Bay Area's strong track record of project delivery is paying dividends to get additional project money.

As a reminder, the region has programmed \$876 million in federal Surface Transportation Program (STP) CMAQ funds in three cycles and one prior 'augmentation' round. The breakdown of funding for this proposal is summarized below. This proposed bonus round of CMAQ funding is similar to the approach that the Commission followed in Spring 2005 in that the dollars are directed to regional initiatives. At that time, additional Obligation Authority (OA) captured as a result of high project delivery performance in the MTC region and unused funding apportionments allowed the Commission to commit an additional \$107 million, known as the "Cycle 1 Funding Augmentation." That action supported the funding of ready-to-go projects from three categories: 1) Strategic Expansion to backfill the state program; 2) rehabilitation; and 3) system management and safety. The greatest share went to address the state's State Transportation Improvement Program (STIP) funding crisis to allow ready-to-go projects to continue towards construction.

Recommended Proposal

To put this additional funding capacity to best use, staff is recommending an approach that complements several regional initiatives underway in the areas of smart growth, congestion pricing, and transit expansion. We also need to ensure obligation of these funds by December 2008, to best poise the region to avoid losing federal funding capacity and potentially capture even more capacity. The proposal takes a four-prong approach:

1. **Exchange Ready-to-Go for Future Flexible Funds:** Assist a ready-to-go CMAQ project in exchange for more flexible funds that can be used for projects that will encourage greater links between transportation and land use, but do not fit as easily into the federal funding program. Specifically, the funds would be programmed to the U.S.101 Gap Closure in Marin County. In exchange, The Transportation Authority of Marin (TAM) would provide flexible cash repayment that would enable initial planning to begin for the FOCUS program’s priority development areas.
2. **Promote Safety:** Provide funds for the Golden Gate Bridge median barrier safety project that was not able to fit into the recent Proposition 1B programs, but is still critical for Bay Area motorists. The median barrier is part of a series of improvements in the Golden Gate corridor, most of which will be made possible by the federal Urban Partnership Program. The Golden Gate bridge median barrier project is not technically eligible for CMAQ dollars; however, the federal apportionment capacity will be used through a local or state funding exchange to enable the project to move forward.
3. **Jumpstart Transit Expansion Projects:** Provide funds to help close a funding gap and jumpstart ready-to-go transit expansion projects. After we receive more information on Resolution 3434 project status through the strategic plan effort, the Commission will be in a position to commit the reserved CMAQ funds to a specific project or projects. It is likely that a match requirement by sponsors may be required to leverage the regional investment and ensure that the dollars are resulting in project delivery. The specific project or projects to use these funds will be determined through the current Resolution 3434 Strategic Plan effort that is expected to conclude in Winter/Spring 2008.
4. **Promote Access for Persons with Disabilities:** Provide funds to help close a roughly \$10 million funding gap for the Ed Roberts Campus project. Require an equivalent local commitment of additional funds to close the funding gap, to be provided in partnership between the Alameda County Congestion Management Agency (ACCMA), the City of Berkeley, and BART. The \$45 million project at the Ashby BART Station is to break ground in summer 2008.

In summary, the breakdown of the funding proposal is below:

Third Cycle CMAQ Bonus Proposal (amounts in \$ millions)

1) Marin U.S. 101 Gap Closure/Priority Development Area Plans	\$12.5	17%
2) Golden Gate Bridge Median Barrier	\$20.0	28%
3) Resolution 3434 Strategic Plan Reserve	\$35.0	49%
4) Ed Roberts Campus Project	<u>\$ 4.5</u>	<u>6%</u>
Total:	\$72.0	100%

Issues

1) SAFETEA includes provisions that could result in unobligated apportionment being rescinded in FY 2008-09. Staff believes the most prudent course of action to minimize the reduction of funds to the region is to program the \$72 million to projects that can obligate the funds prior to December 31, 2008. There is the possibility that the region will still have apportionment

rescinded. Although additional apportionment is available, there is not associated obligated authority (OA). As in the past, this could result in current program commitments being carried into the next authorization period. This risk, in our view, is partially mitigated by the potential to capture more federal funding capacity by putting the dollars to early use.

2) The Golden Gate bridge median barrier project is not technically eligible for CMAQ dollars; however, the federal apportionment capacity will be used through a local or state funding exchange to enable the project to move forward.

3) After we receive more information on Resolution 3434 project status through the strategic plan effort, the Commission will be in a position to commit the reserved CMAQ funds to a specific project or projects. It is likely that a match requirement by sponsors may be required to leverage the regional investment and ensure that the dollars are resulting in project delivery.

Stakeholder Comments

The proposal has been presented to the Partnership Technical Advisory Committee (PTAC), the MTC Advisory Council, the Elderly and Disabled Advisory Committee (EDAC) and Minority Citizens Advisory Committee (MCAC). Some members of PTAC expressed a desire to postpone the Third Cycle CMAQ Bonus Round in order to explore alternative approaches and projects. There was interest expressed at the Advisory Council to fund new shuttle services for AC Transit, SFMTA, and SamTrans; and Capitol Corridor and Caltrain Infrastructure Projects. Staff has also received communications from Congestion Management Agencies (CMAs) and members of the public requesting that this funding be used for various projects such as HOV lanes, Transportation for Livable Communities (TLC) Projects, bus purchases, and rail infrastructure projects. Attachment 1 to this memo outlines the requests received to date.

There is never a shortage of project needs when new funding opportunities arise. While the other project needs and ideas have merit, staff believes these unexpected “bonus” funds are better used to support regional initiatives and for projects that may not be a good fit for traditional funding sources, as outlined in the proposal. Further, staff underscores the importance of moving forward quickly in order to ensure timely obligation of the CMAQ funding and to support the Resolution 3434 Strategic Plan effort.

