

# Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Policy to Guide the Distribution of Federal Funds

## I. Statement of Values

This updated policy aligns with the goals that the MPO Board adopted for the [2050 Metropolitan Transportation Plan](#) (MTP).

These goals include:

- I. Protect the Human and Natural Environment and Minimize Climate Change
- II. Ensure Equity and Participation
- III. Connect People and Places
- IV. Ensure that All People Have Access to Multimodal and Affordable Transportation Choices
- V. Promote Safety, Health, and Well-Being
- VI. Improve Infrastructure Condition and Resilience
- VII. Manage Congestion and System Reliability
- VIII. Stimulate Inclusive Economic Vitality

As part of the application procedure, each applicant will explain how their project submittals support the goals of the 2050 MTP.

## II. Regional Flexible Funding

Federal funding that flows through the MPO, including Surface Transportation Block Grant Direct Attributable (STBGDA), Transportation Alternatives, Congestion Mitigation Air Quality Improvement funding (CMAQ), STBG-Any Area funding received through INFRA swaps, and any federal funding identified during NCDOT's August closeout, will be combined to form a single funding pool known as **Regional Flexible Funding (RFF)**.

Once all projects are submitted, MPO staff will determine which projects will receive which type of federal funding based on the project type and funding available.

Applicants may also indicate preferred funding types for their projects.

## III. Eligible Applicants, Projects, and Phases

### Eligible Applicants

Any MPO member agency, including transit agencies, cities, towns, counties, and planning organizations such as the Triangle J Council of Government and Research Triangle Foundation, may apply for funding through the Regional Flexible Funding Program.

### Project and Phase Eligibility

During the SPOT process that North Carolina uses to prioritize projects for funding throughout the state, the North Carolina Department of Transportation (NCDOT) uses a normalization

procedure to allocate funds between highway and non-highway modes. The normalization procedure allocates at least 90% of funds that come through the state to highway projects.

In keeping with the MPO's goals, funding priority will be given to projects in the adopted DCHC Metropolitan Transportation Plan in the following categories and not for roadway projects:

- Public transit
- Bicycle and pedestrian facilities
- Transportation System Management, Transportation Demand Management, Intelligent Transportation Systems
- Scenic and environmental enhancements
- Planning studies that support the implementation or development of the adopted and future versions of DCHC's Metropolitan Transportation Plan and air quality programs

#### Local versus Regional Plans and Projects

Regional planning studies should be requested through the Unified Planning Work Program (UPWP) process. Agencies may apply for funding for local area and feasibility studies through the RFF program.

The 2045 MTP's defines "regionally significant" projects as those that:

Provide access to and from the region, or to major destinations in the region. The FHWA functional classifications serve a different purpose than the local functional classification used by the MPOs, so the two classification systems are significantly different. Generally, the regionally significant designation includes interstate highways, U.S. highways, freeways, and North Carolina signed roads that are the primary road in a corridor. Rail transit facilities, which are described in a separate section, are considered regionally significant.

A list of regionally significant bicycle and pedestrian routes is included in the 2045 MTP.

#### Capital Projects versus Local Area Planning and Feasibility Studies

All phases of a project need to follow the federal process if federal funding is used for even one phase or part of a project. The federal process often leads to increased project costs. The RFF program therefore prioritizes design, right of way (ROW), and construction of infrastructure projects over local area planning studies and feasibility studies to most efficiently use federal funds.

Agencies may apply for local area planning and feasibility studies through the RFF program. The rubric and various provisions in this policy, such as the maximum funding request cap, are designed to allow smaller jurisdictions to receive funding for these projects, as these jurisdictions may lack other sources of funding for such projects.

Projects must meet the following five requirements to apply for RFF:

##### 1) Federal-Aid Eligible Projects

There are eligibility requirements associated with all types of state and federal funding sources. Regional Flexible Funding may consist of funds from Surface Transportation Block Grant Program Direct Attributable (STBGP-DA); Congestion Mitigation for Air Quality (CMAQ); Transportation Alternatives Program (TAP); and other funds passed through the

MPO for programming. Bicycle and pedestrian projects that serve a transportation purpose (as opposed to a recreational purpose) are eligible. A bicycle or pedestrian project must transport members of the public from one place to another to demonstrate its transportation purpose. Transit projects that encourage the development, improvement, and use of public mass transportation systems are eligible for RFF.

