

Appendix I

SANDAG Funding and Project Selection Process



2023 Regional Transportation Improvement Program
FY 2023-2027

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1.0 Introduction

Federal Guidelines for Congestion Mitigation and Air Quality (CMAQ) funding state Metropolitan Planning Organizations (MPOs), state Departments of Transportation, (DOTs) and transit agencies *"should develop CMAQ project selection processes in accordance with the metropolitan and/or statewide planning process under 23 U.S.C. 134 and 135."* The project selection process should be transparent, in writing, and publicly available. State DOTs and MPOs should develop an appropriate project list of CMAQ programming priorities that will have the greatest impact on air quality.

This document provides that selection process and describes the agency's strategy for applying Regional Surface Transportation Program (RSTP) also known as Surface Transportation Block Grant (STBG) funding to projects. The process will be updated for new federal formula funding types that will be made available through the Infrastructure Investments and Jobs Act (2021).

2.0 Background

Planning and programming actions for federal formula funded projects and programs are guided by the Board-adopted Regional Plan, the SANDAG Capital Improvement Program (CIP) as included in the SANDAG Program Budget, the Regional Transportation Improvement Program (RTIP), and Federal Performance Management Targets.

The Regional Plan provides the long-term vision and goals for how SANDAG will build and support transformative transportation projects for the region. SANDAG's Regional Plan demonstrates how transportation projects and programs in San Diego County conform to State of California and federal air quality mandates for funding eligibility. It identifies strategies to reduce regional greenhouse gas (GHG) and criteria air pollutant emissions (including ozone, CO, and PM2.5).

Unlike many MPOs, SANDAG funds and builds regional capital projects identified in the long-range transportation plan. SANDAG is governed by a [Board](#) composed of mayors, councilmembers, and county supervisors from each of the region's 19 local governments. Supplementing these voting members are advisory representatives from Imperial County, the U.S. Department of Defense, Caltrans, San Diego Unified Port District, Metropolitan Transit System, North County Transit District, San Diego County Water Authority, Southern California Tribal Chairmen's Association, Mexico, and the San Diego County Regional Airport Authority. The CIP is a ten-year action plan for the investments, policies, and system improvements and capital projects needed to advance the Regional Plan vision. The CIP addresses regional economic growth, while improving regional mobility, air quality, economic resilience, and access to opportunity such as jobs, education, health care and recreation.

The RTIP lists the projects, programs and activities that will be funded during the next five years after receiving federal approval. It includes those projects selected for federal formula funds from both the CIP and the Overall Work Program as approved by the Board. SANDAG must adopt a financially constrained RTIP, which also meets other federal requirements, to remain eligible to receive federal and state funding.

Federal Performance Management Targets, adopted by the Board, provide near and mid-term anticipated outcomes for the transportation network. These inform and are informed by planning and programming actions.

3.0 Funding Principles

The following are the funding principles of SANDAG regarding federal formula funds:

- 1) SANDAG's long-established practice for project funding is to spend outside funds before local funds and to spend the least flexible funds first with the objective of providing maximum flexibility to complete more transportation projects sooner and more cost-effectively. All projects in the SANDAG budget, which are eligible for federal funding, will be considered for federal formula funds.
 - a) Priority for new CMAQ and RSTP allocations will be given in the following order:
 - i) Previously approved and underway project phases will be funded to completion with RSTP and CMAQ funds unless additional funds are obtained through a competitive process.
 - ii) Future phases of projects already funded with CMAQ and RSTP will be prioritized for funding in the order needed based on project schedules to complete project delivery milestones.
 - iii) Other on-going project phases (not currently funded with RSTP or CMAQ) that are eligible for CMAQ and RSTP funding will be evaluated and ranked. Funding will depend on project readiness and ability to timely expend the funds.
 - iv) Unfunded and new candidate projects will be evaluated for consideration following project readiness, network connectivity, Board priorities, and evaluation criteria from the adopted Regional Transportation Plan.
- 2) SANDAG also endeavors to expend as much of its annual appropriation of federal formula funds as possible by obligating funds early and competing for additional Obligation Authority (OA) from the state. If possible, SANDAG will request to obligate more than the annual OA to support California in obtaining additional funds in the August redistribution. SANDAG does not, as a matter of practice, attempt to carry over a reserve of federal formula funds.
- 3) Program five years of federal formula funds in the RTIP based on estimated apportionment amounts provided by Caltrans, consistent with how they will be obligated and expended as shown in the CIP.

