

CTFP Guidelines Revisions for Payment Processing
Chapter 7 - Regional Capacity Program

Item No.	2026 Guidelines Page	Chapter	Section Title	Current Language	Proposed Language	Reason for Change									
1	7-1	7	Overview	The RCP (Project O) is a competitive program that will provide more than \$1 billion over a thirty-year period. The RCP replaces the Measure M local and regional streets and roads competitive programs (1991-2011). Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX and the California State Controller's Guidelines Relating to Gas Tax Expenditures (March 2019). These Guidelines are available at the following link: https://www.sco.ca.gov/Files-AUD/Gas_Tax_Fund_Guidelines.pdf .	The RCP (Project O) is a competitive program that will provide more than \$1 billion over a thirty-year period. The RCP replaces the Measure M local and regional streets and roads competitive programs (1991-2011). Although each improvement category described in this chapter has specific eligible activities, the use of RCP funding is restricted to and must be consistent with the provisions outlined in Article XIX and the California State Controller's Guidelines Relating to Gas Tax Expenditures for Cities and Counties (Gas Tax Fund Guidelines) . These Guidelines are available at the following link: https://sco.ca.gov/pubs_guides.html	Update link for resource accessibility.									
2	7-2	7	Funding Estimates	Funding will be provided on a pay-as-you-go basis. The RCP will make an estimated \$1.5 billion (in 2022 dollars) available during the 30-year M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with intersection, interchange and grade separation improvement categories. No predetermined funding has been set aside or established for street widening.	Consistent with the M2 Ordinance , funding for transportation improvements and operations will be provided on a pay-as-you-go basis. Under this approach , the RCP is anticipated to make approximately \$1.5 billion (in 2022 dollars) available over the 30-year life of the M2 program. Programming estimates are developed in conjunction with periodic calls for projects. Funding is shared with intersection, interchange and grade separation improvement categories. No predetermined funding has been set aside or established for street widening	Consultant: Inconsistent with other funding? Not via initial and/or final invoicing process? OCTA: Clarify current language to align with the Ordinance language.									
3	7-3	7	Programming Approach	Tiered Funding Approach: The two-tiered funding (Tier 1 and Tier 2) approach will only be applicable to the RCP. This approach is proposed to prioritize high scoring projects while providing a balanced program with funding availability for small and large projects. The first tier is for projects scoring 50 points or higher, and the second tier is for all projects after first satisfying the Tier 1 ranking. Within Tier 1, two categories would be established with 60 percent (60%) (Category 1) of the M2 funds available for smaller projects (requesting \$5 million or less), and 40 percent (40%) (Category 2) of the M2 funds available for larger projects (requesting \$5 million or more). This approach is intended to broaden the distribution of M2 funds to higher scoring/lower cost projects and retain the ability to fund larger projects without placing formal funding caps on allocations . Any M2 funds not programmed in Tier 1 will be designated for Tier 2 allocation. A funding split between small and large projects is not recommended for Tier 2.		OCTA: Seeking further feedback from the TSC regarding suggestions made on implementing a maximum allocation.									
				<table border="1"> <thead> <tr> <th></th> <th>Category 1 (60%)</th> <th>Category 2 (40%)</th> </tr> </thead> <tbody> <tr> <td>Tier 1 >=50</td> <td> <ul style="list-style-type: none"> \$0 - \$5 million Score at least 50 points Logical, standalone project Unallocated balance shifts to Tier 2 for programming </td> <td> <ul style="list-style-type: none"> \$5+ million request Score at least 50 points Logical, standalone project Unallocated balance shifts to Tier 2 for programming </td> </tr> <tr> <td>Tier 2</td> <td colspan="2"> <ul style="list-style-type: none"> Balance of unallocated funds from Tier 1 prioritization Request can be of any dollar value to compete in Tier 2 Multiple segments of the same project cannot be submitted under both categories. </td> </tr> </tbody> </table>		Category 1 (60%)	Category 2 (40%)	Tier 1 >=50	<ul style="list-style-type: none"> \$0 - \$5 million Score at least 50 points Logical, standalone project Unallocated balance shifts to Tier 2 for programming 	<ul style="list-style-type: none"> \$5+ million request Score at least 50 points Logical, standalone project Unallocated balance shifts to Tier 2 for programming 	Tier 2	<ul style="list-style-type: none"> Balance of unallocated funds from Tier 1 prioritization Request can be of any dollar value to compete in Tier 2 Multiple segments of the same project cannot be submitted under both categories. 			
