



LOCAL TLC / LOCAL HIP TRANSPORTATION CAPITAL PROGRAM DESCRIPTION

The Transportation Authority of Marin (TAM) administers the county-level Local Transportation for Livable Communities (TLC)/Housing Incentive Program (HIP) Transportation Capital Program, which is based on the regional MTC Transportation for Livable Communities (TLC) program. This document describes the program structure and application process. It is important to keep in mind that this program is a pilot program and will be evaluated over time. Adjustments can be made in the future to reflect experience and lessons learned at the close of each Call for Projects process.

This document is organized into the following sections:

- Section 1. Program background, context, purpose, and goals
- Section 2. Funding amount and process
- Section 3. Local HIP Transportation Capital program
- Section 4. Local TLC program
- Section 5. Project review requirements
- Section 6. Federal funding requirements and training requirements
- Section 7. MTC Resolution 3606 – Project Delivery Policies for Federally-Funded Projects
- Section 8. Sample governing board resolution for funded projects

Section 1. Background, Purpose, and Goals of the Program

The Metropolitan Transportation Commission (MTC) is the regional planning, funding and coordinating agency for the nine Bay Area Counties. MTC is responsible for drafting the Regional Transportation Plan, which is a long-range planning and funding document addressing the region's critical transportation needs. MTC also operates a number of regional customer service programs such as 511.org, Freeway Service Patrol, the Call Box Program, and numerous other transportation-related activities. The Transportation Authority of Marin (TAM) works closely with MTC in developing and funding the transportation network in Marin County. Through its ability to influence funding policies and programs, MTC created the Transportation For Livable Communities (TLC) program.

There is a growing interest in the integration of transportation and land use planning activities. This interest stems from recognition that transportation and land use are interwoven and that each exerts a strong influence on the other. Land use is one of the strongest determinants as to how people will choose to travel. Different land use forms require different transportation systems. Compact land use forms with a diversity of land use types are often complemented by a fine-grained transportation network that allows walking, bicycling and transit use. Lower density land use forms with separation of uses and more homogenous land use types are often complemented by an auto-oriented transportation system where it is easy to drive but not so easy to walk, ride transit, or ride a bicycle.

The purpose of the regional TLC program is to support community-based transportation projects that bring new vibrancy to downtown areas, commercial cores, neighborhoods, and transit corridors, enhancing their amenities and ambience and making them places where people want to live, work and visit. The TLC program provides a competitive source of additional federal funding for qualified housing and transportation projects.

The regional program was initially funded with an annual budget of \$9 million, and funding was competitively awarded to projects with a regional impact. With the 2001 Regional Transportation Plan, the TLC program was expanded to an annual budget of \$27 million, with \$18 million for the regional program and \$9 million designated for new county-level TLC programs, allocated by county population. In Marin, this program is part of the Transportation Planning and Land Use Solutions (TPLUS) and will be administered by TAM, and has an annual allocation of \$323,467 based on current population data.

Marin County Context

Marin County is heavily auto-dependent, and traffic congestion will only get worse if similar travel trends continue. Congestion can be attributed to several factors:

- 1) County residents are making more automobile trips than ever. The number of daily trips being made by residents is outpacing growth in households and employment. In the past decade, for example, trip growth was three times greater than household growth.
- 2) Most people in Marin drive alone. During the commute periods, about 65 to 75% of Marin commuters travel alone in their automobile. About 55% of all trips made by residents throughout the day are drive-alone trips.
- 3) Though over half of the commute trips by residents are within Marin, many residents still commute out of the county to work – between 45 and 50%, compared to a 25% regional average. However, resident commute trips are becoming increasingly local as Marin grows as a job center.
- 4) U.S. 101 serves both local and regional traffic, including commute trips from Sonoma County to and through Marin to other counties. However, regional through traffic during commute periods, which accounts for only about 20% of the traffic on U.S. 101 during commute periods, is less of a problem than previous years as Marin and Sonoma become job centers. (In fact, there is a growing reverse commute as Telecom Valley in Sonoma grows.
- 5) Median housing prices are high, approximately \$750,000, reducing the availability of housing affordable to teachers, policemen, firefighters and service employees, who thus have to commute from neighboring counties to their jobs in Marin.
- 6) Other means of getting to work, including carpooling, transit, walking, have generally declined since 1980.

Renewed investment in downtowns and urbanized areas near transit stations, with an emphasis on increasing travel mode choices, is already happening throughout Marin County. This will help reduce the number of potential automobile trips. Like the regional TLC program, the Marin Local TLC/Local HIP Transportation Capital Grant program provides an incentive to encourage community-based transportation projects, but with a more local focus.

County-level programs must support the spirit and goals of the regional program, but may be refined to reflect local conditions, interests, needs, and priorities. The Transportation Authority of Marin (TAM) conducted a review process involving the Marin County TPLUS Advisory Committee, which consisted of representatives from local jurisdictions, community groups, and consulting staff, to adjust the Local TLC/Local HIP Transportation Capital program to reflect local priorities. The outcome of the advisory process is a greater emphasis on the provision of housing, particularly affordable housing, safe routes and access to schools, and environmentally sustainable projects.

Marin Local TLC/Local HIP Transportation Capital Program Purpose

The purpose of Marin's Local TLC/Local HIP Transportation Capital Program is to provide local support for small-scale, community-based transportation projects, create sustainable transportation projects that encourage the use of alternative modes, and protect the environment. The Local TLC/Local HIP

Transportation Capital Program will offer two funding programs: a Local Transportation for Livable Communities Capital Program (Local TLC) and a Housing Incentive Program Transportation Capital Program (Local HIP Transportation Capital).

Local HIP Transportation Capital funds reward local governments that give planning and zoning approvals and building permits to high-density housing, particularly affordable housing, and mixed-use developments at or near transit stops. The key objectives of the Local HIP Transportation Capital program are to increase the housing supply in areas of the region with existing infrastructure and services in place, including transit, retail, jobs and cultural activities; locate new housing where non-automotive transportation options such as walking, bicycling, and taking transit are viable transportation choices; and establish the residential density and ridership markets necessary to support high-quality transit service.

