




March 6, 2017

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer 

Subject: Measure M2 Environmental Cleanup Program – Tier 1 Grant Program Call for Projects

Overview

The Measure M2 Environmental Cleanup Program provides grants to projects that protect Orange County waterway and beaches from roadway runoff. Staff has updated the program implementation guidelines and is seeking authorization to release the next Environmental Cleanup Program Tier 1 call for projects.

Recommendations

- A. Approve the proposed revisions to the Comprehensive Transportation Funding Programs Guidelines for Environmental Cleanup Program Tier 1 projects.
- B. Authorize staff to issue the fiscal year 2017-18 Environmental Cleanup Program Tier 1 call for projects, totaling approximately \$3.1 million.

Background

The Environmental Cleanup Program, Project X (ECP), provides for the allocation of two percent of annual gross Measure M2 (M2) revenues to improve overall water quality in Orange County. Funding is allocated on a countywide competitive basis to assist jurisdictions in controlling transportation-related pollution. These funds are intended to supplement, not supplant, existing transportation-related water quality programs. Funds are awarded to priority projects that improve water quality in streams, harbors, and other waterways that have a nexus to transportation-related pollution, consistent with the Orange County Transportation Authority's (OCTA) Ordinance No. 3. The ordinance calls for establishment of an Oversight Allocation Committee to advise the Board of Directors (Board) on priorities and process for use of the funds.

In May 2010, the Board approved a two-tiered approach to fund the M2 ECP. Specifically, the funding plan called for up to \$19.5 million in Tier 1 grants on a “pay-as-you-go” basis through fiscal year (FY) 2017-18, and up to \$38 million in Tier 2 grants via bonding through FY 2014-15. The Tier 1 Grant Program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices. The Tier 2 Grant Program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

The previous FY 2016-17 Tier 1 call for projects (call) was finalized on September 12, 2016, with the approval of \$2,769,943 of funding. The Board approved funding allocations for 16 projects based on the scoring criteria. The past six Tier 1 calls have resulted in funding 131 projects, totaling approximately \$16.4 million.

Discussion

OCTA staff worked with the local agencies and Environmental Cleanup Allocation Committee (ECAC) to determine areas of the program guidelines that needed to be adjusted and reviewed issues that emerged out of the previous calls for projects. In addition, guidelines are updated to reflect the new release date and application deadline for the upcoming Tier 1 call (Attachment A).

The primary changes to the guidelines include changing the in-kind services match requirement of 25 percent to a local funding match of 20 percent and increasing the maximum grant per project from \$200,000 to \$500,000. The matching funds shall be provided as a cash contribution. The maximum allocation of \$500,000 per agency from M2 ECP grants remains unchanged.

OCTA staff tracks and monitors the in-kind match reporting and gathers documentation from local agencies to support the match justification. In-kind services for Tier 1 projects include maintenance and monitoring, which is driven by weather and rain events. Due to weather and rain events being dynamic and unpredictable, some funding recipients have not been able to meet the local match using in-kind services as anticipated. In addition, some agencies did not employ appropriate mechanisms to track staff time being used for in-kind match. Use of local funding as match improves accountability and simplifies reporting requirements. To facilitate the change to the matching requirements for the upcoming 2017 Tier 1 call, a reduction of the local match is proposed from 25 percent to 20 percent, consistent with the minimum local match for other M2 streets and roads programs. This recommendation was reviewed and endorsed by the ECAC on January 12, 2016.

Staff is recommending authorization to issue the FY 2017-18 ECP Tier 1 Grant Program call for approximately \$3.1 million. The evaluation approach remains identical to the previous call, with each proposal having the potential to receive a maximum of 110 points (including bonus points).

Next Steps

With Board approval, staff will initiate the ECP Tier 1 call, which is anticipated to commence March 13, 2017. During the call, staff will offer one-on-one meetings to assist local agencies with the application process. Applications are due on May 17, 2017, and staff will return to the Board with funding recommendations by late summer 2017.

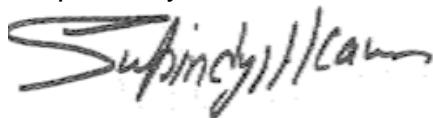
Summary

OCTA staff is recommending revisions to the ECP Guidelines and requesting authorization to issue the FY 2017-18 call for the ECP Tier 1 Grant Program, totaling approximately \$3.1 million.

Attachment

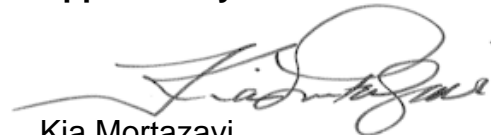
- A. Redlined - Chapter 12 - Environmental Cleanup Program (Project X)

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