



# *Comprehensive Transportation Funding Programs (CTFP)* 2024 M2 Project V Proposed Guidelines Framework

October 11, 2023



# M2 Community Circulator Program Overview

- Offer competitive grants for local transit options
- For areas not adequately served by regional transit
- Cannot **duplicate** or **compete** with existing transit services
- Provides connections to regional bus and rail services
- Must meet productivity standards for continued funding
- Local matching funds required

## Project **V**

### Community Based Transit/Circulators

#### Description:

This project will establish a competitive program for local jurisdictions to develop local bus transit services such as community based circulators, shuttles and bus trolleys that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding. All projects must be competitively bid, and they cannot duplicate or compete with existing transit services.

# Program Overview Continued

## Types of Services:



# Program Overview Continued

## Notable Differences:



# Program Overview Continued



To date, **\$53 million** programmed for **36 projects** and **10 planning studies**



Special Event and Seasonal Services **most successful** (based on ridership)



Last Project V Call for Projects was in **2020**



Current funding commitments are scheduled to **end** between **FY 2024** and **FY 2028**

# Local Agencies Interest in 2024 Call





Conducted **outreach effort** to gauge interest in 2024 Call

Majority of concepts focused on **new, continued, or expanded** seasonal and special event services



Other areas of interest included on-demand and microtransit services and planning studies

In spring 2024, OCTA received 18 letters of interest (over 20 project concepts identified).

# Proposed 2024 Project V Call Objectives

-  1. Continuation of **existing projects**\*
-  2. **Expansion** of existing Project V services
-  3. **New Traditional** Project V services
-  4. On-demand services

## *Other Priorities to Note:*

-  Combine continuing existing services into one grant
-  Competitively procure or reprocure for service providers

*\*Existing projects are defined as previously funded Project V services that, at minimum, meet the cost per boarding requirement*

# Highlights of Proposed Changes



Traditional service max starting at **\$592k per year**

Minimum local match = **10% for Traditional service and capital**

On-demand service max starting at **\$296k per year**

Minimum local match = **50% for on-demand service**

Funding provided from **FY2025 to FY2031**

**Shared ride option required** for on-demand service











**GTFS data required** for most services



# Proposed Scoring Criteria

Category	Weight
Financial Commitment	<input checked="" type="checkbox"/>
Cost Effectiveness	
Project Readiness	
Operations Plan/Service Type	<input checked="" type="checkbox"/>
Ridership Projection	
Funding Plan	
Community Benefit	<input checked="" type="checkbox"/>
Total Points Possible	100

# Proposed 2024 CTFP Guidelines Framework

-  Comply with CTFP guidelines and cooperative agreement requirements
-  Must be eligible to receive M2 funds
-  Competitive procurement of service operators
-  Grant streamlining
-  Quarterly ridership reports
-  Annual customer satisfaction surveys and on-time performance thresholds
-  Project subject to cancellation if minimum performance requirements not met
-  If cancelled, M2 funded vehicles subject to repayment to OCTA (based upon remaining useful life/straight-line depreciation)
-  Final reports due at end of project
-  All expenditures subject to audit

# Proposed 2024 Call Schedule

 **Transit Operator Vendor Fair: Monday, October 30, 2023 at 10:30 AM (via Zoom)**

 **Anticipated Call Issue Date: Monday, November 13, 2023**

 **Application Workshop: Tuesday, December 5, 2023 at 10:00 AM (via Zoom)**

 **Anticipated Application Deadline: Thursday, January 25, 2024 at 5:00 PM**

 **Final Resolutions Adopted by Governing Body Due to OCTA: Thursday, February 15, 2024**

 **Funding Recommendations Presented to OCTA Board: Spring 2024**

# Contacts

## Primary

Adrian Salazar, Senior Transportation Funding Analyst  
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## Alternate

Charvalen Alacar, Section Manager – Local Programs  
(714) 560-5401 | [calacar@octa.net](mailto:calacar@octa.net)

