



## Board Report

File #: 2017-0051, File Type: Plan

Agenda Number: 8.

**3<sup>rd</sup> REVISION**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**MARCH 15, 2017**  
**EXECUTIVE MANAGEMENT COMMITTEE**  
**MARCH 16, 2017**

**SUBJECT: DRAFT MEASURE M MASTER GUIDELINES**

**ACTION: APPROVE THE RELEASE OF THE DRAFT MEASURE M MASTER GUIDELINES FOR PUBLIC REVIEW**

### **RECOMMENDATION**

APPROVE the release of the **draft Measure M Master Guidelines for public review.**

### **ISSUE**

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance (#16-01, titled Measure M), which was subsequently approved by more than 71% of voters at the November 8, 2016 general election.

At the December 1, 2016 Metro Board Meeting, Chief Executive Officer Phillip Washington presented an overview on development of the Measure M Ordinance Guidelines, where he indicated that draft Master Guidelines would be developed internally by Metro staff, for subsequent review and comment by the public. The target date for Board adoption of final Measure M Guidelines is the June 2017 Board meeting, in advance of the initiation of the additional sales tax revenue collection on July 1, 2017.

### **DISCUSSION**

The Guidelines must address all aspects of administering and overseeing Measure M. For a comprehensive and balanced approach, staff prepared a Master guidance document that will provide direction for all elements of Measure M. Primary elements include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations and Other Designated Operational Funding; Multi-year Subregional Programs; Local Return; and State of Good Repair. (Attachment A).

Please note the following three major themes integrated throughout, that deserve special attention.

- **Timely Use of Funds/Project Readiness:** It is imperative that Metro exercise fiduciary

responsibility at the outset of implementing Measure M. Our core objective is to allocate funds that will be put to use to benefit the people of Los Angeles County as soon as possible.

- Cashflow: In line with the timely use of funds is the recognition that needs must be optimally aligned with revenue availability. Therefore, a cashflow approach is the foundation of Measure M resource management. Included within the cashflow area are the following topics -
  - Acceleration
  - Debt Policy
  - Contingency
  - 3% Local Contribution
- Multi-Year Subregional Programs and the Related Toolbox: There will be significant attention directed to the role and contribution of our local partners. We seek to balance flexibility with the overarching timely use of funds and cashflow provisions as they apply to the Multi-Year Subregional Programs.

## **PROCESS**

To gather countywide input, OMB staff convened two Measure M Working Groups in January. The Transit Operations Working Group included representatives from transit operators countywide, while the Local Return Working Group included representatives from small and large Los Angeles County jurisdictions across the region. Other sections of the draft were created by Metro staff and circulated through the internal review process within Metro, and key funding recipients as appropriate. A summary of the guideline development process for the indicated Guidelines sections is also attached as follows:

Attachment B - 20% Transit Operations Process & Working Group; and

Attachment C - 17% Local Return Process & Working Group.

## **DETERMINATION OF SAFETY IMPACT**

The proposed approval will not have any adverse safety impacts on employees and patrons.

## **FINANCIAL IMPACT**

### Impact to Budget

Approving the staff recommendations will have no impact on the FY 2017 Budget.

## **ALTERNATIVES CONSIDERED**

The Measure M ordinance requests specific guidelines, as indicated in this report. Staff believes that a master guidance document will streamline and expedite delivery of Measure M projects and programs, especially if implemented prior to the effective date of the Measure M Ordinance, which will begin collection on July 1, 2017. The alternative considered was to create guidelines only for

elements specifically mandated in the Ordinance. Staff selected the master guidance framework in order to provide a more comprehensive approach.

### **NEXT STEPS**

If approved by the Board, the Draft Measure M Guidelines will be released for public review. The Guidelines will be posted on the Metro website on April 1, 2017, and there will be a place at the same location for people to submit comments. During April-May 2017, the Measure M Master Guidelines document will be discussed by the Policy Advisory Council, and staff will conduct additional outreach. Following public input and comment, a final guidelines document will be present to the Board in June 2017 for adoption.

### **ATTACHMENTS**


Attachment A - Draft Measure M Master Guidelines

Attachment B - 20% Transit Operations Process & Working Group

Attachment C - 17% Local Return Process & Working Group

Prepared by: Kalieh Honish, DEO, Countywide Planning & Development, (213) 922-7109

Reviewed by: Office of Management and Budget Staff  
Therese W. McMillan, Chief Planning Officer, (213) 922-7077  
Nalini Ahuja, Chief Financial Officer, (213) 922-3088  
Stephanie Wiggins, Deputy Chief Executive Officer, (213) 922-1023  
Phillip A. Washington, Chief Executive Officer, (213) 922-7555



Phillip A. Washington  
Chief Executive Officer

REVISED

**ATTACHMENT A**



**MEASURE M**

**DRAFT**

**GUIDELINES**

**DRAFT**

## Introduction

---

*On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance (#16-01, the “Ordinance”). This Ordinance, known as Measure M, was approved by more than 71% of voters at the November 8, 2016 general election. As a result, the projects and programs in the Expenditure Plan of the Ordinance have been approved and must now be implemented accordingly.*

*Measure M is far more comprehensive and ambitious than Measure R. The Guidelines must address all aspects of administering and overseeing Measure M. For this reason the oversight of Measure M is also more complex. The attached master guidance was prepared for a comprehensive and balanced approach for all elements of Measure M. Primary topics include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations and Other Designated Operational Funding; Multi-year Subregional Programs; Local Return; and State of Good Repair.*

*The success of Measure M will be built upon the diverse and committed coalition that supported its passage, and efficacy of the Measure M plan provisions as they impact our various constituencies. The Metro Board and its staff are ultimately accountable to the people of Los Angeles County. It is with this consideration, that we present these [draft] Measure M Guidelines.*

## TABLE OF CONTENTS

---

Introduction .....	2
ADMINISTRATION & OVERSIGHT .....	4
AUDITS .....	8
COMPREHENSIVE PROGRAM ASSESSMENT PROCESS & AMENDMENTS .....	9
MAJOR PROJECT ACCELERATION AMENDMENTS.....	11
DEBT POLICY.....	13
CASHFLOW MANAGEMENT .....	14
CONTINGENCY SUBFUNDS.....	17
3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS .....	20
MULTI-YEAR SUBREGIONAL PROGRAMS .....	22
MULTI-YEAR PROGRAMS (HIGHWAY SUBFUNDS) .....	25
INTELLIGENT TRANSPORTATION SYSTEMS AND TRANSPORTATION TECHNOLOGY IMPROVEMENTS .....	32
ACTIVE TRANSPORTATION (NORTH COUNTY, GATEWAY CITIES, LAS VIRGENES, MAIBU),.....	35
FIRST/LAST MILE (WESTSIDE AND SAN GABRIEL VALLEY SUBREGIONS), .....	35
GREENWAY PROJECTS (SAN GABRIEL VALLEY), .....	35
GREAT STREETS, .....	35
TRANSIT MULTI-YEAR SUBREGIONAL PROGRAMS .....	39
METRO ACTIVE TRANSPORTATON (2%).....	41
2% SYSTEM CONNECTIVITY PROJECTS (HIGHWAY CONSTRUCTION SUBFUND) .....	43
2% SYSTEM CONNECTIVITY PROJECTS (TRANSIT CONSTRUCTION SUBFUND).....	46
VISIONARY PROJECT SEED FUNDING .....	48
COUNTYWIDE BRT EXPANSION.....	50
SUBREGIONAL EQUITY PROGRAM .....	52
1% REGIONAL RAIL.....	54
5% METRO RAIL OPERATIONS .....	58
20% TRANSIT OPERATIONS (Metro and Municipal Providers) .....	61
2% ADA PARATRANSIT FOR THE DISABLED; METRO DISCOUNTS FOR SENIORS AND STUDENTS .....	65
2% METRO STATE OF GOOD REPAIR.....	68
LOCAL RETURN.....	70
APPENDIX A: POTENTIAL 3% JURISDICTIONS BY MAJOR TRANSIT PROJECT .....	95
APPENDIX B: ATTACHMENT A.....	98

## ADMINISTRATION & OVERSIGHT

---

### **Evolving framework**

As master guidance, this document provides the overarching framework for the management and oversight of Measure M and its component elements. In several cases, more detailed processes and/or procedures will need to be developed for the actual administration of the program elements, and timelines for those details are noted throughout. Those detailed processes/procedures, while extensions of this Master Guidance, can be amended separately, as required to adjust to changing circumstances over time.

### **Ordinance background**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance.

### **OVERSIGHT**

Metro staff developed a Selection Process to address the Measure M Ordinance requirements for the Independent Taxpayer Oversight Committee, comprised of seven voting members representing the following areas of expertise:

- A. A retired federal or state judge.
- B. A professional from the field of municipal/public finance and/or budgeting with a minimum of ten (10) years of relevant experience.
- C. A transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices.
- D. A professional with a minimum of ten (10) years of experience in management and administration of financial policies, performance measurements, and reviews.
- E. A professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects.
- F. A licensed architect or engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten (10) years of relevant experience.
- G. A regional association of businesses representative with at least ten (10) years of senior-level decision making experience in the private sector.

Additional information is available on the Metro website.

### **TIMELY USE OF FUNDS**

Given the objective of Measure M to improve transportation, transit service and ease traffic congestion in the region, the timely use of funds is a foundational principle throughout these Guidelines. It is the fiscal responsibility of Metro to ensure that Measure M sales tax revenues

are spent according to the requirements of the Ordinance as quickly as possible to realize the benefits of the Measure M Expenditure Plan as promised for the people of Los Angeles County.

### **Project Readiness**

Part of Metro's obligation to ensure timely use of Measure M funds is to define and encourage project readiness in order to move projects forward in a timely manner. Because sales tax revenues are accrued over time, the capacity to fund multiple projects and programs necessitates sequencing over multiple years. This sequencing is reflected in the project and programs lists that comprise the Measure M Expenditure Plan.

