

In the event Caltrans does not agree with a project sponsor that a project submitted to them is exempt from a conformity determination, Caltrans will convene a meeting with SCAG and other federal agencies (FHWA and/or FTA, EPA) to resolve the issue.

a) Lump Sum Project Categories

The Table 2 conformity exempt listing of projects was reviewed and has been consolidated to reduce the number of projects listed in the RTIP. The project categories are as follows:

- o Safety projects; Including HES, grade crossings, alignment, shoulder and sight distance improvements and rest/inspection area projects that do not increase capacity.
- o Rehabilitation and Reconstruction projects; pavement resurfacing and/or pavement marking demonstration and widening narrow pavements or reconstructing bridges (no add'l travel lanes) that do not increase capacity.
- o Highway Operation Improvement Projects; Intersection channelization projects, intersection signalization projects at *individual* intersections, traffic management systems and information systems other than signal synchronization projects that do not increase capacity.
- o Truck climbing lanes outside the urbanized area.
- o Transportation System Betterments; including Environmental and aesthetic improvements.

The following categories of projects CAN NOT be included in a lump sum program:

Table 2

- o Mass Transit listing of projects
- o Advance land acquisitions (23 CFR 712 or 23 CFR 771)

Table 3

- o Bus Terminals and transfer points

Other

- o Transportation Enhancement Activities

b) Fund Sources

The lump sum categories CAN NOT be used when programming the following fund sources:

- o Federal Transit Administration Funds
- o Congestion Management Air Quality Funds

c) Overruns

The total amount of projects programmed against a lump sum project cannot exceed the amount programmed in the RTIP. Once the amount of a lump sum project has been exhausted, the commissions and/or IVAG must administratively amend the project to increase the funds.

d) Project Monitoring Process

Each county transportation commission and Imperial Valley Association of Governments will submit to SCAG, on a quarterly basis through the administrative amendment process, the status of projects obligated through a lump sum.

9. Transportation Control Measures (TCMs)

Under the new approved SIPs (1994 Air Quality Management Plans for South Coast Air Quality Management District, Ventura County Portion of the South Central Coast Air Basin, and Southeast Desert Air Basin), the county transportation commissions need to accurately enter the program code for each project entry into the CMSD database. This code shall be used to separate from the submitted list of projects those qualifying as TCMs. This will be the basis under which the finding of timely implementation shall be made.

B. Federally Exempt Projects

ENVIRONMENTAL PROTECTION AGENCY
40 CFR PARTS 51 AND 93

Exempt projects

Notwithstanding the other requirements of this subpart, highway and transit projects of the types listed in Table 2 are exempt from the requirement that a conformity determination be made. Such projects may proceed toward implementation even in the absence of a conforming transportation plan and TIP. A particular action of the type listed in Table 2 is not exempt if the MPO in consultation with other agencies, the EPA and the FHWA (in the case of a highway project) or the FTA (in the case of a transit project) concur it has potentially adverse emissions impacts for any reason. States and MPOs must ensure exempt projects do not interfere with TCM implementation.

**FEDERALLY
EXEMPT PROJECTS**

MASS TRANSIT

- Operating assistance to transit agencies
- Purchase of support vehicles
- Rehabilitation of transit vehicles¹
- Purchase of office, shop, & operating equipment for existing facilities
- Purchase of operating equipment for vehicles (e.g., radios, fare boxes, lifts)
- Construction or renovation of power, signal, and communications systems
- Construction of small passenger shelters and information kiosks
- Reconstruction/renovation of transit buildings and structures (e.g., rail/bus buildings, storage & maintenance facilities, stations, terminals & ancillary structures)
- Rehabilitation or reconstruction of track structures, track and track bed in existing rights-of-way
- Purchase of new buses and rail cars to replace existing vehicles or for minor expansions of the fleet
- Construction of new bus or rail storage/maintenance facilities categorically excluded in 23 CFR 771

AIR QUALITY

- Continuation of ridesharing and vanpooling promotion activities at current levels
- Bicycle and pedestrian facilities

SAFETY

- Railroad/highway crossing
- Hazard elimination program
- Safer non-Federal-aid system roads
- Shoulder Improvements
- Increasing sight distance
- Safety improvement program
- Traffic control devices and operating assistance other than signalization projects

SAFETY (cont.)

