

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 1-2, 2006

Reference No.: 2.8g.  
Action Item

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Ref: **REQUEST FOR WAIVER FOR ASSEMBLY BILL (AB) 1012 SIXTH CYCLE "USE IT OR LOSE IT" PROVISIONS FOR REGIONAL AGENCY APPORTIONED FEDERAL FUNDS**  
**WAIVER 06-05**

## **SUMMARY:**

The annual notice to regional agencies for the sixth cycle of AB 1012 "Use it or Lose It" provisions was released on November 15, 2004, with a deadline for obligating balances subject to reprogramming of November 1, 2005. On November 1, 2005, the California Transportation Commission (Commission) approved a six-month extension request for Regional Transportation Enhancement Activity (R-TEA) funds for the Ventura County Transportation Commission. Since then, two regional agencies have submitted extension requests for their remaining cycle 6 balances subject to reprogramming that total approximately \$1.3 million.

## **BACKGROUND:**

AB 1012 was enacted October 10, 1999, with a goal of improving the delivery of transportation projects. A section of the legislation states that regional agency Congestion Mitigation and Air Quality Improvement (CMAQ) funds and Regional Surface Transportation Program (RSTP) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the Commission in the fourth year. The Department of Transportation (Department) is including R-TEA funds under the AB 1012 "Use it or Lose it" requirements as well.

In past years, the Commission has granted extensions and approved requests, submitted by regional agencies, for the purpose of extending the availability of funds for remaining balances in CMAQ, RSTP and R-TEA that would otherwise be subject to reprogramming.

**DISCUSSION:**

As of September 30, 2005, the AB 1012 cycle 6 balances subject to reprogramming are approximately \$1.3 million. Of that amount, \$738,108 is for Congestion Mitigation and Air Quality (CMAQ) and \$527,178 is for R-TEA.

The Santa Barbara County Association of Governments (SBCAG) has submitted a six-month extension request for \$498,690 of CMAQ funds and a six-month extension request for \$527,178 of R-TEA funds. In addition, the City of South Lake Tahoe has submitted a six-month extension request for \$239,419 of their CMAQ funds.

**RECOMMENDATION:**

The Department recommends the approval of the six-month extension requests submitted by the SBCAG and the City of South Lake Tahoe for their sixth cycle CMAQ balances subject to reprogramming. The Department's position for the six-month extension request submitted by the SBCAG for their sixth cycle R-TEA balances subject to reprogramming is neutral.

Attachment

## AB 1012 Cycle 6 Extension Requests Waiver 06-05

<b>Regional Agency</b>		
<b>Local Agency</b>	<b>Extension Amount</b>	<b>Number of Months Requested</b>
	<b>Fund Type</b>	<b>Extended Deadline</b>
		<b>CT Recommendation</b>
<b>Reason for Project Delay:</b>		
<b>SANTA BARBARA COUNTY ASSOCIATE OF GOVERNMENTS (SBCAG)</b>	\$498,690	6 months
SBCAG- Traffic Solutions	CMAQ	05/01/06  Support
<p>SBCAG operates the Traffic Solutions rideshare program, which could immediately obligate lapsing CMAQ funds for program operations, including carpool and vanpool support. The program has not received an allocation of State Transportation Improvement Program (STIP) funds, its other main funding source, since 2002. Because of the change of the 1-hour to 8-hour ozone standard for measuring air quality, SBCAG was no longer eligible for future apportionments of CMAQ funding and did not receive the accompanying Obligation Authority (OA). SBCAG's annual pool of OA to deliver CMAQ and R-TEA projects is limited to OA received from RSTP apportionments. SBCAG fully exchanges RSTP funds for State cash to deliver programmed projects, using 100% of OA each year. SBCAG's RSTP program commitment extended through the 2009-10 fiscal year. SBCAG obligated its priority CMAQ projects in Fiscal Year 2005-06, but did not have enough OA to obligate all of its programmed CMAQ projects, resulting in the potential lapse of CMAQ funds. A pending statewide consensus for a three-year CMAQ phase out program for AMBAG and SBCAG regions would provide SBCAG with the OA needed to deliver projects using CMAQ and R-TEA funds lapsing after November 1, 2005. The phase-out program is scheduled to be incorporated into legislation, and submitted to the legislature after the New Year, with other legislation implementing SAFETEA-LU in California.</p>		
<b>SANTA BARBARA COUNTY ASSOCIATE OF GOVERNMENTS (SBCAG)</b>	\$527,178	6 months
City of Lompoc- Riverbend Park Bikeway	R-TEA	05/01/06  Neutral
<p>The Riverbend Park Bikeway project could immediately obligate R-TEA lapsing funds (\$527, 178) and could obligate additional funds (up to \$568,000) for construction. Environmental studies were completed in late 2004, but subsequent heavy rainfall washed out a one-third mile section of the route requiring realignment, redesign and environmental reassessment of the modified route. In addition, SBCAG's annual pool of Obligation Authority (OA) to deliver CMAQ and R-TEA projects is limited to OA received from RSTP apportionments. SBCAG fully exchanges RSTP funds for State cash to deliver programmed projects, using 100% of OA each year. SBCAG's RSTP program commitment extended through the 2009-10 fiscal year. The cessation of the R-TEA program resulted in a lower level of OA available to deliver R-TEA projects under development for delivery in Fiscal Year 2005-06 and the potential of a lapse of funds.</p>		
<b>CITY OF SOUTH LAKE TAHOE (City)</b>	\$239,419	6 months
City of South Lake Tahoe- South Y Intersection Improvement project	CMAQ	05/01/06  Support
<p>The delay is due to a change in the scope of work for this traffic and air quality improvement project going from a standard phase signal to a roundabout configuration. The City is in the process of altering the scope of work from this project to allow for the design and construction of a two-lane roundabout. Due to the change in scope of work, it will require adjustment to the current approved filed review to promote the roundabout concept and amend the project's environmental document. The City is aware that an extension of these CMAQ funds cannot be utilized until the Tahoe Regional Planning Agency (TRPA) has an approved FTIP amendment. Both the regional plan and the federal plan for this transportation area are in process and expected to be completed and approved by the Department of Transportation by January 30, 2006. The TRPA anticipates it will obtain approval of the FTIP amendment within 3-6 months from the Federal Highway Administration.</p>		