



FY 2017-18

Measure M2 Eligibility Guidelines



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Chapter 1 – Eligibility Overview

1.1 Measure M2 Introduction

In order to meet expected growth in Orange County over the next 30 years, continued investment in the County's infrastructure will be required. To meet these needs, additional projects were identified which could be funded through an extension of the Measure M program. Voters approved Renewed Measure M (M2) on November 7, 2006.

M2 is a 30-year, multi-billion dollar program extension of the original Measure M (1991-2011) with a new slate of projects and programs planned. These include improvements to the Orange County freeway system and streets & road network throughout the County, additional expansion of the Metrolink system, more transit services for seniors and the disabled and funding for the cleanup of roadway storm water runoff.

M2 extends Orange County's self-help legacy toward financing infrastructure. A seamless transition from the original Measure M to the new slate of projects required careful consideration of the Ordinance and inventory of new requirements. Consistent with the first ordinance, the eligibility guidelines have been prepared to assist local jurisdictions to understand the requirements necessary to maintain their eligibility to receive M2 funds.

The M2 Eligibility Guidelines identify annual eligibility requirements as specified in Ordinance No. 3, Attachment B, and Section III. Ordinance No. 3 (M2 Ordinance) outlines all programs and requirements and is included as Appendix A. Compliance with the eligibility requirements in the ordinance must be established and maintained in order for local jurisdictions to receive Net Revenues. Policies and procedures are presented to enable and facilitate annual eligibility for local jurisdiction participation. Guidelines for newly incorporated cities are outlined in Appendix B.

With the passage of M2, several eligibility requirements applicable to the previous program are no longer valid. Prominent features of the past program that have been discontinued include preparation of the Growth Management Program (GMP), a development phasing & monitoring program, and a balanced housing options and job opportunities component of the General Plan. Although these planning tools are no longer elements of the eligibility process, local jurisdictions are encouraged to consider these elements as sound planning principles.

M2 Net Revenues are generated from the transactions and use tax plus any interest or other earnings – after allowable deductions. Net Revenues may be allocated to local jurisdictions for a variety of programs and the Authority shall allocate the Net Revenues to freeways, environmental, transit, and street and roads projects.

Freeway Projects

Orange County freeways will receive forty-three percent (43%) of net revenues. Relieving congestion on State Route 91 is the centerpiece of the freeway program. Other major projects include improving Interstate 5 (I-5) in south Orange County, Interstate 405 (I-405) in west Orange County and State Route 57 in North Orange County. Under the plan, major traffic chokepoints on almost every freeway will be improved.

Environmental Programs

In order to address any environmental impact of freeway improvements, five percent (5%) of the allocated freeway funds will be used for environmental mitigation programs. A Master Agreement between OCTA and state and federal resource jurisdictions will provide higher-value environmental benefits such as habitat protection, wildlife corridors and resource preservation in exchange for



streamlined project approvals for the freeway program as a whole. Funds are also available under the Environmental Cleanup Program (Project X) to implement water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of M2 net revenues. These funds will be used to add transit extensions to the Metrolink corridor, reduce bus fares for senior citizens and persons with disabilities, and establish local bus circulators.

Street and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. M2 will allocate thirty-two percent (32%) of net revenues to streets and roads. These funds will help fix potholes, improve intersections, synchronize traffic signals countywide, and make the existing network of streets and roads safer and more efficient.

The allocation of thirty-two percent (32%) of the Net Revenues for Street and Road Projects shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated for Regional Capacity Programs (Project O).
2. Four percent (4%) of the Net Revenues shall be allocated for Regional Traffic Signal Synchronization Program projects (Project P).
3. Eighteen percent (18%) of the Net Revenues shall be allocation for Local Fair Share Programs.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the Regional Capacity Program (Project O), the Regional Traffic Signal Synchronization Program (Project P), the various transit programs (Projects S, T, V, and W), and the Environmental Cleanup Program (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines. The process for calculating and distributing local fair share funds are described in Section 1.3.

1.3 Local Fair Share (LFS) Funds

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. It is funded through an eighteen percent (18%) allocation from Net Revenues and is distributed to eligible jurisdictions on a formula basis as determined by the following:

- Fifty percent (50%) divided between eligible jurisdictions based upon the ratio of the jurisdiction's population to the County's total population, each from the previous calendar year.
- Twenty-five percent (25%) divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing Master Plan of Arterial Highways (MPAH) centerline miles to the total MPAH centerline miles within the County as determined annually by the OCTA.
- Twenty-five percent (25%) divided between eligible jurisdictions based upon the ratio of the jurisdiction's total taxable sales to the total taxable sales for the County, each from the previous calendar year.



- OCTA contracts with three universities (Chapman University; University of California, Los Angeles; and California State University, Fullerton) to provide a long-range forecast of taxable sales to forecast Measure M2 revenues for purposes of planning projects and program expenditures. In the past, OCTA has taken an average of the three university taxable sales projections to develop a long-range forecast of Measure M2 taxable sales. On March 28, 2016, as part of the FY 2016-17 budget development process, the Board approved a new sales tax forecast methodology. The new methodology includes a more conservative approach by utilizing a five-year forecast from MuniServices, Inc. The resulting revenue estimates are used for programming of competitive funds and as a guide for local jurisdiction planning within their respective CIPs.

1.4 Eligibility Requirements for Net Revenues

Every year, the Orange County Transportation Authority (OCTA) determines if a local jurisdiction is eligible to receive M2 LFS and competitive program funds. A local jurisdiction must satisfy certain requirements as outlined in Ordinance No. 3. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County Congestion Management Program
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt a General Plan Circulation Element consistent with the MPAH
- Adopt and update a Capital Improvement Program
- Participate in Traffic Forums
- Adopt and maintain a Local Signal Synchronization Plan
- Adopt and update biennially a Pavement Management Plan
- Adopt and provide an annual Expenditure Report to the OCTA
- Provide the OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend all LFS revenues received through M2 within three years of receipt
- Satisfy Maintenance of Effort requirements
- Agree that Net Revenues shall not be used to supplant developer funding
- Consider, as part of the eligible jurisdiction’s General Plan, land use and planning strategies that accommodate transit and non-motorized transportation



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Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction compliance. Most methods leverage tools routinely used in the public planning process while others require certification forms or specialized reports. Templates, forms, and report formats are included as appendices to these eligibility guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation
Capital Improvement Program	Annual Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Electronic, hard copy City Council/ Board of Supervisors approval
Circulation Element/MPAH Consistency	Biennial Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Resolution (Appendix E) Circulation Element Exhibit Changes in actual MPAH centerline miles should be reported on the Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D)
Congestion Management Program	Odd numbered years Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Include projects to address deficient intersections in CIP (if applicable) CMP Checklist (Appendix C)
Expenditure Report	Annual – six months after end of fiscal year Next submittal is due on December 31, 2017.*	<ul style="list-style-type: none"> Expenditure Report and resolution (Appendix G)
Local Signal Synchronization Plan	Every three years Next submittal is due on June 30, 2017	<ul style="list-style-type: none"> Copy of plan Resolution (Appendix E)
Maintenance of Effort	Annual Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> MOE Certification form (Appendix I) signed by Finance Director or equivalent designee that meets/exceeds MOE Benchmark in Exhibit 2 Budget excerpts
Mitigation Fee Program	Biennial Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Copy of nexus study, revised impact fee schedule, or process methodology Resolution (Appendix E)
No Supplanting Existing Commitments	Annual Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Pavement Management Plan	Every two years Next submittal for odd year agencies is due on June 30, 2017. Refer to Exhibit 3 to determine the required PMP submittal schedule.	<ul style="list-style-type: none"> PMP Certification form signed by Public Works Director or City Engineer Agency Submittal Checklist PMP report with street listings CD with pavement report, and street listings Resolution (Appendix E)
Project Final Report	Within 6 months of project completion	<ul style="list-style-type: none"> Final Report
Timely Expenditure of Funds	Annual Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Traffic Forums	Annual Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Transit/Non-motorized Transportation in General Plan	Annual (June 30th) Next submittal is due on June 30, 2017.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Letter outlining land use planning strategies that accommodate transit and active transportation Excerpts of policies from the land use section of the General Plan

*Huntington Beach follows a federal fiscal year and must submit the M2 Expenditure Report by March 31.