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4	7-3	7	2026 Call For Projects 2027 Call For Projects	Funding will be provided for the three RCP funding programs: ACE, ICE, and FAST. Chapter 7 details the specific program's intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds. Each section should be read thoroughly before applying for funding. Application should be prepared for the program that best fits the proposed project. For this call, OCTA shall program projects for a three-year period (FY 26/27 – 28/29), based upon the current estimate of available funds. For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section V of these guidelines.	Funding will be provided for the three RCP funding programs: ACE, ICE, and FAST. Chapter 7 details the specific program's intent, eligible project expenditures, ineligible project expenditures, and additional information that may be needed when applying for funds. Each section should be read thoroughly before applying for funding. Application should be prepared for the program that best fits the proposed project. For this call, OCTA shall program projects for a three-year period (FY 27/28 – 29/30), based upon the current estimate of available funds. For specifics on the funding policies that apply to this call, refer to the Program Precepts as found in Section V of these guidelines.	Revise programming years to align with the 2027 call schedule.									
5	7-3	7	Applications	In order for OCTA to consider a project for funding, applications will be prepared by the lead agency. A separate application package must be completed for each individual project. Multiple variations of the same project (i.e. with different local match rates) will not be considered. If funding is requested under multiple program components for a single project (i.e. arterials and intersections) a separate application must be prepared for each request. OCTA shall require agencies to submit electronic applications for the 2026 call for projects by 5:00 p.m. on Thursday, November 20, 2025. Late and/or incomplete submittals will not be accepted.	In order for OCTA to consider a project for funding, applications will be prepared by the lead agency. A separate application package must be completed for each individual project. Multiple variations of the same project (i.e. with different local match rates) will not be considered. If funding is requested under multiple program components for a single project (i.e. arterials and intersections) a separate application must be prepared for each request. OCTA shall require agencies to submit electronic applications for the 2027 call for projects by 5:00 p.m. on Thursday, October 22, 2026 . Late and/or incomplete submittals will not be accepted.	Consultant: Have example of good application. OCTA: Will work on gathering examples and making them available to the local jurisdictions. Revise application deadline to reflect the 2027 call schedule.									

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6	7-8	7	Project Cost Estimate Form	<p>Include a separate attachment listing all expenditures and costs for the project using the Revised Cost Estimate Form 10-3 provided by OCTA and available for download at https://ocfundtracker.octa.net. Another attachment may be included in addition if desired. Accurate unit prices and a detailed description of work, including design, will be critical when the candidate project is reviewed. For example, design applications should include major tasks that will be performed. ROW cost estimate should include parcel information (including project area needed), improvements taken, severance damages, easements, ROW engineering, appraisal and legal costs. Construction should include a listing of all bid items including a maximum 10 percent (10%) allowance for contingencies and a maximum 20 percent (20%) of M2 grant allowance for construction support, subject to match requirements. The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the program from which funding is expected to be allocated when completing this portion of the form. Each of the funding programs described in these guidelines may have differing matching fund requirements. If more than one project phase is requested to be funded, a separate project cost estimate form is to be completed for each phase, or each phase must be clearly indicated, and a subtotal prepared on this form. Separate forms should also be prepared if funding for project phases is being requested over multiple fiscal years.</p>	<p>Include a separate attachment listing all project expenditures and costs using the Revised Cost Estimate Form 10-3, provided by OCTA and available for download at https://ocfundtracker.octa.net. An additional attachment may be included, if desired.</p> <p>Accurate unit prices and a detailed description of the proposed work, including design activities, are critical during the candidate project review process. Cost Estimates must provide sufficient detail to understand cost components and determine eligible and noneligible items. For example, design applications must include major tasks that will be performed.</p> <p>ROW cost estimates must include parcel information (including the project area required), improvements to be acquired, severance damages, easements, ROW engineering, appraisal costs, and legal costs.