Local TLC/HIP Program Goals

The goals of Local TLC/Local HIP Transportation Capital are to support community-based transportation projects that:

- Are developed through a collaborative and inclusive planning process that includes broad partnerships among a variety of stakeholders such as public agencies, community-based organizations and community stakeholders, and outreach to a diversity of participants.
- Improve a range of transportation choices by adding or improving pedestrian, transit, and/or bicycle facilities, and by improving the links between these facilities and activity nodes.
- Support well-designed, high-density workforce housing and mixed use developments that is well served by transit, or will help build the capacity for future transit investment and use.
- Support affordable housing developments by offering a bonus award.
- Support a community's infill or transit-oriented development and neighborhood revitalization activities.
- Improve the safety of routes and access to schools.
- Are environmentally sustainable.
- Enhance a community's sense of place and quality of life.

Section 2. TLC/HIP Program Structure

MTC allocates funds to counties on an annual basis by population. Based on current population data, Marin County will receive \$323,467 annually. Considering Marin County's relatively small award, it makes sense to pool funds to create a larger cycle. Thus, an 18-month funding cycle has been established.

Grant Size

For this pilot program, TAM will provide grants in size ranging from \$150,000 - \$500,000¹ for both the Local TLC and Local HIP Transportation Capital programs. TAM will review this policy after each of the first three cycles and make adjustments as needed. For the first cycle, TAM has set a maximum

¹ Historically, the minimum grant size available through MTC via the TLC program was \$150,000. The MTC regional project minimum is now \$500,000.

award of \$500,000 per cycle to ensure that more than one agency, if eligible, can participate in the program.

Process for Awarding Funds – Fund Source and Timeline

The funds for the local programs come in six year cycles because Federal transportation funding bills run in six year cycles. The program structure described below is linked to the six year reauthorization of the TEA-21, also known as SAFE-TEA/TEA-LU. Due to the late approval of SAFE-TEA/TEA-LU, for this fiscal period, only four years of funding are available. TAM is allowing for ¼ of the funding to be immediately programmed to TLC Capital projects with ¾ of the funding reserved for jurisdictions with eligible housing projects. An 18-month open application period for the Local HIP Transportation Capital cycle will allow project stakeholders to observe how the Local HIP Transportation Capital program functions as well as award some funding to projects through the TLC Capital program. Thus, for this phase, both programs are available.

Funding will be granted to the TLC Capital projects immediately upon review and prioritization by TAM. TLC Capital projects are required to fill out a complete application now, with grant award anticipated in early Spring 2006.

Process for Awarding Funds – Pilot Program

TAM will be prioritizing Local HIP Transportation Capital Projects with a goal of assisting in the creation of transit-focused housing in the county. Given these parameters, a two-phased approach is being pursued to award Local HIP Transportation Capital and Local TLC Capital funds. The two-phased approach will be followed for each 18-month cycle of the program. The recommended structure is described below. Given this is a pilot program TAM is following a modified approach for the first call and will follow the recommended approach after a review of the cycle is conducted.

Phase I – Open a Local HIP Transportation Capital Call for Projects

At the beginning of each 18-month period, a Local HIP Transportation Capital “Call for Projects” will be initiated. Applications for Local HIP Transportation Capital are accepted on a continual basis. TAM staff administratively evaluates the eligibility of Local HIP Transportation Capital applications (see Local HIP Transportation Capital Program Evaluation Process below), and reserves funds for qualifying applicants on a first come, first qualified basis. Federal guidelines require an 11.47% local match for these grants. TAM requires this local match be provided by the applicant. The local match must be a cash contribution to the project from a non-Federal transportation funding source. Local sales taxes, fees, state transportation funds, or other fund sources can be used as a match. In-kind contributions do not qualify for the local match. The TAM board will program the grants.

Phase II – Open a Local TLC Capital Call For Projects

If funds remain at the end of the 18-month Local HIP Transportation cycle, TAM will issue a subsequent Local TLC Capital Program “Call for Projects”. TAM staff will accept applications submitted by the specified deadline, evaluate the applications, and competitively rank the projects. The TAM Board will then award grants to the most highly qualified projects (see Local TLC Capital Program Evaluation Process). Federal guidelines require an 11.47% local match for these grants. TAM will require the same local match.

Ongoing Evaluation

The Local HIP Transportation Capital and Local TLC Capital grant programs are a new effort for Marin and are a relatively new approach to transportation funding in general. Given this is a pilot cycle the programs will be evaluated and adjusted if necessary at the end of the second year.

Ongoing Outreach

TAM will host a county workshop during years that coincide with the regional TLC / Local HIP Transportation Capital Call for Projects. At these workshops, TAM can inform local jurisdictions about both local and regional funding opportunities. Further, once the TOD/PeD Toolkit is developed, these workshops can also be informal trainings for how to apply these guidelines. TAM or consulting team staff will be available to provide technical assistance to local agencies on as-needed

Section 3. How to Apply for Local HIP Transportation Capital

Local governments with qualifying housing developments should first apply through the Local HIP Transportation Capital program. Doing so conveys several benefits: funding is reserved non-competitively, the application timeline is more flexible, and transportation projects do not need to be defined until later in the process. If a local agency receives a Local HIP Transportation Capital fund reservation, the transportation project utilizing the funds will need to meet the Local TLC program guidelines. The following program description provides information about the Local HIP Transportation Capital application process as well as the Local TLC criteria that will need to be ultimately met.

Local governments apply for and spend Local HIP Transportation Capital grants on transportation improvements. To receive a grant, the local jurisdiction must demonstrate transit focused housing is being created in compliance with guidelines below. The local jurisdiction uses the grant on a transportation capital improvement consistent with program guidelines. Local government agencies are required to spend Local HIP Transportation Capital funds on either a Local TLC capital project that either serves the new housing development or a Local TLC capital project that is consistent with program guidelines but falls elsewhere in the local area. Local jurisdictions are offered the flexibility of determining where to spend the grant funds. Some areas where housing is being built may not need a transportation enhancement, therefore freeing the local jurisdiction to meet a need in another area of the city or county. Typical capital projects include pedestrian and bicycle facilities that connect the housing development to adjacent land uses and transit; improved sidewalks and crosswalk linking the housing to a nearby community facility such as a school or a public park; or streetscape improvements that support increased pedestrian, bicycle, and transit activities usage.

