



**December 2, 2024**

**To:** Regional Transportation Planning Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** State and Federal Grant Acceptance for the Coastal Rail Infrastructure Resiliency Project

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the memo.

**Overview**

In October 2024, the Orange County Transportation Authority received grant awards for the Coastal Rail Infrastructure Resiliency Improvement Project from the California Transportation Commission for \$80 million in advance programming of 2024 SB 1 (Chapter 5, Statutes of 2017) Trade Corridor Enhancement Program funding, from the California State Transportation Agency for \$125 million in 2024 Cycle 7 Transit and Intercity Rail Capital Program funding, and from the Federal Railroad Administration for \$100 million in 2024 Consolidated Rail Infrastructure and Safety Improvements Program funding. Board of Directors' approval is requested to accept these grants.

**Recommendations**

- A. Adopt Resolution No. 2024-088, to accept the SB 1 Trade Corridor Enhancement Program grant award from the California Transportation Commission for \$80 million, to commit the required 30 percent match from the Federal Railroad Administration award, and to negotiate and execute any grant-required agreements including the baseline agreement.
- B. Authorize the Chief Executive Officer, or designee, to accept the 2024 Cycle 7 Transit and Intercity Rail Capital Program grant award from the California State Transportation Agency for \$125 million for the Coastal Rail Infrastructure Resiliency Improvement Project, and to negotiate and execute grant-related agreements and documents with the California State Transportation Agency and California Department of Transportation.
- C. Authorize the Chief Executive Officer, or designee, to accept the Consolidated Rail Infrastructure and Safety Improvements Program grant award from the Federal Railroad Administration for \$100 million for the Coastal Rail Infrastructure Resiliency Improvement Project, and to

negotiate and execute grant-related agreements and documents with the Federal Railroad Administration.

- D. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program to facilitate programming of the Coastal Rail Infrastructure Resiliency Improvement Project.

### ***Background***

On August 15, 2024, the California Transportation Commission (CTC) adopted program guidelines and initiated a call for projects (call) for the SB 1 Trade Corridor Enhancement Program (TCEP) making approximately \$1.071 billion available for projects that improve infrastructure for designated freight corridors. The TCEP guidelines include advanced programming, which allows applicant agencies to apply for TCEP funds in advance of the general call to leverage federal funds. On July 3, 2024, the Orange County Transportation Authority (OCTA) submitted an application to the CTC requesting \$80 million in advance programming for the Coastal Rail Infrastructure Resiliency (CRIR) Project through the TCEP.

On March 29, 2024, the Federal Railroad Administration (FRA) released a Notice of Funding Opportunity for the 2024 Consolidated Rail Infrastructure and Safety Improvements Grant Program (CRISI) making \$2.478 billion available to support safety enhancements and general improvements to infrastructure for both intercity passenger and freight railroads across the nation. On May 28, 2024, OCTA submitted an application to the FRA requesting \$100 million for the CRIR Project through the CRISI.

On April 30, 2024, the California State Transportation Agency (CalSTA) adopted program guidelines and initiated a call for the 2024 Cycle 7 Transit and Intercity Rail Capital Program (TIRCP) making \$900 million available for transformative capital improvements to modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion across the State. On July 23, 2024, OCTA submitted an application to CalSTA requesting \$125 million for the CRIR Project through the TIRCP.

### ***Discussion***

In October 2024, OCTA was awarded funding through all three programs from the CTC, FRA, and CalSTA for the CRIR Project. The funding awards are summarized below:

- On October 17, 2024, the CTC awarded OCTA’s full request, \$80 million in advance programming of 2024 TCEP funds, for the CRIR contingent upon OCTA receiving federal funds for the project. This requirement was satisfied by the award of CRISI funds as described below. The TCEP funds are programmed in fiscal year (FY) 2025-26.
- On October 24, 2024, CalSTA awarded OCTA’s full request, \$125 million in 2024 Cycle 7 TIRCP funds, for the CRIR Project. The TIRCP funds are programmed in FY 2025-26.
- On October 29, 2024, the FRA awarded OCTA’s full request, \$100 million in 2024 CRISI funds, for the CRIR Project. This award ensured the advance programming of the \$80 million in 2024 TCEP funds and provides more than the required 30 percent match to the \$80 million in TCEP funds. These funds are programmed in FY 2025-26.

