

**Excerpt from Capital Programming Policies by Fund Source  
February 2019**

Funding Source/Agency	State and Federal Programming Policies
Federal	
Congestion Mitigation and Air Quality (CMAQ)/California Department of Transportation (Caltrans) for Federal Highways Administration (FHWA)	<p>Use CMAQ funding for:</p> <ul style="list-style-type: none"> <li>• Measure M2 (M2) fixed-guideway and/or M2 high-occupancy vehicle or high-occupancy toll operational improvements,</li> <li>• as match to leverage funding for Orange County Bridges grade separation projects,</li> <li>• Vanpool Program and rideshare services,</li> <li>• other rail and bus transit capital projects,</li> <li>• traffic light synchronization projects, and</li> <li>• new or expanded bus transit operations (three years of CMAQ funding may be used for the first five years).</li> </ul> <p>Set-asides: Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</p>
Federal Transit Administration (FTA) Section 5307 Formula/FTA	<p>Use funds to support ongoing transit operations and State of Good Repair through (not in priority order):</p> <ul style="list-style-type: none"> <li>• preventive maintenance,</li> <li>• capital cost of contracting, and</li> <li>• bus replacement.</li> </ul> <p>Lower priority but eligible if funding available:</p> <ul style="list-style-type: none"> <li>• other priority capital projects that are consistent with the comprehensive business plan.</li> </ul> <p>Set-Asides: Up to 20 percent for paratransit operating assistance, one percent for transit security (unless funded using local, state, or other federal funds), and percent of funds generated by rail operations to be used for rail operations and capital projects.</p>
FTA Section 5309 Fixed-Guideway Capital Investment Grants ("New Starts")/FTA	Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the "New Starts" and/or "Small Starts" process.
FTA Section 5310 Formula Funds/FTA	Use funds for eligible enhancements to paratransit capital and operations.
FTA Section 5337 Formula Funds/FTA	Use funds for commuter rail rehabilitation and/or renovation projects, for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair, and for preventive maintenance. Use funds generated by bus transit for bus transit capital maintenance.

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Funding Source/Agency	State and Federal Programming Policies (Adopted February 2019)
Federal	
FTA Section 5339 Formula Funds/FTA	<p>Use funds for:</p> <ul style="list-style-type: none"> <li>• capital maintenance,</li> <li>• capital cost of contracting,</li> <li>• bus replacement, and</li> <li>• other bus capital projects as identified in the transit asset management plan.</li> </ul>
Highway Infrastructure Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan).
National Highway Freight Program/California Transportation Commission (CTC) for FHWA	Currently, these funds are administered by the state through the Trade Corridors Enhancement Program (TCEP). See TCEP above.
Surface Transportation Block Grant Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Delivery Plan) and local streets and roads. Funds may also be used for countywide planning activities up to five percent annually.
Transportation Alternatives Program (TAP) – CTC/Southern California Association of Governments through Active Transportation Plan (ATP)	Use 100 percent of annual TAP apportionment for bicycle and pedestrian projects through a competitive call to local agencies. Currently, these funds are administered by the state through the ATP. See ATP above.