Who is Eligible?

Local government agencies are eligible recipients of the federal funds. Nonprofit or market-rate housing developers may partner with a local government agency to plan and build the housing, but cannot receive the funds.

What are Eligible Transportation Capital Projects?

Eligible transportation capital projects must be located within a public right-of-way or other publicly held land with public access, such as a transit center. Project activities eligible for funding include bicycle and pedestrian paths and bridges; on-street bike lanes; pedestrian plazas; pedestrian street crossings; streetscape enhancements such as median landscaping and pedestrian refuges, street trees, lighting, and furniture; traffic calming design features such as pedestrian bulb-outs and transit bulbs; and transit stop amenities. While these discrete activities are individually eligible for funding, TAM is looking for a capital project that is well designed, uses a variety of different design features, and results in numerous community benefits. For detail on eligibility criteria, see description on pages to follow.

Calculating the Local HIP Transportation Capital Award

Grant amounts are based on the density of the Housing development and the number of bedrooms, with additional bonus funding per bedroom in an affordable unit.

The density thresholds and award amounts are:

- 20 units per net acre: \$1,500 per bedroom

- 30 units per net acre: \$2,000 per bedroom
- 40 units per net acre: \$2,500 per bedroom
- 60 units per net acre: \$3,000 per bedroom

For all affordable units, as defined by HUD, additional bonus funding per bedroom will be awarded, based on the following sliding scale:

- \$800 per lower income unit bedroom (targeted at a household earning 51 to 80 percent of area median income)
- \$1,200 per very low income unit bedroom (targeted at a household earning 31 to 50 percent of area median income)
- \$1,600 per extremely low income unit bedroom (targeted at a household earning 0 to 30 percent of area median income).

Because federal funding requirements can be daunting, TAM recommends a minimum grant amount of \$150,000 to make the effort worthwhile. A local match of 11.47 percent of the total Local HIP Transportation Capital project cost is required. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance, and obligate, or commit, the federal funds by the obligation deadline specified by TAM. In addition, grant recipients will be required to attend or provide evidence of having previously attended a training workshop offered by Caltrans on the Federal aid process. This is a requirement from MTC.

Parking ratios may be considered in making grant award decisions. If more applications are received than funds available, TAM staff may use housing affordability and parking ratios as a factor in determining which project receives the final award(s). Affordable projects have priority over market rate projects. For projects that have lower parking ratios will be favored over projects with higher parking ratios in the event the program is over subscribed.

Qualifying for the Award

The housing development is used to qualify for a grant to fund a capital transportation improvement. Below is a summary of housing development eligibility criteria. For more detailed criteria, please see the Local HIP Transportation Capital application.

- Housing development must be within 1/3 of a mile from a transit stop.
- An ADA compliant pedestrian path of travel must be provided from the housing development to the transit stop.
- Housing development must be served by transit with 15-minute headways during the peak hours, unless located in a community's downtown or central business district with at least 30-minute headways, or unless located within ½ mile of a regional transit corridor, station or stop as defined by MTC's Resolution 3434. See Local HIP Transportation Capital Application for more details.
- Housing development must meet a minimum density of 20 units per acre. See Local HIP Transportation Capital Application for further density determination details.
- Bonuses are available for housing developments that are considered affordable.

This table illustrates the minimum project size (in bedrooms) based on density of the Housing development and bedroom type (as related to household income).

For a \$150,000 Grant		Then the project would need to have one of the following:			
Units Per Acre	Award Per Bedroom	Market Rate Bedrooms	Lower Income Unit Bedrooms	Very Low Income Unit Bedrooms	Extremely Low Income Unit Bedrooms
			\$800 bonus	\$1,200 bonus	\$1,600 bonus
20	\$1,500	100	65	56	48
30	\$2,000	75	54	47	42
40	\$2,500	60	45	41	37
60	\$3,000	50	39	36	33

For a \$500,000 Grant		Then the project would need to have one of the following:			
Units Per Acre	Award Per Bedroom	Market Rate Bedrooms	Lower Income Unit Bedrooms	Very Low Income Unit Bedrooms	Extremely Low Income Unit Bedrooms
			\$800 bonus	\$1,200 bonus	\$1,600 bonus
20	\$1,500	333	217	185	161
30	\$2,000	250	179	156	139
40	\$2,500	200	152	135	122
60	\$3,000	167	132	119	109

Local HIP Transportation Capital Project Application Process

The Local HIP Transportation Capital Project application process consists of four steps:

Step 1: TAM issues a “Call for Projects” every 18 months. Applications are accepted on a continuous basis throughout the 18-month-year period.

