

DEPARTMENT OF TRANSPORTATION

Urban Mass Transportation Administration



Excerpts From
External Operating Manual

August 1972

Program Information
for Capital Loans and
Advance Land Acquisition Loans

(Supersedes "Information for Applicants" Booklet)

PREFACE

The UMTA External Operating Manual is designed both to provide general information about UMTA and its programs and to prescribe guidance for administering approved UMTA projects. Accordingly, it is addressed to three principle users: (1) the general public for information purposes, (2) potential applicants for guidance in the preparation of an application, and (3) project sponsors for prescribed procedures to be applied in administering approved UMTA projects.

Chapter I introduces the UMTA organization and provides a brief history of U. S. Government financial assistance for urban mass transportation. Chapter II contains general information pertaining to each of the UMTA programs. Moreover, it provides potential applicants with sufficient details about each program so that they can determine if they appear eligible for Federal funding, how to prepare an application, and what criteria UMTA uses in evaluating proposals. Chapter III prescribes specific policy and procedures for administering UMTA projects. These guidelines include basic administrative requirements, responsibilities and procedures for third-party contracting, and financial management systems and procedures. Appendices are provided as a ready source of issuances and material frequently referred to in the text. Appendix 24 contains the definition of terms frequently used throughout this Manual.

A detailed index is provided immediately in front of each major section within a chapter. Each major section also begins a new series of page numbers, e.g., IA-1, IB-1.

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CHAPTER I

INTRODUCTION

SECTION A--HISTORY AND BACKGROUND

U. S. Government assistance has been available to urban mass transportation since 1961. In that year, largely as a result of growing railroad financial difficulties, especially commuter services, an emergency loan program was inaugurated by a provision of the Housing and Urban Development Act. A small test and demonstration program was also authorized.

Several years of experience demonstrated the inadequacy of the Federal program, and in 1964 the Urban Mass Transportation Act established a program of Federal matching grants for preservation, improvement and expansion of urban mass transportation systems. The law included strict local planning requirements and labor protective provisions.

A modest research and development program authorized by the basic Act was greatly augmented by a 1966 Amendment which directed the Secretary to lay out a comprehensive research program which would improve the convenience, speed, safety, and cleanliness of urban mass transportation and establishes a program of Federal matching grants to assist States and local public bodies in making technical studies to improve mass transportation in urban areas. A training program for transportation managers and transportation experts was also authorized.

The Urban Mass Transportation Administration was established as a component of the Department of Transportation (DOT) by the President's Reorganization Plan 2 of 1968, effective July 1, 1968. This plan transferred most functions and programs under the Urban Mass Transportation Act of 1964 from the Department of Housing and Urban Development (HUD) to DOT.

The Urban Mass Transportation Administration is one of seven operating administrations within DOT. Its Administrator is directly responsible to the Secretary of Transportation for exercising the functions of the Secretary under the Urban Mass Transportation Act of 1964 and the Urban Mass Transportation Assistance Act of 1970. The Secretary has delegated his functions under the Act to the Administrator.

UMTA, working closely with the Federal Highway and Federal Aviation Administrations, and with HUD, is giving new emphasis to the evaluation of urban transportation alternatives, to the more effective coordination of different modes of transportation, to the impact of transportation on city growth and structure, and to the preservation of urban values.

SECTION B--ORGANIZATION

The narrative that follows provides a brief and general description of the UMTA organization. An organization chart showing the principal UMTA offices is shown in Figure I-1. Figure I-2 contains a listing of possible project sponsor inquiries and the UMTA office which should be consulted for the desired response. In nearly all instances, the assigned UMTA project manager should be contacted for information relating to a specific UMTA project. The UMTA Office of Public Affairs should be consulted for most other general information relating to UMTA or its various activities. (Telephone 202-426-4043). All written inquiries should be:

Urban Mass Transportation Administration
 Attention: (Appropriate UMTA Office)
 Washington, D.C. 20590

1. URBAN MASS TRANSPORTATION ADMINISTRATOR

The Administrator is responsible to the Secretary for the comprehensive planning, direction, and control of the Administration and has sole authority within the Administration to approve mass transportation loans, grants, and contracts, except that the Deputy Administrator may do so during the absence or disability of the Administrator.

2. OFFICE OF PROGRAM OPERATIONS

Directed by the Associate Administrator for Program Operations, this office is responsible for reviewing and processing all applications for urban mass transportation capital facilities grants and loans, advance land acquisition loans, and technical study grants and for managing the execution of the resulting approved projects.

The Associate Administrator for Program Operations has been delegated authority to execute grant (including relocation payments) or loan contracts or contract amendments for approved projects under sections 3 and 9 of the Act, and to approve requisitions for funds, third-party contracts, and budget amendments within previously approved limits.

3. OFFICE OF RESEARCH, DEVELOPMENT AND DEMONSTRATIONS

Directed by the Associate Administrator for Research, Development and Demonstrations, this office is responsible for reviewing and processing applications and proposals for urban mass transportation research, development and demonstration projects (except service development demonstration projects); managerial training projects; and university research and training programs in urban transportation and for managing the execution of the resulting projects. (For RD&D project responsibilities in other UMTA offices, refer to paragraphs 5, 9 and 10 of this section.)

The Associate Administrator for Research, Development and Demonstrations has been delegated authority to execute grant and procurement contracts or contract amendments for approved projects under sections 6(a), 10, and 11 of the Act, and to approve requisitions for funds, third-party contracts, and budget amendments within previously approved limits.

