



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 4, 2019

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: MEG MCWADE, PUBLIC WORKS DIRECTOR
RYA HACKMAN, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: MEASURE M2 ELIGIBILITY RENEWAL

SUMMARY

In order to continue receiving Measure M2 funds, the City must comply with eligibility renewal requirements. In the current renewal cycle, this includes obtaining City Council approval for 1) the seven-year Capital Improvement Program (CIP) and 2) the Resolution for Master Plan of Arterial Highways Circulation Element Consistency and Mitigation Fee Programs.

RECOMMENDATION

1. Approve and authorize Staff to submit the Measure M2 seven-year CIP for Fiscal Years 2019-20 through 2025-26 to Orange County Transportation Authority (OCTA).
2. Adopt Resolution No. 2019-XX (Attachment 1).

RESOLUTION NO. 2019-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING THE STATUS AND UPDATE OF THE CIRCULATION ELEMENT AND MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM

3. Authorize the Public Works Director to make administrative changes, as advised by OCTA, if necessary.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety

- Infrastructure and City Assets.

FISCAL IMPACT

Programmed costs are shown on the seven-year CIP plan (Attachment 2). CIP projects funded with State of California grants are pending, contingent upon the State's final approved budget. If necessary, Staff will provide a revised seven-year CIP plan when State funding becomes final. OCTA permits CIP administrative changes to funding sources and status provided that a project is already included in the Council-adopted CIP. Separate from the CIP, there is a requirement to maintain general fund streets / road expenditures at a certain level based on a formula developed through OCTA. The City's planned expenditures comply with this requirement and are shown in Attachment 3.

DISCUSSION

In accordance with the M2 Ordinance, local jurisdictions are required to annually certify adherence with the eligibility guidelines. Using these guidelines, OCTA determines whether or not the local jurisdiction is eligible to receive M2 net revenues. These include the following:

- Adopting and updating a CIP.
- Adopting a General Plan Circulation Element consistent with the County Master Plan of Arterial Highways (MPAH).
- Establishing a policy requiring new development to pay its fair share of transportation-related improvements associated with their new development (Mitigation Fee Program [MFP]).
- Compliance with conditions and requirements of the Orange County Congestion Management Program (CMP).
- Adopting and providing an annual expenditure report to OCTA.
- Satisfying Maintenance of Effort (MOE) requirements.
- Assuring that M2 revenues are not used to supplant developer funding.
- Agreeing to expend net revenues received through M2 within three years of receipt.
- Participating in traffic forums.
- Including land use and planning strategies that accommodate transit and non-motorized transportation in the City's General Plan.
- Adopting and biennially updating a Pavement Management Plan.
- Adopting and maintaining a Local Signal Synchronization Plan.
- Providing OCTA with a project final report within six months following completion of a project funded with net revenues.

Eligibility components have varying requirements for revisions / updates with frequency ranging from one to three years. In the current renewal cycle, the City must provide / comply with:

- Council-approved seven-year Capital Improvement Program: The CIP is 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 that each jurisdiction annually prepares a seven-year CIP for review of timely use of eligible funds. The CIP includes all capital transportation projects, including those required to demonstrate compliance with signal synchronization, pavement management, CMP requirements, as well as adopted Traffic Level of Service and Performance Standards. The City has planned its capital improvement projects for Fiscal Years 2019-20 to 2025-26 and included them for approval as Attachment 2.
- Circulation Element / Master Plan of Arterial Highways Consistency: A Circulation Element is a component of a jurisdiction's General Plan that includes a planned multimodal network and related policies. Each jurisdiction is required to adopt and maintain a Circulation Element that is consistent with the OCTA MPAH which defines the minimum planned lane configurations for regionally significant roads in Orange County (Attachment 1-Resolution).
- Mitigation Fee Program: Locally established, this fee program assesses fees used to mitigate effects of new development on transportation infrastructure. Each eligible jurisdiction must assess traffic impacts of new development and require new development to pay its fair share of transportation-related improvements associated with the new development (Attachment 1-Resolution).
- Congestion Management Program: Orange County's CMP is a countywide program established in 1992 to support regional mobility and air quality objectives through the effective use of transportation funds, coordinated land use and development planning practices. Required elements include traffic level of service standards, performance measures, travel demand assessment methods and strategies, land use analysis programs and Capital Improvement Programs (Attachment 4).
- Expenditure Report: This report, a detailed financial report that tracks financial activity for M2 and other improvement revenue sources, is used to validate eligible uses of funds and to report actual MOE expenditures. 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. The deadline is December 31 for jurisdictions following the State's fiscal year, July-June.
- Maintenance of Effort certification and budget excerpts: The MOE certifies annual maintenance, construction, administrative / other transportation related expenditures and their comparison with the annual benchmark requirements for the fiscal year. Each jurisdiction must provide annual certification that the MOE requirements have been satisfied (Attachment 3).

- Non-supplanting of developer commitments: Participating jurisdictions ensure that M2 funding will not be used to supplant existing or future development funding commitments for transportation projects.
- Timely Expenditure of Funds: Each jurisdiction must ensure that M2 revenues are expended within three years. The local agency must certify that receipt and use of M2 funds adheres to time limits as outlined in the ordinance.
- Traffic Forum Attendance: Traffic forums provide a venue for local jurisdictions to discuss traffic and transportation issues, traffic circulation, project coordination and the overall Regional Traffic Signal Synchronization Plan. Fullerton is represented by Albert Grover & Associates.
- Transit / Non-motorized Transportation in General Plan; Land Use Planning Strategies Letter: Each jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation.
- Eligibility Checklist: This OCTA form summarizes all the key components in the eligibility process and serves as confirmation that each component has been addressed in the current renewal cycle (Attachment 5).

Attachments:

- Attachment 1 – Draft Resolution No. 2019-XX
- Attachment 2 – Capital Improvement Program
- Attachment 3 – Appendix I – MOE Reporting Form
- Attachment 4 – Appendix C – CMP
- Attachment 5 – Appendix D – Eligibility Checklist