

**Recommended Capital Programming Policies by Fund Source**  
**December 2021**  
**(Changes from February 2019 in Track Changes)**

<u>Equity Consideration for All Funding Programs: In addressing the mobility needs of the County, OCTA will consider both benefits and impacts of improvements to low-income and disadvantaged communities, with the goal of improving transportation and mobility options.</u>	
Funding Source	Updated Measure M2 (M2) Programming Policies
M2 Programs	
Projects A-M (freeway projects on Interstate 5, State Route 22, State Route 55, State Route 57, State Route 91, Interstate 405, and Interstate 605)	Use projects A-M M2 funding consistent with the M2 Transportation Investment Plan, the M2020 Plan, and subsequent Board of Directors (Board)-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.
Freeway Environmental Mitigation Program (Tied to projects A-M)	Utilize five percent net revenues derived from M2 funding for projects A-M consistent with the M2 Transportation Investment Plan, with the M2020 Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through Board approval actions for needed environmental mitigation projects.
Project N (Freeway Service Patrol)	Use Project N funds for the Freeway Service Patrol Program. Funds are programmed through the annual budget process.
Project O (Regional Capacity Program) and Project P (Regional Traffic Signal Synchronization Program)	Use Project O and Project P M2 funding consistent with the <u>Measure M Ordinance No. 3 M2 Transportation Investment Plan</u> , and consistent with the Comprehensive Transportation Funding Programs (CTFP) Guidelines. Program funds to projects through the cyclical CTFP call for projects (call) programming recommendations.
<del>Project Q (Local Fair Share Program)</del>	<del>Use Project Q M2 funds consistent with the M2 Transportation Investment Plan. Funds are programmed through the annual budget, but actual disbursements may be adjusted based on the formula distribution of funds.</del>
Project R (High-Frequency Metrolink Service)	Use Project R M2 funding consistent with the M2 Transportation Investment Plan, with the latest Next 10 Delivery Plan (Next 10 Plan), with the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.
Project S (Transit Extensions to Metrolink) and Project T (Metrolink Gateways)	Use Project S and Project T M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through <u>formal-a call awards. -Supplemental funds for approved competitive projects may be changed through Board action.</u>
Project U (Expand Mobility Choices for Seniors and Persons with Disabilities)	Use Project U M2 funds, consistent with the <u>Measure M Ordinance No. 3 M2 Transportation Investment Plan</u> , the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Funds are programmed through the annual budget process.

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Project V (Community-Based Transit Circulators) and Project W (Safe Transit Stops)	Use Project V and Project W M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through <del>a formal</del> call <u>for projects awards and/or Board action. Funds for the Orange County Transportation Authority (OCTA) approved projects may be programmed through Board action.</u>
Project X (Environmental Cleanup)	<p>Use Project X M2 funding consistent with the M2 Transportation Investment Plan and consistent with CTFP Guidelines. Program funds to projects through the CTFP call.</p> <p>The Environmental Cleanup Program consists of two programs. The Tier 1 Grant Program is designed to mitigate the more visible forms of pollution. Tier 1 consists of funding for equipment purchases and upgrades to existing catch basins and related devices such as screens, filters, and inserts. The Tier 2 Grant Program consists of funding regional, multi-jurisdictional, and capital-intensive projects, such as constructed wetlands, detention/infiltration basins, and bioswales.</p>
Funding Source/Agency	Other Local Funding Programming Policies
<u>91 Express Lanes Excess Revenues/OCTA</u>	<u>Please see the Policy for the Use of Excess 91 Express Lanes Toll Revenue finalized through Board action on June 9, 2014.</u>
<u>County Transportation Commission/Mobile Source Air Pollution Reduction Review Committee (MSRC)</u>	<u>Prioritize activities that encourage transit ridership and support zero- emission bus initiatives. Depending on work program criteria, submit OCTA priority projects that meet program criteria and work to support a return to source program for Orange County through all MSRC programs, including but not limited to freight focused programs. Funds are programmed through formal programming action.</u>

