

Chapter 6 – Community-Based Transit/Circulators (Project V)

Overview

The Measure M2 (M2) Project V - Community-Based Transit/Circulators Program establishes a competitive process to enable local jurisdictions to develop community-based local transit services that complement regional transit services, and meet needs in areas not adequately serviced by regional transit. Projects must meet specific criteria in order to compete for funding through this program. In addition, local jurisdictions will be required to demonstrate the ability to provide funding match for capital and ongoing local share of operations and maintenance using non-Orange County Transportation Authority (OCTA) resources. Public-private partnerships¹ are encouraged but not required. Local jurisdictions may partner with each other.

Regional Transit: Regional Transit services are provided by OCTA, specifically through routes 1 through 99 (and excluding those route sections that perform less than 10 boardings per revenue vehicle hour). Additional information on OCTA routes and schedules can be accessed from OCTA website at www.octa.net.

Objectives

- To provide community transit service that is safe, clean and convenient.
- To encourage new, well-coordinated, flexible transportation systems customized to each community's needs.
- To develop local bus transit services such as community-based circulators, shuttles, and bus trolleys that complement regional bus and rail service.
- To meet transportation needs in areas not served by regional transit.

¹ Public-private partnerships are defined as direct financial contributions or sponsorships for eligible program activities



2018 Call for Projects

The 2018 Call for Projects (call) for Project V will provide approximately \$12 million for community-based transit/circulators across Orange County. Specifics on the funding policies that apply to this call are identified below.

Applications

In order for OCTA to consider a project for funding, applications will be prepared by the local agency utilizing the Application Form, available electronically from OCTA. Agencies are required to submit electronic and hardcopy applications for the 2018 call for projects by 5:00 p.m. on Friday, March 23, 2018. Late submittals will not be accepted.

Three (3) <u>unbound</u> hardcopies of the application and any supporting documentation must be submitted to OCTA by the application deadline, along with an electronic copy (CD, USB, or Dropbox).

Hardcopy applications should be mailed to:

OCTA
Attention: Jodie McCann
550 S. Main Street
P.O. Box 14184, Orange, CA 92863-1584

Hardcopy applications may be hand delivered to:

600 S. Main Street Orange, CA 92868

Resolutions

A resolution or minute action must be approved by the local agency's governing body. The mechanism selected shall serve as a formal request for Project V funds and states the matching funds will be provided by the agency, if necessary. All project requests must be included in this section.

At minimum, a draft resolution must be submitted with the application by the March 23rd deadline. A final adopted resolution must be submitted to OCTA by **Friday**, **April 13**, **2018**. A sample resolution is included in Exhibit 6-2.



Pre-Award Activities

Pre-Award Activities are allowable under Precept 6. A grantee may, at its own risk and without an executed OCTA Cooperative Agreement, obligate funds. Expenditures that are made prior to an executed OCTA Cooperative Agreement, but after July 1, of the programmed Fiscal Year (FY) must be identified in the grant application and must be submitted to OCTA for administrative approval prior to the implementation of the project.

Project Participation Categories

Transit needs may differ from one location to the next, and projects pursued under this program have significant latitude on how the challenge of delivering community-based transit will be delivered. The program categories listed below identify key project elements that can be pursued through the Project V funding source. The program categories eligible for funding through Project V are:

Planning for new service - Up to \$50,000 per agency (Not applicable to 2018 Call)

- Need for Community-Based Transit/Circulator Services
- Origin and Destination Studies
- Surveys and Marketing Research
- Development of Proposed Service Plans
- Transit Coordination Studies

Capital

- Bus and vehicle leases/purchases for the purposes of providing seasonal/special event shuttles and trolleys. If the purchase of vehicles is more cost efficient than a lease, justification and supporting documentation must be provided. Vehicle purchases will be evaluated on a case-by-case basis.
- Equipment for the deployment, implementation and use of Project V-funded services, including but not limited to:
 - o Bike racks
 - o Software
 - Communications equipment
 - o Fare collection equipment
 - Passenger amenities
 - o Americans with Disabilities Act (ADA) equipment for vehicles
- Maintenance facilities and fueling stations required for the new transit service



• Bus stop improvements (including signage, furniture and shelters) for Project V funded service stops only).

