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MEETING NOTICE AND AGENDA

SAN DIEGO CONFORMITY WORKING GROUP

The San Diego Conformity Working Group may take action on any item appearing on this agenda.

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Imperial County
 California Department
 of Transportation
 Metropolitan
 Transit System
 North San Diego County
 Transit Development Board
 United States
 Department of Defense
 San Diego
 Unified Port District
 San Diego County
 Water Authority
 Mexico

Wednesday, March 7, 2012

10:30 to 11:30 a.m.

SANDAG, Conference Room 8C
 401 B Street, Suite 800
 San Diego, CA 92101-4231

Staff Contact: Rachel Kennedy
 (619) 699-1929
 Rachel.Kennedy@sandag.org

AGENDA HIGHLIGHTS

- **2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: CONFORMITY CRITERIA AND PROCEDURES**
- **SCHEDULE FOR DEVELOPMENT OF THE SAN DIEGO REGION STATE IMPLEMENTATION PLAN SUBMITTAL FOR THE 1997 EIGHT-HOUR OZONE STANDARD**

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SAN DIEGO CONFORMITY WORKING GROUP

Wednesday, March 7, 2012

ITEM #	RECOMMENDATION
1. INTRODUCTIONS	
+2. SUMMARY OF JANUARY 4, 2012, MEETING	INFORMATION
<p>The summary of the January 4, 2012, Conformity Working Group (CWG) meeting is attached. The CWG is asked to review the meeting summary.</p>	
3. PUBLIC COMMENTS/COMMUNICATIONS	
<p>Members of the public shall have the opportunity to address the CWG on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the working group coordinator prior to speaking. Public speakers should notify the working group coordinator if they have a handout for distribution to working group members. Public speakers are limited to three minutes or less per person. Working group members also may provide information and announcements under this agenda item.</p>	
+4. 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: CONFORMITY CRITERIA AND PROCEDURES	DISCUSSION
<p>The CWG will discuss the conformity criteria and procedures to be followed to determine conformity of the 2012 Regional Transportation Improvement Program and redetermine conformity of the 2050 Regional Transportation Plan for consistency purposes. SANDAG staff will make brief presentations on the following topics:</p>	
<ul style="list-style-type: none">a. Revenue-Constrained Program Assumptionsb. Regional Growth Forecastc. Travel Demand Modeld. Latest Emissions Model, Emissions Budgetse. Transportation Control Measuresf. Public Involvement and Outreach	
5. SCHEDULE FOR DEVELOPMENT OF THE SAN DIEGO REGION STATE IMPLEMENTATION PLAN SUBMITTAL FOR THE 1997 EIGHT-HOUR OZONE STANDARD	INFORMATION
<p>San Diego Air Pollution Control District staff will provide the CWG with information regarding the development of the San Diego Region 1997 Eight-Hour Ozone Standard Maintenance Plan as a State Implementation Plan submittal.</p>	
6. EMFAC 2011 DEVELOPMENT	INFORMATION
<p>California Air Resources Board staff will provide the CWG with an update on the completion of EMFAC 2011. U.S. Environmental Protection Agency (EPA) staff will be asked to provide an update on the approval process of EMFAC 2011 for use in conformity determinations.</p>	

7. 1997 EIGHT-HOUR OZONE STANDARD RE-CLASSIFICATION UPDATE DISCUSSION

Staff from U.S. EPA and the San Diego Air Pollution Control District will provide an update on the proposed rule to Implement the 1997 Eight-Hour Ozone standard.

8. OTHER BUSINESS INFORMATION

+ next to an item indicates an attachment

The next meeting of the San Diego Region Conformity Working Group is scheduled for April 4, 2012, from 10:30 a.m. to 12 noon at SANDAG.

San Diego Association of Governments
CONFORMITY WORKING GROUP

March 7, 2012

AGENDA ITEM NO.: **2**

Action Requested: INFORMATION

SUMMARY OF JANUARY 4, 2012, MEETING

File Number 3100600

Item #1: Introductions

Self-introductions were made. See attached attendance list.

Item #2: Summary of November 2, 2011, Meeting

Rachel Kennedy, SANDAG, asked the Conformity Working Group (CWG) to review the meeting summary. No corrections were made.

Item #3: Public Comments/Communications

No public comments were made.

