

Triangle West Transportation Planning Organization Policy to Guide the Distribution of Federal Funds

I. Statement of Values

This updated policy aligns with the goals that the TPO Board adopted for the [2055 Metropolitan Transportation Plan](#) (MTP).

These goals include:

- I. Protect the Human and Natural Environment and Minimize Climate Change
- II. Ensure Participation for all People
- 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 2055 MTP.

II. Regional Flexible Funding

Federal funding that flows through the TPO, including Surface Transportation Block Grant Direct Attributable (STBGDA), Transportation Alternatives (TADA), and Congestion Mitigation Air Quality Improvement funding (CMAQ) will be combined to form a single funding pool known as **Regional Flexible Funding (RFF)**. Applicants may indicate preferred funding types for their projects.

III. Highway Trust Funds – Fund Swaps for DA Projects

Separate from the RFF are Highway Trust Funds - Fund Swaps for DA Projects and any federal funding identified during North Carolina Department of Transportation's (the Department's) August closeout. This funding will be prioritized for projects that:

- Are considered “shovel ready” or may be obligated through existing purchasing agreements or piggybacking active contracts (e.g. transit vehicle purchases),
- Risk losing other leveraged funds without filling their funding shortfall, and
- Are experiencing a funding shortfall for the construction (CST) phase. Examples of “shovel ready” projects are those which have completed 90% Engineering, and ROW phases and are in need of additional funding in order to complete

- construction.
- Projects that are an important regional transportation priority and are experiencing funding shortfall in an earlier phase (such as PE).

These funds typically become available, and TPO staff are made aware of them, annually following the Department's August Close-out through a memo from the Department in the fall. Once the amount is known, TPO staff will publish this information for our members and open the Fund Swap Call for Projects, which will include the schedule for the Fund Swap Call for Projects. The Fund Swap Call for Projects can occur on an expedited timeline, compared to the RFF Call for Projects, to obligate this funding as soon as possible, depending on the amount of funding available in a particular cycle. The Eligible Applicants, Projects, and Phases will be consistent with the RFF (as described in more detail in this policy), and any applications must follow the guidelines related to VI. Number of New Project Submittals and VII. Funding Request Minimums/maximum. Project scoring and selection will be consistent with the RFF. The application will consist of a memorandum describing how the project meets the above-mentioned criteria along with budget documentation describing the additional funding needed. Once all project applications are submitted, TPO staff will determine which projects will receive which type of federal funding based on the project type and funding available.

IV. Eligible Applicants, Projects, and Phases

Eligible Applicants

Any TPO member agency, including the North Carolina Department of Transportation (NCDOT), transit agencies, cities, towns, counties, and planning organizations like the Central Pines Regional Council and Research Triangle Foundation, may apply for funding through the Regional Flexible Funding Program. Member agencies are also able to partner on joint project applications (for example, Durham County can partner with NCDOT to submit a project application), as long as both partners and their respective roles are clearly identified on the application.

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 TPO's goals, funding priority will be given to projects in the adopted 2055 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 the Metropolitan Transportation Plan and air quality programs
- Safety projects are eligible, but only for projects that have a documented safety concern

Local versus Regional and Projects

Regional planning studies should be requested through the Unified Planning Work Program (UPWP) process.

The 2055 MTP 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.

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. RFF 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 TPO 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. Sponsors are responsible for all federal and state reporting requirements associated with the funding source applied to their project. Triangle West will also require reporting from successful applicants to keep the TPO 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.

Additionally, project sponsors will enter into a project agreement with Triangle West that clearly states the project or project phase scope and anticipated timeline. The sponsor will acknowledge in this agreement that if they do not deliver the project or project phase within two (2) years of the programmed year that the project will be moved to an appropriate program year or the funding will be deprogrammed and available for the next competitive call for projects.

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

3) Metropolitan Transportation Plan or local plan compliant

The project must be identified in the currently adopted MTP or another locally adopted plan 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 Central Pines Regional Council
- Utilities
- CEI

5) Minimum Match Committed

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

from their Chief Financial Officer (or an equivalent) indicating that all non-federal funds are in place and/or that the agency has the financial capacity to provide the non-federal match to complete the proposed project phase(s). If the project is identified in an approved Capital Improvement Program (CIP), this can also suffice.

V. Transportation Demand Management

Triangle West TPO, 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 Triangle West and CAMPO boards. Triangle West is committed to delivering a high level of spending performance and program results that benefit our members' constituents with our limited and valuable funding resources.

The TDM program will compete for RFF along with all other projects.

