



MEASURE M2 ELIGIBILITY GUIDELINES

FISCAL YEAR 2024 / 2025



ORANGE COUNTY TRANSPORTATION AUTHORITY

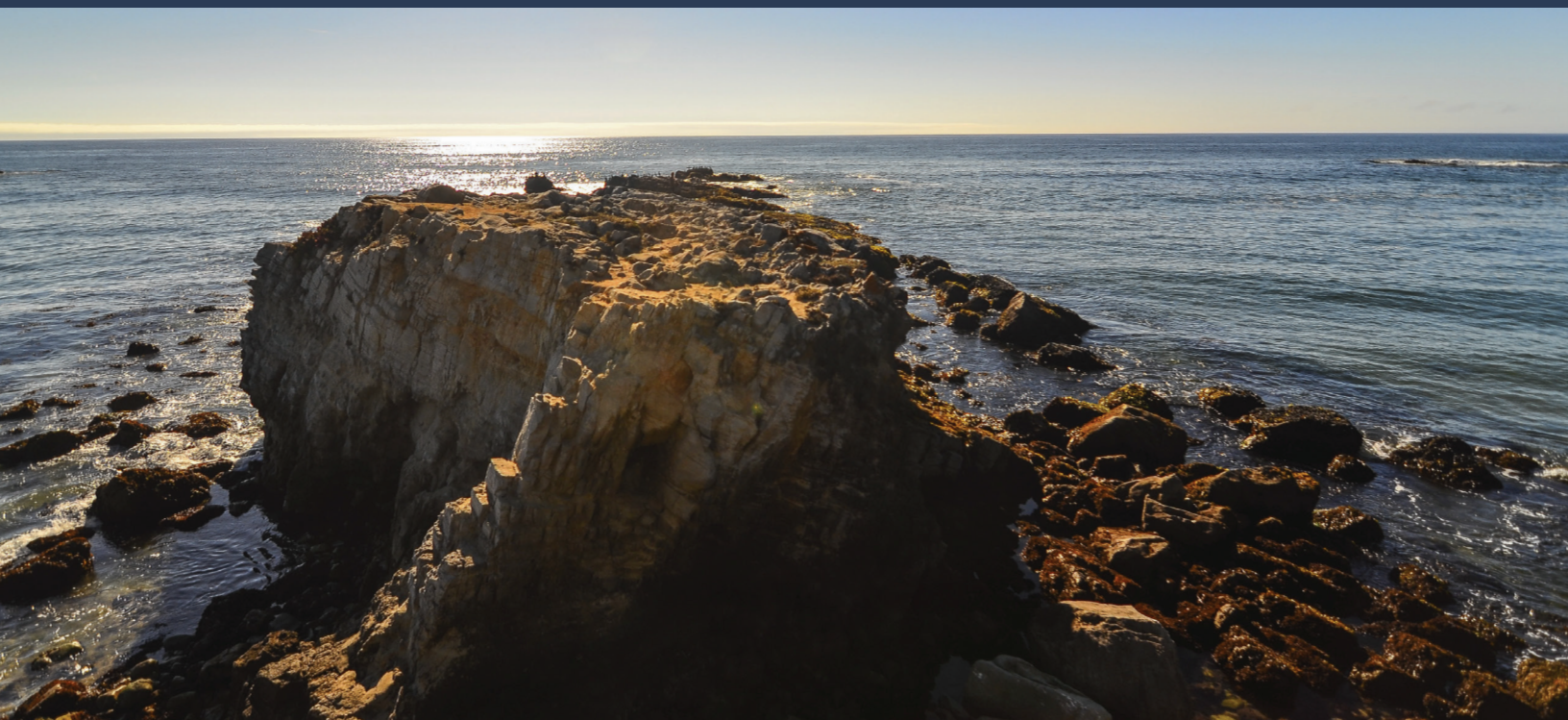


Table of Contents

Chapter 1 – Eligibility Overview	1
1.1 Introduction	1
1.2 Competitive Funds	2
1.3 Local Fair Share (LFS) Funds	2
1.4 Eligibility Requirements for Net Revenues	3
1.5 Audits.....	3
Chapter 2 – Eligibility Requirements	5
2.1 Capital Improvement Program (CIP).....	6
2.2 Circulation Element/MPAH Consistency	7
Exhibit 1: MPAH Centerline Miles	8
2.3 Congestion Management Plan (CMP)	9
2.4 Expenditure Report.....	10
2.5 Local Signal Synchronization Plan (LSSP)	11
2.6 Maintenance of Effort (MOE)	12
Exhibit 2: MOE Benchmark by Local Jurisdiction	14
2.7 Mitigation Fee Program (MFP).....	15
2.8 No Supplanting of Developer Commitments	15
2.9 Pavement Management Plan (PMP).....	16
Exhibit 3: Submittal Schedule for Periodic Components.....	17
2.10 Project Final Report.....	18
2.11 Time Limit for Use of Net Revenues.....	18
2.12 Traffic Forums	20
2.13 Transit/Non-motorized Transportation in General Plan	20
Chapter 3 - Eligibility Determination	21
3.1 Submittal Review Process	21
3.2 Approval Process	21
Chapter 4 – Failure to Meet Eligibility Requirements	23
4.1 Non-Compliance Consequences	23
4.2 Board Process Related to Ineligibility	23
4.3 For Additional Information.....	24
Appendices:	
Appendix A: M2 Ordinance	
Appendix B: Eligibility for New Cities	
Appendix C: Congestion Management Program Checklist	
Appendix D: Eligibility Checklist	
Appendix E: Resolutions	
Appendix F: PMP Submittal Template.....	
Appendix G: M2 Expenditure Report Template, Instructions & Resolution.....	
Appendix H: Arterial Highway Mileage Change Report	
Appendix I: Maintenance of Effort Certification Form	
Appendix J: Acronyms	

This Page Intentionally Left Blank

Chapter 1 – Eligibility Overview

1.1 Introduction

On November 6, 1990, the voters in Orange County approved a ½-cent sales tax for transportation improvements known as Measure M. On November 7, 2006, voters approved a renewal of the original sales tax measure to continue the ½-cent sales tax for thirty years, beginning in 2011. Major improvement plans target Orange County freeways, streets and roads, transit and environmental programs.

The M2 Ordinance, included as Appendix A, outlines the eligibility requirements that local jurisdictions must satisfy to receive M2 Net Revenues. The M2 Eligibility Guidelines (Eligibility Guidelines) provide the resources local jurisdictions need to remain eligible to participate in M2 funding programs. Guidelines for newly incorporated cities are outlined in Appendix B.

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 Orange County Transportation Authority (OCTA) shall allocate the Net Revenues to freeways, environmental, transit, and streets 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

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 (ECP) to implement transportation-related water quality improvement projects.

Transit Projects

Orange County's rail and bus service will receive twenty-five percent (25%) of 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.

Streets and Roads Projects

Orange County has more than 7,300 lane miles of streets and roads; many in need of repair and rehabilitation. This sales tax measure 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 Streets and Roads Projects shall be made as follows:

1. Ten percent (10%) of the Net Revenues shall be allocated to Project O, Regional Capacity Program (RCP).
2. Four percent (4%) of the Net Revenues shall be allocated to Project P, Regional Traffic Signal Synchronization Program (RTSSP).
3. Eighteen percent (18%) of the Net Revenues shall be allocated to Project Q, Local Fair Share (LFS) Program.