4.0 Project Selection and Funding Process

- 1) The Board prioritizes the projects, which it will implement through the annual budget process. The budget is guided by the projects in the Regional Plan, which are regional priorities, as well as projects in the [TransNet Extension Ordinance](#), approved by voters in 2004, and amended as needed by the Board.

- 2) Since SANDAG does not conduct a call for projects for federal formula funds, SANDAG applies regional funds to projects which SANDAG implements for the benefit of the region. These projects are included in the CIP and are selected from projects in the TransNet Ordinance and the Regional Transportation Plan.
 - a) TransNet Ordinance - The projects in the TransNet Ordinance can be amended by a 2/3 majority of the Board and the TransNet Ordinance is amended to be consistent with the adopted Regional Plan. The TransNet Ordinance also provides funding to local agencies on a formula basis which is driven by population and maintained miles. Board practice has been to apply 90% of federal formula funds to projects identified in the TransNet Ordinance.
 - b) Regional Transportation Plan - Projects are prioritized in the [Regional Transportation Plan](#). The projects in the Regional Plan are evaluated and prioritized in multimodal project bundles using evaluation criteria developed, through a robust public process, to reflect plan goals. The evaluation criteria encompass federal transportation performance management planning objectives for safety, infrastructure condition, congestion reduction, system reliability, freight movement and economic vitality, environmental sustainability, and reduction of delivery delays. The project bundling and evaluation criteria are described in [Appendix T](#) of the 2021 Regional Plan in Table T.2. The data sources for the evaluation criteria are included in Attachment 3 of Appendix T and the detailed methodology for each evaluation criteria indicator is included in Attachment 4. Attachment 4 details how federal performance measures, including safety (PM 1) peak delay, congestion, and freight (PM 3) were incorporated in prioritizing projects. The projects selected in the Regional Plan will help the region make progress towards achieving PM targets. Reliability is informed by evaluation criteria Mode Availability and Transit Reliability. [Appendix O](#) provides a more detailed discussion of how the Regional Plan is designed to make progress towards achieving PM targets including project selection and funding as well as implementation strategies. This discussion is included for each performance measure.
 - c) CIP - The Region's priorities, established in the TransNet Ordinance and the Regional Plan, combined with project phasing, inform the development and inclusion of projects in the annual [CIP](#). Projects are selected to be implemented in the budget based on the Open to Traffic dates modeled for the Regional Plan and the project development plan of the individual project. For instance, if a project needs to open in 2035 and it is expected to take ten years, then it must be included in the budget by 2025. The Board occasionally establishes additional priorities which would give increased weighting to a project.
- 3) During the budget development cycle, all projects will be evaluated for eligibility for federal funds per the SANDAG funding priorities. Those projects that are eligible will be further evaluated for eligibility for each fund type. If the projects can potentially demonstrate emissions reductions, they will be added to the list of potential CMAQ projects. Recommendations to the Board on funding for projects included in the Capital Improvement Program are made by the Financial Planning, Budgets and Grants department, approved by the Executive Committee and adopted by the Board.

5.0 CMAQ Project Selection

The CMAQ funding program was created under the federal Intermodal Surface Transportation Equity Act (1991) and reauthorized under the Transportation Equity Act for the 21st Century (1998), the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, 2005), the Moving Ahead for Progress in the 21st Century Act (2012) and the Fixing Americas Surface Transportation Act (FAST Act, 2015) and the Infrastructure Investment and Jobs Act.

The purpose of the CMAQ program is to fund transportation projects/programs, which will contribute to the attainment or maintenance of the National Ambient Air Quality Standards for ozone, carbon monoxide (CO), and particulate matter (both PM 10 and PM 2.5).

