

Santa Ana/Garden Grove Streetcar Project
Orange County, California
New Starts Project Development
(Rating Assigned November 2015)

Summary Description	
Proposed Project:	Streetcar 4.1 Miles, 10 Stations
Total Capital Cost (\$YOE):	\$288.74 Million
Section 5309 New Starts Share (\$YOE):	\$144.37 Million (50.0%)
Annual Operating Cost (opening year 2020):	\$6.28 Million
Current Year Ridership Forecast (2015):	7,500 Daily Linked Trips 2,320,700 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Project Description: The Orange County Transportation Authority (OCTA) proposes to implement streetcar service between the Santa Ana Regional Transportation Center and the Harbor Boulevard Station in Garden Grove. A portion of the service is planned to use the historic Pacific Electric Railway right-of-way that is owned by OCTA. The project includes construction of a double-track alignment, an operation and maintenance facility, and the purchase of eight vehicles. Service is planned to operate every ten minutes during peak periods and every 15 minutes during off-peak periods and weekends.

Project Purpose: OCTA is undertaking the proposed project to provide direct, convenient, all-day service to meet current and future travel demand in the densely developed project corridor. The corridor has a substantial transit-dependent population, with the median income only slightly above the U.S. poverty level and where 17.8 percent of residents do not own a car. Existing bus transit service in the corridor is limited due to existing geographic and physical constraints. Through use of the Pacific Electric Railway right-of-way, the project is not similarly constrained. The Project alignment serves many significant trip generators including City, County, State and Federal government agencies and courthouses, numerous colleges and private schools, a bustling commercial core in Downtown Santa Ana, multiple historic neighborhoods, galleries and museums, and a variety of organizations and social services that cater to the community's needs. The project also serves the Santa Ana Regional Transportation Center where connections can be made to Amtrak, MetroLink commuter rail service, Greyhound bus service, and other international bus services.

Project Development History, Status and Next Steps: The project was included in the region's fiscally constrained long range transportation plan in April 2012. OCTA selected the locally preferred alternative in March 2015. The project entered New Starts Project Development in May 2015. FTA issued a Finding of No Significant Impact in March 2015, completing the environmental review process. OCTA expects to enter Engineering in 2016, receive a Full Funding Grant Agreement in 2017, and start revenue service in 2019.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 New Starts	\$144.37	50.0%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Funds)	\$48.45	16.8%
State: Cap and Trade Grant	\$40.00	13.9%
Local: Measure M2 Project S Local County Sales Tax	\$55.92	19.3%
Total:	\$288.74	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**CA, Santa Ana, Santa Ana/Garden Grove Streetcar Project
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Non-Section 5309 New Starts Share	N/A	The New Starts share of the project is 50.0 percent.
Project Financial Plan	Medium-High	
Capital and Operating Condition (25% of plan rating)	Medium-High	<ul style="list-style-type: none"> • The average age of the bus fleet is 7.36 years, which is in line with the industry average. • The most recent bond ratings for the Orange County Transportation Authority (OCTA), issued in October 2015, are as follows: Moody's Investors Service Aa2, Fitch's AA+, and Standard & Poor's Corporation AA+. • OCTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 6.8 (FY 2014). • There have not been any recent service cutbacks or cash flow shortfalls.
Commitment of Capital and Operating Funds (25% of plan rating)	Medium-High	<ul style="list-style-type: none"> • 72.3 percent of the non-Section 5309 funds are committed or budgeted, and the rest are considered planned. Sources of funds include Congestion Mitigation and Air Quality Improvement program funds, State of California Cap-and-Trade grant funds, and Measure M2 Project S county sales tax revenues. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed. Sources of funds include Measure M2 Project S county sales tax revenues, interest earnings, fares, and a city of Santa Ana subsidy equivalent to 10 percent of the Project's operating costs net of fare revenue.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium	<ul style="list-style-type: none"> • Capital revenue growth assumptions are slightly more optimistic than historical experience. • The capital cost estimate is reasonable. • The financial plan shows that OCTA has the financial capacity to cover cost increases or funding shortfalls equal to at least 30 percent of estimated project costs. • Assumed farebox collections and sales tax revenues are optimistic compared with historical experience. • Projected cash balances and reserve accounts are 300 percent of annual systemwide operating expenses.

