

State and Federal Funding Sources
Origins, Existing Uses, and Estimates

State Sources

State Transportation Improvement Program

Origins:

The State Transportation Improvement Program (STIP) is a major source of funding for transportation improvements throughout the State of California. Revenues from state and federal sources are consolidated into the STIP. The STIP is divided into two major funding categories, the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP). Seventy-five percent of the STIP is directed to the RIP, which is then sub-allocated to counties by formula. The remaining 25 percent is programmed to the IIP, which is then allocated to the California Department of Transportation (Caltrans) for projects of interregional significance.

Revenues for the STIP are derived from the price-based excise tax on gasoline. Prior to the recent enactment of the gas tax swap, state revenues were generated through sales tax on gasoline and were distributed into two funds, one which supported transit capital projects including bus replacement and acquisition, called the Public Transportation Account (PTA), and one which supported the Transportation Improvement Fund. With the passage of the gas tax swap, excise tax revenues flow into the State Highway Account (SHA), and there is no PTA revenue from this fund source supporting the STIP.

The state annually retains price-based excise tax funds in the SHA to offset truck weight fees, which are used to pay for general obligation bonds for transportation such as Proposition 1B. The amount that remains is divided, with 12 percent going directly to the cities and the counties, 44 percent going to the State Highway Operation and Protection Program (SHOPP) for the maintenance of the state highway system, and 44 percent going to the STIP for projects that are eligible for funding under Article XIX of the State Constitution. Article XIX projects include most highway projects, but only include transit capital projects that are in support of fixed-guideway. Federal revenues received by the state may also be transferred into the STIP, if the funds are not used for SHOPP projects. Federal funds do not add funding to the STIP, but are only used to offset state funds and give the state more flexibility to use state-only funds.

Uses:

The 2016 STIP will provide \$122.6 million in funding from fiscal year (FY) 2016-17 through FY 2020-21. In the 2016 STIP, the Orange County Transportation Authority (OCTA) programmed \$108.8 million (89 percent) to highway projects, \$9.0 million (seven percent) to a local interchange project, and \$4.9 million (four percent) to planning and programming activities that study projects and funding for project delivery.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Estimates:

Every two years, state and federal transportation revenues are forecasted and programmed for the subsequent five-year period. OCTA is responsible for the development and programming of the RIP portion of STIP revenues, which is submitted to the California Transportation Commission (CTC) for approval and adoption. The STIP funds have been declining. Ten years ago, in 2006, OCTA programmed \$392 million. There is only \$122.6 million in the 2016 STIP. Funding is entirely based on how much gasoline is sold and at what price. It is difficult to estimate annual funding from this program, but in the 2016 STIP, OCTA is programmed to receive \$24 million per year over the five-year period.

Proposition 1A

Origins:

Proposition 1A is the Safe, Reliable High-Speed Passenger Train Bond Act and was approved by voters on November 4, 2008. It provides \$9 billion for the construction of high-speed rail in California. In addition, it provides another \$950 million for allocation to intercity, commuter, and urban rail systems for the purpose of direct connectivity and benefits to the high-speed train system. These funds are provided on a formula basis, and the Southern California Regional Rail Authority (SCRRA) will receive \$123.7 million, of which approximately \$26.6 million is due to train operations in Orange County. This program is administered by the CTC and requires a 1:1 match. The legislation requires all five member agencies of SCRRA to approve the programming of the Proposition 1A funds to SCRRA projects.

Uses:

SCRRA has programmed \$123.7 million in Proposition 1A funds for Positive Train Control (PTC) and the Metrolink High-Speed Rail Readiness Program to refurbish or replace cars and locomotives. The state has programmed \$46 million to the State College Boulevard Grade Separation Project in Anaheim. Matching funding levels need to be revised, given likely increases in project cost and reduced M2 revenues.

Estimates:

All funds are currently programmed.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Proposition 1B

Proposition 1B is a \$19.9 billion infrastructure bond (funds are distributed on a program basis).

