



February 1, 2021

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects

Overview

The Measure M2 Environmental Cleanup Program provides grants for projects that protect Orange County waterways and beaches from roadway runoff. Staff has updated the program implementation guidelines and is seeking authorization to release the next Environmental Cleanup Program Tier 1 call for projects.

Recommendations

- A. Approve the proposed revisions to the Comprehensive Transportation Funding Programs Guidelines for the Environmental Cleanup Program Tier 1 Program.
- B. Authorize staff to issue the fiscal year 2021 Environmental Cleanup Program Tier 1 call for projects.

Background

The Environmental Cleanup Program (ECP), also referred to as Project X, provides for the allocation of two percent of annual gross Measure M2 (M2) revenues to improve overall water quality in Orange County. Funding is allocated on a countywide competitive basis to assist jurisdictions in controlling transportation-related pollution. These funds are intended to supplement, not supplant, existing transportation-related water quality programs. Funds are awarded to priority projects that improve water quality in streams, harbors, and other waterways that have a nexus to transportation-related pollution, consistent with the Orange County Transportation Authority's (OCTA) Ordinance No. 3. The ordinance requires the Environmental Cleanup Allocation Committee (ECAC) to advise the OCTA Board of Directors (Board) on priorities and processes for the use of ECP funds.

On May 24, 2010, the Board approved a two-tiered approach to fund the M2 ECP. The Tier 1 Grant Program consists of funding for equipment purchases and upgrades to existing storm drains and related best management practices. The Tier 2 Grant Program consists of funding for regional, potentially multi-jurisdictional, capital-intensive projects.

The previous Tier 1 call for projects (call) was finalized by the OCTA Board on October 12, 2020, with the approval of \$2,800,000 in ECP Tier 1 funds. The Board programmed funding to support 12 successful project applications (based on the scoring criteria). To date, the Board has approved funding for 189 Tier 1 projects, totaling approximately \$27 million, and it is estimated that nearly 33 million gallons of trash and debris have been captured since inception of the ECP in 2011.

Discussion

OCTA staff worked with local agencies and the ECAC to determine areas of the program guidelines that needed to be adjusted, as well as reviewed issues that emerged out of the previous calls. The proposed modifications to the program guidelines are included in attachments A and B.

The proposed changes were reviewed by the ECAC at the January 14, 2021 meeting. The ECAC voted unanimously to endorse the changes to the CTFP Guidelines and recommended Board approval to issue the fiscal year (FY) 2021 ECP Tier 1 call. A summary of proposed modifications is provided below.

2021 Call Updates

The revisions to the CTFP Guidelines include minor technical changes to the ECP call application schedule. The proposed funding target, subject to Board approval, for the call is \$2.8 million, which is consistent with prior years. While M2 revenues were impacted by the economic downturn emerging from the coronavirus pandemic, this program has been conservatively managed in terms of funding distributions to the Tier I and Tier II programs, and based upon the program's currently projected cash flow, the \$2.8 million call amount appears to be both reasonable and fiscally responsible.

Based on requests from local agencies, the CTFP Guidelines were also modified to clarify that for the Project X Tier I program only, local agencies may spend up to 15 percent of total construction costs to support construction management, project management, and final design combined.

Finally, the updated CTFP Guidelines clarify that only electronic applications will be accepted during this call cycle.

Next Steps

Following Board approval expected on February 8, 2020, staff will notify local agencies of the call. Once the call is issued, staff will offer one-on-one meetings to assist local agencies with the application process. Per the recommendation of the ECAC, in addition to one-on-one meetings, staff will offer a workshop for local agencies as an additional resource. The workshop is tentatively scheduled for February 25, 2021. Applications will be due to OCTA by May 6, 2021, and staff will return to the Board with programming recommendations by late summer 2021.

Awards would be effective with Board approval and become available starting in FY 2021-22.

Summary

OCTA staff is recommending revisions to the ECP Tier 1 CTFP Guidelines and requests authorization to issue a 2021 ECP Tier 1 call, in order to make available approximately \$2.8 million for important projects that will mitigate the impacts of street runoff and improve water quality for Orange County waterways.

Attachments

- A. List of Proposed Revisions to the 2021 CTFP Guidelines for Project X (Chapter 11)
- B. Comprehensive Transportation Funding Programs Guidelines Excerpt, Proposed Revisions

Prepared by:



Alfonso Hernandez
Transportation Funding Specialist, Senior
(714) 560-5363

Approved by:



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