</p> <p>Construction cost estimates must include a complete listing of all bid items, including up to ten percent (10%) contingency and a maximum 20 percent (20%) of the M2 grant for construction support, subject to match requirements.</p> <p>The anticipated disbursement of costs (e.g., Agency, Other, Non-Eligible) must also be completed. Agencies should reference the funding program from which funds are expected to be allocated when completing this section of the form. Each funding program described in these guidelines may have different matching fund requirements.</p> <p>If funding is requested for more than one project phase, a separate project cost estimate form must be completed for each phase. Separate forms are also required when funding for project phases is being requested over multiple fiscal years.</p>	<p>Consultant: Confirm form is current/accurate. Show completed examples and FAQ for items frequently submitted erroneously. Provide more specific link - link to form downloads page What is considered major? Link to historical examples and sample calculations. Is there a specified format to show anticipated disbursements of costs (agency, other, non-eligible)? Is this clear on the form?</p> <p>OCTA: Add context to further clarify information and level of detail needed on the Cost Estimate Form.</p>
7	7-13	7	Application Review Process	<p>The following guidelines will be used in reviewing project applications. Any application that does not meet these minimum guidelines must include an explanation of why the guidelines were not met:</p> <ol style="list-style-type: none"> 1. The travel lane width should be no less than 11 feet (12 feet if adjacent to a raised median or other obstruction) for all arterial highways. 2. For divided roadways, the minimum median width should be no less than 10 feet to allow for turning movements. Divided roadways are defined as those with either a painted or raised median. 3. Arterial highways that are designated for uses in addition to automobile travel (e.g., bicycle, pedestrian, parking) shall provide additional ROW consistent with local jurisdiction standards to facilitate such uses. <p>...</p>		<p>Consultant: Include examples for each requirement.</p> <p>OCTA: Seeking TSC feedback if change is needed.</p>
8	7-14	7	Application Review Process	<p>Board authorization to issue call: September 8, 2025 Application submittal deadline: November 20, 2025 TSC/TAC Review: March/April 2026 Committee/Board approval: May/June 2026</p>	<p>Board authorization to issue call: August 10, 2026 Application submittal deadline: October 22, 2026 TSC/TAC Review: February/March 2027 Committee/Board approval: April/May 2027</p>	<p>Revise the key call dates to align with the 2027 call schedule.</p>
9	7-14	7	Funding	<p>A thorough review of eligible activities is not always possible during the call for projects evaluation period. As a result, it is possible that cost elements contained within an application and included in a funding recommendation may ultimately be deemed ineligible for program participation. The applicant is responsible for ensuring projects are implemented according to eligible activities contained within the program guidelines.</p> <p>In order to make certain that local agencies are aware of ineligible activities and/or potentially ineligible elements within a funded project, OCTA staff is available to review elements of the project design at any time through the duration of the M2 grant. It is highly recommended that grantees engage in the design review process with OCTA staff prior to initiating project implementation (i.e., commencing ROW acquisitions, executing construction contract) to allow for design changes by the local agencies, as needed.</p>	<p>A thorough review of eligible activities is not always possible during the call for projects evaluation period. As a result, it is possible that cost elements contained within an application and included in a funding recommendation may ultimately be deemed ineligible for program participation. The applicant is responsible for ensuring projects are implemented according to eligible activities contained within the program guidelines.</p> <p>In order to make certain that local jurisdictions are aware of ineligible activities and/or potentially ineligible elements within a funded project, OCTA staff will review the cost elements following <u>Board approval of the funding recommendation for construction. OCTA will then issue written confirmation identifying eligible and ineligible costs and provide staff approval to proceed prior to the obligation of any funds through contract award.</u> It is highly recommended that local jurisdictions engage in the design review process with OCTA staff <u>as early as possible</u> prior to initiating project implementation (i.e., <u>35%-65% design</u>, commencing ROW acquisitions) to allow for design changes by the local jurisdictions, as needed.</p>	<p>Update section to align with revision made under the new Precept 6 (letter agreement process/pre-award authority and cost eligibility confirmation process for CON and PI phases).</p>
