



Chicago Metropolitan Agency for Planning

Agenda Item No. 5.0

233 South Wacker Drive
Suite 800
Chicago, Illinois 60606

312 454 0400
www.cmap.illinois.gov

MEMORANDUM

To: Regional Coordinating Committee

From: CMAP Staff

Date: October 2, 2014

Re: Draft changes to *CMAQ Programming and Management Policies*

The *CMAQ Programming and Management Policies (Policies)* set out basic guidance for the CMAQ program and were last approved by the CMAP Board and MPO Policy Committee in 2012. Over the past year, CMAP has been reviewing various aspects of the program, during which time staff have had extensive discussions with the Project Selection Committee (PSC). At its June, July, and August 2014 meetings, the PSC considered draft changes to the *Policies*. Comments received at those meetings and in individual discussions with stakeholders have been addressed in the present draft. The draft *Policies* are being presented to the Regional Coordinating Committee for a recommendation to approve by the CMAP Board and MPO Policy Committee. The Transportation Working Committee made the same recommendation at its September 2014 meeting.

The most significant changes to the 2012 *Policies* are as follows:

- Project readiness requirements have been clarified to indicate that design approval, submission of a final Project Development Report (PDR), or submission of a preliminary PDR (if IDOT indicates that cost and scope are adequately defined) will be taken to show that Phase I Engineering is substantially complete.
- Bicycle projects are now required to be identified in a state, local, regional, or subregional plan. Other types of projects are not required to be found in planning documents.
- The *Policies* now provide guidance on how to score projects, indicating that scoring will take into account the cost-effectiveness of emissions reduction, transportation impact, and regional priorities.
- The portion of engineering costs for transit projects that is eligible for CMAQ funding has been revised from 50% to 70%.

- Policies related to match have been clarified, including the use of soft match and the match percentage allowed for private entities proposing to use CMAQ funds for purchase of lower-emitting vehicles or engines. References to 100% CMAQ funding have been eliminated based on current federal law.
- The class of “extraordinary” projects has been eliminated as an option for meeting the annual obligation goal.
- Additional detail on semi-annual update requirements has been provided.

These changes have been highlighted in the current draft of the Policies, attached below. Numerous other small edits and text reorganizations make it impractical to show tracked changes. However, a document with tracked changes is available for review on the Project Selection Committee website.

ACTION REQUESTED: Approve the updated CMAQ Programming and Management Policies

###



CMAQ PROGRAMMING AND MANAGEMENT POLICIES

DRAFT UPDATE

A: Programming of CMAQ Funds for New Projects

1) APPLICATION MATERIALS AND REQUIREMENTS

- a) The applicant is solely responsible for application completeness.
- b) Applications submitted without the following will be rejected:
 - i) Complete project financing & CMAQ funding request section;
 - ii) Input Module Worksheets for traffic flow improvement projects only;
 - iii) Pedestrian/Parking Deck Supplements, if applicable;
 - iv) Sign-off by the applicable Planning Liaison (PL), for municipal agency sponsors only (see section A:1e)).
- c) Applications must meet the following screening criteria:
 - i) For projects requiring Phase 1 Engineering, that phase must be substantially complete. Projects for which design approval has been received by the date indicated in the application materials meet this requirement. This requirement may also be met by IDOT certifying that a final Project Development Report has been submitted for signatures by the date indicated in the application materials or that a preliminary Project Development Report has been received by the same date with an accurate cost and clear scope established.
 - ii) For transit projects that require engineering, the sponsor must demonstrate that sufficient work has been completed to establish accurate cost information and a clear scope.
 - iii) Bicycle facility projects must be featured in at least one formally adopted or approved bike plan, comprehensive plan, or other plan by a local government, subregional council, CMAP, or the State of Illinois.
 - iv) Milestone schedules must be realistic and consistent with project phase accomplishment goals. Each project phase will have the federal fiscal year in which it

- is programmed, plus two additional years (three years total) in which to meet the phase accomplishment goal.
- v) All projects must have an air quality benefit. Projects without air quality benefits are not eligible and will not be scored on any other criteria.
 - d) If an application is missing other information, only one attempt will be made to collect that information (notice will be via a “read receipt” e-mail). The deadline for submission of missing information is 30 days from the date of the emailed notification from CMAP. If the sponsor does not respond by the deadline, the application will be rejected.
 - e) Project applications submitted by municipal agencies (villages, cities, counties, park districts, school districts, forest preserve districts, townships, etc.) are required to be reviewed by their Council of Mayors PL.
 - i) The individual PLs are responsible for reviewing applications and advising the sponsor of missing information.
 - ii) The PL sign-off is incorporated into the application form.
 - iii) The deadline for submission for PL review is two weeks in advance of the deadline for submission to CMAP. The deadline for submitting applications to the PLs will be included in the CMAQ program development schedule.