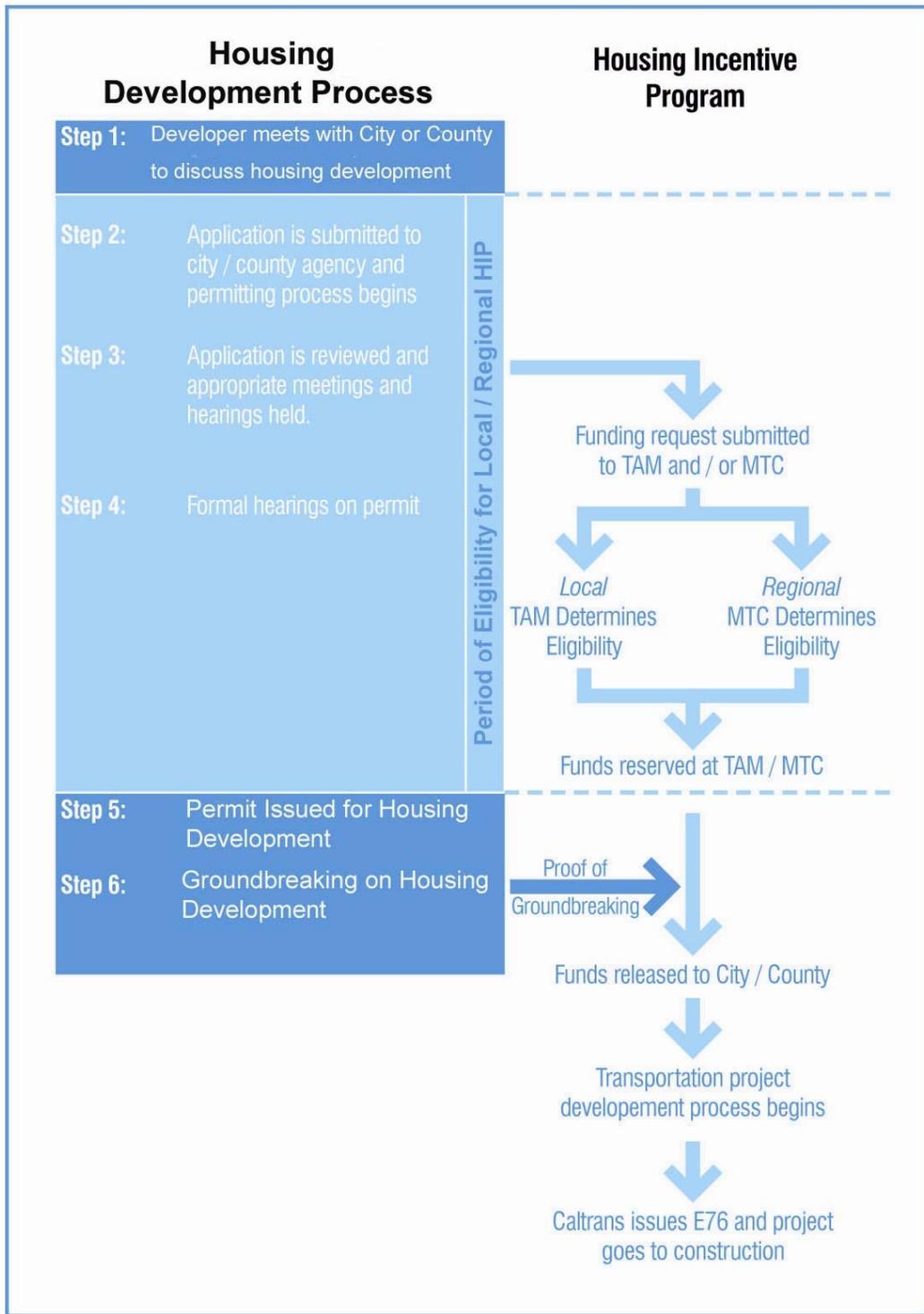
Step 2: Applicants submit a capital project proposal to TAM for funding consideration. The project proposal should include amount of Local HIP Transportation Capital funds requested, amount and source of local match and other funds committed to the project, brief description of sponsor and study partner(s), detailed description of the specific capital improvements to be funded by Local HIP Transportation Capital, how project fulfills evaluation criteria shown above, project finance plan for preliminary engineering, right-of-way and construction phases, project schedule for preliminary engineering, right-of-way and construction phases, and project area map and photos.

Step 3: TAM staff evaluates capital project proposals and if appropriate, may choose to coordinate with other departments. Local agency sponsors meeting all criteria will receive a Local HIP Transportation Capital Project grant in the form of a programmed funding reservation on a first-come, first-served basis.

Step 4: Local agency submits transportation project details. Applicants will be required to meet all funding deadlines. Following the staff’s award, grant recipients will submit to TAM a local council-approved resolution demonstrating commitment to fund and build the project and attend a workshop on project implementation and the federal-aid process. Grant recipients will be required to take the project

through the federal-aid process with Caltrans Local Assistance and comply with MTC’s project review process. Funds returned to TAM for any reason will be reprogrammed according to TAM Board policy.

The flowchart below illustrates the relationship between a typical housing development discretionary approval process and the Local HIP Transportation Capital program.



Local HIP Transportation Capital Evaluation Process

TAM will conduct an initial eligibility evaluation of all Local HIP Transportation Capital projects based on two types of criteria: Housing Development Readiness Criteria (See Local HIP Transportation Capital Application) and Housing Development Eligibility (See Local HIP Transportation Capital Application). After funds have been reserved, TAM reviews the transportation project proposed by the local agency according to the Basic Eligibility Criteria.

Section 4. How to Apply for Local TLC

The Local TLC Capital Program funds transportation infrastructure improvements to pedestrian, bicycle and transit facilities. The key objectives of this program are to encourage pedestrian, bicycle and transit trips; support a community's larger infill development or revitalization efforts; and provide for a wider range of transportation choices, improved internal mobility, and stronger sense of place. Typical capital projects include new or improved pedestrian facilities, bicycle facilities, transit access improvements, pedestrian plazas, and streetscapes. Funds can be used for preliminary engineering (design and environmental), right-of-way acquisition, and/or construction.

Who is Eligible?

Local TLC Capital Program grants are awarded on a competitive basis. Local governments, transit operators, and other public agencies are eligible recipients of the federal funds. Community-based organizations and nonprofits may be co-partners but cannot receive the funds.

What are Eligible Transportation Projects?

Projects must be located within a public right-of-way or other publicly held land with public access such as a transit center. Project activities eligible for funding include bicycle and pedestrian paths and bridges; on-street bike lanes; pedestrian plazas; pedestrian street crossings; streetscape enhancements such as median landscaping and pedestrian refuges, street trees, lighting, and furniture; traffic calming design features such as pedestrian bulb-outs or transit bulbs; transit stop amenities; way-finding signage; and gateway features.

How Much Funding is Available?

For this cycle only, approximately \$323,000 is available. Funding may **also** be available at the end of each 18-month cycle for the Local HIP Transportation Capital Program. Availability of funds will depend on funds remaining after the Local HIP Transportation Capital cycle. Capital Program grant amounts range from \$150,000 to \$500,000. At the end of a cycle, a selection committee will award remaining funds to the most competitive Capital Program project applications.

A local match of 11.47 percent of the total Local TLC Capital project cost is required. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance, and obligate, or commit, the federal funds by the obligation deadline specified by TAM. In addition, grant recipients will be required to attend a training workshop on project implementation and the federal-aid process. Most projects will be funded with Transportation Enhancement funds.

Local TLC Capital Program Application Process

The Local TLC Capital Program application process consists of five steps:

Step 1: TAM issues a "Call For Projects" every 18 months.