10	7-15	7	Project Participating Categories	<p>Gap closures – the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic.</p>	<p>Gap closures – the construction of a roadway to its full MPAH build-out for the purpose of connecting two existing ends of that roadway by filling in a missing segment or for completing the terminus of an MPAH roadway. This applies to increased roadway capacity only as it relates to vehicular traffic. Gap closures shall use the minimum lane width of 12 feet. Lane widths less than 12 feet will be considered by OCTA on case-by-case basis and local jurisdiction will need to provide supporting documentation justifying the reduction. Lane width shall not be less than 11 feet on arterial highways designated as Truck Routes. For reference, see the MPAH map: https://www.octa.net/programs-projects/projects/streets-projects/master-road-plan.</p>	<p>Add minimum lane width to ensure the intent of the program is being maintained and funds are not being used for restriping, specifically for gap closure projects. Add link for resource accessibility.</p>

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11	7-16 7-33 7-44	7	Potentially Eligible Items	Below is a list of potentially eligible items. However, final determination of the eligibility of all project related costs will be made at the time of reimbursement. Prior to the submittal of an application for funding, or at any point in the project life cycle, local agencies may meet with OCTA staff to review the eligibility of project related costs. Application review and approval does not guarantee the eligibility of all items.	Below is a list of potentially eligible items. However, initial determination of the eligibility of all project related costs will be made following Board approval and OCTA will provide a written confirmation of the eligible costs for construction. Prior to the submittal of an application for funding, or at any point in the project life cycle, local jurisdictions may meet with OCTA staff to review the eligibility of project related costs. Application review and approval does not guarantee the eligibility of all items.	Consultant: "Potentially" is confusing/unclear OCTA: Update section to align with revision made under Precept 6 (letter agreement process/pre-award authority and cost eligibility confirmation process for CON and PI phases)
12	7-16, 7-33, 7-44	7	Potentially Eligible Items	<ul style="list-style-type: none"> • Direct environmental mitigation for projects funded by ACE (subject to limitations identified in precepts) • Sound walls (in conjunction with roadway improvement mitigation measures) • Aesthetic improvements including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of construction costs, provided costs are reasonable for the transportation benefit) • Improvements to private property if part of a ROW settlement agreement • Roadway grading within the ROW (inclusive of any TCE and/or ROW agreement related improvements) should not exceed a depth for normal roadway excavation (e.g., structural section). Additional grading will be considered on a case-by-case basis. Agencies shall provide supporting documentation (e.g., soils reports, ROW agreements) to justify the additional grading. 	<ul style="list-style-type: none"> • Environmental mitigation for projects funded by ACE (subject to limitations identified in Precept 30 as defined in an approved CEQA environmental document) • Sound walls (in conjunction with roadway improvement mitigation measures) as defined in an approved CEQA environmental document • Aesthetic improvements (e.g., decorative sidewalks, enhanced sidewalk and driveway treatments such as brick or stamped concrete) including landscaping within the project ROW (eligible improvements up to 10 percent (10%) of the construction grant, subject to match requirements, provided costs are reasonable for the transportation benefit) • Improvements and/or betterments (e.g., gates, minor parking lot restriping, underground utility, etc.) to private property if part of a ROW settlement agreement • Grading within the roadway is eligible. However, additional grading will be considered on a case-by-case basis. Agencies must provide supporting documentation (e.g., soils reports, ROW agreements) to justify the additional grading, if seeking reimbursement for this component. 	Consultant: Specify what is eligible, unclear - need examples. OCTA: Add examples and additional details for clarity. Clarify that environmental mitigation and sound walls are potentially eligible if items are included in an approved environmental document. Simplify calculations of aesthetic improvements by making percentage based off grant amount. Grading within the roadway is now eligible without limitation on depth; however, any additional grading must be supported by documentation to be considered eligible for reimbursement.
13	7-16, 7-34, 7-45	7	Potentially Eligible Items	Environmental mitigation will be allowed only as required for the proposed roadway improvement and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the total eligible construction costs.	Environmental mitigation will be allowed only as required for the proposed roadway improvement and only as contained in the environmental document. Program participation in environmental mitigation shall not exceed 25 percent (25%) of the grant .	Simply calculations by making percentage based off the grant amount.
