

October 31, 2007

To: Interested Agencies and Persons

From: Mike McKeever, Executive Director

Subject: Notice of Call for Projects* —
Regional Air Quality Funding Program
(*only projects located in Sacramento, Sutter, Yolo, and Yuba Counties)

The Sacramento Area Council of Governments' (SACOG) Regional Air Quality Funding program is pleased to announce its Call for Projects.

Funded through various sources, the roughly \$10 million Regional Air Quality Funding Program intends to grant funding to government agencies and their partners to reduce transportation-related emissions and improve air quality in the region.

Of the approximately \$10m expected to be committed to this program, \$8m has already been pre-committed to fund the SECAT program. Much of the remaining \$2m will be targeted towards the regional Spare the Air program; however, projects submitted that demonstrate the greatest air quality benefits will receive priority. The final funding level for the air quality program will be determined by the SACOG Board as part of the adoption of the new MTP.

Applications (one original and twelve copies, plus a PDF on CD-ROM) **are due no later than at 4:00 p.m. on Monday, December 3, 2007.**

Applications should be sent to:

Jason Crow, Senior Planner
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

Application Materials

The funding program guidelines and application are attached and are available on the internet at <http://www.sacog.org>. If you do not have access to the internet, an application packet may be requested by contacting the staff identified above.

Eligibility

Public agencies from the four of the six SACOG Counties (Sacramento, Sutter, Yolo, and Yuba) are eligible to apply. Placer County Transportation Planning Association in Placer County and El Dorado County Transportation Commission in El Dorado County

have memoranda of understanding with SACOG and operate their own funding programs in cooperation with SACOG.

Capital and planning projects are eligible, though the program limits non-capital projects to 10% of the funding available through the program. For a list of eligible project types, please refer to the program guidelines.

Screening Criteria

Projects must include emissions reductions calculations. Projects that demonstrate the highest reductions will be given priority.

Projects must be ready for inclusion in the Metropolitan Transportation Improvement Program and/or the State Transportation Improvement Program with project scope and cost. In other words, projects must be near-term.

Funding Available

Approximately \$10 million will be available for the Sacramento, Sutter, Yolo, and Yuba Counties. This is the third cycle of funding since the program's inception in 2002. Funding cycles occur approximately every two years. Awards are competitive.

Steps in the Process

Each applicant should proceed in the following order:

1. Reserve a spot on its own agency agenda if its governing body must vote to recommend its project.
2. Identify partner agencies and request up to two partner commitment letters.
3. Fill out the application, including the quantitative Emission Benefit Calculation.
4. Submit the application to SACOG and copy the appropriate county representative:
 - In Sacramento County, to Brian Williams, Executive Director, Sacramento Transportation Authority, 901 F Street, Suite 210, Sacramento, CA 95814-0715
 - In Yolo County, to Terry Bassett, Executive Director, Yolo County Transportation District, 350 Industrial Way, Woodland, CA 95776-6011
 - In Sutter County, to Doug Gault, Sutter County Public Works Director, 1160 Civic Center Blvd, Suite D, Yuba City, CA 95993
 - In Yuba County, Mike G. Lee, Yuba County Public Works Director, 915 Eighth Street, Suite 125, Marysville, CA 95901

Schedule

2007

- Oct. 30 Call for projects.
- Dec. 3 Project applications due 4:00 p.m.**
- Dec 12, 13, 14, Working Group meets up to three times and makes project selection recommendations to SACOG staff and SACOG Board.
- Mid Dec. SACOG staff reviews recommendations for funding and makes recommendations to the SACOG Board of Directors. Recommendations are presented for information to Regional Planning Partnership.

2008

- Jan. 18 The SACOG Board approves the release of recommended projects for a 30-day period of public review.
- Feb 21 The SACOG Board holds a public hearing, approves the projects, and amends the MTIP and/or STIP to include them.

Staff Contacts

If you have any questions, please contact: Jason Crow, Senior Planner, 916-340-6219, jcrow@sacog.org.

