

Merced County Association of Governments (MCAG)
Congestion Mitigation and Air Quality (CMAQ)
Policies and Procedures
Adopted – April 15, 2021

BACKGROUND

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 attainment or maintenance of the National Ambient Air Quality Standards for ozone, carbon dioxide, and particulate matter (both PM₁₀ and PM_{2.5}).

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

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

Designated as nonattainment for ozone and PM_{2.5}, and attainment for PM₁₀, Merced County receives CMAQ funds, which are received by the Merced County Association of Governments (MCAG). Federal CMAQ apportionment levels are provided to regions for the Federal Transportation Improvement Program (FTIP) quadrennial period. The MCAG Governing Board programs these CMAQ funds to eligible projects.

Some examples of eligible projects include:

- Diesel engine retrofits;
- Transit capital;
- Transit improvements;
- Transit management systems;
- (some) Traffic flow improvements;
- Bicycle and pedestrian projects;
- Alternative fuels - retrofits, vehicles, infrastructure;
- Ridesharing, carpooling and vanpooling;
- Traffic signal synchronization;

MCAG has programmed CMAQ for a variety of purposes including transit projects and programs, rideshare marketing, diesel equipment replacements, street sweeper replacements, bicycle and pedestrian projects, and traffic flow improvements.

PROGRAM GOALS:

- Goal #1:** Achieve air quality conformity. This includes funding transportation control measures as needed.
- Goal #2:** Obligate all CMAQ funding allocated, losing none.
- Goal #3:** Supplement transit service as needed.
- Goal #4:** Implement the San Joaquin Valley Cost-Effectiveness Policy threshold.
- Goal #5:** Fund quality of life projects, which are usable by the general public.
- Goal #6:** Fund projects that reduce Greenhouse Gas (GHG) emissions.
- Goal #7:** Fund projects that benefit Disadvantaged Communities.

To ensure quality of life and economic health in Merced County, the primary objective of the transportation system must be the safe and efficient movement of people and goods. Public transit is an economically and environmentally sound alternative to transportation by single occupancy vehicles (SOV's). Within Merced County, travel by public transit, by bicycle and on foot must be an attractive alternative. To better achieve Goal 3 and "highly-cost-effective (HCE)" targets, MCAG shall promote the use of regional transit and the continued development of an integrated, reliable, regional public transportation system.

PROGRAM POLICY & PROCEDURES:

1. Staff will review and report project status at least once a year, or more frequently, as long as unobligated CMAQ balances exist in the current federal fiscal year.
2. Projects in jeopardy of failing to meet obligation deadlines may be postponed to the next fiscal year, and other projects that can be delivered quickly may be advanced, as necessary. As capacities permit, these adjustments may be made at any time.
3. A CMAQ committee may be convened as necessary to review project implementation and make recommendations for programming adjustments.
4. Transportation Control Measures (TCMs) and/or other air quality projects may be funded as needed to demonstrate federally-required, air quality conformity.
5. Effort will be made to use at least 20% of each four-year CMAQ total for highly cost-effective projects and programs ("HCE projects"). This is currently defined as those which cost \$45 or less per pound of criteria pollutant reduced. Priority will be given to HCE projects when applications are being considered.
6. Emission benefits and cost-effectiveness will be calculated using the methods of the California Air Resources Board (ARB).

7. A “Call for Projects” shall be issued, as needed, when CMAQ capacity is available for programming. Unless unforeseen circumstance warrants, the “Call for Projects” will occur every two years, which is when a new FTIP with two additional years of CMAQ capacities is being developed. CMAQ committee shall review and evaluate project applications and recommend projects for programming.
8. Projects will be evaluated on a region-wide competitive basis with no geographic equity guarantees.
9. All project applications must document all of the following information:
 - Project total cost and CMAQ cost, by phase and by year;
 - Total emission reductions;
 - Cost-effectiveness of CMAQ dollars;
 - Project schedule.
10. Quality of Life projects must include proof of public vetting. This may include letters of support, inclusion in an approved plan (i.e. Bicycle and/or Pedestrian Plan), minutes from public meetings/workshops.
11. The FTIP will be programmed with funding for the entire project based upon project delivery and funding availability, except for projects that request funding for Right-of-Way. For these projects, only Preliminary Engineering and Right-of-Way will be programmed in the FTIP. Once the Right-of-Way Certification has been secured, the project sponsor may request the programming of Construction funding, which will be dependent upon funding availability.
12. If a project has a cost overrun, if CMAQ capacity is available, the executive director has the discretion to program up to 20% of project cost on a first-come basis. If the cost overrun exceeds 20%, then the project will need to be adjusted or increased funding will require MCAG Board approval.
13. Delays and advancements of projects will be considered on a case-by-case basis. Significant changes to cost increase, schedule delay, or scope reduction will be presented to the MCAG Board for action.
14. If a project sponsor proposes to downsize significantly (from originally-approved scope), prior to obligation of CON funds, then project benefits will need to be reevaluated.
15. If project funding or savings gets deprogrammed, then it goes back into the overall CMAQ balance for reprogramming at the MCAG Board’s discretion.
16. Given available CMAQ capacity, priority is given to the delivery of existing, programmed projects. Some examples include:
 - Programming priority will be given to projects that have completed prior programmed phases and are ready to proceed to their next phase;