14	7-16, 7-34, 7-45	7	Potentially Eligible Items	Longitudinal storm drains are eligible for program participation when the storm drain is an incidental part (cost is less than 25 percent (25%) of the total eligible construction cost) of an eligible improvement. Program participation shall not exceed 10 percent (10%) of the cost of storm drain longitudinal/parallel and main lines. Storm drain inlets, connectors, laterals and cross culverts shall have full participation in ACE Program funding. Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g., within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin designated by aforementioned criteria.	Storm drain systems required per the hydrology report for the MPAH road improvement are eligible. However M2 funds shall not supplant developer funding (see Precept 5). Storm drains outside standard MPAH ROW widths are not eligible, excluding catch basins within reasonable distance and in general proximity to a project intersection (e.g., within ten feet of the curb return). Catch basins and drainage systems extending into adjacent areas (including public streets) shall not be eligible past the first catch basin designated by aforementioned criteria.	Consultant: Show sample calculation OCTA: OCTA's intent is to allow storm drain systems required by the hydrology report to be eligible; however, additional guidance from the TSC is needed.
15	7-17, 7-34, 7-45	7	Potentially Eligible Items	Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and the Measure M contribution to the cost of soundwalls shall not exceed 25 percent (25%) of the total eligible construction costs. Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.	Soundwalls are eligible only if they are required as part of the environmental mitigation for the proposed project and the Measure M contribution to the cost of soundwalls shall not exceed 25 percent (25%) of the total grant . Aesthetic enhancements and landscaping in excess of minimum environmental mitigation requirements are subject to limitations described in this section above.	Simply calculations by making percentage based off the grant amount.
16	7-16, ICE, FAST	7	Utility Relocation	If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local agency's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g., water valves, manhole frames and covers), due to new roadway cross sections are either eligible or not eligible in the construction phase subject to the limitations previously described (e.g., prior rights). New or relocated fire hydrants are ineligible. In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must include any salvage credits received.		Per consultant generally unclear, provide examples here. Unclear why new or relocated fire hydrants are ineligible? Provide definition for in-kind OCTA: Seeking TSC feedback if examples, explanation, and definition are needed.
17	7-18, ICE, FAST	7	Ineligible Items	Enhanced landscaping, aesthetics and gateway treatments (landscaping that exceeds that necessary for normal erosion control and ornamental hardscape)	Enhanced landscaping, aesthetics and gateway treatments (e.g., new city sign, statues, ornaments, public art, fountains, trees greater than a 2 inch box, wrought iron fencing, etc.)	Consultant: What counts as normal/necessary erosion control and ornamental hardscape? OCTA: Add examples for clarity.

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18	7-18, 7-34, 7-47	7	Ineligible Items	None	Street improvements and maintenance activities (e.g., curb and gutter, pavement rehabilitation/restoration, sidewalk reconstruction, or full catch-basin replacement/construction) are not eligible, unless surface repairs are required to restore a funded RCP project area to pre-construction conditions.	Clarify that general street improvement and maintenance work are ineligible, except surface repairs necessary to restore project area to pre-construction conditions.
19	7-25, 7-39, 7-50	7	Application Process	<p>Application Process Project grants are determined through a competitive application process. Local jurisdictions seeking funding must complete a formal application and provide supporting documentation that will be used to evaluate the project proposal as outlined below. Detailed instructions and checklists are provided in this chapter.</p> <p>Complete application</p> <ul style="list-style-type: none"> • Funding needs by phase and fiscal year • Local committed match funding source, confirmed through city council resolution or minute order • Supporting technical information (including current traffic counts) • Project development and implementation schedule • ROW status and detailed plan for acquisition/disposal of excess right-of-way. The ROW acquisition/disposal plan must be submitted using the "ROW acquisition/disposal plan" form provided by OCTA and available for download at https://ocfundtracker.octa.net. • Any additional information deemed relevant by the applicant • Grants subject to Master Funding Agreement <p>Calls are expected to be issued on an annual basis, or as determined by the Board. Complete project applications must be submitted by the established due date to be considered eligible for consideration.</p>	No material changes to text.	The section was moved to earlier in the chapter to improve the flow of the guidelines; however, no changes were made to the existing language.
20	7-26 7-39	7	Minimum Eligibility Requirements	<p>Minimum Eligibility Requirements Projects must have an existing or projected LOS "D" (.81 v/c) or worse to qualify for priority consideration for funding in this program. All project roadways must be identified on the MPAH network. Local streets not shown on the MPAH are not eligible for funding through this program.</p>	No material changes to text.	The section was moved to earlier in the chapter to improve the flow of the guidelines; however, no changes were made to the existing language.