Step 2: Applicants submit a project proposal to TAM for funding consideration. The project proposal should include amount of Local TLC Capital funds requested, amount and source of local match, brief

description of sponsor and study partner(s), detailed description of the specific capital improvements to be funded by the Local TLC, how project fulfills evaluation criteria shown above, project finance plan for preliminary engineering, right-of-way and construction phases, project schedule for preliminary engineering, right-of-way and construction phases, and project area map and photos.

Step 3: TAM staff evaluates project proposals.

Step 4: Based on the recommendations of TAM staff, and funding availability of the overall program, TAM Executive Director will make a funding recommendation to the TAM Board for the 18-month-year funding cycle.

Step 5: Following the Board's approval, grant recipients will submit to TAM a local council-approved resolution demonstrating commitment to fund and build the project and attend a workshop on project implementation and the federal-aid process. Grant recipients will be required to take the capital project through the federal-aid process with Caltrans Local Assistance and comply with MTC's project review process. Applicants will be required to meet all funding deadlines.

Local TLC Capital Program Evaluation Process

TAM will conduct an eligibility evaluation of all Local TLC Capital Program projects based on three types of criteria including: Part 1: Project Readiness, Part 2: Local TLC Capital Project Basic Eligibility Criteria, and Part 3: Local TLC Capital Project Evaluation Criteria. See the TLC Capital Application for more detailed information.

Fund Obligation

Projects approved as part of the FY 05-06 TLC Capital Program must be obligated by January, 2007. To obligate funds, project sponsor must receive an E-76 for construction. If a project does not receive an E-76 for construction for these funds by the deadline date, the funds will be returned to TAM for reprogramming at its discretion.

Section 5. Project Review Requirements

Once the sponsor receives the grant, TAM reviews and approves the final project designs for Local TLC/Local HIP Transportation Capital projects to ensure that transportation projects are consistent with the conceptual designs submitted as part of a sponsor's application to TAM. TAM requests project sponsors use the following process to involve TAM in project design review:

Project Management Oversight

1. Project sponsor provides TAM with a staff contact list that identifies its multi-department project development team, including staff involved in planning, traffic engineering, electrical, landscaping, project management, and compliance with Caltrans/federal funding requirements.
2. Project sponsor invites TAM to all design development meetings.
3. Project sponsor notifies TAM as soon as possible if complications in project design arise with respect to project cost, scope and/or environmental review.

Field Review and Environmental Review

Project sponsor obtains CEQA and NEPA clearance for the project.

1. Project sponsor completes a field review through Caltrans Local Assistance within six (6) months of TAM grant approval. The Local Assistance Procedures Manual contains the field review, preliminary environmental studies (PES), and other forms required in the federal-aid process. It can be downloaded at: <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>.
2. Project sponsor sends a copy of the CEQA and NEPA clearance documents to TAM for our record.

Construction Plan Design Review

1. Project sponsor provides TAM with “before” (existing conditions) photographs of project.
2. Project sponsor meets with TAM staff to review the project at two points in the process. The major milestones will be at the 30% and 90% design phase (these are two standard stages in the engineering design process). A set of plans should be sent to TAM prior to each review meeting. TAM requests this review to ensure the design is still in keeping with the original intent of the application and to provide guidance and input on the direction of the project.

When reviewing your design drawings, TAM staff is looking to see if the plan addresses the transportation issues—such as pedestrian safety, bicycle travel, transit access, etc.—identified in your grant application, and is consistent with the design concepts proposed in your grant application to tackle these issues. We expect to provide a majority of our review comments on the 30% submittal, and look to the 90% submittal to flush out all design details.

It would also be helpful if you provide the following information and appropriate cut sheets in the 30% submittal and later refine them in the 90% submittal:

- **Plantings:** street tree spacing, variety type and size, type and size of other plant materials, mulch treatment, tree grates, etc.
 - **Irrigation:** irrigation must be proposed for projects with street trees and other plantings. (At the 30% submittal, we only expect to see notation that irrigation will be provided. Subsequent submittals should show the irrigation on the plans.)
 - **Materials and Finishes:** paving material and design, crosswalk treatments, curb extensions, bicycle lane designations and signage, bus stop locations with/without shelters, etc.
 - **Pedestrian-scaled Lighting:** spacing, type, and color of pedestrian-scaled lighting
 - **Site Furniture and Signage:** location/placement, type, and quantity of trash receptacles, benches, bollards, bus shelters, newspaper kiosks, bicycle racks, etc.
1. A final Plans, Specifications, and Engineering (PS&E) package is to be sent to TAM for design review approval and Caltrans Local Assistance for final approval.
 2. With TAM approval of the 100% design and receipt of “before” photographs, TAM will send a confirmation letter of approval to project sponsor and Caltrans Local Assistance. Caltrans Local Assistance will not process the PS&E package and E-76 for construction requests until TAM indicates the project sponsor completes the TAM design review process.

Fund Obligation

1. **Projects approved as part of the FY 05-06 Capital Program must be obligated by January, 2007.** To obligate funds, project sponsor must receive an E-76 for construction. If a project does not receive an E-76 for construction for these funds by the deadline date, the funds will be returned to TAM for reprogramming at its discretion.

Project Delivery

1. Project sponsor moves forward with advertising the project and awarding a construction contract immediately after receipt of an E-76 for construction. TAM expects the project to be constructed and operational within one year of receipt of an E-76 for construction.
2. If, after construction bids have been received on the project and issues arise which will affect the delivery of the project, the project sponsor contacts TAM immediately to discuss potential project implications.
3. Once the project is constructed, project sponsor provides TAM with “after” (implementation) photographs of project.

Project sponsors are requested to invite TAM to participate in any public ceremonies held in connection with the project.