1.2 Competitive Funds

OCTA shall select projects through a competitive process for the RCP, RTSSP, various transit programs (Projects S, T, V, and W), and the ECP (Project X). The criteria for selecting these projects are included in the Comprehensive Transportation Funding Programs (CTFP) Guidelines, which are updated for each call for projects cycle. The process for calculating and distributing LFS 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 intended to provide flexible funding to help jurisdictions keep up with the rising cost of repairing the aging street system. In addition, cities can use these funds for other local transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc. The LFS Program 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%) is 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%) is divided between eligible jurisdictions based upon the ratio of the jurisdiction's existing MPAH centerline miles to the total MPAH centerline miles within the County as determined annually by OCTA.
- Twenty-five percent (25%) is 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 (California State University, Fullerton; Chapman University; University of California, Los Angeles) to provide a long-range forecast of taxable sales to forecast M2 revenues for the 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 taxable sales. On March 28, 2016, as part of the fiscal year (FY) 2016-17 budget development process, the Board of Directors (Board) approved a new sales tax forecast methodology. The new methodology included 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, OCTA determines if a local jurisdiction is eligible to receive M2 Net Revenues. A local jurisdiction must satisfy certain requirements as outlined in the Ordinance. Specifically, a jurisdiction must:

- Comply with the conditions and requirements of the Orange County CMP
- Establish a policy which requires new development to pay its fair share of transportation-related improvements associated with their new development
- Adopt and maintain a General Plan Circulation Element consistent with the MPAH
- Adopt and update a CIP
- Participate in Traffic Forums
- Adopt and maintain a LSSP
- Adopt and update biennially a PMP
- Adopt and provide an annual Expenditure Report to OCTA
- Provide OCTA with a Project Final Report within six months following completion of a project funded with Net Revenues
- Agree to expend Net Revenues received through M2 within three years of receipt
- Satisfy MOE 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

1.5 Audits

Local jurisdictions are responsible for meeting eligibility requirements and applicable laws regarding the use of public funds. Many eligibility requirements involve self-certification by local jurisdictions. Eligibility requirements are subject to audit. Audits shall be conducted by the OCTA Internal Audit Department or other authorized agent either through a regular annual process or on a schedule to be determined by the OCTA Board. Failure to submit to an audit in a timely manner may result in loss of future funding. Audit findings may result in an ineligibility determination and/or other sanctions. Please see Chapter 4 for more information regarding ineligibility and non-compliance consequences.

This Page Intentionally Left Blank

Chapter 2 – Eligibility Requirements

The annual eligibility process relies upon a variety of reporting methods to verify local jurisdiction adherence to M2 eligibility requirements. 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 guidelines and are available in electronic format. The table below summarizes certification frequency and documentation requirements.

Compliance Category	Schedule	Documentation
Capital Improvement Program (CIP)	Annual Next submittal is due June 28, 2024.	<ul style="list-style-type: none"> Submit CIP projects online in OCFundtracker OCFundtracker CIP Project Listing Report City Council/Board of Supervisors approval by July 31, 2024.
Circulation Element/MPAH Consistency	Odd numbered years Next submittal is due June 30, 2025.	<ul style="list-style-type: none"> Resolution (Appendix E) Circulation Element Exhibit Arterial Highway Mileage Change Report (Appendix H) Certify that the Circulation Element is consistent with MPAH in the Eligibility Checklist (Appendix D)
Congestion Management Plan (CMP)	Odd numbered years Next submittal is due June 30, 2025.	<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 December 31, 2024.	<ul style="list-style-type: none"> Expenditure Report and resolution (Appendix G)
Local Signal Synchronization Plan (LSSP)	Every three years Next submittal is due June 30, 2026	<ul style="list-style-type: none"> Copy of Plan Resolution (Appendix E)
Maintenance of Effort (MOE)	Annual Next submittal is due June 28, 2024.	<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 and fund key
Mitigation Fee Program (MFP)	Odd numbered years Next submittal is due June 30, 2025. ¹	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D Supporting documentation Resolution (Appendix E)
No Supplanting Existing Commitments	Annual Next submittal is due June 28, 2024.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Pavement Management Plan (PMP)	Every two years Next submittal for even year jurisdictions is due June 28, 2024. Refer to Exhibit 3 to determine the required PMP submittal schedule.	<ul style="list-style-type: none"> PMP Submittal Template (Appendix F) with PMP Certification form signed by Public Works Director or City Engineer Pavement management data files Adoption - Resolution (Appendix E) or City Council/Board of Supervisors approved adoption recommendation
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 June 28, 2024.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Traffic Forums	Annual Next submittal is due June 28, 2024.	<ul style="list-style-type: none"> Eligibility Checklist item in Appendix D
Transit/Non-motorized Transportation in General Plan	Annual Next submittal is due June 28, 2024.	<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

¹ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of eligibility submittal schedule.

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 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. ECP, RTSSP, RCP, other M2 Competitive Programs, and LFS 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 Projects	A-M
Regional Capacity Program (RCP)	O
Regional Traffic Signal Synchronization Program (RTSSP)	P
Local Fair Share (LFS)	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
Community Based Transit/Circulators	V
Safe Transit Stops	W
Environmental Cleanup Program (ECP) – Water Quality	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. Local jurisdictions 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 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 28, 2024. Final CIP adoption due by July 31, 2024.

City Council/Board of Supervisors approval: Required

Documentation Method: OCTA provides a web-based database on OCFundtracker (<https://ocfundtracker.octa.net/>) that is used countywide for reporting approved CIP information. Each jurisdiction must generate a CIP Project Listing Report from OCFundtracker **and take this report to Council/Board of Supervisors for approval**. Please note, the M2 CIP is a planning document and does not commit local jurisdictions to fund the listed projects. However, projects must be listed on the M2 CIP in order for the proposed project to be eligible to receive M2 funding.

A CIP User’s Manual to assist local jurisdictions with the preparation of the seven-year CIP is available for download at <https://www.octa.net/OCGoEligibility>.

2.2 Circulation Element/MPAH Consistency

M2 funding eligibility requires that each jurisdiction must adopt and maintain a Circulation Element within the jurisdiction's General Plan that is consistent with the OCTA MPAH. The MPAH is the OCTA plan which identifies the ultimate number of through lanes for arterial streets and designating traffic signal synchronization street routes in Orange County.

Every two years, each local jurisdiction must submit a resolution adopted by their governing body confirming that: the circulation element of their General Plan is in conformance with the MPAH; no unilateral reductions in through lanes have been made during the reporting period; and affirming that it will bring forward requests to amend the MPAH, when necessary, to ensure that the General Plan circulation element remains consistent with the MPAH.

Local jurisdictions shall be determined ineligible to participate in M2 programs if they do not submit the required materials below or if through an audit, it is determined that the jurisdiction did not administer the Circulation Element of its General Plan, consistent with the MPAH disclosures identified in the resolution. Exceptions may be considered subject to appropriate documentation.

Submittal Frequency: Odd numbered Fiscal Years - Next submittal is due by June 30, 2025.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: Each jurisdiction must provide the following every odd numbered year:

- Eligibility Checklist (Appendix D) confirmation that the local jurisdiction's Circulation Element is in conformance with the MPAH.
- A copy of the most current Circulation Element Exhibit (network map) 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.
- The Arterial Highway Mileage Change Report (Appendix H). Changes are in actual (newly built or annexed existing facilities) MPAH centerline miles since the previous MPAH review, and 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 jurisdictions' submittals satisfy M2 Eligibility requirements. However, it is ultimately each local jurisdictions' responsibility for ensuring that their Circulation Element is consistent with the MPAH.

Exhibit 1: MPAH Centerline Miles

As of August 31, 2023²

Local Jurisdiction	Centerline Mileage
Aliso Viejo	14.85
Anaheim	148.38
Brea	21.22
Buena Park	34.44
Costa Mesa	49.33
County of Orange	60.82
Cypress	24.93
Dana Point	20.16
Fountain Valley	35.50
Fullerton	62.18
Garden Grove	63.78
Huntington Beach	92.32
Irvine	138.05
La Habra	17.45
La Palma	7.23
Laguna Beach ³	14.01
Laguna Hills	20.73
Laguna Niguel	35.94
Laguna Woods	5.77
Lake Forest	38.03
Los Alamitos	6.44
Mission Viejo	43.77
Newport Beach	48.92
Orange	84.07
Placentia	25.24
Rancho Santa Margarita	18.20
San Clemente	25.57
San Juan Capistrano	18.88
Santa Ana	99.10
Seal Beach	12.24
Stanton	9.48
Tustin	41.72
Villa Park	3.49
Westminster	35.75
Yorba Linda	33.23

1,411.22

² Based on city boundaries published by the County of Orange in conjunction with mileage reported in OCTA ArcSDE database as of August 31, 2023.