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Funding Source/Agency	State and Federal Programming Policies
All State and Federal Fund Sources <u>and New Funding Programs</u>	<u>OCTA's goal for external funding is to be successful in increasing the use of external funds and decrease the use of local funds, when possible.</u> First priority of all funding sources, <u>when consistent with the funding agency priority and policies,</u> is to fulfill commitments to the latest Next 10 Plan, specifically M2 projects and to maintain existing OCTA assets in a state of good repair <u>and support OCTA priorities.</u> -Consideration will <del>also</del> be given to use state and federal funds for projects that are complementary to M2 projects and that share the M2 Program goals to reduce congestion, strengthen the economy, and improve the quality of life. All fund sources must be programmed through formal programming actions.
State	
Active Transportation Program (ATP) – Southern California Association of Governments (SCAG) Regional Selection (Formula)/California Transportation Commission (CTC)/SCAG	<u>OCTA, through Board action, will establish prioritization criteria, based on regional planning for SCAG regional call through Board action with every cycle. Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</u>
<del>Cap and Trade (Competitive) – Affordable Housing and Sustainable Communities Program (AHSC)/Strategic Growth Council</del>	<del>Use AHSC for fixed guideway and transit corridor projects that serve disadvantaged communities and reduce greenhouse gas (GHG) emissions.</del>  <del>*Note – In the guidelines, a transit project must be paired with an affordable housing project for Transit Oriented Development Program funds.</del>
Cap-and-Trade (Formula) – Low Carbon Transit Operations Program (LCTOP)/California Department of Transportation (Caltrans)	Use LCTOP for transit operations or capital for expansion of bus transit service, fare reduction programs, and other bus and commuter rail transit efforts that increase ridership and reduce greenhouse gas GHG) emissions, where 50 percent of the funds provide benefit for passengers in disadvantaged communities, <u>as appropriate.</u> -Funds generated from commuter rail service in Orange County may be used in Orange County the expansion of commuter rail service, fare reduction programs for commuter rail, and other eligible commuter rail efforts that increase ridership and reduce GHG emissions. —
<del>Cap and Trade (Competitive) – Transit and Intercity Rail Capital Program (TIRCP)/California State Transportation Agency</del>	<del>Use TIRCP for capital projects that expand bus and rail service to increase ridership and for projects that improve the integration between bus and rail systems. Projects must also reduce GHG emissions.</del>
<del>Proposition 1B – Competitive Programs Funding/CTC</del>	<del>Maximize the Orange County allocations consistent with each program and ensure the receipt of allocated funds.</del>
Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)/ Caltrans	<del>Use PTMISEA funds for commuter rail improvements and to fund existing State Transportation Improvement Program (STIP) – Public Transit Administration projects (approximately \$60 million) currently programmed in the 2010 STIP and for eligible OC Bridges projects.</del>

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<del>Proposition 1B—Transit System Safety, Security and Disaster Response Account (TSSSDRA)/California Governor's Office of Emergency Services</del>	<del>Use TSSSDRA to support capital projects that enhance the safety, security, and emergency response capabilities of transit.</del>
<del>Proposition 116 (CTC)</del>	<del>Use cost savings for commuter or intercity rail capital improvement projects along the Metrolink corridor (between the cities of Buena Park and San Clemente) that are funded with Measure M1 and M2 funds on a first-come, first-served basis.</del>
SB 1 - Local Partnership Program (LPP) – Formula/CTC	Use LPP for ready-to-deliver <u>M2-committed and prioritized</u> projects which are compatible with state goals and seek to balance funds between freeways, streets and roads, transit capital and eligible environmental clean-up and based on the timing for the request for project nominations.
SB 1 - State of Good Repair (SGR)/Caltrans	Use funds for bus transit capital projects and for maintenance, rehabilitation, and replacement of existing OCTA transit assets <u>-Funds may be used for transit operations, if allowed by the State.</u>
SB 1 - Trade Corridors Enhancement Program (TCEP)/CTC	Use TCEP- <del>first</del> for eligible <u>trade corridor</u> <del>M2-Program</del> projects that meet the requirements and goals of the program, <del>then fund other eligible Orange County projects</del>
State Transportation Improvement Program (STIP)/CTC	Use of STIP funds for <u>eligible transit capital, M2-freeway, traffic system management, complete streets,</u> commuter rail, fixed-guideway projects, planning/programming and complementary activities, which seek an equitable balance <del>between freeways and transit</del> <u>among all modes</u> capital and are consistent with state goals.