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Attachment (1)

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GUIDELINES FOR SACRAMENTO AREA COUNCIL OF GOVERNMENTS AIR QUALITY FUNDING PROGRAM

Adopted by the SACOG Board of Directors September 18, 2003
Revised August 2005

INTRODUCTION

In July 2002, the Sacramento Area Council of Governments (SACOG) adopted the *Metropolitan Transportation Plan for 2025* (the MTP for 2025). This 23-year, \$22 billion plan for region included four federally-funded programs to be used for regional transportation and related priorities that implement the goals of the Plan (Appendix A). The four programs, with 23-year funding amounts are:

- Air Quality \$180 million
- Bicycle and Pedestrian \$350 million
- Transportation Demand Management \$ 44 million
- Community Design \$500 million

When the MTP for 2025 was adopted, it was the intent of SACOG to continue these four regional funding programs into the foreseeable future in each successive MTP. Since the adoption of the MTP for 2025, SACOG has adopted several other MTPs, and the funding programs have been continued. Currently, the MTP 2027 is the plan that is operable in the SACOG Region.

These guidelines pertain only to the Air Quality Funding Program. The other three programs each have a separate set of guidelines that are consistent with these, and the intent is to coordinate the selection of projects in all four programs with a joint recommendation for funding presented to the SACOG Board of Directors.

Public agencies will periodically be given the opportunity to apply for programs on a schedule that will be published before each funding round. The timing of funding rounds is dependent on the availability of the federal funding, and can't always be predicted far in advance.

SACOG is committed to using this funding for air quality projects and programs in all parts of the region, although air quality is a regional problem that doesn't recognize jurisdictional boundaries. For Placer and El Dorado Counties, Memoranda of Understanding between the Placer County Transportation Planning Agency and SACOG and the El Dorado Transportation Commission and SACOG govern the use of federal funds in those counties. For the Air Quality Funding Program, SACOG will seek agreements with those agencies on funding air quality projects and programs of a regional nature. Please refer to Appendix C for an explanation of how federally-funded projects are approved in those counties.

SACOG is also committed to following federal guidance on environmental justice. The goal of environmental justice to ensure that when transportation decisions are made, low-income and

minority communities have a full opportunity to participate in the decision-making, and that they receive an equitable distribution of benefits and not a disproportionate share of burdens. Each project or service seeking funds from SACOG's regional funding programs will be evaluated for environmental justice. The grant application process will include explicit questions on environmental justice for project applicants to answer.

FUNDING

Financial support for the regional funding programs will come primarily from Federal funding sources expected to be available to the region. The SACOG Board of Directors will approve the amounts allocated to each program before the start of the project selection process, according to long-term Metropolitan Transportation Plan and the agency's more immediate priorities.

Most of the projects selected for these programs must qualify for the three federal funding sources available to SACOG.² In most cases, a local funding match requirement of 11.47% of the total project cost applies. Federal funding requirements from TEA-21 are found in Appendix D, and the recently-approved reauthorization is expected to use the same or similar requirements. When SACOG is able to obtain other sources of funding for the programs, different requirements may apply. In most cases, the minimum project size SACOG will consider is \$150,000.

APPLICATION PROCESS

SACOG will issue a call for applications when federal funding opportunities arise, typically once every two to three years. Public agencies (cities, counties, and other public agencies) are the eligible applicants for these federal funds. Each time funds are made available, the call for applications will be made through SACOG's newsletter, webpage, advisory committee meetings, and letters to public works and planning departments, transportation agencies, transit agencies, transportation management associations, and other organizations. An application, timeline, and these guidelines will be made available at that time.

PROJECT SELECTION PROCESS

[The following process applies to Sacramento, Yolo, Yuba, and Sutter Counties, but not to Placer and El Dorado Counties]

The Air Quality Working Group, composed of air district and SACOG representatives will make recommendations to the Board of Directors, through the appropriate Board Committee, on project selection. After SACOG staff screen project applications for eligibility, Working Group members will be responsible for reading proposals and making recommendations for projects to be funded. Appendix E provides more detail on the process and the membership of this committee.

² These sources are currently the Surface Transportation Program (STP), the Congestion Management and Air Quality Program (CMAQ), and Transportation Enhancements (TE).

