



November 9, 2023

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

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

Subject: 2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects

Overview

The Measure M2 Community-Based Transit Circulators Program provides competitive funding to local jurisdictions for local transit services designed to complement regional transit services. Updated program guidelines for the 2024 call for projects are presented for review and approval. With Board of Directors approval, staff will issue the call for projects and return with project funding recommendations in spring 2024.

Recommendations

- A. Approve proposed revisions to the Comprehensive Transportation Funding Programs guidelines for the Project V Community-Based Transit Circulators Program.
- B. Authorize staff to issue the 2024 Measure M2 Community-Based Transit Circulators Program call for projects.

Background

The Measure M2 (M2) Community-Based Transit Circulators Program (Project V) is a competitive grant program, which provides funding to develop and implement local transit services. These service types include special event, local circulator, commuter rail feeder, seasonal, demand-responsive, and shared-ride hailing services that better suit local needs in areas not adequately served by regional transit and do not duplicate or compete with existing transit services.

Based on current forecasts, total revenues for Project V (through 2041) are estimated to be approximately \$290 million. The 18 existing projects that have been and are currently funded through the program, along with previously funded

cancelled services, are expected to use approximately \$41 million through fiscal year (FY) 2023-24. Accordingly, the Orange County Transportation Authority (OCTA) conducted a financial assessment of Project V and concluded that the program could accommodate a call for 2024. However, in order to continue providing successful services and consider new projects into the future, competitive project selection must prioritize the projects that best meet the M2 program goals.

To inform the guideline development, OCTA requested and received 18 letters of interest for 20 different services from local jurisdictions expressing interest in a future Project V call for projects. A report outlining the expressed interest was presented to the Board of Directors (Board) in August 2023. At that meeting, the Board directed staff to return with updated Comprehensive Transportation Funding Programs (CTFP) guidelines for a Project V 2024 call. OCTA also held a stakeholder workshop on October 11, 2023, to collect comments on proposed changes.

Discussion

The updated CTFP guidelines for Project V consider lessons learned from previous calls, and the requirements and program objectives of M2. Local jurisdiction comments were reviewed, considered, and incorporated as appropriate and as allowed by the M2 Ordinance.

Overall, the 2024 Project V guidelines support funding existing projects and programs first, then expansion of existing services, then entirely new Traditional services -- such as seasonal fixed route and event shuttles -- and lastly on-demand services that offer shared-ride options.

Key proposed CTFP Project V changes include the following.

- Categorized service types as “Traditional” or “on-demand (mobility)” due to distinctive project characteristics.
- Revised application scoring criteria to support 2024 call objectives.
- Clarified that local jurisdictions may be awarded for a period of up to seven years per project, with funding available starting in FY 2024-25 with all funding concluding in FY 2030-31.
- Updated the maximum allowable Project V annual funding award (from all eligible categories) based on service type and escalated on a FY basis.
 - Traditional: \$592,000 for FY 2024-25
 - On-Demand: \$296,000 for FY 2024-25

- Increased eligible funding cap for initial marketing costs to \$80,000 and annual cap for ongoing marketing efforts to \$25,000.
- Specified the minimum local match rate (from all eligible categories) as ten percent for Traditional service and capital expenses and 50 percent for on-demand service.
- Clarified the types of eligible capital, and operations and maintenance expenditures that would be allowed, and specified the criteria under which continuation/expansion of existing services would be considered.
- Specified a maximum subsidy rate of \$10.81 per boarding throughout the seven-year project programming period.
- Required scheduling information to be provided by jurisdictions in General Transit Feed Specification data format.
- Emphasized competitive procurements for service providers of all transit types and required re-procurements of providers for all continuing services upon expiration of the current contract term or by June 30, 2026, whichever is earlier.
- Planning for a new service will not be considered for the 2024 call.

Project V is highly competitive due to the interest in the program and limited funding. As such, staff is recommending the prioritization of continuing to fund previously awarded successful projects. Consistent with this recommendation, planning studies will not be supported for this call cycle. Also, annual maximums and match requirements have been updated so that OCTA's support of capital and operations and maintenance are aligned with expected costs and ridership for Traditional and on-demand Project V services. On-demand services typically do not have capital and maintenance costs compared to Traditional Project V services which require higher levels of funding but can also serve more passengers in one trip. Due to the lower funding need for the on-demand services, maximum funding recommended for the on-demand services is lower. This will help OCTA support more projects than it would have been able to otherwise.

For a more detailed summary of proposed changes, Attachment A provides a table of proposed changes, and Attachment B provides a marked-up version of all proposed CTFP guidelines changes (Project V).

Next Steps

Upon Board approval of the guidelines, OCTA will notify local jurisdictions of the call's initiation and any other pertinent information. As an added resource to the local jurisdictions, staff will be hosting an application workshop on December 5, 2023. Applications will be due by January 25, 2024. Projects will be prioritized for Board consideration in spring 2024. Funding would become available to local jurisdictions for services starting on July 1, 2024. Approved and active services will be monitored quarterly, and ridership reporting is typically provided to the Board on a semi-annual basis.

Summary

Based upon Board direction, Project V guidelines for the 2024 Project V call are presented for review and approval. The staff is also seeking approval to issue a 2024 call.

Attachments

- A. 2024 CTFP Guidelines Project V – Proposed Changes List
- B. Guidelines Excerpt, Draft Comprehensive Transportation Funding Programs, Chapter 6 – Community-Based Transit/Circulators Project V

Prepared by:



Adrian Salazar
Senior Transportation Funding
Analyst, M2 Local Programs
(714) 560-5363

Approved by:



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