That said, individual projects will need to move forward within a managed cash flow process as outlined in the Cashflow Management section of these Guidelines. Part of that process is built on an assumption that projects or programs will obligate Measure M funds at the time they are ready to use them. As a result, "project readiness" criteria have been established for several Measure M programs, and are noted as such in the Guidelines.

The most direct way to incorporate **additional** acceleration to deliver projects more quickly relates to Metro's "Operation Shovel Ready," detailed in January 2016. As part of this program, Metro will aggressively move forward in bringing transit, highway and regional rail projects closer to the implementation stage. Bringing these projects to a "shovel-ready" state allows Metro to take advantage of potential opportunities that may develop and allow the projects to advance into the design and construction stages sooner rather than later. As stated in the report to the Board,

*"Operation Shovel Ready' potential opportunities may include those related to funding, grants, private sector participation and local community support. If these projects are not advanced to a shovel ready state, Metro may not be able to take advantage of future, unexpected opportunities. Moving these projects closer to a shovel-ready state does not necessarily mean that they will all move immediately into the construction stage. However, they will get done sooner when funding becomes available and are ready to start quickly."*

This concept will also be used as part of these Measure M Guidelines.

### **Lapsing Requirements**

Once funds are obligated, they need to be expended for the purposes assigned. Recipients must comply with specific lapsing requirements, like those set forth in the Local Return Guidelines. When not specifically set forth in the Guidelines, fund lapsing rules will be adopted by the Metro Board hereafter. Processes for lapsing will also include an option for extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request.

### **PROJECT ACCELERATION**



The Ordinance allows for project acceleration. Project acceleration can be considered by the Metro Board based upon project acceleration considerations, as compared to projects that are delayed due to funding, environmental clearance issues, litigation, or other considerations which, include, but are not limited to:

- Available local funding such as supplemental a local sales tax ballot measure;
- Available private investment when funding assumes such P3 investment;
- Unique qualities that attract federal funding such as access to health care and affordable housing development opportunities; and
- Ease of property acquisition or use due to available rights-of-way and/or municipal or Metro-owned properties.

Additional acceleration, discussed hereinafter, requires the approval by 2/3 vote of the Metro Board and cannot delay any other Expenditure Plan project or program beyond the dates contained in the Expenditure Plan.

#### **COST CONTAINMENT POLICY FOR EXPENDITURE PLAN MAJOR PROJECTS**

It is essential that costs be managed and controlled to ensure delivery of Measure M Major Projects. It is expected that all Major Projects are managed to the approved budget and schedule within the Expenditure Plan. .

The objective of the cost management policy and process is to insure the prompt development and consideration of project cost alternatives that genuinely address the cost controls necessary to successfully deliver all Measure M transit and highway Major Projects. First and foremost is that no project will receive Measure M funds over and above the amount listed in the expenditure plan except under the following circumstances:

- A) The cost is related to inflationary pressures, and meets the requirements for the Inflation related Contingency Fund provisions provided under the Ordinance. These are addressed in the Contingency Fund Guidelines Section \_\_\_.
- B) Additional Measure M funds are provided for and consistent with amendments permitted in tandem with the Ten-Year Comprehensive Program Assessment permitted under the Ordinance. This process is addressed in the Comprehensive Program Assessment Process & Amendments Section \_\_\_\_.
- C) Redirection of Measure M subregional funds aligned with the project's location, so long as the project satisfies all subregional program eligibilities and procedures consistent with these guidelines, and with the agreement of jurisdictions otherwise eligible for those subregional funds.

In all of these cases, a specific Metro Board action is required to address the shortfall prior to the project proceeding.

When the aforementioned processes are not appropriate or applicable, according to these Guidelines, the shortfall will then first be addressed at the project level prior to evaluation for any additional, non-Measure M resources using these methods in this order:

1. Value Engineering/Scope Reductions—these must be consistent with any prior related requirements or limitations attached to the project scope;;
2. New Local Agency Funding Sources;
3. Shorter Segmentation— these must be consistent with any prior related requirements or limitations attached to the project scope;
4. Corridor Cost Reductions; and then
5. Countywide Cost Reductions.

If recommended sources involve any funds that are not from locally controlled sources, the planned reduction must conform to the priorities of the LRTP and available funding with the TFP.

#### **AUDIT REQUIREMENTS**

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

#### **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publically acknowledge the use of Measure M funds through websites, flyers, or other promotional and marketing materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

#### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

## AUDITS

---

### **Annual Financial and Compliance Audit and Independent Audit Firm Solicitation**

Per the Measure M Ordinance, Metro shall contract for an annual audit, to be completed within six (6) months after the end of the fiscal year being audited, for the purpose of determining compliance by Metro with the provisions of the Ordinance relating to the receipt and expenditure of Sales Tax Revenues during such fiscal year. The audit should include a determination as to whether recipients of Net Revenues allocated from these Subfunds have complied with the Ordinance and any additional guidelines developed by Metro for these Subfunds.

### **Annual Audit Workshop**

Metro will facilitate an annual collaborative audit workshop that will be attended by the selected independent audit firms and fund recipients for the purpose of providing insight into the audit process, documentation requirements and important audit due dates. The workshop will give attendees a chance to meet representatives from the CPA Firms conducting the audits, who will provide an overview of the audit process and timelines. In addition, pertinent Metro staff will provide background information on the various funding programs included in the annual audit.

### **Review of Annual Audit Results and Public Hearing**

Results of the annual financial and compliance audits will be presented to the Independent Taxpayer Oversight Committee which will make findings as to whether Metro is in compliance with the terms of the Ordinance. Such findings shall include a determination as to whether recipients of Net Revenues allocated and funds were expended for all the Subfunds (outlined in the Expenditure Plan) and have complied with this Ordinance and any additional guidelines developed by Metro. Audit results will also be available on the Independent Taxpayer Oversight Committee webpage which is linked to the Measure M website.

The Independent Taxpayer Oversight Committee will cause a summary of each audit to be available and accessible to the public (through various types of media) prior to the public hearing and upon request. The Independent Taxpayer Oversight Committee shall hold an annual public hearing to obtain the public's input on the audit results. All Independent Taxpayer Oversight Committee meetings shall be in accordance with the Ralph M. Brown Act.

## COMPREHENSIVE PROGRAM ASSESSMENT PROCESS & AMENDMENTS

---

### Five-Year Assessment

Commencing in calendar year 2022, and every five (5) years thereafter, the Metro Board of Directors shall adopt a Five-Year Comprehensive Program Assessment. These assessments shall be coordinated with Metro's Short Range Transportation Plan (SRTP) and/or the Long Range Transportation Plan (LRTP) and provide a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan to evaluate the performance of the overall program and make recommendations to include, but not be limited to:

- Improvements on current practices;
- Best practices; and
- Organizational changes to improve coordination.

Specific evaluation areas and criteria of the Five-Year Comprehensive Program Assessment will be approved by the Metro Board of Directors in consultation with the Measure M Independent Taxpayer Oversight Committee, and will include an update to the Transportation Finance Plan (TFP) Model, originally developed for the LRTP.

Prior to adoption, the Measure M Independent Taxpayer Oversight committee shall review the Five-Year Comprehensive Program Assessment and make findings and/or provide recommendations for improving the program. The results of the Committee's review shall be presented to the Metro Board of Directors as part of the adoption of the Comprehensive Program Assessment.

### Ten-Year Assessment

Commencing in calendar year 2027, and every ten (10) years thereafter, the Metro Board of Directors shall adopt a Ten-Year Comprehensive Program Assessment. These assessments shall be coordinated with Metro's TFP Model and Long Range Transportation Plan (LRTP) updates and provide a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan to evaluate not only all areas of the Five-Year Comprehensive Program Assessment, but those impacting the ability to amend the Measure M Ordinance and Expenditure Plan. These evaluation areas include, but are not limited to:

- Projects/programs completed;
- Projects/programs anticipated for completion in the next ten years; and
- Changes in circumstances affecting the delivery of projects/programs within their schedules as identified in the Measure M Expenditure Plan.

Specific evaluation areas, performance indicators for project delivery, and criteria of the Ten-Year Comprehensive Program Assessment will be developed by the Metro Board of Directors

through the Long Range Transportation Plan in consultation with the Measure M Independent Taxpayer Oversight Committee.

### Amendment Opportunities

As part of its approval of the Ten-Year Comprehensive Program Assessment the Metro Board of Directors may adopt amendments to the Measure M Ordinance and Expenditure Plan to: (1) add Major Projects and/or Multi-Year Subregional Programs; (2) transfer funds between capital project/program subfunds; and (3) change subregional boundaries (limited to no earlier than 2047 by the Measure M Ordinance). The Measure M Independent Taxpayer Oversight Committee shall review and provide comment on the assessment to the Metro Board of Directors. Prior to action on any amendment the Metro Board of Directors shall hold a public meeting on proposed amendments. Notice of the public meeting shall be provided at least 60 days in advance of the meeting to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public, and shall include a copy of the proposed amendments. All amendments must be passed by a 2/3 vote of the Metro Board of Directors.

1. Add Major Projects and/or Multi-Year Subregional Programs – “Expenditure Plan Major Projects” and “Multi-Year Subregional Programs” may be added to the Expenditure Plan provided that such additions do not delay the “Groundbreaking Start Date”, “Expected Opening Date”, or amount of “Measure M Funding 2015\$” of any other “Expenditure Plan Major Projects” or “Multi-Year Subregional Program.” Changes in circumstances affecting the delivery of projects/programs will be evaluated through the Ten-Year Comprehensive Program Assessment to confirm and update actual project delivery schedules.
2. Transfer Funds Between Capital Project/Program Subfunds – The Metro Board of Directors may adopt an amendment transferring Net Revenues between the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets (Capital) Subfund. The Metro Board of Directors shall not adopt any amendment to the Measure M Ordinance or Expenditure Plan that reduces total Net Revenues allocated to the sum of the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets (Capital) Subfund.
3. Change Subregional Boundaries – Not sooner than 2047 the Metro Board of Directors may amend the boundaries of the subregional planning areas as identified in Attachment B of the Measure M Ordinance.