SACOG reserves the right to fund less than the amount reserved for each funding program in a given funding cycle, as well as to fund projects in a program other than the one for which it was submitted.

IMPLEMENTATION

After SACOG has awarded a grant, project sponsors will be asked to follow or be aware of these requirements:

- Follow all federal funding requirements listed in Appendix D.
- Follow all federal environmental justice directives.
- Assure SACOG that the projects meet the requirements of the Americans with Disabilities Act.
- Follow SACOG's "Use It or Lose It" policy for obligating and spending the grant funds. The policy requires project sponsors to schedule fund obligation and project implementation in the *Metropolitan Transportation Improvement Program* and to honor that schedule.
- A local non-federal match of at least 11.47% of the total cost of a project is required for projects receiving federal funding in the Sacramento region, with a few exceptions that are detailed under the individual program guidelines. This does not include "in kind" match, but must be funding that is dedicated to eligible features within the project and included in its overall cost.
- For capital projects, federal funds may be used for Preliminary Engineering (which includes environmental work and design) as well as for right-of-way and construction. When a project is ready for implementation, the project sponsor requests an authorization from Caltrans. When the project is authorized, the sponsor can incur expenses that will then be reimbursed from the grant. A project sponsor submits invoices for the entire cost incurred, and will be reimbursed at 88.53% (the total cost minus local match).
- SACOG encourages project sponsors to seek other sources of funding that may be available, including Community Development Block Grants or other federal HUD funds (although for the most part, federal funds from other programs cannot be used as match).

AIR QUALITY FUNDING PROGRAM GOALS

Background and Program Goal

The SACOG region currently holds a non-attainment status for ozone under federal air quality laws. Because the region must meet stringent federal air quality in the *Rate of Progress State Implementation Plan for Air Quality*, (or SIP) SACOG will place highest priority on the selection of cost-effective transportation projects that contribute the most to reaching attainment.

Eligible Project Types

The Air Quality Program will fully or partially fund projects in the following categories, first applying screening criteria to qualify potential projects. The project must meet all of the screening criteria.

- A. **Projects that provide real, permanent⁴ and quantifiable on-roads emissions reductions for the region.** Examples are gross-polluting vehicle replacement programs, bus demonstration projects, and alternative-fuel buses.

Screening Criteria

- The project results in claimable emissions reductions.

- B. **Public awareness and educational campaigns**

An example would be the Spare the Air campaign.

⁴ The definition of “permanent” used by the Environmental Protection Agency is “that the emission reduction occurs throughout the life of the measure, and for as long as it is relied upon in the State Implementation Plan.”

Screening Criteria

- The program has an established track record in this region or in another region or offers the potential of significantly contributing to a reduction in emissions.
- The program is eligible for credit under the Environmental Protection Agency's Economic Incentive Program.

Project Evaluation

Projects will be evaluated using the criteria shown below with other appropriate criteria that may be added.

For all projects

- Air quality benefits
- Project costs (see Note 1)
- Project lifecycle costs (see Note 1)
- Air quality cost effectiveness (see Notes 1 and 2)
- Length of time to implement and see results
- Air quality impacts of not funding project or plan
- Added priority (see Note 3)
- Other policy considerations

For buses

- Projected ridership and average trip length
- For bus replacements, the potential impacts of not replacing the buses (such as function of the transit system and regional network, ridership, and shifts from or to driving or other modes of transportation).

Notes

1. The definition of "cost" is that part of the total cost of the project intended to be funded with this program. There is an 11.47% local match required for using these funds, but additional match funding can be applied.
2. Evaluation of benefits and cost-effectiveness require the use of Air Resources Board or Environmental Protection Agency methodologies. In the absence of an ARB or EPA accepted methodology, SACOG will rely on methodologies recommended by the Air Districts of the region.
3. Added priority is given to projects that
 - are time critical for meeting state or federal air quality mandates.
 - in addition to reducing ozone precursors also reduce particulate matter.