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LAND USE RATING: Medium-High

The land use rating reflects population and employment densities within ½-mile of proposed station areas, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding county.

- The station areas have an average population density of 15,100 persons per square mile, which rates High by FTA benchmarks. Total employment served by the project is 38,000, which rates Low by FTA benchmarks.
- The Santa Ana central business district (CBD) has a ratio of approximately .3 parking spaces per employee, which corresponds to a Medium rating. The average daily parking cost in the CBD is \$13, which corresponds to a Medium-High rating.
- The ratio of station area to county legally binding affordability restricted housing is 3.5, corresponding to a High rating.
- The project serves an auto-oriented area at the western terminus and transects a light industrial and single-family residential neighborhood before entering the Santa Ana CBD, which is pedestrian-oriented and has a mix of commercial, office, and housing that would be suitable for transit.

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: Medium

- *Growth Management:* The primary regional growth management policy in Orange County is the Orange County Sustainable Communities Strategy (OC SCS), required by California law. The OC SCS supports the ability of municipalities to preserve open space, and the county has begun a strategy to concentrate higher-density residential development near major transit corridors such as the Metrolink/Amtrak line that serves the project area. Most population growth in the region is forecast to take place in existing land bank areas in the periphery of the county with some growth occurring as infill near transit corridors in central Orange County.
- *Transit-Supportive Corridor Policies:* The City of Santa Ana has adopted a specific plan for much of the eastern section of the corridor, as well as a specific plan for the station area on the western terminus of the corridor. These plans supersede existing zoning designations and promote higher density development with architectural guidelines and standards that would support pedestrian orientation. The City of Santa Ana has begun to invest in pedestrian and bicycle infrastructure near downtown Santa Ana and is in the midst of developing a Complete Streets plan for downtown Santa Ana.
- *Supportive Zoning Regulations Near Transit Stations:* Density allowed by the zoning is varied in the corridor. The Transit Zoning Code area, which covers much of the eastern end of the corridor, includes districts that can see up to 90 dwelling units per acre in some areas and up to 18 in others. The areas around the Bristol, Raitt, and Fairview stations are primarily zoned for single and two-family residential and low intensity commercial development. This area could see a density level between 7 and 15 dwelling units per acre. The area around the western terminus of the corridor could see development of up to 50 dwelling units per acre. Zoning ordinances enhance the transit-friendly character in the areas with the development guidelines and standards in the new specific plans.
- *Tools to Implement Land Use Policies:* The City provides some incentives like affordable housing density bonuses, and options to satisfy parking requirements using shared parking. Stakeholders in the development community were given an opportunity to participate in environmental review for specific plans and the streetcar project planning.