³ Laguna Beach credited with State Highway mileage by agreement of the TAC.

2.3 Congestion Management Plan (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 by reducing traffic congestion, providing a mechanism for coordinating land use and development decisions that support the regional economy, and determining gas tax eligibility. 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. 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 – Jurisdictions must 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.
- 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 numbered Fiscal Years - Next submittal is due by June 30, 2025.

City Council/Board of Supervisors approval: Not Required

Documentation 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. Appendix C is available for download at <https://www.octa.net/OCGoEligibility>.

2.4 Expenditure Report

The Expenditure Report is a detailed financial report that tracks financial activity for 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. If interest earnings are negative, an explanation should be included to explain why.
- Reported expenditures shall be identified by activity type (i.e. construction, maintenance/operations, indirect and/or overhead) 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, 2024.

City Council/Board of Supervisors approval: Required (Appendix G)

Documentation Method: The Expenditure Report signed by the jurisdiction's Finance Director (or equivalent) and City Council/Board of Supervisors resolution attesting to the adoption is required. The Expenditure Report is self-certified by the jurisdiction and OCTA's review is to check for consistency with M2 disbursements only. Further, OCTA's receipt of the Expenditure Report does not constitute or confirm OCTA's acceptance or approval of reporting in the Expenditure Report itself, which is ultimately subject to audit review. The Expenditure Report template, instructions, and resolution are provided in Appendix G. Appendix G is available for download at <https://www.octa.net/OCGoEligibility>.

2.5 Local Signal Synchronization Plan (LSSP)

The LSSP⁴ is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to be improved in eligible jurisdictions. The LSSP 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 by June 30, 2026.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: Local jurisdictions must ensure that their LSSP is in conformance with the RTSSMP. LSSPs must be updated and adopted every three years starting June 30, 2014. At a minimum, a Public Works Director must sign the LSSP Consistency Review Checklist. A separate document prepared by OCTA, "Guidelines for the Preparation of Local Signal Synchronization Plans," provides additional detail for jurisdiction submittal and is available for download at <https://www.octa.net/OCGoEligibility>.

⁴ A local match reduction of ten percent (10%) is provided for competitive grant applications submitted through the Regional Capacity Program (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 indirect/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 it will meet MOE requirements of Section 6 of the Ordinance. MOE applies to street and road transportation-related discretionary expenditures using GFRs or other non-transportation discretionary funds by local jurisdictions. Eligible expenditures are outlined in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties," consistent with Article XIX of the State Constitution, and are subject to audit.

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 discretionary funding, such as general fund revenues, 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 Annual Report data collection sheets. The established benchmark was reported in constant dollars and was not adjusted for inflation. Note: Annexation of land into an existing jurisdiction does not affect the MOE.

Per the 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 calendar years, provided that 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, 2026.

Submittal Frequency: Annual - Next MOE submittal is due June 28, 2024.

City Council/Board of Supervisors approval: Not Required

Documentation Method: The MOE Certification form must be completed, signed by the jurisdiction's Finance Director (or equivalent) and submitted on an annual basis. The current form is included in the Eligibility Guidelines as Appendix I and is available for download at <https://www.octa.net/OCGoEligibility>.

In addition, excerpts from the jurisdiction's annual budget showing referenced MOE expenditures and dedication of funds shall be included in the annual submittal to substantiate planned relevant discretionary fund expenditures, such as General Funds. MOE expenditures should be budgeted carefully, with clear focus upon benefits to local streets and roads, which can withstand periodic expenditure audit processes. **Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.**

Any California State Constitution Article XIX street and road eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local

jurisdiction's discretionary funds (e.g. General Fund). This is similar to how MOE is defined in the Gas Tax Guidelines related to the use of Road Maintenance and Rehabilitation Program funds. 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. Additional expenditures spent in support of streets and roads may also be eligible for MOE, subject to providing acceptable justification.

It is the local jurisdiction's responsibility to ensure that both the certified budgeted and the actual expenditures reported through the expenditure report are MOE eligible street and road expenditures. **OCTA's review and receipt of the MOE Certification form does not constitute or confirm OCTA's acceptance or approval of the MOE expenditures provided in the MOE Certification form.**

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	MOE Benchmark
Aliso Viejo	\$ 556,162
Anaheim	\$ 13,196,392
Brea	\$ 838,243
Buena Park	\$ 4,778,989
Costa Mesa	\$ 9,827,861
County of Orange	N/A
Cypress	\$ 3,607,878
Dana Point	\$ 1,698,403
Fountain Valley	\$ 1,720,476
Fullerton	\$ 4,921,569
Garden Grove	\$ 4,497,736
Huntington Beach	\$ 6,494,379
Irvine	\$ 8,681,278
La Habra	\$ 1,983,997
La Palma	\$ 205,036
Laguna Beach	\$ 1,983,557
Laguna Hills	\$ 355,496
Laguna Niguel	\$ 990,064
Laguna Woods	\$ 104,578
Lake Forest	\$ 245,220
Los Alamitos	\$ 208,130
Mission Viejo	\$ 3,150,525
Newport Beach	\$ 14,292,404
Orange	\$ 3,507,565
Placentia	\$ 879,347
Rancho Santa Margarita	\$ 470,957
San Clemente	\$ 1,473,941
San Juan Capistrano	\$ 546,941
Santa Ana	\$ 10,324,712
Seal Beach	\$ 733,847
Stanton	\$ 326,462
Tustin	\$ 1,938,025
Villa Park	\$ 406,086
Westminster	\$ 1,896,546
Yorba Linda	\$ 2,836,929
Totals	\$ 109,672,702

MOE - Maintenance of effort

N/A - Not Applicable

2.7 Mitigation Fee Program (MFP)

The MFP 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 ensure eligibility, each jurisdiction must have a clearly defined mitigation fee program.

Submittal Frequency: Odd years - Next MFP submittal is due by June 30, 2025.⁵

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: In addition to the City Council/Board of Supervisors approved resolution (Appendix E), the eligibility submittal should include one or more of the following supporting documents: a copy of the nexus study improvement list, a current fee schedule, a 5-Year Expenditure Report, or the process methodology. Where mitigation measures—including fair share contributions and construction of direct impact improvements—are used in lieu of an AB1600 compliant Nexus Study fee program, each jurisdiction shall provide a council resolution adopting the mitigation policy.

At such time that a jurisdiction updates their mitigation fee 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, an MFP resolution must be submitted biennially to reaffirm that council concurs with the existing MFP. It is the local jurisdiction's 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 project(s) 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 or will be committed to transportation projects through payment of fees in a defined program, fair share contribution, Community Facilities District financing, or other dedicated contribution to a specific transportation improvement

Submittal Frequency: Annual - Next submittal is due by June 28, 2024.

City Council/Board of Supervisors approval: Not Required

Documentation Method: Each jurisdiction must document within the Eligibility Checklist (Appendix D) that there has been no supplanting of developer commitments for transportation

⁵ Jurisdictions 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. Annual cost adjustments should be reported but do not constitute an "update" on the Eligibility Checklist (Appendix D).

projects as outlined in the Ordinance. Appendix D is available for download at <https://www.octa.net/OCGoEligibility>.

2.9 Pavement Management Plan (PMP)

A PMP⁶ 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 the latest version of ASTM Standard D6433.

Each jurisdiction must biennially update and adopt a PMP consistent with the specific requirements outlined in the Ordinance, and issue, using a common format (Appendix F) approved by OCTA, a report regarding the status of road pavement conditions and implementation of the PMP including, but not limited to, the following elements:

- The 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 estimated costs 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 Countywide PMP Guidelines can be downloaded from OCTA's Eligibility webpage: <https://www.octa.net/OCGoEligibility>.

Submittal Frequency: Every two years - 21 local jurisdictions submit PMP updates in even numbered Fiscal Years (i.e. June 28, 2024) and 14 local jurisdictions submit PMP updates in odd numbered Fiscal Years (i.e. June 30, 2025). Refer to Exhibit 3 to determine the local jurisdiction's required PMP submittal schedule.