APPENDIX A.
GOALS OF THE METROPOLITAN TRANSPORTATION PLAN FOR 2025
Plan adopted by the SACOG Board of Directors in July 2002

1. Overarching Goal: Quality of Life: Develop a fully integrated, multi-modal transportation system to serve as a catalyst to enhance the quality of life enjoyed by the current and future residents of the Sacramento region.
2. Access and Mobility: Improve access to goods, jobs, services, housing, and other destinations; provide mobility for people and goods throughout the region, in a safe, affordable, efficient and convenient manner.
3. Air Quality: Develop a transportation system and related strategies that contribute to achieving healthy air in the region.
4. Travel Choices: Provide affordable, convenient, safe, and integrated travel choices.
5. Economic Vitality: Enhance the economic vitality of our region by efficiently and effectively connecting people to jobs, goods, and services, and by moving goods within our region and beyond with an integrated multi-modal freight system.
6. Equity: pursue a transportation system that addresses the needs of all people in all parts of the region and assure that impacts of transportation projects don't adversely affect particular communities disproportionately.
7. Transportation and Land Use: Influence land use policies to improve access to jobs, services and housing to everyone in the region by using market forces and the regulatory process.
8. Funding and Revenue: In order to adequately fund the Plan, develop appropriate, innovative, equitable, and stable funding sources (both short- and long-term) and identify cost-reduction measures.
9. Health and Safety: Improve the health of our residents by developing systems that would encourage walking and biking, and improve the safety and security of people on all modes in all areas.
10. Environmental Sustainability: Develop the transportation system to promote and enhance environmental quality for present and future generations.

Appendix B: APPLICATION INSTRUCTIONS

This section directly addresses the requirements for applying for an Air Quality Grant. Please read the instructions in this section with the background information from the Guidelines when considering and preparing your grant application.

PROGRAM MANAGER

Please direct any questions regarding the Air Quality Funding Program or the application process to the SACOG Program Manager:

Jason Crow, Senior Planner
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814
phone (916) 340-6219
fax (916) 321-9551
email jcrow@sacog.org

APPLICATION FORMAT AND CONTENTS

Applications are required to stay within the prescribed format and on forms provided by SACOG so that there is uniformity for the Air Quality Working Group to review.

Format

The overall application format requirements are:

- **All narrative text shall have at least 1 inch margins on all sides, and use no less than 11 point font size. Footers and headers are exempt from margin and font size requirements.**
- **Narrative pages may only be written on 8.5" x 11" paper. Graphics, photos and maps may be printed only on 8.5"x11" or 11"x17" paper; either size counts only as one page.**
- **Divider pages are allowed if they are made of colored paper that can be recycled. These do not count toward the page limits. Please do not insert plastic or non-recyclable tabs on the divider page. The divider page may show section titles; no other narrative or graphic content is allowed.**
- **Please do NOT include a separate cover, comb-binding or any plastic materials; stapling or clipping the document will suffice; the signed letter from the primary applicant described below shall serve as the cover for the application. One blank white sheet of paper may serve as the back page.**
- **Submit 1 original signed application and 12 copies of each application. E-mailed applications are not acceptable.**
- **Submit 1 compact disc with a PDF of the application, including support materials.**

Scanned images are acceptable in the PDF file.

Application Contents

Applications must contain the following elements with page limits as listed:

Max Pages	Content Element	Content Description
1	Cover Memo	Signed cover memo on letterhead of lead applicant jurisdiction by chief elected official of governing body or designated individual by that official. Memo acknowledges that the application is officially authorized by the jurisdiction. Please address cover letter to the SACOG Program Manager listed above.
1-2	Partner Commitment Letters	Letters from partners explaining responsibilities and contributions to the project
1	Project Summary	Complete form provided by SACOG (see below)
1- 4	Maps or Exhibits	
1	Cost Estimate	Complete form provided by SACOG (see below)
1	Project Benefit Estimate	Use methodology provided by SACOG (see below)
1-2	Emissions Calculations for CMAQ Funding	Follow California Air Resources Board methodology (see below)
1	Environmental Justice	Include your response to the following: What kind of outreach to the community and to other stakeholders do you plan to undertake? Will low-income or minority members of the community be given an opportunity to fully participate in this outreach? Evaluate the benefits and burdens of this project with regard to low income and minority members of the community.