2.1 Capital Improvement Program (CIP)

A CIP is a multi-year funding plan to implement capital transportation projects and/or programs, including, but not limited to, capacity, safety, operations, maintenance, and rehabilitation projects.

For purposes of eligibility, the M2 Ordinance specifies that each jurisdiction must prepare a CIP. The annual seven-year CIP updates are required to enable timely review of eligible use of funds. The CIP shall include all capital transportation projects, such as, projects funded by Net Revenues (i.e. Environmental Cleanup Program, Traffic Signal Synchronization Plan, Regional Capacity Program, and Local Fair Share Projects) and transportation projects required to demonstrate compliance with signal synchronization, pavement management, and CMP requirements. (See section 2.3 for the CIP's relevance to the CMP.)

Projects funded by M2 Net Revenues include:

Project Description	Project
Freeway Environmental Mitigation	A-M
Regional Capacity Program	O
Regional Traffic Signal Synchronization Program	P
Local Fair Share Program	Q
High Frequency Metrolink Service	R
Transit Extensions to Metrolink	S
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T
Senior Mobility Program or Senior Non-Emergency Medical Program	U
Community Based Transit/Circulators	V
Safe Transit Stops	W
Water Quality Program	X

Each eligible jurisdiction must include projects in their CIP that are needed to meet and maintain the adopted Traffic Level of Service and Performance Standards. The CIP shall also include all projects proposed to receive M2 funding. Cities are encouraged, but not required, to include all transportation related projects regardless of M2 funding participation.

If M2 funding needed for a project is not reflected on the current CIP, an amended CIP should be adopted with contract award prior to expending funds. The revised CIP should be submitted to OCTA in hard copy format with evidence of council approval.

Submittal Frequency: Minimum Annual, or as needed to add M2 projects that are not reflected on the current CIP. Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Required

Verification Method

Each jurisdiction must submit an electronic (online) and hard copy of its CIP with evidence of council approval. The OCTA provides a web-based database called the Web Smart CIP used countywide for reporting Council-approved CIP information. The Web Smart CIP includes all projects submitted in the previous eligibility cycle. New projects should be added to the database and completed, prior program year projects should be archived. Cancelled projects may be archived or removed. In addition, the funding schedule, source, and cost data for ongoing projects should be reviewed and updated for accuracy. A separate CIP User's Manual has been developed to assist local jurisdictions with the preparation of the seven-year CIP. The CIP User's Manual can be found on the M2 Eligibility Website: <http://www.octa.net/M2Eligibility>



2.2 Circulation Element/ MPAH Consistency

A Circulation Element is one component of a jurisdiction's General Plan that depicts a planned multimodal network and related policies. M2 funding eligibility requires that each jurisdiction must adopt and maintain a Circulation Element that is consistent with the OCTA MPAH, which defines the minimum planned lane configurations for major regionally significant roads in Orange County.

MPAH Consistency

Through a cooperative process, the OCTA, the City Engineers Association, the City Managers Association, and the County of Orange developed criteria for determining consistency with the MPAH. Criteria and policies for determining MPAH Consistency are included in a separate manual titled "Guidance for Administration of the Orange County Master Plan of Arterial Highways" that can be downloaded on OCTA's Eligibility webpage (<http://www.octa.net/M2Eligibility>) and are summarized below:

- The local jurisdiction's Circulation Element is to have the minimum planned carrying capacity equivalent to the MPAH for all MPAH links within its jurisdiction. "Planned carrying capacity" is the number of through lanes on each arterial highway as shown on the local Circulation Element.
- Local jurisdictions will not be found inconsistent with the MPAH as a result of existing capacity limitations on arterials not yet constructed to the ultimate capacity shown on the MPAH.
- Every two years, each local jurisdiction must submit a resolution adopted by the governing body attesting that no unilateral reduction in lanes has been made on any MPAH arterial.
- The local agency will be ineligible to participate in M2 programs if a roadway on the MPAH has been unilaterally removed from or downgraded on their Circulation Element and/or does not meet the planned capacity criteria. Eligibility may be reinstated upon completion of a cooperative study that resolves the inconsistency. Additionally, the local jurisdiction can re-establish eligibility upon restoring its Circulation Element to its previous state of MPAH consistency.
- The local jurisdiction must adopt a General Plan Circulation Element that does not preclude implementation of the MPAH.
- A local jurisdiction is inconsistent with the MPAH as of the date the governing body takes unilateral action reducing the number of existing and/or planned through lanes on an MPAH arterial built to its ultimate configuration to less than the ultimate capacity shown on the MPAH. "Unilateral action" means physical action such as striping, signing, or other physical restrictions executed by the local jurisdiction.
- A local jurisdiction may be permitted to reduce existing through lanes, if prior to taking action, it can demonstrate to the OCTA that such action is temporary and can be justified for operational reasons. The local jurisdiction must enter into a binding agreement to restore capacity upon demand by OCTA. The OCTA may recommend that the local jurisdiction remain eligible on a conditional basis. If it is found to be ineligible, it may regain eligibility upon physical restoration of the arterial to the original state that is consistent with the MPAH.
- Traffic calming measures shall be administered on MPAH facilities per the latest version of the Guidance for the Administration of the Orange County (OC) MPAH.



- If a local jurisdiction requests a change to the MPAH and enters into a cooperative study to analyze the request, it may be considered conditionally consistent. No change shall be made to its Circulation Element until after the cooperative study is completed and agreement is reached on the proposed amendment.

Submittal Frequency: Odd year requirement. Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Required

Verification Method

Each jurisdiction must provide the following every odd year:

- Document within the Eligibility Checklist (Appendix D) that confirms the Circulation Element is consistent with the MPAH.
- A copy of the most current Circulation Element Exhibit biennially showing all arterial highways and their individual arterial designations. Any proposed changes and/or requests for changes to the MPAH should also be included.
- Resolution adopted by the governing body of the local jurisdiction (Appendix E).
- The Arterial Highway Mileage Change Report (Appendix H). Changes in actual (built or annexed) MPAH centerline miles since the previous MPAH Consistency Review are to be reported to the nearest 0.01 mile, excluding State highways. Data should be current as of April 30 of the reporting year. Exhibit 1 lists the current MPAH centerline miles by jurisdiction that is used to calculate Local Fair Share.

OCTA shall review the materials submitted, and determine whether the local agency Circulation Elements are consistent with the MPAH, meaning there is a minimum planned carrying capacity equivalent to the MPAH for all MPAH links within the local agency's jurisdiction.



Exhibit 1: Master Plan of Arterial Highways Centerline Miles

Agency	2016 Centerline Mileage (7/30/2016)
Aliso Viejo	14.85
Anaheim	148.80
Brea	20.57
Buena Park	34.44
Costa Mesa	49.33
County of Orange	51.74
Cypress	24.93
Dana Point	15.72
Fountain Valley	35.28
Fullerton	62.18
Garden Grove	63.59
Huntington Beach	93.05
Irvine	135.11
La Habra	17.13
La Palma	7.23
Laguna Beach**	14.01
Laguna Hills	20.73
Laguna Niguel	35.94
Laguna Woods	5.77
Lake Forest	38.25
Los Alamitos	6.44
Mission Viejo	43.54
Newport Beach	48.92
Orange	85.24
Placentia	25.01
Rancho Santa Margarita	18.20
San Clemente	24.39
San Juan Capistrano	18.55
Santa Ana	100.21
Seal Beach	12.24
Stanton	9.48
Tustin	41.59
Villa Park	3.49
Westminster	35.75
Yorba Linda	32.67
	1394.38

**Laguna Beach credited with State Highway mileage by agreement of the TAC.



2.3 Congestion Management Program (CMP)

With the passage of Proposition 111 Gas Tax increase in June 1990, urbanized areas of California were required to adopt a CMP. OCTA was designated as the County's Congestion Management Agency (CMA), and as such, is responsible for the development, monitoring, and biennial updating of Orange County's CMP. Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives through the effective use of transportation funds, coordinated land use, and development planning practices. Required elements of the County's CMP include traffic level of service (LOS) standards, performance measures, travel demand assessment methods and strategies, land use analysis programs, and Capital Improvement Programs.