## MAJOR PROJECT ACCELERATION AMENDMENTS

---

The Metro Board of Directors may consider an amendment of the “Schedule of Funds Available” to accelerate an “Expenditure Plan Major Project” at any time over the Measure M program provided that such amendment shall not:

- Reduce the amount of funds assigned to any other project or program as shown in the “Measure M Funding 2015\$” column of the Measure M Expenditure Plan;
- Delay the “Schedule of Funds Available” for any other project or program; or
- Negatively impact Metro ability to meet FTA requirements for maintaining existing service levels .

Acceleration is defined as advancing major projects ahead of the identified “Groundbreaking Start Date” identified in the Measure M Expenditure Plan. Acceleration of projects may be triggered by events including, but not limited to:

- Unsolicited proposals from the private sector deemed to have technical or financial merit;
- Unforeseen state and/or federal funding opportunities; and
- Unanticipated, unmitigated, and unavoidable delays in other project/program delivery schedules.

The Metro Board of Directors shall perform an assessment of any major project acceleration proposal. Major projects proposed for acceleration can be considered “Shovel Ready” such that they:

- Have attained all required state and federal environmental clearances as applicable; and
- Have attained 30% design plans if to be delivered under design-build procurement; or
- Have attained 100% design plans, permits essential to begin construction, and all right-of-way clearances\* if to be delivered under design-bid-build procurement; or
- Have a full funding plan, including an appropriate contingency, of committed/reasonably assumed funds consistent with the proposed acceleration schedule.

\*Right-of-way clearance includes right-of-way work arounds during construction as certified by the California Department of Transportation.

Changes in circumstances affecting the delivery of other projects/programs will be evaluated through the assessment to confirm and update actual project delivery schedules.

The Measure M Independent Taxpayer Oversight Committee shall review and provide comment on the assessment to the Metro Board of Directors. Prior to action on any amendment the

Metro Board of Directors shall hold a public meeting on proposed amendments. Notice of the public meeting shall be provided at least 60 days in advance of the meeting to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public, and shall include a copy of the proposed amendments. All amendments must be passed by a 2/3 vote of the Metro Board of Directors.

### **General Amendments**

The Metro Board of Directors shall develop procedures for general amendments to the Measure M Ordinance and Expenditure Plan in consultation with the Measure M Independent Taxpayer Oversight Committee, and will be included as an addendum to these Guidelines within one year of adoption of these Guidelines. The procedures will cover all other areas of amendments beyond those identified in the 2017 Measure M Guidelines and be added to the 2017 Measure M Guidelines by adoption of the Metro Board of Directors. These areas include, but are not limited to:

- Timing of amendments;
- Exclusions – Ordinance provisions that cannot be amended without vote of the public;
- Exceptions – Ordinance provisions that change without amendment requirements; and
- Metro Board action requirements, including public outreach and Measure M Independent Taxpayer Oversight Committee involvement.

## **DEBT POLICY**

---

### **INTRODUCTION**

In April 2015, the Metro Board adopted Metro's Debt Policy, incorporating affordability policy limits, types of financing products, structural features and the debt issuance process at Metro. This policy covers local sales taxes and debt related to Proposition A, Proposition C, and Measure R.

### **PROGRAM OBJECTIVES**

The guidelines for Measure M debt will be included in the next iteration of Metro's Debt Policy which is scheduled for 2017. Once completed, the 2017 Metro Debt Policy will provide formal guidance for debt issuance under Measure M.

### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

The debt guidelines and affordability targets for Measure M will be developed by Finance/Treasury with input from Planning as part of the 2017 update for the Metro Debt Policy and various guidelines related to Measure M. Debt issued will determine cashflow priorities according to bond covenant requirements. No language set forth in these Guidelines is meant to circumvent bond obligations related to these funds.

### **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how funds associated with the Measure M debt are contributing to accomplishing the program objectives.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable federal, state and local laws. Metro will retain all documents and records related to this program and the use of funds according to Metro's records and disposition policies in force at the time of the debt issuance.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors, including by adoption of future revisions to Metro's Debt Policy.



## CASHFLOW MANAGEMENT

---

### INTRODUCTION

The purpose of the Cashflow Management Guidelines is to identify the forecasted five-year cashflow availability and needs for operating and capital uses on an annual basis. This will be done through the Transportation Finance Plan (TFP) Model, originally developed to support the LRTP and SRTP. The annual needs for all operating and capital uses are determined in coordination with the Metro Office of Management and Budget, Metro Program Management and Construction, Caltrans, and other project sponsors and service providers as appropriate. The TFP model is a comprehensive forecast for the duration of the Long Range Transportation Plan period. This model forecasts all revenue sources available to Metro needed to finance the costs of operating and maintaining the transit system, as well as the capital program and project commitments made over that period, including all voter approved expenditure plans. The TFP directly supports and satisfies the analytical requirements imposed by the Federal Transit Administration for full funding grant agreements. It also supports the Southern California Association of Governments (SCAG) Regional Transportation Plan and similar requirements from the State of California.

### PROGRAM OBJECTIVES

On an annual basis Metro will develop a five-year forecast to identify how much revenue will be generated from Measure M tax receipts. Measure M receipts can be calculated for funding Transit Operating & Maintenance, and the Local Return / Regional Rail subfund as a percentage of this revenue number, net of administration (1.5%). Surplus or deficit amounts will be adjusted based on financial year actual receipts as reported in Metro's Comprehensive Annual Financial Report (CAFR). Cashflow needs for the Transit and Highway Capital programs will be identified in the TFP Model, and may include funding from other local, state, and federal sources including debt instruments.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

The TFP Model outputs identify annual programmed funding for the LRTP period, as defined above. Cashflow will be identified to fund these projects within those capacities after allocations to the Transit Operating & Maintenance, and the Local Return / Regional Rail subfunds. All Highway and Transit Capital projects and programs will be funded based on the schedules established in the Measure M Expenditure Plan as supported by the Program Management Plan and 10-Year Capital and annual Metro budget processes. If Measure M cash receipts for capital projects or programs are insufficient based on the annual receipts then bond proceeds may be used to maintain the schedule set forth in the Expenditure Plan. If bond

proceeds are insufficient to maintain the Expenditure Plan schedule, then other local, state, and federal funding may be programmed for project completion in the TFP Model. The Expected Opening Date identified in the Expenditure Plan represents the first year of a three-year window, so Measure M funding may extend beyond the Expected Opening Date.

### **ALLOCATION METHODOLOGY**

Shortages in the cashflows will need to be addressed by borrowing (i.e., debt issuance) or delaying capital projects to later in their three-year opening date range permitted by the Ordinance. Other cashflow shortages will be addressed at the project level and will require Board approval as appropriate. Surpluses in the cashflow profile may be used to fund the Highway and Transit Contingency subfund or any other uses permitted by the Ordinance consistent with the TFP Model forecast developed for use with the LRTP and other long term capital planning needs.

### **RESERVE/CARRYOVER REQUIREMENTS**

Given the objective of the program to identify Cashflow needs, Metro encourages capital projects to draw down these funds in a timely manner for transportation improvements and services for the traveling public. However, Metro may reserve or carryover any excess surplus to the next fiscal year, provided such carryover is coordinated and consistent with the TFP Model, for the purposes of achieving its Long Range Transportation Plan goals.

### **ADVANCING MULTI-YEAR SUBREGIONAL PROGRAM PROJECTS WITH LOCAL FUNDS**

One of the major challenges in accessing the Multi-Year Subregional Measure M funding is that the Measure M Expenditure Plan identifies the availability of these funds (“Groundbreaking Start Date”) broadly over the first 40 years. Across all nine subregions there are 37 Multi-Year Subregional Programs covering multiple categories/modes of transportation investments. In many cases the “Groundbreaking Start Date” and “Expected Opening Dates” stretch from 2018 to 2057; and the “Groundbreaking Start Date” can vary from as early as fiscal year 2018 to as late as fiscal year 2048.

Metro will request notice from Multi-Year Subregional Program (MSP) project sponsors seeking funding to identify project readiness together with funding requests, no less than 4 months prior to the beginning of each Metro fiscal year. When notice is not provided, project sponsors will be “subject to a first come first serve” fund availability requirement within each fiscal year.

However, where funds may not yet be available, and to support the immediate delivery of high priority projects within the Multi-Year Subregional Programs, the Metro Board of Directors will consider various tools to promote delivery of these projects as quickly as possible, including,

but not limited to subregional requests for a Letter of No Prejudice (LONP), allowing the local project sponsor to move forward with the delivery of the project using other local funds while requesting eligibility for future reimbursement of Measure M funds when such funding is available.

Another available tool will allow subregional project sponsors to elect to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year. This type of inter-program borrowing within the MSP requires Metro Board approval and consent the affected subregion(s). The process for this, as well as the process for requesting funds will be developed within one year of the adoption of these Guidelines. The process will include criteria for resolving conflicting requests for funding in any given fiscal year.