OCTA will continue to work with the administering agencies to advance the CRIR Project to grant obligation and allocation once the environmental phase is completed, currently projected to be June 2025.

The total approved funding programmed for the CRIR Project for all phases is \$313.58 million to implement immediate protective measures at the four reinforcement areas that could affect the safety and reliability of the rail line if not remediated with protective measures such as riprap maintenance, temporary catchment wall, rock revetment, and sand nourishment. The table below summarizes the funding by phase and includes the three recent awards.

**CRIR Project Cost Table**

<b>Funding Programs</b>	<b>Preliminary Engineering</b>	<b>ROW</b>	<b>Design-Construction</b>	<b>Total</b>
LTCAP	\$3,824,000			\$3,824,000
M2	\$956,000			\$956,000
SB 125 <sup>1</sup>		\$1,732,000	\$2,068,000	\$3,800,000
TCEP <sup>2</sup>			\$80,000,000	\$80,000,000
TIRCP <sup>3</sup>			\$125,000,000	\$125,000,000
CRISI <sup>4</sup>			\$100,000,000	\$100,000,000
Total:	\$4,780,000	\$1,732,000	\$307,068,000	\$313,580,000

1. Additional SB 125 (Chapter 54, Statutes of 2023) funding which was directed to rail rehab may be made available for the project, if needed.
2. TCEP award approved by the CTC October 17, 2024. The required 30 percent match provided by CRISI funds.
3. TIRCP award approved by CalSTA October 24, 2024.
4. CRISI award approved by the FRA October 29, 2024. The required 20 percent match provided by TIRCP or TCEP funds.

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M2 – Measure M2 (local sales tax)

LTCAP – Local Transportation Climate Adaptation Program allocated by the CTC in August 2024 with required 20 percent match provided by M2 funds

ROW – Right-of-Way

SB 125 – SB 125 Transit Program formula funds

As required by the TCEP grant program guidelines, OCTA Board of Directors (Board) Resolution No. 2024-088 (Attachment A) is recommended for approval to authorize the Chief Executive Officer, or his designee, to accept the TCEP grant, commit the required match provided through the federal CRISI funds, and enter into grant agreements with the CTC and the California Department of Transportation (Caltrans). The TCEP grant also requires entering into a baseline agreement with the CTC and Caltrans for use of the funds. A summary outlining the terms of the baseline agreement is provided in Attachment B.

The revised Capital Funding Program Report, consistent with Board approval of the actions outlined in this report, is provided in Attachment C. This report provides a summary of Board-approved funding for each of the OCTA rail projects.

### ***Next Steps***

Should the Board approve acceptance of the TCEP, TIRCP, and CRISI grants, staff will continue working with the FRA to process a grant agreement for CRISI funds and with the CTC and Caltrans on baseline agreements.

Staff is working toward completion of the preliminary engineering and environmental phase. Once the environmental technical studies and documents necessary to comply with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) are completed, this will facilitate with determining the appropriate level of NEPA and CEQA documentation. OCTA will seek approval from the NEPA lead agency and will subsequently provide the CEQA document to the CTC for funding consideration. This approval is required to advance the CRIR Project for design and construction allocations of state TCEP and TIRCP funds. Allocation requests for TIRCP and TCEP funds will be submitted as early as June 2025.

Allocations of TCEP and TIRCP and execution of the CRISI grant agreement must be approved before contract award of the various design and construction components of the CRIR Project.

***Summary***

OCTA was awarded \$80 million in TCEP funds by the CTC, \$125 million in TIRCP funds by CalSTA, and \$100 million in CRISI funds by the FRA to support the CRIR Project. Board authorization is requested to receive grant funding and execute agreements for the CRIR Project.

***Attachments***

- A. Resolution No. 2024-088 of the Orange County Transportation Authority Trade Corridor Enhancement Program Grant Authorization
- B. Trade Corridor Enhancement Program Term Sheet - Project Baseline Agreement
- C. Capital Funding Program Report

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