- Railroad/highway crossing warning devices
- Guardrails, median barriers, crash cushions
- Pavement resurfacing and/or rehabilitation
- Pavement marking demonstration
- Emergency relief (23 USC 125)
- Fencing
- Skid treatments
- Safety roadside rest areas
- Adding medians
- Truck climbing lanes outside the urbanized area
- Lighting improvements
- Widening narrow pavements or reconstructing bridges (no additional travel lanes)
- Emergency Truck Pullovers

OTHER

- Specific activities which do not involve or lead directly to construction, such as:
- Planning and technical studies
- Grants for training and research programs
- Planning activities conducted pursuant to title 23 and 49 U.S.C.
- Federal-aid systems revisions
- Engineering to assess social economic, and environmental effects of the proposed action or alternatives to that action
- Noise attenuation
- Advance land acquisitions (23 CFR 712 or 23 CFR 771)
- Acquisition of scenic easements
- Plantings, landscaping, etc.
- Sign removal
- Directional and information signs
- Trans. Enhancement activities (except rehabilitation and operation of historic trans. buildings, structures or facilities)
- Repair of damage caused by natural disaster, civil unrest, or terrorist acts, except projects involving substantial functional, locational, or capacity changes.

In PM10 nonattainment or maintenance areas, such projects are exempt only if they are in compliance with control measures in the applicable implementation plan.

NOTE: For the South Coast Air Basin, some exempt projects qualify

Projects exempt from regional emissions analysis

Notwithstanding the other requirements of this subpart, highway and transit projects of the types listed in Table 3 are exempt from regional emissions analysis requirements. The local effects of these projects with respect to CO or PM10 concentrations must be considered to determine if a hot-spot analysis is required prior to making a project-level conformity determination. These projects may then proceed to the project development process even in the absence of a conforming transportation plan and TIP. A particular action of the type listed in Table 3 is not exempt from regional emissions analysis if the MPO in consultation with other agencies, the EPA, and the FHWA (in the case of a highway project or the FTA (in the case of a transit project) concur it has a potential regional impact for any reason.

**TABLE 3
PROJECTS EXEMPT FROM REGIONAL EMISSIONS ANALYSES**

- Intersection channelization projects.
- Intersection signalization projects at individual intersections.
- Interchange reconfiguration projects
- Changes in vertical and horizontal alignment.
- Truck size and weight inspection stations.
- Bus terminals and transfer points.

C. Financial Plan

1. Background

In anticipation of reauthorization of ISTEA, SCAG (the MPO), will include a Financial Plan with its adoption of the Regional Transportation Improvement Program (RTIP) which demonstrates the region has financial capacity to fund its Program. As the basis for determining that the SCAG region has the capacity to fund the RTIP, each Commission and the Imperial Valley Association of Governments must submit a certification to SCAG demonstrating its commitment to implement the projects in its County TIP and identifying funding that can reasonably be expected to be available during the six-year period of the RTIP. A sample resolution is attached which may be used for this certification (Attachment B-1). The certification must be sent by each Commission and Imperial Valley Association of Governments (IVAG) with its documentation.

SCAG's final adoption and approval of the RTIP needs to include each county's financial certification. It is important that resolutions be submitted to SCAG no later than February 24, 1998. SCAG will review the findings and include the final regional Financial Plan in its adoption.

2. Projects and funding sources

The 1991 ISTEA required a TIP be developed for the SCAG region which includes all projects funded under Title 23--the Surface Transportation Act--and under the Federal Transit Act. The TIP must include a priority list of projects to be carried out in each 3-year period after initial adoption of the TIP and a financial plan demonstrating how it can be implemented. It must be consistent with funding reasonably expected to be available during the relevant period. (ISTEA Statewide Metropolitan Planning Final Rules, October 28, 1993.) The data used for the RTIP must be consistent with data used for the Regional Transportation Plan. The RTIP Financial Plan will be reviewed against the RTP Financial Plan. Any discrepancies must be resolved prior to RTIP adoption.

