June 3, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Comprehensive Transportation Funding Programs – 2019 Call for Projects Programming Recommendations

Overview

The Orange County Transportation Authority issued the 2019 annual Measure M2 Regional Capacity Program and Regional Traffic Signal Synchronization Program call for projects in August 2018. This call for projects made available Measure M2 competitive grant funding for regional roadway capacity and signal synchronization projects countywide. A list of projects recommended for funding is presented for Board of Directors' review and approval.

Recommendations

A.   Approve the award of $.835 million in 2019 Regional Capacity Program funds to one local agency project.

B.   Approve the award of $7.695 million in 2019 Regional Traffic Signal Synchronization Program funds to five local agency projects.

Background

The Regional Capacity Program (RCP), Project O, is the Measure M2 (M2) competitive funding program through which the Orange County Transportation Authority (OCTA) supports streets and roads capital improvement projects. The Regional Traffic Signal Synchronization Program (RTSSP), Project P, is the M2 competitive program, which provides funding for signal synchronization projects. Both programs are included in the Comprehensive Transportation Funding Programs (CTFP). The CTFP allocates funds through an annual competitive call for projects (call) based on a common set of guidelines and scoring criteria that are developed in collaboration with the OCTA Technical Advisory Committee (TAC) and are ultimately approved by the OCTA Board of Directors (Board). The guidelines for the 2019 call were approved, and the call was authorized by the Board on August 13, 2018.

Discussion

RCP

As of the call due date (October 18, 2018), OCTA received seven applications requesting a total of $8.252 million in RCP funding. All applications were reviewed for eligibility, consistency, adherence to the guidelines, and overall M2 Program objectives. Applications were evaluated and ranked as per the scoring criteria identified in the approved program guidelines. During the review process, staff worked with local agencies to address technical issues, such as application scoring corrections, scope clarifications, and refinement of final project funding requests.

Based upon these reviews, Attachment A includes programming recommendations per the 2019 CTFP Guidelines. Staff is recommending that OCTA award $.835 million in RCP funds to the City of Garden Grove for the Euclid Street/Westminster Avenue intersection project. Attachment B provides a narrative and rationale for projects that applied for RCP funds, but were not recommended for funding.

It should also be noted that during this call cycle, the volume of RCP applications submitted for consideration was significantly lower than what has traditionally been submitted. Based upon staff research, it appears that the following trends may have contributed to this result:

- SB 1 (Chapter 5, Statutes of 2017) diverted local agencies' attention and local match resources away from the RCP in order to secure new state resources;
- Many M2 RCP-funded projects are either in planning, engineering, and/or right-of-way acquisition phases, which suggests that local agencies are actively involved in current project development efforts rather than focusing on developing new projects.

Staff has completed a review of unfunded project phases identified by local agencies in OCTA's M2 project database. Based upon this analysis, there is approximately $191 million in unfunded project phases identified in the near term (through fiscal year {FY} 2022-23), which, if applied for, can potentially be considered for funding in future calls. This finding, coupled with the observations listed above, suggests that the low call volume experienced within the RCP is likely an anomaly rather than a structural shift in project delivery efforts occurring in Orange County. In fact, since inception of M2, OCTA has allocated approximately $271 million in M2 RCP funds, which have funded approximately 146 projects. Nevertheless, staff will continue to monitor these and other economic and project development trends over the next year and assess whether future guideline modifications may be required.

RTSSP

With respect to the RTSSP, OCTA received six applications requesting $8.761 million in funding. All of these applications were also reviewed for eligibility, consistency, and adherence to guidelines and overall program objectives. Staff worked with local agencies to address technical issues primarily related to construction unit cost refinements, as well as project scope clarifications.

Staff's recommendation is to program $7.695 million to fund the five projects that fall within available Project P funding. Two of the recommended RTSSP projects will be implemented in FY 2019-20, with the remaining three projects starting in FY 2020-21. The details of projects recommended for funding for the RTSSP are shown in Attachment C. Attachment B also includes a narrative and rationale for why one RTSSP application was not recommended for funding.

The table below provides an overall summary of the funding recommendations:

2019 CTFP Call Summary ($ in millions)			
	RCP	RTSSP	Total
Number of Applications Recommended for Approval	1	5	6
Amount Recommended for Approval (escalated)	$.835	$7.695	$8.530

Recommendations presented in this staff report are consistent with the 2019 guidelines approved by the Board. As such, staff recommends programming $8.530 million for six projects under the RCP and RTSSP.

In March, these programming recommendations were presented to OCTA's Technical Steering Committee and TAC. After some discussion related to unfunded projects, both committees approved the recommendations[1].

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[1] It should be noted that at the TAC, the City of Laguna Beach voted not to support these programming recommendations citing its opposition to OCTA's finding that its application was incomplete due to it having not complied with project readiness requirements specified in the CTFP Guidelines (with respect to securing appropriate environmental approvals) at the time of the application's submittal.

Next Steps

If the Board approves these programming recommendations, they will be deemed final, and staff will initiate execution of master funding agreements between OCTA and appropriate local agencies. Once these agreements are executed, awarded local agencies will be authorized to seek M2 reimbursement for their respective eligible project costs. As these projects advance, staff will monitor their status and project delivery through the semi-annual review process, which is reported to the Board on a biannual basis. Staff will also initiate efforts to start developing the 2020 call, which is anticipated to be released in fall 2019 and finalized (with programming award recommendations) in late spring 2020.

Summary

Proposed programming recommendations for the 2019 RCP and RTSSP call have been developed. Funding for six projects totaling $8.530 million in M2 funds is proposed. Board approval of these recommendations is requested.

Attachments

A.   2019 Measure M2 Regional Capacity Program Call for Projects, Programming Recommendations
B.   2019 Regional Capacity Program and Regional Traffic Signal Synchronization Program Call Applications Not Recommended for Funding
C.   2019 Measure M2 Regional Traffic Signal Synchronization Program Call for Projects, Programming Recommendation

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