Next Steps

Staff suggests the following next steps and companion actions:

- 1) Approval of the Third Cycle CMAQ Bonus Program framework as presented;
- 2) Approval as a separate action of the CMAQ Exchange (MTC Resolution 3842) that enables exchange between MTC and TAM for CMAQ funds and local measure revenue of \$12.5 million;
- 3) As a separate action, staff will return to the Commission for consideration of a list of Priority Development Area projects to be funded with exchange funding as a result of the CMAQ exchange described above in #2;

- 4) Explore further eligibility issues regarding CMAQ funds for the Golden Gate Bridge Median Barrier Project focusing on an exchange of state for federal funds and return to the Commission if an alternative funding approach is necessary;
- 5) Once the Resolution 3434 Strategic Plan identifies jumpstart projects as candidates for Third Cycle Bonus funding, staff will bring Attachment B back to the Commission for the selection of specific projects. If a project or projects are not identified that are fully funded by the reserve proposed and able to obligate within the required timeline, staff will return to the Commission and re-evaluate the project proposals submitted by the CMAs and stakeholders;
- 6) Secure necessary commitments of the \$4.5 million in local funds to match the proposed federal CMAQ contributions to the Ed Roberts Campus project; and
- 7) Take the necessary programming actions through amendments to the Transportation Improvement Program to accommodate the actions above.

Attachment B to the resolution outlines the projects receiving CMAQ funding under this Third Cycle Bonus CMAQ Program. Furthermore, Attachment A outlines the Guiding Principles for the program.

Recommendation

In conclusion staff recommends the referral of Resolution 3831 to the Commission for approval.

Therese W. McMillan

Attachment 1 – Project Requests from Others

Attachment 2 - MTC Resolution No. 3831

- Attachment A – Guiding Principles
- Attachment B – Project List

Attachment 1: Third Cycle CMAQ Bonus: Requests for Funding

Project Name	Requestor	Amount Requested
CMA Requests		
Ed Roberts Campus	Alameda County CMA	\$10,000,000
I-580 WB HOV/HOT Lane	Alameda County CMA	\$19,100,000
	Subtotal	\$29,100,000
I-80 ICM	Contra Costa TA	\$3,340,000
I-680 SB HOV Lane Re-striping	Contra Costa TA	\$2,000,000
I-680 NB HOV Lane Extension	Contra Costa TA	\$6,000,000
I-680 SB HOV Lane Gap Closure	Contra Costa TA	\$6,000,000
AC Transit Bus Purchases	Contra Costa TA	\$6,000,000
Hercules Rail Station	Contra Costa TA	\$3,000,000
	Subtotal	\$26,340,000
TOD Program - Redwood City Pedstrian Improvements	San Mateo CCAG	\$164,000
TOD Program - San Carlos Crosswalks, traffic calming and landscaping along El Camino Real	San Mateo CCAG	\$182,000
TOD Program - South San Francisco Linear Park phase 2	San Mateo CCAG	\$177,000
	Subtotal	\$523,000
I-680 Southbound HOV Lane project	VTA	\$8,000,000
	Subtotal	\$8,000,000
Vallejo Ferry Maintenance Facility (Phase 2)	STA	\$3,500,000
Vacaville Intermodal Station (Phase 1)	STA	\$2,750,000
Fairfield/Suisun City Union Ave./Suisun City Train Station Pedestrian Safety Improvements - TLC Project	STA	\$500,000
	Subtotal	\$6,750,000
Other Requests		
Bayshore Corridor North-South Bikeway	City of Brisbane	\$700,000
Expanded shuttles for AC Transit, SFMTA and SAMTRANS	MTC Advisory Committee Member	None submitted
Capitol Corridor and Caltrain infrastructure projects.	MTC Advisory Committee Member	None submitted
School Bus Operations	Member of Public	None submitted
	Subtotal	\$700,000
	Total	\$71,413,000

**METROPOLITAN TRANSPORTATION COMMISSION
SAFETEA THIRD CYCLE CMAQ BONUS Programming
Project List*
Attachment B**

Project Category and Title	County	Implementing Agency	Third Cycle Funding (thousand \$)
SAFETEA STP/CMAQ THIRD CYCLE BONUS PROGRAMMING			
1. Marin U.S. 101 HOV Gap Closure / PDA Plans			
Marin 101 Gap Closure - Funding Exchange	Marin	TAM	Exchange
<i>Specific Priority Development Area (PDA) Plans TBD by the Commission *</i>	TBD	TBD	\$12,500
SUBTOTAL			\$12,500
2. Golden Gate Bridge Median Barrier			
Golden Gate Bridge Median Barrier	Marin/San Francisco	GGBHTD	Swap
<i>Specific project(s) TBD by the Commission **</i>	TBD	TBD	\$20,000
SUBTOTAL			\$20,000
3. Ed Roberts Campus			
<i>Ed Roberts Campus</i>	Alameda		\$4,500
SUBTOTAL			\$4,500
4. Resolution 3434 Strategic Plan Reserve			
<i>Specific projects TBD by the Commission ***</i>	TBD	TBD	\$35,000
SUBTOTAL			\$35,000
Third Cycle CMAQ Bonus Total			\$72,000

* Flexible funding provided by TAM in exchange for the Third Cycle CMAQ funds will be available to PDA planning activities. The programming commitments in this category are subject to the evaluation and approval of projects by the Commission.

** The GGB is ineligible to receive CMAQ funding. Therefore, the funds must be swapped with other CMAQ-eligible projects. Attachment B will be revised once the projects to receive the fund swap are identified.

*** The programming commitments in this category are subject to the evaluation of projects as part of the upcoming Resolution 3434 Strategic Plan effort.

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