

**Existing Capital Programming Policies by Fund Source  
February 2019**

| Funding Source   | Measure M2 (M2) Programming Policies<br>(Adopted May 2014)   |
|--|--|
| M2 Programs  |  |
| Projects A-M<br>(freeway projects on Interstate 5, State Route 22, State Route 55, State Route 57, State Route 91, Interstate 405, and Interstate 605) | Use projects A-M M2 funding consistent with the M2 Transportation Investment Plan, the M2020 Plan, and subsequent Board of Directors (Board)-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.   |
| Freeway Environmental Mitigation Program (Tied to Projects A-M)  | Utilize five percent net revenues derived from M2 funding for projects A-M consistent with the M2 Transportation Investment Plan, with the M2020 Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through Board approval actions for needed environmental mitigation projects. |
| Project N<br>(Freeway Service Patrol)  | Use Project N funds for the Freeway Service Patrol Program. Funds are programmed through the annual budget process.  |
| Project O<br>(Regional Capacity Program) and Project P<br>(Regional Traffic Signal Synchronization Program)  | Use Project O and Project P M2 funding consistent with the M2 Transportation Investment Plan, and consistent with the Comprehensive Transportation Funding Programs (CTFP) Guidelines. Program funds to projects through the cyclical CTFP call for projects (call) programming recommendations.                                 |
| Project Q<br>(Local Fair Share Program)  | Use Project Q M2 funds consistent with the M2 Transportation Investment Plan. Funds are programmed through the annual budget, but actual disbursements may be adjusted based on the formula distribution of funds.   |
| Project R<br>(High-Frequency Metrolink Service)  | Use Project R M2 funding consistent with the M2 Transportation Investment Plan, with the latest Next 10 Plan, with the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.   |
| Project S (Transit Extensions to Metrolink) and Project T (Metrolink Gateways)   | Use Project S and Project T M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through a call.   |
| Project U<br>(Expand Mobility Choices for Seniors and Persons with Disabilities)   | Use Project U M2 funds, consistent with the M2 Transportation Investment Plan, the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Funds are programmed through the annual budget process.   |
| Project V<br>(Community-Based Transit Circulators) and Project W (Safe Transit Stops)  | Use Project V and Project W M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through a call.   |

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| M2 Programs  |   |
| Project X (Environmental Cleanup)  | <p>Use Project X M2 funding consistent with the M2 Transportation Investment Plan and consistent with CTFP Guidelines. Program funds to projects through the CTFP call.</p> <p>The Environmental Cleanup Program consists of two programs. The Tier 1 Grant Program is designed to mitigate the more visible forms of pollution. Tier 1 consists of funding for equipment purchases and upgrades to existing catch basins and related devices such as screens, filters, and inserts. The Tier 2 Grant Program consists of funding regional, multi-jurisdictional, and capital-intensive projects, such as constructed wetlands, detention/infiltration basins, and bioswales.</p> |
| Funding Source/Agency  | State and Federal Programming Policies<br>(Adopted May 2017)  |
| All State and Federal Fund Sources   | <p>First priority of all funding sources is to fulfill commitments to the latest Next 10 Plan, specifically 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.</p>  |
| State  |   |
| Active Transportation Program (ATP) – Southern California Association of Governments (SCAG) Regional Selection (Formula)/California Transportation Commission (CTC)/SCAG | <p>Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</p>   |
| California Freight Investment Program (CFIP)   | <p>Use of CFIP funds first for eligible M2 Program projects which meet the requirements and goals of the program, then fund other eligible priority Orange County projects.</p> <p>See Attachment C for update. Program will be removed.</p>  |
| Cap-and-Trade (Competitive) – Affordable Housing and Sustainable Communities Program (AHSC)/Strategic Growth Council   | <p>Use AHSC for fixed-guideway and transit corridor projects that serve disadvantaged communities and reduce greenhouse gas (GHG) emissions.</p> <p>*Note – In the guidelines, a transit project must be paired with an affordable housing project for Transit Oriented Development Program funds.</p>  |