The TIP shall be financially constrained by year and include a financial plan demonstrating which projects can be implemented using current revenue sources and which projects are to be implemented using proposed revenue sources (while the existing transportation system is being adequately operated and maintained). The financial plan shall be developed by the MPO in cooperation with the State and the transit operators. The State and the transit operators must provide MPOs with estimates of available Federal and State funds which the MPOs shall utilize in developing financial plans. It is expected the State would develop this information as part of the STIP development process and the estimates would be refined through this process. Only projects for which construction and operating funds can reasonably be expected to be available may be included. In the case of new funding sources, strategies for ensuring their availability shall be identified. In developing the financial analysis, the MPO shall take into account all projects and strategies funded under title 23, U.S.C., and the Federal Transit Act, other federal funds, local sources, State assistance, and private participation. In nonattainment and maintenance areas, projects included for the first two years of the current TIP shall be limited to those for which funds are available or committed. (ISTEA Statewide Metropolitan Planning Final Rules, October 28, 1993, 450.324.)

Federal Guidance includes specific requirements for the first two and three years of the Regional TIP for funding purposes. The remainder of the 7-year period will be approved for programming process. The analysis of funding capacity can be divided between those actions which the California Transportation Commission is involved in, such as the Flexible Congestion Relief and Commuter and Urban Rail programs, and the programming of those resources which are responsibility of each County Commission such as the Local/Regional STP, CMAQ, FTA, and local programs.

The assumption of this guidance is that projects currently in the first three years of SCAG's Federal RTIP which are in the appropriate approved STIP, will be constructed unless the applicable county takes a formal action to remove them from the program. It is not necessary for the County to "prove" funding is available. They must only certify that the projects in the first three years of the STIP remain the highest priority for the County.

Each County and IVAG must document that they have the resources under their control to completely fund the first three years of its local programs--STP, CMAQ, FTA, and locally-funded projects. Each County and IVAG must also document that they will have the forecasted funding to fund projects in years four through seven of their County TIP.

A. Non-STIP Projects--CMAQ, STP, FTA, State and Local Partnership (SB 300, 100% Locally Funded Projects)

a. Projects in the first three years of the TIP.

Each County Commission and IVAG must certify that projects which are their programming responsibility--STP, CMAQ, FTA, etc.--are in priority order. Unless otherwise specified, this means all projects in the first year for each specific programs are first priority for funding, projects in the second year are second priority, and those in year three have third priority.

The Commissions and IVAG must also show they have the local funding capacity to cover the costs of matching as programmed.

b. Projects in Years 4 through 7.

Each Commission and IVAG should identify any projects which will require additional funding beyond which is shown in the adopted Program. For projects including a local participation component, the Commissions and IVAG must certify the match is available.

B. STIP Projects -- State Highway Program (FCR, Commuter and Urban Rail, TSM, SHOPP, Interregional Roads, etc.)

a. Projects in the first 3 years.

Each Commission and IVAG must certify that they support the STIP for their county as submitted to SCAG and as approved by the CTC. They should include a statement that projects in the first three years of the STIP are their first priority for available State funding - both rail bond and highway projects - and any shortfall in funding will be made up in years four through seven.

The certification must also include a finding that local funds are available for those projects programmed with a local match. Projects which need a local match should be clearly identified in the TIP.

b. Projects in years 4 through 7.

Each Commission and IVAG should identify any projects in their County TIP requiring future STIP funds and must certify they can reasonably expect to have sufficient future FCR bidding capacity to complete the applicable project over the relevant planning period (beyond the seven-year period). This certification should be backed up by tables/charts documenting those future funds.

The County Transportation Commissions and IVAG should ensure they have a commitment from Caltrans for those projects requiring future STIP funds that are the responsibility of Caltrans (e.g. interregional road or TSM projects).

For projects which include local participation, the County Commissions and IVAG must certify the match is available.

