



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 15, 2021

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEVE DANLEY, ACTING CITY MANAGER

PREPARED BY: MEG MCWADE, PUBLIC WORKS DIRECTOR
DAVID GRANTHAM, PRINCIPAL CIVIL ENGINEER
JEROME JOAQUIN, ADMINISTRATIVE ANALYST

SUBJECT: MEASURE M2 FUNDING ELIGIBILITY RENEWAL

SUMMARY

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

RECOMMENDATION

1. Adopt Resolution No. 2021-XX.

RESOLUTION NO. 2021-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

2. Approve and authorize Staff to submit Measure M2 Seven-Year Capital Improvement Program for Fiscal Years 2021-22 through 2027-28 to Orange County Transportation Authority (OCTA) to comply with Measure M2 eligibility criteria.
3. Authorize Public Works Director to make administrative changes, including those advised by OCTA, if necessary.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Infrastructure and City Assets.

FISCAL IMPACT

The City remains eligible for Measure M2 funding by complying with these requirements. The City anticipates its FY 2021-22 local fair share allocation will total approximately \$2.2 million for the City to use for street improvements. Additionally, the Seven-Year CIP, one of the required documents for M2 funding, lists several transportation related improvement projects and the primary funding sources. The City fully funds or provides matching funds for some projects.

DISCUSSION

In accordance with the M2 Ordinance, local jurisdictions must annually certify adherence with the eligibility guidelines. Using these guidelines, OCTA determines a local jurisdiction's eligibility to continue receiving M2 net revenues. Eligibility components have varying requirements for revisions and updates with frequency ranging from one to three years. In the current renewal cycle, the City must provide or comply with:

- Council-Approved Seven-Year Capital Improvement Program: 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 that each jurisdiction prepares an annual seven-year CIP for review of the timely use of eligible funds. 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 has planned its capital improvement projects for Fiscal Years 2021-22 to 2027-28 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 must adopt and maintain a Circulation Element consistent with the OCTA MPAH which defines the minimum planned lane configurations for regionally significant roads in Orange County (Attachment 1).
- Mitigation Fee Program: This locally established fee program assesses fees used to mitigate effects of new development on transportation infrastructure. Each eligible jurisdiction must assess traffic impacts of any new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. Mitigation measures include fees and / or construction improvements determined by each jurisdiction. (Attachment 1).
- Maintenance of Effort (MOE) Certification and Budget Excerpts: The MOE certification is a financial document that certifies annual maintenance,

construction, administrative and other transportation related expenditures and their comparison with the annual benchmark requirements for the fiscal year. This benchmark figure is adjusted 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-year period. Each jurisdiction must provide annual certification that it has satisfied the MOE requirements. (Attachment 3).

The OCTA Board of Directors allowed eligible agencies to use either the traditional dollar value MOE benchmark or an MOE target based on the percent of the MOE benchmark value to General Fund Revenues for Fiscal Years 2020-21 and 2021-22 due to the financial impacts related to the COVID-19 pandemic. This approach allows the MOE amount to adjust with fluctuations in local jurisdiction General Fund Revenue levels while upholding the intent of the M2 Ordinance to use M2 revenues as supplemental funding.

- Congestion Management Program (CMP): Established in 1992, Orange County's CMP is a countywide program to support regional mobility and air quality objectives through effective use of transportation funds, coordinated land use and development planning practices. Each jurisdiction must comply with the following for eligibility consideration for both M2 funding and gas tax revenues:
 - Level of Service
 - Deficiency Plans
 - Land Use Analysis
 - Modeling and Data Consistency
 - Capital Improvement Program.

Attachments 4 and 5 contain both the Eligibility and CMP Checklists reference.

- Non-Supplanting of Developer Commitments: Participating jurisdictions ensure that they will not use M2 funding to supplant existing or future development funding commitments for transportation projects. Developments must pay their fair share for new transportation improvements resulting from new traffic issues created by their projects.
- Timely Expenditure of Funds: Each jurisdiction must ensure that it expends M2 revenues 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: These working group sessions include local jurisdictions and OCTA. 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. M2 eligibility required annual participation.

- Eligibility Checklist: This OCTA form summarizes all key components in the eligibility process and serves as confirmation that the jurisdiction has addressed each component in the current renewal cycle (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 (Attachment 6).

Attachments:

- Attachment 1 – Draft Resolution No. 2021-XX
- Attachment 2 – Capital Improvement Program
- Attachment 3 – Appendix I – MOE Reporting Form
- Attachment 4 – Appendix C – CMP
- Attachment 5 – Appendix D – Eligibility Checklist
- Attachment 6 – Land Use Planning Strategies Letter