

OC Streetcar: Santa Ana/Garden Grove
Orange County, California
New Starts Engineering
(Rating Assigned November 2017)

Summary Description	
Proposed Project:	Streetcar 4.1 Miles, 10 Stations
Total Capital Cost (\$YOE):	\$299.34 Million
Section 5309 New Starts Share (\$YOE):	\$148.96 Million (49.8%)
Annual Operating Cost (opening year 2020):	\$7.72 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. By operating in 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 September 2014. FTA issued a Finding of No Significant Impact in March 2015, completing the environmental review process. The project entered New Starts Project Development in May 2015. FTA approved entry into Engineering in January 2017. OCTA anticipates receipt of a Full Funding Grant Agreement in 2018, and the start of revenue service in 2020.

Significant Changes Since Last Evaluation (November 2016): The project cost increased from \$297.91 million to \$299.34 due to design changes and increase to the project schedule. The anticipated Section 5309 New Starts funding amount remained as \$148.96 million, reducing the share slightly from 50.0 percent to 49.8 percent.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$148.96	49.8%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Funds)	\$54.46	18.2%
Section 5307 Urbanized Area Formula Funds	\$13.25	4.4%
State:		
Low Carbon Transportation Cap and Trade Funds	\$25.52	8.5%
Local:		
Measure M2 Sales Tax Revenue	\$57.15	19.1%
Total:	\$299.34	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 49.8 percent.
Project Financial Plan	Medium-High	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> • The average age of the bus fleet is 6.5 years, which is in line with the industry average. • The most recent bond ratings for Orange County Transportation Authority (OCTA), issued in June 2017, are as follows: Moody's Investors Service Aa2, Fitch AA+, and Standard & Poor's AA+. • OCTA's current ratio of assets to liabilities as reported in its most recent audited financial statement for the Orange County Transit District is 6.8 (FY2016). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • All of the non-Section 5309 funds are committed or budgeted. Sources of funds include Congestion Mitigation Air Quality funds, FTA Section 5307 Urbanized Area Formula Program funds, State of California Transit and Intercity Capital Program funds, and local dedicated sales tax revenues. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include local dedicated sales tax revenues, fare revenues, and contributions from the cities of Santa Ana and Garden Grove.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • Capital revenue growth assumptions are reasonable compared to recent historical experience. • The capital cost estimate is reasonable. • Regarding growth in operating revenue assumptions, farebox revenues are optimistic and sales tax revenues are reasonable compared to recent historical experience. • Operating cost estimates are reasonable compared to recent historical experience. • OCTA has access to funds via additional debt capacity, cash reserves, or other committed funds to cover cost increases or funding shortfalls equal to at least 39 percent of estimated project cost and 11.4 percent of annual system-wide

		operating costs.
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LAND USE RATING: Medium-High

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- Population density in all station areas is 15,100, corresponding to a High rating. The project would serve a total of 38,000 employees, corresponding to a Low rating. Average daily parking rates in the Santa Ana CBD are \$15, corresponding to a Medium-High rating. The proportion LBAR housing in the project corridor compared to the proportion in the county through which the project travels is 3.52, corresponding to a High rating.
- The eastern portion of the project includes the Santa Ana Station District and the Santa Ana CBD, which is pedestrian-oriented, and has a mix of commercial, office, institutional and residential development. The central portion transects a light industrial and single-family residential neighborhood. The western terminus is an auto-oriented area.
- Pedestrian facilities throughout the corridor are continuous. The eastern portion of the corridor is characterized by short blocks, narrower streets, and well-marked crossings. The street grid is well-connected in this area. In the western portion, blocks become longer and are less well-connected.

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. The City of Garden Grove has developed plans to invest in pedestrian and bicycle infrastructure at the western terminus of the corridor.
- *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 allow high density development. The areas around the stations in the middle of the corridor are primarily zoned for moderate density residential and commercial development. The area around the western terminus of the corridor could see high density residential development. Zoning ordinances enhance the transit-friendly character in the areas with 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 have participated in the environmental review for specific plans and 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, five 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 a quarter 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


- The City's General Plan identifies sites in the corridor for housing development. Incentives for the development of affordable housing include density bonuses, an ordinance requiring some 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. Over 1,000 new affordable housing units are planned, underway or recently completed in the project corridor, but a number of the city's existing units are at risk of losing their legally binding affordability restrictions in the next several years.

OC Streetcar Santa Ana / Garden Grove



LEGEND

 Streetcar Route

 Operations and Maintenance Facility

 LOSSAN Rail Corridor

Proposed Stop

 Santa Ana Regional Transportation Center

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|--|---|---|---|
|  1 Santa Ana Regional Transportation Center |  4 Sycamore Street |  7 Bristol Street |  10 Harbor Boulevard |
|  2 Lacy Street |  5 Ross Street |  8 Raitt Street | |
|  3 French Street |  6 Flower Street |  9 Fairview Street | |