Origins:

Proposition 1B was passed by voters in November 2006, and makes available \$19.9 billion for transportation improvements throughout the state. There are 12 main programs included in the bond. OCTA has been successful in programming funds in eight of those categories, totaling \$871 million.

Uses:

To date, OCTA has been successful in programming:

- \$286 million through the Corridor Mobility Improvement Account for freeway projects,
- \$214 million through the Trade Corridors Improvement Fund (TCIF) for the OC Bridges projects, three freeway projects, and one rail project pending CTC approval,
- \$199 million in Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) for bus and rail capital improvement projects,
- \$85 million in State Local Partnership Program (SLPP) for the combined transportation funding program, M2 Fair Share Grant Program, SLPP formula grant program, transit projects, and freeway projects,
- \$47 million in STIP augmentation for freeway projects,
- \$11 million through the Highway Railroad Crossing Safety Account fund for grade separation and grade crossing safety projects,
- \$28 million in Transit System Safety, Security and Disaster Response Account (TSSSDRA) funds for transit security projects, and
- \$4 million in the Traffic Light Synchronization Program for traffic light synchronization projects.

Estimates:

This Proposition 1B Program is coming to a close. There are two more years of TSSSDRA funding, at \$3.5 million per year. In addition, OCTA may be able to program potential cost savings from specific programs such as the TCIF or PTMISEA programs, and will return to the Board of Directors (Board) with specific recommendations. At this time, the state is not anticipating any new calls for projects for Proposition 1B funding programs. However, savings from programmed projects may be available to be reprogrammed to projects consistent with OCTA policy direction.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Proposition 116

Origins:

Proposition 116 Intercity Rail Program was passed by voters in 1989 and made available \$3 billion for intercity and commuter/urban rail programs. OCTA has received approximately \$121.3 million in Proposition 116 funds through an agreement established with the City of Irvine.

Uses:

Proposition 116 requires funds to be spent for improving and expanding rail services. OCTA is currently using the \$121.3 million in Proposition 116 for transit station improvements, Metrolink improvements and expansion, rail crossing safety improvements, and grade separations as follows:

- \$32.7 million for PTC,
- \$30.7 million for Metrolink Service Expansion and Orange County Crossing Safety Program,
- \$21.5 million for Sand Canyon Grade Separation Project,
- \$10.5 million for Metrolink Fiber Optics Installation Project, pending CTC approval,
- \$10.5 million for Fullerton Transportation Center Parking Structure and Elevators Project,
- \$7.2 million for Tustin Rail Station Parking Expansion Project,
- \$3.2 million for Control Point Crossover Project,
- \$4.3 million for Laguna Niguel to San Juan Capistrano Passing Siding Project, pending CTC approval,
- \$0.2 million for North Beach Safety Enhancements Project, and
- \$0.5 million for San Juan Creek Bridge Replacement, pending CTC approval.

Estimates:

Future cost savings will be programmed to projects consistent with the OCTA Proposition 116 programming policy direction for use of project bid savings, approved by the Board on December 13, 2010.

Cap-and-Trade Funds

Origins:

The SB 862 (Chapter 36, Statutes of 2014) directs proceeds from the greenhouse gas (GHG) reduction fund to multiple programs designed to reduce GHG emissions by 15 percent by 2020. The GHG reduction fund is funded by auction proceeds from the

State and Federal Funding Sources Origins, Existing Uses, and Estimates

California Air Resources Board's Cap-and-Trade Program. The following four programs could provide funding for OCTA projects. In addition to GHS reduction, legislation passed in 2011, SB 535 (Chapter 830, Statutes of 2011) requires that programs funded from revenues in the GHG reduction fund result in benefits to disadvantaged communities.

- Cap-and-Trade (Formula) – Low Carbon Transit Operations Program

The SB 862 created the Low Carbon Transit Operations Program (LCTOP) and describes program goals and eligible projects. Approved projects will support new or expanded bus or rail services, expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing GHG emissions. Further, the LCTOP will target grants so that at least 50 percent of project expenditures will benefit disadvantaged communities by agencies that include communities designated as disadvantaged.