21	7-27, 7-40, 7-52	7	Other Application Materials	<p>Other Application Materials Supporting documentation will be required to fully consider each project application. In addition to the funding plan described above, local agencies will be required to submit the following materials: <u>Council Approval:</u> A Council Resolution or Minute Order action authorizing request for funding consideration with a commitment of local match funding must be provided with the project application. If a draft copy of the resolution is provided, the local agency must also provide the date the resolution will be finalized by the local agency's governing body. A final copy of the City Council approved resolution must be provided at least four (4) weeks PRIOR to the consideration of programming recommendations by OCTA's Board of Directors. <u>Project Documentation:</u> If proposed project has completed initial planning activities (such as PSR or equivalent, EIR, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer stamped site plan, or other summary information to demonstrate completion or planning phases. An electronic copy of the PSR and/or environmental document must be supplied as applicable. The applicant will be asked for additional detailed information if necessary, to adequately evaluate the project application. <u>Project Summary Information:</u> With each application being recommended for funding, the agency shall submit a PowerPoint presentation summarizing the pertinent project information for review and discussion purposes. The presentation shall be no more than three (3) slides and should contain, at a minimum, a project description, project benefits, location map, and cost estimate. OCTA staff will request the PowerPoint file when/if a project is recommended for funding.</p>	No material changes to text.	The section was moved to earlier in the chapter improve the flow of the guidelines; however, no changes were made to the existing language.
22	7-22	7	Selection Criteria	Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the 36 months preceding the release date of the current call. Note: New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. The OCTAM modeling request deadline is October 9, 2025 for the 2026 Call for Projects. If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application will not be considered. For agencies where event, weekend, or seasonal traffic presents a significant issue, Average Annual Daily Traffic (AADT) counts can be used, provided the agency gives sufficient justification for the use of AADT	Project applications using projected ADT must use traffic counts taken within the preceding 12 months. Project applications not using projected ADT may use traffic counts taken within the 36 months preceding the release date of the current call. Note: New facilities must be modeled through OCTAM and requests should be submitted to OCTA a minimum of six (6) weeks prior to application submittal deadline. The OCTAM modeling request deadline is September 10, 2026 for the 2027 Call for Projects. If modeling requests are not submitted six (6) weeks prior to the application submittal deadline, the application will not be considered. For agencies where event, weekend, or seasonal traffic presents a significant issue, Average Annual Daily Traffic (AADT) counts can be used, provided the agency gives sufficient justification for the use of AADT.	Revise deadline for OCTAM modeling requests to align with the 2027 call schedule.

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Item No.	2026 Guidelines Page	Chapter	Section Title	Current Language	Proposed Language	Reason for Change
23	7-23 7-36 7-48	7	Selection Criteria	Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. This minimum match can be reduced by up to 25 percentage points if certain eligible components are met. If a jurisdiction's minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match differential. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.	Funding Over-Match: The percentages shown apply to match rates above a jurisdiction's minimum local match rate requirement. M2 requires a 50 percent (50%) local match for RCP projects. Pursuant to the M2 Ordinance, this minimum match requirement may be reduced by up to twenty-five (25) percentage points if the following criteria are met: <ul style="list-style-type: none"> • A ten percent (10%) local match reduction if the local jurisdiction implements, maintains and operates in conformance with the Traffic Signal Synchronization Master Plan. • A ten percent (10%) local match reduction if the local jurisdiction either: (a) has measurable improvement of paved road conditions during the previous reporting period as determined pursuant to OCTA's method of measuring improvement of road pavement conditions or (b) has road pavement conditions during the previous reporting period which are within the highest twenty percent (20%) of the scale for road pavement conditions as determined pursuant to OCTA's method of measuring improvement of road pavement conditions. • A five percent (5%) local match reduction if the local jurisdiction does not use any Net Revenues as part of the funds for the local match. If a jurisdiction's minimum match target is 30 percent (30%) and a local match of 45 percent (45%) is pledged, points are earned for the 15 percent (15%) over-match differential. The pledged amount is considered the committed match rate and will be required, at a minimum, from the local agency throughout the life of the project.	Consultant: What are these components? OCTA: Add the specific components that can reduce the local match requirement, as stated in the Ordinance.