## Application Support

Jimi Mitchell, Consultant  
(213) 694-4457 | [jmitchell@nelsonnygaard.com](mailto:jmitchell@nelsonnygaard.com)





# Questions and Feedback

## **Supplementary Information as Requested from the Meeting**



COMMITTEE TRANSMITTAL

**January 23, 2023**

**To:** Members of the Board of Directors  
**From:** Andrea West, Interim Clerk of the Board *Andrea West*  
**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

Transit Committee Meeting of January 12, 2023

**Present:** Directors Do, Harper, Jones, Jung, Nguyen, and Sarmiento  
**Absent:** None

**Committee Vote**

This item was declared passed by the Members present.

**Committee Recommendation**

Receive and file as an information item.



**January 12, 2023**

**To:** Transit Committee

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

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is located in the upper right quadrant of the page, overlapping the "From:" and "Subject:" lines.

**Overview**

Measure M2 includes a program to fund community-based transit circulators known as Project V. The goal of the program is to provide local transit services in areas not well-served by regional transit services. Funding is awarded to local jurisdictions through a competitive call for projects. Local jurisdictions then implement the awarded services and commit to meeting minimum performance standards including ridership metrics. The ridership information for these awarded services is presented to the Board of Directors twice annually. The ridership report from April 2022 through September 2022 is presented herein.

**Recommendation**

Receive and file as an information item.

**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. Currently, funded services include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while better meeting specific local needs.

Project V services are required to adhere to established minimum performance standards. These standards were modified by the Orange County Transportation Authority (OCTA) Board of Directors (Board) in January 2021 to allow for additional flexibility to continue low-performing services, should a jurisdiction desire to do so contingent on supplemental local subsidies.



Project V-funded services are to remain within a maximum cost per boarding standard, which is equal to twice the M2 Project V per boarding subsidy. Services not meeting this standard are required to disclose the cost per boarding information to their governing boards and seek direction to continue, restructure, or cancel the service. This approach provides local jurisdictions with the flexibility to deliver Project V services in a post-coronavirus (COVID-19) environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. For fiscal year (FY) 2021-22, the maximum cost per boarding was established at \$20.47 (two times the FY 2021-22 M2 subsidy per boarding of \$10.24), and for FY 2022-23, the maximum cost per boarding was established at \$20.85 (two times the FY 2022-23 M2 subsidy per boarding of \$10.43).

This ridership report covers the period from April 2022 to September 2022 and provides information on boardings per revenue vehicle hour, cost per boarding, customer satisfaction, and on-time performance.

### ***Discussion***

During this reporting period, Project V services in operation included a combination of seasonal, special event, commuter, fixed route, and demand-response projects, which meet a variety of community needs. In comparison to last year, April 2022 through September 2022, the active services demonstrated an overall increase in ridership, with several services closely approaching pre-pandemic levels. During this period, one new Project V grant-funded service, the Laguna Niguel Summer Trolley, was started by the City of Laguna Niguel.

Current active Project V services (15 in total) are identified below. Detailed grant and service operating information is provided in Attachment A. During this reporting period, all services successfully met the required program performance standards including the Board-approved maximum cost per boarding requirement.

The La Habra Special Event Shuttle Service did not operate during this reporting period. Therefore, no information is provided in this update or attachment for that service.

Community shuttles that were in service and met the average cost per boarding requirement, include the following:

- Anaheim Canyon Metrolink Connector Service,
- County of Orange Ranch Ride Service,
- Dana Point Trolley (2014 grant),
- Dana Point Summer Trolley Expansion (2016 grant),

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- Dana Point Trolley Continuity and Expansion and Weekend Service (2018 grant),
  - Laguna Beach Summer Breeze (2018 grant),
  - Laguna Beach Off-Season Weekend Trolley Service (2020 grant),
  - Laguna Niguel Summer Trolley (2019 grant),
  - Mission Viejo Community Circulator,
  - Newport Beach Balboa Peninsula Trolley (2016 grant),
  - Newport Beach Balboa Peninsula Trolley Expansion (2018 grant),
  - San Clemente Summer Weekend Trolley and Seasonal Service (2016 grant),
  - San Clemente Summer Weekday Trolley and Seasonal Service Expansion (2018 grant),
  - San Clemente's SC Rides Service (2016 grant), and
  - San Juan Capistrano Special Event and Weekend Summer Trolley Service.