According to the latest guidance (Nov 2013) from the Air Quality and Transportation Conformity Team in FHWA's Office of National Environment, in cooperation with the FTA's Office of Planning and Environment, the CMAQ program supports two important goals of the U.S. DOT: improving air quality and relieving congestion – in other words, reducing pollution and adverse environmental effects of transportation projects and transportation system inefficiencies. The CMAQ program provides funding for a broad array of tools to accomplish these goals while ensuring compliance with the transportation conformity provisions of the Clean Air Act Amendments of 1990.

Project Screening

All capital projects in the SANDAG budget will be screened for CMAQ eligibility. This screening will consider the project type from the list below, its current funding levels and project readiness. Projects which are eligible project types will be considered eligible for CMAQ if they can achieve/expect to achieve National Environmental Policy Act.

- 1) Eligibility - The following activities are eligible for funding with CMAQ:
 - a) Transportation activities in the approved State Implementation Plan
 - b) Bicycle and pedestrian programs
 - c) Traffic monitoring, management, and control operations
 - d) Emission inspection and maintenance programs
 - e) Planning and air quality monitoring projects that lead directly to construction or new services or programs that have an air quality benefit
 - f) Public-private partnerships which allow limited eligibility for privately owned or operated alternative fuel vehicles and facilities under certain circumstances
 - g) Extreme low temperature cold start programs
 - h) Other transportation projects or programs not listed above may be considered for funding if endorsed by the air quality control district if the project can be shown to help attain federal air quality standards for the region.

- i) Specific transportation control measures listed in the federal Clean Air Act, which include:

Programs for improved public transit; restriction of certain roads or lanes to, or construction of such roads or lanes for use by passenger buses or high occupancy vehicles; employer-based transportation management plans, including incentives; trip-reduction ordinances; traffic flow improvement programs that achieve emission reduction; fringe and transportation corridor parking facilities serving multiple occupancy vehicle programs or transit service; programs to limit or restrict vehicle use in downtown areas or other areas of emission concentration particularly during periods of peak use; programs for the provision of all forms of high occupancy, shared-ride services; programs to limit portions of road surfaces or certain sections of the urbanized area to the use of non-motorized vehicles or pedestrian use, both as to time and place; programs for secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas; programs to control extending idling of vehicles; employer-sponsored programs to permit flexible work schedules; programs and ordinances to facilitate non-automotive travel, provision and utilization mass transit, and to generally reduce the need for single-occupant vehicle travel, as part of transportation planning and development efforts of a locality, including programs and ordinances applicable to new shopping centers, special events, and other centers of vehicle activity; programs for new construction and major reconstruction of paths, tracks or areas solely for the use by pedestrian or other non-motorized means of transportation when economically feasible and in the public interest.

The guidance document cited above states that MPOs, state DOTs, and transit agencies *"should develop CMAQ project selection processes in accordance with the metropolitan and/or statewide planning process under 23 U.S.C. 134 and 135."* The project selection process should be transparent, in writing, and publicly available. State DOT's and MPO's should develop an appropriate project list of CMAQ programming priorities that will have the greatest impact on air quality.

Ranking Process

- 1) Each CMAQ eligible project identified in the capital budget will be scored on five factors. A project will be given one point for each factor below:
 - a) provides potential emissions reductions
 - b) reduces SOV travel
 - c) reduces delay
 - d) enhances safety
 - e) advances environmental justice
 - f) Projects which have been determined by the Board to be priority projects will be given an additional point
- 2) Next, the rank of each project in the Regional Plan will be determined and the total score will be weighted by the Regional Plan Cost Effectiveness ranking. Projects previously funded with CMAQ, which either have cost increases or have moved to a new phase of work will be assigned the highest ranking.

As the ranking in the Regional Plan incorporates the impact of a project on achieving federal performance management targets, it is anticipated that by funding the highest priority projects, CMAQ funding will support the region in reducing emissions causing Ozone and reducing traffic congestion.