The goals of Orange County's CMP are to support regional mobility and air quality objectives by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. Each jurisdiction must comply with the following conditions and requirements of the Orange County CMP pursuant to the provisions of Government Code Section 65089 to be considered eligible for both gas tax revenues and M2 funding:

- Level of Service – Highways and roadways designated by OCTA must operate at an established LOS of no less than LOS "E" (unless the LOS from the baseline CMP dataset was lower).
- Deficiency Plans – Any CMP intersections that do not comply with the LOS standards must have a deficiency plan prepared by the responsible local jurisdiction that identifies the cause and necessary improvements for meeting LOS standards (certain exceptions apply).
- Land Use Analysis – Analyze the impacts of land use decisions on the transportation system, using a designated methodology, consistent with the CMP Traffic Impact Analysis guidelines. The analysis must also include estimated cost to mitigate associated impacts.
- Modeling and Data Consistency – A jurisdiction utilizing a local area model for traffic impact analysis must conform to the Orange County Sub-area Modeling guidelines, prepared by OCTA.
- Capital Improvement Program (CIP) – Jurisdictions must submit an adopted seven-year CIP that includes projects to maintain or improve the LOS on CMP facilities, or adjacent facilities.

Submittal Frequency: Odd years – Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Not Required

Verification Method

The CMP checklist, as shown in Appendix C, must be submitted to demonstrate compliance with CMP requirements. If a deficient intersection is identified, the jurisdiction must include a project in their CIP to address the issue or develop a deficiency plan. OCTA will use the M2 CIP prepared by each local jurisdiction as the default CMP CIP rather than require a separate submittal. Projects intended to address CMP deficiencies should be clearly identified in the project description within the CIP.



2.4 Expenditure Report

The expenditure report is a detailed financial report submitted by each jurisdiction used to track financial activity as it relates to M2 and other improvement revenue sources. Each jurisdiction must adopt an annual Expenditure Report to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction that satisfy the MOE requirements. This report is used to validate eligible uses of funds and to report actual MOE expenditures.

- Report required within six months of jurisdiction's end of fiscal year.
- Report to include all Net Revenue, fund balances, and interest earned. Negative interest is not an allowable expense.
- Reported Expenditures shall be identified by activity type (i.e. capital, operations, administration, etc.) and funding source for each M2 program and/or project.

Submittal Frequency: Annual – within 6 months of the end of the fiscal year.

The deadline is December 31 for jurisdictions following a state fiscal year (July-June) and March 31 of the next calendar year for jurisdictions following a federal fiscal year (October-September) (i.e. Huntington Beach).

City Council/ Board of Supervisors approval: Required

Verification Method

The expenditure report signed by the City Finance Director and council resolution attesting to the adoption is required. The M2 expenditure report template, instructions, and resolution are provided in Appendix G.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP¹ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The Local Traffic Signal Synchronization Plan shall be consistent with the Regional Traffic Signal Synchronization Master Plan (RTSSMP). The LSSP will outline the costs associated with the identified improvements, funding and phasing of capital, and the operations and maintenance of the street routes and traffic signals. Inter-jurisdictional planning of traffic signal synchronization is also a component of the LSSP. Local jurisdictions must update LSSPs every three years and include a performance assessment which compares the information in the current report to prior cycle activities.

Submittal Frequency: Every 3 years - Next LSSP update submittal is due June 30, 2017.

City Council/ Board of Supervisors approval: Required

Verification Method

Local jurisdictions must ensure that their LSSP is in conformance with the RTSSMP. LSSPs must be updated every three years starting June 30, 2014. At the minimum, a Public Works Director must sign the Local Signal Synchronization Plan Consistency Review Checklist. City/County council action is required (Appendix E) . A separate document prepared by the OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for agency submittal that can be downloaded from OCTA's Eligibility webpage: <http://www.octa.net/M2Eligibility>

¹ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (M2 - Project O) if the local jurisdiction has adopted a LSSP consistent with the RTSSMP.



2.6 Maintenance of Effort (MOE)

The MOE Certification is a financial reporting document, which provides annual certification of planned/budgeted maintenance, construction and administrative/other transportation related expenditures and the comparison to the annual MOE Benchmark Requirements for the fiscal year. Each jurisdiction must provide annual certification to OCTA that the MOE requirements of Section 6 of Ordinance No. 3 have been satisfied. MOE applies to transportation-related discretionary expenditures such as General Funds by local jurisdictions for maintenance, construction, and other categories.

MOE Certification Process

M2 funds may be used to supplement, not replace, existing local revenues being used for transportation improvements and programs. A local jurisdiction cannot redirect monies currently being used for transportation purposes to other uses and replace the redirected funds with M2 revenues.

Each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to the MOE requirement. The original minimum level of expenditures was based upon an average of General Fund expenditures for local street maintenance and construction over the period from Fiscal Year 1985-86 through Fiscal Year 1989-90. The expenditure information was obtained from the Orange County Transportation Commission's (OCTC) Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Annexation of land into an existing jurisdiction does not affect the MOE.

Per the M2 Ordinance, the MOE benchmark must be adjusted in 2014 and every three years thereafter based upon Caltrans' Construction Cost Index (CCI) for the preceding three-years. The CCI-based adjustment cannot exceed growth rate in General Fund revenues during the update period. The current MOE benchmark is reflected in Exhibit 2. The next MOE benchmark adjustment will be effective July 1, 2017.

Submittal Frequency: Annual - Next MOE submittal is due June 30, 2017.

City Council/ Board of Supervisors approval: Not Required

Verification Method

An MOE reporting form must be completed, signed by the jurisdiction's Finance Director and submitted on an annual basis. The form is included in the Guidelines as Appendix I. In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of General Funds should be included in the annual submittal to substantiate planned relevant discretionary fund (General Funds) expenditures.

Any California State Constitution Article XIX eligible expenditure may be "counted" in a given local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's general fund. This is the same definition used for Gas Tax expenditures. The California State Controller also provides useful information on Article XIX and Streets and Highways Code eligible expenditures. These guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code.



Exhibit 2: MOE Benchmark by Local Jurisdiction

Agency	MOE Benchmark
Aliso Viejo	\$ 462,004
Anaheim	\$ 10,058,292
Brea	\$ 719,028
Buena Park	\$ 3,743,072
Costa Mesa	\$ 7,383,205
Cypress	\$ 3,117,765
Dana Point	\$ 1,313,011
Fountain Valley	\$ 1,342,115
Fullerton	\$ 3,785,870
Garden Grove	\$ 3,378,344
Huntington Beach	\$ 5,607,203
Irvine	\$ 7,050,145
La Habra	\$ 1,529,313
La Palma	\$ 173,004
Laguna Beach	\$ 1,549,454
Laguna Hills	\$ 310,467
Laguna Niguel	\$ 908,566
Laguna Woods	\$ 89,705
Lake Forest	\$ 194,440
Los Alamitos	\$ 162,506
Mission Viejo	\$ 2,538,900
Newport Beach	\$ 10,871,763
Orange	\$ 2,917,858
Placentia ¹	\$ 660,496
Rancho Santa Margarita	\$ 390,747
San Clemente	\$ 1,135,209
San Juan Capistrano ²	\$ 422,472
Santa Ana	\$ 7,755,107
Seal Beach	\$ 551,208
Stanton	\$ 245,213
Tustin	\$ 1,455,691
Villa Park	\$ 321,697
Westminster	\$ 1,548,761
Yorba Linda	\$ 2,279,688
Annual Total Orange County	\$ 85,972,319

¹Received adopted Comprehensive Annual Financial Report (CAFR) to calculate final MOE benchmark. Pending OCTA Board approval.

²OCTA Board approved MOE benchmark adjustment on May 8, 2017.



2.7 Mitigation Fee Program

The Mitigation Fee Program is a locally established fee program, which assesses fees used to mitigate effects of new development on transportation infrastructure. Appropriate mitigation measures, including payment of fees, construction of improvements, or any combination thereof, will be determined through an established and documented process by each jurisdiction.

Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. To insure eligibility, each jurisdiction must have a clearly defined mitigation program.

Submittal Frequency: Odd years - Next Mitigation Fee Program submittal is due by June 30, 2017.*

*However, a jurisdiction must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study on an even year.

