



August 14, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Measure M2 Community-Based Transit Circulators Program
Project V Ridership Report and Grant Confirmation for the 2024
Balboa Peninsula Trolley

Overview

Measure M2 is a multimodal transportation improvement program which includes a program to fund community-based transit circulators known as Project V. The goal of this program is to provide local transit services that complement regional bus and rail service in areas not served by regional transit. Funding is awarded to local jurisdictions through a competitive call for projects. Local jurisdictions then implement the awarded services and are required to report on the performance of the services to ensure each meets the required performance standards. This report covers the period from October 2024 to March 2025.

Recommendations

- A. Receive and file the Project V Ridership Report.
- B. Confirm Project V funding for the City of Newport Beach's 2024 Balboa Peninsula Trolley grant of \$3,274,720, consistent with prior Board of Directors' action.
- C. Authorize the Chief Executive Officer or his designee to negotiate, amend, and enter into an agreement with the City of Newport Beach for the grant amount of \$3,274,720 for the Balboa Peninsula Trolley.

Background

The Measure M2 (M2) Community-Based Transit Circulators Program, known as Project V, is a competitive grant program that provides funding to develop and implement local transit services. Funded services include seasonal, special-event, commuter, fixed-route, and demand-responsive services intended

to complement and not compete with regional transit, while meeting specific local needs.

In November 2023, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to issue a 2024 call for projects (call), and on September 23, 2024, the Board awarded \$43.071 million to fund 13 local jurisdiction projects, some of which provide multiple Project V services, routes, and multiple service types. The funding will help to continue 11 existing services, with four of those services being expanded, while also funding eight new Project V services.

Project V services are required to adhere to established minimum performance standards and are evaluated on a quarterly basis. This ridership report covers the second and third quarter for fiscal year (FY) 2024-25 and provides information on boardings per revenue vehicle hour, cost per boarding, and achievement of local jurisdictions' customer satisfaction and on-time performance standards.

Consistent with the established program guidelines, Project V-funded services are expected to meet a maximum cost per boarding standard, which is equal to twice the M2 Project V subsidy per boarding. Local jurisdictions are responsible for any costs beyond the OCTA subsidy. Services not meeting this standard are required to disclose the cost per boarding information to their governing board and seek direction on whether to continue, restructure, or cancel the service. This approach provides local jurisdictions with the flexibility to deliver Project V services under metrics that are context sensitive, yet financially sustainable and locally driven. For FY 2024-25, the maximum cost per boarding was established at \$21.62 (two times the FY 2024-25 M2 subsidy per boarding of \$10.81).

Discussion

Active Project V services during this reporting period, October 2024 through March 2025, include a combination of seasonal, special event, commuter, fixed-route local circulator, and demand-responsive services, which meet a variety of community needs.

During this reporting period, two services funded with 2024 grants were initiated:

- Laguna Beach – Off-Season Weekend Trolley Service
- San Juan Capistrano – Expanded Summer Weekend and Special Event Trolley Service

While the following grants from the 2016 and 2018 calls have been completed and their funds fully expended for the cities of Dana Point, Newport Beach, and San Juan Capistrano, the services originally supported by these grants are continuing with funding awarded in 2024:

- Dana Point Trolley Continuity and Expansion and Weekend Service (2018 Grant)
- Newport Beach Balboa Peninsula Trolley (2016 Grant)
- Newport Beach Balboa Peninsula Shuttle Expansion Program (2018 Grant)
- San Juan Capistrano – Special Event and Weekend Summer Trolley Service (2018 Grant)

During this reporting period, 12 of the 22 current Project V services were in operation, all of which successfully met the required cost per boarding standard. While some local jurisdictions are still developing strategies and tools to meet the on-time performance and customer satisfaction standards¹, all services successfully met their on-time performance and customer satisfaction standards.

The community-based transit services that were in service during this period include the following:

- Anaheim Canyon Metrolink Connector Service (2020 grant)
- County of Orange Ranch Ride Service (2016 grant)
- Dana Point Trolley Continuity (2020 grant)
- Huntington Beach Southeast Rideshare Pilot Program (2020 grant)
- Irvine Special Event Circulators (2024 grant)
- La Habra Community Special Event Service (2020 grant)
- Laguna Beach Off-Season Weekend Trolley Service (2020 grant)
- Laguna Beach Off-Season Weekend and Seasonal Services (2024 grant)
- Mission Viejo Community Circulator (2016 grant)

¹ The Irvine Special Event Circulators Service is anticipated to establish a target standard for on-time performance and customer satisfaction for the next reporting period.

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- San Clemente Summer Weekend and Seasonal Trolley (2016 grant)
- San Juan Capistrano Special Event and Weekend Summer Trolley (2018 grant)
- San Clemente On-Demand/Ride-Hailing Service (2016 grant)

Additional performance statistics for these projects are provided in Attachment A. During this reporting period, these services collectively carried 256,000 total passengers, provided 20,000 hours of service, and traveled 250,500 miles.

City of Newport Beach's (Newport Beach) 2024 Balboa Peninsula Trolley

On Monday, September 23, 2024, the Board awarded \$43.071 million to fund 13 local jurisdiction projects submitted under the Measure M2 Community-Based Transit Circulators Program (Project V) 2024 call. The original recommendation that was published in the staff report included \$42.371 million for 12 projects. The Board approved staff's recommendation and further directed staff to accommodate the request from Newport Beach and increase the Project V grant for the Balboa Peninsula Trolley by the requested amount of \$700,000, from \$2,574,720 to \$3,274,720. However, this further direction was not reflected in the Board-approved meeting minutes. In order to ensure clarity and transparency, staff recommends confirmation of the direction to include the Balboa Peninsula Trolley and authorization to enter into a cooperative agreement with Newport Beach for \$3,274,720 in Project V funds for the Balboa Peninsula Trolley. The project description and information related to Newport Beach's request, as presented to the Board at the September 2024 meeting, is provided in Attachment B.

Summary

A ridership and status report on Project V services covering the period of October 2024 through March 2025 is provided. All the active services met the ridership and service performance standards. A status report on Project V services will continue to be provided to the Board on a semi-annual basis with the next update scheduled in December 2025.

Staff recommends confirming the previously awarded Project V grant to Newport Beach for the Balboa Peninsula Trolley and for the Board of Directors to authorize the Chief Executive Officer to negotiate or amend and enter into the Project V cooperative agreement accordingly.

Attachments

- A. Project V Services – Semi-Annual Review Ridership Report
- B. Balboa Peninsula Trolley Project Description and Funding Need consistent with information presented to the Board of Directors in September 2024

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