Operations and Maintenance

All costs below are subject to OCTA subsidy limitations outlined on page 6-6:

- Seasonal, fixed route, deviated fixed route, demand responsive community transit and shuttle services including administration, operations and maintenance of services.
- Transportation services provided by non-OCTA providers.
- Services to be operated by OCTA. Local agencies may propose an alternative service provider which will be considered at the discretion of OCTA.
- Expansion of fixed-route services will only be considered if the existing service has met the minimum performance standards in the last quarter (see page 6-6).
 Existing OCTA led services are eligible for expansion if an alternate service provider is identified.
- Temporary off-site parking for special events subject to agreement with the property owner and approval by OCTA.
- Parking leases needed in response to expanded transit services.
- Special event shuttle services for events that will create significant congestion.
- Other flexible and innovative transit services contingent on the service plan and anticipated service performance.
- Marketing efforts including expenditures related to seasonal or special event service schedules, marketing materials such as flyers and brochures and community outreach efforts. Project V contribution for marketing will be capped at \$25,000 for the startup cost and up to \$10,000 annually thereafter for the remaining grant period.

Agencies may be awarded, from all <u>eligible</u> project categories, no more than \$550,000 annually for a period of <u>three to five years</u> per project. Funding will begin in FY 2018-19, if an agency can demonstrate project readiness, or in FY 2019-20.

Ineligible Categories

Project V funds may not be used for the following:

- Right of way acquisition
- To supplant existing transit services (subject to the Regional Transit definition in Section 1)



- Fare subsidies (Free shuttles are not considered subsidized fare for this program)
- Indirect costs
- Planning studies
- OCTA-led services

Project Requirements

All projects funded through Project V must comply with the Comprehensive Transportation Funding Programs Guidelines, unless specifically noted in the agreement with the local agency and must comply with applicable state and federal laws, including American with Disabilities Act (ADA) requirements for transit services.

Planning for New Service (Not applicable to 2018 Call)

Cities must provide a scope of work for the proposed planning document requesting Project V funds. The scope must include project need and goals and objectives for the proposed or considered service. OCTA transit planning staff must be included in the development of any planning documents funded through the Project V planning category. Planning documents must include specific recommendations for community-based transit/circulator services that can be implemented within the operating subsidy provided through Project V and must consider coordination with existing services. Plans may also consider ways to eliminate duplication of service or to improve service by combining resources. Progress on planning projects must be reported to OCTA through the semi-annual review process. Agencies will be required to submit all data and planning documents to OCTA in order to receive final payment.

<u>Capital</u>

Project V funding is available to offset the costs of purchasing or leasing vehicles, equipment and other amenities as described in Chapter 3, under eligible costs. Progress on capital projects must be reported to OCTA through the semi-annual review process. Agencies must inspect vehicle purchases to ensure they meet specifications prior to final acceptance and withhold retention until warranty issues and/or final acceptance is met. If vehicles are sold before the end of their useful life or if service is discontinued, agencies shall repay OCTA the same percentage of the sale price or estimated value based on straight line depreciation of asset consistent with the Project V percentage of the initial purchase.



Operations and Maintenance

OCTA has established an operating reserve as part of this program that may be used to support the costs of operations and maintenance. The operating reserve is subject to the following requirements:

• Service performance will be evaluated on a quarterly basis. The minimum performance standards are calculated by dividing boardings by the revenue vehicle hours (B/RVH) as detailed below:

Year 1	Year 2	Year 3+
Meet or exceed 6 B/RVH by end of Year 1 ²	Maintain 6 B/RVH each reporting period ³ and; Meet or exceed 10 B/RVH by end of Year 2	Maintain 10 B/RVH each reporting period