3. Financial Plan Documentation

Each County Commission and IVAG must certify and document that the County TIP or TIP amendment will be implemented. Each County Transportation Commission and IVAG must submit a certification to SCAG demonstrating its commitment to implement the projects in their County TIP and identifying the resources to fund those projects. Each County Transportation Commission and IVAG must document resources from public and private sources that are reasonably expected to be made available to carry out the program, and should recommend, if applicable, any innovative financing techniques to finance needed projects and programs, including value capture, tolls, and congestion pricing.

The documentation must include:

- A. Years One Through Three:** Tables or Charts which show the private and public funds available over the first three years of the TIP or TIP amendment by program category, by year, as applicable (sample attached):
- o FEDERAL DEMONSTRATION FUNDS, BY YEAR;
 - o STIP COUNTY MINIMUM BIDPOT TARGETS (BY YEAR) BASED ON PAST STIP ALLOCATIONS;
 - o ANNUAL TDA RESOURCES (LTF and STA);
 - o FEDERAL TRANSIT ADMINISTRATION TRANSIT FUNDING (Sections 3, 9, 16(b) (2), and 18);
 - o CMAQ APPORTIONMENTS;
 - o STP APPORTIONMENTS;
 - o LOCAL GAS TAX REVENUES, IF APPLICABLE;
 - o MEASURE/PROPOSITION REVENUES; AND
 - o OTHER RESOURCES, AS APPLICABLE.

- B. Years Four Through Seven:** A discussion of the public and private resources which can reasonably be expected to be available beyond the first three years of the TIP or TIP amendment to fund all of the projects in the adopted seven-year Program. All revenue projections should be based on the best available data and trends including:
- o FEDERAL DEMONSTRATION FUNDS, BY YEAR;
 - o PROJECTIONS OF FUTURE COUNTY MINIMUM BIDPOT TARGETS WHICH WOULD FUND THE COUNTY COMMISSION'S HIGHEST PRIORITY PROJECTS;
 - o PROJECTIONS OF FTA RESOURCES WHICH CAN REASONABLY BE EXPECTED OVER THE YEARS; AND
 - o PROJECTIONS OF TDA, STP, CMAQ, MEASURE, AND LOCAL REVENUES.
- C. CMSD Database Fund Summaries:** Projects must be input into the CMSD Database for final County TIPs and TIP amendments. The CTCs' and IVAG's financial plans must include fund summaries of project costs in the adopted County TIP and TIP amendments by fund code and by year.
- D. Comparison Tables:** Tables or charts comparing the project costs (C) to the available revenue (A) and projected revenues (B) shall be provided. Attached are copies of tables from the Financial Plan of the *FY 1996-2003* Federal RTIP Amendment for information purposes to show the kinds of information SCAG has used in the past for regional summaries. At a minimum, the CTCs and IVAG should supply summaries by year for local funds, State funds, Federal fund sources, CMAQ/STP, and Demonstration fund summaries. In addition, if applicable, each CTC should document rail and transit operating funding. With the exception of rail and transit operating summaries, the CMSD database summaries should be sufficient.
- E. Resolution of Commitment:** Each County and IVAG is required to submit a certification to SCAG in the form of a resolution approved by their Board which demonstrates its commitment to implement the projects in its County TIP. Financial resources to fund all included projects are to be identified. A Sample Resolution (Attachment B-1) is included in these guidelines.
- F. Status of Shortfalls:** SCAG is to be kept apprised of the status of a County's shortfall on a quarterly basis. This information is required by FTA.
- G. Recommendations:** Each county and IVAG is requested to submit any recommendation(s), if applicable, for any innovative financing techniques to finance needed projects and programs, including value capture, tolls, and congestion pricing.

4. Available STP/CMAQ Funds

SCAG is providing each County Transportation Commission and IVAG programming limitations for STP and CMAQ funds based on the estimated figures provided by Caltrans for FY 97/98 and 98/99 the same amount is reflected for FY 99/00 (See Attachments B-2 and B-3.) Since it is unknown how many years the next Intermodal Surface Transportation Efficiency Act will fund, three years of estimated programming limitations is provided for STP local/regional and CMAQ funds. Discussions at this point indicate that perhaps the reauthorization bill may only be a two or four year bill.

