



June 3, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – March 2019

Overview

The Orange County Transportation Authority recently completed the March 2019 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of Measure M2 grant-funded projects and provides an opportunity for local agencies to update project information and request project modifications. Recommended project adjustments are presented for Board of Directors' review and approval.

Recommendations

- A. Approve adjustments to the Comprehensive Transportation Funding Programs projects and Local Fair Share funds.
- B. Authorize the Chief Executive Officer, or his designee, to execute Cooperative Agreement No. C-9-1380 between the Orange County Transportation Authority and the City of Brea to administer Measure M2 grant funds, in an amount not to exceed \$13,114,578, for the construction and landscaping components of the State Route 57 Lambert Road Interchange Project to establish appropriate roles and responsibilities.

Background

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for street, road, signal, transit, and water quality projects.

The CTFP contains a variety of funding programs and sources, including Measure M2 (M2) revenues, State-Local Partnership Program funds, and Local Partnership Program funds. The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants.

OCTA meets with representatives from local agencies on a regular basis to review the status of projects and proposed project changes. This process is known as the semi-annual review. The goals of the semi-annual review are to review project status, determine the continued viability of projects, address local agency concerns, confirm availability of local match funds, and ensure timely closeout of all projects funded through the CTFP.

Discussion

The March 2019 semi-annual review proposed adjustments include two delays, 14 timely use of funds extensions for CTFP projects, 14 timely use of funds extensions for the Local Fair Share Program, six scope changes, one project transfer, and five cancellations. Adjustments are itemized in Attachment A and described in Attachment B.

Local agencies identified several reasons for semi-annual review proposed project adjustments, which included the following:

- Delays (federal funding coordination, utility coordination, and right-of-way coordination),
- Extensions (design issues, project closeout delays, staffing changes, delays in obtaining plan approvals and/or permits, right-of-way issues, and contract amendment timing issues),
- Scope changes (utility coordination, enhanced project benefits, conduit capacity constraints, stakeholder coordination issues, and equipment installed as part of another capital improvement project),
- Transfers (project savings), and
- Cancellations (right-of-way issues, low ridership, design issues, unable to acquire required permits or certifications, and utility coordination issues).

The reasons identified above are consistent with expectations for a March semi-annual review cycle, which is typically influenced by encumbrance timing constraints and fund expenditure deadlines. The September semi-annual review cycle generally sees more project phasing and scope adjustments.

Also provided for reference is an M2 CTFP summary table. Since M2 inception, OCTA has awarded a total of \$490 million in competitive funds, including \$36.5 million through state and federal funds. Changes to this original allocation amount reflect the reduction in programming of approximately \$4.5 million, resulting in a total revised allocation of \$485.5 million, as of March 31, 2019.

M2 CTFP Summary Table				
Project Status	September 2018 Semi-Annual Review		March 2019 Semi-Annual Review	
	Project Phases	Allocation	Project Phases	Allocations ¹ (after adjustments)
Planned ²	95	\$ 84.5	69	64.2
Started ³	138	\$ 209.7	128	183.4
Pending ⁴	71	\$ 28.5	73	60.4
Completed ⁵	308	\$ 142.4	337	154.8
Cancelled ⁶	33	\$ 20.4	39	22.7
Total	645	\$ 485.5	645	485.5

1. Allocations in millions, pending Board of Directors (Board) approval of the March 2019 semi-annual review.

2. Planned - indicates that funds have not been obligated and/or are pending contract award.

3. Started - indicates that the project is underway and funds are obligated.

4. Pending - indicates that the project work is completed and the final report submittal/approval is pending.

5. Completed - indicates that the project work is complete, final report approved, and final payment has been made.

6. Cancelled - indicates that the project work will not be completed (project savings will be returned to the program).

Local agencies have made significant progress since the last review to deliver and closeout CTFP projects. For example, 26 project phases are now underway. Additionally, 29 project phases were completed between September 2018 and March 2019, and \$2.3 million in cancelled projects were reconciled and closed out. Additional progress not reflected in the table includes over \$1 million in program savings due to completed projects. This brings the cumulative program savings to an estimated \$34 million, including savings from both completed and cancelled projects.

Other Actions

Staff is also requesting authorization for OCTA's Chief Executive Officer, or his designee, to negotiate and execute a separate cooperative agreement between OCTA and the City of Brea (Brea) to administer M2 grant funds for the State Route 57 Lambert Road Improvement Project (Project). Brea's original M2 CTFP application was focused upon implementing Phase I improvements of the larger project. Subsequent to the awarding of M2 funds, the California Transportation Commission (CTC) approved programming of \$65.7 million from the Transportation Corridor Enhancement Program/SB 1 (Chapter 5, Statutes of 2017) and other Federal grant programs to fund the entire Project. As such, significant components of the Project will be led by the California Department of Transportation. The intent of the proposed cooperative agreement between OCTA and Brea is to specify those components of the Project for which Brea will be responsible, implement Brea's proposed changes to the M2 grant funds (to accommodate the CTC award) and to simplify the

review and reimbursement processes while maintaining transparency and the overall requirements of M2.

Based upon review of the March 2019 semi-annual review proposed project adjustments and trends, staff has determined that these changes are consistent with prior semi-annual review requests and appropriate from a CTFP administration perspective. These changes have also been reviewed and approved by the Technical Advisory Committee. Therefore, Board approval of the semi-annual review adjustments is recommended. Upon Board approval of these adjustments, staff will monitor the implementation of these proposed changes through future semi-annual reviews, which are conducted and reported to the Board biannually.

Summary

OCTA has recently reviewed the status of 351 active project phases funded through the M2 CTFP. Staff recommends the approval of semi-annual review project adjustments requested by local agencies for this semi-annual review cycle.

Attachments

- A. Comprehensive Transportation Funding Programs, March 2019 Semi-Annual Review Adjustment Requests
- B. Comprehensive Transportation Funding Programs, March 2019 Semi-Annual Review Adjustment Request Descriptions
- C. Term Sheet Cooperative Agreement Between the Orange County Transportation Authority and the City of Brea for the State Route 57 and Lambert Road Interchange Project

Prepared by:



Christina Moore
Senior Transportation Funding Analyst
(714) 560-5452

Approved by:



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