



## Measure V Regional Projects Policies

Adopted April 15, 2021

### Applicability

- These policies and procedures apply only to the “Regional Projects” category identified in the Measure V Expenditure Plan, which consists of an East side share (27%) and a West side share (17%).

### Funding Agreements

- Each Regional Project shall have a Funding Agreement between MCAG and the implementing agency, specifying the scope, cost, and schedule of the project, and the terms of reimbursement.

### Regional Projects – Criteria

- The Measure V Expenditure Plan provides qualifying factors and examples of Regional Project types. See the end of this document, which excerpts the “Regional Projects” section from the Measure V Expenditure Plan, pages 6-7.
  - Projects on the State Highway system or the Regional Road System or the Regional Transportation System defined by MCAG are Regional Projects.
- The following additional criteria are intended to ensure regional benefits:
  - Road projects must be located entirely on roadways that are classified above “Minor Collector”. This functional classification is shown on the California Road System (CRS) map, as approved by the Federal Highway Administration.
  - A project “located in, or directly benefitting, more than one jurisdiction” must have resolutions of support from all involved jurisdictions’ governing bodies.
  - A mass transit project, including intercity bus, passenger rail, or air transportation, will require a memorandum of understanding between the jurisdiction and the transit provider prior to programming unless the jurisdiction owns the assets in the project (e.g. airport projects, train stations, bus maintenance facilities).
- The respective Regional Project Committee may determine by a vote that a project is regional based upon particular factors. This is not a vote to program a project for funding.

### Regional Project Committee (RPC) Meetings

- There are two Regional Project Committees: the East side Regional Projects Committee and the West side Regional Projects Committee. Their purpose is to recommend projects for Measure V funding to the MCAG Governing Board.
- RPC meetings will be held on an as-needed basis during the preparation of the regular Implementation Plan update which occurs every two years, at a minimum.

- Additional RPC meetings in-between Implementation Plan updates will be set on a quarterly schedule with the option to add more meetings as necessary at the Executive Director's discretion.
- All project forms and amendments must be submitted in a timely manner to MCAG staff in order to provide the respective RPC members a thirty-day review period.
- A technical working group may be convened by an RPC at any time to assist with technical evaluations of regional projects.

### **Implementation Plan Updates**

- The Expenditure Plan states that at a minimum of once every two years, MCAG will prepare and adopt an Implementation Plan. The first was adopted in 2018 as a two-year plan and it was updated in 2019.
- Future updates will be in odd-numbered years: 2021, 2023, and so on.
- An Implementation Plan update will consist of:
  - A staff report to the MCAG Governing Board outlining a schedule for the update, any policy or procedure changes for consideration, and an analysis of financial capacity.
  - MCAG Governing Board approves the schedule, any policy updates, and may release a Call for Projects/Amendments, with a goal of releasing it by February 1.
  - RPC Committees review submitted project proposals and make recommendations for projects, and set-aside categories, if any, to the Governing Board.
  - Governing Board approves RPC recommendations, receives the draft Implementation Plan Update, and schedules public hearings to review the Plan.
  - Public Hearings are held.
  - Governing Board approves the Implementation Plan update.

### **Implementation Plan Mid-Cycle Progress Report**

- Each even numbered-year, starting in 2022, MCAG staff, working with the jurisdictions, will prepare a progress report to the Governing Board summarizing:
  - All regional projects' implementation status and expenditure status.
  - An analysis of the Measure V financial plan outlook, considering programmed expenditures, actual expenditures, forecasted revenue, and actual revenue.

### **Implementation Plan Amendments**

- A jurisdiction or implementing agency may request a change to a programmed Regional Measure V project via an amendment to the Implementation Plan. Such a request may be for additional funding or to shift funding between phases of a project.
- Jurisdiction staff must prepare a request and supporting documentation.
- Administrative Amendments
  - Administrative amendments to increase the cost of a project may be made at the Executive Director's discretion if:

- The change in cost is up to 20% of the total project cost, **and** the change in cost does not exceed \$500,000.
  - Sufficient funds exist in the applicable share or contingency reserve fund.
- Administrative amendments to transfer cost savings from a completed regional project to another regional project being implemented by the same agency may be made at the Executive Director's discretion.
- A subsequent amendment to the same project will be a formal amendment.
- Approved administrative amendments will be presented at the next Regional Projects Committee meeting and Governing Board as informational items.
- Formal Amendments
  - Formal amendments will be reviewed at the next appropriate Regional Project Committee meeting following a thirty-day review period.
  - The applying agency is responsible to make any presentations or answer questions.
  - If the Regional Project Committee approves the formal amendment, a public review process will be provided, and the recommended amendment will be sent to the Governing Board for final approval.
- Additional funding will be reimbursable but cannot be paid out until the funding agreement amendment has been fully executed.

#### **Project Requirements – Call for Projects and Amendment Requests**

- For any regional project that a jurisdiction or implementing agency proposes, their submission must include the following:
  - Completed Regional Project Candidate Form
  - Council or Board Resolution outlining their project priorities by tier or ranking
  - Map of the project location
  - (Multi-jurisdiction projects only) Resolution of support from all involved jurisdictions' governing bodies

#### **Cost Savings and Leveraging incentive**

- If the amount programmed and allocated exceeds the project implementation costs, up to 20% of cost savings may be kept by the jurisdiction for potential change orders and other unforeseen circumstances.
- Alternatively, cost savings may be transferred from one regional project to another via an administrative or formal amendment to the Implementation Plan (see above).
- Jurisdictions that successfully leverage competitive non-local, non-regional, State or federal funding may have their Regional Measure V savings programmed to another regional project in their jurisdiction.
- Excess funding exceeding 20% must be returned to the appropriate regional fund.