## 2) Locally Administered

By applying for a project through the RFF program, the applicant is committing to sponsoring that project. The sponsor will be responsible for all federal and state reporting requirements associated with the funding source applied to their project. DCHC MPO will also require reporting from successful applicants to keep the MPO Board up-to-date on the progress of the project until it is complete. An interlocal agreement between NCDOT and the project sponsor will outline a reimbursement schedule as local sponsors will be required to front all project costs, invoice NCDOT, and get reimbursed for the federal percentage dedicated to the project.

Transit agencies typically flex funds to the Federal Transit Administration, which requires less coordination with NCDOT.

## 3) Metropolitan Transportation Plan or local plan compliant

The project must be identified in the currently adopted MTP or another local plan that has been adopted by a governing body or board.

## 4) Eligible Project Phase

- NEPA/Design- for this phase, the project must include 100% design and full NEPA documentation
- Land or Right-of-Way Acquisition
- Construction (including environmental mitigation and utility relocation)
- Transit Capital
- Travel Demand Management (TDM) Projects, coordinated through the Triangle Transportation Choices TDM Program administered by TJCOG.

## 5) Minimum Match Committed

Applicants must provide a local match as required by the federal funding source assigned to their project. Typically, the requested local match is 20 percent. Applicants must identify the source of their local matching funds as part of the application procedure. The local match should be clearly identified in the project budget.

# IV. Policy Priority Transportation Demand Management

DCHC MPO, the Capital Area Metropolitan Planning Organization (CAMPO), and the North Carolina Department of Transportation (NCDOT) provide funding for a regional Transportation Demand Management (TDM) program. TDM offers high air quality benefits and competes

favorably for CMAQ funding. TDM has also been identified as a joint policy priority by the DCHC and CAMPO boards.

CMAQ funds will be used for DCHC MPO's share of the TDM program.

Should the regional TDM program require funds that exceed 3% of funding received from the previous year, TJCOG will provide a written justification for the increased program costs that will be presented to the MPO Technical Committee (TC) and Board for consideration.

The MPO Board will vote on a funding recommendation for the regional TDM program during every funding cycle in which CMAQ funds are requested for the regional TDM program.

To ensure oversight and transparency related to funding the TDM program, TJCOG will provide:

- Presentations to the MPO Board twice a year, consistent with what is required of other Regional Flexible Funding (RFF) recipients.
- Provide an Annual Work Plan to LPA staff that describes how CMAQ funds are being used to support Transportation Demand Management programming in the region.

**Note:** DCHC MPO does not directly provide CMAQ funds to projects or programs. DCHC MPO recommends projects and programs for CMAQ funding to NCDOT based on completed CMAQ applications and emissions calculations. NCDOT makes the final funding determination for CMAQ project submittals.

## **V. Number of New Project Submittals**

Although there will be one call for projects each year, there will be separate procedures for submitting new and existing project funding requests.

Shortfall funding requests will be prioritized as the MPO wishes to encourage local agencies to complete projects before starting new projects to avoid overextending staff and funding resources.

If you are submitting a request for funding for an existing project, you must confirm that there are no substantial changes in scope to your project that led to the increase in the project cost. If there are substantial changes in the scope of your project, the project must be submitted and scored as a new project.

Due to delays in implementation of previously programmed projects, DCHC will cap new project submittals based on each agency's number of active projects.

Jurisdictions and agencies with a number of active projects below the cap may submit their desired number of new projects.

Jurisdictions and agencies with a number of active projects above the cap may only apply for funding for existing projects.

The active project cap is based on local match cost sharing<sup>1</sup> for the MPO:

Local Match Cost Share	Active Project Cap
Less than \$50,000	10
\$50,000 - \$200,000	15
Above \$200,000	20

## VI. Funding Request Minimums and Maximum

### Minimum

Due to the high administrative burden associated with RFF projects, the total project cost is required to be at least \$100,000.

Agencies may bundle smaller projects to meet this threshold (e.g. Durham's Bicycle Facilities projects during the FY22 Call for Projects).

Exceptions to this requirement must be approved by the MPO Manager prior to project submittal.