4. OFFICE OF CIVIL RIGHTS AND SERVICE DEVELOPMENT

Under the executive leadership of the Director, Office of Civil Rights and Service Development, this office advises and assists the Administrator in implementing compliance with applicable laws and directives pertaining to civil rights and equal employment opportunity, both within the Administration and in the conduct of urban mass transportation projects and programs. This office also develops and manages the execution of service development projects.

The Director has also been delegated authority to execute grant contracts and amendments for approved service development demonstration projects under section 6(a) of the Act, and is authorized in connection with the Administration of such contracts to approve requisitions for funds, third-party contracts, and project budget amendments within previously approved limits.

In addition, the Director has been delegated the authority to effectuate a program on Minority Business Enterprises. He reviews procurement opportunities in UMTA for minority businessmen and makes referrals to the appropriate program office. He coordinates and actively works with UMTA's project sponsors in programs designed to increase utilization of minority businessmen (construction contracts) in UMTA-assisted projects.

5. OFFICE OF PROGRAM PLANNING

Directed by the Associate Administrator for Program Planning, this office serves as the principal adviser to the Administrator on UMTA planning, programs, and objectives; it develops, coordinates, and implements the UMTA planning, programming, and budgeting system; it evaluates the effectiveness of UMTA programs; and it coordinates the development of UMTA policy.

The Associate Administrator for Program Planning has been delegated authority to execute grant or procurement contracts and contract amendments for approved planning and evaluation research projects under section 6(a) of the Act; and he is further authorized in connection with the administration of such contracts to approve requisitions for funds, third-party contracts, and project budget amendments within previously approved limits.

SECTION C--FURNISHING INFORMATION TO THE PUBLIC

In conformance with the Freedom of Information Act (Public Law 89-487), UMTA has established a "Document Inspection Facility" within the Office of Administration. This facility is open to the public only during regular working hours (8:30 a.m. to 5 p.m.).

In addition to the material covered in this External Operating Manual, UMTA has published other procedures, criteria, guidelines, interpretations, statements of policy, and rules of general applicability for the guidance of the public. A list of these publications is presented below.

Title

"Urban Mass Transportation Act of 1964 and Related Laws, as amended through January 1, 1972"

"Urban Mass Transportation Planning Requirements Guide," February 1966

"Urban Mass Transportation Grant Contract, Part II, Terms and Conditions," July 1968

"A Priority Plan for Management of UMTA Capital Grant Funds," February 1971

"Private Transit Operators - Capital Grant Funding," April 1971

Single copies of these publications, bibliographic lists, as well as specified portions of the External Operating Manual, may be obtained without charge from the Associate Administrator for Administration, Room 9228, Department of Transportation Building, 400 Seventh Street, SW, Washington, D.C. 20590.

The Administrator also maintains, at the same place and under the supervision of the same official, a document inspection facility where the general files of the Administration are kept, and where the following records are located and available:

- * Any final opinions and orders made in the adjudication of cases and issued within the Administration;
- * Any policy or interpretation issued within the Administration, including any policy or interpretation concerning a particular factual situation, if that policy or interpretation can reasonably be expected to have precedential value in any case involving a member of the public in a similar situation;

* Any administrative staff manual or instruction to staff issued within the Administration which affects any member of the public;

* An index to the material described above.

Any person desiring to inspect such a record or to obtain a copy thereof must submit his request in writing, specifying the record he wishes to inspect or a copy of which he desires, to the Associate Administrator for Administration, Department of Transportation Building, 400 Seventh Street, SW, Washington, D.C. 20590. Each request for copies must be accompanied by the appropriate fee prescribed in 49 C.F.R., Part 7, Subpart H, section 7.85. The fees prescribed may be paid by check, draft or postal money order, payable to the Treasurer of the United States.

Any person to whom a record is not made available within a reasonable time after his request, and any person who has been notified that a record he has requested cannot be disclosed, may apply, in writing, to the Administrator, Urban Mass Transportation Administration, for reconsideration of his request. The decision of the Administrator is final.

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CHAPTER II

GENERAL PROGRAM INFORMATION

SECTION A--STATUTORY AUTHORITY AND UMTA GOALS AND OBJECTIVES

1. LEGISLATIVE BACKGROUND

The Urban Mass Transportation Act of 1964, as amended (henceforth called the "Act"; see Appendix 1), authorizes Federal financial assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas. This assistance is provided by five programs: capital grants (including relocation payments) and loans for the acquisition, construction, reconstruction, and improvement of facilities and equipment, including loans for the advance acquisition of real property for future transport use; grants for the planning, engineering, and design of urban mass transportation systems; grants and contracts for research, development and for demonstration; grants for training managerial, technical, and professional personnel in the urban mass transportation field; and grants to institutions of higher learning for comprehensive research and training in the problems of transportation in urban areas. Sections B through I of this chapter provide specific details relating to each UMTA program.

The stated purposes of the Act are as follows:

- * To assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with cooperation of mass transportation companies, both public and private
- * To encourage the planning and establishment of areawide urban transportation systems needed for economic and desirable urban development, with the cooperation of mass transportation companies, both public and private
- * To provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs
- * To create a partnership that permits the local community, through Federal financial assistance, to exercise the initiative necessary to satisfy its urban mass transportation requirements

2. GOALS AND OBJECTIVES

The long-term goal of the Urban Mass Transportation Administration (UMTA) is to improve urban life and the urban environment by means of mass

transportation systems providing safe, fast, attractive, and convenient service as efficiently and economically as possible. Well-planned urban transportation investments can assist substantially in the achievement of goals selected by each urban area. They can also contribute to the achievement of broad objectives established by the Department of Transportation for the Nation's transportation systems: efficiency in the sense of maximum spread between all social costs and benefits; respect for and wise use of the urban environment; safety and protection for travelers, shippers, and others affected by transportation; and support of other national goals.