Section 6. Federal funding requirements and training requirement

Local TLC/Local HIP Transportation Capital is supported through federal transportation dollars. The following requirements must be met for any funded project:

- Related Federal Statutes — All requirements of the National Environmental Protection Act and the Americans with Disabilities Act must be followed.
- Local Match — 11.47 percent of the total project cost must be provided by non-federal transportation sources.
- Timely Project Delivery — Project sponsors must work through the federal-aid process with the offices of Caltrans Local Assistance. All projects must receive funding obligations by the MTC regional obligation deadline. The obligation deadline is January, 2007 for FY 05-06 TLC projects. See MTC Resolution 3606 for additional information on the regional policy for project delivery for federally-funded projects.
- State Review Process — These funds are federal funds, and carry all of the applicable federal requirements. Project reviews are conducted by Caltrans, and Caltrans and the Federal Highway Administration will review the project for eligibility and must approve the project proposal before the sponsor can incur reimbursable expenses. The sponsor must pay the bills and submit the invoices to Caltrans for reimbursement. Reimbursement usually takes six to eight weeks. Sponsors must also fulfill any audit requirements.

Additional requirement:

- TLC Training— The Transportation for Livable Communities projects often result in unique partnerships between community groups, planners, economic development corporations, residents and citizen activists. These partnerships lead to high-quality, community based plans and capital programs that help create more livable communities. Recognizing that these partnerships present unique challenges to the project teams, MTC will continue to host regional livability workshops to assist grant recipients in project management and provide training on the principles which guide the TLC program. The main goals are to build grant management skills and to provide general information on livability concepts. These workshops also are intended to provide networking opportunities and capacity building for professionals and members of local communities who are working to cultivate more livable communities. Topics to be covered include: street design and walkability, successful community involvement, and linking transportation and land use choices. As Marin County shares the basic values of the regional TLC program, Local TLC/Local HIP Transportation Capital project sponsors are encouraged to attend the regional workshops. TAM may also offer local workshops to assist jurisdictions with the grant process.

Section 7. MTC Resolution 3606 – Project Delivery Policies for Federally-Funded Projects

General Policy

The region has established deadlines for funding in the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) Program to ensure timely project delivery against state and federal funding deadlines. This resolution establishes a standard policy for enforcing project funding deadlines and project substitutions for these funds during the Transportation Equity Act for the Twenty-First Century (TEA-21) Reauthorization.

The regional STP and CMAQ programs are project specific. Projects are chosen for the program based on eligibility, project merit, and deliverability within the established deadlines. The programmed STP and CMAQ funds are for those projects alone.

It is the responsibility of the implementing agency at the time of programming, to ensure the regional deadlines and provisions of the regional project delivery policy can be met.

MTC staff will actively monitor and report the obligation status of projects to the Finance Working Group (FWG) of the Bay Area Partnership. The FWG will monitor project delivery issues as they arise and make recommendations to the Partnership Technical Advisory Committee (PTAC) as necessary.

The implementing agency or MTC may determine that circumstances may justify changes to the STP and CMAQ programming. These changes, or amendments to these regional programs, are not routine. All proposed changes will be reviewed by MTC staff before any formal actions on program amendments are considered by the Commission. All changes must follow MTC policies on the Public Involvement Process and Federal Air Quality Procedures and Conformity Protocol. Changes must be consistent with the Regional Transportation Plan (RTP), must not adversely affect the expeditious implementation of Transportation Control Measures (TCMs), must not negatively impact the deliverability of other projects in the regional programs, and must not affect the conformity finding in the Transportation Improvement Program (TIP).

In selecting projects to receive redirected funding, the Commission may use existing lists of projects that did not receive funding in past programming exercises, or direct the funds to agencies with proven on-time project delivery, or could identify other projects with merit to receive the funding, or retain the funding for future programming cycles.

Final decisions regarding the reprogramming of available funds will be made by the Commission.

Project Cost Savings/Reductions in Scope/Project Failures

From time to time projects may be completed at a lower cost than anticipated, or have a minor reduction in scope resulting in a lower project cost, or may not proceed to implementation. In such circumstances, the implementing agency must notify MTC, Caltrans and the appropriate county Congestion Management Agency (CMA), within a timely manner, that the funds resulting from these 'project savings' will not be used.

Project savings accrued prior to the established obligation deadline are available for redirection

within the program of origin. Savings within the formula-based programs, such as county guaranteed funding returned to counties based on a population share, are available for redirection by the CMAs within the formula program, subject to Commission approval.

Project savings within regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional customer service projects, such as TravInfo®, or for planning activities, such as the 3% planning funds for CMA planning activities, are available for redirection by the Commission.

For all programs, the projects using the redirected savings prior to the obligation deadline must still obligate the funds within the original deadline.

Project savings or unused funding realized after the obligation deadline return to MTC. Any funds that have been obligated but remain unused will be de-obligated from the project and returned to the Commission for redirection.

Project Advances

Obligations for funds advanced from future years of the TIP will be permitted only upon the availability of surplus OA and State Budget Authority (SBA) in a particular year, with current programmed projects that have met the delivery deadlines having priority for OA in a given year. Advanced obligations will be based on the availability of OA and will only be considered after April 1 and before June 30 of each fiscal year. In some years, OA may not be available for advancements until after June 30, but the request for the advanced OA must still be received by Caltrans prior to June 30.

Implementing agencies wishing to advance projects may request Advance Construction (AC) authorization from Caltrans (or pre-award authority from FTA) to proceed with the project using local funds until OA becomes available.

Specific Policy Provisions

Projects selected to receive STP or CMAQ funding must have a demonstrated ability to use the funds within the established regional, state and federal deadlines. This criteria will be used for selecting projects for funding, and for placement of funding in a particular year of the TIP.

It is the responsibility of the implementing agency to ensure the funds can be used within the established regional, state and federal deadlines and that the provisions of the regional delivery policy can be met. It is also the responsibility of the implementing agency to continuously monitor the progress of the programmed funds against regional, state and federal deadlines, and to report any potential difficulties in meeting these deadlines, (or difficulties in meeting the provisions of the regional delivery policy) to MTC, Caltrans and the appropriate county CMA within a timely manner, to seek solutions to potential problems well in advance of potential delivery failure or permanent loss of funding.

Specific provisions of the Regional Project Funding-Delivery Policy are as follow:

☐ Funds to be Obligated/Transferred in the Fiscal Year Programmed in the TIP

STP and CMAQ funds are to be programmed, up to the apportionment level for that fiscal year, in the TIP within the fiscal year in which the funds are to be obligated by the Federal Highway

Administration (FHWA) or transferred to the Federal Transit Administration (FTA), similar to the programming of the State Transportation Improvement Program (STIP). This will improve the overall management of federal Obligation Authority (OA) within the region and improve the likelihood that OA and State Budget Authority (SBA) will be available for projects that are programmed in a particular fiscal year.