### Maximum

As a regional planning organization, DCHC MPO would like to ensure that all of its agencies have a chance to receive funding through the RFF program to support the creation of a robust, multimodal, regional transportation system. Further, given the limited availability of RFF, MPO staff would like jurisdictions to submit their strongest projects that meet pressing transportation needs. For these reasons, the following funding caps exist:

**Individual projects** – 40% of federal funding available

**All projects submitted by an agency** – 65% of federal funding available

Exceptions to this requirement must be approved by the MPO Manager prior to project submittal.

### Multi-year Funding

The RFF program should be flexible and this means funding more expensive projects over several years when needed. Therefore,

- Agencies may apply for up to three years of funding. This will count against the agency's 65% overall funding request for each of the years that the project has received funding.
- Agencies will receive funding when it is needed to avoid having to inefficiently phase projects. NCDOT banks funding for the MPO, so providing the funding up

<sup>1</sup> We are using the local match cost share instead of population to accommodate regional organizations.

The FY22 UPWP local match cost share is as follows:

Durham City \$233,781

Durham County \$40,225

Chapel Hill \$58,599

Carrboro \$20,050

Hillsborough \$6,232

Orange County \$35,019

Chatham County \$14,498

GoTriangle \$29,871

front should not be a problem.

#### Four-Year Funding Review and Provisions for Agencies that Have Not Received Funding

- Before each call for projects, MPO staff will review funding received by all agencies over the previous four years.
- Beginning in FY24, if an agency has not received funding in the previous four years, they will receive an extra 10 points on the rubric for projects they submit in that cycle. These points may be added to a single project or divided for multiple projects.

#### Inability to Use Funds

In cases where an agency cannot secure a local match after two years of receiving RFF or there are egregious delays to using RFF, MPO staff will ask the MPO Board to make a recommendation about whether RFF should be withdrawn from a project and returned to the RFF pool. The two-year timeline begins once the MPO Board has approved project funding.

## **VII. Application Procedure**

MPO staff will provide a schedule for the Call for Projects at the beginning of each fiscal year. All due dates for application materials will be finalized at least one month before the first application materials are due.

**Agencies should only apply for funding for projects that have a phase that begins in or within one year of the Call for Projects cycle.** For example, you should only apply for funding in FY 23 if the project or project phase that you are applying for begins in FY 23 or 24.

Applicants will receive links to two types of applications: 1) new projects and 2) existing projects. Applicants will fill out the appropriate application by project type and send an email to MPO staff once all their applications are complete with the following information:

- 1) A list of all submitted projects
- 2) Shapefiles for each project submitted
- 3) A designated point of contact for the submissions

#### Pre-submittal Meeting

At least two weeks before applications are due, MPO staff will hold a presubmittal meeting for local agencies and jurisdictions. Each agency submitting an application should have a representative present at the meeting. If that is not possible, the agency should let MPO staff know and set up a one-on-one meeting to discuss their questions. Responses to all questions raised at the presubmittal meeting will be posted on the MPO's website.

#### Cost Estimates

- Applicants should share the method they used to prepare their cost estimate. For instance, did they use a cost estimator tool? Which one?
- Cost estimates should be no more than a year old.

#### Contingencies

To reduce the need for shortfall funding and to account for the difficulty of developing accurate cost estimates, all RFF project submittals must include a contingency of at least 15%. Contingencies will be based on project completion.

Applicants who have not completed the Preliminary Engineering phase for their project should

apply a 45% contingency to all phases included in their RFF cost estimate.

Applicants who have completed Preliminary Engineering and are pursuing right of way funding and beyond should apply a 30% contingency.

Applicants who have completed preliminary engineering and right of way should apply a 15% minimum contingency when applying for construction funding.

Project Phase Completed			Contingency
PE	ROW	CON	45%
PE x	ROW	CON	30%
PE x	ROW x	CON	15%

The contingency should be clearly identified in your project budget.

## **VIII. Project Scoring and Selection**

MPO staff will score new projects using the scoring rubric provided in Appendix A.

MPO modeling staff will provide all quantitative data required to complete the rubric including crash, emissions, environmental justice, and congestion data. This ensures consistency in data collection across jurisdictions and agencies and will reduce local staff time needed to prepare applications.

### Board Presentation of Selected Projects

MPO staff will prepare a list of projects that are recommended for funding based on the rubrics found in the appendices and present this list to the MPO Board for approval. Each agency will select a representative to present projects that have received a funding recommendation to the MPO Board.

MPO staff will provide a template for presenting these projects to the MPO Board. Presentations will be no more than five minutes per agency or jurisdiction. Time per agency will depend on the number of projects that receive a funding recommendation.