- After Year 1, services that perform below the minimum performance standard for two or more reporting periods will be evaluated for cancellation.
- As part of the Project V service, local agencies must develop strategies to measure ridership satisfaction and on-time performance and must achieve an 85% on-time performance on an ongoing basis and rider satisfaction must be 90% satisfied based on customer surveys.
- Awarded agencies must submit operations and maintenance costs and ridership and fare performance data to OCTA on a quarterly basis. The OCTA Transit Committee will be provided with summarized information from these reports on a semi-annual basis.
- The OCTA subsidy allows awarded agencies to be reimbursed on a pro-rata basis, but not to exceed \$9 per boarding or 90 percent of net operating and maintenance costs (after deducting fares and non-OCTA subsidies), whichever is less. The \$9 per boarding may increase annually by an OCTA-approved inflationary factor.
- Consistent with Federal law, Americans with Disabilities Act (ADA) complementary
 paratransit service is required for certain types of transit operations. For Project V
 funded services, paratransit services will be covered with Project V funds through
 the OCTA Board policy. Agencies receiving Project V funds may will be required to
 adopt a paratransit plan prior to starting operations.

² One year from the first day of operating the Project V funded service

³ Fiscal year quarterly basis



Agency Match Requirements

Local funds are required to provide a minimum 10% non-OCTA match for all Project V components. The match may be comprised of any combination of private contributions, advertising revenues, and local discretionary funds—and farebox revenue. Farebox revenue cannot be used for capital match. The match may not be made up of in-kind services. Capital match funding commitments in excess of ten percent are eligible for additional points. The OCTA contribution for Operations and Maintenance will not exceed \$9 per boarding, therefore actual match provided by the local agency may be greater than 10% depending on the ridership. Agency match commitments will be incorporated into the funding agreement.

Eligibility Requirements

Minimum eligibility and participation requirements must be considered before a project funding application should be submitted. Adherence to strict funding guidelines is required by the M2 Ordinance. Additional standards have been established to provide assurance that M2 funds are spent in the most prudent, effective manner. There is no guarantee that funding will be approved during a particular call for projects. If no acceptable project is identified during a funding cycle, a subsequent call for projects will be scheduled at an appropriate time.

- Applicant must be eligible to receive M2 funding (established on an annual basis) to participate in this program.
- Support recommendations from OC Transit Vision, OCTA Short Range Transit Plan, local transit planning efforts and goals of the Sustainable Communities Strategy.
- Supplement rather than supplant existing transit services and emphasize service to areas not served by transit.
- Demonstrate local share of operations and maintenance funding for specific time horizon.
- Demonstration of cost reasonableness for new bus stop improvements.
- Agency must have a financial plan outlining a funding strategy for ongoing operations and maintenance (<u>maximum</u> of five years).
- Local agency will be required to enter into a cooperative funding agreement with OCTA.
- All projects must include meeting ADA requirements, and these costs must be included in the project application.
- Complete applications must be approved by the city council and partner jurisdictions prior to submittal to OCTA to demonstrate adequate community and elected official support for initial consideration



 Local agencies will be required to submit appropriate National Transit Database data to OCTA or local agency's operator must submit directly to the National Transit Database.

Application Process

Project V allocations are determined through a competitive application process. Local agencies seeking funding must complete a formal application and provide supporting documentation that will be used to fully evaluate the project proposal. An application for any proposed service must include a detailed funding/operations plan.

The project application for capital and operations and maintenance shall include, at a minimum, the following information:

- Project need, goals and objectives
- Project development and implementation schedule
- Funding plan (funding needs, match funding availability, operations funding assurances, and public-private partnership arrangements)
- Ongoing service and operations plan
- Operations and maintenance facility management
- Any additional information deemed relevant by the applicant
- Ridership Projection
- Coordination with existing services such as OCTA transit services, existing Project V services, Metrolink, I-Shuttle, Anaheim Transportation Network and/or Senior Mobility Program

The project application for planning for new projects shall include a scope of work for the proposed planning document requesting Project V funds. The scope must include project need and goals and objectives for the proposed or considered service.

Complete project applications must be submitted by the established due date to be eligible for consideration.

Applications will be reviewed by OCTA for consistency, accuracy, and concurrence. For applications completed in accordance with the program requirements, the projects will be scored, ranked and submitted to the Executive Committee, and the Board for consideration and funding approval. The process is expected to be concluded by June 30, 2018.