- 3) Finally, funds will be assigned to the highest-ranking projects based on total project need and appropriation levels.

In certain cases, the Board may choose to prioritize different criteria, which may move a project ahead of other projects on the list. In addition, if a project is awarded a discretionary grant which CMAQ is eligible to match, that project may be accelerated in priority to meet the requirements of the grant.

- 4) Once developed, this list will be shared annually with the San Diego Air Pollution Control District (APCD). SANDAG will consult with APCD prior to finalizing the budget to obtain input on the projects selected for CMAQ. This will fulfill SANDAG's requirement to involve the local air quality agency.

The final approved list will be included in the RTIP with each biannual update and will be posted on the RTIP's webpage sandag.org/rtip. The programming of CMAQ and the project list will be reviewed by the Transportation Committee with the RTIP. The Transportation Committee will recommend that the Board adopt the RTIP.

- 5) Changes to funding levels or projects on the list will be guided by the policies governing changes to the program budget and will be incorporated in an RTIP amendment as needed. If additional projects are added to the list during an amendment, an updated list will be posted.

Cost-effectiveness

Projects nominated for CMAQ should make effective use of limited state and federal funds. Projects are weighted by the cost effectiveness adjusted ranking in the Regional Plan. Projects which are in the early stages of development, may estimate cost effectiveness based on the [cost-effectiveness tables](#) as updated by FHWA in July 2020.

In consultation with the APCD, SANDAG has not set a specific policy for cost effectiveness on the basis of cost/benefit ratio or dollars spent per pound of pollutants reduced, this decision will be revisited in yearly check-ins.

6.0 RSTP Project Selection

Under the FAST Act, the long-standing RSTP was converted into the STBG. The STBG promotes flexibility in state and local transportation decisions and provides flexible funding to best address State and local transportation needs. (FAST Act § 1109(a)).

Per SANDAG's funding principles, a project will be funded with RSTP if it is federally eligible per the [guidelines](#), including NEPA clearance. Per the guidance, a project is eligible based on project location and activity. A project must not be undertaken on a local road or rural minor collector unless listed as an exception in the guidance. Eligible activities include:

- 6) Construction of highways, bridges, and tunnels; ferry boats and terminals; transit capital projects; infrastructure-based intelligent transportation systems capital improvements; truck parking facilities and border infrastructure projects.

- 7) Operational improvements and capital and operating costs for traffic monitoring, management, and control facilities and programs. Operational improvement is defined in 23 U.S.C. 101(a)(18).
- 8) Environmental measures eligible under 23 U.S.C. 119(g), 328, and 329, and transportation control measures listed in Section 108(f)(1)(A) (other than clause (xvi) of that section) of the Clean Air Act (42 U.S.C. 7408(f)(1)(A)).
- 9) Highway and transit safety infrastructure improvements and programs, including railway-highway grade crossings.
- 10) Fringe and corridor parking facilities and programs in accordance with 23 U.S.C. 137 and carpool projects in accordance with 23 U.S.C. 146. Carpool project is defined in 23 U.S.C. 101(a)(3).
- 11) Recreational trails projects eligible under 23 U.S.C. 206, pedestrian and bicycle projects in accordance with 23 U.S.C. 217 (including modifications to comply with accessibility requirements under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)), and the Safe Routes to School Program under Section 1404 of SAFETEA-LU (23 U.S.C. 402 note).
- 12) Planning, design, or construction of boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.
- 13) Development and implementation of a state asset management plan for the National Highway System and a performance-based management program for other public roads.
- 14) Protection (including painting, scour countermeasures, seismic retrofits, impact protection measures, security countermeasures, and protection against extreme events) for bridges (including approaches to bridges and other elevated structures) and tunnels on public roads, and inspection and evaluation of bridges and tunnels and other highway assets.
- 15) Surface transportation planning programs, highway and transit research and development and technology transfer programs, and workforce development, training, and education under Chapter 5 of Title 23, United States Code.
- 16) Surface transportation infrastructure modifications to facilitate direct intermodal interchange, transfer, and access into and out of a port terminal.
- 17) Projects and strategies designed to support congestion pricing, including electronic toll collection and travel demand management strategies and programs.
- 18) Upon request of a state and subject to the approval of the Secretary, if Transportation Infrastructure Finance and Innovation Act credit assistance is approved for an STBG-eligible project, then the state may use STBG funds to pay the subsidy and administrative costs associated with providing federal credit assistance for the projects.