Item #4: 2050 Regional Transportation Plan Conformity Finding

On October 28, 2011, the SANDAG Board of Directors adopted the 2050 Regional Transportation Plan (2050 RTP) and made the corresponding conformity determination. On December 2, 2011, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA), in consultation with the U.S. Environmental Protection Agency (EPA) determined that the 2050 RTP and its conformity analysis conform to the applicable State Implementation Plan (SIP) in accordance with CFR Parts 51 and 59.

Item #5: Schedule for Development of the 2012 Regional Transportation Improvement Program

Michelle Merino, SANDAG, gave an overview of the development schedule for the 2012 Regional Transportation Improvement Program (2012 RTIP). At the end of January, SANDAG staff plans to send a memo to the local jurisdictions regarding the 2012 update. The memo will provide a schedule for project submittal and approval by SANDAG, FHWA, and FTA. In March, SANDAG staff plans to conduct interagency consultation with the CWG regarding conformity criteria and procedures. In April, SANDAG will issue the list of Capacity Increasing and Non-Capacity Increasing projects for interagency consultation. In late May, SANDAG staff will issue a draft conformity analysis for a 30-day review by the CWG. On June 6, 2012, SANDAG staff plans to discuss the conformity analysis for the draft 2012 RTIP with the CWG. It is anticipated that in July the SANDAG Board will be asked to release the draft 2012 RTIP, including the air quality conformity determination, for public comment and to set a date for a public hearing in September. On September 28, the Board will be asked to approve the final 2012 RTIP including its air quality

conformity determination. In October, the final 2012 RTIP will be submitted to the state, and it is expected that federal approval for the Federal Statewide Transportation Improvement Program will be received by the end of December.

Item #6: Latest Planning Assumptions for Air Quality Conformity Analysis

Ms. Kennedy said that FHWA will be allowing the use of EMFAC 2007 for regional analysis until December 31, 2012. After that date, no conformity analysis using EMFAC 2007 will be allowed. Joseph Vaughn, FHWA, said that an official letter on this matter was sent on December 23, 2011. Elisa Arias, SANDAG, asked Mr. Vaughn to forward the letter to the group. Mr. Vaughn clarified that FHWA will accept conformity determinations and the latest planning assumptions up to December 31, 2012. He said there was a nuance with regards to what EMFAC version can be used.

Ms. Kennedy asked Carl Selnick, San Diego Air Pollution Control District (APCD), if he knew how this issue affected the SIP development. Mr. Selnick said that the contingencies on the latest planning assumptions only affect the RTP and the RTIP adoption; they do not affect the SIP in the same way.

Item #7: EMFAC 2011 Development

Jason Crow, California Air Resources Board (CARB), said that the draft EMFAC 2011 was released on September 30, 2011, along with a package of information, frequently asked questions, and a series of four online tutorials to walk people through the program. An important change from EMFAC 2007 is that the current version has three modules that make up the EMFAC 2011 suite: 1) EMFAC LDV, 2) EMFAC HD, and 3) EMFAC SG, which is the scenario generator that most people will be using to develop emissions calculations. CARB is still working on developing a way to continue to do quantitative "hot spot" analysis for particulate matter. Once this is finalized and approved, it will be sent to the EPA for its approval.

Ms. Arias asked if there was a timeline to accept comments, review the model, and send it to the EPA for approval to use in conformity determinations. Mr. Crow said that there is no specific timeline yet, however, CARB expects to send the final EMFAC 2011 to the EPA soon so he recommended sending any comments as soon as possible.

Ms. Kennedy asked Karina O'Connor, U.S. EPA, for information regarding the timeline for approval once CARB sends the new EMFAC 2011 version to the agency. Ms. O'Connor said that it generally takes from three to six months to go through the approval process. Ms. O'Connor explained that EPA staff would review any modifications made to the model and make sure that comments from the Metropolitan Planning Organizations regarding how to use EMFAC 2011 for conformity purposes have been addressed. Then, the EPA would issue a Federal Register Notice and coordinate with FHWA on the language of the Notice and make sure CARB agrees with the language as well. Once the Notice is published in the Federal Register, it can become effective on that date or 30 days later. The Notice also will set a grace period for use of the model for regional and project level emissions calculations; the EPA would need to coordinate with FHWA to determine the length of the grace period.

Mr. Selnick asked Ms. O'Connor if APCD would be able to use EMFAC 2011 in the development of a Maintenance Plan and request of Re-designation of Attainment for San Diego prior to the EPA's approval of the model. Ms. O'Connor said that APCD could use the model, and she added that EPA

staff would not take action on the submittal before approving the model. However, Ms. O'Connor advised to let the EPA know if there was a SIP that needed to be expedited. Ms. O'Connor also said that the EPA recommends use of the EMFAC 2011 model now, in order to avoid revising budgets later once the model is approved.