The near-term objectives, consistent with and directed to the accomplishment of the long-term goal described immediately above, are:

- * Mobility of nondrivers. This objective is directed to identifying, studying, and ultimately serving the transportation needs of the "transportation disadvantaged"--the young, aged, poor, handicapped, unemployed, and secondary workers. These groups include those who generally do not have reasonable access to alternative forms of transportation and are often deprived of mobility where public transportation is inadequate or nonexistent. For them the availability of adequate public transportation service is vital to their economic and social needs.
- * Relief of traffic congestion. This objective seeks improvement in overall traffic movement and travel time in urban regions especially during peak hours of travel demand. It requires relief of travel constraints caused by capacity limitations during the hours of peak demand. The number of people moved for a given cost in a given time, rather than the number of vehicles moved, provides the basic measure in deciding on appropriate solutions. This necessitates examination of alternative transit solutions, especially those that new technologies for collection and distribution service could make available. This measure also requires cooperation and coordination with the various traffic control and improvement elements in the Federal aid highway programs. Supporting this objective are efforts to provide more frequent, more reliable, and faster service; greater riding comfort; and better connections and better route schedules and rates, and information about them.
- * Improving quality of urban environment. This objective requires achievement of land use patterns and environmental conditions that effectively contribute to the physical, economic, and social well-being of urban communities. Land use patterns and transportation networks are to be developed with a view to minimizing the need for transportation facilities and their demands on urban space. Public transportation improvements--designed to help reduce the noise, odor, vibration, and other adverse impacts on the urban environment--are to be encouraged

as a contribution to improvement of the environment. Good design of structures, vehicles, and other facilities will also be encouraged as a contribution to the improvement of the urban environment.

SECTION C--CAPITAL LOANS

Section 3 of the Urban Mass Transportation Act of 1964, as amended, authorizes financial assistance in the form of grants or loans to States and local public agencies for the provision or improvement of facilities and equipment for use in mass transportation service in urban areas.

A loan may be made for the entire cost of the capital improvement where financing is not available from private sources on reasonable terms. The loan must be of such value, or so secured, as reasonably to assure repayment. Loans may not be made for a capital improvement project financed in part with a capital grant. The same applicant may, however, be eligible for a loan and a capital grant for separate projects.

Loans are available only to State and local public agencies, although the facilities and equipment acquired or improved may be leased to or operated by a private transportation company, subject to appropriate public controls.

Interest on loans shall be at a rate not less than (i) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans adjusted to the nearest one eighth of 1 per centum, plus (ii) an allowance adequate to the judgment of the Secretary of Transportation to cover administrative costs and probable losses under the program. No loans shall be made, including renewals or extensions thereof, and no securities or obligations shall be purchased which have maturity dates in excess of forty years.

Other information relating to application procedures, statutory and eligibility requirements, and project execution procedures are contained in Section B--Capital Grants, chapter II of this Manual. Moreover, because of the relative uniqueness of loan projects, additional procedures and requirements may be prescribed as each project dictates.

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SECTION D--ADVANCE LAND ACQUISITION LOANS

1. GENERAL

The Urban Mass Transportation Assistance Act of 1970 established the Advance Land Acquisition Loan Program. Under this program, UMTA is authorized to make loans to finance the purchase of land or interests in land for future use on urban mass transportation systems. Loans may be made in amounts up to the total actual cost of the land involved, plus the net cost, if any, of managing the property between the time of acquisition and the time of actual construction of mass transportation facilities on the land. Relocation grants may be made by UMTA in conjunction with an advance land acquisition loan.

Advance Land Acquisition Loans provide a means through which UMTA can assist applicants in the early acquisition of the land needed for a new mass transportation system or an extension or improvements of an existing system, the construction of which is planned for a future period. This will allow land to be purchased far enough in advance to:

- * Reserve land for future construction prior to its development for other purposes.
- * Minimize speculation in land values.
- * Allow people and businesses to take full advantage of the required relocation program, thus minimizing the personal and financial burdens of displacement.

2. ELIGIBILITY FACTORS

a. Eligible Applicants

Only public agencies are eligible as applicants for loans. Eligible public agencies include States; municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, or of one or more municipalities or other political subdivisions of States; and public corporations, boards, and commissions established under State law. Private transportation companies may participate in this loan program through contractual arrangements with a public agency.

b. Eligible Land and Uses

A project may include land or interests in land, including easements, leaseholds and other less than freehold estates in land, which UMTA determines (1) are reasonably expected to be required in connection with an urban mass transportation system and (2) will be used for that purpose within 10 years of the date of the loan agreement.

To qualify for a loan, the land and the urban mass transportation system for which it is needed must:

- * Be part of a program which provides for the unified or coordinated operation of the mass transportation system for the urban area, including but not limited to scheduling, routing, fare structure, and levels of service to the public. The program must indicate the way in which available transit facilities, and those to be provided under the transit improvement program, will be coordinated so as to provide maximum practicable service to the urban area. Where more than one carrier provides intracity service in the urban area, the program must provide as a minimum for (1) the elimination of overlapping service, (2) coordinated routes and schedules, and (3) a uniform system of transfers at convenient transfer points.
- * Be part of a transit improvement program for the urban area covering a 5 to 10 year development period. The transit improvement program should indicate the needed improvements in the mass transportation system for a 5 to 10 year development period, including (1) a schedule of priorities, (2) estimates of costs, (3) recommended or anticipated means of financing and (4) the allocation of responsibilities for carrying out the program. The period covered by the program should be related to the usual capital improvement budget cycle in the area.
- * Consider the use of improvements developed under the UMTA research, development and demonstration program or otherwise.
- * Meet other requirements as specified by UMTA.