2) EVALUATION CRITERIA, SCORING, AND PROJECT SELECTION

- a) Projects will be scored based on the criteria and weighting system stipulated in application materials posted on the CMAP website prior to the call for projects.
- b) Project applications will be initially evaluated on the cost effectiveness of emission reduction basis with projects ranked within each project eligibility category. Secondly projects will be evaluated and scored on other criteria including measures related to transportation impacts and regional priorities. Raw data for each criterion will be available for inspection.
- c) Input from the four modal focus groups (Bicycle and Pedestrian Task Force, Regional Transportation Operations Coalition, Direct Emissions Reduction Focus Group and the Transit Focus Group) or other CMAP committees will be solicited during development of the draft program. Focus group input on a project or group of projects will be a qualitative description of challenges and benefits not captured by the scoring. Project scoring will not be adjusted. Focus group deliberations will be documented and made available to the Project Selection Committee.

- d) Project scores and focus group input -- together with regional equity, project readiness, sponsor capacity, project mix, and other factors -- will be used to develop a recommended program for Project Selection Committee consideration. Reasons for elevating a low scoring project or projects and/or not funding a high scoring project or projects will be documented.

3) PROGRAMMING THE FUNDS

- a) The CMAQ program mark for a given federal fiscal year will be the State's federal apportionment adjusted by the Project Selection Committee to account for programming balances.
- b) Phase I engineering will be the responsibility of the project sponsor to complete without CMAQ funding.
 - i) A sponsor can request funding for phase I engineering based on financial hardship.
 - (1) When funds for Phase I Engineering are awarded based on hardship, CMAQ funding for future phases is dependent on successful competition in a future CMAQ program cycle.
 - (2) All remaining eligible phases will be programmed at a maximum level of 80% federal funding.
- c) Phase II engineering, right-of-way acquisition (ROW), construction and implementation are eligible for CMAQ funding at 80% federal participation, with the following exceptions:
 - i) For transit proposals where phase I and phase II engineering are not clearly defined, 70% of the engineering costs will be eligible for CMAQ funding at an 80% federal participation rate with all of the costs of the remaining phases eligible for up to 80% federal participation.
 - ii) For signal interconnect projects, phase II engineering costs will not be eligible for CMAQ funding.
 - iii) For proposals involving private corporations in which an entire vehicle or engine is being purchased to replace a higher-emitting vehicle or engine, the funding levels will be addressed on a case-by-case basis up to a maximum 65% federal share. For proposals involving private corporations in which only the cost difference between a lower-emitting version of a vehicle/engine and a conventional one is being funded, an 80% federal share is acceptable.

- iv) Projects which qualify for a higher federal participation rate under federal guidelines will be considered on a case by case basis.
- d) Soft match, including Transportation Development Credits, will be considered on a case-by-case basis. Federal requirements may restrict the situations in which soft match can be used, and IDOT policies must be followed. Sponsors must identify on the application form if soft match is requested.
- e) Proposals that are not selected for funding but are shown to have air quality benefits will be included in a “Vetted” project list that can be used to help meet the annual obligation goal described in further details under section B:4).
- f) All sponsors will be required to attend a project initiation meeting. The meeting will include distribution of necessary forms and information needed to initiate the project(s) and review of general project schedules and deadlines. Unless specific approval has been granted by CMAP, project consultants may not attend in the stead of project sponsors. Consultants are encouraged to accompany the project sponsors. Failure to attend will subject the project to removal from the program. This decision will be via recommendation of the Project Selection Committee to the Transportation Committee and MPO Policy Committee.

B: Active Program Management of Projects

1) EVERY PHASE OF AN APPROVED PROJECT WILL BE SUBJECT TO AN ACCOMPLISHMENT SUNSET. EACH PHASE WILL HAVE THE FEDERAL FISCAL YEAR IN WHICH IT IS PROGRAMMED PLUS TWO ADDITIONAL YEARS (3 YEARS TOTAL) TO MEET THE ACCOMPLISHMENT GOAL FOR THE PHASE.

- a) For FTA administered projects, accomplishment is FTA grant approval for the phase.
- b) For those projects administered through the Federal Highway Administration, accomplishment is defined as:
 - i) Phase I engineering - design approval
 - ii) Phase II engineering - Pre-final plans submitted to IDOT District 1
 - iii) ROW - ROW certified by IDOT District 1
 - iv) Construction - Has been let for bid
 - v) Implementation - Federal Authorization
- c) If a phase is not accomplished in the year it is programmed plus two years, all remaining unobligated CMAQ funds for the phase and all subsequent phases (regardless of the sunset year of those phases) will be removed from the guaranteed program and the

project will be considered a deferred project. More information on deferred projects is available in section B:4)c)ii).

2) A REVIEW OF THE STATUS FOR ALL PROJECTS WITH PHASES IN THE CURRENT FEDERAL FISCAL YEAR WILL BE CONDUCTED AT LEAST SEMI-ANNUALLY.

