




June 5, 2023

To: Regional Transportation Planning Committee
From: Darrell E. Johnson, Chief Executive Officer  For
Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – March 2023

Overview

The Orange County Transportation Authority has completed the March 2023 semi-annual review of the Comprehensive Transportation Funding Programs active projects. The review focused on the status and delivery of Measure M2 grant-funded projects and allowed local agencies to update project information and request modifications. Staff has evaluated the requests, and the recommended project adjustments are presented for Board of Directors' review and approval.

Recommendations

- A. Approve requested adjustments to Comprehensive Transportation Funding Programs projects and Local Fair Share and Senior Mobility Program funds.
- B. Amend the Comprehensive Transportation Funding Programs, Measure M2 Eligibility, and Senior Mobility Program guidelines (documented in this staff report and attachments) to allow for requested project adjustments due to the unique circumstances created by the coronavirus pandemic.

Background

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for streets and roads (Project O and Project Q), signal synchronization (Project P), transit (projects S, U, V, and W), and water quality (Project X) programs. The CTFP guidelines provide local agencies with comprehensive information for the pursuit, administration, and delivery of the aforementioned transportation funding grants.

A summary of the basic program objectives in the CTFP guidelines is provided in Attachment A.

Twice a year, OCTA meets with representatives from local jurisdictions to review the status of projects and requested project changes. This process is known as the semi-annual review. The underlying purpose of the semi-annual review process is to promote the timely use of Measure M2 (M2) grants awarded, programmed, allocated (one of these please) to local projects. The goals of the semi-annual review are to review project status, assess the continued viability of projects, address local jurisdiction concerns, confirm availability of local match funds, ensure timely closeout of all projects funded through the CTFP, and address any other project-related issues or concerns. For this review period, local jurisdictions were required to submit status updates and requests for project changes that they were aware of by the due date of March 17, 2023.

Discussion

The March 2023 semi-annual review project adjustment requests include the following:

- 6 project cancellations,
- 5 project delays,
- 3 timely-use of funds extensions for competitive funding programs,
- 24 timely-use of funds extensions for the Local Fair Share (LFS) Program,
- 64 timely-use of funds extensions for the Senior Mobility Program (SMP),
- 10 project scope changes, and
- 3 project fund transfers.

Local jurisdictions reported a variety of issues that have resulted in the need for project adjustments, including coronavirus (COVID-19) impacts, inflationary impacts, staffing issues, project delivery coordination challenges, project design modifications, and service area modifications. In general, the COVID-19 pandemic continues to have prolonged impacts on local jurisdictions' ability to implement projects and fully resume operations and services. In this review cycle, 67 out of 115 project adjustment requests are reported as being partly due to pandemic sustained effects, particularly labor shortages and supply chain impacts.

These impacts have been especially pronounced for the LFS and SMP programs, with 88 of this cycle's requests coming from these programs specifically. Program ridership and service availability have not recovered to pre-pandemic levels for most SMP services. As a result, local jurisdictions continue to operate reduced SMP services. Staff is recommending the Board of Directors' (Board) approval of the adjustments listed above, which are further detailed in Attachments B and C. In order to implement this recommendation, the

Board is also requesting to authorize an exception to the M2 Eligibility guidelines and CTFP guidelines requirements for three LFS and four SMP timely-use of funds extensions for disbursements made in fiscal year 2019-20. These disbursements were made during the onset of the pandemic when SMP services and project implementation efforts were suspended. The exceptions specifically relate to the requirement that requests for extensions be submitted prior to expiration and a plan of expenditure be submitted with semi-annual review timely-use of funds extension request. In this instance, the request was not submitted prior to the expiration because the full impact of the COVID-19 pandemic could not be anticipated. Therefore, the Board is asked to approve a temporary amendment to the guidelines to allow for the late request. Staff is also proposing an exception to the SMP guidelines, which state participating cities and eligible agencies requesting an extension beyond the three-year limitation must submit a justification letter for review and approval by OCTA at least 90 days prior to the end of the third fiscal year. In this instance, this requirement was not met so a temporary amendment to the guidelines is recommended. These are one-time exceptions that are justified due to the extraordinary situations brought about by the pandemic.

M2 CTFP Summary

The M2 CTFP summary table provided below includes an update on the status of M2 CTFP-funded projects by phase and funding allocation amount. The table also documents programmatic changes that have occurred since the March 2022ⁱ semi-annual review.

M2 CTFP Summary Table				
Project Status	March 2022 Semi-Annual Review		March 2023 Semi-Annual Review	
	Project Phases	Allocations (in millions)	Project Phases	Allocations ¹ (after adjustments)
Planned ²	57	\$ 59.8	57	\$56.3
Started ³	106	\$159.9	122	\$178.4
Pending ⁴	110	\$115.3	111	\$117.1
Completed ⁵	417	\$191.2	420	\$204.2
Cancelled ⁶	59	\$ 51.6	65	\$57.3
Total	749	\$577.8	775	\$613.3

¹ Allocations in millions, subject to change pending final reconciliation.

² Planned - indicates that funds have not been obligated and/or are pending contract award.

³ Started - indicates that the phase is underway, and funds are obligated.

⁴ Pending - indicates that phase work is completed, and final report submittal/approval is pending.

⁵ Completed - indicates that phase work is complete, the final report is approved, and final payment has been made.

⁶ Cancelled - indicates that the phase work will not be completed, and project savings will be returned to the program.

* Note: the project phase and allocations listed above are subject to frequent and regular changes due primarily to project status updates, final reconciliations, and project closeout processes.

ⁱ The September 2022 semi-annual review was conducted in fall 2022. Based upon project status updates, adjustments requiring Board action in the usual December timeframe for a September cycle were not needed at the time.

Key items to note are:

- Since the inception of M2, OCTA has programmed over \$613.3 million in competitive funds through the March 2023 semi-annual review period, including approximately \$37.8 million in state and federal funds.
- Total accumulated project savings, since inception, are estimated to be approximately \$67.3 million. These savings have been returned to M2 source programs and are used to support future funding cycles as appropriate. Cost savings from delivered projects are realized for various reasons such as contractor bids that are lower than the grant application estimate, quantity adjustments, and minor construction modifications.
- As of publishing this report, 531 individual project phases (pending plus completed from the table) have been completed. This represents a 75 percent project delivery rate (excluding cancelled projects), which reflects all projects that have been granted funds.
- Another 179 project phases, or 25 percent, are considered currently active (122 started and 57 planned).

Based on the CTFP guidelines, the recommended project adjustments identified in this staff report are appropriate and necessary. These requested adjustments have also been reviewed and approved by the OCTA Technical Advisory Committee.

Next Steps

Pending approval by the Board, staff will monitor the implementation of the actions included in this report through future semi-annual review cycles, typically reported biannually.

Summary

Consistent with the semi-annual review process, staff has reviewed all active M2 CTFP-funded project phases, as well as timely-use of funds provisions for LFS and SMP services and is recommending approval of all requested project adjustments and the exceptions to the guidelines identified in this report.

Attachments

- A. Measure M2 Comprehensive Transportation Funding Programs and Local Formula Programs Summary
- B. Comprehensive Transportation Funding Programs, March 2023 Semi-Annual Review Adjustment Requests
- C. Comprehensive Transportation Funding Programs, March 2023 Semi-Annual Review Adjustment Request Descriptions

Prepared By:



Cynthia Morales
Transportation Funding Analyst
(714) 560-5905

Approved By:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741