Performance and Impacts of Policies: Medium-High

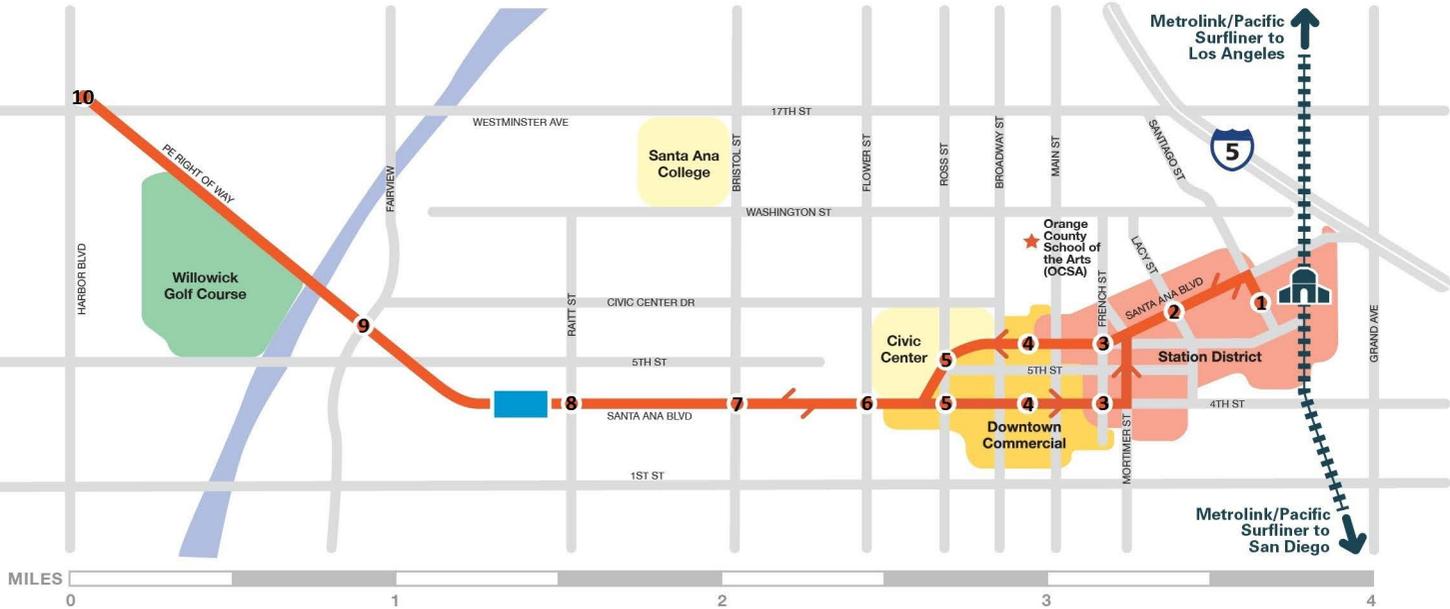
- *Performance of Land Use Policies:* Recent developments include two transit-oriented affordable housing developments. All new projects in the corridor have been medium to high density and have included pedestrian-oriented design features. All new approved proposed developments include short setbacks, active facades and a mix of uses.
- *Potential Impact of Transit Investment on Regional Land Use:* Within 1/8 mile of the streetcar corridor, 5 percent of land is vacant. The value of the land is greater than the value of developments on it on 46

percent of the land within ¼ mile of the corridor, which have been identified as a target for redevelopment. A study of corridor economic conditions determined that the streetcar would generate four times the square footage of development than would occur without a streetcar and estimated that more than 1,600 residential units would be developed within the next 18 years.

Tools to Maintain or Increase Share of Affordable Housing: Medium-High

- The City's General Plan identifies sites in the corridor for housing development. There are several incentives for the development of affordable housing such as density bonuses, an ordinance requiring residential projects to include a certain percentage of moderate or low income housing, and a requirement that new projects that displace low or moderate income housing must replace similarly priced units on site.
- The City uses financing tools such as land assembly and write downs, tax exempt bonds, and an ordinance that defers payment of development fees to just before final occupancy to reduce risk to developers of affordable housing. The City also has established an Inclusionary Housing Fund to improve the supply of affordable housing.

OC Streetcar Santa Ana / Garden Grove



LEGEND

 Streetcar Route

 Operations and Maintenance Facility

 LOSSAN Rail Corridor

Proposed Stop



Santa Ana Regional
Transportation Center

- | | | | |
|--|---|--|--|
|  Santa Ana Regional Transportation Center |  Sycamore Street |  Bristol Street |  Harbor Boulevard |
|  Lacy Street |  Ross Street |  Raitt Street | |
|  French Street |  Flower Street |  Fairview Street | |

