

Metropolitan Transportation Commission Programming and Allocations Committee

July 10, 2019

Agenda Item 2h

Proposed Agreement with Mariposa County Local Transportation Commission for Exchange of Federal Apportionment

Subject: A request to authorize the Executive Director to enter into an agreement with the Mariposa County Local Transportation Commission (MCLTC) to exchange roughly \$0.7 million in Congestion Mitigation Air Quality Improvement (CMAQ) funds.

Background: In response to an upcoming federal rescission of unobligated funds, MTC staff received a request from the Mariposa County Local Transportation Commission (MCLTC) to exchange roughly \$0.7 million in CMAQ apportionment.

The Fixing America's Surface Transportation (FAST) Act includes a provision that rescinds a portion of unobligated CMAQ funds as of September 30, 2019. Some regions are unable to use all of their CMAQ apportionment by this date. MTC will have no difficulty in securing (or obligating) all of the regional CMAQ funds to avoid this rescission. There are currently several CMAQ-funded projects ready to be delivered within the region, but are currently on hold due to lack of CMAQ funds in the region.

The Mariposa LTC has a CMAQ balance subject to the September 30, 2019 FHWA rescission. In order to avoid losing this apportionment balance, the Mariposa LTC requests to exchange up to \$0.7 million in current and prior year CMAQ apportionment with MTC, for an equal amount of MTC's CMAQ apportionment to be repaid in FFY 2019-20.

Exchanges such as this benefit the smaller rural counties by avoiding the rescission of their CMAQ balances, while allowing CMAQ projects currently on hold in the MTC region due to a lack of CMAQ funds to be delivered.

It is often difficult for smaller regions to fully utilize their federal funds and deliver projects through the federal-aid process. This exchange allows Mariposa LTC to pool multiple years of federal funding and consolidate into a single larger federal CMAQ project. MTC entered into similar agreements with Kern, Tehama and Tuolumne counties earlier this year.

Caltrans staff has confirmed that this exchange of earlier-year apportionment for later-year apportionment is allowed under Caltrans' Apportionment/ Obligation Authority Management Policy, and has provided the form of letter for such exchanges.

The effective date of the transfer of CMAQ apportionment from MCLTC to MTC is July 24, 2019. The effective date of the transfer of CMAQ apportionment from MTC to MCLTC is October 1, 2019.

Issues:

Provision to Eliminate Risk


The CMAQ funds are subject to rescission by the Federal Highways Administration (FHWA) on September 30, 2019 unless an agreement can be executed between MTC and MLTC and the funds are secured in sufficient time. This exchange will not take place unless the agreement can be executed in time for MTC to secure the funds.

Recommendation:

Refer to the Commission, approval of authorization for the Executive Director or designee to make final minor adjustments and sign a Letter of Understanding with the Mariposa County Local Transportation Commission for exchange of up to a total of \$0.7 million, in CMAQ funds.

Attachment:

Draft Letter of Understanding with Mariposa LTC for Executive Director's signature.



Alix Bockelman



July 24, 2019

Mr. Rihui Zhang, Chief
Division of Local Assistance
Caltrans
P.O. Box 942873
Sacramento, CA 94273-0001

RE: Letter of Understanding between the Mariposa County Local Transportation Commission and the Metropolitan Transportation Commission for federal apportionment exchange.

Dear Mr. Zhang,

This letter constitutes our understanding of an exchange of Congestion Mitigation and Air Quality Improvement (CMAQ) apportionment between the Mariposa County Local Transportation Commission (MCLTC) and the Metropolitan Transportation Commission (MTC).

The MCLTC currently has a balance of CMAQ apportionment subject to the federal rescission on September 30, 2019 under the Fixing America's Surface Transportation (FAST) Act. To avoid the loss of this apportionment balance, the MCLTC requests to exchange its CMAQ fund balance of \$647,898 subject to rescission on September 30, 2019, for an equal amount of CMAQ funds from MTC, to be transferred back on October 1, 2019.

This letter is to formalize the exchange of up to \$647,898 in current and/or prior year CMAQ apportionment from MCLTC effective July 24, 2019, with an equivalent amount of FFY 2019-20 CMAQ apportionment from MTC effective October 1, 2019.

This exchange is contingent upon execution of this Letter of Understanding in time for the MTC to secure the funds prior to the September 30, 2019 federal rescission. Should the Letter of Understanding not be executed in time for the MTC to secure the funds prior to the rescission or if any Caltrans processes or other timely use of funds deadlines are not met that result in the loss of apportionment balance, MTC's apportionment shall not be negatively affected and the Letter of Understanding is null and void.

This Letter of Understanding sets forth that the MTC and the MCLTC intent for the use of the identified CMAQ apportionment, and requests Caltrans to adjust each region's apportionment balance as appropriate. This exchange would benefit MCLTC by preventing the region's loss of federal fund apportionments, while providing MTC with additional capacity to deliver CMAQ projects sooner. We are relying on our understanding that this exchange is allowed per Caltrans' Obligation Authority Management Policy.

This Letter of Understanding will be in effect for a one-time exchange of CMAQ funds through October 1, 2019.

Mr. Ray Zhang

July 24, 2019

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We appreciate this opportunity to exchange federal fund apportionment and support our transportation partners. If you have questions, please contact Mike Healy, Executive Director MCLTC at (209) 966-5356 or Ross McKeown, MTC's Assistant Director of Programming, at (415) 778-5242.

Sincerely,

Sincerely,

Mike Healy
Executive Director, MCLTC

Therese W. McMillan
Executive Director, MTC

cc: Mark Dvorak, Mariposa County LTC
Ross McKeown, MTC
John Flores, Caltrans, HQ