

ITEM 7a

DATE: April 9, 2021

TO: MCAG Governing Board

FROM: Ty Phimmason, Senior Planner

RE: Action: Adopt Congestion Mitigation Air Quality (CMAQ) Policy update and release Call for Projects

SUMMARY

The new 2021 Federal Transportation Improvement Program (FTIP) makes available about \$6 million of Congestion Mitigation Air Quality (CMAQ) funds to program to new projects. Staff recommends CMAQ policy updates and requests the release of the 'Call for Projects' for the available funds.

REQUESTED ACTION

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

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 can be implemented quickly and that will contribute to a region's attainment or maintenance of the National Ambient Air Quality Standards for ozone and particulate matter (both PM10 and PM2.5). The San Joaquin Valley region is designated as nonattainment for ozone and PM2.5, and attainment for PM10.

Per the federal CMAQ program guidance (2014), 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.

The Merced region receives about \$3.5 million in CMAQ funds per year. The MCAG Governing Board decides the programming of these 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.

In the past, 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.

The existing program of projects is attached.

PAST ACTIONS TAKEN

July 2020: MCAG Governing Board adopted Formal Amendment 18 to the 2019 Federal Transportation Improvement Program, which programmed \$4.8 million of CMAQ.

DISCUSSION

Policy Updates

Along with the release of the next Call for Projects, staff recommends the following updates to the CMAQ Policies and Procedures to maximize public benefits and to minimize risks to the region's program funding:

- 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.

The Joaquin Valley Cost-Effectiveness Documentation for the 2021 FTIP is available on the MCAG CMAQ website at <http://www.mcagov.org/218/Congestion-Mitigation-and-Air-Quality>.

- Electric vehicle charging stations, made available to the public, will be eligible for CMAQ funds. 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 also be a member jurisdiction.
- For scoring CMAQ applications, the following project scoring categories are added:
 - Construction readiness: 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.
 - On the State Highway System: - 5 points. More collaboration is required with Caltrans, and this requires more time.

Call for Projects

The following shows the CMAQ funds available by Federal Fiscal Year (FFY).

FFY 2021/22	FFY 2022/23	FFY 2023/24
\$590,000	\$3.2 million	\$2.5 million

The following is the proposed schedule for the 2021 CMAQ Call for Projects:

April 15	Update Policies and Procedures and authorize Call for Projects
April 19	Release Call for Projects
June 30	Deadline for applications
Week of July 12-16	CMAQ committee evaluates applications and recommends projects for programming
August 19	Governing Board action
Late October	Expected federal approval of FTIP amendment

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

The Citizens Advisory Committee concurs with the requested action.

FISCAL IMPACT

No impact to MCAG.

REQUESTED ACTION

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

ATTACHMENTS

CMAQ Current Programming
CMAQ Policies and Procedures, Draft update – April 2021

2021 FTIP: Current CMAQ Programming

CMAQ Project	FFY 20/21	FFY 21/22	FFY 22/23	FFY 23/24
TJPA Outreach & Marketing	100,000	100,000	100,000	100,000
YARTS Outreach & Marketing		85,000	85,000	85,000
MCAG Rideshare Program	150,000		150,000	
MCAG Vanpool Program	73,000	85,000	85,000	85,000
Atwater Phase 1 Pedestrian Improvements to Connect w Downtown	995,546			
Atwater Phase 2 Pedestrian Improvements to Connect w Downtown	160,337			
Atwater Phase 3 Pedestrian Improvements to Connect w Downtown	116,780			
Gustine Local Roundabout @ 5th Street & 4th Ave	487,888			
Gustine Pedestrian Improvements on North Ave	349,702			
Gustine Pedestrian Improvements on 3rd Ave, East Ave & South Ave	87,367			
Livingston CNG Street Sweeper				280,000
Livingston Phase 1 Max Foster Multiuse Path	514,078			
Los Banos SR-152 Signals Synchronization	100,000	800,000		
Merced R-T Channelization on SB SR-59	190,339			
Merced Signal at SR-59 & 16th Street	397,057			
Merced 2 CNG Street Sweepers				605,545
Merced John Muir Pedestrian Improvements	639,449			
Merced Motel Drive Sidewalk & Bike Lane		508,347		
Merced Sidewalk along 7th, 8th, and Linda Lane		403,472		
Merced Sidewalk along R, S, T, and Stuart Drive		686,958		
Merced Sidewalk along Olive, Parsons, and Alexander		402,998		
Merced North Transit Hub	676,534			
Merced Ped. Improv. on Nottingham, Tamworth, Buckingham & Alexander	517,733			
Merced County Beachwood Drive Pedestrian Infill	1,215,544			
Merced County Railroad Crossing in Planada	265,590			
Merced County Plainsburg Road ATP Complete Street	500,000			
FTIP Programming Totals	7,536,944	3,071,775	420,000	1,155,545

Merced County Association of Governments (MCAG)
Congestion Mitigation and Air Quality (CMAQ)
Policies and Procedures
Draft Update – April 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.
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- 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.
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- On the State Highway System: -5 points. More collaboration is required with Caltrans due to the need to meet State facility standards and requirements, and this requires more time.