### **REPORTING REQUIREMENTS**

Metro will provide as needed reports to the Measure M Independent Taxpayer Oversight Committee describing how cashflow management is contributing to accomplishing the overall program objectives. Measure M funds may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing highway and transit services in the event of a current or projected funding shortfall.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

## CONTINGENCY SUBFUNDS

---

### INTRODUCTION

The Measure M contingency subfunds are established to help identify resources necessary to accommodate the requirements of the Transit and Highway Contingency Subfunds as identified in the Measure M Ordinance. Specifically, the Ordinance states:

#### **Section 7 (2) A:**

*Metro may expend funds from the Contingency Subfunds for inflation adjustments for any project identified in the "Expenditure Plan Major Projects" section of Attachment A if less than two-thirds (2/3) of the amount allocated in the "Measure M Funding 2015\$" column has been expended prior to the first day of Fiscal Year 2027. Such expenditures shall be deducted from the Highway Contingency Subfund if the project is coded "H" in the "modal code" column of Attachment A or from the Transit Contingency Subfund if the project is coded "T" in the "modal code" column of Attachment A. Such expenditures shall not exceed the actual amount of inflation since 2015 as determined by an index selected by the Metro Board of Directors.*

### PROGRAM OBJECTIVES

The contingency subfund is designed to allow greater funding flexibility for projects that are programmed later in the Expenditure Plan (i.e., after FY2026). Qualifying Major Projects have a super-majority (more than 2/3) of their funding programmed after FY2026 and Multi-Year Programs that extend past FY2026. The post FY2026 Projects and Programs can use contingency funds to help pay for cost increases due to inflation. The Cashflow Management guidance in Section \_\_ provides additional details regarding the methodology for determining how much money should be set aside for the contingency subfund each year.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

Projects that occur in the first 10 years are to be identified in the Transportation Finance Plan (TFP) Model. The TFP Model with annual updates and five year forecasts will be used to make contingency fund eligibility determinations described herein. The Expenditure Plan identifies the following Major Projects that may be eligible for contingency funding in the first 10-years, in so far as their projected Measure M funding needs in the first 10 years are equivalent to 1/3 or less of the amounts listed in the Expenditure Plan:

#### **Major Projects**

- SR-57/SR-60 Interchange Improvements
- Green Line Extension to Crenshaw Blvd in Torrance

- I-710 South Corridor Project (Phase 1)
- I-105 Express Lane from I-405 to I-605
- Sepulveda Pass Transit Corridor (Phase 2)

For the first 10 years of Measure M, projects eligible for contingency will be reassessed with annual and five-year updates of the TFP Model.

All other Major Projects are eligible for contingency funds based on the Schedule of Funds Available timeline identified in the Expenditure Plan. Major Projects that are accelerated for any reason may risk access to the contingency funds if more than 2/3 of the project funding is advanced prior to FY2027.

### **Multi-Year Programs**

All Multi-Year Programs in the Expenditure Plan are eligible for contingency funds starting in FY2027. Exceptions include: (1) Street Car and Circulator Projects; (2) North San Fernando Valley Bus Rapid Transit Improvements; and (3) Countywide BRT Projects Phase 1, since their programming allocations end prior to FY2027 as identified in the Expenditure Plan. Within the Contingency Subfunds no money is available for inflation until after FY2026 at which time funds for inflation may be available. Metro Planning and Finance staff will identify the escalation amount associated with construction costs annually using an index which is to be approved by the Metro Board of Directors. The Expenditure Plan identifies the following Multi-Year Programs whose projects may be eligible for contingency funding in the first 10-years:

### **Multi-Year Programs**

- Metro Active Transportation, Transit 1st/Last Mile Program
- Visionary Project Seed Funding
- Street Car and Circulator Projects
- Transportation System and Mobility Improvement Projects
- Active Transportation 1st/Last Mile Connections Program
- Active Transportation Program (nc)
- Active Transportation Program (Including Greenway Projects)
- Active Transportation, 1st/Last Mile, & Mobility Hubs
- Active Transportation, Transit, and Technology Program
- Highway Efficiency Program
- Bus System Improvement Program
- First/Last Mile and Complete Streets
- Highway Demand Based Program (HOV Extension & Connection)
- I-605 Corridor "Hot Spot" Interchange Improvements
- Modal Connectivity and Complete Streets Projects
- South Bay Highway Operational Improvements
- Transit Program (nc)
- Transit Projects (av)

- Transportation System and Mobility Improvement Program

Note: Additional projects funded from these multi-year programs that draw down funds in advance of 2027 will not be eligible to utilize contingency funds.

### **RESERVE/CARRYOVER REQUIREMENTS**

Given the objective of the program to address capital needs, Metro intends to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year or to pay down other debts related to Measure M project delivery.

### **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Contingency Funds are contributing to accomplishing the program objectives.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors. Details about how these Contingency Subfund accounts will be created and accessed will be further developed and adopted within one year of the adoption of these Guidelines.

## 3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS

---

### INTRODUCTION

The Measure M Ordinance includes a provision for 3% local contribution to major transit capital projects. The rationale for the contribution is that local communities with a fixed guideway station receive a direct benefit due to the increased access to high quality transit service that is above and beyond the project's benefit to the County as a whole. Countywide, the 3% local funding contribution represents approximately \$1 billion in funding to support the project delivery identified in the Expenditure Plan. The 3% local funding contribution is a critical element of a full funding plan for these transit projects. The Ordinance includes provisions that allow development of a mutual agreement between a jurisdiction and Metro, and a default penalty if such an agreement cannot be reached. The agreements shall be in accordance with these guidelines.

### PROGRAM METHODOLOGY

The Ordinance calculates the local contribution based on the centerline track miles within a local jurisdiction with a new station in those jurisdictions. These guidelines reflect the nexus between mobility benefits provided to a jurisdiction based on the location and proximity of a new station. The local contribution will be calculated by dividing 3% of the project's total cost, estimated after the conclusion of preliminary engineering (30% plans), by the number of new rail stations constructed on the line. For purposes of this section, determination of the local jurisdiction borders will be a new station located within one-half mile of the jurisdiction. Building on the Metro Board adopted First/Last Mile policy in 2016, which defines the "walkshed" around each station as a half-mile radius, the 3% local contribution requirement will be proportionately shared by all local agencies based upon the local agency's land area within a one-half mile radius of a new station. Other arrangements agreed upon by every local jurisdiction in a project corridor with a local contribution obligation are also acceptable, provided that the total of all jurisdictions' contributions equals 3% of the estimated project cost. A list of jurisdictions that may be affected, subject to changes determined by the environmental process, is included as Appendix A.

An agreement approved by both Metro and the governing body of the jurisdiction shall specify the total project cost as determined at the conclusion of preliminary engineering (30% plans), the amount to be paid by the local jurisdiction, and a schedule of payments. Once approved, the amount to be paid by the local jurisdiction shall not be subject to future cost increases. The jurisdiction may request a betterment for a project. The jurisdiction, however, shall incur the full cost of any such betterment without credit towards the required 3% local contribution. A betterment is defined as a change that will improve the level of service and/or capacity, capability, appearance, efficiency or function over that which is required by the Metro Design Criteria and the environmental document at the time the project is advertised for any construction-related bid. This definition can be revised by the Metro Board through revisions to these Guidelines.

## **Eligible Fund Contributions**

Eligible fund sources to satisfy 3% local contribution include any funds controlled by the local agency or local agencies (e.g. General Fund, State Gas Tax Subventions, Prop. A, Prop. C and Measure R and M Local Return Funds, Measure M Subregional Program Funds), or any funds awarded from non-Metro competitive grant process funding. Measure M Subregional Program Fund contributions must be accompanied by documented agreement from all jurisdictions that would otherwise be eligible for those sub-regional funds. In-kind contributions eligible to satisfy 3% local contribution include project specific right-of-way and waiver of permitting fees, if calculated in the project cost and contribution amount.

## **Active Transportation Capital Improvement Contributions**

These guidelines reflect provisions adopted by the Board that allow for local jurisdictions to meet all or a portion of their 3% local contribution obligation through active transportation capital improvements and first/last mile investments that are included in the project scope and cost estimate at the conclusion of preliminary engineering (30% plans). All local improvements must be consistent with station area plans that will be developed by Metro in coordination with the affected jurisdiction(s). The criteria for local first/last mile investments for first/last mile contributions are being developed by Metro, specifically to carry out integration of first/last mile within transit capital projects.

## **Local Contribution Limits**

The 3% local contribution will only be calculated against the overall project scope and cost determined at the conclusion of preliminary engineering (30% plans). Local agencies cannot count other transportation investments that are not included in the project scope and cost estimate after the conclusion of preliminary engineering (30% plans). Metro staff will provide written notice to the affected jurisdiction(s) and a report to the Metro Board at the completion of 30% engineering completion.

## **Opt Out Option**

Metro will withhold up to 15 years of Measure M Local Return Funds for local agencies that fail to reach a timely agreement with Metro on their 3% contribution prior to the award of any contract authorizing construction of the project within the borders of that jurisdiction. Local return funds from Proposition A, Proposition C, and Measure R are not subject to withholding. In some cases, principally in smaller cities, the default withholding of 15 years of local return from only Measure M Local Return Funds will be less than a formal 3% contribution. In these cases, the cities which default on making their full 3% contribution will suffer no further impact.



## MULTI-YEAR SUBREGIONAL PROGRAMS

---

### INTRODUCTION

Multi-Year Subregional Programs are included in Measure M on page 3 of Attachment A, known as the Expenditure Plan. Measure M requires Guidelines for the Multi-Year Subregional Programs (MSP), including definitions for specific types of these projects, pursuant to Section 7c of the Ordinance. Projects submitted for these programs are subject to these definitions, which are provided in these Guidelines. All of the Multi-Year Subregional Program funds are limited to capital projects.

### READINESS

Given the objective of the Measure M to improve transportation, transit service and ease traffic congestion in the region, the timely use of funds is a foundational principle throughout these Guidelines. As previously stated, it is the fiscal responsibility of Metro to ensure that the tax payer funds are spent according to the requirements of the Ordinance, but also as quickly as possible to realize the benefits of the Measure M Expenditure Plan as promised for the people of Los Angeles County.

