



***December 3, 2025***

**To:** Finance and Administration Committee

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

**Subject:** Fiscal Year 2025-26 First Quarter Grant Reimbursement Status Report

***Overview***

The Quarterly Grant Reimbursement Status Report summarizes grant activities for the Orange County Transportation Authority Board of Directors. This report focuses on activity for the first quarter of fiscal year 2025-26, covering July through September 2025.

***Recommendation***

Receive and file as an information item.

***Discussion***

The Orange County Transportation Authority (OCTA) has secured grant funding from federal and state grant agencies to deliver programs, projects, and services to improve mobility in Orange County. The use of these funds is consistent with the capital programming policies approved by the Board of Directors (Board). The Quarterly Grant Reimbursement Status Report summarizes current and closed grant agreements.

New Grant Agreements:

During the quarter there were nine grant agreements executed.

Federal Fiscal Year (FFY) 2024 Federal Transit Administration (FTA) Section 5337 State of Good Repair:

OCTA executed an FTA grant agreement to secure \$1.3 million in FTA Section 5337 funds allocated to OCTA for FFY 2024. The funds will be used to cover preventative maintenance expenses for OCTA facilities.

FFY 2024 FTA Congestion Mitigation and Air Quality (CMAQ) Flex Formula Grant Program:

OCTA executed a grant agreement to secure \$9 million in FTA CMAQ funds allocated to OCTA for FFY 2024. These funds will be used to support the operation of OCTA's Rideshare Vanpool Program by partially funding the capital lease costs, marketing costs, and staff support.

FFY 2024 FTA Section 5339 Bus and Bus Facilities Grant Program:

OCTA executed an FTA grant agreement to secure \$5.7 million in FTA Section 5339 funds allocated to OCTA for FFY 2024. These funds will be used to support the purchase of 31 replacement traditional paratransit vans.

FFY 2024 FTA CMAQ and Carbon Reduction Program (CRP) Flex Formula Grant Program:

OCTA executed a grant agreement to secure \$13.8 million in FTA CMAQ and CRP funds allocated to OCTA for FFY 2024. This funding will be used to support the purchase of ten replacement 40-foot battery electric buses.

FFY 2024 FTA Section 5307 Formula Grant Program:

OCTA executed an FTA grant agreement to secure \$64.5 million in FTA Section 5307 formula funds allocated to OCTA for FFY 2024. These funds will be used to provide capital and operating assistance to cover preventative maintenance expenses and capital cost of contracting.

Active Transportation Program (ATP):

OCTA executed a grant agreement with the California Department of Transportation to secure \$850,000 in competitive ATP funds to support the Next Safe Travels Education Program (STEP) Project. A Next STEP project update was included as part of the ATP Biannual Update presented at the August 28, 2025, Regional Transportation and Planning Committee meeting and was included as part of the agenda at the September 8, 2025, Board meeting. Through the Next STEP Project, OCTA will engage with local city staff and police departments to promote safe walking and bicycling to school through training, audits, data collection, and community engagement at 25 Orange County elementary schools.

Fiscal Year (FY) 2025 California Department of Toxic Substances Control (DTSC)  
- Equitable Community Revitalization Grant (ECRG):

OCTA received \$350,000 for DTSC's ECRG. These funds will be used to evaluate environmental conditions along the former Pacific Electric right-of-way corridor between the cities of Garden Grove and Santa Ana. The assessment supports efforts to reclaim the corridor for an active transportation trail and to identify any environmental impacts from past railroad use.

FY 2023 Department of Housing and Urban Development (HUD):

In May 2025, OCTA executed a \$750,000 HUD grant to be used for the Santa Ana – Garden Grove Rails-to-Trails (OC Connect) Project.

FY 2024-25 SB 125 (Chapter 54, Statutes of 2023):

In December 2023, OCTA received a \$380.9 million allocation in SB 125 funding to be distributed over several FYs in support of 14 Board approved projects. OCTA has now received its second disbursement of \$80.3 million, which will support Metrolink Operations and Rail Infrastructure projects as well as the Harbor Boulevard Dynamic Bus Lane Engineering Project.

Current Grant Agreements:

OCTA has 13 FTA formula grant agreements and four FTA discretionary grant agreements.

The 13 FTA formula grant agreements have a total federal amount of \$240.5 million. A total of \$69 million has been reimbursed, leaving a balance of approximately \$171.5 million. The balance of these FTA formula grant agreements will primarily fund bus operations, the OC Streetcar Project, and rail rehabilitation projects.

The four FTA discretionary grant agreements have a total federal amount of \$153.1 million. This includes the full funding grant agreement award of \$148.9 million. A total of \$136.8 million has been reimbursed, leaving a balance of \$16.3 million. The balance of these FTA discretionary grant agreements will primarily fund the OC Streetcar Project and slope stabilization improvements on the railroad right-of-way from the City of Laguna Niguel to the City of Lake Forest.

The total FTA formula and discretionary grant agreements amount to \$393.6 million. The total amount reimbursed through the first quarter under these grant agreements is \$205.8 million, leaving a balance of \$187.8 million. These grant agreements are summarized in Attachment A.

OCTA has 40 active State and Federal Highway Administration formula grant agreements that total \$465.7 million. The total amount reimbursed through the first quarter under these agreements is \$75.7 million, leaving a balance of \$390 million. These grant agreements are summarized in Attachment B.

In addition, OCTA has 21 active state discretionary grant agreements totaling approximately \$48.5 million. The total amount reimbursed through the first quarter under these other agreements is \$16.9 million, leaving a balance of \$31.6 million. These grant agreements are summarized in Attachment C.

**Closed Grant Agreements:**

There were nine grant agreements totaling \$129.8 million that were closed out in the first quarter of FY 2025-26.

These grant agreements are summarized in Attachment D.

This report activity is as of September 30, 2025, and any grants with a deadline between the quarter end and the date this report is published, will be reimbursed and closed out. This activity will be reflected in next quarter's report. Additionally, for these grants, staff anticipates remaining balances to be fully reimbursed prior to the grant agreement expiration date.


***Summary***

This report provides an update of the grant agreement-funded activities for the first quarter of FY 2025-26, July through September 2025. Staff recommends this report be received and filed as an information item.

***Attachments***

- A. First Quarter Grant Reimbursement Status Report, July through September 2025, Federal Transit Administration (FTA) Formula and Discretionary Grant Agreements
- B. First Quarter Grant Reimbursement Status Report, July through September 2025, State and Federal Highway Administration (FHWA) Formula Grant Agreements
- C. First Quarter Grant Reimbursement Status Report, July through September 2025, State Discretionary Grant Agreements
- D. First Quarter Grant Reimbursement Status Report, July through September 2025, Closed Grant Agreements

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