24	7-25	7	Selection Criteria	LOS Improvement: This category is a product of the existing or projected LOS based upon volume/capacity -- or v/c -- and LOS improvement "with project". Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) "without project" condition to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for the proposed segment. However, for projects where traffic volumes follow unconventional patterns, unidirectional volumes may be proposed as an acceptable alternate methodology for determining LOS. If unidirectional volumes are used for LOS calculations, ADT for the proposed direction of improvement shall serve as the basis for ADT, cost benefit and vehicle miles travelled (VMT) scoring categories. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process. If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Projects with a LOS better than "C" (.70 v/c) will not be considered.	LOS Improvement: This category is a product of the existing or projected LOS based upon volume/capacity -- or v/c -- and LOS improvement "with project". Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) "without project" condition to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for the proposed segment. However, for projects where traffic volumes follow unconventional patterns, unidirectional volumes may be proposed as an acceptable alternate methodology for determining LOS. If unidirectional volumes are used for LOS calculations, ADT for the proposed direction of improvement shall serve as the basis for ADT, cost benefit and vehicle miles travelled (VMT) scoring categories. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process. If during the competitive process, it is determined that additional programming capacity exists after all eligible projects with LOS "D" have been funded, a consideration of projects with a minimum LOS "C" (.71 v/c) may be undertaken. Such consideration will be at the discretion of OCTA. Unless the project is a New Facility/Extension, projects with less than a LOS better than "C" (.70 v/c) will not be considered.	Consultant: What is unconventional? OCTA: Seeking feedback from the TSC if examples of "unconventional patterns" are needed. Also seeking feedback from TSC on proposed language provided by a local jurisdiction for consideration with respect to new facilities/extensions.
25	7-27, 7-39, 7-51	7	Matching Funds	Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met, as described in the Selection Criteria section of this chapter. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local jurisdictions throughout the life of the project. Actual project contributions by the local jurisdiction are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate.	Local agencies are required to provide local match funding for each phase of the project. As prescribed by the M2 Ordinance, the minimum local match requirement is 50 percent (50%) with potential to reduce this amount if certain eligibility requirements are met, as described in the Selection Criteria section of this chapter. The amount pledged during the application process is considered the committed match rate and will be required, at a minimum, from the local jurisdictions throughout the life of the project. Actual project contributions by the local jurisdiction are dependent on final project costs and may not be equal to the committed match rate in the event of cost overruns. OCTA will not increase the funding grant to cover cost overruns. Ineligible expenditures do not contribute to the local match rate. The match must be a monetary contribution and may not be made up of in-kind services.	Clarify that the match cannot consist of in-kind services and must be provided as a monetary contribution, consistent with the definition for local match.
26	7-28 7-40 7-51	7	Reimbursements	This program is administered on a reimbursement basis for capital improvements, planning, design, and ROW acquisition. Reimbursements will be disbursed upon review and approval of an acceptable initial payment submittal, final report, and consistency with Master Funding Agreement or cooperative agreement if federal funds are awarded. The reimbursement process is more fully described in Chapter 9 of this manual.	This program is administered on a progress payment basis, see Chapter 10.	Revise to align with revision made under Precept 37 (new progress payment structure).

**CTFP Guidelines Revisions for Payment Processing
Chapter 7 - Regional Capacity Program**

Item No.	2026 Guidelines Page	Chapter	Section Title	Current Language	Proposed Language	Reason for Change
27	7-35	7	Utility Relocation	<p>Utility Relocations The expenses associated with the relocation of utilities are eligible for RCP reimbursement only when all conditions listed below have been met:</p> <ul style="list-style-type: none"> • The relocation is made necessary due to conflict with proposed improvements. • The facility to be relocated is within the project right-of-way. • It has been determined that the local agency is legally liable for either a portion of or all of the relocation costs. <p>Liability can be determined by property rights, franchise rights/agreements, state and local statutes/ordinances, permits, a finding by the local agency's counsel, or other recorded legal document. Documentation providing proof of the local jurisdiction's liability for the costs of utility relocation must be submitted at the time of a payment request (see Chapter 10). Utilities funded through enterprise funds shall not be eligible for reimbursement.</p> <p>If a relocation is eligible to be reimbursed, and to be performed by the utility owner or by the utility owner's contractor, the work should be included in the ROW phase costs and clearly identified in the project application submittal. For eligible relocations to be performed during the construction phase by the local jurisdiction's contractor, the work should be included in the plans and specifications similar to other construction activities. Adjustment of existing utilities to grade (e.g., water valves, manhole frames and covers), due to new roadway cross sections are either eligible or not eligible in the construction phase subject to the limitations previously described (e.g., prior rights). New or relocated fire hydrants are ineligible.</p> <p>In all cases, eligible costs shall only include "in-kind" relocation. No reimbursements will be made for betterments above the cost of "in-kind" relocation. Additionally, costs submitted for program reimbursement must include any salvage credits received.</p>	No material changes to text.	The section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.