The Timely Use of Funds principle also applies to the Multi-Year Subregional Programs, where amounts vary over a series of years, depending on sequencing in the Expenditure Plan. They are subject to Measure M Cashflow parameters, and require establishing project readiness to be able to access program funds. In general, project funds can be requested for pre-construction and construction phase of a project. Criteria that will indicate project readiness include:

For both the pre-construction and construction phase:

- Project Location/Physical limits - enumeration of the exact intersections, street or other appropriate locations in which work will be performed. The pre-construction phase may include exploratory examinations of such, if applicable and appropriate.
- Project description - description of deficiency or issue the project will address, including work to be performed, existing constraints to be addressed and identification of the relevant parties or jurisdictions involved in the project.
- Funding plan – funds to complete the project including phases that will be funded by Measure M funds and those that will be funded by any other fund sources to complete the project.
- Community/Council Support – Inclusion in a current local agency adopted CIP or equivalent. Documentation must be provided.

For the Construction Phase, the following additional criteria will also apply:

- Have attained all required state and federal environmental clearances as applicable; and
- Have attained 30% design plans if to be delivered under design-build procurement; or
- Have attained 100% design plans, permits essential to begin construction, and all right-of-way clearances\* if to be delivered under design-bid-build procurement; or
- Schedule – list of phases completed, and proposed schedule for funded phases.

Procedures for determining project readiness will be established within one year of the adoption of these Guidelines. Procedures will include a requirement that project sponsors notify Metro by last day of February of each year of the amount of Measure M subregional funding they plan to use, by project, in the subsequent fiscal year, which for Metro begins July 1<sup>st</sup> each year. When notice is not provided, fund availability will be on a first come first serve basis in the subsequent fiscal year.

### **USE OF MEASURE M FUNDS**

The subregional funds within the MSP are subject to the cashflow parameters within these Guidelines. Per the Cashflow provisions in Section \_\_\_\_, Metro Board will consider tools that allow for expediting projects within and among subregional programs. Subregional project sponsors can elect to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year. This type of inter-program borrowing within the MSP requires approval from Metro and the affected subregion(s).

The subregional programs were based, in part, on projects identified during the Mobility Matrix process prior to the passage of Measure M. Those projects submitted to the Mobility Matrix process are still considered foundational to the Multi-year Subregional Program. Specifically, the projects submitted to the Mobility Matrix are eligible, and the subregions or jurisdictions within the subregions are considered eligible project sponsors.

### **Supplemental Funds Requirements**

If project sponsors are able to use the Multi-Year Subregional Program funds for a Mobility Matrix project that is within the available planned funding, and matches the definitions within these Guidelines, then the project sponsor may proceed with the project. However, if the project requires supplemental Metro support or funding, including Metro staff resources, then the project must comply with all requirements attached to Metro sponsored or controlled fund sources and policies, as appropriate. For example, if a project using Measure M subregional funds is matched with discretionary fund programs managed by Metro, the project is subject to all evaluation criteria, reporting requirements or other provisions of that discretionary program. This includes any Metro sponsored Measure M programs identified in these Guidelines (coded as “SC”), as set forth herein. There is no minimal amount of additional Metro investment that

would prevent additional Measure M policy requirements. The only exception to this rule is use of Local Return funding from Measures A, C, R or M. Once the Metro supplemental funding request is made, staff will notify project sponsors of policy implications.

As an example, subregional Active Transportation Programs projects that would request supplemental funds from a Metro managed ATP eligible funding source would need to be consistent with board-adopted/approved policies in mobility, accessibility, safety, community, and sustainability. These include:

- Complete Streets Policy
- Active Transportation Strategic Plan (ATSP)
- First/Last Mile Strategic Plan (FLMSP)
- Urban Greening Plan

#### **AUDIT REQUIREMENTS**

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

#### **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publically acknowledge the use of Measure M funds through websites, flyers, or other promotional and marketing materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

#### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

## MULTI-YEAR PROGRAMS (HIGHWAY SUBFUNDS)

---

Multi-Year Highway Subfund Program categories under Section 7.c. (Page 13, Lines 13 through 24) of the Measure M ordinance, identified in the Expenditure Plan (Attachment A to the Ordinance), directs the Metro Board of Directors to “adopt guidelines regarding Multi-Year Subregional Programs identified in Attachment A.” The guidelines shall, at a minimum, specify definitions.” for the categories below

Highway Subfund Program	Subregion	
Highway Efficiency and Operational Improvements	AV, SG, LVM NC, SB	*1
Highway Demand-Based programs (such as HOV connections/extensions)	SG	
Multi-Modal connectivity Projects	AV	
Freeway Interchange Improvements	CC	*1
Arterial Street Improvements	NC	
Transportation System and Mobility Improvements	SB	

\*shared program definition

Detailed definitions are provided in this section.

There are several overlapping themes within the Multi-Year Subregional Programs (MSP) and individual projects are not defined in the Ordinance. The Guidelines assign a uniform eligible project definition when applicable to MSP programs with consistent or similar themes. The following activities will need to be undertaken to better define the scope and schedule of future Measure M projects:

***Pre-construction activities*** such as planning studies, environmental clearance, design and right of way, to define the project limits, deficiency, and actual total project cost.

***Construction-activities*** derived from completed pre construction activities. In many cases, total project costs will not be covered by the allocated multi-year subregional program amounts. There may also be insufficient financial resources identified in the expenditure plan to fund all the needs of the proposed subregional improvements. It is expected that local jurisdictions will contribute to total project costs.

Subfunds can be used for both pre-construction and construction activities.

### **Submittal, review, and approval of projects**

In order to conform to project readiness requirements under the Timely Use of Funds provisions of these Guidelines, information will be sought in the following areas prior to programming funds from the Highway Subfund.

- Project sponsor must define the following
  - Project Location/Physical limits - enumeration of the exact intersections, street or other appropriate locations in which work will be performed.
  - Project description - description of deficiency or issue the project will address, including work to be performed, existing constraints to be addressed and what relevant parties or jurisdictions will be involved in the project.
  - Funding plan – funds to complete the project include phases that will be funded by Measure M funds and those that will be funded by any other fund sources to complete the project.
  - Community/Council Support – Inclusion in a current local agency adopted CIP or equivalent. Documentation must be provided.
  - Schedule – list of phases completed, and proposed schedule for funded phases.
- Project must have been included on the subregions mobility matrix ; or
- If not included on the Mobility Matrix, council of government must adopt the project as a subregional project eligible for Measure M funding;
- Metro will review the project application and clarify any items necessary with the project sponsor to determine project readiness and eligibility for pre-construction or construction activities.

A. *“Highway Efficiency and Operational Improvements” definition:*

Highway Efficiency and Operational Improvements includes those projects, which upon implementation, would improve regional mobility and system performance; enhance safety by reducing conflicts; improve traffic flow, trip reliability, travel times; and reduce recurring congestion and operational deficiencies on State Highways. Similarly, improvements on major/minor arterials or key collector roadways, which achieve these same objectives, within one mile of a State Highway, are also eligible under this category. Highway subfunds are eligible for construction-related work upon demonstrated completion of pre-construction activities. State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

**Example of Eligible Projects:**

- system and local interchange modifications
- ramp modifications/improvements
- auxiliary lanes for merging or weaving between adjacent interchanges
- alignment/geometric design improvements
- left-turn or right-turn lanes on state highways or arterials

- intersection and street widening/improvements
- turnouts
- shoulder widening/improvements
- safety improvements that reduce incident delay
- freeway bypass/freeway to freeway connections facilitating traffic detours for incidents, shutdowns or emergency evacuations
- ExpressLanes

B. “Highway Demand-Based programs” definition:

Highway Demand-Based programs (such as HOV connections/extensions) include managed lane projects, which once implemented, would improve regional mobility and enhance safety on the Freeway system. Managed lane projects include high-occupancy vehicle (HOV) lanes, access control or special use lanes and high occupancy toll (HOT) lanes. “Managed lanes” are defined as highway facilities or a set of lanes where operational strategies are proactively implemented and managed in response to changes in traffic/demand conditions. Managed lane projects should provide motorist with viable travel options/solutions for mobility improvements through managed lanes concepts in congested corridors. Highway subfunds are eligible for construction related work upon demonstrated completion of pre-construction activities. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

**Example of Eligible Projects:**

- freeway to freeway HOV/HOT lane connectors
- extension of HOV lanes on interstates or state freeways
- access control of exit and entry points
- grade separated ramps
- conversion of HOV lanes to HOT lanes

C. “Multi-Modal connectivity” definition

Multi-Modal connectivity projects include those projects, which upon implementation, would improve regional mobility, network performance, provide network connections, reduce congestion, queuing or user conflicts and encourage ridesharing. Project should encourage and provide multi-modal access based on existing demand and/or planned need and observed safety incidents or conflicts. Subfunds are eligible for construction related work upon demonstrated completion of pre-construction activities. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

**Example of Eligible Projects:**

- Transportation Center expansions
- Park and Ride expansions
- Multi modal access improvements
- New mode and access accommodations

D. **“Freeway Interchange Improvements” definition:**

Freeway Interchange Improvements includes those projects, which upon implementation, would improve regional mobility, system performance, enhance safety by reducing conflicts, improve traffic flow, trip reliability, travel times, and reduce recurring congestion and operational deficiencies on State Highways. Similarly, improvements on major/minor arterials or key collector roadways which achieve these same objectives, within one mile of the State Highway, are also eligible under this category. Highway subfunds are eligible for construction related work upon demonstrated completion of pre-construction activities. State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

**Example of Eligible Projects:**

- interchange modification/improvements
- ramp modifications
- auxiliary lanes for merging or weaving between adjacent interchanges
- curve corrections/improve alignment
- two-way left-turn or right-turn lanes
- intersection and street widening
- turnouts
- shoulder widening/improvements
- safety improvements that reduce incident delay

