

Metropolitan Transportation Commission Programming and Allocations Committee

November 13, 2019

Agenda Item 5a

MTC Resolution No. 4399 Interregional Project Funding and Coordination Policy

Subject: Proposed adoption of a policy instructing use of regional discretionary funds on projects crossing beyond MTC's jurisdictional boundary.

Background: The Commission directed staff to prepare a policy governing the use of regional discretionary funds on projects that cross beyond MTC's jurisdictional boundaries. As the region plans for larger projects that reach out within the megaregion, such a policy is useful to guide the prerequisites, agreements, and other considerations needed before MTC considers using regional funds on these interregional projects.

The proposed Interregional Project Funding and Coordination Policy is attached as MTC Resolution No. 4399, Attachment A. Key sections and ideas in the Policy include:

- Policy Intent.
- Limiting policy to capital projects of \$100 million or more in total project cost.
- Conditions for projects receiving regional discretionary funds (such as listing in both MPO's Regional Transportation Plan), and specific requirements based on the funded phase(s) described below:

| Environmental | Final Design/ Right-of-Way | Construction/ Operations |
|--|---|---|
| Full funding plan for phase | <i>All environmental phase requirements (column to the left)</i> | <i>All environmental and final design/right-of-way requirements (columns to the left)</i> |
| Multi-MPO/RTPA support for phase (through Executive Director letter or Board action) | Identification of lead agency, agency roles, responsibilities, and governance | Fully-funded project or usable phase/segment |
| Cost sharing (see Cost Sharing Options, below) | Agreement on design standards | Fully-funded ongoing operating costs over first five years |
| Cost savings and cost overrun responsibility | Adherence to agreed-upon regional and statewide policies (Such as those previously identified, above) | Future project funding needs, including on-going operating and maintenance costs |
| | Expectations of future competitive funding program coordination | |

- Conditions for projects implemented or sponsored by external agencies and located entirely within the MTC region, regardless of cost and fund source.
- Potential cost sharing examples.

Staff discussed the proposed Interregional Project Funding and Coordination Policy with key stakeholders including Bay Area County Transportation Agencies, Caltrans, and neighboring Metropolitan Planning Organizations (MPOs). Staff received feedback and incorporated changes in the proposed policy.

Issues: None.

Recommendation: Refer MTC Resolution No. 4399 to the Commission for approval.

Attachment: MTC Resolution No. 4399



Therese W. McMillan

Date: November 20, 2019
W.I.: 1515
Referred by: PAC

ABSTRACT

Resolution No. 4399

This resolution adopts the Interregional Project Funding and Coordination Policy for the San Francisco Bay Area.

The resolution includes the following attachments:

Attachment A - MTC Interregional Project Funding and Coordination Policy

Further discussion of these actions is contained in the MTC Executive Director's Memorandum to the MTC Programming and Allocations Committee dated November 13, 2019.

Date: November 20, 2019
W.I.: 1515
Referred by: PAC

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4399

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Agency (RTPA) for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area region; and

WHEREAS, MTC has adopted and periodically revises, pursuant to Government Code Sections 66508 and 65080, a Regional Transportation Plan (RTP); and

WHEREAS, MTC is the designated recipient for certain state and federal funds assigned to the RTPA/MPO of the San Francisco Bay Area for the funding of projects; and

WHEREAS, MTC adopts programs of projects for various regional discretionary funding programs, including among others, federal Surface Transportation Block Grant Program (STP), federal Congestion Mitigation and Air Quality Improvement Program (CMAQ); federal Transit Administration (FTA) formula; population-based State Transit Assistance (STA); Regional Transportation Improvement Program (RTIP), Regional Measure, and Bridge Toll Programs; and

WHEREAS, MTC has determined that certain conditions and requirements should apply to the use of regional discretionary funds on projects that are outside or cross MTC's jurisdictional boundary; and

WHEREAS, MTC should have a coordination role for projects within the region sponsored, implemented, or funded by external agencies; and

WHEREAS, such conditions and requirements for use of regional discretionary funds should be memorialized in agreements with the applicable MPO/RTPA; now therefore be it

RESOLVED, that MTC adopts the Interregional Project Funding and Coordination Policy, as set forth in Attachment A of this resolution; and be it further

RESOLVED that the Executive Director or designee or standing Committee of the Commission shall take the steps necessary to execute interagency agreements in accordance with the conditions set forth in Attachment A to this resolution.