## **IX. Project Reporting**

Recipients of Regional Flexible Funding will be required to provide a brief report to the MPO Board twice a year.

MPO staff will provide a reporting template to funding recipients. The MPO Board will receive the compiled progress reports as an attachment to the agenda and will have an opportunity to ask questions about projects to local staff.

To encourage compliance with this reporting requirement, past reporting will be considered on the scoring rubric for future funding cycles.

## **X. Public Involvement**

This update of the federal funding policy process aims to increase transparency for DCHC MPO's funding processes. As such, once projects are scored, they will be released for a 21-day public comment period before the MPO Board votes to approve a funding recommendation. In order to avoid excessive delays to the process, MPO staff will release the scores for public comment without a recommendation from the TC and MPO Board. A public hearing will also be held at an MPO Board meeting to allow members of the public to share their thoughts about the proposed projects with the MPO Board.

Projects that receive more than \$1 million in funding will not be released for a second public comment period through the Transportation Improvement Program (TIP) amendment procedure. The 2020 Public Involvement Policy will be amended to reflect these changes.

## **XI. Transportation Improvement Program (TIP) Procedure**

Applicants cannot access federal funding until their projects are reflected in the State Transportation Improvement Program (STIP) and the MPO's Transportation Improvement Program (TIP).

MPO staff will present the MPO Board with a TIP amendment to reflect newly funded projects at the same Board meeting where funding for new projects is approved.

New projects cannot be added to the STIP without a STIP number. Once funding for a new project is approved by the MPO Board, MPO staff will work with local agencies and the NCDOT STIP Unit, or the Integrated Mobility Division in the case of transit projects, to assign STIP numbers to new projects. This process typically takes about three weeks.

Existing projects that receive less than \$2 million can be added to the STIP as an administrative modification, which does not require approval from the Board of Transportation. Adding such projects to the STIP usually takes about one month.

All new projects and projects that receive more than \$2 million in funding require a STIP amendment, which requires Board of Transportation approval. Adding such projects to the STIP may take approximately two months.

## **XII. Evaluation and Revision of Policy**

This policy should be updated every time a new MTP is adopted to ensure that the policy reflects the MPO's current policy priorities. To update this policy, MPO staff will:

- 1) Collect data on funded projects and their progress each year
- 2) Collect qualitative data through interviews and surveys with past RFF applicants and recipients to identify issues with the implementation of the program
- 3) Review updated federal funding policies from MPOs in and outside of North Carolina

Policy amendments may occur as needed to resolve issues or problems with implementation of the RFF program. Amendments to this policy must be approved by the MPO Board.



### **XIII. Contact**

For questions and comments about this policy, contact:

**Anne Phillips**

Principal Planner

Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO)

101 City Hall Plaza

Durham, NC 27701

Cell (919) 886 0258

[anne.phillips@durhamnc.gov](mailto:anne.phillips@durhamnc.gov)

Appendix A: Scoring Rubric

Category	Description		Scoring Method	Justification	Max
Connectivity	<b>Bicycle and Pedestrian:</b> The project should connect to an existing bicycle or pedestrian facility in order to qualify for these points. To qualify for points, other facilities should be existing on the ground, under construction at time of application, or obligated for federal or state construction funding at the time of application. Scoring allows flexibility for new connections.	<b>Transit:</b> Directly connects the transit user with other modes, routes, systems, or destinations. The project directly serves riders and provides new connections between the transit system and other modes, routes, systems or destinations. To qualify for these points, the other modes, routes, systems, or destinations must be existing, under construction at the time of application, or obligated for federal or state construction funding at the time	For projects with less than three existing connections, one point for each planned connection up to three points maximum; 1 connection = 4 points, 2 connections = 7 points, 3 or more connections = 10 points	Aligns with the "Connect People and Places" goal of the 2050 MTP.	10
Access to Transit	If the project improves access to transit services by being within ¼-mile of fixed-route transit stop.		Closest = 10; others relative ranked based on distance; 8 = next closest, etc. It is possible for multiple projects to get 10 points if they provide direct access	Supports equity, mode shift, and a multimodal transportation network. Aligns with the "Ensure all people have access to multimodal and affordable transportation choices" goal of MTP.	10
Population and Employment Density	Variable score from 0-10 points based on the relative population and employment density within a 0.5 mile buffer of the corridor. For multi-jurisdictional agencies, the municipality where the project is located will be used to normalize scores.		Relative Score	Similar to a category in the Regional Bicycle and Pedestrian scoring rubric. MPO staff will perform this analysis using the regional model.	10
Project Phase	This category is intended to ensure that the MPO is leveraging federal funds for constructing projects in a timely manner.		Construction with partial funding = 30; Construction phase with no funding = 25, Right-of-Way = 20; Design = 15, Area Planning or Feasibility Study = 10	Keeps with precedent of prioritizing Construction/ROW	30