Uses:

OCTA has programmed funds to fare reduction strategies including reduction of the summer youth pass from \$40 to \$20 in 2015 and 2016, and a promotional reduction of the day pass from \$5 to \$4 between October 9, 2016 and March 30, 2017.

Estimates:

Five percent (\$100 million) was available statewide in FY 2015-16, and five percent of the annual program will be made available on an ongoing basis. \$75 million of the funds were distributed based on the same formula as State Transit Assistance. The remaining \$25 million was to be made available in FY 2016-17. OCTA received \$1.3 million in FY 14-15 and \$3.6 million in FY 2015-16. Caltrans has not released an estimate for FY 2016-17 funding yet pending cap and trade auction proceeds. In 2016, cap and trade auction proceeds which funds this program were significantly lower than anticipated.

- Cap-and-Trade (Competitive) – Transit and Intercity Rail Capital Program

The SB 862 created the Transit and Intercity Rail Capital Program (TIRCP) and describes program goals and eligible projects. Program goals include the reduction of GHG emissions, expanded rail service to increase ridership, the integration of different rail and bus systems, and improved rail safety. Eligible projects include rail and bus capital projects, and operational improvements that result in increased ridership and reduced GHG. Further, the TIRCP will target grants so that at least 25 percent of program expenditures will benefit disadvantaged communities.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Estimates:

Ten percent (\$200 million) was available statewide in FY 2015-16, and ten percent of the annual program will be made available on an ongoing basis. OCTA is eligible to compete for these funds. In 2015, OCTA received \$2.3 million to purchase four clean-fueled buses for the Bravo! 560 Rapid Bus service. In August 2016, OCTA was awarded \$28 million: \$25.518 million for the OC Streetcar, and \$2.482 million for Mobile Ticketing. In addition, the Los Angeles-San Diego-San Louis Obispo (LOSSAN) Rail Corridor Agency in partnership with the San Diego Association of Governments, North County Transit District, and OCTA, received an award of \$82 million, which included \$3 million for the Laguna Niguel to San Juan Capistrano Passing Siding Project.

Cap-and-Trade (Competitive) – Affordable Housing and Sustainable Communities Program

The SB 862 created the Affordable Housing and Sustainable Communities (AHSC) Program and describes program goals and eligible projects. Program goals include the reduction of GHG emissions by implementing land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and by supporting other related and coordinated public policy objectives.

The main AHSC Program will provide grants and/or loans to projects that will achieve GHG reductions through increasing accessibility of affordable housing, employment centers, and key destinations, via low-carbon transportation options (walking, biking, and transit), and resulting in fewer vehicle miles traveled (VMT). The draft guidelines have identified two project prototypes to implement this strategy: (A) transit-oriented development (TOD) project areas, or (B) integrated connectivity projects. The TOD Program requires an affordable housing component be included in the project.

Key elements of the program include:

- At least 50 percent of the funds must be used for affordable housing (grants and loans).
- Fifty percent of funds must benefit disadvantaged communities.
- The project must be in draft or approved Sustainable Communities Strategy (SCS) subject to Strategic Growth Council (SGC) guidelines.
- The SGC must coordinate with regional governments to identify and recommend projects within the region.

Eligible projects include:

- Intermodal, affordable housing projects that support infill and compact development,
- Transit capital projects and programs supporting transit ridership,
- Active Transportation Program (ATP), both infrastructure and non-infrastructure,

State and Federal Funding Sources Origins, Existing Uses, and Estimates

- TOD projects, including affordable housing and infrastructure at or near transit stations or connecting those developments to transit stations,
- Local complete streets programs,
- Acquisition of easements or other approaches/tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses (priority for those most at risk of urban or suburban sprawl or those of special environmental significance),
- Planning to support implementation of a SCS, including local plans, and
- Other projects or programs designed to reduce GHG emissions and other criteria air pollutants by reducing automobile trips and VMT within a community.

Estimates:

Twenty percent (\$400 million) was available statewide in FY 2015-16, and 20 percent of the annual program will be made available on an ongoing basis. OCTA is eligible to compete for these funds, but has not been successful in prior cycles due to the limitations of the program.