Field Reviews

Implementing agencies are required to request a field review within 6 months of MTC's approval of the project in the TIP for federal-aid projects receiving funding through the STP and CMAQ programs that are subject to AB 1012 or regional obligation deadlines. This policy also applies to federal-aid projects in the STIP. The requirement does not apply to projects for which a field review would not be applicable (such as FTA transfers, regional customer service projects and planning activities).

Failure for an implementing agency to make a good-faith effort in scheduling and/or obtaining a field review from Caltrans Local Assistance within six months of programming into the TIP could result in the funding being subject to reprogramming.

Complete Environmental Submittal to Caltrans 12 months prior to Obligation Deadline

Implementing agencies are required to submit a complete environmental package to Caltrans for all projects (except those determined *Programmatic Categorical Exemption* as determined by Caltrans at the field review), twelve months prior to the obligation deadline for right of way or construction funds. This policy creates a more realistic time frame for projects to progress from the field review through the environmental and design process, to the right of way or construction phase. If the environmental process, as determined at the field review, will take longer than 12 months before obligation, the implementing agency is responsible to deliver the complete environmental submittal in a timely manner. Failure to comply with this provision could result in the funding being subject to reprogramming. The requirement does not apply to FTA transfers, regional customer service projects or planning activities.

Obligation/Submittal Deadlines

Projects selected to receive STP and CMAQ funding must demonstrate the ability to obligate programmed funds by the established obligation deadline. This criteria will be used for selecting projects for funding, and for placement in a particular year of the TIP. It is the responsibility of the implementing agency to ensure the deadlines can be met.

In order to ensure funds are obligated or transferred to FTA in a timely manner, the implementing agency is required to deliver a complete funding obligation / FTA Transfer request package to Caltrans Local Assistance by April 1 of the year the funds are listed in the TIP. Projects with complete packages delivered by April 1 of the programmed year will have first priority for available OA. If the project is delivered after April 1 of the programmed year, the funds will not be the highest priority for obligation in the event of Obligation Authority (OA) limitations, and will compete with projects advanced from future years for limited OA. Fund obligation/FTA transfer requests submitted after the April 1 deadline will be viewed as subject to reprogramming.

Within the formula-based programs, such as county guaranteed funding returned to counties based on a population share the Congestion Management Agencies (CMAs) may adjust

programming up until April 1 of the programmed year, swapping funds to a ready project in order to utilize all of the programming capacity, subject to available OA. The substituted project(s) must still obligate the funds within the original funding deadline.

For funding programmed through regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional customer service projects, such as TravInfo®, or for planning activities, such as the CMA planning activities, the Commission has discretion to redirect funds from delayed or failed projects.

STP and CMAQ funds are subject to an obligation/FTA transfer deadline of June 30th of the fiscal year the funds are programmed in the TIP. Implementing agencies are required to submit the complete request for obligation or FTA transfer to Caltrans Local Assistance by April 1 of the fiscal year programmed in the TIP, and receive an obligation/FTA transfer of the funds by June 30th of the fiscal year programmed in the TIP. For example, projects programmed in FY 2005-06 of the TIP have an obligation/FTA transfer request submittal deadline (to Caltrans) of April 1, 2006 and an obligation/FTA transfer deadline of June 30, 2006. Projects programmed in FY 2006-07 have an obligation request submittal deadline (to Caltrans) of April 1, 2007 and an obligation/FTA transfer deadline of June 30, 2007.

- Submittal Deadline: April 1 of the fiscal year programmed in the TIP. The Implementing Agency is required to submit a complete obligation/transfer package to Caltrans (3 months prior to the Obligation Deadline).
- Obligation Deadline: June 30 of the fiscal year programmed in the TIP. No extensions will be granted to the obligation deadline.

April 1 - Regional submittal deadline. Compete package submittals received by April 1 of the fiscal year programmed in the TIP will receive first priority for obligations against available OA.

April 2 – June 30 - Projects submitted during this timeframe are subject to deprogramming. If OA is still available, these projects may receive OA if obligated by June 30. If OA is limited, these projects would compete for OA with projects advanced from the following fiscal year on a first come-first serve basis. Projects with funds to be advanced from future years must request the advance prior to June 30, in order to receive the funds within that federal fiscal year.

June 30 - Regional obligation deadline. Funds not obligated (or transferred to FTA) by June 30 of the fiscal year programmed in the TIP will be returned to MTC for reprogramming. No extensions of this deadline will be granted. Projects seeking advanced obligations against funds from future years, must request the advance prior to June 30, in order to receive the funds within that federal fiscal year.

The obligation deadline may not be extended. The funds must be obligated by the established deadline or they will be de-programmed from the project and redirected by the Commission to a project that can use the funds in a timely manner.

Note: Authorization of Advance Construction (AC) satisfies the regional obligation deadline requirement.

Encumbrance/Liquidation/Project Close-Out Deadlines

STP and CMAQ funds must be encumbered by an approved State funding agreement within one state fiscal year after the fiscal year of obligation. Furthermore, the funds must be fully liquidated (expended, invoiced and reimbursed), within four state fiscal years after the fiscal year in which the funds were obligated, and the project must be accepted and closed out within five state fiscal years after the fiscal year in which the funds were obligated.

The following provisions are required in order to ensure no funds are lost after obligation. Failure to meet these requirements will result in the potential loss of funding for reimbursement of incurred project costs.

- Funds must be encumbered within one state fiscal year following the fiscal year in which the funds were obligated (encumbrance is approval of a funding agreement with the state). This requirement does not apply to FTA transfers.
- Construction/Equipment Purchase contract must be awarded within one state fiscal year following the fiscal year in which the construction funds were obligated (this requirement does not apply to FTA transfers).
- Funds must be liquidated (expended, invoiced and reimbursed) within four state fiscal years following the fiscal year in which the funds were obligated (this requirement does not apply to FTA transfers).
- Project must be accepted and closed out within one year of the last expenditure, or within five state fiscal years following the fiscal year in which the funds were obligated, whichever occurs first (this requirement does not apply to FTA transfers).
- For FTA projects, funds must be approved/awarded in an FTA Grant within one state fiscal year following the fiscal year in which the funds were transferred to FTA.

