



DATE: September 10, 2018

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming Manager

SUBJECT: Concurrence with MTC on Programming Federal CMAQ Funds (Action), Agenda Item 8

RECOMMENDATION

Recommend that the TAM Board concur with MTC on the programming of \$4.5 in Federal Congestion Mitigation Air Quality (CMAQ) funds as shown in the below table.

BACKGROUND

For the past year, TAM staff has urged Caltrans to close out the remaining CMAQ funds programmed to the completed Highway 101 Gap Closure project. Final Project reconciliation indicated an unexpended amount of \$4.5 million from the Right-of-Way (ROW) phase of the project. This money was put into the project by MTC and so the funds return to MTC.

The Highway 101 Gap Closure project has been completed for some time. The unexpended CMAQ federal funds cannot be utilized by the ROW phase, according to Caltrans, as they were deemed ineligible since ROW offers were made before federal authorization of these CMAQ funds. Caltrans backfilled the ineligible Federal CMAQ funds with TAM's future State Transportation Improvement Program (STIP) funds to complete the phase and ultimately the project.

As a result, Caltrans deobligated the remaining \$4.5 million of CMAQ funds from the Highway 101 Gap Closure project on June 30, 2018 to close out the project. The funds returned to MTC.

Shortly after the federal CMAQ funds were deobligated by Caltrans, TAM staff initiated communication with MTC on the possibility of programming the deobligated funds of \$4.5 million on projects in Marin since Caltrans used TAM's future STIP funds to backfill the ineligible CMAQ funds. The deobligated Federal CMAQ funds were originally from the federal authorization that predates the existing One Bay Area Grant (OBAG) Program. The deobligated funds of \$4.5 million need to be reprogrammed immediately to avoid lapsing.

DISCUSSION

Prior to the deobligation of these funds, MTC staff had been approached by San Rafael, Novato, and TAM on funding assistance on existing projects that have funding gaps. Specifically, TAM sent letters to MTC in June requesting support for continuing design of the Marin-Sonoma Narrows, and funds for completion of the

new SMART station in Novato at Grant. As such, MTC expressed a preference to program the newly deobligated funds on existing projects that had an urgent need, that can use the funds immediately.

TAM staff engaged MTC staff in a series of discussions on how to program the deobligated funds of \$4.5 million. Based on these discussions, TAM staff and MTC staff agreed to the following programming scenario:

Amount	Sponsor	Project	Fiscal Year - Phase
\$2,000,000	TAM	Marin Sonoma Narrows (MSN)	FY 18/19 – Design
\$1,120,000	TAM	Old Redwood Highway Multi-Use Path	FY 20/21 – Construction
\$617,000	Novato	FY 19/20 Annual Street Rehabilitation Project CIP 20-001 (existing local funds from Project CIP 20-001 will be moved to Downtown SMART Station Phase II)	FY 19/20 – Construction
\$763,000	San Rafael	Grand Avenue Bridge (existing local funds from Grand Avenue Bridge will be moved to Multi-Use Path from Andersen to Rice)	FY 18/19 – Construction
\$4,500,000	Total		

Even before these deobligated funds became available, sponsors of the MSN, Novato Downtown SMART Station, and Multi-Use Path have requested funding assistance from MTC. While no specific funding sources were identified, MTC had expressed a willingness to provide assistance. When these deobligated funds fortuitously became available, it was consistent with MTC’s intent to suggest programming funds to the MSN, Novato Downtown SMART Station, and San Rafael Multi-Use Path projects. MTC staff concurs with this assessment.

Funding Exchange Required for Novato and San Rafael

It should be noted that the Novato Downtown SMART Station and San Rafael Multi-Use Path are ineligible to receive federal funds because these projects have not been “federalized.” Novato and San Rafael proposed the FY 19/20 Annual Street Rehabilitation and Grand Avenue Bridge Projects, respectively, to accept the federal funds and move existing local funds from these projects to the Novato Downtown SMART Station and San Rafael Multi-Use Path.

Old Redwood Highway Multi-Use Path

In addition to these three projects, TAM staff proposed another project, Old Redwood Highway Multi-Use Path, to MTC for programming. This Northern Segment of the North-South Greenway is getting close to entering construction, and cost increases have occurred. Note that the idea for this project was conceived by Corte Madera, Larkspur, TAM and MTC as an alternative when the Regional Measure 2 (RM2) funded Greenbrae Corridor Improvement Project was no longer pursued. The Old Redwood Highway Multi-Use Path is the city-street portion of the project in the City of Larkspur that will construct a multi-use pathway from the Greenbrae Pedestrian Overcrossing over Corte Madera Creek. The Redwood Highway portion will be federalized - this will not delay the soon-to-enter construction of the bridge widening over the creek. The funds would be programmed to TAM, and TAM will enter into agreement with Larkspur. TAM would have struggled to find reserve or interest funds to close the gap in this corridor, so the timing of these funds being available is excellent in meeting our needs.

Concurrence with MTC

MTC staff believes the programming proposal noted in the above table, including the funding exchanges from Novato and San Rafael, is a viable option and plans to bring the programming proposal to the MTC Commission for adoption on September 26, 2018. MTC staff has asked TAM staff to present the programming proposal to the TAM Board for concurrence.

FISCAL IMPACTS

If approved by the TAM Board, TAM's FY 18/19 Budget will be revised to include \$2,000,000 for the MSN Project. The funds for the Old Redwood Highway Multi-Use Path will be shown in the FY 20/21 TAM Budget. Funds programmed to Novato and San Rafael will be allocated directly to Novato and San Rafael through Caltrans' Federal-Aid process.

NEXT STEP

If approved by the TAM Board, staff will request MTC to proceed with the programming of the available \$4.5 million in accordance to the list of approved projects and funding amounts as shown in the above table.