

ITEM 10

MEMORANDUM

DATE: April 10, 2020

TO: MCAG Governing Board

FROM: Ty Phimmason, Associate Planner

RE: Congestion Mitigation Air Quality (CMAQ) Policy Update and Call for Projects

SUMMARY

Staff recommends a Congestion Mitigation Air Quality (CMAQ) policy update and requests the release of the Call for Projects to make use of about \$3 million CMAQ funds available in the upcoming Federal Fiscal Year (FFY) 2020/21.

BACKGROUND

Merced Region's CMAQ

Congestion Mitigation Air Quality (CMAQ) is a federal program, whose primary goals are to improve air quality and reduce congestion. CMAQ provides funding for transportation projects or programs that will contribute to a region's attainment or maintenance of the National Ambient Air Quality Standards for ozone, carbon dioxide, and particulate matter (both PM10 and PM2.5).

Per the federal CMAQ program guidance, project/program eligibility criteria are as follows:

- It must be transportation-related;
- It must generate an emissions reduction; and
- It must be located in or benefit a nonattainment or maintenance area.

Designated as nonattainment for ozone and PM2.5, and attainment for PM10, the Merced Region is annually apportioned about \$3.5 million CMAQ funds. The Governing Board approves the programming of these CMAQ funds to eligible projects sponsored by the local agencies.

Some examples of eligible projects include:

- Transit capital;
- Transit service improvements;
- Ridesharing, carpooling and vanpooling;
- Active transportation (bicycle and pedestrian) projects;
- Traffic signal synchronization; and
- (Some) traffic flow improvements.

MCAG has programmed CMAQ for a variety of purposes including transit projects and programs, rideshare marketing, vanpool program, bicycle and pedestrian projects, and traffic flow improvements.

Merced Region's CMAQ Programming Capacity due to SANDAG Repayment

As the result of a CMAQ Exchange/Loan Agreement with the San Diego Association of Governments (SANDAG), MCAG will be repaid \$3.9 million CMAQ in FFY 2020/21.

Programming Funds to Known Projects

About \$600,000 of this repayment amount has been programmed to construction of Gustine's Phase 2 of the Meredith Avenue Multiuse Path and Pedestrian Improvements Project, which the Board had approved at the last Call for Projects. This project has obtained the required Federal environmental clearance and will be ready to bid out Phases 1 and 2 for construction.

Policy Updates

There are available CMAQ funds in FFY 2020/21 for the programming to new CMAQ projects. Prior to the release of the next Call for Projects, staff requests updates to the CMAQ Policy to maximize public benefits and to minimize risks to the region's program funding. Staff proposes the following additions:

- The MCAG Governing Board adopted a "Pioneer Road Widening Project Funding Priority Policy" in November 2019, which includes: "MCAG is hereby establishing the project as the priority for the following funding sources:...Up to 25% of Congestion Mitigation and Air Quality (CMAQ) funding for CMAQ-eligible components of the project, if there are any, or more than 25% if such components are "highly cost-effective" in air quality improvement per the CMAQ emission calculator. CMAQ is federal funding. An estimated \$3 million (total CMAQ) is available in FFY 2020-21, \$500,000 in 2021-22, and \$3.5 million in years 2022-23 onward."
- For paving dirt alleyways, the minimum vehicles per day (VPD) is 25 for each applied-for alleyway.

For dirt roadway paving projects, the minimum average daily trip (ADT) is 500 for each applied-for roadway.

Given the funding capacity that will be available in FFY 2020/21, a funding cap for paving projects is set at \$1 million unless remaining funds don't get programmed to projects in this Call for Projects.

- Highly Cost Effective (HCE) traffic flow improvements are to be considered higher priority than paving projects regardless of cost-effectiveness results. HCE refers to having a calculated benefit of \$45 per pound of criteria pollutants or better. Project scoring will reflect this policy.
- If the Federal Highway Administration (FHWA) deobligates (removes) a project's CMAQ funds, then MCAG will not be restore the CMAQ funding, and subsequent phases will not be funded and programmed. This FHWA deobligation of federal funding is due to the lack of project progress and "activity," which occurs when the project sponsor does not submit regular invoices to Caltrans for federal reimbursements of eligible work activities.

- Projects on the State Highway System and also for projects with Construction > \$1 million: Only CMAQ funding for Preliminary Engineering (Design and Environmental) will be programmed until Federal environmental clearance has been issued. For projects requiring right-of-way takes, CMAQ funding for Construction will not be programmed until the Right-of-way Certification has been obtained from Caltrans.
- Projects with Construction < \$1 million will have 2 fiscal years (from the time of funding obligation) to secure the Federal environmental clearance or subsequent phases will not be funded and programmed. Jurisdictions may present case to the Board to preserve project funding.
- Projects with CMAQ funds approved for Right-of-Way will not get these funds programmed until after providing the Federal environmental clearance.
- If the project's Construction is programmed in the FTIP quadrennial period and if the project demonstrates construction-readiness (Federal environmental clearance and Right-of-way Certification), MCAG will consider usage of Expedited Project Selection Procedure (EPSP) to advance the construction funding in the Spring.
- For scoring CMAQ applications, a policy change is made to cost-effectiveness scoring and two new project scoring categories are added:
 - Cost-effectiveness: If not a dirt paving project, application receives full 20 points if determined to be Highly Cost-Effective, regardless of calculated cost-effectiveness score.

Schedule

April 16, 2020	Updated Policy and Procedures and authorize Call for Projects
April 20, 2020	Release Call for Projects
June 3, 2020	Deadline for applications
June 8-12, 2020	CMAQ committee to evaluate applications
July 16, 2020	Governing Board takes action on recommended projects and FTIP amendment
End of September	Expected final federal approval of FTIP amendment

PAST ACTIONS TAKEN

In April 2019, the MCAG Board approved the CMAQ exchange/loan of \$3.9 million with the San Diego Association of Governments (SANDAG), to be repaid in Federal Fiscal Year 2020/21.

FISCAL IMPACT

There is available about \$3 million in FFY 2020/21 for the programming to new CMAQ projects.

If you have any questions regarding this staff report, please contact Ty Phimmasone at 723.3153 x 123 or ty.phimmasone@mcagov.org.

REQUESTED ACTION

Adopt the updated CMAQ Policies and Procedures and direct staff to release the CMAQ Call for Projects.

ATTACHMENT

Updated Draft of CMAQ Policies and Procedures