Item #8: Eight-Hour Ozone Standard Re-classification Update

Mr. Selnick asked Ms. O'Connor about the status of San Diego's re-classification from Subpart I to Subpart II. Ms. O'Connor agreed to provide a status report to the group by e-mail.

Mr. Selnick said that APCD is moving forward with the development of the Maintenance Plan because San Diego attained as of 2011; APCD intends to have a submittal for the EPA in the summer. Mr. Selnick also said that he would come back to the CWG next month with a schedule for the Maintenance Plan development and that this development would be independent from the EPA's action on re-classification.

Ms. Arias asked Ms. O'Connor if there would be any conflict if the EPA issued the implementation rule regarding re-classification prior to the submittal of the Maintenance Plan to the EPA. Ms. O'Connor said that she was not sure but that the EPA headquarters was aware of this situation with San Diego. Mr. Selnick said that there should not be any conflict. He added that although there are some questions regarding the desirability of the re-classification since San Diego has attained, the re-classification would not affect the emissions budgets and the conformity process. The upcoming Maintenance Plan will establish the emissions budgets whether it is under the re-classification situation or without it. Any implications of the two items happening at approximately the same time would have to do with stationary sources. Ms. Arias asked if the reason that there would not be any conflict is that the Maintenance Plan would be presented to the EPA prior to the one-year clock for an Attainment Plan. Mr. Selnick said that this was correct. He also added that because the standard was attained, the Maintenance Plan is the appropriate plan to provide in any case. Therefore, there is no conflict in the context of conformity.

Item #9: Other Business

No comments were made under this item.

Item #10: Next Meeting

Ms. Kennedy stated that the next meeting of the CWG is scheduled for Wednesday, February 1, 2012, from 10:30 a.m. to 12 noon at SANDAG. Meeting materials will be sent to the group in advance.

San Diego Region Conformity Working Group

Meeting Attendance

January 4, 2012

Name	Agency
Mike Brady (phone)	Caltrans
Ilene Gallo (phone)	Caltrans
Jason Crow (phone)	CARB
Karina O'Connor (phone)	EPA
Joseph Vaughn	FHWA
Elisa Arias	SANDAG
Andrea Hoff	SANDAG
Rachel Kennedy	SANDAG
Michelle Merino	SANDAG
Domingo Vigil	SANDAG
Carl Selnick (phone)	SDAPCD
Nohelia Patel	Public
Todd Short	Public

2012 Regional Transportation Improvement Program Financial Chapter Highlights

FINANCIAL CAPACITY

As a the Metropolitan Planning Organization for a nonattainment area, the San Diego Association of Governments (SANDAG) is required to prepare a revenue-constrained RTIP with programmed projects based upon committed funding for the first two fiscal years of the RTIP period and reasonably available funding for the remaining years of the RTIP. Funding assumptions are generally based upon: (1) authorized or appropriated levels of federal and state funding from current legislation; (2) reasonable projections of future federal and state funding assuming a continuation of current funding levels; (3) the most current revenue forecasts for *TransNet*, the local transportation sales tax program; and (4) the planning and programming documents of the local transportation providers.

INFLATION ASSUMPTIONS

The projects to be programmed in the 2012 RTIP, covering Fiscal Years (FY) 2012/2013 to 2016/2017 are expressed in future dollars. That is, they have been escalated based upon anticipated inflation and other factors to the expected year of obligation or expenditure. For the State Transportation Improvement Program (STIP) and State Highway Operations, Protection Program (SHOPP), the revenues and program are based on the 2012 Fund Estimate (FE), adopted by the California Transportation Commission (CTC) in August 2011. Based on the Department of Finance Budget Letter, the FE assumes a 2 percent annual escalation for State operations expenditures covering the period FY 2012/2013 through FY 2016/2017.

For the major transportation projects funded with the County Transportation sales tax, *TransNet*, the SANDAG rate takes into account recent trends in improved overall economy and continued low-bid environment for construction projects. The rate used for FY 2012/2013 starts at 4.5 percent and gradually increases over the next five fiscal years. This rate is also consistent with the current update to the long-range plan as well as the Plan of Finance.

PROGRAM REVENUES

RTIP revenue sources have been grouped into different categories and are described below:

Federal Revenues

Federal funds programmed are based on the federal authorizing legislation, Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) which originally expired on September 30, 2009, and which has since been extended to March 31, 2012. The assumptions to the revenue are the continuation of the various federal funding programs included in SAFETEA-LU.