Eligible uses may include land for rights of way, station sites, parking lots or buildings for use in connection with mass transportation services, access roads and ramps, repair facilities, car or bus storage yards or sidings, mass transportation office facilities and other related facilities for use in urban mass transportation service or in coordinating such service with highway and other transportation.

c. Protection of Private Transportation Companies

Projects which involve (1) the acquisition, directly or indirectly, by a public agency, of the property of a privately-owned urban mass transportation company, or (2) the construction, reconstruction or improvements of property acquired from a privately-owned urban mass transportation company after July 9, 1964, or (3) the provision of capital improvements for use in competition with, or supplementary to, service being provided by an existing privately-owned urban mass transportation company, are eligible only if all the following requirements are met:

- * The project is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban mass transportation system as part of the comprehensively planned development of the urban area.
- * The urban mass transportation program provides, to the maximum extent feasible, for the participation of privately-owned urban mass transportation companies.
- * Where acquisition of the franchise or property of a privately-owned urban mass transportation company is involved, just and adequate compensation will be paid to the extent required by State or local law.
- * The Secretary of Labor certifies that the requirements for the protection of employees, as required by section 13(c) of the Act, have been met.

Land already being used in urban mass transportation service in an urban area may be acquired only when the local transportation program includes provision for its improvement, through modernization, extension, addition, or otherwise, in order to serve better the urban mass transportation needs of the area.

d. Eligible Costs

Eligible costs for an advance land acquisition loan may include the actual cost of acquisition of land and interests in land and actual, reasonable and necessary costs incident to acquisition of land and interests in land and actual, reasonable and necessary costs incident to acquisition of title, as, for example, court costs and counsel and witness fees in eminent domain proceedings. However, ordinary governmental, administrative or non-project operating expenses, costs of appraisals, or planning for future route establishment, extension, or structures to be placed upon the land may not be included.

Advance land acquisition loans may also include the net cost of essential property management functions (i.e. the difference between the actual gross cost of management, such as insurance, upkeep, taxes, and managerial costs, and any rents and other income earned by the property) from the time of acquisition to the time of repayment of the loan. Such net property management costs of necessity must be estimated in the application. The disposition of any net proceeds resulting from rents and other income earned by the property is outlined in the Additional Payments item 3c of this section of the Manual.

3. LOAN PROVISIONS

a. Term of Loan

Advance land acquisition loans and interest thereon become due and payable at the time any of the following events occur:

- * The expiration of ten years from the date of the loan agreement.
- * The execution of a grant contract with UMTA providing for actual construction of urban mass transportation facilities on the acquired land.
- * A decision by the loan recipient that the land will not be used for mass transportation purposes.

Every loan agreement will provide for the actual construction of urban mass transportation facilities on the acquired land within a period not exceeding ten years following the date of the loan agreement.

b. Repayment

Advance land acquisition loans will ordinarily be repaid in cash, in one lump sum of both principal and interest, within 30 days after the due date. However, the loan may be prepaid by the borrower at any time.

The borrower may sell any portion of the acquired land or devote it to non-mass transportation uses, with the prior written concurrence of UMTA. If the borrower sells the acquired land or any portion of it, or decides not to use it for mass transportation purposes, or if ten years have elapsed from the date of the loan agreement and actual construction of mass transportation facilities on the land has not begun, the borrower will promptly pay UMTA an amount which corresponds to the acquisition cost of the land involved. This amount will be applied first against the accrued interest and then to reducing the amount of the principal.

In addition to the repayment described in the preceding paragraph, the borrower will be obligated to pay UMTA two thirds of any increase in the value of the land involved over its acquisition cost. This additional payment will not be applied against either the principal or accrued interest of the loan. If the land involved is sold at public sale, the current value will be considered to be the sale price. Otherwise, the current value will be determined by UMTA on the basis of appraisals of the land to be conducted by two independent appraisers acceptable to UMTA.

c. Additional Payments

The borrower may temporarily use the acquired land, or part of it, for purposes other than mass transportation, provided (1) the temporary use does not interfere with the planned use for which the land was acquired, and (2) UMTA has given prior written concurrence. This concurrence may be conditioned upon payment to UMTA of a sum equal to the difference between the fair rental value of the land involved and the actual gross cost of its management during the period of temporary usage. This amount will be applied first against the accrued interest and then to reducing the amount of the principal.

d. Forgiveness

If an urban mass transportation capital grant project for construction of facilities on the acquired land is approved before the due date of the loan, the grant agreement may provide for forgiveness of the principal and accrued interest on the loan in lieu of a cash grant in the amount forgiven. The outstanding debt may be considered as an eligible project cost of which, as with the other eligible project costs, a maximum of two thirds may be paid by UMTA.

e. Interest Rate

Interest rates on advance land acquisition loans will be determined as follows: (1) the Secretary of the Treasury will determine the basic interest rate, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the proposed loan, adjusted to the nearest one eighth of one per cent, and (2) UMTA will add to the rate so determined an allowance adequate in the judgment of the Administrator to cover administrative costs and probable losses under the program.

f. Security

Advance land acquisition loans must be secured in such a manner as to reasonably assure their repayment. Ordinarily, the minimum security to be required will be a valid first lien of record on the acquired land. The value of the land for this purpose will be determined on the basis of:

- * Actual cost, if acquired by eminent domain proceedings; or
- * Appraisals by two competent independent appraisers, if acquired by negotiated purchase.

