




*July 1, 2022*

**To:** Regional Planning and Highways Committee

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

**Subject:** Comprehensive Transportation Funding Programs Semi-Annual Review – March 2022

### **Overview**

The Orange County Transportation Authority recently completed the March 2022 semi-annual review of Comprehensive Transportation Funding Programs projects. The review focused on the status and delivery of Measure M2 grant-funded projects and provided an opportunity for local agencies to update project information and request modifications. Staff has evaluated the requests, and the recommended project adjustments are presented for review and approval.

### **Recommendations**

- A. Approve requested adjustments to Comprehensive Transportation Funding Programs projects and Local Fair Share and Senior Mobility Program funds.
- B. Due to the unique circumstances created by the coronavirus, approve an exception to the Comprehensive Transportation Funding Programs guidelines for Environmental Cleanup Program Tier I projects in order for project award delays to be granted.

### **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, signal synchronization, transit, and water quality projects.

The CTFP contains a variety of funding programs and sources, including Measure M2 (M2) revenues and other funds. The CTFP provides local agencies with a comprehensive set of guidelines for the administration and delivery of various transportation funding grants.

The semi-annual review, which is performed every six months, provides an opportunity to review project status, determine the continued viability and delivery of projects, address local agency 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. During this review cycle, staff met with representatives from select local jurisdictions to review the status of projects and proposed project changes.

### ***Discussion***

The March 2022 semi-annual review project adjustment requests include the following:

- 7 project delays,
- 6 timely-use of funds extensions for projects funded with competitive funds,
- 29 timely-use of funds extensions for the Local Fair Share (LFS) Program,
- 57 timely-use of funds extensions for the Senior Mobility Program (SMP),
- 17 project scope changes,
- 4 project fund transfers, and
- 10 OCTA-initiated project requests.

Local jurisdictions reported a variety of issues that have resulted in the need for project adjustments including coronavirus (COVID-19) impacts, project delivery and/or right-of-way coordination challenges, project design modifications, environmental assessment delays, federal regulatory changes, and service schedule modifications. For purposes of this report, labor shortages, inflationary issues, and supply chain impacts are identified as COVID-19-related based on the justifications included with the project modification requests and discussions with the local jurisdictions. In this review cycle, 81 out of the total 130 project adjustment requests are reported as being in some part COVID-19-related.

It also appears that the pandemic is having a prolonged impact on SMP services, with 57 of this cycle's requests coming from this program specifically. The senior population and SMP services remain vulnerable to the impacts of COVID-19, such as workforce shortages and the desire to continue social distancing. To date for most SMP services, program ridership and service availability have not recovered to pre-pandemic levels. As a result, local jurisdictions continue to suspend or operate reduced SMP services until the senior population increases community engagement.

Staff is recommending Board of Directors' (Board) approval of the adjustments listed above and further detailed in Attachments A and B. In order to implement this recommendation, the Board is requested to also authorize an exception to a CTFP guidelines requirement specifying that Project X Environmental Cleanup Program (ECP) Tier I projects not be granted delays. Due to the rapid onset of supply chain and inflationary issues, it has taken local jurisdictions longer than the current one-year expectation articulated in the CTFP guidelines to execute project contracts. Board approval will allow eight 2021 ECP Tier I-awarded projects to be delivered in response to challenges emerging from 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 September 2021 semi-annual review.

| M2 CTFP Summary Table  |                                   |                              |                               |   |
|------------------------|-----------------------------------|------------------------------|-------------------------------|---|
| Project Status         | September 2021 Semi-Annual Review |                              | March 2022 Semi-Annual Review |   |
|                        | Project Phases                    | Allocations<br>(in millions) | Project Phases                | Allocations <sup>1</sup><br>(after adjustments) |
| Planned <sup>2</sup>   | 76                                | \$ 75.2                      | 57                            | \$ 59.8   |
| Started <sup>3</sup>   | 103                               | \$162.4                      | 106                           | \$159.9   |
| Pending <sup>4</sup>   | 100                               | \$ 98.7                      | 110                           | \$115.3   |
| Completed <sup>5</sup> | 411                               | \$189.9                      | 417                           | \$191.2   |
| Cancelled <sup>6</sup> | 59                                | \$ 51.6                      | 59                            | \$ 51.6   |
| Total                  | 749                               | \$577.8                      | 749                           | \$577.8   |

<sup>1</sup> Allocations in millions, subject to change pending final reconciliation.

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

<sup>3</sup> Started - indicates that the phase is underway, and funds are obligated.

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

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

<sup>6</sup> 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.

### Key items to note are:

- Since the inception of M2, OCTA has programmed over \$577.8 million in competitive funds through the March 2022 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 \$64.9 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, 527 individual project phases (pending plus completed from the table above) have been completed. This represents a 76 percent project delivery rate (excluding cancelled projects), which reflects projects that have been allocated through the current fiscal year as well as projects programmed in future fiscal years.
- Another 163 project phases, or 24 percent, are considered currently active (106 started and 57 planned).

Based on the CTFP guidelines, the proposed project adjustments identified in this staff report are appropriate and necessary. These proposed adjustments have also been reviewed and approved by the OCTA Technical Advisory Committee (TAC). While the committee did approve these adjustments, it should be noted that questions were raised related to additional options to help jurisdictions manage the inflation challenge. This semi-annual review includes multiple scope changes related to cost increases and staff is also working with the TAC on other potential options that is planned to be brought forward for Board consideration over the summer. Approval of the adjustments included in this report, as well as the exception to CTFP guidelines noted above, is recommended.

#### **Next Steps**

If these recommendations are approved, staff will monitor their implementation through future semi-annual review cycles, which are reported to the Board 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 proposed project adjustments and a CTFP guidelines exception.

***Attachments***

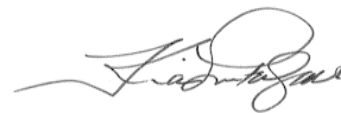
- A.    Comprehensive Transportation Funding Programs, March 2022  
Semi-Annual Review Adjustment Requests
- B.    Comprehensive Transportation Funding Programs, March 2022  
Semi-Annual Review Adjustment Request Descriptions

**Prepared By:**

A blue ink signature of Charvalen Alacar, consisting of a stylized 'C' followed by 'Alacar'.

Charvalen Alacar  
Section Manager, Local Programs  
(714) 560-5401

**Approved By:**

A blue ink signature of Kia Mortazavi, featuring a stylized 'K' and 'Mortazavi'.

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