- If a bid is higher than the Engineer's Estimate, additional CMAQ may be authorized to assist with cost;
 - If a project (phase) is ready, then the project (phase) may be advanced.
17. Diesel off-road (pertains to construction) equipment replacements will no longer be considered. Federal Highway Administration (FHWA) has required official certification of title 23 (construction-related, and not for maintenance) eligibility and useful life documentation.
18. MCAG requires assurance of timely delivery of programmed CMAQ projects. Each project application must include a formal council/board action indicating that the project will meet project delivery schedules and that staff be directed to achieve those project milestones (i.e. federal environmental clearance; right-of-way certification; final project specifications and engineering).
19. MCAG will set aside CMAQ funds for the following, ongoing programs:
- Public outreach, education, and marketing for "The Bus",
 - Public outreach, education, and marketing for Yosemite Area Regional Transportation System (YARTS);
 - Rideshare marketing; and
 - Vanpool program.
20. 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."
21. For paving dirt alleyways, the minimum vehicles per day (VPD) is 25 for each applied-for alleyway.
- For dirt roadway and shoulder paving projects, the minimum average daily trip (ADT) is 500 for each applied-for roadway.
- To align with the San Joaquin Valley Cost-Effectiveness Policy's goal to distribute at least 20% of CMAQ funds to projects that are Highly Cost-Effective (\$45/lb. or less), the funding threshold for dirt road and shoulder paving projects is increased to \$1.5 million..
22. 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.
23. 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.

24. 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.
25. Projects with CMAQ funds approved for Right-of-Way will not get these funds programmed until after providing the Federal environmental clearance.
26. 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.
27. 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.
28. Electric vehicle charging stations, made available to the public, will be CMAQ-eligible. To ensure good use of public funding, a minimum of four charges per day is required for dual port charging stations. The project applicant must be a member jurisdiction.

CMAQ COMMITTEE:

The purpose of this Committee is to evaluation and score CMAQ applications as submitted during the "Call for Projects." The Committee will make a recommendation to the Board of projects/programs to award and program.

Membership of this Committee shall be composed of one representative from each of the following agencies: Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, County of Merced, Caltrans District 10, and MCAG.

CATEGORY FUNDING GOALS:

The following category funding goals are established:

- Cost-effective projects: at least 20%
- Transit: as needed
- Pedestrian/bicycle: at least 40%

PROJECT APPLICATION SCORING:

When sufficient CMAQ capacity warrants, staff will seek the Board's approval to release a competitive "Call for Projects." Staff will review and assess project applications for their completeness and CMAQ eligibility. The CMAQ committee, will be convened to evaluate and score project applications, and make a recommendation for programming. The following scoring factors will be used to rank the project applications.

- Cost-effectiveness: 20 points
 - Priority is given to Highly Cost-Effective projects (\geq \$45/lb.)
 - If not a dirt road or shoulder paving project, score = 20 points if application is determined to be HCE, regardless of calculated cost-effectiveness score.
- Vehicle Miles Traveled Reduction: 10 points
 - Reduction of Vehicle Miles Traveled (VMT) results in reduction of GHG emissions
- Benefits Disadvantaged Community: 5 points
 - See <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>
 - Partial points could be awarded if:
 - project location is partially in a disadvantaged community,
 - if not in a disadvantaged community, but benefits to one which could be explained.
- Subjective Evaluation: 15 points
 - Such considerations may include, but are not limited to: safety, functionality, connectivity, accessibility, improving quality of life, supportive of economic activity such as goods movement.
- Project Requesting CMAQ for Right-of-Way: -10 points
 - Projects without right-of-way acquisition(s) are preferred due to lower implementation cost and less risk of delay.
 - If right-of-way acquisition is required for a project, non-CMAQ funding (100%) could avoid this deduction.
- Construction-readiness: Up to 10 points. For Federalized projects, obtaining Federal environmental clearance is the first major milestone. The next is getting the Right-of-Way Certification.
 - + 5 points for Federal Environmental Clearance. If an applicant project already has achieved this milestone, then the project will be awarded 5 points.
 - + 5 points for Right-of-Way Certification. If an applicant project has an issued certification, then the project will be awarded 5 points.
- Requiring railroad agreement: -10 points. It is often difficult to get timely communication and responses from railroads due to their workload, priorities, and limited staffing.
- Requiring utility relocation: -10 points. It is often difficult to get timely communication and responses from utilities due to their workload, priorities, and limited staffing.