Total Maximum: 13 Pages

PROJECT SUMMARY

Project Title	
Local agency contact information	
Partners	
Project Number in SACOG MTIP (if applicable)	
Scope of project & location (not to exceed 150 words) Include aspects of project/program that contribute to goals of the Funding Program	
Project Schedule & Milestones: <ul style="list-style-type: none"> • Start work • Final Ed approved • R/W Acquired • Final plans approved • Environmental permits secured • Award construction contract • Work completed 	
Overall Total Cost Estimate	
Total funding sought and funding committed from other sources	
Local funding commitment from each partner Local match must be at least 11.47% of requested amount	
Risks to Schedule or Cost	
Phases/divisibility	

COST ESTIMATE

Funding Categories	Task	Cost Estimate
Environmental	Environmental Studies	
Engineering	Engineering & Design	
Right-of-Way*	Right-of-Way acquisition	
	Utility relocation & lighting	
Construction*	Environmental mitigation	
	Grading	
	Foundation & Pavement	
	Bridges &/or tunnels	
	Drainage, curb/gutter, street furniture, planting & irrigation	
	Signage, signals, & striping	
	Buildings/structures	
	Non-capital staff activities	
	Non-capital materials (maps, brochures, manuals, printing, etc)	
Misc.*	Other project components	

*If project applicant is Caltrans, please provide cost estimate for the following additional two components:

- Right-Of-Way Support: _____
- Construction Support: _____

APPENDIX C.
THE APPLICATION AND FUNDING PROCESS
IN PLACER AND EL DORADO COUNTIES

This process considers the Memoranda of Understanding (MOUs) and related resolutions approved by SACOG, the Placer County Transportation Planning Agency (PCTPA), and the El Dorado County Transportation Commission (EDCTC) that govern interagency relationships.

In summary, PCTPA and EDCTC are able to choose their own projects for which to use federal transportation funding, separate from the process used at SACOG for choosing projects in Sacramento, Yolo, Sutter, and Yuba Counties. If the selected projects in Placer and El Dorado Counties meet the criteria for SACOG's funding programs, they will be added to the overall list of projects for that funding program. If not they will still be programmed, but not counted toward the regional funding program goals established in the Metropolitan Transportation Plan. (See example at end of this appendix).

For each round of federal funding (Urban RSTP and CMAQ), approximately every two to three years, state law calls for PCTPA, EDCTC, and SACOG to each receive a separate allocation, with SACOG (as Metropolitan Planning Organization) responsible to program this funding.

In the Metropolitan Transportation Plan (MTP), SACOG has established four special funding programs (Community Design, Air Quality, Bicycle and Pedestrian, and Transportation Demand Management) that use a portion of these federal funds.

In each federal funding cycle, SACOG, EDCTC, and PCTPA agree to follow this process:

1. SACOG advises PCTPA and EDCTC of their combined fair shares of Urban RSTP and CMAQ together with a statement of MTP objectives for that funding cycle. PCTPA and EDCTC agree to seriously consider SACOG's priorities as they decide which programs to forward for programming. They encourage their cities, counties and transit operators, as they have in the past, to propose projects that address SACOG's priorities and meet criteria established in the guidelines approved by the SACOG Board for each of the four regional funding programs. They will also include SACOG staff on advisory committees reviewing the project proposals and use the PLACE³S software to help evaluate Community Design proposals.
2. The SACOG Board approves an amount of federal funding to allocate for each of the four funding programs, for Sacramento, Yolo, Yuba, and Sutter Counties. If the federal funding authorization to the region is greater or less than the original estimates, PCTPA, EDCTC, and SACOG will either receive more or less federal funding on a fair share basis, and as a consequence the amounts allocated to the four regional programs may be changed.
3. Some of projects and programs funded by SACOG through the funding programs are regional in nature, for example the Regional Rideshare Program. SACOG will consult

with PCTPA and EDCTC about fair share support of these regionwide programs before the three agencies select projects for programming.