In extraordinary cases, the Administrator may accept general obligation bonds, or other evidences of indebtedness issued by the applicant, without requiring a lien on a specific property, providing the Administrator determines that such securities are adequate to protect the Federal funds involved. Title insurance may also be required at UMTA's discretion.

4. PROGRAM REQUIREMENTS

a. Area Planning Agency Review

The following procedures will fulfill the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, the Intergovernmental Cooperation Act of 1968 (OMB Circular No. A-95) and the National Environmental Policy Act of 1969.

All applications for advance land acquisition loans must be submitted for review and comment to both the State clearinghouse and the regional or metropolitan clearinghouse. These clearinghouses will inform all other appropriate agencies or local governments, examine the project from the comprehensive planning point of view, and arrange for any necessary follow-up conferences with the applicant and interested agencies or local governments. With regard to the environmental impacts of the project, the clearinghouse is expected to inform any State or local agencies authorized to develop and enforce environmental standards, invite their comments on the environmental impact of the project, and transmit such comments to the applicant.

When the applicant has prepared a preliminary application, he should notify the appropriate clearinghouses of his intention to apply for Federal assistance and transmit to them a brief description of the proposed project including:

- * Identification of the applicant agency.
- * Geographic location of the project to be assisted.
- * Brief description of the proposed project by type, purpose, general size or scale, estimated cost, beneficiaries, or other characteristics which will enable the clearinghouse to identify agencies of State or local government having plans, programs, or projects that might be affected by the proposed project.
- * Federal program and agency under which assistance will be sought.
- * Estimated date upon which the applicant expects to file a final application.

* Analysis of the environmental impacts of the project (For guidance see the section which follows on "Protection of the Environment.")

Upon receipt of this information, the State and regional clearinghouses have 30 days to notify their respective agencies and local governments of the proposed project. During the development of the final application, the clearinghouses and the applicant will attempt to resolve any problems that the application may cause. Then, in the 30-day period immediately preceding the date the applicant plans to file the final application, the clearinghouses are to submit to the applicant their comments and those of affected agencies and local governments. Where regions or metropolitan areas are contiguous, each set of clearinghouses must be informed.

If the applicant is a special purpose district or authority, it must ensure that the regional or metropolitan clearinghouse solicits comments from the governing bodies of each of the local general purpose governments where project elements affecting land use are located. Other local governments need not review the application, even though the transit system operates in their areas.

The final application must include copies of the comments or recommendations received, or a statement that none have been received.

If there is Statewide comprehensive transportation planning in a State in which the proposed project is wholly or partly located, the applicant shall furnish a copy of its preliminary application to the Governor of each such State affected by the project at the same time the application is submitted to UMTA. UMTA must consider any comments received from Governors within 30 days thereafter.

b. Protection of the Environment

The National Environmental Policy Act of 1969 and the Urban Mass Transportation Assistance Act of 1970 require full consideration of the impact which a federally-assisted project may have on the environment. Therefore, the applicant will submit data and analysis of any environmental impacts which the proposed project may have. This environmental analysis should be initially submitted at the time of preliminary application and updated, if necessary, to form part of the final application.

The analysis shall consist of:

* A description of the proposed project and its impact on the environment, including any maps, drawings, plans or photographs that may help in understanding the impacts involved.

- * Discussion of any unavoidable adverse environmental effects of the project as proposed and a description of the steps that have been or will be taken to minimize these effects.
- * Identification of possible alternatives to a project, or any portion of the project having an adverse impact which would eliminate that impact. Description of each alternative should include an assessment of the financial costs and the resulting environmental benefits.
- * A comparative analysis of the short term and local impact on the environment and the long-term environmental consequences.
- * Identification of any irreversible and irretrievable environmental impacts or commitments of resources. This statement should include an analysis of the likelihood of adverse environmental impacts which would be caused by future increments to the proposed project.
- * A discussion of problems and objectives raised by Federal, State or local entities, and citizens and the disposition of the issues involved. This may be added after the public hearing and local review process, in the final text of the required submission.

Section 4(f) of the Department of Transportation Act of 1966 requires that the Secretary shall review any program or project which requires the use of any publicly-owned land from a public park, recreation area, or wildlife and waterfowl refuge or historic site. Therefore, the environmental analysis for any application for the acquisition or use of such land must include, in addition to the information outlined above, the following information:

- * Description of any publicly-owned land from a public park, recreation area or wildlife refuge or of any land from a historic site, which is involved in or taken by the project, including its size, available activities, use, patronage, and relationship to other similarly used lands in the vicinity. Maps, plans, and drawings, showing in sufficient scale and detail the project and its impact on the park, recreation, wildlife, or historic area, and photographs should also be submitted.
- * A statement of the national, State or local significance of the area. Any finding that such land or site is not of significance must be supported by evidence from the Federal, State or local officials having jurisdiction over the area.

- * Similar data, for alternative designs and locations, including cost estimates and technical feasibility, and appropriate analysis of the alternatives.
- * Description of the planning undertaken to minimize harm to the protected area and statement of action taken to implement this planning and a specific finding that there is no feasible and prudent alternative to the use of such land and that the project plans include all possible steps to minimize harm to the area involved.

Where the application involves a district, site, building, structure, or object that is included in the "National Register," the applicant's Environmental Analysis should also address the following points in separately numbered paragraphs:

- * Steps taken into account the effect of the proposal on National Register property.
- * Records of consultations, if any, with the Office of Archeology and Historic Preservation of the National Park Service.
- * Records of consultation with, and action if any, by the Advisory Council on Historic Preservation (with a statement that subsequent Council actions, if any, will be attached).