METROPOLITAN TRANSPORTATION COMMISSION

Scott Haggerty, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on November 20, 2019

Interregional Project Funding and Coordination Policy

Background

In 2018, the Commission directed staff to prepare a policy governing the use of regional discretionary funds on projects that cross beyond MTC's jurisdictional boundary. The policy, as set forth below, provides guidance on expectations and conditions for multi-regional projects.

The Interregional Project Funding and Coordination Policy ("Policy") governs the use of regional discretionary funds ("MTC Discretionary Funds") on any capital project with a total project cost of \$100 million or more ("Interregional Project") that is beyond or crosses MTC's jurisdictional boundary.

Furthermore, the Policy governs the interagency coordination for any project ("Project") crossing or located within MTC's jurisdictional boundary sponsored, implemented or funded by an agency external to MTC's jurisdictional boundary without the use of MTC Discretionary funds, regardless of project cost.

Intent

The Intent of the Policy is to ensure the following:

- **Interoperability of systems.** Ensuring system interoperability promotes a seamless traveler experience and avoids redundancy and additional costs.
- **Efficient use of MTC Discretionary Funds.** Ensures funding is committed to projects with broad support from all regions involved, with an appropriate funding contribution from MTC.
- **Consistency with MTC's Plan, priorities and policies.** Ensures projects further the region's priorities and goals as identified through documents such as the Regional Transportation Plan / Sustainable Communities Strategy.
- **Consistency for the traveling public experience.** Promotes a seamless traveler experience and avoids incompatible systems technologies.
- **Public transparency.** Sets forth MTC's expectations and conditions prior to committing regional discretionary funds on multi-regional projects.

Interregional Project with MTC Discretionary Funds

Any Interregional Project (with total cost of \$100 million or more) using MTC Discretionary Funds located wholly or partially outside of the MTC region must meet the following conditions prior to the programming or allocation of MTC Discretionary Funds.

- **Consistency with Plans/Programs.** The Interregional Project must be consistent with the Regional Transportation Plan (RTP) for MTC and the applicable Metropolitan Planning Organization (MPO)/Regional Transportation Planning Agency (RTPA). Consistency must be stated in the Interagency Agreement between MTC and the applicable MPO/RTPA (see Interagency Agreement, below).
- **Consistency with Regional Policies and Systems.** The Interregional Project must be consistent with applicable MTC regional policies and statewide policies, as agreed upon and memorialized in an agreement between MTC and the applicable MPO/RTPA (see Interagency Agreement, below). The agreement for the Project must also address compatibility and interoperability with regional operation systems (e.g. fare/toll collection and data formats).

MTC regional policies are adopted and revised by the Commission through resolution. Examples of MTC regional policies that may apply include:

- Resolution 3606 – Regional Delivery Policy (for specific state/federal funds)
 - Resolution 3765 – Complete Streets Policy, or applicable Caltrans policy
 - Resolution 3866 – Transit Coordination, including coordination and sharing of real-time transit data and other data as requested
 - Resolution 4104 – Traffic Operations System (TOS) Element Policy
 - Housing and Transit-Oriented Development (TOD) Policies
 - Regional Communications Infrastructure Plan Build-Out
 - Future policies as adopted by the Commission
- **Participation in Project Development.** MTC must be a member of any oversight and/or development teams for the Interregional Project, such as Technical Advisory Committees or Project Development Teams. MTC's specific role in Project development shall be detailed in the agreement between MTC and the applicable MPO/RTPA (see Interagency Agreement, below).
 - **Interagency Agreement.** An Interagency Agreement must be executed between MTC and the applicable MPO/RTPA and/or other entities as appropriate prior to the programming or allocation of any MTC Discretionary Funds to the Interregional Project. An Interagency Agreement may take the form of a contract, Memorandum of Understanding (MOU), or Letter of Understanding (LOU). A standing Committee of the Commission may approve such agreements on behalf of MTC.

The agreement shall include a statement of the Interregional Project's consistency with regional plans and programs, consistency with applicable regional policies, and identification of MTC's role in development and management of the Interregional Project.