E. **“Arterial Street Improvements” definition:**

Arterial Street improvements include those projects, which upon implemented, would improve regional mobility, system performance, enhance safety by reducing conflicts, improve traffic flow, trip reliability, travel times, and reduce recurring congestion and operational deficiencies. Projects must be located on a principal arterial, minor arterial or key collector roadway. The context and function of the roadway should be considered -- i.e. serves major activity center(s), accommodates trips entering exiting the jurisdiction, serves intra-area travel – and adopted in the City’s general plan. Highway subfunds are eligible for construction related work upon

demonstrated completion of pre-construction activities. State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

**Example of Eligible Projects:**

- Intersection or street widening
- two-way left-turn or right turn lanes
- curve corrections/improve alignment
- two-way left-turn or right turn lanes
- turnouts
- safety improvements that reduce incident delay
- network connectivity multiple modes

**“Transportation System and Mobility Improvements”**

Transportation System and Mobility Improvements include those projects that once implemented, would improve regional mobility, enhance trip reliability, system performance, and network connectivity between modes, reduce user conflicts, and encourage ridesharing. Projects must be located on a principal arterial, minor arterial or key collector roadway. The context and function of the roadway should be considered -- i.e. serves major activity center(s), accommodates trips entering exiting the jurisdiction, serves intra-area travel – and adopted in the City’s general plan. Highway subfunds are eligible for construction related work upon demonstrated completion of pre-construction activities. State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

Additional definitions required by the Ordinance for the Guidelines include:

**Safe routes to schools:** Projects that remove the barriers that currently prevent children from walking or bicycling to school. Those barriers include, but are not limited to, lack of infrastructure (sidewalks, safe passageways), unsafe infrastructure, lack of crosswalks, lack of signalized intersections at or near schools that would provide for safe crossing, and similar deficiencies. There is a State-legislated program referred to as SR2S and a Federal Program referred to as SRTS.

**Highway and transit noise mitigations**

Highway noise mitigations: Planning, engineering and construction of retrofit noise barriers/soundwalls along the freeways through residential areas to reduce the level of freeway traffic noise exceeding the State and federal thresholds that impacts the adjacent properties deemed eligible for soundwalls by Caltrans and federal policies and guidelines.

Transit noise mitigations: similar noise barriers as highway, but along fixed transit guideway routes.



**Streetscape Enhancements and Great Streets:** Great Streets concept was initiated by the City of Los Angeles to: 1) Build strong partnerships between communities and the City of Los Angeles; 2) Design streets with a community's vision of how to improve neighborhoods for all people; and 3) Implement projects that transform streets into safe, accessible, and vibrant public spaces in alignment with adopted City of Los Angeles policies.

**Traffic Congestion Relief Improvements:** Transportation projects that would relieve congestion, improve mobility/level of service, and result in operational improvements along the State Highway System and arterial roadways. These projects include but are not limited to roadway widening, geometric corrections, substantial signal synchronization, carpool lanes, park and ride facilities near freeways served by commuter transit service, dedicated right- and left-turn lanes at major signalized intersections, and other projects with verifiable benefits.

**Other Highway Efficiency Program and Traffic Congestion Relief definition may include:**

Freeway Service Patrol (FSP) - This is a congestion mitigation program with roving tow and service trucks which assist and/or remove disabled vehicles off the freeway to a designated safe location. The program maximizes safety by reducing the incidence of secondary accidents and minimizes delay through quick removal of disabled vehicles.

Eligibility: Freeway Service Patrol

- Expansion of the Freeway Service Patrol (regular and big rig) programs beyond current corridors and hours of operation.
- Provision of FSP services within corridors under construction to facilitate safety.

**I-605 CORRIDOR HOT SPOT INTERCHANGE IMPROVEMENTS (GATEWAY COG)  
I-605/I-10 INTERCHANGE (SAN GABRIEL VALLEY COG) OR SOUTH BAY HIGHWAY  
OPERATIONAL IMPROVEMENTS**

**Definitions may include:**

ExpressLanes- LA County's High Occupancy Managed Lanes or priced managed lanes where HOV lanes are converted to HOT lanes enabling Solo drivers to ride in the lanes by paying a toll while HOVs with the appropriate vehicle occupancy travel free of charge.

Eligibility for ExpressLanes:

All aspects of ExpressLanes projects including design, planning, development, outreach, construction and implementation of ExpressLanes and connectors consistent with the Metro Countywide ExpressLanes Strategic Plan are eligible. The Strategic Plan may be updated on an ongoing basis to reflect changes including project acceleration and funding availability. Proposed projects must be coordinated with Metro's Congestion Reduction Department. Once constructed, the ExpressLanes will be operated by Metro based on adopted business rules.

All interchange projects and freeway improvement PSRs/PDSs and PAEDs funded through Measure M must consider an ExpressLanes alternative for corridors identified in the Metro Countywide ExpressLanes Strategic Plan.

DRAFT

## INTELLIGENT TRANSPORTATION SYSTEMS AND TRANSPORTATION TECHNOLOGY IMPROVEMENTS

---

The following are Policy and Procedure guidelines for Intelligent Transportation Systems (ITS) and Transportation Technology Improvements listed under Section 7.c (Page 13, Lines 13 through 24) and Multi-Year Subregional Program #84 (ITS/Transportation Technology – San Gabriel Valley) in Attachment A of the Measure M - Los Angeles County Traffic Improvement Plan.

### **Definition:**

ITS elements provide a set of strategies that include technology systems, communications, and information technology applications to the transportation system for alleviating traffic congestion, improving transit operations, enhancing safety, improving mobility, and promoting environmental sustainability. ITS elements are often installed on vehicles (e.g. passenger car, transit, freight/commercial trucks), arterials/highways (infrastructure), and/or provided to individuals through handheld devices. [Note: Since the ordinance does not clearly stipulate a difference between ITS and Transportation Technology projects, they will be viewed similarly and the requirements for each category will be the same.]

The National ITS Architecture provides best practice guidance on ITS projects, and also identifies a set of eight bundled user services for ITS strategies (travel and traffic management, public transportation management, electronic payment, commercial vehicle operation, emergency management, advance vehicle safety systems, information management, and maintenance and construction management).

### **Requirements:**

ITS and Transportation Technology projects will be eligible for funding under multiple transit and highway multi-year subregional programs, and therefore, must also conform to the general Highway and Transit Subregional Programs Measure M policies and procedures as well as any additional specific guidelines developed to support Measure M (Attachment A).

### **Eligible Projects**

Examples of eligible ITS and Transportation Technology projects include:

- Multi-agency/jurisdiction system integration to improve coordination and responsiveness, and promote information sharing for highway/arterial and/or transit systems ;
- Advanced Traveler Information Systems (ATIS) that increase efficiency of the transportation network through congestion management, driver/person information, freight optimization, or public transportation management;

- Integrated Corridor Management (ICM) deployment (e.g. changeable message signs, CCTV, communications) to improve multi-agency coordination and responsiveness, promote information sharing, and enhance operations in the event of incidents;
- Transportation technology applications/solutions/systems for passenger cars, transit, freight/goods movement, infrastructure, and persons to enhance the transportation network;
- Connected vehicle concepts (Vehicle to vehicle [V2V], vehicle to infrastructure [V2I], vehicle to person [V2P]) to enhance mobility, safety, and operations of the highway/arterial and/or transit system;
- ITS or Transportation Technology projects consistent with the National ITS Architecture (travel and traffic management, public transportation management, electronic payment, commercial vehicle operation, emergency management, advance vehicle safety systems, information management, and maintenance and construction management);
- Other ITS or Transportation Technology projects deemed qualified by Metro; and
- Pilot/demonstration projects that promote innovative and advanced technology on the highway/arterial system and/or transit reviewed and approved by Metro on a case-by-case basis.

All ITS and Transportation Technology projects shall comply with the latest version of the Los Angeles County Regional ITS Architecture to ensure institutional agreement and maximize technical integration opportunities. In addition, all Connected Vehicle projects shall reference the latest version of Connected Vehicle Reference Implementation Architecture (CVRIA) for industry standards.

### **Project Initiation and Delivery Requirements**

ITS and Transportation Technology projects shall conform to the following requirements to ensure consistency with regional/state/national ITS policy and guidelines and industry standards and procedures.

- All projects shall be delivered using a generally accepted systems engineering approach to maintain the integrity and quality of completed projects.
- Operations & maintenance plans shall be developed for all ITS projects. For multi-jurisdictional projects, multi-agency agreements shall be executed committing to the long-term operations & maintenance of shared project elements.
- Data derived from ITS system projects shall be shared through the Regional Integration of ITS (RIITS) network to support regional transportation planning and operations.
- Projects shall adhere to existing Metro guidelines for specific subprograms as applicable.
- Traffic control projects shall connect to the Los Angeles County Information Exchange Network (IEN) to facilitate multi-jurisdictional traffic management and coordination.
- Projects will be coordinated through the Arterial ITS Committee, the Coalition for Transportation Technology, the Regional Integration of ITS Configuration Management Committee, and/or other appropriate and recognized forums to ensure consistency with local, subregional and regional ITS plans.

- Through the implementation process and upon completion of projects funded by Measure M funds , project sponsors will work with Metro to document project delivery risks, design and implementation challenges, institutional requirements, and lessons learned to enhance project implementation success countywide.
- ITS and Transportation Technology pilot projects implementing new and innovative concepts will be closely monitored by Metro and will require a “Before and After” study to assess overall benefits achieved.

DRAFT

**ACTIVE TRANSPORTATION (NORTH COUNTY, GATEWAY CITIES, LAS VIRGENES, MAIBU),**

---

**FIRST/LAST MILE (WESTSIDE AND SAN GABRIEL VALLEY SUBREGIONS),**

---

**GREENWAY PROJECTS (SAN GABRIEL VALLEY),**

---

**GREAT STREETS,**

---

**POLICY CONSIDERATIONS**

The subregional programs were based, in part, on projects identified during the Mobility Matrix process prior to the passage of Measure M. Those projects submitted to the Mobility Matrix process are still considered foundational to the Multi-year Subregional Program. Specifically, the projects submitted to the Mobility Matrix are eligible, and the subregions or jurisdictions within the subregions are considered eligible project sponsors.