Concluded or cancelled projects during this reporting period (three in total) include the following:

- Huntington Beach Special Events (2014 grant),
- Irvine iShuttle Route E – Irvine Metrolink Station Service – East, and
- Irvine iShuttle Route F – Tustin Metrolink Station/Irvine Business Complex West.

The City of Huntington Beach Special Events (2014 grant) project grant expired and is now considered concluded. OCTA confirmed with City of Huntington Beach staff that an extension was not desired and the project had been concluded.

On June 14, 2022, the City of Irvine (City) requested that OCTA cancel the iShuttle Route E and Route F services. Late last year, OCTA notified the City that iShuttle Route F was not meeting the maximum cost per boarding standard. The City agreed to support iShuttle Route F through the end of the FY with hopes that ridership would increase. Unfortunately, ridership levels did not improve during the remainder of the FY. The Route E service was suspended during the COVID-19 pandemic and was never reinstated. Route E ridership was below the performance standard pre-pandemic and also lower than ridership on Route F. Given the performance of Route F and the prior low ridership on Route E, the City took action to cancel both routes.

To ensure compliance and meet the intent of the Project V guidelines, in January 2021, local jurisdictions were asked to report on-time performance and customer satisfaction on an annual basis, as indicated in their cooperative agreements. While some local jurisdictions are still developing the tools to meet

this requirement<sup>1</sup>, based upon the reporting provided in Attachment A, it appears that steady progress is being made toward complete implementation. For those local jurisdictions that were able to report during this period, all successfully met their on-time performance and customer satisfaction thresholds.

***Summary***

A ridership and status report on Project V services is provided for information purposes. Staff will continue working with local jurisdictions as they resume services and implement recently approved Project V programmatic changes including on-time performance and customer satisfaction reporting. A status update on these efforts will continue to be provided to the Board semi-annually, with the next scheduled update occurring in July 2023.

***Attachment***

A. Project V Services – Ridership Report

**Prepared by:**



Adrian Salazar  
Transportation Funding Analyst, Senior  
(714) 560-5363

**Approved by:**



Kia Mortazavi  
Executive Director, Planning  
(714) 560-5741

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<sup>1</sup> Only San Clemente trolley services remain to establish a target threshold for customer satisfaction.

**Project V Services - Ridership Report**

**Reporting Period: Q4 of FY 2021-22 and Q1 of FY 2022-23**

Agency	Service Description	M2 Project V Total Award	Service Type	Service Start Month/Year	Average Boardings Per Revenue Vehicle Hour (B/RVH) <sup>1</sup> SAR	Average Cost per Boarding (O&M/B) <sup>2</sup> SAR	Met Customer Satisfaction Threshold (Y/N/NA)	Met OTP Threshold (Y/N/NA)
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Service	July 2020	5.8	\$15.79	Y	Y
County of Orange	Local Circulator and Special Event Service (OC Ranch Ride)	\$ 2,041,547	Local Circulator and Special Event	June 2017	39.5	\$8.37	Y	Y
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	13.0	\$10.16	Y	Y
Dana Point	Dana Point Trolley Expansion	\$ 905,968	Seasonal Service	June 2017	12.9	\$10.17	Y	Y
Dana Point	Dana Point Trolley Continuity	\$ 1,745,065	Seasonal Service	September 2019	12.0	\$10.45	Y	Y
Laguna Beach	Off-Season Weekend Trolley Service	\$ 3,850,000	Special Event	September 2021	18.5	\$4.44	NA	Y
Laguna Beach	Summer Breeze Bus Service	\$ 634,357	Seasonal Service	June 2018	21.4	\$3.59	Y	Y
Laguna Niguel	Laguna Niguel Summer Trolley Southern Section	\$ 886,082	Seasonal and Special Event	May 2022	9.3	\$12.50	Y	Y
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	11.7	\$6.99	Y	Y
Newport Beach	Balboa Peninsula Seasonal Trolley	\$ 685,454	Seasonal Service	June 2017	11.5	\$12.61	Y	Y
Newport Beach	Balboa Peninsula Seasonal Trolley Expansion	\$ 278,400	Seasonal Service	August 2018	11.5	\$12.61	Y	Y
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	44.7	\$1.46	TBD	Y
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	23.1	\$3.04	TBD	Y
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	21.0	\$8.51	Y	Y
San Clemente	SC Rides	\$ 914,400	Ride Hailing	October 2016	7.8	\$7.84	Y	NA

