



# Transportation Development Credits Policy

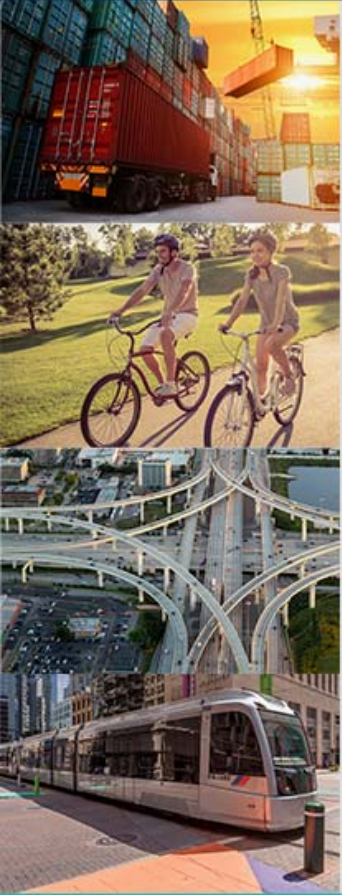


TIP Subcommittee  
July 1, 2020

Regional Collaboration • Transportation Planning • Multimodal Mobility



# Current TDC Policy



## **TDC Policy Goal**

Use of TDCs will advance projects of regional significance, increase funding flexibility in support of these projects and/or increase or maintain funding for key transportation activities in the region.

## **Priorities**

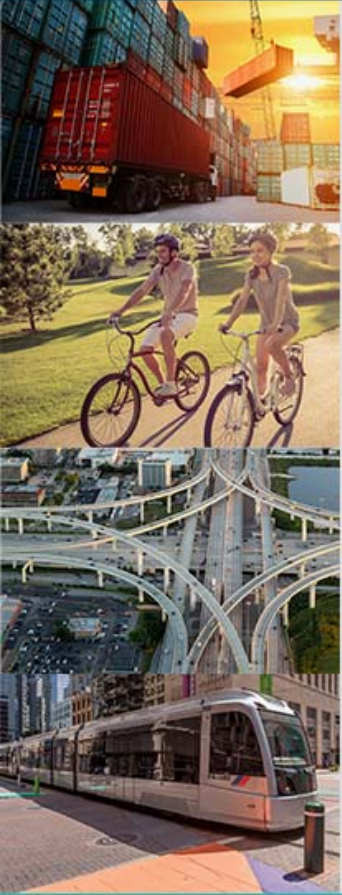
- Regionally Significant Added Capacity Projects
- Support of Federal Transit Funding
- Other Regionally Significant Projects

# TDC Policy Issues – Ineligible Activities



- Transportation Enhancement Projects (now Transportation Alternatives Set-Aside)
- “Stand alone” sidewalk and on-street bicycle projects
- Roadway projects on collector or local streets
- Roadway maintenance, repaving or reconstruction projects without regionally significant added capacity components
- Access management projects
- Livable centers projects

# TDC Policy Issues - Other



- Project Ranking - Local participation given additional value in the ranking and scoring of projects
- No separate set aside of TDCs for Transit agencies to use to address the MAP-21 restrictions on funding for transit operations
- Using a combination of TDCs and non-federal match has proved impractical in working with TxDOT and Federal agencies.

# Updated Priorities for the Use of Credits



- Support for Federal Transit Funding
  - Updated language to reflect the impact of the federal cost eligibility rules upheld in the FAST Act
  - Removed language to place the policy more in-line with current TPC practices for transit TDCs
- Other Regionally Significant Projects
  - Expanded the eligible projects to include
    - Access management projects that improve congestion
    - Livable centers studies and projects

# Updated Priorities for the Use of Credits



- Development of the Regional Strategic Transportation Fund
  - Updated the language for clarity
  - Investment in “smaller”, local active transportation projects
  - Expanded project types to include localized safety improvements to address discrete pedestrian conflict points and intersections
- Projects not Typically considered for TDCs
  - Removed access management and livable centers projects

# ***Update to Process for Considering Use of TDCs***

- Expanded the consideration of retroactive award of TDCs to accommodate the participation in the proposed Regional Strategic Transportation Fund



# Update to Administration of TDCs

- TDCs & TxDOT Agreements
  - TDCs will no longer be used in combination with local cash match on TxDOT advanced funding agreements





# ***Additional Questions/Comments Received***

- Define investment in "smaller" active transportation projects
- How are access management improvements defined? Must they be based on H-GAC studies?
- How will Livable Centers projects eligible for TDCs be defined? Planning studies or construction recommended in them?
- Need to clarify the use of TDCs and TxDOT agreements.
  - What if TxDOT requires the entity to pay cash for the state cost of review of design?
  - What if the project overruns and the local sponsor has to provide a cash match?
  - TDCs could be a separate line item in the AFA with no cash reflected. If cash must enter the project, it can be shown in separate line item.

# Additional Questions/Comments Received

- Would planning studies by other agencies be eligible for TDC consideration if they can demonstrate regional significance?
- Specifically, would local governments write a check to H-GAC for the full required local match at the outset of project development? Would H-GAC collect interest on the funds in the account? Would there be an administrative fee for the allocation of the TDCs?
- The proposed policy should define the terms and geographic areas eligible for use of the funds. For example, are economically disadvantaged areas in urban counties, such as Harris, eligible? Are urban and rural areas defined by census data?
- H-GAC sponsored regional grant applications would be eligible for funding. Would other agencies undertaking regionally significant grant opportunities be eligible for funding through the program?
- The proposed TDC policy should explicitly state the process for considering the use of TDCs in project evaluations. In the past TIP evaluation processes, the federally requested funds were used as the “cost” in the benefit/cost analysis, potentially giving projects with a lower federal share an improved benefit/cost score compared to other projects. The original thought was that agencies who overmatched would receive beneficial scoring. We are not clear weather this would this be the method for evaluating the use of TDCs in future Calls for Projects?
- The proposed policy states that the agreement must be signed by the project sponsor within one year of receipt of the agreement. Will the agreement include a requirement for use of the TDCs within a certain time frame?

# DRAFT Timeline

June	Continue development of draft policy
July	Review and incorporate comments received
August	Draft TDC Policy to TAC and TPC for <b>Information</b>
September	Final Draft TDC Policy to TAC and TPC for <b>Action</b>
September	H-GAC Staff incorporate updated policy into the amendment process if approved