



**May 10, 2018**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Mobile Source Air Pollution Reduction Review Committee County Transportation Commission Partnership Program Recommendations

### **Overview**

On December 1, 2017, the Mobile Source Air Pollution Reduction Review Committee released the County Transportation Commission Partnership Program, which is making \$8 million available from the Clean Transportation Funding Program. Each county transportation commission, including the Orange County Transportation Authority, is eligible to request \$2 million in funding. The goal of this program is to enhance mobility while improving air quality in the South Coast Air Quality Management District.

### **Recommendations**

- A. Approve the use of \$2 million in Mobile Source Air Pollution Reduction Review Committee County Transportation Commission Partnership Program funding for:
- The OC Flex Pilot Program for \$1.146 million,
  - The Hydrogen Detection Project for \$0.642 million,
  - A College Pass Program for \$0.212 million.
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above recommendations.

### **Background**

Signed into law in September 1990, AB 2766 (Chapter 1705, Statutes of 1990) authorized a \$4-per-vehicle surcharge on annual motor vehicle registration fees to fund programs that reduce motor vehicle air pollution. AB 2766 mandated that 30 cents of every dollar collected be deposited into a discretionary account managed by the South Coast Air Quality Management District (SCAQMD).

AB 2766 created the Mobile Source Air Pollution Reduction Review Committee (MSRC) to establish criteria, evaluate proposed projects, and make final funding recommendations to the SCAQMD Governing Board of Directors.

The MSRC County Transportation Commission (CTC) Partnership Program (MSRC CTC Program) will provide \$2 million each to the Orange County Transportation Authority (OCTA), the Los Angeles County Metropolitan Transportation Authority, the Riverside County Transportation Commission, and the San Bernardino County Transportation Authority for innovative projects that reduce emissions. To access the funds, OCTA is required to submit a list of proposed projects to the MSRC for approval. Eligible project categories include, but are not limited to, capital improvement projects, capital purchase projects, traffic signal coordination, rideshare programs, active transportation programs, transit pass incentive programs, freeway service patrols, “first mile and last mile” transportation strategies, and information technology projects.

### ***Discussion***

Consistent with the Capital Programming Policies to prioritize state and federal funds for projects that reduce congestion, strengthen the economy, and improve the quality of life, staff is seeking approval to authorize the use of \$2 million in the MSRC CTC Program funds towards the start-up and operations of the OC Flex Pilot Program, the Hydrogen Detection Project, and a College Pass Program.

#### **OC Flex Pilot Program**

OCTA implemented OC Bus 360° to improve the bus system in response to declining ridership and changing market conditions. As part of OC Bus 360°, OCTA developed a one-year pilot program to provide micro-transit to deliver services to low-demand and/or new markets through shared-ride, curb-to-curb/hub-to-hub service in two zones, including one in the City of Huntington Beach and one in the cities of Aliso Viejo, Laguna Niguel, and Mission Viejo. The program is eligible for the MSRC CTC Program funds as a ridesharing program, and through the first mile and last mile transportation strategies categories. It is anticipated that the OC Flex Pilot Program will increase ridership by providing first and last mile connection to the existing transit services at the Goldenwest Transit Center and the Laguna Niguel/Mission Viejo Metrolink Station.

The one-year pilot is estimated to cost \$1.281 million and collect \$0.135 million in fare revenue. The difference of \$1.146 million is proposed to be supported through the MSRC CTC Program. The OC Flex Pilot Program is expected to start service in late summer 2018.

#### **Hydrogen Detection Project**

The hydrogen detection system is required for the Hydrogen Bus Project which is currently underway. The system will be used as a safety precaution to detect the presence of hydrogen which is flammable and has the potential to embrittle metals. Originally, local transit funds were directed to support the installation; however, the Hydrogen Detection Project is eligible for the MSRC CTC Program funding under the capital improvement projects category.

Currently, the preliminary cost estimate for the Hydrogen Detection Project is \$0.818 million, and \$0.176 million will be funded through a previous grant from the California Air Resources Board Air Quality Improvement Program. The difference of \$0.642 million is proposed to be supported through the MSRC CTC Program. The Hydrogen Detection Project is expected to start construction in fall 2018.

#### **College Pass Program**

The College Pass Program will offer free rides to students during a one-year special start up period as an incentive to promote the program. This College Pass Program is based on the Santa Ana College Program and will be for a different location. After the special start up period, a student fee (fee varies on colleges) must be passed by the majority of the students to continue the program for an additional two years. Staff is proposing to use the remaining MSRC Program funding for this program and will work directly with local colleges to identify which schools want to proceed with a transportation fee for the College Pass Program.

The remaining funding is approximately \$0.212 million. The College Pass Program is eligible for the MSRC funds under the transit pass incentive programs and is anticipated to increase ridership in the college market, and incentivizes installation of a transportation fee for continued College Pass participation. The program start date would be contingent on the individual colleges that participate.

Project descriptions for the OC Flex Pilot Program, the Hydrogen Detection Project, and the College Pass Program are included in Attachment A. The programming recommendations that are requested in this report have been included in the OCTA Capital Funding Program Report (Attachment B).

#### **Next Steps**

With Board of Directors approval, staff will submit a request to use \$2 million in the MSRC CTC Program funding for the start-up and operations of the OC Flex Pilot Program, the Hydrogen Detection Project, and the College Pass Program. MSRC approval is expected in summer 2018.


#### **Summary**

Staff is recommending the use of \$2 million in the MSRC CTC Program funding for the start-up and operations of the OC Flex Pilot Program, the Hydrogen Detection Project, and the College Pass Program.

#### **Attachments**

- A. Mobile Source Air Pollution Reduction Review Committee, County Transportation Commission Partnership Program, Project Fact Sheets
- B. Capital Funding Program Report

#### **Prepared by:**



Ben Ku  
Section Manager  
Formula Funding Programs  
(714) 560-5473

#### **Approved by:**



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