The environmental information requested must be provided in satisfactory form by the applicant because the Urban Mass Transportation Administrator is required by law to make a finding that the proposed project is not likely to have an adverse environmental effect, or that there exists no feasible and prudent alternative to such effect and all reasonable steps have been taken to minimize such effect. Moreover, the Administrator is required to determine that the applicant has given fair consideration to the preservation and enhancement of the environment and to the interest of the community in which the project is located.

Advance land acquisition loan projects and subsequent capital construction projects are likely to have direct or indirect environmental impacts of the following kinds:

- * Effects on the amount of land required to be devoted to transportation and related purposes in the future; effects on population growth and dispersal within the area;
- * Increases or decreases in the traffic or congestion levels on streets and highways;
- * Division or disruption of established communities; division of an existing use (e.g., cutting off

residential areas from recreation or shopping areas), or disrupting orderly, planned development;

- * Aesthetic or visual effects, especially on areas of unique interest or scenic beauty;
- * Displacement of people or businesses;
- * Changes in the ambient noise level;
- * Changes in the level or distribution of air pollution;
- * Destruction or derogation of parks, recreational areas or historic sites;
- * Disturbing the ecological balance of animal or natural resources;
- * Probability of altering or contaminating public resources, (e.g., public water supply source, treatment facility or distribution system) either during construction or in actual operation; and
- * Physical disruption during construction.

The larger the project, the more likely it is to exhibit more types of impacts, combinations and cumulative effects of impacts as well as severity of any particular or combined impact. The impact of planned future capital construction should also be analyzed to the extent possible. The applicant's analysis of the impacts involved should be commensurate with the level of those impacts, and the cost of the analysis should be reasonable in relation to the project cost.

c. Public Hearing

The applicant, or another public agency designated by the applicant with the concurrence of UMTA, shall hold a public hearing on the proposed project. This hearing shall be held before the final application is submitted to UMTA.

The applicant, or designated public agency, shall publish notice of intent to hold the public hearing in newspapers of general circulation in the locality, including newspapers oriented to the minority community. This notice shall be advertised at least twice, with the first advertisement occurring not less than 30 days before the date of the hearing. The notice shall indicate that the applicant will make available on a reasonable basis for public inspection the preliminary application, including an analysis of the environmental impacts of the project and the transit development program. If the transit development program has not

been completed, the applicant will provide sufficient evidence, as part of the information made available to the public, to show that the proposed project may reasonably be expected to be included in the transit development program.

The notice shall describe the proposed project in detail sufficient to inform members of the general public of (1) the purpose or intent of the public hearing, (2) the location of the project, (3) the estimated cost and method of financing the project, (4) the number of families and businesses likely to be displaced by the project, (5) any significant adverse environmental effects anticipated as a result of the project, (6) conformance to comprehensive land use and transportation planning in the urban area, and (7) any other features of the project which raise significant economic, social, or environmental issues. The notice shall include a statement that, should the Urban Mass Transportation Administration prepare a formal statement on the environmental impacts of the project, the availability of such a statement from UMTA will be made known by publication in the same manner as publication of the notice of hearing.

The applicant must submit a copy of the published notice and a transcript of the hearings with the final application. (A sample format for a Notice of Public Hearing is contained in Appendix 3.)

If UMTA determines that the notice of public hearing or the hearing itself was inadequate to give parties with significant social, economic, or environmental interests an adequate opportunity to publicly present their views with regard to the proposed project, it may require the applicant to hold an additional hearing. If there is any substantial change in the scope of the project after a hearing is held, an additional hearing will be required.

d. Certification

The final application shall contain a certification by the applicant that it:

- * Has afforded an adequate opportunity for public hearing pursuant to adequate prior notice, and has held such hearing.
- * Has considered the economic and social effects of the project and its impact on the environment.
- * Has found that the project is consistent with official plans for the comprehensive development of the urban area.

e. Nondiscrimination in Program Benefits

Title VI of the Civil Rights Act of 1964 states that "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." DOT's Title VI program, Part 2, Title 49 Code of Federal Regulations, states that "Any person who is or seeks to be, a patron on any public vehicle which is operated as a part of, or in conjunction with, a project shall be given the same access, seating and other treatment with regard to the use of such vehicle as other persons without regard to their race, color, or national origin." In addition, "No person or group of persons shall be discriminated against with regard to the routing, scheduling, or quality of transportation service furnished as a part of the project on the basis of race, color, or national origin. Frequency of service, age, and quality of vehicles assigned to routes, quality of stations serving different routes and location of routes may not be determined on the basis of race, color, or national origin." Lastly, "In determining the types of services, financial aid, or other benefits, or facilities which will be provided under any program for which Federal financial assistance is authorized, or the class of person to be afforded an opportunity to participate in any such program, an applicant may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objective of the program with respect to individuals of a particular race, color, or national origin." Each final application must contain a Title VI Civil Rights Assurance signed by the applicant's designated and authorized official and other information necessary to ascertain existence of adequate nondiscrimination policies and practices.

f. Employee Protection

Section 13(c) of the Act requires that fair and equitable arrangements be made, as determined by the Secretary of Labor, to protect the interests of employees affected by the Federal grant assistance, and that the grant contract specify the terms and conditions of the arrangements. Information concerning this requirement may be obtained from the Assistant Secretary of Labor for Labor-Management Relations, Washington, D.C. 20210.

g. Relocation Requirements

If construction activity on an UMTA project will make it necessary to displace persons from their homes or businesses, the project sponsor must have an adequate relocation plan, as required by

the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and regulations thereunder. All persons, families, businesses, or non-profit institutions must be successfully relocated before any project construction work or preparation for project construction work can begin. See Appendix 13.

