

DRAFT

**Policy and Framework for the Use of 405 Express Lanes Excess Toll Revenue
Stakeholder Discussion Points**

California Department of Transportation (Caltrans) general requests or comments and Orange County Transportation Authority's (OCTA) responses:

- Caltrans asked practical and technical questions about the 405 Corridor Investment Zone and made suggestions for clarifying the map depicting the 405 Corridor Investment Zone.
- At the request of Caltrans, enhanced safety – also noted in the OCTA Board of Directors (Board)-approved Principles for 405 Express Lanes Excess Toll Revenue (Principles) – was added to the General Policy section of the draft Policy and Framework for the Use of 405 Express Lanes Excess Toll Revenue (Policy and Framework), provided in Attachment B of the OCTA Board item pending approval on November 24, 2025.
- Caltrans requested that the Policy and Framework include a comment related to adhering to state policy, goals, and priorities. However, this is not possible as the Board does not have direct influence over those policies, goals, and priorities. A note was added that projects selected for funding must be in the Regional Transportation Plan which also considers the California Transportation Plan.
- Caltrans requested that OCTA extend the 405 Corridor Investment Zone three-mile buffer boundary into Los Angeles (LA) County. This request cannot be accommodated due to the Principles that limit use of excess toll revenue to needs within Orange County.
- Caltrans asked about outreach to solicit input on the Policy and Framework from corridor cities – OCTA shared the meeting schedule information with Caltrans.
- Caltrans requested that the Policy and Framework language more directly consider and reference the requirements and definitions provided in Streets and Highways Code Section 149.7, as created by AB 194 (Chapter 687, Statutes of 2015), Title 23 of United States Code 129 (Title 23) – toll roads, bridges, tunnels, and ferries – and Title 23 more generally, in terms of eligible projects. This information is provided in the background of the staff report and will be included in the background of any future 405 Express Lanes Excess Toll Revenue Expenditure Report. The Policy and Framework currently notes that use of funds must be consistent with AB 194 and generally with state and federal requirements.
- Caltrans requested and received clarification that future excess toll revenue could be used for OCTA's Measure M2 Project L, I-405 Improvements from State Route 55 to Interstate 5 without limitation.

- Caltrans requested that a representative from LA County be included in the Technical Advisory Committee. Staff is not including this recommendation in the Policy and Framework.
- Caltrans requested a 20 percent set aside for Caltrans nominated projects. However, the Policy and Framework requires that all funded transportation improvements must demonstrate direct benefits to the I-405 freeway system which already implies strong support for freeway projects. A set-aside is not necessary, would limit Caltrans' incentive to comply with maintenance of effort requirements, and limits on overhead rates, and would decrease flexibility to fund the highest priority projects as they are identified in the 405 Corridor Plan.
- Caltrans requested that the term "congestion relief" be exchanged with "travel reliability improvements" or "benefit to corridor travelers" be used in its place. Since the term "congestion relief" is prevalent in the Principles, this change was not made.
- As noted in the staff report and the Policy and Framework, OCTA and Caltrans are still working on how to ensure maintenance of effort and the lowest possible overhead and support costs for work carried out by Caltrans for projects funded with 405 Express Lanes excess toll revenue and this information will be presented with the future expenditure plan.

City/county general requests or comments and OCTA's responses:

- Questions were raised about funding projects in the future that may extend north into LA County. Currently, this would not be possible, but if something is identified in the 405 Corridor Plan that clearly benefits Orange County I-405 freeway system users, and the entire Technical Advisory Committee agrees that the project should be prioritized, a special request could be made to the Board at that time.
- The cities requested consideration of a simplified or formulaic distribution of funds. This is not recommended as projects need to adhere to Title 23 and Board policies which can be confirmed through a competitive process. Also, this reduces the funding available for the highest needs that are identified in the 405 Corridor Plan. OCTA staff will work with the Agencies on a simplified competitive process.
- The cities requested support for local arterial maintenance, pavement needs and signalized corridors as potential projects to be considered for the expenditure plan.
- Suggestions were made to clarify the 405 Corridor Investment Zone.
- The cities recommended policies that would ensure knowledge and awareness of projects being carried out by others within their jurisdiction. Staff will work with the cities, the County and Caltrans through the Technical Advisory Committee to address these concerns.
- Generally, the cities and the County were supportive of the Technical Advisory Committee role in the 405 Corridor Plan and project prioritization.