City Council/ Board of Supervisors approval: Required

Verification Method

The M2 eligibility submittal should include a copy of the nexus study improvement list, a current fee schedule or the process methodology, and the council resolution approving the mitigation fee program. Where mitigation measures, including fair share contributions and construction of direct impact improvements are used in lieu of an AB1600 compliant Nexus Study fee programs, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation program and/or nexus study, they must submit their updated program and revised fee schedule or process methodology for the following review cycle. In addition, a mitigation fee program resolution identified in Appendix E must be submitted biennially to reaffirm that council concurs with the existing mitigation fee program. It is the local jurisdictions responsibility to ensure fee programs and mitigation measures are updated periodically and meet the infrastructure needs of their community.

2.8 No Supplanting of Developer Commitments

Eligible jurisdictions must ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects. Development must be required to continue paying their fair share for new transportation improvements that are necessary because of the new traffic their projects create.

- Development must continue to pay their fair share for needed infrastructure improvements and transportation projects
- Net revenues must not supplant development funding or contributions which have been previously committed to transportation projects through payment of fees in a defined program, fair share contribution, community facilities district (CFD) financing, or other dedicated contribution to a specific transportation improvement
- Standard checklist item

Submittal Frequency: Annual - Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Not Required



Verification Method

Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation projects as outlined in the M2 ordinance.

2.9 Pavement Management Plan (PMP)

A PMP² is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. MicroPaver or StreetSaver will be used for countywide consistency. The software must be consistent with ASTM Standard D6433-11.

Each jurisdiction must biennially adopt and update a PMP consistent with the specific requirements outlined in Ordinance No. 3, and issue, using a common format approved by the OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- Current status of pavement roads
- A seven-year plan for road maintenance and rehabilitation, including projects, funding, and unfunded backlog of pavement needs
- Projected pavement conditions resulting from improvements
- Alternative strategies and costs necessary to improve road pavement conditions

The Countywide PMP Guidelines have been prepared by OCTA to assist local jurisdictions with the PMP submittal. Local jurisdictions should refer to the guidelines for additional PMP submittal criteria. The Agency Submittals checklist is included in Chapter 3 of the Countywide Pavement Management Plan Guidelines and is also included for reference with the PMP Certification in Appendix F. The Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: <http://www.octa.net/M2Eligibility>

Submittal Frequency: Biennial – 14 local jurisdictions submit pavement management plan updates in odd years (i.e. June 30, 2017) and 21 local jurisdictions submit pavement management plan updates in even years (i.e. June 30, 2018). Refer to Exhibit 3 to determine local jurisdiction's required PMP submittal schedule.

City Council/ Board of Supervisors approval: Required

Verification Method

To establish eligibility, each jurisdiction must complete and submit the following:

- Pavement Management Plan and Certification (Appendix F) signed by Public Works Director or City Engineer.
- Executive summary encompassing a brief overview of their PMP highlighting different issues that have developed between review cycles and provide additional information regarding the projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.
- Quality Assurance/Quality Control Plan included in the Countywide Pavement Management Plan Guidelines.



- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- Centerline mileage for MPAH, local streets, and total network.
- Resolution (Appendix E)

²The Regional Capacity Program (RCP) identified in M2 as Project O includes an incentive for successful PMP implementation. A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (M2 - Project O) if the jurisdiction meets either of the following criteria:

- Has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or
- Have road pavement conditions during the previous reporting period, which are within the highest twenty percent (20%) of the scale for road pavement conditions in conformance with OCTA Ordinance No. 3, defined as a PCI of 75 or higher, otherwise defined as in "good condition".



Exhibit 3: Submittal Schedule for Periodic Components

Local Jurisdiction	Updated PMP	CMP	MPAH Consistency	Mitigation Fee Program	Project Reports	Local Signal Plan
Aliso Viejo	June Even	June Odd Years (Next submittal is due by June 30, 2017)	June Odd Years (Next submittal is due by June 30, 2017)	June Odd Years (Next submittal is due by June 30, 2017)*	Within 6 months of project completion	Every 3 years (Next submittal is due June 30, 2017)
Anaheim	June Odd					
Brea	June Odd					
Buena Park	June Even					
Costa Mesa	June Even					
County of Orange	June Odd					
Cypress	June Odd					
Dana Point	June Odd					
Fountain Valley	June Even					
Fullerton	June Even					
Garden Grove	June Even					
Huntington Beach	June Even					
Irvine	June Odd					
Laguna Beach	June Even					
Laguna Hills	June Even					
Laguna Niguel	June Even					
Laguna Woods	June Even					
Lake Forest	June Odd					
La Habra	June Odd					
La Palma	June Even					
Los Alamitos	June Odd					
Mission Viejo	June Even					
Newport Beach	June Odd					
Orange	June Even					
Placentia	June Even					
Rancho Santa Margarita	June Even					
San Clemente	June Odd					
San Juan Capistrano	June Odd					
Santa Ana	June Even					
Seal Beach	June Even					
Stanton	June Odd					
Tustin	June Odd					
Villa Park	June Even					
Westminster	June Even					
Yorba Linda	June Even					

*A jurisdiction must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study.



2.10 Project Final Report

Each jurisdiction must provide the OCTA a Project Final Report within six months following completion of a capital project funded with Net Revenues. Final report formats follow the template used by the CTFP. The CTFP Guidelines define the term “project phase completion” as the date all final third party contractor invoices have been paid and any pending litigation has been adjudicated either for the engineering phase or for the right-of-way phase, and all liens/claims have been settled for the construction phase. The date of project phase completion will begin the 180-day requirement for the submission of a project final report as required by the M2 Ordinance.

[City Council/ Board of Supervisors approval:](#) Not Required

Verification Method

To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each capital project utilizing Net Revenues. Each Final Report must be individually submitted to OCTA within six months of the completion of a project funded by Net Revenues, regardless of the eligibility review cycle. For the purposes of reporting non-project work (administration, maintenance, repair, and other non-project related costs) funded by M2 LFS funds, the annual Expenditure Report shall satisfy reporting requirements. If LFS funds are used for capital projects, the local jurisdiction shall also include a list of those funds and/or other M2 funds in the Project Final Report.

2.11 Time Limit for Use of Net Revenues

The timely expenditure of funds is a policy which must be adopted by each jurisdiction to ensure all funds received from Net Revenues are expended and accounted for within 3 years. The local agency must certify that the receipt and use of all M2 funds received will adhere to the time limits for use as outlined in the ordinance.

Competitive Programs

- Agree that Net Revenues for Regional Capacity Program (RCP) projects and/or Regional Traffic Signal Synchronization Program (RTSSP) projects shall be expended or encumbered by end of fiscal year for which Net Revenues are programmed. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share

- Net Revenues received by local jurisdictions through the local fair share program shall be expended or encumbered within three years. An extension may be granted but is limited to a total of five years from date of receipt of funds. Requests for extension must be submitted as part of the semi-annual review process prior to the end of the third year from the date of receipt of funds. Requests for extension must include a plan of expenditure.
- Expired funds including interest earned and related revenues must be returned to the OCTA. These funds shall be returned for redistribution within the same source program.
- Use of Local Fair Share revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction’s annual Local Fair Share revenues as defined in Article XIX Motor Vehicle Revenues of the California Constitution unless the Board approves an exception to this policy on a case-by-case basis.



Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and Local Fair Share must be held in separate accounts.
- Local M2 interest proceeds must be spent on transportation activities consistent with Local Fair Share eligible activities.
- Interest revenues must be expended within 3 years of receipt.
- Interest may be accumulated for substantive projects where necessary, with prior OCTA approval, provided account balance does not exceed aggregate local fair share payments received in the preceding three (3) years of reporting period.
- All interest accumulated at the conclusion of M2 is to be expended within three years of the program sunset date (March 31, 2041).

Submittal Frequency: Annual. Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Required if an extension is requested.

Verification Method

Each jurisdiction must document within Eligibility Checklist (Appendix D) confirmation that the jurisdiction complies with the timely use of net revenues throughout the year as outlined in the ordinance. Net Revenue and Interest balances are reported on the annual Expenditure Report.

2.12 Traffic Forums

Traffic Forums are working group sessions that include local jurisdictions and OCTA. Traffic forums provide a venue for local jurisdictions to discuss general traffic and transportation issues, traffic circulation between participating jurisdictions, the coordination of specific projects, and the overall RTSSP. Each jurisdiction must participate in Traffic Forums on an annual basis to ensure eligibility.