## **Programming and Allocation**

- New regional projects starting with those to be programmed in 2021 shall be programmed by project phase.
- Projects in excess of one million dollars in total project cost will require a completed Project Study Report to be considered for programming.
  - Road maintenance and rehabilitation projects are exempt.
- If a project requires Right-of-Way acquisition the project must have submitted proof of CEQA clearance, and NEPA clearance for all federalized projects, prior to programming that phase or Construction.
- Right-of-Way acquisition will not be programmed until Environmental and Design have been completed.
- Construction will not be programmed until Environmental, Design, and Right-of-Way acquisition have been completed.
- Prior to programming for Construction, the project must have proof of full Right-of-Way acquisition and complete utility and/or railroad agreements.
  - Projects over one million dollars must submit a construction financing strategy.
- Should a planned project become infeasible or unfundable due to unforeseen circumstances, funding may be applied to another project in the same jurisdiction with approval of the Regional Projects Committee and the Governing Board.

## **Advance and Reserve Funds**

- Advance Funds
  - East Side and West Side Advance Funds may be created by the Governing Board to use a Regional Project Share's unprogrammed funds and/or a set-aside to provide up-front funding to an implementing agency for a Regional Project. Up-front funding for a project shall be limited to a 90-day revolving window of operating cash and not exceed 20% of the total. All expenditure reporting requirements will still apply.
- Contingency Reserve
  - Up to 5% of the annual Measure V Regional Projects revenue for each share may be saved in respective reserve funds – the East side and West side Regional Projects reserve funds.
  - Additionally, revenue from generated interest and from project cost savings that are returned to the respective share will be placed in the contingency reserve.
  - The reserve fund may be used for providing funding capacity in years with lower than projected revenue or for project cost overruns, at the discretion of the Governing Board.
- Project Development Reserve
  - 5% of annual Measure V revenue may be saved in a Project Development reserve fund. This fund is for the purpose of funding larger projects to complete their Project Study Report.

## Regional Projects: Leverage Sources

**For purposes of Measure V Regional Projects, ‘leverage’ is the use of non-local, non-regional State and Federal funding.** Funding that is decided by the cities and county in Merced County or by Merced County Association of Governments is not considered ‘leverage’ for Measure V Regional Projects. Funds that are not considered ‘leverage’ may be considered “match”.

The following funding sources will be considered ‘leverage’:

- Active Transportation Program (ATP)
- Safe Routes to School (SRTS)
- Traffic Congestion Relief Program (TCRP)
- Local Partnership Program, Competitive
- Transit and Intercity Rail Capital Program (TIRCP)
- State Highway Operation and Protection Program (SHOPP)
- Highway Bridge Program (HBP)
- Fixing America’s Surface Transportation (FAST) Act Grants
- Highway Safety Improvement Program (HSIP)
- Infrastructure for Rebuilding America (INFRA) Grants
- Better Utilizing Investments to Leverage Development (BUILD) Grants
- Federal Transit Administration Grants
- Railway-Highway Crossings Program
- Federal Railroad Administration Grants
- Airport Improvement Program (AIP) Grants

The following funding sources will NOT be considered ‘leverage’:

- Regional Measure V
- Local Transportation Fund (LTF)
- Local Partnership Program, Formulaic
- Regional Surface Transportation Program (RSTP)
- Congestion Mitigation and Air Quality (CMAQ)
- State/Regional Transportation Improvement Program (STIP/RTIP) decided by MCAG. STIP funds decided by Caltrans or the State or other entities are leverage.
- State Transit Assistance (STA)
- Highway Infrastructure Program (HIP)
- Local Funding
- Road Maintenance and Rehabilitation Act (SB-1) Local Streets and Roads
- Local Measure V
- Gas Taxes
- Impact Fees

## 1. Regional Projects – 44% of total

If \$450 million is collected over 30 years, then \$198 million will be available for Regional Projects - \$121.5 million on the Eastside and \$76.5 million on the Westside.

Forty-four percent (44%) of the funds will be allocated to this category.

- 27% of the total is for an Eastside share, to be spent on projects east of the San Joaquin River.
- 17% of the total is for a Westside share, to be spent on projects west of the San Joaquin River.

The dividing line between Eastside and Westside shares is the San Joaquin River. Two committees will be created to recommend projects:

- The Eastside Regional Projects Committee will consist of one council person from each City that includes area east of the San Joaquin River and each County Supervisor whose district includes area east of the River.
- The Westside Regional Projects Committee will consist of one council person from each City that includes area west of the San Joaquin River and each County Supervisor whose district includes area west of the River.

As the Local Transportation Authority overseeing the funds, the Governing Board of Merced County Association of Governments has the authority to approve recommendations made by the Regional Projects Committees. Notwithstanding the foregoing, the MCAG Governing Board shall not approve a project that has not been recommended by a Regional Projects Committee.

Regional Projects must be listed in the applicable Regional Transportation Plan, which is updated every four years and can be amended as needed. These projects provide for the movement of goods, services, and people throughout Merced County. Projects on the State Highway system or the Regional Road System or the Regional Transportation System defined by MCAG are Regional Projects. Projects located in or directly benefitting more than one jurisdiction are Regional Projects.

Examples of Regional Projects include but are not limited to:

- Improving highway and freeways
- Adding lanes to projects on the Regional Road System
- Improvements on the Regional Transportation System
- Passenger Rail
- Bus Rapid Transit
- Regional bikeways and trails
- Improvements to Regional Airports
- Transportation Demand Management benefitting more than one jurisdiction, such as vanpools and ridesharing.

Funds can be used for all phases of project development and implementation. In some cases, other sources of funding will also be used for these projects, for example State Transportation Improvement Program (STIP) funds.