In regards to carryover funds for STP and CMAQ in order to prevent over programming and delayed approval of the RTIP carryover figures will be added to each county's account after the end of the federal fiscal year (September 30, 1997). In the past the carryover figures provided to each county were based on the available funds at that point in time. A change needs to occur with this procedure due to the amount of time that lapses between the beginning of the RTIP development cycle and the actual adoption of the program. Approximately one year passes from the beginning to the end of the cycle. During that time administrative amendments have been processed and projects are obligated utilizing funds that have also been characterized as "carryover funds". Therefore, unlike previous RTIP cycles carryover apportionments are not reflected on attachments B-2 and B-3.

During July of each year, agencies notify Caltrans of expected OA usage for the final quarter of the Federal Fiscal Year (FFY). OA not used by agencies with delayed delivery, is distributed to agencies with higher delivery.

The commitment of federal funds to projects through the use of OA is ongoing throughout most of the FFY. While statewide OA is typically not exhausted until the end of the FFY, OA allocated to individual agencies can be exhausted earlier.

Projects advertised for construction typically experience two to three month delays between the authorization to proceed with advertisement and when the first progress payment is due to the contractor for work accomplished.

Since projects may be advanced by using AC once OA is exhausted, and projects do not incur costs for two or more months after advertising, projects scheduled for advertisement during the final quarter of the FFY (7/1 to 9/30) will be authorized under AC procedures once agency OA is exhausted. Projects authorized under AC procedures will be converted to normal federal funding after October 1, when a new year is available.

Following these procedures will allow projects to proceed up to three months earlier than would be possible without AC. In addition, since actual payment to contractor for costs incurred for AC projects will coincide with the availability of the new OA, agencies will not be required to fund the federal share of the project cost.

Counties are not allowed to program projects for more than their annual apportionment of STP or CMAQ funds. However, the federal funding agencies do allow SCAG, as the MPO, the discretion to make programming agreements with a county or counties to over-program in any given year as long as said over-programming is offset by an equal or greater amount of under-programming by other counties in the region. In no case can the total programmed dollars for any year exceed the regional apportionment for that year.

It is very important that counties program within their annual apportionment. If any county has a problem accomplishing this goal, they should notify SCAG, in writing, as soon as possible and SCAG will try to accommodate their needs within the confines of the annual regional apportionment.

Lastly, projects using CMAQ funds should provide specific and detailed project descriptions. Projects must specify that CMAQ funds will only be used for eligible costs. For example, with Telecommuting

Centers, capital costs are ineligible costs. However, promotion and marketing, planning, feasibility studies, training and coordination costs are eligible costs.

All discussions regarding over programming must be completed by the date the Commission must have its financial documentation into SCAG by February 24, 1998.

5. Locally Funded Projects

The County Commissions and IVAG must document local, public and private sources of funding for all projects submitted for inclusion in the RTIP. Each county must provide documentation for the methodology utilized when estimating local funds.

6. Revenue And Expense Budgets For Operation Portions

FY 1998/99, FY 1999/00 and FY 2000/2001 Revenue and Expense Budgets from the major rail and transit operators (including Southern California Regional Rail Authority) in each of the counties are to be submitted as part of each County Commission's financial plan. See Attachment B-4 for a sample Revenue and Expense Budget.

Generally, such balanced budgets are part of the transit operator's Short Range Transit Plan (S RTP).

Revenue and Expense Budgets can assume federal Section 5307 funds up to the amount of the previous year's Section 5307 apportionment. Revenue and Expense Budgets are not to estimate Section 5307 funds in amounts over the previous year's apportionment. If a Revenue and Expense Budget is not balanced, the County Commission is to attach documentation explicitly outlining steps that will be taken to address the financial shortfall.

7. RTIP Administrative Amendments

SCAG will continue to process amendments that do not jeopardize the region's conformity on a quarterly basis. The amendment schedule will be adjusted during the RTIP development cycle (to be announced).