1. Rounded to the next whole number

2. FY 2021-22 maximum cost per boarding - \$20.47; FY 2022-23 maximum cost per boarding - \$20.85

NA - data point not applicable for current performance period (ex - CS surveys required annually)

Minimum performance standards for cost per boarding (O&M/B)

• \$20.47 maximum cost per boarding set at twice maximum allowable per boarding subsidy of \$10.24 in FY 2021-22 (escalated at 1.85% annually thereafter)

• \$20.85 maximum cost per boarding set at twice maximum allowable per boarding subsidy of \$10.43 in FY 2022-23 (escalated at 1.85% annually thereafter)

**Acronyms**

B/RVH - Boardings/revenue vehicle hour

CS - Customer satisfaction

FY - Fiscal year

M2 - Measure M2

NA - Not applicable

O&M/B - Operations and maintenance/boardings

OTP - On-time performance

Q1 - Quarter 1 (April - June 2022)

Q4 - Quarter 4 (July - September 2022)

SAR - Semi-annual review

Y/N - Yes/No

TBD - To Be Determined



**July 14, 2022**

**To:** Transit Committee

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

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the printed name of the Chief Executive Officer.

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

**Overview**

Measure M2 includes a program to fund Community-Based Transit Circulators known as Project V. The goal of the program is to provide local transit services in areas not well-served by regional transit services. Funding is awarded to local jurisdictions through a competitive call for projects. Local jurisdictions then implement the awarded services and agree to fulfill efficiency criteria such as cost per boarding. Ridership reports for Project V-funded services are presented to the Board of Directors twice annually. This item provides the ridership report from October 2021 through March 2022.

**Recommendation**

Receive and file as an information item.

**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. Currently, funded services include community-based circulators, shuttles, trolleys, and demand-responsive services intended to complement regional transit, while better meeting specific local needs.

Project V services are required to adhere to established minimum performance standards. These standards were modified by the Board of Directors (Board) in January 2021 to enhance flexibility to continue low-performing services, should an agency desire to do so. At the same time, the Orange County Transportation Authority's (OCTA) Project V subsidy per boarding remained capped. Agencies would be responsible for costs beyond the OCTA subsidy.

The Board-approved change requires Project V-funded services to remain within a maximum cost per boarding standard, which is equal to twice the M2 Project V per boarding subsidy. Services not meeting this standard are required to disclose the cost per boarding information to city councils and seek direction from the city council to continue, restructure, or cancel the service. This approach provides local agencies with the flexibility to deliver Project V services in a post-coronavirus (COVID-19) environment, while shifting evaluation metrics to be more financially focused, context sensitive, and locally driven. For fiscal year (FY) 2021-22, the maximum cost per boarding was established at \$20.47 (two times the M2 subsidy per boarding).

This ridership report spans the second and third quarters for FY 2021-22 and provides information on boardings per revenue vehicle hour, cost per boarding, and achievement of local agencies' customer satisfaction and on-time performance thresholds.