The agreement or other formal authorizing resolution/document shall also include the following additional considerations, which is dependent upon the phase for which MTC discretionary funds are sought:

| Environmental | Final Design/ Right-of-Way | Construction/ Operations |
|--|--|--|
| Full funding plan for phase | <i>All environmental phase requirements (column to the left)</i> | <i>All environmental and final design/right-of-way requirements (columns to the left)</i> |
| Multi-MPO/RTPA support for phase (through Executive Director letter or Board action) | Identification of lead agency, agency roles, responsibilities, and governance Agreement on design standards | Fully-funded project or usable phase/segment Fully-funded ongoing operating costs over first five years |
| Cost sharing (see Cost Sharing Options, below) | Adherence to agreed-upon regional and statewide policies (Such as those previously identified, above) | Future project funding needs, including on-going operating and maintenance costs |
| Cost savings and cost overrun responsibility | Expectations of future competitive funding program coordination | |

- **Cost Sharing Options:** Cost sharing among the agencies must be considered in the Interagency Agreement. Such cost sharing options may include, but not be limited to, the items listed below. In developing a cost sharing approach for the Interagency Agreement, the following contribution factors may be considered:
 - Geographic metrics such as:
 - Share of lane or track miles in region
 - Share of costs attributable to region
 - Share of ridership in region
 - Number of stations in region
 - Benefits to region: GHG reduction, travel time savings, ridership
 - Cost and Revenue Sequencing Arrangements

In addition to the above factors, MTC may consider funding a higher percentage if there is a compelling regional interest for the Interregional Project. A compelling regional interest may include incentives to adopt regional standards above and beyond industry standards.

MTC Regional Discretionary Funds: Funds for which MTC is the project selection, programming or allocating authority. Example sources include, but are not limited to: Surface Transportation Block Grant Program (STP), Congestion Mitigation Air Quality Improvement Program (CMAQ), Federal Transit Administration formula (FTA), Regional Transportation Improvement Program (RTIP), Regional Measures 2 and 3 (RM2, RM3), Seismic Retrofit Bridge Tolls (AB 1171), Regional Exchange Program (MTC Exchange), regional Active Transportation Program (ATP), Transportation Development Act (TDA) and population-based State Transit Assistance (STA).

Should a Project receive MTC Discretionary Funds consistent with the Policy, the specific rules and requirements of that fund source shall still apply.

Project sponsored by External Agency crossing into or within MTC Region without MTC Discretionary Funds

Any Project located within or crossing MTC's jurisdictional boundary that is sponsored or implemented or funded by an agency external to MTC's jurisdictional boundary, and not using MTC Discretionary Funds should meet the following conditions.

- **Consistency with Plans/Programs.** Project must be consistent with the Regional Transportation Plans (RTPs) and Air Quality conformity determination (if applicable) for MTC and the applicable external MPO/RTPA.
- **Consistency with Regional Policies.** Compliance with MTC regional policies and compatibility or interoperability with regional operation systems (e.g. fare/toll collection and data formats). Example regional policies are listed on Page 2.
- **Participation in Project Development.** MTC, at its discretion, is provided the opportunity to be a member of any oversight and or development teams for the Project, such as Technical Advisory Committees or Project Development Teams.
- **Interagency Agreement.** Although a formal agreement between MTC and the applicable MPO/RTPA is not required, it is encouraged that agreement is reached on at least the items listed below. The Executive Director or designee or standing Committee of the Commission is authorized to execute such agreements.
 - Identification of cost overrun responsibility.
 - Identification of agency roles, responsibilities, and governance.
 - Expectations of future competitive funding program coordination.

- Expectations for future project funding needs, including on-going operating and maintenance costs.

State-Sponsored Project or Program

This Policy may apply on a case-by-case basis for projects or programs administered by the State of California, including but not limited to High-Speed Rail, State Highway Operations and Protection Program (SHOPP), Interregional Transportation Improvement Program (ITIP), and Transit and Intercity Rail Capital Program (TIRCP).

- **Notification of Projects.** MTC staff will work with Caltrans to identify potential Project(s) or program(s) crossing or within MTC's jurisdictional boundaries through the established collaborative planning and coordination process.