ATP

Origins:

The ATP was created by SB 99 (Chapter 359, Statutes of 2013) and AB 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking. Forty percent of funds will be awarded to large metropolitan planning organizations (MPO) with populations greater than 200,000. Ten percent of funds will be awarded to small and rural regions with populations less than 200,000. Fifty percent of funds will be awarded on a statewide basis. The purpose of the ATP is to encourage increased use of active modes of transportation by achieving the following goals:

- Increase the proportion of trips accomplished by biking and walking,
- Increase safety and mobility for non-motorized users,
- Advance the active transportation efforts of regional agencies to achieve GHG reduction goals,
- Enhance public health,
- Ensure that disadvantaged communities fully share in the benefits of the program, and
- Provide a broad spectrum of projects to benefit many types of active transportation users.

ATP funds have the following requirements:

- \$250,000 minimum request for infrastructure projects,
- Minimum match of 12 percent (disadvantaged community projects exempt),

State and Federal Funding Sources Origins, Existing Uses, and Estimates

- 25 percent of funds must be awarded to disadvantaged communities,
- Qualified conservation corps partnership,
- Semi-annual reporting, and
- Compliance with National Environmental Policy Act, Caltrans right-of-way (ROW) certification, and Federal Highways Administration authorization to proceed.

Federally eligible projects include:

- Infrastructure projects including planning, design, ROW, and construction.
- Non-infrastructure projects including education, enforcement, and planning activities.
- Infrastructure projects with non-infrastructure components.

Orange County applicants can submit projects for consideration and receive funds from either the statewide call or the Southern California Association of Governments (SCAG) regional project selection. Projects not funded in the statewide call are then considered for funding through the SCAG regional project selection process. Under the Fixing America's Surface Transportation (FAST) Act, the funding available to the regions is distributed on the Surface Transportation Block Grant Program (formerly RSTP) distribution formula. OCTA staff monitors the funding distribution to ensure the State and SCAG are following this distribution formula.

Estimates:

In the first call for ATP projects, Orange County agencies submitted applications for 62 projects. CTC awarded \$5.7 million for nine projects in Orange County. Projects from the SCAG region not approved for statewide funding were submitted for funding through the regional project selection process. The process was developed by SCAG, in collaboration with the county transportation commissions. The OCTA Board approved weighting factors to prioritize the projects submitted from the county. The regional selection process funded an additional 17 projects for \$11.2 million.

In the second call for ATP projects, Orange County agencies submitted applications for 55 projects. CTC awarded \$11.5 million for three projects in Orange County. The regional selection process funded an additional 13 projects for \$13.3 million.

In the third call for ATP projects, Orange County agencies submitted applications for 19 projects. CTC awarded \$4.553 million from the Statewide component for the City of Santa Ana's First Street Pedestrian Improvements project. The regional selection process is resulted in \$9.42 million for four Orange County projects.

California Freight Investment Program

Origins:

The new federal transportation bill, the Fixing America's Surface Transportation (FAST) Act, was adopted in December 2015 and established a new formula freight fund, the

State and Federal Funding Sources Origins, Existing Uses, and Estimates

National Highway Freight Program. The CTC was directed to allocate these funds and are doing so by means of the CFIP

Uses:

Projects eligible for funding under the program include, but are not limited to, the following:

- Additional capacity to address highway freight bottlenecks, highway or bridge projects to improve flow of freight on National Highway Freight Network, physical separation of passenger vehicles from commercial motor freight;
- Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10 percent of yearly apportionments);
- Intelligent Transportation Systems or other technology to improve the flow of freight, real time information systems, weigh-in-motion devices, electronic screening/credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, electronic cargo and border security technologies;
- Grade Separations;
- Geometric improvements to interchanges and ramps;
- Truck only lanes, including climbing and runaway, and parking facilities;
- Adding or widening shoulders;
- Efforts to reduce environmental impacts of freight movement; and
- Environmental/community mitigation for freight movement.