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Federal	
Congestion Mitigation and Air Quality (CMAQ)/Caltrans for Federal Highways Administration (FHWA)	<p>Use CMAQ funding for:</p> <ul style="list-style-type: none"> <li>• <del>M2</del> Fixed-guideway and/or <del>M2</del> high-occupancy vehicle or high-occupancy toll operational improvements,</li> <li>• <del>as match to leverage funding for OC Bridges grade separation projects,</del></li> <li>• vanpool program and rideshare services,</li> <li>• <del>other</del> rail and bus transit capital projects,</li> <li>• traffic light synchronization projects, and</li> <li>• <del>new or expanded bus</del> transit operations (three years of CMAQ funding may be used for the first five years).</li> <li>• <del>eligible</del></li> <li>• <del>Set-asides: bBicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</del></li> </ul> <p><u>All projects that use CMAQ funds must demonstrate a quantifiable air quality benefit. Projects must be recommended based on performance.</u></p>
Federal Transit Administration (FTA) Section 5307 Formula/FTA	<p>Use funds to support ongoing transit operations and SGR through (not in priority order):</p> <ul style="list-style-type: none"> <li>• preventive maintenance,</li> <li>• capital cost of contracting, and</li> <li>• bus replacement.</li> </ul> <p>Lower priority but eligible if funding available:</p> <ul style="list-style-type: none"> <li>• other priority capital projects that are consistent with the comprehensive business plan.</li> </ul> <p>Set-Asides: Up to 20 percent for paratransit operating assistance, one percent for transit security (unless funded using local, state, or other federal funds), and percent of funds generated by rail operations to be used for rail operations and capital projects.</p>
<del>FTA Section 5309 Fixed-Guideway Capital Investment Grants (“New Starts”)/FTA</del>	<del>Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the “New Starts” and/or “Small Starts” process.</del>
FTA Section 5310 Formula Funds/FTA	Use funds for eligible enhancements to paratransit capital and operations.

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FTA Section 5337 Formula Funds/FTA	Use funds for commuter rail rehabilitation and/or renovation projects, for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair and for preventive maintenance. Use funds generated by <u>express</u> bus transit for bus transit capital maintenance. <u>- Use of funding must also benefit OCTA express bus services.</u>
FTA Section 5339 Formula Funds/FTA	Use funds for: <ul style="list-style-type: none"> <li>• capital maintenance,</li> <li>• capital cost of contracting,</li> <li>• bus replacement, and</li> <li>• other bus capital projects as identified in the transit asset management plan.</li> </ul>
Highway Infrastructure Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan).
National Highway Freight Program/CTC for FHWA	<del>Currently t</del> These funds are administered by the state through the TCEP (see TCEP above).
Surface Transportation Block Grant Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan) and <u>for other non-M2 freeway projects that are complementary with the M2 freeway program,</u> local streets and roads <u>and bicycle, pedestrian and/or complete streets projects.</u> Funds may also be used for countywide planning activities up to five percent annually  <u>Projects will be recommended based on performance.</u>
Transportation Alternatives Program – CTC/SCAG through ATP	<del>Use 100 percent of annual TAP apportionment for bicycle and pedestrian projects through a competitive call to local agencies. Currently t</del> These funds are administered by the state through the ATP. <del>- See ATP above.</del>