The TPO 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. This funding recommendation will consider the most recent adopted TDM plan and past TDM spending performance. The Central Pines Regional Council's TDM grant program, and any other pass-through programs that Triangle West supports, cannot provide match guarantees for their future subrecipients. In such cases, the agency administering the funds will monitor their grant subrecipients according to the Federal 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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

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

Note: Triangle West TPO does not directly provide CMAQ funds to projects or programs. Triangle West recommends projects and programs for CMAQ funding to NCDOT based on completed CMAQ applications and emissions calculations. NCDOT will determine project or program eligibility for CMAQ funding submittals.

VI. Number of New Project Submittals

There will be separate procedures for submitting new and existing project funding requests.

Shortfall funding requests will be prioritized as the TPO 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, Triangle West will cap new project submittals based on each agency's number of active projects.

Jurisdictions and agencies with several active projects below the cap may submit 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 non-federal match cost sharing¹ for the TPO:

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

VII. 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 \$250,000.

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 TPO Planning Manager prior to project submittal.

Maximum

Triangle West will ensure that all its agencies have a chance to receive funding through the RFF program to support the creation of a robust, multimodal, regional transportation

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

The FY26 UPWP local match cost share is as follows:

Durham City \$449,673

Durham County \$85,936

Chapel Hill \$95,316

Carrboro \$32,505

Hillsborough \$15,211

Orange County \$54,125

Chatham County \$39,069

GoTriangle \$58,115

system. Further, given the limited availability of RFF, TPO 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 TPO Planning 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 TPO, so providing the funding up front should not be a problem.

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

- Before each call for projects, TPO 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, TPO staff will ask the TPO 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 project details have been added to the STIP..

VIII. Application Procedure

TPO 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 28 if the project or project phase that you are applying for begins in FY 28 or 29.

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 TPO 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, TPO staff will hold a pre-submittal 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 TPO staff know and set up a one-on-one meeting to discuss their questions. Responses to all questions raised at the pre-submittal meeting will be posted on the TPO’s website. Project sponsors must meet with Triangle West staff to confirm RFF policy compliance for each submission prior to Triangle West’s acceptance for the project’s inclusion in a call for projects.

Cost Estimates

- Applicants should share the method they used to prepare their cost estimate. For instance, did they use a costestimator 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 30%. 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 30% 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	30%

The contingency should be clearly identified in your project budget.

IX. Project Scoring and Selection

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

TPO 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 optimize local staff time needed to prepare applications.

Board Presentation of Selected Projects

TPO 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 TPO Board for approval. Each agency will select a representative to answer any questions about projects that have received a funding recommendation to the TPO Board.

X. Project Reporting

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

TPO staff will provide a reporting template to funding recipients. The TPO 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 ~~fund~~ cycles.

XI. Public Involvement

This update of the federal funding policy process aims to increase transparency for Triangle West TPO's funding processes. Once projects are scored, they will be released for a 30-day public comment period before the TPO Board votes to approve a funding recommendation, consistent with the TPO's Public Participation Plan.

XII. Transportation Improvement Program (TIP) Procedure

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

TPO staff will present the TPO 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 TPO Board, TPO 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.

Existing projects that receive less than \$2 million and 25% of the original total project cost 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 existing projects that receive more than \$2 million in additional funding and more than 25% of the original total project cost require a STIP amendment, which requires Board of Transportation approval.

XIII. Evaluation and Revision of Policy

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

- 1) Collect data on funded projects and their progress each year
- 2) Collect qualitative data through interviews, surveys, and discussions with past RFF applicants and recipients, as well as with the Department's Local Programs Management Office (LPMO) to identify issues with the implementation of the program
- 3) Review updated federal funding policies from TPOs 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 TPO Board.

XIV. Contact

For questions and comments about this policy, contact:

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Appendix A: Scoring Rubric

Category	Description		Scoring Method	Justification	Max
Connectivity	Bicycle and Pedestrian: 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.	Transit: 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 2055 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. TPO staff will perform this analysis using the regional model.	10
Project Phase	This category is intended to ensure that the TPO 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.	10
Environmental Justice and Equity	Projects will receive points if located in communities of concern identified in DCHC TPO's 2020 Environmental Justice Report. Sixty 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 TPO 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					115

Appendix B: New Project Application

TW TPO 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 broken down by federal funds and local funds?*
- 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 as well as the expected monthly 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 (MTP).
- 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.

** The project will not be considered if the source of federal funding is not known.

***The month is required for CMAQ application submissions.

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 TPO?
 - 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 including the month and year of updates.
- 4) Have you requested shortfall funding for this project from the TPO 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 First Budget	Up to 50%	3	51-99%	2	100% or more	1
Highest Phase Complete	Less than or equal to planning	1	Utilities	2	ROW	3
Previously Received Shortfall Funds	0 or 1 time	3	2 times	2	3 or more times	1