



**June 1, 2026**

**To:** Regional Transportation Planning Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Comprehensive Transportation Funding Programs Semi-Annual Review – March 2026

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**Overview**

The Orange County Transportation Authority recently completed the March 2025 semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process includes a review of the delivery status of Measure M2 grant-funded projects and provides an opportunity for local jurisdictions to update project information and request project modifications. Staff has evaluated the requests, and the recommended project adjustments are presented for Board of Directors' review and approval.

**Recommendations**

- A. Approve the requested adjustments to Comprehensive Transportation Funding Programs projects, Local Fair Share funds, and Senior Mobility Program funds.
- B. Authorize the Chief Executive Officer, or designee, to negotiate and execute an amendment to Cooperative Agreement No. C-3-2753 between the Orange County Transportation Authority and the City of Dana Point for the Dana Point Trolley Continuity Program in order to establish a single aggregate reimbursement match rate for the multi-year Project V grant.

**Background**

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism which the Orange County Transportation Authority (OCTA) uses to administer funding for streets and roads (Projects O and Q), signal synchronization (Project P), transit (Projects S, U, V, and W), and transportation-related water quality projects (Project X). The CTFP contains a variety of competitive funding programs, which are funded through Measure M2

(M2) revenues. The CTFP provides local jurisdictions with a comprehensive set of guidelines for administration and delivery of various transportation funding grants. A summary of the basic program objectives within the CTFP guidelines is provided in Attachment A.

Every six months, OCTA works with representatives from local jurisdictions, as needed, to review the status of projects and proposed project change requests. This process is known as the semi-annual review. The primary purpose of the semi-annual review process is to promote the timely use of M2 grants awarded to support local projects. This is achieved by reviewing individual project status, assessing the continued viability of projects, addressing local jurisdiction concerns, confirming availability of local matching funds, and ensure timely closeout of all projects funded through the CTFP. For this review period, local jurisdictions were required to submit updates and requests for project changes by March 13, 2026.

### ***Discussion***

The March 2026 semi-annual review project adjustments include the following:

- Four requests for project cancellations for Community-Based Transit Circulators Program (Project V), Environmental Cleanup Program (Project X) Tier 2, and Regional Capacity Program (Project O) projects;
- Four requests for project delays for Project O and Regional Traffic Signal Synchronization Program (Project P) projects;
- Three timely use of funds extensions for Project O and Project P projects;
- 43 timely use of funds extensions for the Local Fair Share program;
- 26 timely use of funds extensions for the Senior Mobility Program;
- 13 project scope changes for Project V, Project X Tier 1, and Project P projects;
- One project funds transfer for a Project P project;
- One OCTA-initiated transfer for a Project V project; and
- Two OCTA-initiated technical adjustments for Project P and Project V projects.

Local jurisdictions identified several reasons justifying the need for project adjustments, including cost inflations, changes to state guidelines, right-of-way acquisition delays, procurement delays, project design changes, construction challenges, federal clearance process delays, coordination with concurrent projects, enhanced project benefits, and cost savings.

Staff is recommending OCTA Board of Directors’ (Board) approval of the project adjustments listed above. Additional information on the 97 proposed adjustments is included in Attachment B, which outlines all local jurisdiction requests and Attachment C, which provides a narrative of the requests. The number of changes requested for competitively funded grants represent 31 percent of the active projects funded through the CTFP call for projects (call) process.

Board approval is also requested for three OCTA-initiated adjustments. These include one transfer for savings for a Project V grant awarded through the 2024 call to preserve unspent funds for use in subsequent fiscal years, and a technical clarification to ensure previously approved CTFP project information is accurately reflected and administered consistently with program guidelines. In addition, one technical adjustment is recommended for Cooperative Agreement No. C-3-2753 with the City of Dana Point (City) for the Dana Point Trolley Continuity Program. The Project V reimbursement match rates for this grant vary by fiscal year and project phase, which complicates reimbursement processing and local match tracking over the six-year grant term. To address this, the proposed adjustment would establish a single aggregate reimbursement match rate for the multi-year grant, with no change to the City’s overall local match obligation or the total M2 grant amount.

**M2 CTFP Summary**

The M2 CTFP summary table provided below includes an overview of the status of M2 CTFP-funded projects by phase and funding allocation amount. The table also documents the same information that was provided based on the September 2024 semi-annual review, for comparison purposes.

M2 CTFP Summary Table				
Project Status	September 2025 Semi-Annual Review		March 2026 Semi-Annual Review	
	Project Phases	Allocations (in millions)	Project Phases	Allocations <sup>1</sup> (after adjustments)
Planned <sup>2</sup>	73	\$ 104.6	61	\$ 86.7
Started <sup>3</sup>	120	\$ 201.8	135	\$ 219.5
Pending <sup>4</sup>	115	\$ 111.2	117	\$ 111.4
Completed <sup>5</sup>	506	\$ 273.5	512	\$ 279.1
Cancelled <sup>6</sup>	78	\$ 88.7	78	\$ 88.7
<b>Total</b>	<b>892</b>	<b>\$ 779.8</b>	<b>903</b>	<b>\$ 785.4</b>

1. Allocations in millions, subject to change pending final reconciliation.

2. Planned - indicates that funds have not been obligated and/or are pending contract award.

3. Started - indicates that the phase is underway, and funds are obligated.

4. Pending - indicates that phase work is completed, and final report submittal/approval is pending.

5. Completed - indicates that phase work is complete, the final report is approved, and final payment has been made.

6. Cancelled - indicates that the phase work will not be completed, and project savings will be returned to the program.

\* Note: the project phase and allocations listed above are subject to frequent and regular changes primarily due to project status updates, final reconciliations, and project closeout processes.

Key items of note are:

- Since M2 inception, OCTA has programmed over \$785.4 million in competitive funds through the March 2026 semi-annual review period, including approximately \$37.8 million in state and federal funds.
- Total accumulated project savings, since inception, are estimated to be approximately \$109.8 million. These savings have been returned to M2 source programs and are used to support future funding cycles, as appropriate. Cost savings from delivered projects are realized for various reasons such as quantity adjustments and minor construction modifications.
- As of the drafting of this report, 629 individual project phases (117 pending, plus 512 completed from the table) are open to the public. This represents a 76 percent project delivery rate (excluding cancelled projects), for all projects that have been granted funds.
- In the last six months, eight project phases were completed while 15 project phases were started.
- Another 196 project phases, or 24 percent, are considered currently active (135 started and 61 planned).

Based on the CTFP guidelines, the recommended project adjustments identified in this staff report are appropriate and necessary. The local jurisdiction-requested adjustments have also been reviewed and approved by the OCTA Technical Advisory Committee.

Next Steps

Pending approval by the Board, staff will monitor the implementation of the actions included in this report through future semi-annual review cycles, typically reported biannually. A Project V cooperative agreement amendment will also be processed for a technical adjustment, which is further described in Attachments B and C.

***Summary***

Consistent with the semi-annual review process, staff has reviewed all active M2 CTFP-funded project phases and is recommending approval of all proposed project adjustments. Authorization is also requested for the Chief Executive Officer, or designee, to negotiate and execute updates to the applicable Project V cooperative agreement.

***Attachments***

- A. Measure M2 Comprehensive Transportation Funding Programs and Local Formula Programs Summary
- B. Comprehensive Transportation Funding Programs, March 2026 Semi-Annual Review Adjustment Requests
- C. Comprehensive Transportation Funding Programs, March 2026 Semi-Annual Review Adjustment Requests Descriptions

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