Submittal Frequency: Annual. Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Not Required

Verification Method

Each jurisdiction must document within the Eligibility Checklist (Appendix D) evidence of its annual participation in a Traffic Forum.



2.13 Transit/Non-motorized Transportation in General Plan

As part of the eligible jurisdiction's land use section of the General Plan, the jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. Multi-modal options are vital to a comprehensive transportation network. General Plans should include policies and language that demonstrate a thoughtful approach toward land use planning that encourages and facilitates mobility options.

Submittal Frequency: Annual. Next submittal is due by June 30, 2017.

City Council/ Board of Supervisors approval: Not Required

Verification Method

Each jurisdiction must document within the Eligibility Checklist (Appendix D) that it considers, as part of the land use section of the General Plan, land use planning strategies that accommodate transit and non-motorized transportation. A letter outlining the approach to land use planning strategies or policies that accommodate transit and non-motorized transportation should be provided with supporting General Plan excerpts. Policy summaries that directly tie land use planning to alternative modes are required. These may include pedestrian friendly neighborhoods, Transit Oriented Development (TOD), Transportation Demand Management (TDM) programs, and mixed use development.



Chapter 3 - Eligibility Determination

3.1 Submittal Review Process

The Eligibility submittal process has two distinct phases.

First Phase

In the first phase, local jurisdictions submit the eligibility checklist, CIP, MOE and land use planning strategies considered in the General Plan on an annual basis. In addition, the PMP, CMP, MFP, and Adoption of the Circulation Element for MPAH consistency are due on a biennial basis. The LSSP is due every three years. The periodic submittal schedule of the eligibility requirements is included in Exhibit 3 of the M2 Eligibility Guidelines. The applicable eligibility components for a given year are submitted to OCTA by June 30 (with the exception of the expenditure report).

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittals. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility. Eligibility package development begins for most local jurisdictions in April and concludes with submittal to OCTA by the June 30 deadline each year.

Second Phase

The second phase includes the submittal of the Expenditure Report, which is due six months following the end of the local jurisdictions fiscal year per M2 ordinance. The City of Huntington Beach follows a federal fiscal year (October 1 to September 30) and that jurisdiction's expenditure report is due by March 31 of each year. All other local jurisdictions submit their expenditure reports annually by December 31. OCTA staff typically holds a workshop in July/August to go over the eligibility requirements for submitting an expenditure report that is compliant with the M2 Ordinance. The OCTA Finance department reviews expenditure reports.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in Ordinance No. 3 and further described in Chapter 2 of these guidelines. The OCTA and/or its representatives perform an administrative review of the data to determine eligibility compliance for M2 funds. Once all eligibility submittals have been received as satisfactory and complete, the applicable submittals must be prepared for review and approval by the Taxpayer Oversight Committee (TOC).

TOC

M2 established the TOC to provide an enhanced level of accountability for expenditure of Net Revenues under the Ordinance. The TOC is an independent citizens' committee established for overseeing compliance with the Ordinance and ensuring that safeguards are in place to protect the integrity of the overall program. TOC responsibilities include:

- Approval of any amendment to the M2 ordinance proposed by the OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan
- Review of select documentation establishing eligibility by a jurisdiction including a jurisdiction's Congestion Management Plan, Mitigation Fee Program, Expenditure Report, Local Signal Synchronization Plan, and Pavement Management Plan



- Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the M2 Ordinance

The TOC designates the Annual Eligibility Review (AER) subcommittee to review five of the thirteen eligibility requirements listed in the M2 ordinance. The AER subcommittee reviews the Congestion Management Plan, Mitigation Fee Program, Expenditure Report, Local Signal Synchronization Plan, and Pavement Management Plan for each local jurisdiction. The AER subcommittee recommends eligibility determination to the TOC.

In addition, OCTA staff will review items that do not directly require TOC approval and confirm compliance. After TOC and OCTA review all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board of Directors (Board). The OCTA Regional Planning and Highways Committee review the item prior to being considered by the full Board. The Board will make final determination whether a local agency remains eligible for M2 funding on an annual basis.



Chapter 4 – Failure to Meet Eligibility Requirements

4.1 Non-Compliance Consequences

M2 extends a legacy of successful public funding investment in transportation throughout Orange County. The eligibility process includes a review of required compliance components to ensure that programs and funding guidelines are met as defined by Ordinance No. 3. Article XIX of the California Constitution, provides guidance regarding the use of tax revenues for transportation purposes, and provides a useful definition of eligible transportation planning/implementation activities.

OCTA routinely conducts an audit of local jurisdictions' annual eligibility materials and financial records. Full cooperation is expected in order to complete the process in a timely manner. A finding of non-compliance may be made if either of the following conditions exists:

- Use of M2 funding for non-transportation or non-eligible activities, or
- Failure to meet eligibility requirements

If a determination is made that a local jurisdiction has used M2 funds for ineligible purposes, misspent funds must be fully repaid and the jurisdiction will be deemed ineligible to receive Net Revenues for a period of five (5) years. A finding of ineligibility is determined by the OCTA Board of Directors. Failure to adhere to eligibility compliance components may result in suspension of funds until satisfactory compliance is achieved.

4.2 Appeals Process

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff, the Technical Steering Committee, the Technical Advisory Committee, and the Taxpayer Oversight Committee with final determination made by the OCTA Board of Directors. An appeal of findings may be filed with the Board of Directors for re-consideration.

4.3 Re-establishing MPAH Eligibility

If a Circulation Element is found to be inconsistent with the MPAH and a local jurisdiction is determined ineligible for M2 funds, the local jurisdiction may re-establish eligibility by requesting to undertake a cooperative study with OCTA. The study will be designed to do the following:

- Ascertain the regional transportation system needs
- Make provisions to meet those needs in the local jurisdiction's General Plan
- Re-establish consistency with the MPAH

Any changes to a local jurisdiction's General Plan or the MPAH shall be mutually acceptable to the jurisdiction and OCTA. Until such a study has been completed and an agreement reached on the proposed amendment, the jurisdiction shall be ineligible to apply for and/or receive M2 competitive funds.



4.4 For Additional Information

The OCTA M2 Eligibility Guidelines have been developed to assist jurisdictions located throughout Orange County to understand and continue to implement all eligibility requirements to receive M2 funding. The Guidelines provide general summary information regarding all eligibility requirements as well as a comprehensive summary of all responsibilities and actions for which a local jurisdiction must follow to continue their eligibility.

Please contact the following OCTA staff when seeking additional information or clarification regarding any of the M2 Eligibility Guidelines:

May Hout

Senior Transportation Funding Analyst

(714) 560-5905

MHout@octa.net

Or

Sam Kaur

Section Manager, Local Measure M Programs

(714) 560-5673

SKaur@octa.net



Appendices

Appendix A: M2 Ordinance

The M2 Ordinance (Ordinance No. 3) can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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Appendix B: Eligibility for New Cities

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Eligibility for New Cities

Eligibility for Fair Share Funds - New Cities

At the time of incorporation, a new city may adopt current practices previously established by the County of Orange, which have already established eligibility under the current M2. As new cities mature, they will adopt their own general plan and growth strategies.

To provide for this transition period, the OCTA Board of Directors has previously adopted the following new city eligibility process for Fair Share funds:

- A new city may, at its discretion, adopt the approved PMP of the predecessor governing body as its own, providing these policies are fully enforced.
- Prior to incorporation, the proposed new city must work with OCTA and the Local Agency Formation Commission (LAFCO) to identify the variables used in the M2 Fair Share funds calculation (population, taxable sales, and MPAH mileage). Preliminary data must be identified prior to the date of incorporation.
- The new city will begin accruing M2 Fair Share funds as of the date of incorporation.
- The OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the OCTA Board within one year of the date of incorporation.
- In order for the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the M2 eligibility package, complete the necessary review and approval of the package, and the OCTA Board must determine the new city eligible to receive M2 funds within one year of the date of incorporation. OCTA recommends the city submit its eligibility package within six months of incorporation to allow sufficient time for OCTA review and approval processes.
- Upon determination of eligibility by the OCTA Board, the new city will receive its first Fair Share payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first fair share payment will be adjusted to reflect final Fair Share calculation (population, taxable sales, and MPAH miles) as determined through the new city eligibility process.
- In the event a new city is determined to be ineligible to receive Fair Share funds by the OCTA Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible jurisdictions on a pro-rata basis, until such time that the new city attains eligibility.
- Such new city will begin to accrue funds as of the first day of the first regular accrual period following its determination of eligibility by the OCTA Board and receive its first Fair Share payment on the corresponding regular payment cycle.