Metro encourages the above-referenced Subregional Programs to consider Metro Policies listed below. Note especially that the Supplemental Fund provisions listed on page \_\_\_ apply to these MSP funds.

Metro Board Policy or Plan	Relevance	Date Approved/ Adopted
Active Transportation Strategic Plan (ATSP)	Defines Regional Active Transportation Network Provides data and tools for planning, project identification, and implementation. Commits regional support programs including metrics	May 2016
Complete Streets Policy	Creates requirement for local Complete Streets policies applicable capital grant programs. Establishes Complete Streets commitments and planning process for Metro. Provides for Metro training of local agencies	Oct 2014
Countywide Sustainability Planning Policy (CSPP)	Defines sustainability principles and priorities, key concepts, planning framework, and evaluation metrics. Requires Sustainable Design Plan for Call for Projects recipients.	Dec 2012
First/Last Mile Strategic Plan	Describe rationale, benefits for First/Last Mile improvements Establishes planning methodology, case	Apr 2014

Metro Board Policy or Plan	Relevance	Date Approved/ Adopted
	studies, toolkit of improvements	
Motion 14.1 (First/Last Mile)	Designates streets within the Active Transportation Strategic Plan's (ATSP) 661 transit station areas as the Countywide First/Last Mile Priority Network. Directs Metro activity for First/Last Mile planning and implementation	May 2016
Motion 14.2 (First/Last Mile)	Allows locally funded First/Last Mile improvements to be counted toward 3% match requirement, subject to executed agreements, a Metro-prepared plan, and subsequent Guidelines governing integration of first/last mile in transit capital projects.	June 2016
Motion 22.1 Next Steps for Implementing the Countywide Bikeshare Program	Creates criteria for funding of local bikeshare programs focused on inter-operability	
Urban Greening Plan and Implementation Action Plan	Provides tools/best practices for pursuing urban greening and place-making improvements at or near transit stations. Accompanied by Implementation Action Plan committing further planning tools and demonstration projects	Implementation Action Plan Approved Jan 2016

**DEFINITIONS**

**Active Transportation:** non-motorized transportation via walking, bicycling, or rolling modes.

**Eligible Projects**

Capital improvements that further the goals outlined in the Metro Board-adopted Active Transportation Strategic Plan:

- Improve access to transit;
- Establish active transportation as integral elements of the countywide transportation system;

- Enhance safety, remove barriers to access or correct unsafe conditions in areas of heavy traffic, high transit use, and dense bicycle and pedestrian activity;
- Promote multiple clean transportation options to reduce criteria pollutants and greenhouse gas emissions and improve air quality; and
- Improve public health through traffic safety, reduced exposure to pollutants, design infrastructure that encourage residents to use active transportation as a way to integrate physical activity in their daily lives.

**First/Last Mile (FLM):** Infrastructure, systems and modes of travel used by transit riders to start or end their transit trips. This includes but is not limited to infrastructure for walking, rolling, and biking (e.g., bike lanes, bike parking, sidewalks, and crosswalks), shared use services (e.g., bike share and car share), facilities for making modal connections (e.g., kiss and ride and bus/rail interface), signage and way-finding, and information and technology that eases travel (e.g., information kiosks and mobile apps).

#### **Eligible Projects**

Improvements include, but are not limited to: ADA-compliant curb ramps, crosswalk upgrades, traffic signals, bus stops, carshare, bikeshare, bike parking, context-sensitive bike infrastructure, signage/wayfinding, crossing enhancements and connections, safety and comfort, allocation of street space, and plug-in components.

**Green Streets:** Urban transportation rights-of-way integrated with storm water treatment techniques that use natural processes and landscaping. Quantitatively demonstrate that they capture and treat storm water runoff from their tributary watershed through infiltration or other means, and are included within the respective Enhanced Watershed Management Plan.

#### **Eligible Projects**

Green Infrastructure includes: Cost-effective, resilient approach to managing wet-weather impacts that provides many community benefits. Reduces and treats stormwater at its source while delivering environmental, social, and economic benefits.

**Greenway:** A pedestrian and bicycle, nonmotorized vehicle transportation, and recreational travel corridor.

#### **Eligible Projects**

Examples meet the following requirements:

- Includes landscaping that improves rivers and streams, provides flood protection benefits, and incorporates the significance and value of natural, historical, and cultural resources, as documented in the local agency's applicable planning document.
- Is separated and protected from shared roadways and is adjacent to an urban waterway, with an array of amenities.
- Is located on public lands or private lands, or a combination of both, with public access to those lands for greenway purposes.



- Reflects design standards that are applicable for each affected local agency, as documented in the local agency’s applicable planning document.
- May incorporate appropriate lighting, public amenities, art, and other features that are consistent with a local agency’s planning document.
- For purposes of these Guidelines, Greenway further refers to facilities that are planned as part of a network for a multi-jurisdictional subregional area, that are primarily off-street.

**Mobility Hub:** Provides services that bridge the distance between a transit station and an individual’s origin or destination by providing mobility options at major transit stations and stops. Mobility hubs provide “on-demand” transportation services to address first last mile connections to public transit.

**Eligible Projects**

Once operational, these mobility hubs offer an integrated menu of options for customers, which can include secure bicycle storage facilities, bike share, car share, personal lockers, electric vehicle charging stations, bicycle repair stations, electronic signage of real-time transit arrival information, and departure transit information.

DRAFT

## TRANSIT MULTI-YEAR SUBREGIONAL PROGRAMS

---

### INTRODUCTION

These following four categories of Multi-Year Subregional Program (MSP) are Transit: Street Car Circulator Projects (SC/Metro Administered); Bus System Improvements (SG); Bus Rapid Transit Capital Improvements (SFV); and Public Transit State of Good Repair (CC). These four programs are only distinguished from the other MSP project types in previous sections by the fund source, specifically transit fund versus highway fund. All general MSP policies from these Guidelines apply to equally to both Transit MSP and Highway MSP. All MSP funds are for capital projects.

### STREET CAR CIRCULATOR PROJECTS (SC)

These funds will be competitive countywide for capital projects. The project funds will not be used for operational expenses, and will not be used on any projects with incomplete funding plans. Definition of street car and circulator projects, as well as eligibility criteria will be determined as part of establishing the competitive process. The details and criteria for such a process will be drafted within one year of the adoption of these Measure M Guidelines.

### BUS SYSTEM IMPROVEMENTS (SG)

These funds are for bus system improvements. Consistent with provisions for other MSP projects, these improvements should be previously identified in the Mobility Matrix, and will be subject to Fund Restriction/Supplemental Fund provisions. The project will be subject to readiness requirements as noted in Section \_\_\_\_ and cashflow availability.

### BUS RAPID TRANSIT CAPITAL IMPROVEMENT (SFV)

The ordinance requires a definition for this term, but currently there is no program listed as such in the Multi-year Subregional Program portion of the Expenditure Plan. These funds are for bus rapid transit (BRT) capital improvements. For a description of BRT features and other criteria description, see subsequent Countywide BRT Expansion section of Guidelines. Metro will be the lead agency for this project, and it will be subject to Countywide BRT design criteria when adopted. The project(s) will be subject to readiness requirements and cashflow availability.

### PUBLIC TRANSIT STATE OF GOOD REPAIR (CC)

These funds are for public transit state of good repair in the Central City Subregion. Eligible state of good repair capital investments include: Capital Asset Replacement; Capital Asset Rehabilitation; and Capital Improvements when required by changed regulations and standards. MSP projects and improvements should be previously identified in the Mobility

Matrix in order to avoid additional Metro restrictions on eligibility of projects. The project will be subject to readiness requirements and cashflow availability.

### **AUDIT REQUIREMENTS**

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

### **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publically acknowledge the use of Measure M funds through websites, flyers, or other promotional and marketing materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT

## METRO ACTIVE TRANSPORTATION (2%)

---

### **Overarching Policies**

The following policies will be applied to administration of the Metro Active Transportation Program (2%) as part of the determination of eligibility. Specific program procedures will be developed and adopted by the Metro Board within one year of the adoption of these Measure M Guidelines.

### **Active Transportation Strategic Plan**

The Active Transportation Strategic Plan identifies the Regional Active Transportation Network including specified regional corridor projects and outlines Metro's overall strategy for funding and supporting implementation of active transportation infrastructure and programs in Los Angeles County; identifies strategies to improve and grow the active transportation network, expand the reach of transit, and develop a regional active transportation network to increase travel options.

### **First/Last Mile Policies**

Metro First/Last Mile policies include the First/Last Mile Strategic Plan (2014) which describes the rationale for first/last mile improvements and proscribes an approach to plan and design improvements surrounding any transit station. Metro Board Motions 14.1 (May 2016) and 14.2 (June 2016) collectively designate locations studied in the ATSP as the First/Last Mile Priority Network and commits specific activities to implement first/last mile improvements countywide.

### **Bike Share Policies/Motion 22.1**

Board Motion 22.1 (July 2015) defines next steps for implementation of the regional bike share system.

### **Design for Safety/Vision Zero**

Projects funded with Measure M funds, including Active Transportation 2% , should support the protection of pedestrian and bicycle safety in line with "Vision Zero" or equivalent policies. The Active Transportation 2% program will include as eligible projects local road/arterial improvements that are expressly designed to enhance safety for pedestrians and bicyclists.

## **Funding Availability**

Funding availability will be determined by the Cashflow policy, as well as the projections of the TFP. Criteria will be brought forth within one year of the adoption of these Guidelines, to establish a competitive process and fund schedule for award projects within this program.

The LA River Waterway and System Bikepath project is to be funded with the Active Transportation 2% funding. Any future funding in this program will include calculation based on this commitment.