- **American Recovery and Reinvestment Act (ARRA):** This act, which was signed into law on February 17, 2009, was designed to support government-wide efforts to stimulate the economy. Within this program, the SANDAG region received approximately \$320 million for transportation purposes. A majority of the funding was programmed as part of the 2010 RTIP and will be reflected under the prior year funding in the 2012 RTIP.

- **Border Infrastructure Program:** SAFETEA-LU changed the distribution of this program to a formula based-program at the national level but administered at the state level. For San Diego, the state legislation identified funding for the State Route (SR) 905, SR 11, and the San Ysidro Main line projects. Continued funding is based on the extensions to SAFETEA-LU.
- **Congestion Mitigation Air Quality (CMAQ)/Regional Surface Transportation Program (RSTP):** Both of these formula programs are estimated and apportioned by Caltrans for the San Diego region. By SANDAG Board policy, 90 percent of these programs are allocated to the *TransNet* Early Action Program, which seeks to advance regionally significant projects in order to provide increased mobility in the region.
- **Demonstration/High-Priority Projects:** SAFETEA-LU includes several San Diego region projects under the High-Priority Project Authorizations program. No additional funding beyond SAFETEA-LU is assumed.
- **FRA (Federal Railroad Administration):** The FRA revenues include two types of fund sources; The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) focuses on intercity passenger rail with improvements on service, operations, and facilities and funds were awarded through a competitive call for projects process. FRA-ARRA provides revenues for high-speed rail corridors and intercity passenger rail services. Under the FRA-PRIIA program, the region received \$50 million; \$25 million to implement Positive Train Control and \$25 million to fund five projects through final environmental clearance. An additional \$11.8 million under the FRA-ARRA program was awarded to construct two projects. This program would improve service and performance along the Los Angeles-San Diego-San Luis Obispo (LOSSAN) corridor.
- **FTA (Federal Transit Administration) Urbanized Area Formula (Section 5307)/Fixed Guideway (Section 5309 FG) Program:** The FTA Section 5307 and 5309 FG programs are formula-based programs. Section 5307 funds ongoing preventive maintenance, bus acquisition programs, the regional vanpool program, office and shop equipment, and other transit capital projects while Section 5309 FG funds projects related to fixed guideway for rail modernization.
- **FTA (Section 5309) Discretionary Program:** The FTA funds major bus and new starts capital projects under its Section 5309 discretionary program for major bus and new starts capital projects. No new earmarks are assumed.
- **FTA Formula (Section 5310) Capital Program:** This program is administered by Caltrans and the funds are allocated each year by the CTC. Recipients are nonprofit organizations serving the elderly and the disabled community in need of vehicles and other capital items in order to provide services. The funds are programmed annually after approval by CTC.
- **FTA Formula (Section 5311) Program:** Section 5311 is administered by Caltrans and includes both a formula program (5311) as well as discretionary program (5311f) to support transit services in the non-urbanized areas of the region. Caltrans provides the estimates of revenues for the formula program and announces the award under the discretionary program on an annual basis.

- **FTA Formula (Section 5316) Jobs Access Reverse Commute Program:** This program can fund operating, capital, and mobility management projects that transport low-income individuals to and from jobs and activities related to employment, and for reverse commute projects. Although apportioned by formula, SANDAG issues an annual Call for Projects process and funds are programmed based on award.
- **FTA Formula (Section 5317) New Freedom Program:** This program can fund operating, capital, and for new public transportation services and new public transportation alternatives beyond those required by the American with Disabilities Act of 1990 (ADA), that are designed to assist individuals with disabilities. Although apportioned by formula, SANDAG issues an annual Call for Projects process and funds are programmed based on award.
- **Highway Bridge Program (HBP)/ Safe Routes to Schools (SR2S), High Risk Rural Roads (HRRR)/Highway Safety Improvement Program (HSIP):** These programs are administered by Caltrans at the statewide level. All funding is provided by Caltrans and programmed as a lump sum.
- **Transportation Enhancement (TE):** Although this is a federal program, the fund administration was transferred from the regional agencies to CTC. The SANDAG Board determines the projects to be funded under this program. One of the major initiatives under the recently adopted 2050 Regional Transportation Plan (RTP) is the Active Transportation Program, one of the components that would help the region implement its Sustainable Communities Strategy. A major element of Active Transportation is the implementation of the Regional Bicycle Plan. The TE funds are expected to help fund a number of regionally significant bike projects.
- **Transportation, Community, and Systems Preservation (TCSP):** Researches relationships between transportation, community preservation and the environment; funds projects to address transportation efficiency and community system preservation. Projects are programmed upon award.