4. In the Bicycle/Pedestrian, Air Quality, and Community Design Funding Programs, SACOG solicits project proposals from qualified project sponsors within Sacramento, Yolo, Yuba, and Sutter Counties. For each of these three competitive programs, a working group of SACOG's planning partners from the four counties analyzes, evaluates, and ranks the proposals based on their technical merit. A separate Grants Program Review Committee then reviews the recommendations from all working groups and makes a final recommendation to the Board of Directors that takes into account regional balance.
5. At the same time, PCTPA and EDCTC also conduct an evaluation and ranking process to select federally funded projects. After approval by their Boards of Directors, these lists are forwarded to SACOG for programming. It is expected that at least some of these projects will meet the goals and criteria for the regional funding programs. SACOG staff will evaluate these projects for whether they fit the programs, and will make a recommendation to the SACOG Board about whether to include them in the list of projects under the four funding programs or program them outside of the four programs.
6. If there are a greater number of highly recommended projects than there is funding available in a program, SACOG staff may seek to reduce the amount programmed to some or all projects, or may request a higher allocation for that funding program. The increase would mean a decrease in another funding program or would replace other regional priorities for federal programming.

Example of Funding for El Dorado or Placer County Project: As an example of how a project might be designated as a Community Design project from Placer County, it would work as follows. Placer County develops a project proposal that conforms to SACOG's Community Design Guidelines and submits it to the Placer County Transportation Planning Agency. PCTPA's Board approves the project for federal CMAQ funding under PCTPA's allocation. The project is forwarded to SACOG and screened by staff for whether it meets the goals and criteria of the Community Design Program. If it does, it is added to the list of projects in that program.

APPENDIX D. FEDERAL FUNDING REQUIREMENTS

The following federal funding requirements are derived from the State's Transportation Enhancement Activities (STE) funding program guidelines. Items "a" and "b" apply only to STE funds, but "c" through "l" apply to all federal funds, including STE. The SACOG regional funding programs can be funded from any of the types of federal funds that SACOG receives.

- a. Direct relationship to the transportation system: STE projects must be directly related to the surface transportation system. This relationship may be one of function, proximity or impact. For example, a bikeway or historic rail station still in service is a functional component of the transportation system; landscaping or restoration of a historic site alongside the highway can be related by proximity (the proximity relationship will not be eligible if tenuous or contrived); and archaeology planning or water pollution control alongside an existing highway affect the impact of the transportation system or the environment.
- b. Over and above normal work: Enhancement funds must build projects that would be over and above normal transportation work. STE projects cannot be used for mitigation specified in environmental documents, permit requirements from federal, state or local agencies for other transportation work, maintenance activities such as repaving bike lanes or repainting historic buildings on a normal life cycle schedule, and other requirements such as retrofit of drainage facilities to meet current clean water standards or retrofit of existing sidewalks for compliance with requirements of the Americans with Disabilities Act.
- c. Public benefit and access: STE projects use public funds, must provide benefit to the general public, and generally must provide for public access, except in certain cases where access might be inappropriate, such as wildlife corridors or water pollution control facilities. Improvements to private property and commercial tenant facilities are not eligible.
- d. Right of way acquisition: Any property needed for right of way for STE projects must be acquired from willing sellers, since a finding of public necessity for eminent domain cannot be made for work "over and above normal work." Whenever federal funds are used in any phase of a project, acquisition of real property for the project becomes subject to the provisions of the uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, no matter if carried out by federal, state or local agencies or by private parties. Properties to be acquired must be appraised, and an offer made to purchase at full-appraised value, although the sale may be completed for an option value or another value different from appraised value by mutual agreement. Any tenants displaced because of the project are entitled to relocation assistance benefits under the Act (funded within the project), but willing sellers are not. Improvements for tenant or commercial activities such as snack bars or retain businesses are not eligible.