City Council/Board of Supervisors approval: Required (Appendix E)

Documentation Method: To establish eligibility, each jurisdiction must complete and submit the adopted PMP Submittal Template (Appendix F). The adoption must be approved by the City Council/Board of Supervisors as a staff report recommendation or through a resolution. The template resolution is provided in Appendix E. The PMP certification form included in the template must be signed by the Public Works Director or City Engineer. These appendices are available for download at <https://www.octa.net/OCGoEligibility>.

The Executive Summary should include a brief overview of the PMP highlighting issues that have developed between review cycles and provide additional information regarding projects funded through the program. At a minimum, the Executive Summary should include Pavement Condition Index (PCI) reports, Projected PCI, and Alternative Funding Levels.

⁶ The Regional Capacity Program (RCP) 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 RCP, if the jurisdiction either has measurable improvement of paved road conditions during the previous reporting period as determined through the countywide pavement management rating standards, or has 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 the Ordinance, 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	MFP ⁷	Project Final Reports	LSSP
Aliso Viejo	Even Year	Odd Numbered Fiscal Years (Next submittal is due by June 30, 2025)	Odd Numbered Fiscal Years (Next submittal is due by June 30, 2025)	Odd Numbered Fiscal Years (Next submittal is due by June 30, 2025)	Within 6 months of project completion	Every 3 years (Next submittal is due June 30, 2026)
Anaheim	Odd Year					
Brea	Odd Year					
Buena Park	Even Year					
Costa Mesa	Even Year					
County of Orange	Odd Year					
Cypress	Odd Year					
Dana Point	Odd Year					
Fountain Valley	Even Year					
Fullerton	Even Year					
Garden Grove	Even Year					
Huntington Beach	Even Year					
Irvine	Odd Year					
La Habra	Odd Year					
La Palma	Even Year					
Laguna Beach	Even Year					
Laguna Hills	Even Year					
Laguna Niguel	Even Year					
Laguna Woods	Even Year					
Lake Forest	Odd Year					
Los Alamitos	Odd Year					
Mission Viejo	Even Year					
Newport Beach	Odd Year					
Orange	Even Year					
Placentia	Even Year					
Rancho Santa Margarita	Even Year					
San Clemente	Odd Year					
San Juan Capistrano	Odd Year					
Santa Ana	Even Year					
Seal Beach	Even Year					
Stanton	Odd Year					
Tustin	Odd Year					
Villa Park	Even Year					
Westminster	Even Year					
Yorba Linda	Even Year					

⁷ Jurisdictions must submit their updated program and revised fee schedule or process methodology when the jurisdiction updates their mitigation program and/or nexus study regardless of allocated submittal schedule.

2.10 Project Final Report

Each jurisdiction must provide OCTA a project final report within six months following completion of a 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 Ordinance. Projects that have been cancelled are not required to submit a project final report but may be asked to submit a certification of cancellation form.

City Council/Board of Supervisors approval: Not Required

Documentation Method: To establish eligibility, a jurisdiction must submit a copy of the CTFP Project Final Report for each 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 (indirect and/or overhead, maintenance, repair, and other non-project related costs) funded by 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 local jurisdiction to ensure Net Revenues are expended and accounted for within 3 years. The local jurisdiction 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

- Jurisdictions must agree that Net Revenues for RCP projects and/or RTSSP projects shall be encumbered by the end of the fiscal year for which Net Revenues are programmed. Jurisdictions can request a delay through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding encumbrance deadlines and delay requests.
- Local jurisdictions are generally required to expend funds within 36 months from the date of encumbrance for CTFP projects. Jurisdictions can request timely use of funds extensions through the Semi-Annual Review process. Refer to the CTFP Guidelines for additional information regarding expenditure deadlines and extension requests.

Local Fair Share (LFS)

- Per the M2 Ordinance, Net Revenues received by local jurisdictions through the LFS program shall be expended within three years of receipt. An extension may be granted but is limited to a total of five years from the date of receipt of funds. For review purposes, OCTA will track expenditures based on the fiscal year of receipt plus two additional fiscal years. Fiscal year means July 1 through June 30. For example, funds received in March 2022, if tracked by fiscal year, should be spent by June 30, 2024. The OCTA Board may authorize an extension of up to 24 months beyond the deadline. Since OCTA is tracking this based on fiscal year, the local jurisdiction would have to provide documentation of the original disbursement date in order for that date to be used for the deadline and would only be

required if the funding is not spent before the end of the applicable fiscal year. Requests for extensions shall be submitted prior to expiration and may be considered by the OCTA Board through the Semi-Annual Review process. Requests for extension must include a plan of expenditure.

- Expired funds including interest earned and related revenues must be returned to OCTA. These funds shall be returned for redistribution within the same source program.
- Use of LFS revenues for bonding (including debt service) shall be limited to 25% of the jurisdiction's annual LFS revenues. Bonding or loan must clearly support work that is otherwise eligible for LFS funds. The Board may consider an exception to the percentage limitation policy on a case-by-case basis.

Interest Derived from Net Revenues

- Interest from any M2 competitive funding program and LFS must be held in separate accounts.
- Local M2 interest proceeds must be spent by the local jurisdiction on transportation activities consistent with LFS eligible transportation activities.
- 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 28, 2024.

City Council/Board of Supervisors approval: Required if a delay is requested.

Documentation Method: Each jurisdiction must document within the 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 for local jurisdictions. 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 28, 2024.

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

[Documentation 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 28, 2024.

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

[Documentation 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
- Transportation Demand Management programs
- 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 Certification 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. The applicable eligibility components for a given year must be submitted to OCTA by June 30 (except the Expenditure Report)⁸.

To assist in the initiation of the eligibility process, OCTA hosts eligibility workshops attended by local jurisdictions to prepare for the June 30 submittal date. The workshops outline any changes and provide instructions as to the requirements of the current fiscal year's eligibility cycle. 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 jurisdiction's fiscal year per the Ordinance. All local jurisdictions must submit their Expenditure Report annually by December 31⁹. 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 Ordinance. The OCTA Finance department reviews Expenditure Reports. However, OCTA's receipt and review of Expenditure Reports does not constitute or confirm OCTA's acceptance or approval of the reporting provided in the Expenditure Report itself, which is ultimately subject to audit review.

3.2 Approval Process

Annual eligibility determinations are based upon satisfactory submittal of the required documentation of eligibility outlined in the Ordinance and further described in Chapter 2 of these guidelines. 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, the applicable submittals must be prepared for affirmation of receipt and review 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 Ordinance proposed by OCTA which changes the funding categories, programs or discrete projects identified for improvements in the Funding Plan.

⁸ If June 30 falls on a weekend, submittals must be provided to OCTA by the Friday prior.

⁹ If December 31 falls on a weekend, submittals must be provided to OCTA by the Friday prior.

- Receive and review select documentation establishing annual eligibility by jurisdictions including the CMP, MFP, Expenditure Report, LSSP, and PMP.
- Verification that the OCTA is proceeding in accordance with the M2 Plan and is meeting the performance standards outlined in the Ordinance.

The TOC designates the Annual Eligibility Review (AER) subcommittee to first receive and review the required eligibility components for each local jurisdiction on an annual basis. The AER subcommittee affirms that it has completed its receipt and review process annually to the TOC.

In addition, OCTA staff will review items that do not directly require TOC receipt and review and confirm acceptance. After TOC and OCTA's review of all eligibility requirements, OCTA staff will prepare eligibility recommendations for the OCTA Board. The OCTA Regional Transportation Planning Committee reviews the item prior to being considered by the full Board. The Board will make a final determination as to whether or not a local jurisdiction 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. The State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, provides useful information regarding the use of revenues for streets and roads purposes, consistent with Article XIX of the State Constitution. These guidelines are used by OCTA to determine eligibility for MOE expenditures. In addition, other non-Article XIX transportation expenditures may be eligible for certain M2 programs. Local jurisdictions should contact OCTA’s M2 Program Management Office for specific questions on eligible and ineligible expenditures.

OCTA routinely conducts an audit of local jurisdictions’ annual eligibility materials and financial records. Full cooperation is expected to complete the process in a timely manner. Failure to adhere to eligibility compliance components may result in Board action to suspend M2 funds until satisfactory compliance is achieved. For example, failure to meet MOE or other M2 requirements could result in suspension of all M2 formula and competitive grant payments and may prevent approval of awards until specific deficiencies are corrected.