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| Cap-and-Trade (Formula) – Low Carbon Transit Operations Program (LCTOP)/California Department of Transportation (Caltrans)                  | Use LCTOP for transit operations or capital for expansion of bus transit service, fare reduction programs, and other bus and commuter rail transit efforts that increase ridership and reduce GHG emissions, where 50 percent of the funds provide benefit for passengers in disadvantaged communities. Funds generated from commuter rail service in Orange County may be used in Orange County for the expansion of commuter rail service, fare reduction programs for commuter rail, and other eligible commuter rail efforts that increase ridership and reduce GHG emissions. |
| Cap-and-Trade (Competitive) – Transit and Intercity Rail Capital Program (TIRCP)/California State Transportation Agency                     | Use TIRCP for capital projects that expand bus and rail service to increase ridership and for projects that improve the integration between bus and rail systems. Projects must also reduce GHG emissions.   |
| Proposition 1A/CTC  | All funds are programmed.  |
| Proposition 1B – Competitive Programs Funding/CTC   | Maximize the Orange County allocations consistent with each program and ensure the receipt of allocated funds.   |
| Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)/Caltrans                         | Use PTMISEA funds for commuter rail improvements and to fund existing State Transportation Improvement Program (STIP) - Public Transit Administration projects (approximately \$60 million) currently programmed in the 2010 STIP and for eligible OC Bridges projects.  |
| Proposition 1B State-Local Partnership Program (SLPP)/CTC   | Use of SLPP for local streets and roads and freeway construction projects, contingent on matching funds availability. Seek equitable balance between freeways and local streets and roads.<br><br>See Attachment C for update. Program will be removed.  |
| Proposition 1B – Transit System Safety, Security and Disaster Response Account (TSSSDRA)/California Governor's Office of Emergency Services | Use TSSSDRA to support capital projects that enhance the safety, security, and emergency response capabilities of transit.   |
| 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.  |
| STIP/CTC  | Use of STIP funds for M2 freeway, commuter rail, fixed-guideway projects, planning/programming and complementary activities, which seek an equitable balance between freeways and transit capital and are consistent with state goals.   |

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| Funding Source/Agency  | State and Federal Programming Policies<br>(Adopted May 2017)   |
|--|--|
| Federal  |  |
| Congestion Mitigation and Air Quality (CMAQ)/Caltrans for Federal Highways Administration (FHWA) | <p>Use CMAQ funding for:</p> <ul style="list-style-type: none"> <li>• M2 fixed-guideway and/or M2 high-occupancy vehicle or high-occupancy toll operational improvements,</li> <li>• as match to leverage funding for OC Bridges grade separation projects,</li> <li>• vanpool program and rideshare services,</li> <li>• other rail and bus transit capital projects,</li> <li>• traffic light synchronization projects, and</li> <li>• new or expanded bus transit operations (three years of CMAQ funding may be used for the first five years).</li> </ul> <p>Set-asides: Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</p> |
| Federal Transit Administration (FTA) Section 5307 Formula/FTA                                    | <p>FTA Section 5307 Formula/FTA Use funds in the following order:</p> <ol style="list-style-type: none"> <li>(1) preventive maintenance,</li> <li>(2) capital cost of contracting, and</li> <li>(3) bus replacement.</li> </ol> <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> <p>See Attachment C for update.</p>  |
| FTA Section 5309 Fixed-Guideway Capital Investment Grants ("New Starts")/FTA                     | <p>Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the "New Starts" and/or "Small Starts" process.</p>   |
| FTA Section 5310 Formula Funds/FTA   | <p>Use funds for eligible enhancements to paratransit capital and operations.</p>  |
| FTA Section 5337 Formula Funds/FTA   | <p>Use funds for commuter rail rehabilitation and/or renovation projects, for 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.</p>  |
| FTA Section 5339 Formula Funds/FTA   | <p>Use funds in the following order:</p> <ol style="list-style-type: none"> <li>(1) bus replacement,</li> <li>(2) capital maintenance, and</li> <li>(3) other bus capital projects as identified in the bus capital plan.</li> </ol> <p>See Attachment C for update.</p>   |

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| Federal  |  |
| National Highway Freight Program   | <p>Currently these funds are administered by the state through the CFIP. See above.</p> <p>See Attachment C for update. Also, program moved from State to Federal.</p>   |
| Surface Transportation Block Grant (STBG) Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA | <p>Use STBG funds for M2 Freeway Program (consistent with M2020 priorities), grade separations, and local streets and roads.</p> <p>See Attachment C for update.</p>   |
| Transportation Alternatives Program (TAP) – CTC/SCAG through ATP   | <p>Use 100 percent of annual TAP apportionment for bicycle and pedestrian projects through a competitive call to local agencies. Currently these funds are administered by the state through the ATP. See ATP above.</p> |