The final approved application (including funding plan) will serve as the basis for any funding agreement required under the program. The approved projects will be subject to the Comprehensive Transportation Funding Programs (CTFP) Guidelines for project delivery requirements.



Application Guidelines

Project selection is based upon merit utilizing a series of qualitative and quantitative criteria. Candidate projects are required to submit a financial plan with sufficient data to enable an adequate evaluation of the application. Each jurisdiction is provided broad latitude in formatting, content, and approach. However, key elements described below must be clearly and concisely presented to enable timely and accurate assessment of the project.

Financial Details

Each candidate project application must include all phases through construction of facilities. The financial plan will include, at a minimum, the following information:

- Estimated project cost for each phase of development (planning, environmental, permitting, design, right-of-way acquisition, equipment and vehicle acquisition, construction, and project oversight)
- Preliminary cost estimates for operations and maintenance should be coordinated with OCTA.
- Funding request for each phase of project implementation with match funding amounts and funding sources clearly identified
- Demonstrated financial commitments for match funding and ongoing operations
- Discussion of contingency planning for revenue shortfalls
- Revenue projections and methodology where commercial activity is expected to support implementation and/or operations costs
- Project readiness status
- Realistic project schedule for each project phase

Scoring Criteria

Specific scoring criteria will be used to evaluate the competitive program project applications. Emphasis is placed on projects with firm financial commitments and overall project readiness as shown in the Project V scoring criteria. In addition, projects will be evaluated based upon ridership projections, areas served, cost effectiveness and local/regional benefits.

The formal application must include feasibility and efficacy components to demonstrate transportation benefit to ensure the selected project(s) meet the spirit and intent of M2.

Merit will be demonstrated through technical attributes and industry standard methodologies. The following data will be included and fully discussed in the application:

- Matching funds
- Level of commitment from non-applicant partners



- Operating cost per boarding for initial season or first special event
- Project readiness including initial operating period for seasonal services or special event readiness
- Projected daily boardings with projection methodology fully presented
- Community connections; connections to fixed route bus and rail
- Projected annual visitors served by seasonal route
- Community outreach
- Agency experience

Other Application Materials

Supporting documentation will be required to fully consider each project application. In addition to the information described above, local agencies will be required to submit the following materials:

Council Resolution: A council resolution authorizing request for funding consideration with a commitment of project match funding (local sources) and operating funds as shown in the funding plan.

Lease/Cost Sharing Agreements: Copies of leases, sponsorship, and/or advertising revenue documents. Confidential agreements may be included for reference when accompanied by affidavit from city treasurer or finance director.

Project Documentation: If the proposed project has completed initial planning activities (such as project study report or equivalent, environmental impact report, or design), evidence of approval should be included with the application. Satisfactory evidence includes project approval signature page, engineer-stamped site plan, or other summary information to demonstrate completion or planning phases. The applicant will be asked for detailed information only if necessary to adequately evaluate the project application.

Operations Plan: In addition to the financial details indicated in this chapter, the operations plan submitted shall include the following technical data: a route map, draft time table, headways, stop location listing, summary of vehicle types and characteristics, speed profile, fleet size, and any other applicable supporting documentation.

Reimbursements

The planning, capital, and operations and maintenance (O&M) phases are administered on a reimbursement basis. Planning, capital, and O&M reimbursements will be disbursed upon review and approval of a complete expense report, performance report, and consistent with the cooperative funding agreement. OCTA operating subsidy will be no more than Nine Dollars (\$9.00) per boarding or Ninety Percent (90%) of net operations



and maintenance costs, whichever is lower. Local agency matching commitment to OCTA for ongoing operating assistance will be in accordance with terms identified in the cooperative funding agreement.

Funds must be utilized in the programmed FY. If there are FY project savings, a transfer of funds may be requested to a subsequent FY within the project. Agencies may only use savings as an aid for unanticipated cost overruns within the approved scope of work. A transfer request must be submitted in conjunction with the final reimbursement request, and formally submitted during the Semi-Annual Review. Transfers of savings will not be done retroactively, and overall project savings are returned to the program for use in subsequent calls for projects.