5. APPLICATION PROCEDURES

Application for an advance land acquisition loan should be prepared and submitted in two stages:

- * A Preliminary Application, for the purpose of ascertaining the probable eligibility of the applicant and the project and the availability of funds.
- * A Final Application, which will contain data in sufficient detail to permit a decision to be made as to whether or not the project is approvable under the Act. This Final Application will be developed by the applicant with the assistance of the UMTA staff.

The purpose of the two-stage application is (1) to avoid the costs of preparing and processing a full application in cases where it can readily be determined that the applicant or project is ineligible or that funds are not available and, (2) to allow for a period of discussion and negotiation between the applicant and UMTA to facilitate preparation of an acceptable final application.

a. Costs Incurred in Preparing Application

UMTA will not pay any costs incurred by an applicant in the preparation and filing of an application.

It is not necessary for any applicant to retain the services of any person, firm, or organization to assist in obtaining Federal financial assistance. Loan funds may not be used to pay fees or commissions to brokers or negotiators for services in connection with the submission or processing of an application for an advanced land acquisition loan.

b. Preliminary Application

The preliminary application consists of a letter (original and five copies) addressed to the Urban Mass Transportation Administration, Department of Transportation, Washington, D.C. 20590, and signed by an authorized representative of the public agency, which:

- (1) Describes the land, or interests in land, to be purchases with loan funds.
- (2) Describes the urban mass transportation system for which the land is needed, and the uses to which the land will be devoted.
- (3) Estimates the total cost of the loan, and costs of the anticipated mass transportation construction.
- (4) Describes the efforts made to obtain private financing and any State or local actions which have been taken to provide financial or other assistance in the solution of urban mass transportation problems.
- (5) Provides the name, address and telephone number of the areawide planning agency, the name of the responsible chief executive officer of that agency, and the names, addresses, telephone numbers and chief executive officers of any transportation planning, transit planning and programming, and transit operating agencies in the area.
- (6) Describes the Transit Development Program which exists or is being developed for a unified or officially coordinated urban mass transportation system for the urban area. (Refer to Appendix 2 of this Manual).
- (7) Indicates whether or not the land acquisition or the anticipated mass transportation construction will:
 - Adversely affect employees of the transportation system to be assisted or of other transportation systems in the urban area, and identifies the systems and labor unions involved.
 - Result in the relocation of families, individuals, business concerns, or non-profit organizations.
- (8) Includes a draft environmental statement containing the information outlined above under the heading "Protection of the Environment."

The preliminary application should be supported by any engineering, planning, or financial reports which have been prepared and are pertinent to the project. It should also be supported by an opinion of Counsel clearly showing that the applicant is a public body authorized by law to carry out the described project in the manner contemplated.

c. Final Application

Following review of the preliminary application, UMTA will advise the applicant concerning eligibility and the availability of funds and the procedure to be followed in preparing a final application. In most cases, a conference with the applicant will be requested before preparation of the final application is begun.

6. PROJECT EXECUTION

Specific procedures pertaining to project execution are contained in Chapter III, "GUIDELINES FOR PROJECT ADMINISTRATION." Listed below, however, are a number of general requirements and definitions which apply to nearly all UMTA grant and loan projects.

a. Loan Agreement

When a loan project is approved, an agreement containing the terms and conditions of the loan will be entered into between UMTA and the applicant.

b. Third-Party Contracts

Contracts proposed to be entered into between the applicant and others in connection with project activities will be reviewed by UMTA for conformity with the provisions of law and the loan contract.

c. Professional Services

Fees for professional services are allowable as project costs when they are included in an approved project budget. Fees in excess of those normally prevailing in the locality for comparable services will not be approved by UMTA.

d. Political Activities

Chapter 15 of Title 5 (Hatch Act) of the United States Code provides that all State or local agency employees, engaged in an activity financed by Federal Government grants or loans, may not take an active part in partisan political management, or campaigning, or use their position to influence public elections. Furthermore, State and local agencies receiving Federal assistance are prohibited from forcing their employees to make political contributions. Exceptions to the general Hatch Act provisions do exist, such as for persons holding elective office. State and local agencies should inform UMTA if they have any questions about the specific applicability of these provisions to their situation.

e. Equal Opportunity Provision

The appropriate provision relating to equal opportunity in employment must be included in all contracts.

f. Accounting Records

The applicant is required to maintain such accounting records as UMTA may require.

g. Eligibility of Project Costs

Project costs shall clearly relate to the purpose specified in the grant contract and approved project budget. The principles and standards for determining costs applicable to the Advance Land Acquisition Loan Program are contained in Office of Management and Budget Circular No. A-87. (See Appendix 4)

h. Project Audit

Final audit of project costs and the determination of final approved project cost will be made by UMTA upon completion of the project. Interim audits may be made by UMTA or its representatives at any time after project approval.

Additional information may be obtained from:

Urban Mass Transportation Administration
Department of Transportation
Washington, D.C. 20590

6. OFFICE OF CHIEF COUNSEL

Directed by the Chief Counsel, this office provides legal advice and support to the Administrator, the Associate Administrators and other UMTA officials, and coordinates with and supports the General Counsel of DOT on UMTA legal and regulatory matters. It is responsible for (a) legal aspects of program and other activities within UMTA; (b) legal aspects of legislative and regulatory matters arising in or referred to UMTA; (c) in coordination with the Office of Program Planning and other offices of UMTA and DOT, the preparation of proposed legislation, legislative reports, testimony of UMTA officials, and proposed regulations; and (d) liaison with the Department of Labor with respect to the labor protective provisions of section 13(c) of the Act.