The M2 Ordinance also includes provisions related to misspent M2 funds. For the purposes of this section, “misspent” means misappropriation of public funds, pursuant to state law. If the Board determines that a local jurisdiction has misspent M2 funds, then those funds must be fully re-paid, and the Board may deem that jurisdiction ineligible to receive M2 funds for a period of five (5) years.

4.2 Board Process Related to Ineligibility

Eligibility review and determination is a multi-step process, which relies upon an objective review of information by OCTA staff. Actions related to ineligibility are made by the Board.

4.3 For Additional Information

The Eligibility Guidelines have been developed to assist local 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 Eligibility Guidelines:

Stephanie Mooney

Transportation Funding Analyst

(714) 560-5312

smooney@octa.net

Or

Charvalen Alacar

Section Manager

(714) 560-5401

calacar@octa.net

Appendices:

Appendix A: M2 Ordinance

The M2 Ordinance can be found on the Eligibility Website:
<https://www.octa.net/OCGoEligibility>

This Page Intentionally Left Blank

Appendix B: Eligibility for New Cities

This Page Intentionally Left Blank

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 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 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 to identify the variables used in the LFS 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 LFS funds as of the date of incorporation.
- OCTA will reserve the accrued funds for the new city, pending the determination of eligibility by the Board within one year of the date of incorporation.
- For the new city to receive the reserved accrued funds, OCTA must receive all necessary elements of the eligibility package, complete the necessary review and approval of the package, and the 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 Board, the new city will receive its first LFS payment including the reserved accrued funds, on the first regular payment cycle following the eligibility determination.
- The first LFS payment will be adjusted to reflect final 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 LFS funds by the Board, the reserved accrued funds and interest on the funds, shall be distributed to the eligible local 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 Board and receive its first LFS payment on the corresponding regular payment cycle.

Eligibility for Competitive Funds – New Cities

In addition to the new city eligibility process for LFS funds, the 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 LFS funds by the 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 eligibility package for review and approval by the 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 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:

$$\frac{\textit{Total Countywide MOE Benchmark}}{\textit{Total Countywide Population}} = \textit{Per Capita Expenditure}$$

$$\textit{Per Capita Expenditure} \times \textit{City Population} = \textit{MOE Benchmark for the City}$$

Appeals Process

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

Appendix C: Congestion Management Program Checklist

This Page Intentionally Left Blank

Jurisdiction: _____

CMP Monitoring Checklist: Level of Service (LOS)					
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 jurisdiction 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:					

¹ The 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.

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 CMP Highway System (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 that are not operating at 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 South Coast Air Quality Management District (SCAQMD) (see the CMP Preparation Manual)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

² The 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.

CMP Monitoring Checklist: Deficiency Plans (cont.)					
CMP Checklist		YES	NO	N/A	
6.	Are the capital improvements identified in the deficiency plan programmed in your seven-year 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:					
<div style="font-size: 48px; opacity: 0.3; transform: rotate(-30deg); pointer-events: none;">NOT DUE</div>					

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). • _____ • _____ • _____	<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 jurisdiction 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:				

³ Exemptions 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.

CMP Monitoring Checklist: Capital Improvement Program (CIP)					
CMP Checklist		YES	NO	N/A	
1.	Did you submit a seven-year 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 OCFundtracker CIP provided by the OCTA used to prepare the CIP?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					

NOT DUE

OPTIONAL - CMP Monitoring Checklist: Federal Congestion Management					
CMP Checklist		YES	NO	N/A	
1.	Does any federally funded project in the CIP result in a significant increase in single occupant vehicle (SOV) capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
NOTE: ONLY THOSE AGENCIES THAT CHECKED "YES" FOR QUESTION 1 NEED TO ANSWER THE REMAINING QUESTION.					
2.	If so, was the project developed as part of the federal Congestion Management Process, in other words, was there an appropriate analysis of reasonable travel demand reduction and operational strategies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Additional Comments:					
I certify that the information contained in this checklist is true.					
_____		_____		_____	
Name (Print)		Title		Signature	
				Date	

Appendix D: Eligibility Checklist

This Page Intentionally Left Blank

Jurisdiction:	
----------------------	--

Capital Improvement Program (CIP)		YES	NO
1.	Did you submit your draft or adopted M2 seven-year CIP to OCTA by June 28?	<input type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA OCFundtracker CIP database?	<input type="checkbox"/>	<input type="checkbox"/>
	b. Have you included projects required to demonstrate compliance with signal synchronization, pavement maintenance, the Congestion Management Program, and environmental clean-up commitments?	<input type="checkbox"/>	<input type="checkbox"/>
	c. Are there any non-transportation related projects included in your M2 CIP? (Note: Projects funded through ECP are considered transportation-related)	<input type="checkbox"/>	<input type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?	<input type="checkbox"/>	<input type="checkbox"/>
	e. The City Council/Board of Supervisors 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 Plan (PMP)		YES	NO
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? Refer to Exhibit 3 for PMP submittal schedule.	<input type="checkbox"/>	<input type="checkbox"/>
	a. If yes, did you use the current PMP Submittal Template (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Plan?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered "no" 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 MPAH Consistency		YES	NO
5.	Did you submit a resolution indicating conformance with the MPAH?	N/A	N/A
	a. Have you enclosed an exhibit showing roadway designations that represent your most current circulation element?	N/A	N/A
Local Signal Synchronization Plan (LSSP)		YES	NO
6.	Did you adopt and submit an update to the LSSP as part of the current cycle?	N/A	N/A
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	N/A	N/A

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 CTFP 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 M2 funds?	<input type="checkbox"/>	<input type="checkbox"/>
Mitigation Fee Program (MFP)		YES	NO
9.	Does your jurisdiction currently have a defined development impact MFP in place?	<input type="checkbox"/>	<input type="checkbox"/>
10.	Has an update to the MFP occurred since the last reporting period?	<input type="checkbox"/>	<input type="checkbox"/>
11.	If yes to 10, has your jurisdiction submitted one or more of the supporting documents outlined in chapter 2.7 of the Eligibility Guidelines?	<input type="checkbox"/>	<input type="checkbox"/>
Planning Strategies		YES	NO
12.	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"/>
13.	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
14.	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(s) of attendance: _____		
Congestion Management Program (CMP)		YES	NO
15.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	N/A	N/A

Name (Print)

Signature

Date

Appendix E: Resolutions

This Page Intentionally Left Blank

[RESOLUTION FOR MPAH CIRCULATION ELEMENT CONSISTENCY AND MITIGATION FEE PROGRAMS]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT, AND MITIGATION FEE PROGRAM 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 _____ has 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) 2023-24 and FY 2024-25; 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; and

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; 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 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 2023-24 and FY 2024-25.
- c) The City/County affirms that it will bring forward requests to amend the MPAH, when necessary, in order to ensure that the MPAH and the General Plan Circulation Element remain consistent.
- d) The City/County reaffirms that the existing Mitigation Fee Program is in effect.

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

[RESOLUTION FOR LOCAL SIGNAL SYNCHRONIZATION PLAN UPDATE]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____
_____ CONCERNING THE UPDATE OF THE LOCAL SIGNAL SYNCHRONIZATION PLAN FOR THE
MEASURE M (M2) PROGRAM.

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 jurisdictions adopt a Local Signal Synchronization Plan consistent with the Regional Traffic Signal Synchronization Master Plan as a key component of local jurisdictions' efforts to synchronizing traffic signals across local jurisdictions' boundaries; and

WHEREAS, the Local Signal Synchronization Plan must be updated by June 30, 2026 to continue to be eligible to receive Net Revenues as part of Measure M2;

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

- a) 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.
- b) 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.
- c) The Local Signal Synchronization Plan includes the traffic signal inventory for all traffic signal synchronization street routes.
- d) 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.
- e) The Local Signal Synchronization Plan includes an update on the status and performance of traffic signal synchronization activities.
- f) 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.