### ***Discussion***

During this reporting period, ridership numbers and service levels increased in comparison to the second and third quarters (October 2020 – March 2021) from a year ago in FY 2020-21. During this time, one Project V grant-funded service, the La Habra Community Special Event Service, was started by the City of La Habra. Active Project V services are identified below, and complete ridership details and next steps for services that are not meeting performance standards are provided in Attachment A.

Seasonal services (most of which provide service over the summer, which is outside of this reporting period) or services with no service hours reported during this period include the following:

- Dana Point Trolley Expansion (2016 grant),
- Dana Point Trolley Continuity (2018 grant),
- Dana Point Trolley Continuity (2020 grant),
- Huntington Beach – Holiday and Event Shuttle,
- HB Southeast Rideshare Pilot Program (new service not yet started),
- Irvine iShuttle Route E – Irvine Metrolink Station - East,
- Laguna Beach - Summer Breeze Bus Service (2018 grant),
- Laguna Niguel Summer Trolley – Southern Section (new summer service not yet started),
- Newport Beach – Balboa Peninsula Seasonal Trolley (2016 grant),
- Newport Beach – Balboa Peninsula Seasonal Trolley Expansion (2018 grant), and
- San Clemente – Downtown Route (2020 grant).

Community Shuttles that were in service and met the average cost per boarding requirement, include the following:

- Anaheim Canyon Metrolink Connector Service,
- Dana Point Trolley (2014 grant),
- County of Orange Ranch Ride Service,
- La Habra Community Special Event Service (2020 grant),
- Laguna Beach Off-Season Weekend Trolley Service (2020 grant),
- Mission Viejo Community Circulator,
- San Clemente Summer Weekend and Seasonal Trolley Service (2016 grant),
- San Clemente Summer Weekday Trolley and Seasonal Service Expansion (2018 grant),
- San Clemente's SC Rides Service (2016 grant), and
- San Juan Capistrano's Special Event and Weekend Summer Trolley Service.

Services not meeting the cost per boarding requirement include the following:

- Irvine iShuttle Route F (2016 grant).

In total, 11 active Project V services are reported on in Attachment A. These services met the Board-approved maximum cost per boarding requirement, with one exception of the City of Irvine's (City) iShuttle Route F service, which provides connector service between the Tustin Metrolink Station and the Irvine Business Complex. In the last reporting period, OCTA issued the City a notification letter on December 20, 2021, advising the City that the service is exceeding the maximum cost per boarding and City Council direction would be needed.

On February 22, 2022, and consistent with the Project V requirement of notification and action by City Council, the Irvine City Council concluded that the City would cover overrun costs from their general fund for the remainder of FY 2021-22. City staff was tasked with providing a long-term plan for routes, including restructuring or elimination. The service did not improve significantly during the third quarter. The City considered the service again on June 14, 2022 and acted to cancel the lower performing service, which was discontinued on July 1, 2022. The City also opted to cancel the iShuttle Route E service, which never reinitiated service following the pandemic suspension. The primary reason for the low iShuttle ridership has to do with slower than expected recovery of Metrolink ridership. Metrolink reported this is due to a significant change in travel characteristics from pre-pandemic levels on account of the increase in hybrid work patterns and continued impacts from recurring resurgences of COVID-19 cases.

To better comply with the Project V guidelines, local agencies were asked to report on-time performance and customer satisfaction, as indicated in their cooperative agreements. While some local agencies are still developing the tools to meet this requirement, based upon the reporting provided in Attachment A, it appears that progress is being made toward implementation. In fact, for those local agencies that were able to report during this reporting period, all successfully met their on-time performance and most met customer satisfaction thresholds.

**Next Steps**

Based on performance data included in this report, the Project V program is successfully emerging from the COVID-19 pandemic and is returning to a state of normalcy, while continuing to implement recently approved programmatic changes. Staff will continue monitoring Project V services' performance and report its findings to the Board on a semi-annual basis, with the next update scheduled to occur in January 2023.