Estimates:

The CFIP will receive approximately \$556.2 million of federal and state funds as follows:

- \$545.2 million from the federal National Highway Freight Program over a five year period beginning with federal fiscal year (FFY) 2015-16 through FFY 2019-20. This amount is governed by the obligation authority set by Congress in its annual Federal Appropriation Act.
- \$11 million of state funds appropriated in the Budget Act of 2015 as amended by Assembly Bill 133.

CTC has indicated their intent to adopt a multi-year program of projects which would provide funds from FY 2017-18 through 2019-20. In the future, additional state funding for freight programs may be directed into this program by the state legislature.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Federal Sources

Congestion Mitigation and Air Quality

Origins:

The Congestion Mitigation and Air Quality (CMAQ) Program was established in 1991 as part of the federal Intermodal Surface Transportation Efficiency Act (ISTEA). It has since been reauthorized through the four subsequent acts (Transportation Equity Act for the 21st Century (TEA-21)), the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Moving Ahead for Progress in the 21st Century (MAP-21), and FAST.

Uses:

The CMAQ Program is carried over from MAP-21 and included in the FAST Act to provide a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas), and for former nonattainment areas that are now in compliance (maintenance areas).

Funds may be used for transportation projects likely to contribute to the attainment or maintenance of a national ambient air quality standard, with a high level of effectiveness in reducing air pollution, and be included in the MPO's current transportation plan and transportation improvement program, or the current STIP in areas without an MPO.

Some specific CMAQ-eligible activities include:

- Establishment or operation of a traffic monitoring, management, and control facility, if it contributes to attainment of an air quality standard.
- Projects that improve traffic flow, mobility, or emergency response as follows:
 - projects to improve signalization
 - construct high-occupancy vehicle (HOV) lanes
 - improve intersections, add turning lanes
 - improve transportation systems management and operations that mitigate congestion and improve air quality
 - implement intelligent transportation systems
 - real-time traffic systems
 - transit including fixed-guideway projects
 - multimodal traveler information
- Purchase of integrated, interoperable emergency communications equipment.
- Projects that shift traffic demand to nonpeak hours or other transportation modes, increase vehicle occupancy rates, or otherwise reduce demand.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

- Purchase of diesel retrofits.
- Facilities serving electric or natural gas-fueled vehicles.
- Some expanded authority to use funds for transit operations.

The current OCTA commitments from the CMAQ Program are to the Bicycle Corridor Improvement Program, west Orange County HOV Connectors Project, the OC Bridges projects, the rideshare program, and fixed-guideway projects.

CMAQ funds, totaling \$250.0 million for FFY 2011-12 through FFY 2016-17, are currently programmed as follows:

- \$73.9 million for rail capital projects.
- \$59.5 million for highway projects.
- \$53.0 million for fixed-guideway projects.
- \$25.6 million for rideshare/vanpool.
- \$12.8 million for bus capital projects and eligible operations.
- \$14.0 million for bicycle corridor improvement projects.
- \$11.2 million for grade separation projects.

Estimates:

The annual estimate of CMAQ funds in FFY 2016-17 is \$44 million.

Surface Transportation Block Grant (STBG) Program (formerly RSTP)

Origins:

The RSTP was established in 1991 by the ISTEA and reauthorized under TEA-21, SAFETEA-LU, and MAP-21. Under the FAST Act, RSTP was renamed the STBG acknowledging that this program has the most flexible eligibilities among all federal-aid highway programs and aligning the program's name with how Federal Highway Administration has historically administered it. STBG provides flexible funding that may be used by states and localities for projects to preserve and improve the conditions and performance on any federal-aid highway, bridge, and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects.