- e. Historic restoration: Projects funded with federal transportation funds must comply with Section 106 of the National Historic Preservation Act, pertaining to evaluation and preservation of historic and archaeological resources. For historic property projects, all restoration work must be done in compliance with the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, the Secretary of the Interior's Standards for Treatment of Historic Properties, or the State Historic Building Code. Work must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36 CFR, Part 61, which define minimum education and experience required to perform eligible historic preservation activities; in some cases, additional areas or levels of expertise may be needed depending on the complexity of the task and the nature of the historic properties involved. Rehabilitation work to return a property to a state that allows contemporary use while preserving the significant historic features of that property will usually be eligible. Preservation work to repair deferred maintenance that should have been done, as a condition of a prior historic preservation agreement is not eligible. Construction of replicas of historic structures or buildings is not eligible. Work related to Native American archaeological sites typically requires extra consultation with interested tribes, may require that Native Americans control the disposition of certain artifacts, and may require artifact displays to show alternative interpretations.

- f. Environmental studies and review: All STE projects are subject to the requirements of both the National Environmental Policy Act (NEPA) of 1969 and the California Environmental Quality Act (CEQA) of 1970. For NEPA, the project sponsor must make a good faith effort to study, assess and disclose environmental impacts that could be expected from the project and consult with interested federal agencies; and for CEQA, the project must mitigate any significant adverse impacts to the extent feasible. Experienced agencies can meet both the federal and state environmental requirements using a single joint process. The level of effort varies by the type of project, the amount of impacts and the degree of public controversy. While some projects may be able to use a Categorical Exemption/Categorical Exclusion, and most others will require no more than a Finding of No Significant Impact/Negative Declaration (which may include mitigation of impacts), a few STE projects will require a full Environmental Impact Statement/Environmental Impact Report, particularly those where significant public controversy arises, with all of the required agency consultation and public reviews.

- g. Parks: Since STE projects must have a direct relationship to transportation, park improvements such as park benches, park landscaping and recreational trails are not eligible, although the same scope of project might be eligible in a streetscape setting. STE projects that may provide an ancillary recreational experience or may be located on parkland can be eligible as bicycle or pedestrian facilities if the projects also provide through access from one point to another. Section 4(f) of the Department of Transportation Act of 1966 applies to projects funded with federal enhancement funds, even though it is an odd fit with the enhancements program; it prohibits building a project on land in a publicly owned park, recreation area, wildlife or waterfowl refuge, or significant historic site unless the applicant can demonstrate that there is no prudent and feasible alternative to the use of park property, and can minimize damage to the park property from the transportation use. The state expects Section 4(f) should be waived for most enhancements projects, but does not have the power to ensure this.

- h. Permits: Depending on the nature of the project, STE projects may require permits or clearance from a wide range of federal and state agencies with environmental responsibilities, covering at least water quality, floodplain encroachment, wetlands protection, endangered species (both federal and state listed) and habitat protection, and historic or archaeological resources. In particular, wetlands protection and floodplain encroachment require a no-practicable-alternative finding. The list of interested agencies usually includes, but is not limited to, the U.S. Army Corps of Engineers, the U.S. Fish & Wildlife Service (or National Marine Fisheries Service), California Department of Fish & Game, California Coastal Commission, State Historic Preservation Office, and Advisory Council on Historic preservation. The most common applicable federal legal requirements can be found in:

1. Section 404 of the Clean Water Act of 1977,
2. Executive order 11990, "protection of Wetlands," May 24, 1977,
3. Executive Order 11991, "Floodplain Management," May 24, 1977,
4. Section 7 of the Endangered Species Act of 1973, and
5. Section 106 of the National Historic Act of 1966.

Many STE projects will end up involving no permits, but that must be determined project-by-project through studies and consultation.

