



**April 1, 2024**

**To:** Regional Transportation Planning Committee

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

**Subject:** Discretionary Grants Update

### **Overview**

The Orange County Transportation Authority applies for local, state, and federal competitive grant programs to support Orange County transportation projects. Staff has prepared an overview and update of the recent grant pursuits and awards for the relevant transportation discretionary grant programs.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Orange County Transportation Authority (OCTA) competes in local, state, and federal transportation funding opportunities through various discretionary funding programs to support planning, capital, and operating needs. The funding programs are too numerous to list but they are primarily sourced through:

- Infrastructure Investment and Jobs Act or Bipartisan Infrastructure Law
- Inflation Reduction Act
- State Grant Programs
- Regional Grant Programs

OCTA also seeks funding from non-transportation grants that support critical OCTA functions. Funding received through these programs helps preserve Measure M2 (M2) and local funding, allowing OCTA to advance other priority projects.

Discretionary grant programs are typically administered to support projects that meet criteria based on state and federal statutory requirements and priorities. Most recently, projects are scored against criteria that include climate change or resiliency, clean transportation, modernization, state of good repair, public health, safety, workforce development, and equity priorities.

In June 2023, staff presented an overview of the new funding provided for formula grant programs and the relevant federal transportation discretionary grant programs. The overview included a comprehensive list of near-term OCTA priority projects that need funding and have been the focus of grant pursuits.

***Discussion***

To support efforts to pursue grants, OCTA staff participates in workshops, working groups, steering committees, and analyzes grant guidelines to help align programs to OCTA's priority projects. The adoption of state and federal policies, such as the Climate Action Plan for Transportation Infrastructure, federal Justice40, disadvantaged business enterprises, and Build America Buy America, influence each grant program. OCTA staff conducts extensive analysis and provides comments on these external guidelines before applying for each program.

OCTA staff focuses its efforts on developing applications for competitive funding on priority projects that have been reviewed through Board of Directors (Board)-approved planning documents, are a priority for OCTA, and may be advanced with competitive program funds. Potential project application opportunities are reviewed internally for consistency with OCTA policies and priorities before approaching external agencies for letters of support.

Every discretionary grant award is presented to the Board for approval and acceptance. Through this process, the Board is requested to approve resolutions and authorize the Chief Executive Officer to execute grant agreements before proceeding with projects. When a grant application is unsuccessful, staff requests debriefs from the granting agencies to improve future grant applications.

An updated list of priority projects, which have been and will be submitted for consideration of discretionary grant program funds, is provided in Attachment A. The projects are consistent with Board-reviewed or approved documents, including but not limited to, the annual budget, Long-Range Transportation Plan, OC Transit Vision, Making Better Connections, OC Active, 91 Implementation Plan, Comprehensive Business Plan, M2 Next 10 Delivery Plan, Climate Adaptation and Sustainability Plan, and Capital Programming Policies.

In 2023, OCTA submitted 38 applications totaling \$482 million in requested grant funding. A total of 23 applications were awarded funding of \$268 million through local, state, and federal programs. One awarded grant application was developed through a multi-agency coalition effort and the funding amounts will be determined in fall 2024. Awarded projects include OC Streetcar, transit infrastructure, zero-emission buses, active transportation, coastal rail resiliency, and highway improvements. Funds from discretionary grant programs preserve M2 and local

funds while advancing OCTA project priorities. Details of the grant awards are provided in Attachment B.

Staff is developing grant applications for funding consideration on an on-going basis. An application for the Zero-Emission Bus Roll Out Plan update through the Caltrans Sustainable Transportation Planning grants was recently submitted for consideration. Additionally, staff is working with the Los Angeles Metropolitan Transportation Authority on a regionwide application for the Environmental Protection Agency Climate Pollution Reduction Program. Details of these submittals are also provided in Attachment B.

OCTA staff will continue to monitor grant opportunities and submit applications to regional, state, and federal discretionary grant programs, and return to the Board to accept grants when awarded before executing grant agreements.

**Summary**

OCTA staff submits grant applications for local, state, and federal competitive grant programs. A total of \$265 million in local, state, and federal funds were awarded in 2023. Staff will continue to submit grant applications for Orange County transportation projects.

**Attachments**

- A. OCTA Priority Project List
- B. June 2022 to December 2023 Competitive Grant Pursuits and Awards

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