



**January 6, 2020**

**To:** Regional Planning and Highways Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** 2021 Federal Transportation Improvement Program and Financial Plan

### **Overview**

The Orange County Transportation Authority is responsible for the biennial preparation of the Federal Transportation Improvement Program for Orange County. This document is required under state and federal laws and includes the financial information for all regionally significant transportation improvement projects in Orange County, with a total value of approximately \$2.365 billion. A summary of the Federal Transportation Improvement Program and a supporting resolution are submitted for Board of Directors' approval.

### **Recommendations**

- A. Authorize the submittal of the Federal Transportation Improvement Program for fiscal year 2020-21 through fiscal year 2025-26.
- B. Adopt Resolution No. 2020-001 of the Board of Directors of the Orange County Transportation Authority.
- C. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program to facilitate programming of projects.

### **Background**

The Federal Transportation Improvement Program (FTIP) is the programming document that implements the Regional Transportation Plan. The FTIP is comprised of projects of regional significance and projects which are approved to receive state or federal funding. Regionally significant projects are those that would have significant impacts on regional travel and air quality.

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Federal and state laws require that the FTIP is updated at least every two years and is financially constrained to reasonably anticipated revenues. Federal law also requires that the FTIP include a financial plan that demonstrates how the proposed improvements will be funded and implemented. The financial plan must include a list of all public and private funding sources reasonably expected during the life of the program.

The Southern California Association of Governments (SCAG) conducts a region-wide air quality assessment for the FTIP. Any project that is likely to receive federal funding for implementation must be included in the FTIP or added through an amendment process to demonstrate that it has been evaluated and/or exempted for air quality purposes.

### ***Discussion***

The 2021 FTIP contains \$2.365 billion in reasonably anticipated federal, state, and local funding sources for projects throughout Orange County, which are scheduled to begin some phase of work between fiscal year (FY) 2020-21 and FY 2025-26. The Orange County Transportation Authority (OCTA) is required to certify that the project phases programmed in the first four years of the FTIP (FY 2020-21 through FY 2023-24) are of high-priority and will be implemented in accordance with each project's respective schedule. FTIP Guidelines further require that all the project phases programmed in the first four years of the plan must be fully funded, with an emphasis on projects programmed in the first two years for implementation. All local agencies with projects programmed in the FTIP provide a resolution from their governing board confirming that the projects or project components are fully funded in accordance with FTIP Guidelines. With respect to OCTA, the FTIP includes projects that have previously been approved for funding through prior Board of Directors (Board) actions.

The finalized 2021 FTIP Guidelines include updates that will now incorporate safety information and performance measures. Projects that are entered into the 2021 FTIP will now be required to address new performance measures as it relates to safety, pavement/bridge conditions, system performance, transit safety, and the Transit Asset Management Plan. Each of the performance measures will be graded based on various factors which include, but are not limited to, the following: highway and transit safety, national highway system pavement condition, air quality, highway reliability, and congestion.

On September 27, 2019, the National Highway Traffic Safety Administration and the United States Environmental Protection Agency issued Part One of the Safer Affordable Fuel Efficient (SAFE) Vehicles Rule. This final rulemaking revoked California's Clean Air Act pre-emption waiver and became effective November 26, 2019.

Absent a resolution, this rule may impact regional transportation conformity determinations for SCAG's Connect SoCal, otherwise known as the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and the 2021 FTIP. If the transportation conformity determination for Connect SoCal is not approved by the Federal Highway Administration/Federal Transit Administration by June 1, 2020, a 12-month transportation conformity lapse grace period would be triggered. During the conformity lapse grace period, only limited non-capital and exempt projects may be added and only minor scope changes may be made to the projects in the transportation plan or program.

California's Attorney General, along with the Attorneys General from 22 other states, have filed a lawsuit challenging Part One of the SAFE Vehicles Rule. Additionally, Part Two of the SAFE Vehicles Rule, which are proposed revisions to Corporate Average Fuel Economy standards and greenhouse gas vehicle emissions standards, is expected to be released, although it was not yet made public as of the writing of this staff report. As a result, many uncertainties remain. SCAG is continuing development of Connect SoCal, including the associated transportation conformity analysis, and has directed OCTA to proceed with submittal of the 2021 FTIP until additional information is made available.

It should be noted that in light of the concerns around the SAFE Vehicle Rule, the California Department of Transportation (Caltrans) had requested that OCTA include the project approval and environmental document phase for the Interstate 5 Managed Lanes Project from Redhill Avenue to Los Angeles County line in the 2019 FTIP. This project would convert an existing high-occupancy vehicle (HOV) lane and the second HOV lane (Project A) into a tolled express lane. A letter was sent to Caltrans on November 7, 2019, detailing several concerns including the unresolved policy around converting lanes that were part of the Measure M2 program. The project may be amended into the 2021 FTIP when the concerns have been resolved.

With Board approval, a financial plan (Attachment A) and resolution certifying OCTA's FTIP project submittals, referenced as Orange County Transportation Improvement Program (Attachment B), will be submitted to SCAG for review. Once SCAG has completed its review, SCAG will model the program and determine air quality benefits. Pending further direction regarding the SAFE Vehicle Rule, SCAG is anticipated to present the 2021 FTIP to the public, regional transportation commissions, transportation committees, and regional council for review and comment by July 2020.

Following the public comment period, SCAG's Board will consider the 2021 FTIP, which, if approved, will be forwarded to Caltrans and the Federal Highway Administration for final review and approval. The 2021 FTIP is anticipated to be fully approved in December 2020. A list of draft FTIP projects is included in Attachment C.

In order to meet SCAG's review deadline of March 2, 2020, minor changes or amendments to the FTIP project list may be necessary after the preparation of this report. Therefore, it is requested that the Board authorize staff to submit the FTIP project list to SCAG, as well as submit any project changes provided by local agencies, or validated changes requested by SCAG. This strategy will allow the most up-to-date project information to be included in the 2021 FTIP.

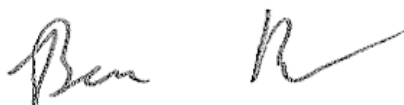
### ***Summary***

OCTA developed the 2021 FTIP and associated financial plan, including approximately \$2.365 billion of projects. Staff has worked with local agencies and consulted Board-approved plans and previous funding actions to develop the 2021 FTIP. With Board approval, the 2021 FTIP and associated funding plan will be submitted to SCAG.

### ***Attachments***

- A. Federal Transportation Improvement Program and Financial Plan Summary, Fiscal Year 2020-21 Through Fiscal Year 2025-26
- B. Resolution No. 2020-001 of the Board of Directors of the Orange County Transportation Authority, Fiscal Year 2020-21 to Fiscal Year 2025-26, Federal Transportation Improvement Program
- C. 2021 Federal Transportation Improvement Program Project List (dollars in \$1,000s)

**Prepared by:**



Ben Ku  
Section Manager, Formula Funding  
Programs  
(714) 560-5473

**Approved by:**



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