- 19) The creation and operation by a state of an office to assist in the design, implementation, and oversight of public-private partnerships eligible to receive funding under Title 23 and Chapter 53 of Title 49, United States Code, and the payment of a stipend to unsuccessful private bidders to offset their proposal development costs, if necessary to encourage robust competition in public-private partnership procurements.
- 20) Any type of project eligible under 23 U.S.C. 133 as in effect on the day before the FAST Act was enacted.

Projects included in the CIP will be eligible for RSTP funding as prioritized in the Regional Plan.

The projects in the Regional Plan were evaluated and prioritized in bundles by corridor. These projects will be implemented in the CIP per project schedules to open within the time frames and conformity windows as established in the Regional Plan. Those projects will then be programmed in the RTIP.

In addition, programs and planning efforts in the Overall Work Program may be eligible for RSTP provided that those planning efforts will lead to surface transportation projects.

RSTP will be applied to projects with available match or if needed to provide required match to state funded projects or projects successfully competing for grant funds where RSTP can be used as a match.

Finally, the Board can choose to supersede the priorities set in the Regional Plan and accelerate a project in the CIP and RTIP based on regional needs.

Table I-1: SANDAG 2023 RTIP CMAQ Project Prioritization and Selection

SANDAG 2023 RTIP CMAQ Project Prioritization and Selection																
Proposed Projects						Evaluation Criteria and Ranking										CMAQ Funding Programmed
MPO ID	Project Number	Project Name	Project Type	CMAQ Eligible	CMAQ Project Type	Regional Project Bundle	Regional Plan Rank w/cost effectiveness	Board Priority	Emissions Reduction	Reduces SOV Travel	Reduces Delay	Social Justice	Safety Project	Total Score	Total Score with RP Rank	CMAQ Amount Programmed 2023-2027
SAN258	1149000	Central Mobility Station	Major Capital	Yes	Transit Improvements	5	8	1	1	1	1	1	0	5	2.89	\$19,400,000
V07	1200200	Project Biological Mitigation Fund	EMP	Yes	Congest Reduct & Traffic Flow imp	No Build	1	0	1	1	1	0	0	3	2.84	\$14,865,149
CAL09	1200504	I-5 HOV: Manchester Avenue to Palomar Airport Drive	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	No Build	1	0	1	1	1	0	0	3	2.84	
CAL09	1200509	I-5 HOV: San Elijo Bridge Replacement	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	No Build	1	0	1	1	1	0	0	3	2.84	
CAL09	1200510	I-5 HOV: Carlsbad	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	No Build	1	0	1	1	1	0	0	3	2.84	\$10,935,000
CAL09D	1200514	I-5 HOV Conversion to Express Lanes	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	15	12	1	1	1	1	0	0	4	1.47	\$5,500,000
CAL09D	1200515	I-5/I-805 Conversion to Express Lanes - Design	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	15	12	1	1	1	1	0	0	4	1.47	
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	BRT/Bus	Yes	Transit Improvements	9	11	0	1	1	1	1	0	4	1.68	
