

Capital Programming Policies by Fund Source
May 2017

Funding Source	Programming Policies
All State and Federal Fund Sources	First priority of all funding sources is to fulfill commitments to M2020 and/or Next 10 projects, specifically Measure M2 (M2) projects and to maintain existing the Orange County Transportation Authority's assets in a state of good repair. Consideration will also be given to use state and federal funds for projects that are complementary to M2 projects and that share the program goals to reduce congestion, strengthen the economy, and improve the quality of life. All fund sources must be programmed through formal programming actions.
Federal Transit Administration (FTA) Section 5309 Fixed-Guideway Capital Investment Grants ("New Starts")/FTA	Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the "New Starts" and/or "Small Starts" process.
FTA Section 5307 Formula/FTA	<p>FTA Section 5307 Formula/FTA use funds in the following order:</p> <ol style="list-style-type: none"> (1) preventive maintenance, (2) capital cost of contracting, (3) bus replacement. <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>
FTA Section 5310 Formula Funds/FTA	Use funds for eligible enhancements to paratransit capital and operations.
FTA Section 5337 Formula Funds/FTA	Use funds for commuter rail rehabilitation and/or renovation projects, 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 bus transit for bus transit capital maintenance.
FTA Section 5339 Formula Funds/FTA	<p>Use funds in the following order:</p> <ol style="list-style-type: none"> (1) bus replacement, (2) capital maintenance, (3) other bus capital projects as identified in the Bus Capital Plan.

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State	
Proposition 1B – Competitive Programs Funding/California Transportation Commission (CTC)	Maximize the Orange County allocations consistent with each program and ensure the receipt of allocated funds.
Proposition 116 (CTC)	Use cost savings for commuter or intercity rail capital improvement projects along the Metrolink corridor (between the cities of Buena Park and San Clemente) that are funded with Measure M1 and M2 funds on a first-come, first-served basis.