

Date: November 19, 2020

From: Elizabeth Forte
Principal Planner

Subject: **Congestion Mitigation and Air Quality (CMAQ) Program Call for Projects**

Purpose of the CMAQ Program

The primary purpose of CMAQ is to fund transportation projects or programs that will assist Tulare County in meeting federal air quality standards. Focus is on improving traffic flow to reduce vehicle emissions, reducing vehicle miles traveled, retrofitting or replacing higher polluting vehicles within their defined useful life, etc. CMAQ projects may not solely provide for recreation (although recreation may be a by-product, such as on a bike path), fund maintenance or routine fleet turnover, or fund capacity increasing projects. Improving traffic flow is usually not considered capacity increasing.

Eligible Recipients

Public agencies, such as cities, the county, and school districts are eligible for these funds. Non-profits are also eligible to apply for CMAQ funds. An important note for non-profit and other public agencies: Tulare County and the incorporated cities in Tulare County already have agreements in place with Caltrans, are familiar with the federal funding obligation process, meet auditing requirements, and comply with other items that are required for CMAQ project implementation. It is highly recommended for an awardee that is not a local government agency to partner with their local municipality to administer the project.

Program Funding Availability and Project Selection

CMAQ is a federally funded air quality grant program, with some authority given to the state on allocation formulas. Currently, TCAG has approximately \$10 million available for this call for projects. The time period for implementation is from Fall 2021 to April 1, 2023.

Per TCAG CMAQ policy, 75% of available funding is prioritized for projects in the Measure R Expenditure Plan, in the Regional or Transit/Bike/Environmental program categories. Projects are also ranked by air quality emissions rates. Twenty-five percent of TCAG's CMAQ funding must be directed to projects that demonstrate cost-effectiveness of \$45/lb or lower, calculated using only the CMAQ funded portion of the project (a San Joaquin Valley Air Pollution Control District requirement). A call for projects was conducted in 2019 to meet this emissions requirement. While

projects are not *required* to meet a cost-effectiveness threshold of \$45/lb or less for this call for projects, that would be an ideal target rate and will be a factor in project selection. Emissions reductions can be calculated various ways; TCAG will require use of uniform calculation sheets to ensure even competition. Please consult with TCAG for assistance on emissions calculations, including any need for a unique application/project type.

TCAG will evaluate CMAQ applications received via this call for projects and the Board will award projects accordingly. Factors for award include whether the project qualifies under Measure R for leveraging, what the emissions reductions are, and project readiness and delivery dates. CMAQ is a time-sensitive program and deliverability is key. Because projects can fall behind and have done so in the past, there will likely be a contingency list of projects selected that may receive funds if a selected project is not able to be implemented in time. Projects on contingency lists remain in place until a subsequent call for projects.

Projects that are submitted should state the year they will be obligated (receive Caltrans approval). Projects must submit completed project authorization requests in the fiscal year authorized by TCAG for funding by April 1st. TCAG will work with agencies to schedule the specific year of obligation for approved projects. Funding will be lost for projects not submitted on time; exceptions *may* be made for extenuating circumstances. Frequent and proactive communication regarding project status is essential and maximizes project deliverability and CMAQ funding.

The minimum match requirement for the CMAQ program is 11.47 percent. A local match may be increased beyond 11.47% to achieve greater emissions reductions per federal dollar if an agency believes that will make their project more competitive. CMAQ projects must demonstrate a reduction of ozone and/or PM2.5 (particulate matter) pollutants.

A note to applicants: each phase of a project that is programmed with CMAQ funds will be required to undergo the federal authorization process, and projects must follow federal rules throughout. In many cases, CMAQ project requests are for project construction only, with design, right-of-way, etc. funded with local or other funds. For example, if CMAQ is to be used for construction, environmental would still have to meet federal requirements. Additionally, since cost-effectiveness is key, keep in mind that the higher amount of federal funds requested, the lower the potential competitiveness of the project.

Cost Increases

CMAQ projects are selected competitively, with a major factor being the quantity of emissions reduced per dollar of federal project cost. Cost increases on projects after initial selection reduces what would have been the real, competitive ranking of the project. Additionally, cost increases reduce the reportable emissions reductions per dollar that TCAG submits to state and federal agencies in reports.