Eligibility for Competitive Funds-New Cities

In addition to the new city eligibility process for Fair Share funds, the OCTA Board has adopted the following process for eligibility for competitive funds:

- A new city may apply for competitive funding upon the date of incorporation, however, may not be awarded competitive funding until the new city has been determined eligible to receive Fair Share funds by OCTA Board, as described above.
- A new city must include an adopted PMP that is consistent with countywide pavement condition assessment standards (Arterial Highway Rehabilitation Program), a General Plan Circulation Element consistent with the MPAH, and a City Council resolution attesting that no unilateral reduction in lanes have been made on any MPAH arterials in its M2 eligibility package for review and approval by the OCTA Board.
- Applications for competitive funding by new cities will be considered until such time in the process of the competitive funding program that projects are ranked for award. If the new city has not been determined eligible by the OCTA Board by the time projects are ranked for award, any application by the new city for competitive funding will be withdrawn from further consideration. OCTA staff will work with the new city to revise the schedule specific to its time of incorporation in relation to the current competitive funding program process

New Cities – MOE

M2 requires the development of a method to apply the MOE to new cities without five years of streets and roads data, including cities incorporated during the thirty years the tax is in effect. New cities unable to meet this requirement may use the appeals process to establish a benchmark number that more accurately reflects network needs. A phase-in period of two years has been established for new cities to achieve the approved MOE expenditure requirement.

The approved method uses the following formula to calculate the MOE for new cities:

$$\frac{\text{Total MOE benchmark for the county}}{\text{Total county population}} = \text{Per capita expenditure}$$

$$\text{Per capita expenditure} \times \text{city population} = \text{MOE benchmark for the city}$$

Appeals Process

New cities may appeal the formula benchmark determination above where there is a dispute regarding the city population. The OCTA shall use the most recent Census or figures from the State of California Department of Finance. Appeals will be submitted first to the Technical Advisory Committee and then to the OCTA Board of Directors for final determination.

Appendix C: Congestion Management Program Checklist

Appendix C can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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APPENDIX C

Congestion Management Program (CMP)

Jurisdiction: _____

CMP Monitoring Checklist: Level of Service					
CMP Checklist		YES	NO	N/A	
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> • There are no CMP intersections in your jurisdiction. • Factoring out statutorily-exempt activities¹, all CMP intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>		
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.					
2.	If any, please list those intersections that are not operating at the CMP LOS standards. <ul style="list-style-type: none"> • _____ • _____ • _____ 				<input type="checkbox"/>
3.	Will deficient intersections, if any, be improved by mitigation measures to be implemented in the next 18 months or improvements programmed in the first year of any recent funding program (i.e., local agency CIP, CMP CIP, Measure M CIP)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, has a deficiency plan been developed for each intersection that will be operating below the CMP LOS standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					
I certify that the information contained in this checklist is true.					
Signature: _____					
Title: _____					

¹The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

Jurisdiction:	
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CMP Monitoring Checklist: Deficiency Plans				
CMP Checklist		YES	NO	N/A
1.	Check "Yes" if either of the following apply: <ul style="list-style-type: none"> • There are no CMP intersections in your jurisdiction. • Factoring out statutorily-exempt activities², all CMPHS intersections within your jurisdiction are operating at LOS E (or the baseline level, if worse than E) or better. 	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTIONS.				
2.	If any, please list those intersections found to not meet the CMP LOS standards. <ul style="list-style-type: none"> • _____ • _____ • _____ 			<input type="checkbox"/>
3.	Are there improvements to bring these intersections to the CMP LOS standard scheduled for completion during the next 18 months or programmed in the first year of the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: ONLY THOSE AGENCIES THAT CHECKED "NO" FOR QUESTION 3 NEED TO ANSWER THE REMAINING QUESTIONS.				
4.	Has a deficiency plan or a schedule for preparing a deficiency plan been submitted to OCTA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Does the deficiency plan fulfill the following statutory requirements:			
	a. Include an analysis of the causes of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Include a list of improvements necessary to maintain minimum LOS standards on the CMPHS and the estimated costs of the improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Include a list of improvements, programs, or actions, and estimates of their costs, which will improve LOS on the CMPHS and improve air quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Do the improvements, programs, or actions meet the criteria established by SCAQMD (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

²The following activities are statutorily-exempt from deficiency determinations: interregional travel, traffic generated by the provision of low and very low income housing, construction rehabilitation or maintenance of facilities that impact the system, freeway ramp metering, traffic signal coordination by the state or multi-jurisdictional agencies, traffic generated by high-density residential development within 1/4 mile of a fixed-rail passenger station, traffic generated by mixed-use residential development within 1/4 mile of a fixed-rail passenger station.



APPENDIX C

Congestion Management Program (CMP)

Jurisdiction:	
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CMP Monitoring Checklist: Deficiency Plans (cont.)				
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CMP Checklist		YES	NO	N/A
6.	Are the capital improvements identified in the deficiency plan programmed in your seven-year CMP CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Does the deficiency plan include a monitoring program that will ensure its implementation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Does the deficiency plan include a process to allow some level of development to proceed pending correction of the deficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Has necessary inter-jurisdictional coordination occurred?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Please describe any innovative programs, if any, included in the deficiency plan:			<input type="checkbox"/>

Additional Comments:

--

<p>I certify that the information contained in this checklist is true.</p> <p>Signature: _____</p> <p style="margin-left: 40px;">Title: _____</p>



APPENDIX C

Congestion Management Program (CMP)

Jurisdiction:	
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CMP Monitoring Checklist: Land Use Coordination				
CMP Checklist		YES	NO	N/A
1.	Have you maintained the CMP traffic impact analysis (TIA) process you selected for the previous CMP?	<input type="checkbox"/>	<input type="checkbox"/>	
	a. If not, have you submitted the revised TIA approach and methodology to OCTA for review and approval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Did any development projects require a CMP TIA during this CMP cycle? ³	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 2 NEED TO ANSWER THE REMAINING QUESTIONS.				
3.	If so, how many?	_____		
4.	Please list any CMPHS links & intersections that were projected to not meet the CMP LOS standards (indicate whether any are outside of your jurisdiction). <ul style="list-style-type: none"> • _____ • _____ • _____ 			<input type="checkbox"/>
	a. Were mitigation measures and costs identified for each and included in your seven-year CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. If any impacted links & intersections were outside your jurisdiction, did your agency coordinate with other jurisdictions to develop a mitigation strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	If a local traffic model was/will be used, did you follow the data and modeling consistency requirements as described in the CMP Preparation Manual (available online at http://www.octa.net/pdf/cmpprepremanual.pdf)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				
I certify that the information contained in this checklist is true.				
Signature: _____		Title: _____		

³Exemptions include: any development generating less than 2,400 daily trips, any development generating less than 1,600 daily trips (if it directly accesses a CMP highway), final tract and parcel maps, issuance of building permits, issuance of certificate of use and occupancy, and minor modifications to approved developments where the location and intensity of project uses have been approved through previous and separate local government actions prior to January 1, 1992.