To ensure a fiscally constrained program, specific revenue sources are to be identified to fund new projects being added in an administrative amendment or an equal amount of dollars need to be reduced from the existing program. When calculating dollars available, actual apportionments must be reflected for appropriate years. Section 5307 funds for future years are not to exceed actual figures.

SAMPLE REVENUE TABLE

COUNTY ESTIMATED TRANSPORTATION REVENUE (\$ Millions)			
FUND TYPE	CARRYOVER	ANNUAL TOTAL	3 - YEAR TOTAL
TDA	-0-	\$14.0	\$42.0
STA	-0-	\$0.5	\$1.5
FTA Sec. 9	-0-	\$3.5	\$10.5
CMAQ	-0-	\$3.0	\$9.0
STP	\$2.0	\$7.0	\$21.0
COUNTY MINIMUM	-0-	\$19.0	\$57.0
ANNUAL REVENUE	\$2.0	\$47.0	\$141.0

ATTACHMENT B-1

SAMPLE RESOLUTION

RESOLUTION NO. _____

A RESOLUTION OF THE (COUNTY) TRANSPORTATION COMMISSION WHICH
CERTIFIES THAT (COUNTY) HAS THE RESOURCES TO FUND THE PROJECTS IN
THE FY 1998/99-2004/05 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMS
ITS
COMMITMENT TO IMPLEMENT ALL OF THE PROJECTS IN THE PROGRAM

WHEREAS, (County) is located within the metropolitan planning boundaries of the Southern California Association of Governments; and

WHEREAS, the Federal Intermodal Surface Transportation Efficiency Act of 1991 requires SCAG to adopt a regional transportation improvement program for the metropolitan planning area; and

WHEREAS, the 1991 ISTEA also requires that the regional transportation improvement program include a financial plan that demonstrates how the transportation improvement program can be implemented; and

WHEREAS, the (County) Transportation Commission is the agency responsible for short-range capital and service planning and programming for the (County) area within SCAG; and

WHEREAS, as the responsible agency for short-range transportation planning, the (County) Transportation Commission is responsible for the development of the (County) Transportation Improvement Program, including all projects utilizing federal and state highway and transit funds; and

WHEREAS, the (County) Transportation Commission must determine, on an annual basis, the total amount of funds that could be available for transportation projects within its boundaries; and

WHEREAS, the (County) Transportation Commission has adopted the FY 1998/9-2003/04 (County) Transportation Improvement Program for fiscal years 1998/99, 1999/00 and 2000/01 for funding purposes, and has adopted the Program for fiscal years 2001/02 through 2003/04 for programming purposes and to allow environmental work on approved projects to proceed.

NOW, THEREFORE, BE IT RESOLVED by the (County) Transportation Commission that it affirms its continuing commitment to the projects in the FY 1998/99-2003/04 (County) Transportation Improvement Program; and

BE IT FURTHER RESOLVED, that the FY 1998/99-2003/04 (County) Transportation Improvement Program Financial Plan identifies the resources that are reasonably expected to be made available to carry out the program and certifies that:

1. The projects in the FY 1998/99-2003/04 (County) Transportation Improvement Program remain the highest priority for funding by the Commission; and
2. The projects in the FY 1998/99-2003/04 (County) TIP State Highways program have been approved by the California Transportation Commission and are in the approved 1998 State Transportation Improvement Program, as required by State law; and
3. All of the projects in the State Highways component of the FY 1998/99-2003/04 (County) TIP have complete funding identified in the Program except the (project) which will require additional funding in the 2000 STIP cycle. This project is the County's number one priority for 2000 STIP funds. The (County) 1998 STIP County Minimum, as identified in the Financial Plan, will include sufficient funds to complete the project. Therefore, as required by the 1991 ISTEA, the Commission finds that full funding can reasonably be anticipated to be available for the (project) within the time period contemplated for completion of the project.
4. (County) has the funding capacity in its county Surface Transportation Program and Congestion Mitigation and Air Quality Program allocation to fund all of the projects in the FY 1998/99-2003/04 (County) TIP; and
5. The local match for projects funded with the federal STP and CMAQ Programs has been identified in the Financial Plan.

PASSED, APPROVED AND ADOPTED this _____ day of _____, (1998)