28	7-38	7	Selection Criteria	For projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) HCM 2010 may be proposed as an alternate methodology for determining LOS. HCM calculations must use SYNCHRO and be supported with complete calculation documentation using standard industry approaches and current signal timing plans. If an alternative methodology is proposed, all analysis must be submitted to OCTA for review no later than October 9, 2025 for the 2026 Call for Projects. OCTA will contract with an independent third-party firm to review the technical analysis. The cost for the review will be charged to the applicant.	For projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) HCM 2010 may be proposed as an alternate methodology for determining LOS. HCM calculations must use SYNCHRO and be supported with complete calculation documentation using standard industry approaches and current signal timing plans. If an alternative methodology is proposed, all analysis must be submitted to OCTA for review no later than September 10, 2026 for the 2027 Call for Projects. OCTA will contract with an independent third-party firm to review the technical analysis. The cost for the review will be charged to the applicant.	Revise the dates to align with the 2027 call schedule.
29	7-51	7	Caltrans Coordination	<p>Caltrans Coordination Caltrans is not eligible to submit applications or receive payment under this program. Only eligible cities or the County of Orange may submit applications and receive funds. This program was designed to benefit local agencies.</p> <p>Coordination with Caltrans will be essential for most, if not all, of the projects submitted for this program. Local agencies should therefore establish contacts with the Caltrans District 12 Office (Project Development Branch) to ensure that candidate projects have been reviewed and approved by Caltrans. All other affected agencies should be consulted as well.</p> <p>Agencies submitting projects for this program must have confirmation from Caltrans that the proposed improvement is consistent with other freeway improvements as evidenced by an agreement or other formal document.</p> <p>Applications should be submitted so that interchange projects are done in conjunction with construction of other freeway improvements whenever possible. However, if the interchange project can be done in advance of the freeway project, verification and/or supporting documentation must be submitted showing the interchange improvement has merit for advanced construction and that it will be compatible with the freeway design and operation. Additionally, the interchange improvements should take into account the ultimate freeway improvements if the interchange is to be improved in advance.</p>	No material changes to text.	The section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.
30	7-49	7	Selection Criteria	LOS Improvement: This category is a product of the existing or projected LOS based upon v/c and LOS improvement "with project" for arterial based improvements and ICU for intersection-based improvements. Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for arterials and peak hour turning movements at intersections for the proposed segment. However, for projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) alternate methodologies for determining LOS can be proposed. If HCM 2010 is proposed for intersections as an alternative methodology, all analysis must be submitted to OCTA no later than October 9, 2025 and the cost for independent review shall be reimbursed by the applicant. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process.	LOS Improvement: This category is a product of the existing or projected LOS based upon v/c and LOS improvement "with project" for arterial based improvements and ICU for intersection-based improvements. Projects must meet a minimum existing or projected LOS of "D" (.81 v/c) to qualify for priority consideration for funding. Existing LOS is determined using current 24-hour traffic counts for arterials and peak hour turning movements at intersections for the proposed segment. However, for projects where traffic volumes follow unconventional patterns (e.g. unidirectional congestion, large disparity between AM and PM peaks, etc.) alternate methodologies for determining LOS can be proposed. If HCM 2010 is proposed for intersections as an alternative methodology, all analysis must be submitted to OCTA no later than September 10, 2026 and the cost for independent review shall be reimbursed by the applicant. Projects that do not meet the minimum LOS "D" can be submitted but are not guaranteed consideration as part of the competitive process.	Revise deadline for alternative methodology submittals to align with the 2027 call schedule.

Color Key

Red = Revised text in CTFP Guidelines

Yellow, *Italics* = Consultant recommendation

Green = The section was moved to improve the flow of the guidelines; however, no changes were made to the existing language.

Blue = Recommendation deferred to TSC