7. OFFICE OF PUBLIC AFFAIRS

The Director of this office advises and assists the Administrator in the dissemination of general information to the public and the press to foster public awareness and understanding of UMTA programs, projects, and activities.

8. OFFICE OF ADMINISTRATION

Directed by the Associate Administrator for Administration, this office provides, or arranges for, general, administrative support services for the Administration, including financial management, personnel, audit, procurement, logistics, management information systems, and maintenance of the official UMTA project files. This office also is responsible for preparing emergency operational plans and programs for urban mass transportation and developing a capability for their execution.

9. OFFICE OF THE MORGANTOWN PERSONAL RAPID TRANSIT DEVELOPMENT

The Director of this office is responsible to the Administrator for the management of the demonstration project at Morgantown, West Virginia, the objective of which is the development of a prototype personal rapid transit system. This system is designed to provide improved, low-cost transportation to help meet the Nation's existing and future urban needs while reducing the noise, congestion, and environmental problems normally associated with present ground transportation systems.

10. OFFICE OF SPECIAL PROJECTS

The Director of this office is responsible to the Administrator for the management and coordination of projects for which UMTA has primary management responsibility within DOT and which involve support from other DOT administrations or local agencies. The Director also coordinates projects within UMTA involving several program offices.

URBAN MASS TRANSPORTATION ADMINISTRATION

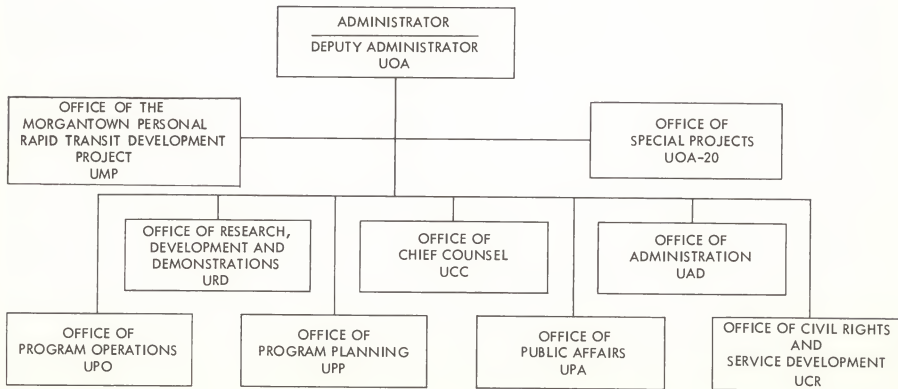


Figure IB-1--UMTA Organization Chart

UMTA OFFICE TO BE CONTACTED

TYPE OF INQUIRY	GENERAL	PROGRAM RELATED						
		Capital Grants & Loans	Advance Land Loans	Technical Studies	RD&D Projects	Civil Rights & Service Development	University Research & Training	Managerial Training
A. PROGRAM INQUIRIES								
General Program Info.	UAD-10	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	URD-50	URD-50
Info. Re: Applications	-----	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	URD-50	URD-50
Admin. Management of Project	-----	UPO-20	UPO-20	UPO-30	URD-1	UCR-40	URD-50	URD-50
Release of Info. to Press	UPA-1	UPA-1	UPA-1	UPA-1	UPA-1	UPA-1	UPA-1	UPA-1
B. MISCELLANEOUS INQUIRIES								
Technical Assistance & Guidance	-----	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	URD-50	URD-50
Environmental Considerations	-----	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	-----	-----
Trans. for Elderly & Handicapped	-----	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	-----	-----
Coordination with other Federal Agencies	UPP-30	UPO-10	UPO-10	UPO-30	URD-1	UCR-40	URD-50	URD-50
Disaster Relief	-----	UPO-10	UPO-10	UPO-30	-----	-----	-----	-----
Accounting Procedures	UAD-20	-----	-----	-----	-----	-----	-----	-----
Audit Matters	UAD-30	-----	-----	-----	-----	-----	-----	-----
Legal & Patents	UCC-1	-----	-----	-----	-----	-----	-----	-----
Civil Rights Considerations	-----	-----	-----	-----	-----	UCR-10	-----	-----
Legislative & Public Inquiries	UPA-1	-----	-----	-----	-----	-----	-----	-----
Publication Requests	UPA-1	-----	-----	-----	-----	-----	-----	-----
History of UMTA	UPA-1	-----	-----	-----	-----	-----	-----	-----
Special UMTA Projects	UPA-1	-----	-----	-----	-----	-----	-----	-----
Personnel Inquiries	UAD-42	-----	-----	-----	-----	-----	-----	-----
Policy Questions	UPP-1	UPO-1	UPO-1	UPO-1	URD-1	UCR-1	URD-1	URD-1

Figure IB-2--Project Sponsor Inquiries
(Page 1 of 2)

IDENTIFICATION OF UMTA OFFICES

Office of Administration

UAD-10	Program Administration Division
UAD-20	Financial Management Division
UAD-30	Program Audit Division
UAD-42	Personnel Staff Coordinator

Office of Chief Counsel

UCG-1	Office of the Chief Counsel
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Office of Civil Rights and Service Development

UCR-10	External Program Division
UCR-40	Service Development Division

Office of Public Affairs

UPA-1	Director's Office
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Office of Program Operations

UPO-10	Project Development Division
UPO-20	Project Management Division
UPO-30	Technical Studies Division

Office of RD&D

URD-1	Associate Administrator's Office
URD-50	Univ. Research & Training and Managerial Training Division

Office of Program Planning

UPP-30	Division of Planning Coordination
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