Calculation of Payment

OCTA operating subsidy will be no more than Nine Dollars (\$9.00) per boarding **OR** Ninety Percent (90%) of net operations and maintenance costs, whichever is lower.

Example:

Sample payment calculation <u>Assumptions</u> : 10% match 1,500 boardings				
\$	20,000			
\$	2,000			
\$	18,000			
<u>or</u>				
\$	20,000			
\$	13,500			
\$	6,500			
<u>\$</u>	13,500			
	\$ \$ \$ \$			



Net operations costs = operation & maintenance costs (after deducting fares/fees)
Local agency minimum matching requirement to OCTA for ongoing operating assistance will be in accordance with terms identified in the cooperative funding agreement.



Project Cancellation

Projects deemed infeasible during the planning process will be cancelled and further expenditures will be prohibited except where necessitated to bring the current phase to a logical conclusion.

For vehicles owned by local agencies that were funded through Project V, if the service is discontinued, agencies shall repay OCTA for vehicles at the same percentage of the sale price, or estimated value based on straight line depreciation of asset consistent with the Project V percentage of the initial purchase.

Cancelled projects will be eligible for re-application upon resolution of issues that led to original project termination.

Audits

All M2 payments are subject to audit. Local agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in loss of future funding. Misuse or misrepresentation of M2 funding will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through the normal annual process or on a schedule to be determined by the OCTA Board.



Exhibit 6-1 Point Breakdown & Application Checklist for Community-Based Transit/Circulators (Project V)

APPLICATION CHECKLIST Application materials should be submitted in the order they are listed below. Refer to the CTFP Guidelines for more detailed application requirements. Points shown are the maximum points given per category.			
Completed Application			
Board/Council Resolution (Draft Permitted Initially)			
Scoring Criteria – 100 Points Total			
Financial Commitment (15 Points)			
Capital Match Rate			
Cost Effectiveness (15 Points)			
Estimated Operating Cost per Revenue Vehicle Hour			
Lease/Cost Estimates & Project Backup Documentation			
Project Readiness (15 Points)			
Project Implementation Schedule			
Planning and Environmental Documentation			
Operations Plan (20 Points)			
Route Map w/ Existing Transit Service			
Draft Time Table & Headways			
Stop Locations Identified			
Average Service Speed by Time Period			
Fleet Size & Summary of Vehicle Types			
Maintenance Facilities Available & Service Plan Developed			
Ridership Projection (5 Points)			
Agree to Collect & Submit O&M Data Quarterly			
Projected Average Daily Boardings (Opening Year)			
Funding Plan (10 Points)			
Specific Funding Needs (Per year and per phase)			
Funding Assurances			
Partnership Arrangements			
Service Coordination Plan			
Agency Experience (10 Points)			
Community Benefit (10 Points)			
Community/Activity Centers/Tourist Attractions Served by Project			
Documented Community Support (Surveys, outreach, etc.)			
Fixed-Route Bus/Rail Connections			



Exhibit 6-2

Sample Resolution for Community-Based Transit/Circulators (Project V)

RESOLUTION NO. XXXX

A RESOLUTION OF THE (GOVERNING BODY) OF THE (ADMINISTERING AGENCY) APPROVING THE SUBMITTAL OF THE (PROJECT NAME) APPLICATION TO THE ORANGE COUNTY TRANSPORTATION AUTHORITY FOR FUNDING UNDER THE PROJECT V COMMUNITY-BASED TRANSIT/CIRCULATORS PROGRAM

WHEREAS, the Community-Based Transit/Circulators program (Project V) establishes a competitive process to enable local jurisdictions to develop community-based local transit services that complement regional transit services, and meets needs in areas not adequately serviced by regional transit.

WHEREAS, OCTA intends to allocate Project V funds within the incorporated cities and the County; and

WHEREAS, OCTA has established the procedures and criteria for reviewing applications as identified in the Project V Guidelines; and

WHEREAS, by formal action the (GOVERNING BODY) authorizes the nomination of (PROJECT NAME), including all understanding and assurances contained therein.