APPENDIX C

Congestion Management Program (CMP)

Jurisdiction:	
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CMP Monitoring Checklist: Capital Improvement Program				
CMP Checklist		YES	NO	N/A
1.	Did you submit a seven-year Capital Improvement Program (CIP) to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Does the CIP include projects to maintain or improve the performance of the CMPHS (including capacity expansion, safety, maintenance, and rehabilitation)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Is it consistent with air quality mitigation measures for transportation- related vehicle emissions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Was the Web Smart CIP provided by the OCTA used to prepare the CMP CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional Comments:				
I certify that the information contained in this checklist is true.				
Signature: _____				
Title: _____				

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Appendix D: Eligibility Checklist

Appendix D can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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APPENDIX D

Eligibility Checklist

Jurisdiction:	
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Capital Improvement Program (CIP)		YES	N/A
1.	Did you submit your draft Measure M2 seven-year CIP to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA CIP database?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you indicated what percentage of funding will come from each source for each of the projects?	<input type="checkbox"/>	<input type="checkbox"/>
	c. Have you listed projects in current year dollars?	<input type="checkbox"/>	<input type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by Measure M2 net revenues?	<input type="checkbox"/>	<input type="checkbox"/>
	e. The council approval date* to adopt the final 7-Year CIP is: _____ *Must be prior to July 31		

Maintenance of Effort (MOE)		YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you provide supporting budget documentation?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?	<input type="checkbox"/>	<input type="checkbox"/>

Pavement Management Program (PMP)		YES	N/A
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? If you are not required to submit a PMP update, check N/A. Refer to Exhibit 3 for local agency PMP submittal schedule.	<input type="checkbox"/>	<input type="checkbox"/>
	a. If yes, did you use the current PMP Certification form (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Program?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered "n/a" to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?	<input type="checkbox"/>	<input type="checkbox"/>

Resolution of Master Plan of Arterial Highways (MPAH) Consistency		YES	N/A
5.	Did you submit a resolution demonstrating consistency with the MPAH?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you enclosed a figure representing your most current circulation element?	<input type="checkbox"/>	<input type="checkbox"/>

Local Signal Synchronization Plan (LSSP)		YES	N/A
6.	Did you adopt and submit an update to the LSSP as part of the current cycle?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	<input type="checkbox"/>	<input type="checkbox"/>



APPENDIX D

Eligibility Checklist

Time Limits for Use of Net Revenues		YES	NO
7.	Has your jurisdiction complied with the three year time limit for the use of net revenues over the last year per the requirements outlined in the ordinance?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?	<input type="checkbox"/>	<input type="checkbox"/>

Supplanting of Developer Commitments		YES	NO
8.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with Measure M2 funds?	<input type="checkbox"/>	<input type="checkbox"/>

Mitigation Fee Program		YES	N/A
9.	Does your jurisdiction currently have a defined development impact mitigation fee program in place?	<input type="checkbox"/>	<input type="checkbox"/>
10.	Has your jurisdiction submitted a copy of the current mitigation fee program?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Have you included a copy of your current impact fee schedule; or	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you provided OCTA with a copy of your mitigation fee nexus study; or	<input type="checkbox"/>	<input type="checkbox"/>
	c. Have you included a copy of your council approved policy; or	<input type="checkbox"/>	<input type="checkbox"/>
	d. Have you provided OCTA with a copy of your council resolution approving the mitigation fee program?	<input type="checkbox"/>	<input type="checkbox"/>

Planning Strategies		YES	NO
11.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	<input type="checkbox"/>	<input type="checkbox"/>
12.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the general plan?	<input type="checkbox"/>	<input type="checkbox"/>

Traffic Forums		YES	NO
13.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?	<input type="checkbox"/>	<input type="checkbox"/>
	a. If you answered yes, provide date of attendance: _____		

Congestion Management Program (CMP)		YES	N/A
14.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	<input type="checkbox"/>	<input type="checkbox"/>

 Name (Print)

 Signature

 Date

Appendix E: Sample Resolution

Appendix E can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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[SAMPLE RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT, LOCAL SIGNAL SYNCHRONIZATION PLAN, MITIGATION FEE PROGRAM, AND PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M (M2) PROGRAM

WHEREAS, the City/County of _____ desires to maintain and improve the streets within its jurisdiction, including those arterials contained in the Master Plan of Arterial Highways (MPAH) and

WHEREAS, the City/County of _____ had endorsed a definition of and process for, determining consistency of the City's/County's Traffic Circulation Plan with the MPAH, and

WHEREAS, the City/County has adopted a General Plan Circulation Element which does not preclude implementation of the MPAH within its jurisdiction, and

WHEREAS, the City/County is required to adopt a resolution biennially informing the Orange County Transportation Authority (OCTA) that the City/County's Circulation Element is in conformance with the MPAH and whether any changes to any arterial highways of said Circulation Element have been adopted by the City/County during Fiscal Years (FY) 2015-16 and FY 2016-17, and

WHEREAS, the City/County is required to send biennially to the OCTA all recommended changes to the City/County Circulation Element and the MPAH for the purposes of re-qualifying for participation in the Comprehensive Transportation Funding Programs;

WHEREAS, the Orange County Transportation Authority has developed the Regional Traffic Signal Synchronization Master Plan to identify traffic signal synchronization street routes and traffic signals within and across jurisdictional boundaries, and defines the means of implementing the Regional Traffic Signal Synchronization Program; and

WHEREAS, the Regional Traffic Signal Synchronization Program requires that local agencies adopt a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local agencies' efforts to synchronizing traffic signals across local agencies' boundaries; and

WHEREAS, the Local Signal Synchronization Plan must be updated by June 30, 2017 to continue to be eligible to receive Net Revenues as part of Measure M2;

WHEREAS, the City/County is required to adopt a resolution biennially certifying that the City/County has an existing Mitigation Fee Program that assesses traffic impacts of new development and requires new development to pay a fair share of necessary transportation improvements attributable to the new development;

WHEREAS, the City/County is required to adopt and update a Pavement Management Plan regarding the status of road pavement conditions and implementation of the Pavement Management Plan on a biennial basis; and

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____, does hereby inform OCTA that:

- a) The arterial highway portion of the City/County Circulation Element of the City/County is in conformance with the MPAH.
- b) The City/County attests that no unilateral reduction in through lanes has been made on any MPAH arterials during FY 2015-16 and FY 2016-17.
- c) The City/County adopts and maintains a Local Signal Synchronization Plan which includes goals that are consistent with those outlined as part of the Regional Signal Synchronization Master Plan, including signal synchronization across jurisdictions.
- d) The Local Signal Synchronization Plan identifies traffic signal synchronization street routes, including all elements of the Regional Signal Synchronization Network located within the City/County.
- e) The Local Signal Synchronization Plan includes the traffic signal inventory for all traffic signal synchronization street routes.
- f) The Local Signal Synchronization Plan includes a three-year plan showing capital, operations, and maintenance of signal synchronization along the traffic signal synchronization street routes and traffic signals.
- g) The Local Signal Synchronization Plan includes an update on the status and performance of traffic signal synchronization activities.
- h) The Local Signal Synchronization Plan includes a discussion on the review and revision, as may be necessary, on the timing of traffic signals on the traffic signal synchronization street routes.
- i) The City/County reaffirms that Council concurs with the existing Mitigation Fee Program.
- j) The City/County adopts a Pavement Management Plan and has provided an updated Pavement Management Plan report to Orange County Transportation Authority.

PASSED, APPROVED AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].

Appendix F: Pavement Management Plan Certification & Agency Submittal Checklist

Appendix F can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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APPENDIX F

Pavement Management Plan Certification

The City/County of _____ certifies that it has a Pavement Management Plan in conformance with the criteria stated in the Orange County Transportation Authority Ordinance No.3. This ordinance requires that the Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M (M2).

The plan was developed by _____ * using _____, a pavement management system, conforming to American Society for Testing and Materials (ASTM) Standard D6433, and contains, at a minimum, the following elements:

- Inventory of MPAH and local routes reviewed and updated biennially. The last update of the inventory was completed on _____, _____ for Arterial (MPAH) streets and _____, _____ for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed _____, _____.
- Percentage of all sections of pavement needing:
 - Preventive Maintenance _____, Rehabilitation _____, Reconstruction _____
- Budget needs for preventative maintenance, rehabilitation and/or reconstruction of deficient sections of pavement for:
 - Current biennial period \$ _____, Following biennial period \$ _____
- Funds budgeted or available for Preventative Maintenance, Rehabilitation and/or Reconstruction.
 - Current biennial period \$ _____, Following biennial period \$ _____
- Backlog by year of unfunded pavement rehabilitation, restoration, and reconstruction needs.
- The Pavement Management Plan is consistent with countywide pavement condition assessment standards as described in the OCTA Countywide Pavement Management Plan Guidelines adopted by the OCTA Board of Directors.

* An electronic copy of the Pavement Management Plan with Micro Paver or StreetSaver compatible files has been or will be submitted with the certification statement.

A copy of this certification is being provided to the Orange County Transportation Authority.

