

**Capital Programming Policies by Fund Source
December 2021**

ATTACHMENT A

Equity Consideration for All Funding Programs: In addressing the mobility needs of the County, the Orange County Transportation Authority (OCTA) will consider both benefits and impacts of improvements to low-income and disadvantaged communities, with the goal of improving transportation and mobility options.	
Funding Source/Agency	State and Federal Programming Policies
All State and Federal Fund Sources and New Funding Programs	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. First priority of all funding sources, when consistent with the funding agency priority and policies, 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 and support OCTA priorities. Consideration will 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.
Funding Source/Agency	Federal Programming Policies
Federal Programs	
Congestion Mitigation and Air Quality (CMAQ)/Caltrans for Federal Highways Administration (FHWA)	<p>Use CMAQ funding for:</p> <ul style="list-style-type: none"> • Fixed-guideway and/or high-occupancy vehicle or high-occupancy toll operational improvements, • vanpool program and rideshare services, • rail and bus transit capital projects, • traffic light synchronization projects, • new or expanded transit operations (three years of CMAQ funding may be used for the first five years), and • eligible bicycle and pedestrian projects. <p>All projects that use CMAQ funds must demonstrate a quantifiable air quality benefit. Projects must be recommended based on performance.</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"> • Preventive maintenance, • capital cost of contracting, and • bus replacement. <p>Lower priority but eligible if funding available:</p> <ul style="list-style-type: none"> • Other priority capital projects that are consistent with the comprehensive business plan. <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>
Funding Source/Agency	Federal Programming Policies
FTA Section 5310 Formula/FTA	Use funds for eligible enhancements to paratransit capital and operations.
FTA Section 5337 Formula/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 express bus transit for bus transit capital maintenance. Use of funding must also benefit OCTA express bus services.

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FTA Section 5339 Formula/FTA	<p>Use funds for:</p> <ul style="list-style-type: none"> • Capital maintenance, • capital cost of contracting, • bus replacement, and • other bus capital projects as identified in the Transit Asset Management Plan.
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	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	<p>Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan) and for other non-M2 freeway projects that are complementary with the M2 freeway program, local streets and roads, and bicycle, pedestrian, and/or complete streets projects. Funds may also be used for countywide planning activities up to five percent annually</p> <p>Projects will be recommended based on performance.</p>
Transportation Alternatives Program – CTC/SCAG through Active Transportation Program (ATP)	These funds are administered by the State through the ATP and OCTA, through Board action, will establish prioritization criteria, based on regional planning for SCAG regional call through Board action with every cycle.