WHEREAS, the (ADMINISTERING AGENCY) has been declared by the Orange County Transportation Authority (OCTA) to meet the eligibility requirements to receive revenues as part of Measure M2; and

WHEREAS, the (ADMINISTERING AGENCY) must include all projects funded by Net Revenues in the seven-year Capital Improvement Program as part of the Renewed Measure M Ordinance eligibility requirement; and

WHEREAS, the (ADMINISTERING AGENCY) authorizes a formal amendment to the seven-year Capital Improvement Program to add projects approved for funding upon approval from the OCTA Board of Directors; and

WHEREAS, the (ADMINISTERING AGENCY's) Circulation Element is consistent with the County of Orange Master Plan of Arterial Highways; and

WHEREAS, the (ADMINISTERING AGENCY) will comply where applicable with provisions of the Americans with Disabilities Act, and any other federal, state, and/or local laws, rules and/or regulations; and

WHEREAS, the (ADMINISTERING AGENCY) will consult with OCTA regarding the need for a paratransit plan prior to starting operations; and

WHEREAS, the (ADMINISTERING AGENCY) will provide matching funds for the project as required by the Project V Guidelines and shall fund its share of the project costs and any additional costs over the identified programmed amount; and

WHEREAS, the (ADMINISTERING AGENCY) will not use Measure M funds to supplant Developer Fees or other commitments; and

WHEREAS, the (ADMINISTERING AGENCY) will give OCTA's representatives access to and the right to examine all records, books, papers or documents related to the Project; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The (GOVERNING BODY) hereby requests that the OCTA allocate Project V funds in the amounts specified in the (ADMINISTERING AGENCY's) application to said (ADMINISTERING AGENCY). Said funds shall be matched by funds from the (ADMINISTERING AGENCY) as required and shall be used as supplemental funding to aid the (ADMINISTERING AGENCY) in the implementation of the proposed transit service.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].



IV. Precepts

The OCTA Board of Directors (Board) approved these guidelines on March 22, 2010. The guidelines subsequently have been amended and approved by the Board as needed. The purpose is to provide procedures that assist in the administration of the CTFP under M2 where other superseding documents lack specificity. OCTA, or an agent acting on the authority's behalf, shall enforce these guidelines.

- 1. All eligible Orange County cities and the County of Orange may participate in the M2 competitive programs and federal funding programs included in the CTFP. Other agencies (e.g. Department of Transportation or local jurisdiction) may participate on a project, however, one local agency shall be designated as the implementing agency, shall be responsible for all funding requirements associated with the project, and shall be the recipient of funds through the program.
- 2. To participate in the CTFP, OCTA must declare that an agency is eligible to receive M2 Net Revenues which include local fair share distributions. Failure to meet minimum eligibility requirements after programming of funds will result in deferral or cancellation of funding.
- 3. The lead agency must execute a Master Funding Agreement with the OCTA. OCTA and lead agencies will periodically amend the agreement via letter to reflect funding changes through competitive calls for projects.
- 4. A separate cooperative funding agreement will be issued for any OCTA-led Regional Traffic Signal Synchronization Program projects.
- 5. An agency must have a fully executed letter agreement prior to the obligation of funds. Local agencies may be granted pre-award authority for M2 funded projects. Local agencies, at their own risk, may use this pre-award authority to obligate funds for an M2 funded project prior to the programmed year. Reimbursement Expenditures prior to the will be available in the Board approved programmed year will not be eligible for reimbursement (see Chapter 10).
- 6. For transit programs not covered by the letter agreement process (e.g. Projects S, V and W), pre-award authority is granted upon Board approval of the funding grant. See precept 5 above for pre-award authority provisions.
- 7. Local agencies shall scope projects, prepare estimates, and conduct design in cooperation with and in accordance with the standards and procedures required by the local agencies involved with the project (e.g., Caltrans, County, state/federal resource agencies).
- 8. Local agencies should select consultants based upon established contract management and applicable public contracting practices, with qualification based selection for architectural/engineering (A/E) services, and competitive bidding