



October 10, 2019

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects

Overview

Measure M2 establishes a competitive program through Project V to fund local transit services, which complement regional transit. Based upon both outreach and financial assessments conducted earlier this year, there is sufficient interest and financial capacity to justify the initiation of a fourth Project V call for projects. Updated Comprehensive Transportation Funding Programs Guidelines (Project V) are proposed for approval, as well as the authorization to issue a fourth Project V call for projects.

Recommendations

- A. Approve revisions to the Comprehensive Transportation Funding Programs Guidelines for the Project V Community-Based Transit Circulators Program.
- B. Authorize staff to issue the 2020 Measure M2 Project V Community-Based Transit Circulators call for projects.

Background

Project V is a competitive program under Measure M (M2), which provides funding to develop and implement local transit services. Based upon current forecasts, total estimated revenues for Project V (through 2041) are estimated to be approximately \$248 million. To date, the Orange County Transportation Authority (OCTA) has awarded approximately \$42 million in Project V services. After deducting project cancellations, there remains approximately \$30 million in total funding allocations that have been committed to Project V to date.

In early 2019, the OCTA Board of Directors (Board) requested that staff evaluate whether there was sufficient demand and financial capacity to justify a fourth Project V call for projects (call).

Accordingly, OCTA conducted a financial assessment of the Project V Program and concluded that with existing commitments, an assumed continuation allowance for existing successful services, and assumptions with respect to the associated paratransit service costs, that the program could accommodate an approximately \$9 million call for 2020. This finding and conclusions from outreach efforts (assessing local agencies' level of interest in applying for a fourth call) were presented to the Board in August. At that meeting, the Board directed staff to return in the fall with revised Comprehensive Transportation Funding Programs (CTFP) Guidelines for Project V in order to support efforts to initiate a fourth call.

Since that time, OCTA staff met and worked with local agencies to develop proposed CTFP Guidelines revisions. These proposed revisions were designed based upon lessons learned from previous calls in order to facilitate implementation of 2020 call objectives. Applicable local agency comments were reviewed, considered, and incorporated as appropriate, and the following discussion provides a summary of key proposed changes and next steps for Board consideration.

Discussion

Key proposed CTFP Project V changes include the following.

- Specified 2020 call specific objectives to include support for:
 1. Continuing funding of existing successful services (i.e., services with ridership clearly being maintained at ten boardings per revenue vehicle hour, for years three and beyond in previously awarded grants).
 2. New special event and/or shuttle services.
 3. Expanding new options through shared ride-hailing services.
 4. Allowing for planning requests in order to keep the program fresh and evolving.
- Revised application scoring criteria to support 2020 call objectives.
- OCTA does not have the capacity to operate Project V services on behalf of local agencies.

- Clarified that agencies may be awarded (from all eligible categories) no more than \$550,000 for a period of up to seven years per project.
 - Funding available starting in fiscal year 2020-21.
- Clarified the types of eligible capital, and operations and maintenance (O&M) expenditures that would be allowed, and also specified the criteria under which continuation/expansion of existing services would be considered.
- Specified that the \$9 per boarding, or 90 percent, “whichever is lower” reimbursement process would also be applicable for shared ride-hailing services on a \$9 per user basis.
- Included new useful-life language with respect to disposition of capital assets upon cancellation and/or removal.
- Allowed for a separate initial marketing cost category that would not be subject to the \$9 per boarding/user reimbursement limitation.
- Specified M2 signage and branding requirements.
- Clarified that provision of Americans with Disabilities Act comparable services for non-fixed-route service applications must be provided by the applicant and documented in the application’s financial assumptions.
- Required that application financial plans be based upon estimates provided by potential vendors.
- Clarified how the \$9 per boarding/user, or 90 percent of net O&M costs, “whichever is lower” reimbursement process would work for local agencies.

For a more detailed summary of proposed changes, see Attachment A, which provides a table of proposed changes, as well as Attachment B, which provides a marked-up version of all proposed CTFP Guidelines changes.

Next Steps

Upon Board approval, staff will send out letters and e-blast announcements notifying local agencies of the call’s initiation and any other pertinent information. Applications would be due to OCTA by December 12, 2019, and based upon project selection criteria specified in the CTFP Guidelines, projects will be

prioritized for Board consideration in spring 2020. Project funds, if ultimately awarded by the Board, would become available to local agencies for services starting on July 1, 2020. Approved and active services will be monitored quarterly, and ridership reporting will be provided to the Board on a semi-annual basis.

Summary

Based upon Board direction, staff has completed a financial assessment of the M2 Project V Program, as well as outreach efforts, to determine if there is sufficient justification to warrant a fourth Project V call. Based upon these activities, a fourth Project V call is recommended in an amount not to exceed \$9 million. Approval of proposed changes to the Project V CTFP Guidelines is also recommended.

Attachments

- A. 2020 Project V Guidelines and Call for Projects
- B. Draft Comprehensive Transportation Funding Programs, Guidelines Excerpt, Proposed Revisions

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