



DATE: MARCH 21, 2019

MEMO TO: TRANSPORTATION TECHNICAL ADVISORY COMMITTEE

FROM: PETER DE HAAN, PROGRAMMING DIRECTOR

SUBJECT: STATUS OF FEDERAL CONGESTION MITIGATION AND AIR QUALITY (CMAQ) PROJECTS

RECOMMENDATION:

- Approve loan of \$2,739,000 million to the Orange County Transportation Authority, to be repaid no later than the opening of Federal Fiscal Year 2020/21.

DISCUSSION:

Under federal law, CMAQ funds apportioned to California lapse if they are not used within three years. AB 1012 applies the three-year lapsing rule to CMAQ funds in each county. It is important for VCTC to have an accurate schedule of CMAQ projects to ensure that the region does not lose funds. VCTC also uses this project schedule to ensure that the Federal Transportation Improvement Program (FTIP) includes all of the projects which are ready-to-go, and to manage the county's Obligation Authority (OA).

An additional issue for FY 2018/19 is that the federal FAST Act provides for a rescission based on the unobligated CMAQ apportionment balance at the end of FY 2018/19. As a result, TTAC and TRANSCOM have approved additional projects that can use the funds in FY 2018/19 to reduce the end-of-year balance to nearly \$0. In addition, TRANSCOM and TTAC approved a loan of the remaining CMAQ balance, estimated to be \$2.8 million, to the San Bernardino County Transportation Authority, with repayment at the beginning of FY 2019/20.

Caltrans has announced that as of January 31st, the state overall has \$1.8 billion in available federal apportionments, but based on the federal budget California only has authority to obligate \$1 billion this year. As a result, it is likely that in a few months the state could "run out" of its budget authority to obligate, with no further possibility to obligate funds and avoid a rescission. **Therefore, it is imperative that agencies submit their projects to Caltrans as soon as possible. For projects waiting for a TIP Amendment, the authorization request should be submitted as soon as possible after the TIP Amendment is approved, which is anticipated in 1-3 weeks.**

At this time there have been a total of five changes that have reduced the amount of funds that can be obligated. The changes are as follows:

1. Rancho Road Bike Path, Thousand Oaks: The Caltrans permit review is moving slowly, making it unlikely the project can be obligated this fiscal year.
2. Potrero Road Bike Lanes, County Unincorporated: The authorization request has been submitted, but the final cost estimate provided a reduction of \$642,952 in CMAQ funds.
3. Pleasant Valley Road / East Fifth Street Improvements, County Unincorporated: The PE is currently stalled, awaiting Union Pacific coordination.
4. Fox Canyon Barranca Bike Path, Ojai: The City is considering a change in alignment.
5. Camarillo Heights Pedestrian Improvement, County Unincorporated: Due to the existing Finance Letter match ratio and certain non-participating items, the CMAQ funding has been reduced by \$238,121.

The action to approve the \$2.8 million loan to San Bernardino County authorized staff to increase the loan amount as necessary to bring the balance back to \$0. Although San Bernardino County can still accept more loaned funds, the Orange County Transportation Authority also needs the funds, and based on a discussion between staff of the three county commissions it appears that the need in Orange County is more urgent. Therefore, VCTC staff is now discussing a \$2,739,000 loan with OCTA, and recommends the Committee's approval at this time. Based on the projected use of CMAQ funds, VCTC will not need to have these funds repaid until the start of FY 2020/21.

Staff has prepared the attached tables showing the latest information on the status of programmed projects. Should any changes occur in project status, VCTC staff must be notified immediately so that adjustments can still be made if possible.