



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: June 24, 2020

FR: Executive Director

RE: Interregional Project Funding and Coordination Policy Evaluation

During discussion of the proposed allocation of AB 1171 Bridge Toll Funds to the Valley Link project at the June Programming and Allocations Committee meeting, staff was requested to evaluate the project's current state of compliance with the Commission's adopted Interregional Project Funding and Coordination Policy (MTC Resolution No. 4399; attached). As a reminder, the policy does not go into effect until next month so this evaluation of compliance relates to future requested allocations for the project.

Overall, the key channel for addressing the various conditions of the policy is through an Interagency Agreement, which for this project would be between MTC, the San Joaquin Council of Governments (SJCOG), and any other entities as deemed appropriate. Such an agreement has not yet been developed, but will be required for any future programming or allocations to the Valley Link project. Certain elements of the Interregional Project Funding and Coordination Policy are already being met, including SJCOG's inclusion of the project in its Regional Transportation Plan, MTC's participation in the project's Executive Steering Committee and Technical Advisory Committee, and the full funding of the current environmental and preliminary design project phase. The attached table details project status with regard to the conditions of the policy to inform readiness and remaining items to be addressed for future requested allocations.

A handwritten signature in blue ink, appearing to read 'Therese McMillan', is written over a horizontal line.

Therese McMillan

Attachment A: Current Valley Link Status by Interregional Project Funding and Coordination Policy Conditions

Attachment B: MTC Interregional Project Funding and Coordination Policy

Current Valley Link Status by Interregional Project Funding and Coordination Policy Conditions

<p>Policy Condition: 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).</p>
<p>Valley Link status: The proposed project is in the jurisdiction of two MPOs, MTC and San Joaquin Council of Governments (SJCOG). SJCOG amended the project into its RTP in April 2020. MTC has not added the project to its current RTP, <i>Plan Bay Area 2040</i>, but the project has been submitted for consideration for inclusion in <i>Plan Bay Area 2050</i>, which is scheduled to be adopted in summer 2021. No Interagency Agreement yet exists. If and when the agreement is created, it will address this consistency.</p>
<p>Policy Condition: 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:</p> <ul style="list-style-type: none"> • 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
<p>Valley Link status: If and when an Interagency Agreement is created, it will address applicable MTC regional policies and statewide policies, as well as compatibility and interoperability with regional operation systems. To date, Tri-Valley—San Joaquin Valley Regional Rail Authority (TVSJVRRA) has adopted a TOD policy for the Valley Link project mirroring MTC’s Resolution 3434 TOD policy.</p>
<p>Policy Condition: 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).</p>
<p>Valley Link status: MTC is a member of the project’s Executive Steering Committee, which was created by MTC as part of a previous allocation for this project. MTC staff are also members of the project’s Technical Advisory Committee. Further roles will be detailed in any Interagency Agreement.</p>

Current Valley Link Status by Interregional Project Funding and Coordination Policy Conditions

Policy Condition: 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.

Valley Link status: No Interagency Agreement yet exists. If and when the agreement is drafted, staff will bring it to the MTC Programming and Allocations Committee for approval.

Policy Condition: Interagency Agreement Phase-specific considerations. 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:

- Full funding plan for phase
- Multi-MPO/RTPA support for phase (through Executive Director letter or Board action)
- Cost sharing (see Cost Sharing Options, below)
- Cost savings and cost overrun responsibility

Final Design/Right-of-Way

- All environmental phase requirements
- Identification of lead agency, agency roles, responsibilities, and governance
- Agreement on design standards
- Adherence to agreed-upon regional and statewide policies (Such as those previously identified, above)
- Expectations of future competitive funding program coordination

Construction/ Operations

- All environmental and final design/right-of-way requirements
- Fully-funded project or usable phase/segment
- Fully-funded ongoing operating costs over first five years
- Future project funding needs, including on-going operating and maintenance costs

Valley Link status: The current proposed allocation falls under the Environmental phase.

- Full funding for the phase would be provided through this and previous MTC allocations
- MTC support would be shown through the allocation; SJCOG support is shown through the project's amendment into its RTP
- Cost sharing is currently not split, with MTC providing 100% of the funding
- Cost savings would go 100% to MTC and remain programmed to the corridor; no provision exists regarding cost overruns

Future allocations to final design/right-of-way or construction/operations would require addressing all environmental phase considerations listed above, in addition to those applicable for each subsequent requested phase of work.

Current Valley Link Status by Interregional Project Funding and Coordination Policy Conditions

Policy Condition: 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.

Valley Link status: If and when an Interagency Agreement is created, it will address cost sharing options. Currently, MTC funds are funding 100% of project costs.

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	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	

- **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.