State Revenues

The state highway projects programmed are based on the proposed 2012 STIP scheduled for adoption in March 2012.

- **Freeway Service Patrol (FSP):** Funds are provided through the state legislature. The FSP program costs and revenue estimates have been developed jointly by SANDAG, Caltrans, and the California Highway Patrol based upon the most current statewide FSP Act funding levels.
- **Proposition 1A:** The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century approved by the voters as Proposition 1A on November 4, 2008, authorizes the CTC, upon appropriation by the Legislature, to allocate funds for capital improvement to intercity rail, commuter rail, and urban rail systems and are being used by North County Transit District (NCTD) to implement Positive Train Control (PTC) in the San Diego region.
- **Proposition 1B:** The CTC is the responsible agency for administering the transportation component of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006. CTC has approved or allocated funding for various programs including STIP/SHOPP Augmentation; Public

Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA); Congestion Mobility Improvement Account (CMIA); State-Local Partnership Program (SLPP); and the Trade Corridors Improvement Fund (TCIF). The funding received under these programs is included in the RTIP.

- **STIP and SHOPP:** The CTC programs the STIP and SHOPP on a statewide basis. The San Diego projects will be programmed in the RTIP upon approval of the 2012 STIP.
- **Traffic Congestion Relief Program (TCRP):** In FY 2001, the Governor of California initiated a new funding program (TCRP) in an effort to relieve congestion statewide. The TCRP was created as a result of a budget surplus, however, with the subsequent and continuing budget deficit, TCRP allocations have been on hold. The CTC adopted a priority list of TCRP-funded projects as Tier 1 and Tier 2. Regardless of timing of the allocation, the 2012 RTIP reflects the schedule as shown in the TCRP schedule.

Local Revenues

- **TransNet Local Transportation Sales Tax Program:** *TransNet* revenues are estimated based upon taxable retail sales forecasts derived from SANDAG's short-term forecasting model.

The *TransNet* Ordinance specifies several sub-programs that augment the major transportation projects in the region including Major Corridors, Bicycle/Pedestrian, and Transit programs, and an innovative program for early mitigation for projects – Environmental Mitigation Program – the first in the state to purchase right-of-way early in order to reduce the cost of projects in the future while preserving the ecology of the region.

- **Local Agency Funding:** The local agency revenues programmed are based on reasonably expected revenues as submitted by local agencies. Included are city and county local gas tax subventions, developer fees, local public funds, Proposition 42 funds and developer funds administered by local agencies.
- **Local Privatization/Toll Revenues:** There is one local privatization/toll revenue funding: the SR 241 Foothill Corridor toll road.
- **State Transit Assistance (STA):** The STA budget provides funding for allocation to local transit agencies to fund a portion of the operations and capital costs associated with local mass transportation programs. Pursuant to ABx8-6 (March 2010), STA allocations are based on sales tax generated from consumption of diesel fuel. The State Controller's office is responsible for providing the estimates in January of each year.
- **Transportation Development Act (TDA):** Although this is a state program, TDA is administered locally. Funds are based on a ¼ percent state sales tax, with revenues made available primarily for transit operating and capital purposes. The San Diego County Auditor's office estimates the apportionment for the upcoming fiscal year. SANDAG prepares forecasts of TDA based on a forecast of sales tax revenues estimated for the San Diego County using SANDAG's short-term forecasting model, which takes into consideration numerous variables, including population growth, jobs, inflation, and real income growth.

Other Transportation Program Revenues

- **Other Funds:** These funds include contributions from various state funding sources, local agency contributions, private sector funding, advertising income, investment earnings, passenger fare revenue, and other miscellaneous income. Revenues from these sources are generally consistent with established historical trends or are based upon funding commitments from local agencies.
- **Innovative Financing:** One project funded through federally funded Grant Anticipation Revenue Vehicle (GARVEE) continues in the RTIP, I-15 Managed Lanes. The intent of the program is to provide a financing mechanism to accelerate the funding and construction of critical transportation projects in order to provide the congestion relief benefits to the public significantly sooner than under traditional financial techniques. Based on the same concept of advancing projects, the SANDAG Board is scheduled to issue its third long-term debt backed by *TransNet* in order to complete major transportation projects early.