



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** JUNE 17, 2025

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** ERIC LEVITT, CITY MANAGER

**PREPARED BY:** STEPHEN BISE, PUBLIC WORKS DIRECTOR  
DAVID GRANTHAM, CITY ENGINEER  
JEROME JOAQUIN, PUBLIC WORKS ADMINISTRATIVE  
MANAGER  
KAREN CHUNG, ADMINISTRATIVE ANALYST II

**SUBJECT:** MEASURE M2 FUNDING ELIGIBILITY RENEWAL

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### **SUMMARY**

The City must comply with eligibility renewal requirements to continue receiving Orange County Transportation Authority Measure M2 funds, including approving the Seven-Year Capital Improvement Program and adopting a Master Plan of Arterial Highways Circulation Element Consistency and Mitigation Fee Program resolution.

### **PROPOSED MOTION**

1. Adopt Resolution No. 2025-XXX.

RESOLUTION NO. 2025-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING THE CIRCULATION ELEMENT AND MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM STATUS AND UPDATE

2. Approve and authorize staff to submit the Measure M2 Seven-Year Capital Improvement Program for Fiscal Years 2025-26 through 2031-32 to the Orange County Transportation Authority (OCTA) to comply with Measure M2 eligibility criteria.
3. Authorize Public Works Director, or designee, to make administrative changes, including those advised by OCTA, if necessary.

### **ALTERNATIVE OPTIONS**

- Approve the Proposed Motion

- Other options brought by City Council.

#### STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

#### CITY MANAGER REMARKS

The City Manager recommends that City Council approve and authorize staff to submit the Measure M2 Seven-Year Capital Improvement Program for Fiscal Years 2025-26 through 2031-32 to OCTA to comply with Measure M2 eligibility criteria.

#### PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

#### FISCAL IMPACT

The City would remain eligible for Measure M2 funding by complying with these requirements. The City anticipates the Fiscal Year (FY) 2025-26 local fair share allocation would total approximately \$3.2 million for the City to use for street improvements and other eligible activities. The City must meet a \$4.9 million Maintenance-of-Effort (MOE) matching requirement to remain eligible for Measure M2 funding. Staff anticipates the City would meet this requirement for FY 2025-26 per the MOE Certification form (Attachment 4). The Seven-Year CIP, required for M2 funding, lists several transportation-related improvement projects and the primary funding sources. The City fully funds or provides matching funds for some of these projects.

#### BACKGROUND AND DISCUSSION

Local jurisdictions must annually certify adherence to the eligibility guidelines in the M2 Ordinance. OCTA uses these guidelines to determine local jurisdiction eligibility to continue receiving M2 net revenues. Eligibility components have varying requirements for revisions and updates with frequency ranging from one to three years. The City must provide or comply with the following to remain eligible for funding in the current renewal cycle:

- *Council-Approved Seven-Year Capital Improvement Program (CIP)*: The CIP outlines a multi-year funding plan to implement capital transportation projects and/or programs relevant to capacity, safety, operations, maintenance and rehabilitation. The M2 Ordinance requires each jurisdiction to prepare an annual seven-year CIP identifying potential projects that meet funding eligibility requirements. The CIP includes all capital transportation projects, including those required to demonstrate compliance with signal synchronization, pavement management and CMP requirements, as well as adopted traffic level of service and performance standards. The City planned its capital improvement projects for Fiscal Years 2025-26 to 2031-32 and included them for approval (Attachment 2).

- *Eligibility Checklist:* This OCTA form summarizes all key components in the eligibility process and confirms the jurisdiction addressed each component in the current renewal cycle (Attachment 3).
- *Maintenance of Effort (MOE) Certification and Budget Excerpts:* The MOE certification demonstrates and certifies annual maintenance, construction, administrative and other transportation-related expenditures and compares with annual benchmark requirements for the fiscal year. This benchmark figure adjusts once every three years (beginning in 2014) based upon the lesser of the Caltrans Construction Cost Index or general revenue growth for the City over the prior three-year period. Each jurisdiction must annually certify that it satisfied MOE requirements. The City will meet its MOE benchmark requirement as shown in Attachment 4.
- *Congestion Management Plan (CMP) Checklist:* The Orange County CMP is a countywide program established in 1992 supporting regional mobility and air quality objectives through transportation funds use, coordinated land use and development planning practices. Each jurisdiction must comply with the following for M2 funding and gas tax revenues eligibility:
  - *Level of Service (LOS)*
  - *Deficiency Plans*
  - *Land Use Analysis*
  - *Modeling and Data Consistency*
  - *Capital Improvement Program.*

Staff included the CMP Checklist for reference (Attachment 5).

- *Transit / Non-motorized Transportation in General Plan, Land Use Planning Strategies Letter:* Multi-modal options are vital to a comprehensive transportation network and each jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. The Circulation Element, a component of a jurisdiction General Plan, shows a planned multimodal network and related policies. The MPAH defines the minimum planned lane configuration for major regionally significant roads in Orange County. M2 funding eligibility requires each jurisdiction to adopt and maintain a Circulation Element consistent with the OCTA MPAH (Attachment 6).

Attachments:

- Attachment 1 – Draft Resolution No. 2025-XXX
- Attachment 2 – Seven-Year Capital Improvement Program
- Attachment 3 – Appendix D Eligibility Checklist
- Attachment 4 – MOE Reporting Form
- Attachment 5 – Congestion Management Plan (CMP) Checklist

- Attachment 6 – Land Use Planning Strategies Letter

cc: City Manager Eric J. Levitt