Uses:

Funds from this program are intended to be directed to projects and programs for a broad variety of highway, road, bridge and transit work. Under the FAST Act, STBG eligibilities are continued, with some additions and modifications. Some specific STBG eligible projects include:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways, including qualifying local access roads.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

- Replacement, rehabilitation, preservation, and protection for bridges and tunnels on any public road, including construction or reconstruction necessary to accommodate other modes.
- Construction of new bridges and tunnels on a federal-aid highway.
- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including vehicles and facilities used to provide intercity passenger bus service.
- Carpool projects, fringe and corridor parking facilities and programs, including electric and natural gas vehicle charging infrastructure, bicycle transportation and pedestrian walkways, and Americans with Disabilities Act (ADA) sidewalk modifications.
- Highway and transit safety infrastructure improvements and programs, railway-highway grade crossings.
- Highway and transit research, development, technology transfer.
- Capital and operating costs for traffic monitoring, management, and control facilities and programs.
- Surface transportation planning.
- Development and establishment of management systems.
- Environmental mitigation efforts.
- Intersections with high accident rates or levels of congestion.
- Infrastructure-based intelligent transportation systems capital improvements
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- Congestion pricing projects and strategies, including electric toll collection and travel demand management strategies and programs.
- Recreational trails projects.
- Truck parking facilities.
- Workforce development, training, and education activities.

OCTA has historically directed these funds towards highway projects, arterial highway rehabilitation, grade separations, local streets and roads projects, and planning studies. More recently, funds have also been used for transit projects.

RSTP/STBG funds, totaling \$302.9 million, from FY 2011-12 through FY 2016-17, are currently programmed as follows:

- \$165.8 million for freeway projects.
- \$ 69.1 million for grade separations.
- \$ 38.7 million for bus capital projects and eligible operations.
- \$ 26.5 million for local streets and roads.
- \$ 2.8 million for rail projects.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Estimates:

The annual estimate for STBG funds in FFY 2016-17 is \$39 million.

Federal Transit Administration Section 5307 Urbanized Area Formula

Origins:

The Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program makes federal funds available for public transportation capital, planning, and in limited instances, operating expenses. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas which depend on public transportation to improve mobility and reduce congestion. Funding is apportioned on the basis of formula, with set asides for transit security and for associated transit improvements including bikeways, pedestrian facilities, and transit security. The FTA Section 5307 funding distribution formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed-guideway revenue vehicle miles, and fixed-guideway route miles, as well as population and population density.

Uses:

OCTA primarily uses FTA Section 5307 funds for bus transit capitalized operations such as preventive maintenance, capitalized cost of contracting, and bus replacement. The set-asides for FTA Section 5307 under the FAST Act have been changed as follows:

- Paratransit operating assistance increased from ten percent to up to 20 percent.
- There is no longer a requirement to set-aside one percent for associated transit improvements (previously transit enhancements).
- The FAST Act allows use of up to 0.5 percent of FTA Section 5307 funds for Workforce Development.

OCTA also uses FTA Section 5307 funds for transit capital projects such as bus purchases or facility maintenance and rehabilitation, preventive maintenance and capital costs of contracting. OCTA has also provided commuter rail operations with either local or FTA funding that equates to the amount of funding that is provided through FTA Section 5307 based on fixed-guideway operations contribution to the funding formula.

Estimates:

Under the FAST Act, the estimate for FTA Section 5307 funding in FFY 2016-17 is approximately \$57 million. Annually, approximately \$7.5 million derives from and is directed to commuter rails projects.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

FTA Section 5309 New Starts

Origins:

The FTA Section 5309 New Starts Competitive Program provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors. Under MAP-21, this program defines a new category of eligible projects, known as core capacity projects, which expand capacity by at least ten percent in existing fixed-guideway transit corridors that are already at or above capacity today, or are expected to be at or above capacity within five years. The program also includes provisions for streamlining aspects of the New Starts process to increase efficiency and reduce the time required to meet critical milestones. This discretionary program requires project sponsors to undergo a multi-step, multi-year process to be eligible for funding. The maximum share of New Starts funding is 60 percent and under the New Starts Program, the maximum federal share including all federal sources is 80 percent.

Uses:

Eligible uses of FTA Section 5309 include:

- New fixed-guideways or extensions to fixed-guideways (projects that operate on a separate ROW exclusively for public transportation, or that include a rail or a catenary system).
- Bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor.
- Projects that improve capacity on an existing fixed-guideway system.