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

[RESOLUTION FOR PAVEMENT MANAGEMENT PLAN ADOPTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

WHEREAS, the local jurisdiction is required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, the local jurisdiction is required to adopt and update a Pavement Management Plan (PMP), using the required format, regarding the status of road pavement conditions and implementation of the PMP on a biennial basis; and

WHEREAS, the local jurisdiction is required to provide a plan that manages 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.

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

- a) The PMP is in conformance with the PMP Submittal Template provided in the Countywide Pavement Management Plan Guidelines.
- b) The City/County hereby adopts a PMP and has provided an updated PMP report, using the required format, to OCTA.
- c) The Public Works Director, City Engineer or designee is authorized to sign the PMP certification form.

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

This Page Intentionally Left Blank

Appendix F: PMP Submittal Template



Agency

Pavement Management Plan

Prepared by: [Author Name]

Submitted to OCTA: [Date]

This Page Intentionally Left Blank

I. Pavement Management Plan Certification

The City/County of **Type Here** 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 a Pavement Management Plan be in place and maintained to qualify for allocation of revenues generated from renewed Measure M2.

The plan was developed by **Type here*** using **Type here**, a pavement management system, conforming to American Society of 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 **Month, Year** for Arterial (MPAH) streets and **Month, Year** for local streets.
- Assessment of pavement condition for all routes in the system, updated biennially. The last field review of pavement condition was completed on **Month, Year**.
- Percentage of all sections of pavement needing:
 - Preventative Maintenance: **Type here**%
 - Rehabilitation: **Type here**%
 - Reconstruction: **Type here**%
- Budget needs for Preventative Maintenance, Rehabilitation, and/or Reconstruction of deficient sections of pavement for:
 - Current biennial period \$**Type here**
 - Following biennial period \$**Type here**
- Funds budgeted or available for Preventative Maintenance, Rehabilitation, and/or Reconstruction:
 - Current biennial period \$**Type here**
 - Following biennial period \$**Type here**
- 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:

Click here to enter text.
Name (Print)

Click here to enter text.
Jurisdiction

Signed

Click here to enter a date.
Date

Click here to enter text.
Title (Public Works Director and/or City Engineer)

II. Executive Summary

Click here to enter text.

III. Background (Optional)

Click here to enter text.

IV. Current Pavement Conditions (PCI)

Current Network PCI	Current MPAH PCI	Current Local PCI
Click here to enter	Click here to enter	Click here to enter

V. Projected Pavement Conditions (PCI)

Should be by projected PCI by year under existing or expected funding levels for next seven fiscal years (“Today” is before June 30, 2024).

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025-26	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026-27	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2027-28	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2028-29	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2029-30	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2030-31	Click here to enter	Click here to enter	Click here to enter	Click here to enter

VI. Alternative Funding Levels

Maintain Existing Average Network PCI

Fiscal Year	Maintain Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025-26	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026-27	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2027-28	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2028-29	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2029-30	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2030-31	Click here to enter	Click here to enter	Click here to enter	Click here to enter

Improve Average Network PCI

Fiscal Year	Current Funding	Entire Network PCI	MPAH	Local
Today	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2025-26	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2026-27	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2027-28	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2028-29	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2029-30	Click here to enter	Click here to enter	Click here to enter	Click here to enter
2030-31	Click here to enter	Click here to enter	Click here to enter	Click here to enter

VII. Current and Projected Backlog by Year of Pavement Maintenance Needs

Fiscal Year	Current Funding Backlog	Maintain PCI Backlog	Increase PCI Backlog
Current	Click here to enter	Click here to enter	Click here to enter
2024-25	Click here to enter	Click here to enter	Click here to enter
2025-26	Click here to enter	Click here to enter	Click here to enter
2026-27	Click here to enter	Click here to enter	Click here to enter
2027-28	Click here to enter	Click here to enter	Click here to enter
2028-29	Click here to enter	Click here to enter	Click here to enter
2029-30	Click here to enter	Click here to enter	Click here to enter
2030-31	Click here to enter	Click here to enter	Click here to enter

VIII. Centerline Mileage

Entire Pavement Network	MPAH	Local Roads
Click here to enter	Click here to enter	Click here to enter

IX. Percentage of Network in Each of Five Condition Categories Based on Centerline Miles

Condition Category	PCI Range	Network	Percent Area of Total Pavement	Area of Pavement (sf)	Percent Centerline Mileage of Network	Centerline Mileage of Network
Very Good	86-100	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Good	75-85	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Fair	60-74	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Poor	41-59	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter
Very Poor	0-40	MPAH	Click here to enter%	Click here to enter	Click here to enter%	Click here to enter
		Local	Click here to enter%	Click here to enter		Click here to enter

X. Reduction in Local Match

A local agency match reduction of 10% of the eligible cost for Project O submitted for consideration of funding through the Comprehensive Transportation Funding Programs (CTFP) call for projects is available if the local agency either:

- a. Shows measurable improvement of paved road conditions during the previous reporting period defined as an overall weighted (by area) average system improvement of one Pavement Condition Index (PCI) point with no reduction in the overall weighted (by area) average PCI in the Master Plan of Arterial Highways (MPAH) or local street categories;

or

- b. Have road pavement conditions during the previous reporting period, within the highest 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”.

If applicable, please use the space below to justify the local agency’s eligibility for a reduction in Local Match based on the statement above.

[Click here to enter text.](#)

XI. Appendix A – Seven-Year Road Maintenance and Rehabilitation Plan Based on Current or Expected Funding Level and Maintenance of Current System PCIs

The seven-year plan for road maintenance and rehabilitation should be based on current and projected budget. Street sections selected for treatment should be identified here. Specific data to be submitted should follow the format below:

MPAH								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

LOCAL								
Street Name	Limits of Work		Length of Segment	Width of Segment	Pavement Area	Type of Treatment	Cost of Treatment	Year of Treatment
	From	To						

Please attach the seven-year road maintenance and rehabilitation plan, following the above template, after this sheet. The plan should be labeled Appendix A.

XII. Appendix B – Complete Listing of Current Street Conditions

A complete listing of current pavement conditions should be included in this report. Specific data to be submitted should follow the format below:

MPAH						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

LOCAL						
Street Name	From	To	Width of Segment	Area	Current PCI	Most Recent Inspection Date

Please attach the complete street listing, following the above template, after this sheet. The pages should be labeled Appendix B.

XIII. Appendix C – GIS Digital Data

Introduction

The OCTA GIS Section maintains a spatial inventory of transportation infrastructure which mostly consists of major arterial streets, roads, and highways. A key component of road information is pavement condition. Maintaining an inventory of pavement condition will enhance OCTA’s GIS visualization and analysis capabilities and assist in understanding the transportation investment needs throughout the region. Therefore, a GIS dataset in digital format should be included in this report.

If the agency is unable to provide pavement data in the requested GIS format, a request for exception must be submitted by the agency. When requesting an exception, the agency must provide a letter signed by the Public Works Director with an explanation and a timeline of when the agency will have capabilities of providing pavement data in the required GIS digital format.

Structure of GIS Data

The GIS dataset must consist of linear geographic features that represent road/street segments. All segments that are part of the report should be included in the GIS dataset. The attribute information of each segment should generally follow the format of the Complete Listing of Current Street Conditions in Appendix B above.

The GIS data requirements are discussed below. Most commercial and open-source GIS software provide industry-standard tools to manage GIS data to meet these requirements.

GIS Digital Data Format

The GIS data must be submitted in either one of the following formats:

- Esri Shapefile, or
- Esri File Geodatabase

Metadata

The GIS data are required to have associated metadata. The minimum metadata items required are:

- Title of Dataset
- Tags (A set of words that can be used by GIS to search for the resource. For example: “pavement”, “transportation”, “roads”)
- Summary (A brief purpose statement of the dataset)
- Description (A brief narrative of the dataset’s content)
- Credits (A recognition of those who created or contributed to the resource)

Spatial Geometry Type

The spatial geometry of the segment features must be lines that represent the roadway centerline as accurately as possible.