- a) Due dates for semi-annual updates will be included in the Project Selection Committee meeting calendar which is approved prior to the start of each calendar year. Updates will generally be requested in late spring (May/June) and fall (October).
- b) CMAP staff or the Project Selection Committee may request additional status updates at any time.
- c) Semi-annual updates will be required for all project phases meeting any of the following conditions. All projects meeting these conditions that fail to provide a semi-annual status update will be subject to removal from the CMAQ program.
 - i) Deferred phases.
 - ii) Phases sunsetting at the end of the current federal fiscal year.
 - iii) Phases programmed in the current federal fiscal year, regardless of sunset date.
- d) Every effort will be made to provide a list of phases requiring status updates and instructions for completing the updates to PLs (for municipal agency sponsored projects) and other project sponsors (service boards, RTA, IDOT, and IEPA) at least three weeks prior to the due date, but a shorter lead time may be needed in some cases.
- e) Status updates may also be requested, or may be submitted without a request, for phases programmed in out years in order to assist with programming decisions for meeting the annual obligation goal.

3) TRANSIT PROJECTS THAT HAVE BEEN OBLIGATED WILL BE REQUIRED TO SUBMIT AN EXPENDITURE UPDATE WITHIN 45 DAYS OF THE END OF EACH CALENDAR QUARTER UNTIL THE PROJECT IS 100% COMPLETE.

4) AN ANNUAL OBLIGATION GOAL WILL BE SET TO ENSURE THE REGION IS SPENDING ITS CMAQ APPORTIONMENT.

- a) The goal will be set prior to the start of the federal fiscal year.
- b) The goal will be based on the anticipated apportionment for the next federal fiscal year and the anticipated unobligated balance.

- c) If the obligation goal cannot be met through implementation of projects incorporated in the CMAQ program through the regular selection process, then other projects (listed below in priority order) that have demonstrated readiness as defined in B:6)b) will be selected for contingency funding to accomplish the goal:
 - i) Out Year – projects programmed in the out years of the program will be moved into the annual element. This can occur at any time if funding is available.
 - ii) Deferred – projects that had their funding removed for failure to meet accomplishment sunset deadlines can have their funding reinstated one phase at a time. This can occur at any time if funding is available.
 - iii) Vetted – includes:
 - (1) Projects that were analyzed in a prior programming cycle and showed an air quality benefit but were not included in the program, or
 - (2) Partially funded CMAQ projects that have other funding for which CMAQ funds can be substituted.
- d) If the actual obligation amount is expected to be within \$5 million of the goal as determined by CMAP staff, then no action to implement other projects will be considered.

5) THE REVIEW PROCESS FOR DETERMINING IF THE OBLIGATION GOAL WILL BE MET, OR IF OTHER PROJECTS NEED TO BE SELECTED WILL BEGIN IN THE SPRING OF THAT FEDERAL FISCAL YEAR.

6) PROJECTS SELECTED FOR CONTINGENCY FUNDING MUST MEET THE FOLLOWING CONDITIONS:

- a) Be ready to obligate within the federal fiscal year.

b) Demonstrate readiness as defined below.

	Local Projects	CDOT	Transit Capital Projects	Transit Non-Capital or CDOT Projects	IDOT
Phase I Engineering	Locally Executed Local Agency Agreement sent to IDOT Central Office for Execution	Locally Executed IPA sent to IDOT Central Office for Execution	Inclusion in the RTA Program	Submitted draft TEAM/TrAMS application for review	n/a
Phase II Engineering	Locally Executed Local Agency Agreement sent to IDOT Central Office for Execution	Locally Executed IPA sent to IDOT Central Office for Execution	Inclusion in the RTA Program	Submitted draft TEAM/TrAMS application for review	n/a
ROW Acquisition	Locally Executed Local Agency Agreement sent to IDOT Central Office for Execution	Locally Executed IPA sent to IDOT Central Office for Execution	Inclusion in the RTA Program	Submitted draft TEAM/TrAMS application for review	When ROW is included in the IDOT program
Construction	Pre-final Plans at IDOT BLRS for Review	Locally Executed IPA sent to IDOT Central Office for Execution	Inclusion in the RTA Program	Submitted draft TEAM/TrAMS application for review	When Design Approval is achieved or when Construction is included in IDOT program.
Implementation	Case by case basis, in general – locally executed agreement sent to IDOT Central Office for Execution	Case by case basis, in general - Locally Executed IPA sent to IDOT Central Office for Execution	Inclusion in the RTA Program	Submitted draft TEAM/TrAMS application for review	n/a

c) Construction is the preferred phase for contingency funding.

d) Vetted projects must meet the following phase funding minimum requirements.

i) \$1 million for phase II or ROW acquisition

ii) \$5 million for construction

(1) A combination bid of connected or related projects which total the above minimums is acceptable.

iii) Limits do not apply to out-year or deferred projects

--end--