Local Priority	Each submitting agency will receive 15 points to apply to their projects.			Allows agencies to demonstrate their priorities. Giving all agencies that submit projects the same number of points supports fair geographic distribution of projects. No project can receive more than 10 local priority points.	15
Environmental Justice and Equity	Projects will receive points if located in communities of concern identified in DCHC MPO's 2020 Environmental Justice Report. <b>Sixty</b> percent of a project needs to be located in a community of concern or overlapping communities of concern to receive these points.	Transit Projects will receive a relative score based on demographic data from on-board surveys. Transit agencies will provide this data.  The methodology that the MPO uses for its EJ report will be applied to the transit route(s) served by the project to determine how many overlapping communities of concern are served by the project.	0 or 1 Overlap CoC = 3; 2 Overlapping CoC=6; 3 Overlapping CoC = 9; 4 Overlapping CoC = 12; 5 Overlapping CoC = 15	Aligns with Zero Disparity objective of 2050 MTP	15
Safety	Projects will receive a variable score from 0-15 points based on the relative number of bike/ped crashes in previous 5 years within a 1/4 mile buffer of the project, or an alternate corridor if the project is on a new location.  Crashes will be normalized using vehicle miles traveled (VMT).		Relative Score	Aligns with Zero Fatalities and Serious Injury objective of the 2050 MTP.	15
Emission/VMT Reduction	Modeling staff will calculate the emissions reduction benefit for each project using the methods we use for CMAQ calculations. Projects will receive a variable score from 0-15 based on these emissions calculations. The highest scoring projects will be prioritized for CMAQ funding.		Relative Score	Aligns with Zero Emissions objective of 2050 MTP	15
Total					120

## Appendix B: New Project Application

DCHC MPO modeling staff will provide crash, emissions, equity, and access to transit data for all project submittals to ensure fairness and consistency in project scoring. Applicants must provide shapefiles for each project submittals for this analysis.

- 1) Is your project included in the currently adopted Metropolitan Transportation Plan? Y/N
- 2) Is your project in a local plan? Y/N If yes, which plan and when was it adopted?
- 3) What is the total cost of the project?
- 3) What phase of funding are you applying for? When will this phase begin?
- 4) How much federal funding are you requesting?\*
- 5) What is the source and amount of the local match you are providing.
- 6) Describe all work that has been completed on this project to date. If no work has been completed, explain why this project is a priority for your agency.
- 7) Describe all work that needs to be completed on the project and a schedule for completing that work.
- 8) In no more than one paragraph, please explain how this project supports at least two goals from the currently adopted Metropolitan Transportation Plan.
- 9) If you do not receive funding from the RFF program, what other funding sources are available to you for this project?

\*Attach a budget that shows the funding you are requesting, the local match you will provide, when the funding will be used (federal fiscal year), and that you have included the contingencies required by this policy.

Appendix C: Application for Shortfall Funding

Requests for funding for new and existing projects will be scored separately.

- 1) How much federal funding are you requesting from the MPO?

- What is the source of the 20% local match?

- How much funding are you requesting from other sources?
- 2) Describe the work that has been completed on this project.
- 3) Describe the work that still needs to be completed and the schedule for completion of the remaining work.
- 4) Have you requested shortfall funding for this project from the MPO in the past? How many times? If yes, how much funding did you request and how much funding did you receive?
- 5) Have there been any changes in scope to this project? If so, please describe these changes to the scope of the project and how they have affected the cost of the project.

Criteria		Points		Points		Points
Percent Increase in Request Over Original Budget	Up to 50%	3	51-99%	2	100% or more	1
Highest Phase Complete	Less than Planning	1	ROW	2	CON	3
Previously Received Shortfall Funds	1 time	3	2 times	2	3 or more times	1