Projection

The GIS data must have spatial reference information and have its coordinate system identified and embedded in or associated with the data file(s). All GIS data submitted to OCTA should be in the following projected coordinate system:

- NAD 1983 State Plane California VI FIPS 0406 (US Feet) - More information about this system can be found at: <https://spatialreference.org/ref/epsg/nad83-california-zone-6-ftus/>

GIS Feature Attributes

The required segment attributes are:

- Street name
- Unique segment identifier (Segment ID from original source if available)
- Name of intersecting road at the beginning of a segment
- Name of intersecting road at the end of the segment
- Current pavement condition index (PCI)
- Current PCI inspection date
- Length of road segment in feet
- Width of road segment in feet
- Paved area of road segment in square feet or square yards
- Projected PCI at end of Seven-Year Road Maintenance and Rehabilitation Plan

Additional attributes such as number of through travel lanes, direction of travel and pavement surface type may be provided. An example of a GIS attribute table for road segments is shown below (Note that there are additional attributes such as surface, functional class, and number of travel lanes).

	OBJECTID *	Sec ID	Street Name	From	To	PCI	Insp Date	Length	Width	Area	Surface	FuncClass	Lanes
1	43	4022	ARBORWOOD	HEDGE LN	CANYONWOOD	89	1/11/2013	254	48	12192	AC	SECONDARY	2
2	44	4025	ARBORWOOD	BETHESDA	YALE CT	92	1/11/2013	374	48	17952	AC	SECONDARY	2
3	45	4031	ARBORWOOD	WINTHROP	BETHESDA	89	1/11/2013	866	48	41568	AC	SECONDARY	2
4	46	4187	ARBORWOOD	YALE CT	HEDGE LN	89	1/11/2013	1691	48	81168	AC	SECONDARY	2
5	47	4195	ARBORWOOD	CITRUSGLEN	WINTHROP	90	1/11/2013	434	48	20832	AC	SECONDARY	2
6	109	1862	CAMPUS DR	CARLSON AVE	UNIVERSITY DR	99	12/19/2012	3963	58	200334	AC	SECONDARY	4
7	110	2057	CAMPUS DR	MAC ARTHUR BLVD	VON KARMAN AVE	93	12/19/2012	1689	30	64670	AC	SECONDARY	4
8	111	2058	CAMPUS DR	VON KARMAN AVE	TELLER AVE	93	12/19/2012	1310	30	39300	AC	SECONDARY	4
9	112	2060	CAMPUS DR	TELLER AVE	JAMBOREE RD	96	12/19/2012	700	24	18300	AC	SECONDARY	4
10	116	9961	CAMPUS DR	JAMBOREE RD	CARLSON AVE	98	12/19/2012	1164	68	88752	AC	SECONDARY	2
11	117	4186	CANYONWOOD	MEADOWOOD	ARBORWOOD	89	1/11/2013	1026	47	48472	AC	SECONDARY	2
12	118	1409	CARLSON AVE	MICHELSON DR	PALATINE	100	12/19/2012	1146	65	74490	AC	SECONDARY	4

XIV. Appendix D – Quality Assurance/Quality Control Plan

Introduction

When performing data collection in any field, the need for quality control is paramount as it is essential for accurate planning, analysis and design. This is particularly true for collecting pavement distress data for a pavement management system.

The Quality Assurance/Quality Control (QA/QC) Plan establishes minimum quality standards for performance and procedures for updates of the pavement management system.

If applicable, utilize the space below to include information on the agency’s QA/QC policies:

[Click here to enter text.](#)

Objectives

This document constitutes a formal QA/QC Plan for the City/County. It was prepared on [Select date](#) and last revised on [Select date](#).

Specifically, it is intended for the [Year Applicable](#) Pavement Management Plan Update. The focus is on the collection of network-level pavement distress data (defined by National Cooperative Highway Research Program (NCHRP) Synthesis 401 Quality Management of Pavement Data Collection, as “Network-level data collection involves collection of large quantities of pavement condition data, which is often converted to individual condition indices or aggregated into composite condition indices.”)

This document also addresses the QA/QC plan requirements of the Orange County Transportation Authority (OCTA)’s “Countywide Pavement Management Plan Guidelines” (section 2.4), originally adopted in May 2010.

Structure of QA/QC Plan

The following components are addressed in this QA/QC Plan:

- Condition survey procedures used
- Accuracy required for data collection
- Inspector qualifications and experience
- Safety

Condition Survey Procedures

The governing document in performing condition surveys for the Enter agency name is ASTM D6433 “Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI) Surveys.” Both asphalt concrete (AC) and Portland cement concrete (PCC) pavements are included in this protocol. The following distresses are collected for each pavement type.

Asphalt Concrete AC Pavements

1. Alligator (fatigue) cracking
2. Bleeding
3. Block cracking
4. Bumps and sags
5. Corrugation
6. Depression
7. Edge cracking
8. Joint reflection cracking
9. Lane/Shoulder drop off
10. Longitudinal & Transverse cracking
11. Patching and utility cut patching
12. Polished aggregate
13. Potholes
14. Railroad crossing
15. Rutting
16. Shoving
17. Slippage cracking
18. Swell
19. Weathering
20. Raveling

Portland Cement Concrete (Jointed)

1. Blowup/buckling
2. Corner breaks
3. Divided slab
4. Durability (“D”) cracking
5. Faulting
6. Joint seal damage
7. Lane/shoulder drop off
8. Linear cracking
9. Patching (large) and utility cuts
10. Patching (small)
11. Polished aggregate
12. Popouts
13. Pumping
14. Punchout
15. Railroad crossing
16. Scaling, map cracking and crazing
17. Shrinkage cracks
18. Spalling (corner)
19. Spalling (joint)

Any exceptions to the above procedures are discussed before any surveys are performed. These are documented in the paragraphs below.

[Note to agency: these are usually related to distresses or situations that are not covered in the manuals. Examples include roller check marks or edge cracking on streets with no curbs and gutters. Others include the raveling of surface seals or the use of open-graded asphalt concrete mixes where the surface appears to have large voids present. Any modifications must be documented and included in this document. Photos are extremely helpful.]

All surveys are performed as Indicate type of surveys – walking, windshield, semi-automated etc. surveys, and a minimum 10% sampling rate is utilized. Field crews are typically composed of Click here to enter field crew information (Typically a one-person crew on residential streets and some collectors, and up to two-person crews for major arterials, depending on traffic volumes and speeds. Edit as appropriate). The safety of field personnel is paramount in all instances.

The sample unit selected must be representative of the entire pavement section. This assumes that the section is homogenous; if it is not homogeneous, then the section must be split according to the criteria agreed upon by the agency. Typically, the criteria used are:

- Pavement condition
- Construction age, if known
- Maintenance history, if known
- Traffic volumes (or functional classification as a surrogate)
- Surface types (e.g. asphalt concrete or Portland cement concrete)
- Geometric elements (e.g. widths)

Any modifications to the section inventory data are documented in the pavement management report. A sample unit must be between $2,500 \pm 1,000$ square feet in conformance with ASTM D6433 protocols. Typical sample unit dimensions are 100 feet long by the width of the street. Streets that are wider than 40 feet wide will have shorter lengths (generally 50 feet) or if they are divided by a raised median, separate sample units will be taken in each direction.

Any pavement areas that are not representative of the section will be noted and surveyed as an additional sample unit.

Accuracy Required for Data Collection

The accuracy required for data collection has two components, both of which are further described in the following paragraphs.

- Re-inspections
- PCI comparisons with past surveys

Random and Systematic Re-Inspections

Random Re-inspections

Random re-inspections will include a representative selection across the following categories:

- Functional classes (i.e. MPAH, locals);
- Surface types (e.g. asphalt concrete or Portland cement concrete);
- Pavement conditions (e.g. good, fair, poor);
- Inspectors;
- Geographical areas, if applicable.

Systematic Re-inspections

For systematic re-inspections, this could be due to noticed trends such as specific treatment types (e.g. open-graded mixes), a specific inspector or geographical area. In such cases, more than 5% will be re-inspected.

Acceptability Criteria

At the time of re-inspection, the actual distresses will be re-inspected and verified, and any corrections made, if necessary. Distress types and severities must be the same and re-measured quantities within $\pm 10\%$ of the original measured quantity.