CAL277	1207802	I-15/SR 78 HOV Connectors	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	19	4	0	1	1	1	1	1	5	3.95	\$6,090,000
CAL277A	1207803	SR 78/I-5 Express Lanes Connector	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	21	15	0	1	1	1	1	1	5	1.05	
CAL278	1207804	SR 78 HOV Lanes: I-5 to I-15	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	19	4	0	1	1	1	1	1	5	3.95	
SAN261	1210091	Palomar Street Rail Grade Separation	Rail	Yes	Congest Reduct & Traffic Flow imp	3	6	0	1	0	1	1	1	4	2.74	\$3,450,000
SAN206	1223058	Downtown to Imperial Avenue Bikeway	Bike	Yes	Bicycle/Ped Facilities Programs	5B	1	0	1	1	0	1	1	4	3.79	
	1223080	North Park/Mid-City Bikeways: Monroe Bikeway	Bike	Yes	Bicycle/Ped Facilities Programs	5A	7	0	1	1	0	0	1	3	1.89	
SAN232	1223081	North Park/Mid-City Bikeways: University Bikeway	Bike	Yes	Bicycle/Ped Facilities Programs	5A	7	0	1	1	0	0	1	3	1.89	
SAN233	1223082	North Park/Mid-City Bikeways: Georgia-Meade Bikeway	Bike	Yes	Bicycle/Ped Facilities Programs	5A	7	0	1	1	0	0	1	3	1.89	
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	Bike	Yes	Bicycle/Ped Facilities Programs	5C	9	0	1	1	0	0	1	3	1.58	
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley	Bike	Yes	Bicycle/Ped Facilities Programs	5C	9	0	1	1	0	0	1	3	1.58	
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	Bike	Yes	Bicycle/Ped Facilities Programs	5C	9	0	1	1	0	0	1	3	1.58	
SAN284	1223087	North Park/Mid-City Bikeways: Orange Bikeway	Bike	Yes	Bicycle/Ped Facilities Programs	5A	7	0	1	1	0	0	1	3	1.89	
SAN153	1223094	Inland Rail Trail: Phases 3 &4	Bike	Yes	Bicycle/Ped Facilities Programs	21	15	0	1	1	0	0	1	3	0.63	
SAN64	1239809	Eastbrook to Shell Double Track	Rail	Yes	Transit Improvements	15	12	0	1	1	0	0	1	3	1.11	
SAN29	1239812	Sorrento to Miramar Phase 2	Rail	Yes	Transit Improvements	10	2	0	1	1	0	0	1	3	2.68	
SAN30	1239813	San Dieguito Double Track and Platform	Rail	Yes	Transit Improvements	10	2	0	1	1	0	0	1	3	2.68	
SAN183	1239816	Batiquitos Lagoon Double Track	Rail	Yes	Transit Improvements	15	12	0	1	1	0	0	1	3	1.11	
CAL09D	1280517	I-805 HOV Conversion to Express Lanes	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	15	12	1	1	1	1	0	0	4	1.47	
CAL67	1280518	SR 94 Transit Priority Lanes (I-805 to I-5)	BRT/Bus	Yes	Transit Improvements	6	16	0	1	1	1	0	0	3	0.47	\$15,000,000
CAL571	1280519	I-805 Transit Priority Lanes (SR 15 to SR 52)	BRT/Bus	Yes	Transit Improvements	10	2	0	1	1	1	1	0	4	3.58	\$6,000,000
CAL547	1280520	I-805/SR 94/SR 15 Transit Connection	HOV/ML	Yes	Congest Reduct & Traffic Flow imp	3	6	0	1	1	1	1	0	4	2.74	\$8,800,000
	OWP														0.00	
SAN11A	3310500	TDM/Rideshare	Program	Yes	Travel Demand Management	TCM	1	1	1	1	1	1	0	5	4.74	\$35,000,000
SAN264	3502000	EV Chargers	Program	Yes	Alt Fuels & Vehicles	EIR	1	1	1	0	0	0	0	2	1.89	\$3,000,000
SAN287	3505000	Youth Opportunity Passes	Program/Pilot	Yes	Travel Demand Management	EJ		1	1	1	1	1	0	5	5.00	\$5,870,000
SAN286	3322500	Purple Line Feasibility	Study	Yes	Transit Improvements	3	6		1	1	1	1	1	4	2.74	
SAN285	3322300	Blue Line Express and San Ysidro Mobility Hub Feas	Study	Yes	Transit Improvements	3	6		1	1	1	1	1	4	2.74	