




**August 1, 2016**

**To:** Regional Planning and Highways Committee

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

**Subject:** Measure M2 Comprehensive Transportation Funding Programs - 2017 Annual Call for Projects

### **Overview**

The Comprehensive Transportation Funding Programs Guidelines provide the mechanism for the administration of the annual competitive call for projects for the countywide Regional Capacity Program (Project O) and the Regional Traffic Signal Synchronization Program (Project P). The 2017 Regional Capacity Program and Regional Traffic Signal Synchronization Program call for projects are presented for review and approval.

### **Recommendations**

- A. Approve the proposed revisions to the Comprehensive Transportation Funding Programs Guidelines.
- B. Authorize staff to issue the 2017 annual call for projects for the Regional Capacity Program for approximately \$32 million.
- C. Authorize staff to issue the 2017 annual call for projects for the Regional Traffic Signal Synchronization Program for approximately \$8 million.

### **Background**

Measure M2 (M2) includes a number of competitive grant programs that provide funding for regional streets and roads projects. The Regional Capacity Program (RCP) provides funding for improvements to the Orange County Master Plan of Arterial Highways. The program provides for intersection improvements and other projects to help improve street operations and reduce congestion. The Regional Traffic Signal Synchronization Program (RTSSP) provides funding for multi-agency, corridor-based signal synchronization throughout Orange County.

These programs allocate funds through a competitive process and target projects that improve traffic flow by considering factors such as degree of congestion relief, cost-effectiveness, and project readiness, among other factors.

On March 22, 2010, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved guidelines for the Comprehensive Transportation Funding Programs (CTFP), which serve as the mechanism for administration of the RCP and RTSSP. The CTFP Guidelines provide the procedures necessary for Orange County agencies to apply for funding and seek reimbursement for projects that have been allocated funds. Six annual calls for projects (call) have been issued to date for both the RCP and RTSSP and, collectively, OCTA has provided over \$300 million countywide for capacity and synchronization improvement projects. In preparation for the 2017 annual call, updates to the guidelines have been prepared.

### ***Discussion***

The call schedule and funding amounts are updated to reflect the amounts available for programming (\$32 million for the RCP, \$8 million for the RTSSP). The funding amounts are lower than prior years (total of \$40 million compared to \$50 million in prior years) given lower M2 revenue forecasts.

OCTA staff worked with the Technical Advisory Committee (TAC) to determine areas of the program guidelines that needed to be adjusted and reviewed issues that emerged out of the previous calls for projects. In addition, guidelines were reviewed to ensure consistency throughout the document. The recommended adjustments establish a two-tiered funding approach, clarify project readiness issues, define alternative level of service methodologies, and other minor changes.

**Tiered Funding Approach:** The two-tiered funding (Tier 1 and Tier 2) approach will only be applicable to the RCP. This approach is proposed to prioritize high scoring projects while providing a balanced program with funding availability for small and large projects. The first tier is for projects scoring 50 points or higher, and the second tier is for projects scoring below 50 points. Within Tier 1, two categories would be established with 60 percent (Category 1) of the M2 funds available for smaller projects (requesting \$5 million or less), and 40 percent (Category 2) of the M2 funds available for larger projects (requesting \$5 million or more). This approach is intended to broaden the distribution of M2 funds to higher scoring/lower cost projects and retain the ability to fund larger

projects without placing formal funding caps on allocations, (an issue that emerged in the 2016 call). Any M2 funds not used in Tier I would move to Tier 2 (projects scoring less than 50 points), and no funding split between small and large projects is recommended for Tier 2. The table below depicts the general approach between the tiers and categories.

	Category 1 (60 percent)	Category 2 (40 percent)
Tier 1 >=50 points	<ul style="list-style-type: none"> <li>• Up to \$5 million request</li> <li>• Score at least 50 points</li> <li>• Logical, standalone project</li> <li>• Unallocated balance shifts to Tier 2 for programming</li> </ul>	<ul style="list-style-type: none"> <li>• \$5+ million request</li> <li>• Score at least 50 points</li> <li>• Logical, standalone project</li> <li>• Unallocated balance shifts to Tier 2 for programming</li> </ul>
Tier 2 < 50 points	<ul style="list-style-type: none"> <li>• Balance of unallocated funds from Tier I prioritization</li> <li>• Request can be of any dollar value to compete in Tier II</li> <li>• Multiple segments of the same project cannot be submitted under both categories.</li> </ul>	

**Project Readiness:** Over the years, OCTA received several delay requests for right-of-way and construction phases of the M2-funded projects. Several reasons have been identified by the local agencies including, but not limited to, approvals required from Army Corps of Engineers, California Department of Transportation, and additional mitigation measures. In order to ensure timely delivery of the Measure M commitments, proposed guidelines require projects to complete project level environmental clearances before requesting M2 funds for right-of-way and construction.

**Alternative Methodology for Level of Service:** OCTA staff formed a working group with the representatives from local agencies to define alternative level of service methodologies. The alternative level of service methodologies are now defined in the proposed guidelines for the mid-block and intersection projects to demonstrate congestion levels that are experienced due to unique traffic patterns for solutions, such as directional splits.

The Technical Steering Committee (TSC)/TAC approved the revised guidelines on July 13, 2016, and a copy of the CTFP Guidelines manual with the proposed revisions is included as Attachment A.

**Next Steps**

Following Board approval on August 8, 2016, staff anticipates sending out letters to notify local agencies of the call. Project applications would be due to OCTA by October 21, 2016. Based on the selection criteria, projects will be prioritized for the TSC/TAC and Board consideration in spring 2017.

Awards would be effective with Board approval and become available starting on July 1, 2017. Some projects may be programmed in subsequent fiscal years (FY) 2018-19 and FY 2019-20, based on schedules provided by local agencies.

***Summary***

M2 provides funds for intersection and arterial improvements (through Project O) and signal synchronization (through Project P), in an effort to enhance street operations and reduce congestion. The CTFP serves as the mechanism that OCTA uses to administer the competitive RCP and RTSSP funds. Staff is seeking the approval of proposed modifications to the guidelines and authorization to release the 2017 annual call.

***Attachment***

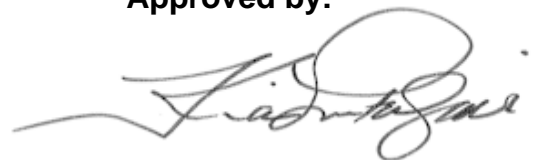
- A. Comprehensive Transportation Funding Programs – August 2016 Guidelines Manual – Orange County Transportation Authority)

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