Cost increases on projects from original applications will be borne by the implementing agency. In circumstances where an agency feels the cost increase is warranted from CMAQ funds, the agency and TCAG staff can present that request to the TCAG Board for case-by-case approval.

Eligible Projects (not a complete list)

The projects below typically have successful air quality emissions reductions rates, if certain factors are high, such as daily traffic, miles of travel, transit ridership, and local match.

- Roundabouts
- Transit Operating Assistance (new transit services only)
- Alternative Fuel (and Electric) Infrastructure and Vehicle Purchases

**Buy America waivers for non-transit vehicles have been stalled and have not been approved since 2017. There is no indication or certainty at present that this will change. Applications for non-transit vehicles may be considered for the contingency list but will not be programmed for short-term implementation since the projects are not currently approvable. There will be a maximum of \$2 million possible for non-transit vehicles. Additionally, transit vehicles have essentially been exempt from the Buy America process to date. This exemption is phasing out and transit buses may see the same delays as other vehicle types soon, but are currently programmable.*

The projects below are also eligible, but cost-effectiveness does not typically meet the target of \$45/lb, unless the CMAQ portion of the project is small. These project types may have high consideration for scoring via this call for projects however, if they are Measure R projects.

- Bicycle Paths
- Traffic Flow Improvements, such as signal synchronization

This is not a complete list, and there are several nuances that exist in the program. Regardless of TCAG approval of these types of projects, Caltrans has the final say on which projects or project elements are eligible for CMAQ funds once project details are submitted to their agency. Occasionally, a project, or specific components, may be deemed ineligible by Caltrans.

For more information on CMAQ please visit:

https://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/cmaq13ig.cfm

Emissions Reductions Calculations

Calculating emissions reductions for this competitive program requires uniformity: uniformity in baseline emissions factors and project emissions factors used, project life, best practice adjustments, etc. Accompanying documents will contain emissions reductions calculations for the most common projects. TCAG staff is also available to assist in these calculations. While they are unfamiliar to most applicants, the majority of project calculations require fairly simple inputs and can be completed with agency and staff coordination. Specifically for roundabouts: if you are planning to submit a roundabout application please contact TCAG early. We will perform the emissions reductions calculations for roundabouts because they rely on measuring vehicle delay and TCAG has the tools to measure this.

Application and Programming Process

1. Completed applications with supporting documentation are **due January 14, 2021**. They may be submitted electronically to Elizabeth Forte at EWright@tularecog.org. Application packets will consist of a letter authorizing the application(s) from the agency, a one to two page

application (form to be provided by TCAG), a project description, detailed cost estimate, and emissions reductions calculations.

2. TCAG staff will review applications and confer with agencies on any questions and/or clarifications needed.
3. TCAG staff will present the results of application evaluation to the TCAG Board.
4. The programming of projects will occur. TCAG will confer with agencies regarding the year of delivery.

**Congestion Mitigation and Air Quality (CMAQ) Application:
Due January 14, 2021**

Project Title:

Is this a Measure R Project? Yes ___ No ___ If yes, please list location of project in Measure R Expenditure Plan: _____

Agency/Organization: _____ Project Manager: _____
Phone: _____
Email: _____

Project Summary Information

Project Description:

Brief narrative description, including how it provides air quality improvement:

Funding:

Total Project Cost \$ _____
CMAQ funds requested \$ _____
Local Match* \$ _____

*Minimum local match required is 11.47%.

Schedule:

This project can be obligated by:
(mo/yr) _____

Estimated Project Schedule. Provide schedule for each phase (including non-CMAQ funded phases):

Air Quality Benefit:

_____ \$/lb

*Approved emissions calculations must be attached to this application. Please insert air quality benefit cost-effectiveness from emissions calculation as a function of dollars per pound of pollutants reduced. Pollutants eligible for consideration include Particulate Matter (PM) 2.5 and Ozone-causing pollutants (NOX and ROG).

Additional Information

Include additional information needed for evaluation of this project. As applicable, additional information includes: detailed project description/scope; detailed project costs, including all phases and funding sources; detailed schedule; relation of this project to others (e.g. "this is Phase 2 of a bike path to be constructed in four phases"), etc.