Estimates:

This is a discretionary program. In 2016, OCTA is proposing New Starts funding for the OC Streetcar at \$149 million or 50 percent of the current project cost estimate.

FTA Section 5310 Formula Grants for Enhanced Mobility of Seniors and Individuals with Disabilities

Origins:

The FTA Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities makes federal funds available to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and ADA complementary paratransit services.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Uses:

At least 55 percent of program funds must be used on capital projects that are:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.

The remaining 45 percent may be used for:

- Public transportation projects that exceed the requirements of the ADA.
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
- Alternatives to public transportation that assist seniors and individuals with disabilities.

Operating assistance is available under this program. OCTA uses these funds for enhanced paratransit service.

Estimates:

Under the FAST Act, the FTA Section 5310 funds are apportioned to urban areas by formula based on an urban area's population share of seniors and individuals with disabilities. The amount of FTA Section 5310 Program funds allocated to Orange County was \$2.0 million in FFY 2014-15 and FFY 2015-16, and 2.1 million in FFY 2016-17.

FTA Section 5337 State of Good Repair Program

Origins:

The FTA Section 5337 State of Good Repair Program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. It replaces the prior FTA Section 5309 Fixed-Guideway Modernization Program which was authorized under SAFETEA-LU.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Uses:

FTA Section 5337 formula funds are to be used for:

- Capital projects to maintain a system in a state of good repair, including projects to replace and rehabilitate: rolling stock; track; line equipment and structures; signals and communications; power equipment and substations; passenger stations and terminals; security equipment and systems; maintenance facilities and equipment; and operational support equipment, including computer hardware and software
- Transit Asset Management Plan development and implementation

OCTA received \$15.6 million in FFY 2014-15 directed to SCRRRA Rehabilitation and Renovation and Bus Preventive Maintenance, \$17.8 million in FFY 2015-16 directed to SCRRRA Rehabilitation and Renovation and Bus Preventive Maintenance, and the estimate for FFY 2016-17 is \$18.1 million to be directed to SCRRRA Rehabilitation and Renovation, Slope Stabilization and Bus Preventive Maintenance.

Estimates:

The annual estimate for FTA Section 5337 funding in FFY 2016-17 is \$18.1 million.

FTA Section 5339 Bus and Bus Facilities Program

Origins:

The FTA Section 5339 provides formula capital funding to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. This program replaces the discretionary FTA Section 5309 Bus and Bus Facilities Program provided under SAFETEA-LU.

Uses:

FTA Section 5339 formula funds are to be used towards capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities. Use of these funds for bus capital projects will help offset the reduction in the estimated annual apportionment from FTA Section 5307. OCTA received \$5.5 million in FFY 2014-15, \$5.1 million in FFY 2015-16 and the estimate for FFY 2016-17 is \$5.2 million and in each of these years the funds were directed to bus engine rebuild. However, this program will be completed in FFY 2016-17, and in future years, it is proposed to direct these funds to purchase replacement paratransit vans.

Estimates:

The annual estimate for FTA Section 5339 funding in FFY 2016-17 is \$5.2 million.

State and Federal Funding Sources Origins, Existing Uses, and Estimates

Transportation Alternatives Program

Origins:

The Transportation Alternatives Program (TAP) was a new program in MAP-21 but originates from the Transportation Enhancement Program in SAFETEA-LU and incorporates aspects of the Safe Routes to Schools Program.

Uses:

TAP can provide funding for bike and pedestrian projects. The State of California has combined state and these federal funds for bike and pedestrian projects to create the ATP described in the state funding section on page 6.

Estimates:

See above the funding received by OCTA under the ATP in the state funding section on page 7.

National Highway Freight Program

Origins:

The National Highway Freight Program (NHFP) is a new program which was established in the FAST Act in December 2015.

Uses:

The objective of the NHFP is to fund projects which improve the efficient movement of freight on designated corridors throughout the state. The State of California has combined state and these federal funds for eligible projects to create the CFIP described in the state funding section on page 9.

Estimates:

See above the funding received by OCTA under the CFIP in the state funding section on page 9.