Funds that miss the encumbrance, liquidation/project close out deadlines are subject to deobligation if not reappropriated by the State Legislature, or extended (for one year) in a Cooperative Work Agreement (CWA) with the California Department of Finance.

Implementing agencies with projects that require reappropriation in the State budget, or require a CWA from the California Department of Finance, or fail to meet the post-obligation provisions, or have projects that have been inactive for more than two years, regardless of federal fund source, are subject to MTC restrictions on receipt of OA for subsequent projects, and/or limitations on future programming of funds until the reappropriated/ inactive projects are cleared up and a firm commitment date is provided to Caltrans Local Assistance for meeting the next project milestone.

MTC	State FY 1	State FY 2	State FY 3	State FY 4	State FY 5	State FY 6
Milestone Deadline	June 30					

Programming	[Redacted]					
Obligation	[Redacted]					
Encumbrance	[Redacted]					
Award	[Redacted]					
Liquidation	[Redacted]					
Project Close-Out	[Redacted]					

- **Inactive Projects**

Most projects can be completed well within the state’s seven-year deadline for project closeout. Yet it is viewed negatively by both FHWA and the California Department of Finance for projects to remain inactive for more than a few years. It is expected that funds for completed phases will be invoiced within a reasonable time of completion of work for the phase, and projects will be closed out within a reasonable time following project completion.

Implementing agencies that have projects that have not been closed out within one year of final expenditure, or have projects that remain inactive for more than two years, regardless of federal fund source, will have future OA limited for subsequent projects, and/or have restrictions on future programming. Completed phase invoicing and project close-out within a reasonable time will help ensure the implementing agency remains in good standing.

The intent of this regional delivery policy is to ensure implementing agencies do not lose any funds due to missing a federal or state funding deadline, while providing maximum flexibility in delivering transportation projects. MTC has purposefully established regional deadlines in advance of state deadlines, to provide the opportunity for implementing agencies, the CMAs, Caltrans, and MTC to solve potential problems and bring the project back on-line in advance of losing funding due to a missed state deadline.

Although the policy is limited to the regional STP and CMAQ funds managed by MTC, the state deadlines cited apply to all federal-aid funds administered by the state. Implementing agencies should pay close attention to the deadlines of other state and federal funds on their projects so as not to miss any other applicable funding deadlines.

Section 8. Sample Governing Board Resolution for Funded Projects

The resolution below only needs to be completed for Local TLC/Local HIP Transportation Capital projects after they are approved by TAM. It does not need to be submitted with an application.

RESOLUTION NO. _____

AUTHORIZING THE FILING OF AN APPLICATION FOR LOCAL TRANSPORTATION FOR LIVABLE COMMUNITIES CAPITAL GRANT PROGRAM OR LOCAL HOUSING INCENTIVE CAPITAL GRANT PROGRAM FUNDS THROUGH THE TRANSPORTATION AUTHORITY OF MARIN FOR (project name) AND COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT(S) AND STATING THE ASSURANCE OF (name of organization) TO COMPLETE THE PROJECT

WHEREAS, the Transportation Equity Act for the 21st Century (TEA 21) (Public Law 105-178, June 9, 1998) and the TEA 21 Restoration Act (Public Law 105-206, July 22, 1998) continue the Surface Transportation Program, the Congestion Mitigation and Air Quality Improvement Program and the Enhancements Activities Program; and

WHEREAS, pursuant to TEA 21, and the regulations promulgated there under, eligible project sponsors wishing to receive federal transportation grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO) for review and consideration in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, the Metropolitan Transportation Commission is the San Francisco Bay Area's MPO; and

WHEREAS, the Metropolitan Transportation Commission has designated a portion of federal transportation funds to be distributed locally in a fashion similar to the regional Transportation for Livable Communities (TLC) Program by each Transportation Authority of the nine counties of the San Francisco Bay Area; and

WHEREAS, the Transportation Authority of Marin (TAM) is Marin County's Transportation Authority; and

WHEREAS, TAM has established a process for distributing federal funds to projects meeting criteria similar in goal and purpose to the regional TLC program, under which eligible project sponsors wishing to receive federal transportation grants for a project shall submit an application first with TAM for review and consideration; and

WHEREAS, (applicant) is an eligible project sponsor for federal transportation funds; and

WHEREAS, (applicant) wishes to receive federal transportation funds through TAM's Local Transportation for Livable Communities (Local TLC) and/or Local Housing Incentive Capital (Local HIP Transportation Capital) Program for the following project:

(project description)

WHEREAS, TAM requires a resolution stating the following:

- 1) the commitment of necessary local matching funds of at least 11.47%; and
- 2) that the sponsor understands that the federal funding through the Local TLC or Local HIP Transportation Capital program is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded through the TLC program; and
- 3) the assurance of the sponsor to complete the project as described in the application, and if approved, as programmed in TAM's TIP; and

- 4) that the sponsor understands that funds must be obligated by January, 2007 for Local TLC projects, or the project may be removed from the program.

NOW, THEREFORE, BE IT RESOLVED by (governing board name) that (applicant) is authorized to proceed with the federal-aid process with Caltrans for Local TLC or Local HIP Transportation Capital funding in the amount of (\$ request) for (project description); and

BE IT FURTHER RESOLVED that (governing board) by adopting this resolution hereby states that:

- 1) (applicant) will provide (\$ match amount) in local matching funds; and
- 2) (applicant) understands that the Local TLC or Local HIP Transportation Capital funding for the project is fixed at (\$ Local TLC/Local HIP Transportation Capital amount), and that any cost increases must be funded by the (applicant) from local matching funds, and that (applicant) does not expect any cost increases to be funded through the Local TLC or Local HIP Transportation Capital program; and
- 3) (project name) will be built as described in this resolution and submitted application and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- 4) The program funds will be obligated by January, 2007 for Local TLC or Local HIP Transportation Capital projects.

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to the Transportation Authority of Marin.