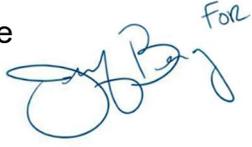




March 2, 2026

To: Regional Transportation Planning Committee

From: Darrell E. Johnson, Chief Executive Officer  For

Subject: Measure M2 Environmental Cleanup Program (Project X) – 2026 Tier 1 Grant Program Call for Projects

Overview

Measure M2, the voter-approved half-cent sales tax for multimodal transportation improvements in Orange County includes the Environmental Cleanup Program (Project X) which provides funding for water quality improvement projects to address transportation-generated pollution. Funds are made available through a competitive call for projects consistent with Orange County Transportation Authority Board of Directors-approved guidelines. The Measure M2 Comprehensive Transportation Funding Programs Guidelines for the Environmental Cleanup Program Tier 1 Grant Program have been updated in preparation for the 2026 call for projects. Board of Directors’ approval of the updated guidelines and the issuance of the 2026 call for projects is requested.

Recommendations

- A. Approve proposed revisions to the Comprehensive Transportation Funding Programs Guidelines for the Environmental Cleanup Program Tier 1 Grant Program.
- B. Authorize staff to issue the 2026 call for projects for the Environmental Cleanup Program Tier 1 Grant Program.

Background

The Environmental Cleanup Program (ECP), referred to as Project X, allocates two percent of the annual 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. Consistent with the Orange County Transportation Authority’s (OCTA) M2 Ordinance No. 3, funds are awarded to priority projects that improve water quality in streams, harbors, and other waterways. The Environmental Cleanup Allocation Committee (ECAC), established pursuant to

M2 Ordinance No. 3, is tasked to advise the OCTA Board of Directors (Board) on priorities and processes for the use of ECP funds.

In May 2010, the Board approved a two-tiered approach to providing the M2 ECP funding to local jurisdictions. The Tier 1 Grant Program, which releases calls for projects (call) on an annual basis, consists of funding for equipment purchases and upgrades to existing storm drains, and implementation of other related best management practices. The Tier 2 Grant Program, which is periodic, depending on the indication of need, consists of funding for regional, potentially multijurisdictional, capital-intensive projects.

The most recent Tier 1 call was released on March 10, 2025, and finalized by the Board on October 13, 2025, with the approval of \$3,088,766 in ECP funds for eight Tier 1 project applications. To date, the Board has approved funding for 241 Tier 1 projects, totaling over \$43 million. It is estimated that nearly 92 million gallons of trash have been captured since inception of the ECP in 2011.

Discussion

Recommended updates to the Comprehensive Transportation Funding Programs (CTFP) Guidelines (Guidelines) for the ECP Tier 1 Grant Program have been prepared in anticipation of the release of a 2026 call. Staff considered lessons learned from previous calls and reviewed the CTFP Guidelines with the ECAC to determine areas that need to be adjusted and/or updated. For this cycle, there are minimal changes recommended. The ECAC reviewed the draft updated Guidelines on February 12, 2026, and at that meeting, recommended the attached draft updated Guidelines for Board approval. In addition, per the recommendation of the ECAC, staff provided information on the anticipated call to city managers and city stormwater staff at the OC Stormwater Program General Permittee Committee meeting held on February 26, 2026. A summary of the modifications is provided below.

2026 Call Updates:

- Updated ECP call application schedule with application submittal deadline for Thursday, May 7, 2026, at 5:00 p.m.
- Expanded the existing call process description to provide additional detail and ensure consistency with other CTFP programs.
- Clarified that only landscaping directly tied to improving water quality is eligible.
- Specified that street improvement activities are ineligible unless necessary to restore the project area to pre-construction conditions.

All other proposed modifications are considered relatively minor and would not result in significant changes to the Guidelines. A more detailed summary of all proposed revisions is included in Attachment A, which provides a table of proposed changes, as well as Attachment B, which provides a redlined version of all proposed Guidelines changes. The proposed funding target for the call is approximately \$3.5 million in M2 ECP funds.

Next Steps

With Board approval, staff will notify local jurisdictions of the call. Once the call is issued, staff will offer one-on-one meetings to assist local jurisdictions with the application process. Applications will be due to OCTA by May 7, 2026. Projects will be scored and ranked by the application review committee made up of OCTA staff and members of the ECAC. Programming recommendations are expected to be presented to the Board for consideration in the fall.

Awards would be effective and funding would be available starting in fiscal year 2026-27.

Summary

OCTA staff is recommending revisions to the Guidelines and requests authorization to issue a 2026 ECP Tier 1 Grant Program call in order to make available approximately \$3.5 million for projects that will mitigate the impacts of roadway runoff and improve water quality for Orange County waterways.

Attachments

- A. List of Proposed Revisions to the 2026 CTFP Guidelines for Project X, Tier 1 Program
- B. Guidelines Excerpt, Comprehensive Transportation Funding Programs Guidelines, 2026 Call for Projects, Redlined

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