- i. Transportation project requirements: STE projects are transportation projects and, thus, must meet any applicable federal or state standards for transportation projects. For example, bicycle facilities generally must meet federal and state standards for width, grade and signing; state highway landscaping must comply with state landscaping policies on Nation Highway System routes; and removal of nonconforming billboards must follow federal and state procedures, including local ordinances to control subsequent outdoor advertising in the area. Projects sharing or crossing railroad rights of way must have railroad agreements, which can be time-consuming to negotiate and get approved. Walkways and buildings must include handicapped access (Americans with Disabilities Act (ADA)). Agencies unfamiliar with the requirements and costs of constructing to the design standards required for federal-aid projects should consult in advance with their Caltrans District Local Assistance Engineer.
- j. Other federal contract requirements: STE projects use federal funds and so must comply with various federal contracting requirements, which apply if consultants are to be used for environmental or design studies, to right of way activities (including utility work) done under contract, and for the project construction contract. The most ubiquitous of these requirements include competitive bidding, pre-award audits, minority business participation (DBE/WBE), and prevailing wage rates (Davis-Bacon Act).
- k. Regional Transportation Plan, Federal TIP and air quality conformity. All projects using federal transportation funds must be consistent with the regional transportation plan covering that area; if the plan is not specific enough to list every small project, the project must be consistent with the general policy direction and priorities of the plan and not inconsistent with any of its provisions. All projects using federal transportation funds must also be added to the Federal Transportation Improvement Program (TIP), a document describing the slate of projects approved for federal funding by the Federal Highway Administration (FHWA). In urban areas, the designated metropolitan planning

organization is responsible for drawing up the regional transportation plan and Federal TIP, and amending it when necessary; in rural counties, Caltrans has that responsibility. The agency responsible for the Federal TIP must also assess the air quality implications of the whole slate of projects and make a finding that total pollutant emissions from all projects collectively do not exceed federal clean air standards; that finding must be reassessed each time a Federal TIP is amended, which can be an arduous process in areas far out of compliance with the clean air standards. While STE projects by themselves rarely would have any significant effect on air quality, Federal TIP amendments often contain a package of projects, including some highway projects that will force a time-consuming re-evaluation of clean air impacts. In the end, FHWA must approve the Federal TIP (and any amendments), and the U.S. Environmental Protection Agency (EPA) must approve the findings of air quality conformity before funds can be released for the project. Some regions reserve enhancement funds in a lump sum and, thus, can avoid the need to amend their Federal TIP each time projects are selected; others have not done this.

1. Maintenance Agreement: The project applicant must guarantee that the STE project will be maintained for the normal project life cycle, by the sponsoring agency or via contract with a third party, as a condition of receiving federal enhancement funds. The Caltrans' master agreement typically will hold the applicant liable up to the amount of federal funding if maintenance is not kept up. The project applicant should understand that the use of federal enhancement funds for a project brings all of these federal and state requirements that may apply to bear on the entire project, not necessarily just the part funded by enhancement funds (unless the project consists of distinct and separable phases done as separate projects by separate contracts). The project applicant should build into the project application enough funding to deal with these many requirements and build into the project schedule enough time to carry out the work, most of which must be completed before project construction can be started.

**APPENDIX E.
PROJECT SELECTION PROCESS**

Project applicants (sponsors) may be any agency or organization that holds a master agreement with Caltrans to administer federal transportation funds.

Steps in the Process

1. Project sponsors fill out application form and submit to relevant countywide transportation agency, if applicable.
2. SACOG staff reviews the applications and screens them for eligibility. Ineligible applications are discarded, based on ineligibility for federal funds, lack of funding of the appropriate type, or on the program guidelines.
3. SACOG staff forwards the applications to the Air Quality Working Group (see below for the composition of the Working Group).
4. The Working Group scores and ranks the applications, according to its own process, but does not discard any applications. Working Group members will not vote on applications from their own organizations.
5. SACOG staff reviews the ranking recommendations of all working groups and makes its own ranking recommendations. These staff recommendations will take into consideration the availability and requirements of appropriate funding sources and will balance the ranking of projects based on geographic location. These ranking recommendations will then be communicated back to the Working Groups.
6. The SACOG staff recommendations are provided as information to the Regional Planning Partnership and then are made to the SACOG Board of Directors.

Membership of the Air Quality Working Group

Members should represent diverse geography. A SACOG staff member will staff each meeting. The group will select a Chairperson.

Expertise	Appointed by	Number
Air Quality	Air Districts	5 Air Pollution Control Officers of the 5 Air Districts
Regional	TDM Task Force	1 (Executive Director or designee)
TOTAL		6