If corrections are required on more than 10% of the re-inspected sample unit, then an additional 5% will be re-inspected. This will continue until more than 95% of the re-inspected sections meet the acceptability criteria.

PCI Comparison with Past Surveys

As another level of quality control, the new PCIs are compared with the previous PCIs. If they differ by more than ± 10 PCI points, these sections are automatically flagged for further investigation.

If PCI Increases 10 points

The section is investigated to see if a maintenance and rehabilitation event has occurred since the last survey, but has not been recorded. Typically, it may include activities such as:

- Crack sealing activities – changes medium or high severity cracking to low severity
- Patching activities – alligator cracking that has been removed and patched, so that the resultant PCI is increased.
- Surface seals
- Overlay
- Others

Therefore, an up to date maintenance and rehabilitation history file in the pavement management database is desirable, both for historical accuracy as well as to provide additional quality control.

If PCI decreases 10 points

The section is checked to see if the average deterioration rate (usually 3 to 4 points per year) is exceeded. If the drop in PCI is within range of what is acceptable, no further action is required. If the drop is more than the acceptable range, a re-inspection will be performed. The default performance curves in the pavement management software form the basis for what is acceptable.

Inspector’s Qualifications and Experience

The Enter agency here inspectors have attended formal training on pavement condition distress surveys. This training was conducted prior to performing any work using the ASTM D6433 protocols, consistent with OCTA’s requirements.

Inspector Name	Date of ASTM D6433 Training	Training Conducted By:
Click here to enter	Click here to enter	Click here to enter
Click here to enter	Click here to enter	Click here to enter

Resumes of the technicians utilized on this project are included as an attachment.

Safety Procedures

The Enter agency here administers a health and safety program in compliance with the Cal Occupational Safety and Health Administration (OSHA) Title VIII, Section 3203. The program is documented in Enter document name here.

Generally, the safety procedures include (Edit as applicable to agency):

- Inspectors to wear a Class 2 or 3 safety vest at all times;
- Flashing beacon on all vehicles utilized for surveys; and
- Stopped vehicles to be parked at locations away from moving traffic (e.g. nearby parking, shoulders, etc.).
- Enter safety protocol here.

On streets where there is a high volume of traffic or high speeds, additional measures may be necessary, such as:

- Surveys to occur during off-peak periods or on weekends;
- Additional inspector to watch out for traffic; and
- Traffic flaggers in extreme cases.

Attachment – Appendix C: Resumes of Field Inspectors

---End of QA/QC Plan---

This Page Intentionally Left Blank

XV. Appendix E – Pavement Management Data Files

The Pavement Management data files shall be submitted to OCTA in spreadsheet format. This must include the following information:

- Street name and limits for all public streets
- Street identifiers (Branch ID, Section ID)
- Direction (if applicable)
- Beginning and ending of each section
- Length, widths, and true areas
- Functional Classification (MPAH, Local)
- Number of travel lanes
- PCI and date of inspection
- Type of recommended treatment
- Cost of recommended treatment
- Street geometry as linear features

The Pavement Management data files are submitted here as an electronic copy sent via email as an attachment, via a link to an online storage device site, such as DropBox and/or OneDrive, or USB drive , and/or included as Appendix E.

This Page Intentionally Left Blank

Appendix G: M2 Expenditure Report Template, Instructions & Resolution

This Page Intentionally Left Blank

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 agree with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local 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	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

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

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

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

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 agree 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 Projects	1		
O Regional Capacity Program (RCP)	2		
P Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q Local 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 Environmental Cleanup Program (Water Quality)	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 Projects	17		
O Regional Capacity Program (RCP)	18		
P Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q Local 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 Environmental Cleanup Program (Water Quality)	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 Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local 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	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

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

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local 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	Environmental Cleanup Program (Water Quality)
Other	Please provide description for other categories

Line 26: Total Expenditures

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

Line 27: Total Balance

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

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 Projects	1		
O	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local 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	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
	Expenditures:			
A-M	Freeway Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local 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	Environmental Cleanup Program (Water Quality)	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: Indirect and/or Overhead

This line covers local jurisdiction costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

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 jurisdiction 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 of 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 due to 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 of 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 of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc. This category is not applicable to the MOE column as MOE expenditures would fall into the categories listed above.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

Line 19: Finance Director Confirmation

Finance Director initials to confirm understanding of MOE.

City/County of: _____

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

Type of Expenditure	Line Item	MOE	Developer / Impact Fee ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or 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	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Director Confirmation	19	<p>Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures.</p> <p>Finance Director initial: _____</p>													

¹ Includes direct charges for staff time

+ Transportation related only

² Other M2 includes A-M, R, S, T, U, V, and W

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

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

City/County of: _____

Signature Page

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

I hereby certify that:

- All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- 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;
- The City/County of _____ is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- The City/County's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and
- The City/County of _____ has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to or exceeding the FY 2023-24 MOE benchmark dollar amount¹⁰.

Director of Finance (Print Name)

Date

Signature

¹⁰ Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.

[EXPENDITURE REPORT RESOLUTION]

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

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the OCTA 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 M2.

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

- a) The M2 Expenditure Report is in conformance with the 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 M2 Expenditure Report to OCTA for the fiscal year ending _____.

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

This Page Intentionally Left Blank

Appendix H: Arterial Highway Mileage Change Report

This Page Intentionally Left Blank

This Page Intentionally Left Blank

Appendix I: Maintenance of Effort Certification Form

This Page Intentionally Left Blank



APPENDIX I

Maintenance of Effort (MOE) Certification Form

Jurisdiction: _____

Type of GENERAL FUND Transportation Expenditures:

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

MAINTENANCE	Total Expenditure
Subtotal Maintenance	\$

CONSTRUCTION	Total Expenditure
Subtotal Construction	\$

INDIRECT / OTHER	Total Expenditure
Subtotal Indirect / Other	\$

Total General Fund Transportation Expenditures	\$
(Less Total MOE Exclusions ¹)	\$
MOE Expenditures	\$
MOE Benchmark Requirement²	\$
(Shortfall)/Surplus	\$

Certification:

I hereby certify that:

- The City/County of _____ is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for Measure M2 Eligibility purposes and;
- The City/County of _____’s MOE Certification Form is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties” and;
- The City/County of _____ certifies that the budgeted MOE expenditures meet or exceed the fiscal year (FY) 2024-25 MOE benchmark requirement³.

Finance Director Signature

Finance Director (Print Name)

Date

¹ Funding sources include Measure M, federal, state, redevelopment, and bond financing.
² Please refer to Exhibit 2 in the M2 Eligibility Guidelines for the City’s MOE benchmark requirement.
³ Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.

This Page Intentionally Left Blank

Appendix J: Acronyms

This Page Intentionally Left Blank

Acronym	Description
AHRP	Arterial Highway Rehabilitation Program
AER	Annual Eligibility Review (Subcommittee)
ASTM	American Society for Testing and Materials
CCI	Construction Cost Index
CFD	Community Facilities District
CIP	Capital Improvement Program
CMP	Congestion Management Program
CMPHS	Congestion Management Program Highway System
CTFP	Comprehensive Transportation Funding Programs
ECP	Environmental Cleanup Program (Project X)
FY	Fiscal Year
GIS	Geographic Information System
LAFCO	Local Agency Formation Commission
LFS	Local Fair Share (Project Q)
LOS	Level of Service
LSSP	Local Signal Synchronization Plan
M2	Measure M2
MFP	Mitigation Fee Program
MOE	Maintenance of Effort
MPAH	Master Plan of Arterial Highways
OCTA	Orange County Transportation Authority
OCTC	Orange County Transportation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
RCP	Regional Capacity Program (Project O)
RTSSMP	Regional Traffic Signal Synchronization Master Plan
RTSSP	Regional Traffic Signal Synchronization Program (Project P)
SCAQMD	South Coast Air Quality Management District
SF	Square Foot
TAC	Technical Advisory Committee
TDM	Traffic Demand Management
TIA	Traffic Impact Analysis
TOC	Taxpayer Oversight Committee
TOD	Transit Oriented Development
TSC	Technical Steering Committee

This Page Intentionally Left Blank