**Summary**

A ridership and status report on Project V services is provided for the Board's information. Staff will continue working with local jurisdictions as they resume services and implement recently approved Project V programmatic changes including on-time performance and customer satisfaction reporting. A status update on these efforts will continue to be provided to the Board semi-annually, with the next scheduled update occurring in January 2023.

**Attachment**

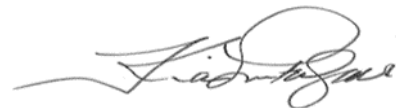
- A. Project V Services – Ridership Report

**Prepared by:**



Adrian Salazar  
Transportation Funding Analyst, Senior  
(714) 560-5363

**Approved by:**



Kia Mortazavi  
Executive Director, Planning  
(714) 560-5741



**Project V Services - Ridership Report**

**Reporting Period: Q2 and Q3 of FY 2021-22**

Agency	Service Description	Measure M2 Project V Funds	Service Type	Service Start Month/Year	AVG Boardings Per Revenue Vehicle Hour (B/RVH) SAR	AVG Cost per Boarding (O&M/B) SAR	Met Customer Satisfaction Threshold (Y/N/NA)	Met OTP Threshold (Y/N/NA)
Anaheim	Anaheim Canyon Circulator	\$ 1,141,864	Commuter Service	July 2020	4.6	\$11.16	NA	NA
Dana Point	Dana Point Trolley	\$ 2,456,511	Seasonal Service	June 2015	25.6	\$6.67	NA	NA
Irvine	Irvine iShuttle Route F - Tustin Station - Irvine Business Complex	\$ 2,712,258	Commuter Service	February 2019	1.4	\$77.73	N	Y
La Habra	Community Special Event Service	\$ 66,234	Special Event	Fall/Winter 2021	13.4	\$7.25	NA	NA
Laguna Beach	Off-Season Weekend Trolley Service (2020 Call for Projects)	\$ 3,850,000	Special Event	September 2021	22.0	\$6.84	NA	Y
Mission Viejo	Local Community Circulator	\$ 3,332,879	Local Circulator	October 2016	11.9	\$6.68	Y	Y
Orange County	Local Circulator and Special Event Service (OC Ranch Ride)	\$ 2,041,547	Local Circulator and Special Event	June 2017	37.3	\$7.29	Y	Y
San Clemente	Summer Weekend Trolley and Seasonal Service	\$ 1,181,393	Seasonal and Special Event	May 2017	21.1	\$2.80	NA	NA
San Clemente	Summer Weekday Trolley and Seasonal Service Expansion	\$ 1,537,200	Seasonal and Special Event	July 2018	28.7	\$2.06	NA	NA
San Juan Capistrano	Special Event and Weekend Summer Trolley Service	\$ 958,642	Seasonal and Special Event	July 2018	33.2	\$7.76	NA	Y
San Clemente	SC Rides	\$ 914,400	Ride Hailing	October 2016	6.3	\$7.66	Y	NA

1. Rounded to the next whole number.

2. FY 20-21 maximum cost per boarding - \$20.10; FY 21-22 maximum cost per boarding - \$20.47

NA - data point not applicable for current performance period (ex - CS surveys required annually)

**Minimum Performance Standards for Cost per Boarding (O&M/B)**

\$20.47 maximum cost per boarding set at twice (2x) maximum allowable per boarding subsidy of \$10.24 in FY 21-22 (escalated at 1.85% annually thereafter)

**ACRONYMS**

ETA - Estimated time of arrival

FY - Fiscal year

NA - Not applicable

OCIA - Orange County Transportation Authority

OTP - On-time performance

Q2 - Quarter 2 (October - December 2021)

Q3 - Quarter 3 (January - March 2022)

SAR - Semi-annual review

IBD - To be determined

Y/N - Yes/No

**NOTE: Services below the minimum performance standard are shaded**