Submitted by:

Name (Print)	Title	Jurisdiction
Signature	Date	

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Pavement Management Plan

Agency Submittal Checklist

A Pavement Management Plan (PMP) is a plan to manage the preservation, rehabilitation, and maintenance of paved roads by analyzing pavement life cycles, assessing overall system performance costs, and determining alternative strategies and costs necessary to improve paved roads. Local agencies are required to update their PMP on a biennial basis. MicroPAVER or StreetSaver will be used for countrywide consistency. The software must be consistent with American Standard for Testing and Materials (ASTM) Standard D6433. Local agencies are required to submit a PMP unbound "hard copy" including: (See Chapter 3)

Local agencies must submit the following to OCTA:		Page(s) in PMP	Submitted
PMP Agency Submittal Checklist (See Appendix A)			<input type="checkbox"/>
PMP certification (See Appendix B)			<input type="checkbox"/>
QA/QC plan (See Appendix C and Section 2.4)			<input type="checkbox"/>
Pavement management data files in a form useable by OCTA (See Section 2.8)			<input type="checkbox"/>
Average (weighted by area) Pavement Condition Index for:			
i.	Entire pavement network		<input type="checkbox"/>
ii.	Master Plan of Arterial Highways (MPAH) roadways		<input type="checkbox"/>
iii.	Local streets		<input type="checkbox"/>
Projected PCI under existing funding levels over the next seven years for:			
i.	Entire pavement network		<input type="checkbox"/>
ii.	MPAH roadways		<input type="checkbox"/>
iii.	Local streets		<input type="checkbox"/>
Seven-year plan for road maintenance and rehabilitation based on current and projected budget, identifying street sections selected for treatment. Specific data to be submitted are:			
i.	Street name		<input type="checkbox"/>
ii.	Limits of work		<input type="checkbox"/>
iii.	Lengths, widths		<input type="checkbox"/>
iv.	Pavement Areas:		
	1. Each street		<input type="checkbox"/>
	2. Total area for local streets		<input type="checkbox"/>
	3. Total area for MPAH roadways		<input type="checkbox"/>
	4. Total area for entire public streets network		<input type="checkbox"/>
v.	Functional classification (i.e. MPAH or local street)		<input type="checkbox"/>
vi.	PCI and most recent date of inspection (See Section 2.2)		<input type="checkbox"/>
vii.	Type of treatment		<input type="checkbox"/>
viii.	Cost of treatment		<input type="checkbox"/>
ix.	Year of treatment		<input type="checkbox"/>
Alternative funding levels required to:			
i.	Maintain existing average network PCI		<input type="checkbox"/>
ii.	To improve average network PCI		<input type="checkbox"/>
Backlog by year of unfunded pavement rehabilitation, restoration, reconstruction, and maintenance needs.			<input type="checkbox"/>
Centerline mileage for MPAH, local streets, and total network.			<input type="checkbox"/>
Percentage of total network in each of the five condition categories based on centerline miles.			<input type="checkbox"/>

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Appendix G: M2 Expenditure Report Template, Instructions & Resolution

Appendix G can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must be in agreement with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum Lines 1 – 12 in the "Amount" and "Interest" Column

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" Column

Line 15: Total Monies Available

Sum Lines 13-14 in the "Amount" and "Interest" Column

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" Column

Lines 17-28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must be in agreement with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

**M2 Expenditure Report
Fiscal Year Ended June 30, 20__
Beginning and Ending Balances**

Description		Line No.	Amount	Interest
Balances at Beginning of Fiscal Year				
A-M	Freeway Environmental Mitigation	1		
O	Regional Capacity Program	2		
P	Regional Traffic Signal Synchronization Program	3		
Q	M2 Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Water Quality Program	11		
	Other*	12		
	Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
	Monies Made Available During Fiscal Year	14		
	Total Monies Available (Sum Lines 13 & 14)	15		
	Expenditures During Fiscal Year	16		
Balances at End of Fiscal Year				
A-M	Freeway Environmental Mitigation	17		
O	Regional Capacity Program	18		
P	Regional Traffic Signal Synchronization Program	19		
Q	M2 Fair Share	20		
R	High Frequency Metrolink Service	21		
S	Transit Extensions to Metrolink	22		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	24		
V	Community Based Transit/Circulators	25		
W	Safe Transit Stops	26		
X	Water Quality Program	27		
	Other*	28		

* Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1-12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 13: Total Revenues

Sum Lines 1-12 (Should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" Column)

Lines 14-25: Report the Following Expenditures on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum Lines 14-25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" Column)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" Column

City/County of: _____

Schedule 2

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Sources and Uses**

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Environmental Mitigation	1		
O	Regional Capacity Program	2		
P	Regional Traffic Signal Synchronization Program	3		
Q	M2 Fair Share	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Water Quality Program	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Environmental Mitigation	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	M2 Fair Share	17		
R	High Frequency Metrolink Service	18		
S	Transit Extensions to Metrolink	19		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Water Quality Program	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Administration (Indirect & Overhead)

This line covers transportation-related local agency costs that are identified with a project and are not included as direct charges. The costs listed in this line item represent an equitable share of expenditures for the supervision and management of streets and roads activities not directly allocated to right-of-way, construction, or other categories listed below. This includes, but is not limited to, salaries of project management and support staff.

Lines 2-7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead agency as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum Lines 2-7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.
- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained by reason of the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum Lines 8-9

Line 11-15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum Lines 11-15

Line 17: Other

Please provide description for other categories. Example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc.

Line 18: Grand Totals

Sum Lines 1, 10, 16, and 17

City/County of: _____

Schedule 3

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Streets and Roads Detailed Use of Funds**

Type of Expenditure	Line Item	MOE ²	Developer / Impact Fee ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ³	Other M2 Interest	Other*	TOTAL
Administration (Indirect & Overhead)	1														\$
Construction & Right-of-Way															
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

¹ Includes direct charges for staff time

² Local funds used to satisfy maintenance of effort (MOE) requirements

³ Other M2 includes A-M, R, S, T, U, V, and W

+ Transportation related only

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of M2 Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M (M2) local fair share funding. Please include the total amount of **M2 fair share** funds **only** that were expended.

City/County of: _____

Signature Page

**M2 Expenditure Report
Fiscal Year Ended June 30, 20__**

I certify that the interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated and all the information attached herein is true and accurate to the best of my knowledge:

Director of Finance (Print Name)

Date

Signature

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF CONCERNING THE MEASURE M2 EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____.

WHEREAS, Local Transportation Authority Ordinance No. 3 requires local jurisdictions to adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction that satisfy the Maintenance of Effort requirements; and

WHEREAS, the Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the Expenditure Report must be adopted and submitted to the Orange County Transportation Authority each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of Measure M2.

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the M2 Expenditure Report Template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the Measure M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED AND ADOPTED on the _____ day of _____, 2017.

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Appendix H: Arterial Highway Mileage Change Report

Appendix H can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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APPENDIX H

Arterial Highway Change Report

County/City of: _____

Street Name	Date Added	Date Deleted	From	To	8-Lane Centerline Miles	6-Lane Centerline Miles	4-Lane Centerline Miles	Total Centerline Miles
Subtotals:								

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Appendix I: Maintenance of Effort Reporting Form

Appendix I can be found on the Eligibility Website:
<http://www.octa.net/M2Eligibility>

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APPENDIX I

Maintenance of Effort Reporting Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

Please attach supporting budget documentation for each line item listed below.

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

ADMINISTRATIVE/OTHER	Total Expenditure
Subtotal Administration/Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions*)	\$
MOE Expenditures	\$

MOE Benchmark Requirement \$

(Shortfall)/Surplus \$

Certification:

I hereby certify that the City/County of _____ has budgeted and will meet the Maintenance of Effort requirement for Fiscal Year _____.

Finance Director Signature

Finance Director
(Print Name)

Date

*Funding sources include Measure M, federal, state, redevelopment, and bond financing.

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Appendix J: Acronyms

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Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
CCI	Construction Cost Index
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CTFP	Comprehensive Transportation Funding Programs
GMP	Growth Management Program
ITS	Intelligent Transportation Systems
LAFCO	Local Agency Formation Commission
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
LTA	Local Transportation Authority
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCCOG	Orange County Council of Governments
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program
RTSSMP	Regional Traffic Signal Synchronization Master Plan
SCAQMD	South Coast Air Quality Management District
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TOC	Taxpayer Oversight Committee
TSC	Technical Steering Committee

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