DRAFT

## **2% SYSTEM CONNECTIVITY PROJECTS (HIGHWAY CONSTRUCTION SUBFUND)**

---

### **INTRODUCTION**

These guidelines summarize the funding policies and administrative procedures for Measure M 2% System Connectivity Projects (Highway Construction) for the Los Angeles County Metropolitan Transportation Authority (Metro).

### **PROGRAM OBJECTIVES**

The Measure M Ordinance references the System Connectivity Projects as part of the overall 17% Highway Construction Program. In the Measure M Ordinance the System Connectivity Projects category includes “Ports, Highway Congestion Programs, [and] Goods Movement”.

The purpose of this Measure M System Connectivity Projects (Highway Construction) program is as follows:

- A. Provide a funding opportunity for cost-effective projects that are included in the Metro Goods Movement Strategic Plan with the goal of improving the movement of goods throughout the Los Angeles County transportation network, with additional consideration focused on the mitigation of environmental and highway congestion impacts associated with goods movement.
- B. Leverage additional private sector, local, state, or federal dollars for the purposes of implementing goods movement-related projects.
- C. Because these funds are coded “SC” in the Ordinance and are under the allocation purview of Metro, the Guidelines are assigning priority to goods movement related investments, and “highway congestion programs” must have a nexus thereto.

### **ALLOCATION METHODOLOGY**

Funds will be allocated to Metro for administration, and Metro shall determine on a 5 year basis, based on cashflow and the TFP, how much funding will be made available for this program, and through an application process to eligible recipients. Funding commitments may be programmed and allocated over multiple years if necessary.

#### **Funding Availability**

Funding availability for the Highway Systemwide Connectivity 2% program will be determined by the Cashflow policy including the projections of the TFP. Criteria will be brought forth within one year of the adoption of these Guidelines to establish a competitive process and fund schedule for award projects within this program. The Measure M Expenditure Plan already includes the I-710 South Phase 1 and 2, and the I-105 Expresslane Projects which are to be

funded with the Highway 2% System Connectivity program. Any future funding in this program will include the calculations necessary to meet these Expenditure Plan commitments.

### **ELIGIBLE RECIPIENTS**

All implementing public agencies are eligible to apply for available funding, including but not limited to the following:

- Port of Long Beach
- Port of Los Angeles
- Alameda Corridor-East Construction Authority
- Los Angeles County
- Cities in Los Angeles County
- Metro
- Airports

### **ELIGIBLE USES**

Metro is preparing a Goods Movement Strategic Plan which will, among other purposes, provide the foundation for a competitive program for this System Connectivity funding. Projects and programs must be included in the Metro Goods Movement Strategic Plan to be considered eligible to receive funding from the System Connectivity Projects (Highway Construction) Program. Procedures for the competitive funding program will be developed within one year of adoption of the Strategic Plan.

Eligible expenses include, but are not limited to, the implementation and/or construction of the following:

- Highway or rail projects with a clearly identified goods movement purpose
- System connectivity projects linking the regional transportation system to goods movement facilities (seaports, airports, distribution/logistics centers, etc.)
- Technology or innovation projects designed to improve the movement of goods and air quality associated with goods movement
- Highway / rail grade separation projects
- Projects on Port-owned facilities that will improve the efficiency and capacity for the movement of freight through Los Angeles County
- Projects that promote sustainable freight practices
- Studies designed to identify challenges to, trends within, and strategic planning efforts associated with the movement of goods within Los Angeles County

- Regional Integration of Intelligent Transportation Systems (RIITS) related system improvements, integrations, platforms and connections (e.g., Metro’s video wall or Southern California 511 Traveler Information Systems)
- ExpressLanes projects, where HOV lanes are converted to HOT lanes, including design, planning, development, outreach, construction and implementation of ExpressLanes and connectors consistent with the Countywide ExpressLanes Strategic Plan
- Freeway Service Patrol (FSP) - a congestion mitigation program with roving tow and service trucks which assist and/or remove disabled vehicles off the freeway

#### **RESERVE/CARRYOVER REQUIREMENTS**

Metro’s goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

#### **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M System Connectivity Projects (Highway Construction) funds are contributing to accomplishing the program objectives.

#### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

#### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.



## **2% SYSTEM CONNECTIVITY PROJECTS (TRANSIT CONSTRUCTION SUBFUND)**

---

### **INTRODUCTION**

These guidelines summarize the funding policies and administrative procedures for Measure M 2% System Connectivity Projects (Transit Construction) for the Los Angeles County Metropolitan Transportation Authority (Metro).

### **PROGRAM OBJECTIVES**

The Measure M Ordinance references the System Connectivity Projects as part of the overall 35% Transit Construction Program. In the Measure M Ordinance the System Connectivity Projects category includes “Airports, Union Station, and Countywide BRT”.

### **ALLOCATION METHODOLOGY**

Funds will be allocated to Metro for administration, and Metro shall determine on a 5 year basis, based on cashflow and the TFP, how much funding will be made available for this program, and through an application process to eligible recipients. Funding commitments may be programmed and allocated over multiple years if necessary.

#### **Funding Availability**

Funding availability for the Transit Systemwide Connectivity 2% program will be determined by the Cashflow policy including the projections of the TFP. Criteria will be brought forth within one year of the adoption of these Guidelines to establish a competitive process and fund schedule for award projects within this program. The Measure M Expenditure Plan already includes the Airport Metro Connector, Crenshaw/LAX Track Enhancements (cap over tracks at LAX runway), North San Fernando Valley Bus Rapid Transit Improvements and the Countywide BRT Expansion projects which are to be funded with the Transit 2% System Connectivity program. Any future funding in this program will include the calculations necessary to meet these Expenditure Plan commitments.

### **ELIGIBLE USES**

Eligible uses, evaluation criteria, and procedures for the competitive funding program will be developed within two years of adoption of the Guidelines.

### **RESERVE/CARRYOVER REQUIREMENTS**

Metro’s goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

## **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M System Connectivity Projects (Highway Construction) funds are contributing to accomplishing the program objectives.

## **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

## **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT

## VISIONARY PROJECT SEED FUNDING

---

Measure M makes \$20 million available over 40 years (FY2018-FY2057) to be used for “Visionary Project Seed Funding.” This document provides a set of guidelines for how that funding will be distributed.

### **Summary**

Mobility is changing rapidly. Every day there are new solutions to old transportation challenges, new innovative business models to facilitate improved services, and new technological approaches designed to improve the equity and access of mobility.

LA Metro’s Visionary Project program is aimed at identifying and testing those solutions in Los Angeles County. The Visionary Project program seeks to identify the most cutting-edge, research-based mobility solutions to our specific challenges, and to use Los Angeles County as a test-bed to prove those concepts. LA Metro is specifically interested in projects that include developing, testing, and deploying new mobility approaches and new technologies.

### **Available Funding**

LA Metro will make \$1.5 million available every three years through a competitive grant process.

### **Eligible Applicants**

LA Metro, Municipal Operators, and Local Operators are all eligible for consideration for this award. Eligible applicants should identify one or more research partner(s) to ensure rigorous analytics are applied. Applicants are also encouraged to consider additional project partners with substantial interest and involvement in the project. Eligible partners under this program may include, but are not limited to:

- Private for-profit and not-for-profit organizations
- Operators of transportation services
- State or local government entities
- Academic institutions

### **Eligible Projects**

Generally, eligibility is broad, beyond the requirement that projects be visionary and innovative. Specific eligibilities will be defined as part of the project selection criteria and process. Project concepts should be developed in partnership with local research institutions but targeted towards the development and deployment of pioneering transportation solutions. Research based solutions should address at least one of the following transportation goals:

- Safety or security improvements
- Substantial improvements in travel time and customer experience

- Major reductions in emissions or other environmental externalities
- Improvements in access for disadvantaged populations

### **Selection Criteria**

Criteria and selection process will be developed and adopted within one year of the adoption of these Guidelines. Criteria may consider, but is not limited to, the following:

- 1. Impact and Outcomes.** Applicants may be expected to identify goals that their project seeks to achieve for Los Angeles County.
- 2. Project Approach.** Applicants may be expected to define the scope and approach of their proposed pilot project and research.
- 3. Team Capacity and Commitment.** Applicants may be expected to detail the team and its capacity to complete the project. LA Metro will also expect a letter of commitment from participating research institutions.
- 4. Business Model Designed to Scale.** Applications should include information on how the applicant agency seeks to scale the project upon the pilot's success.

### **Cost Sharing or Matching**

The grant funded share of this project is limited to 60 percent. The transportation operator in partnership with the affiliated research institution will be expected to identify sources for a local share of net project cost in cash or in-kind.

### **RESERVE/CARRYOVER REQUIREMENTS**

Metro's goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

### **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M Visionary Project Seed funds are contributing to accomplishing the program objectives.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

## COUNTYWIDE BRT EXPANSION

---

In December 2013, Metro completed the Los Angeles County Bus Rapid Transit (BRT) and Street Improvement Study. BRT has the potential to increase transit access, improve regional mobility, reduce transportation costs and ease commutes. Key BRT features include, but are not limited to, the following:

- More frequent service with limited stops;
- Peak period or full-time dedicated bus lanes;
- Transit signal priority;
- Branded vehicles/stations;
- Customer friendly stations/stops;
- Real-time bus arrival information; and
- All door boarding.

Metro will revisit the proposed BRT corridors identified in the 2013 in an updated study to be completed within 24 months of the adoption of the Measure M Guidelines. The updated study will include additional corridors throughout Los Angeles County from the Mobility Matrix process, and exclude those already funded.

### **Eligible projects**

These funds are eligible for Metro BRT projects. The updated BRT study will establish metrics for BRT system performance, including, but not limited to, corridor travel time, bus speed, increasing ridership, and dwell time. Subsequent to the completion of the updated study, Metro will adopt a Phase 1 and Phase 2 prioritized BRT project sequence list based on performance metrics, regional balance, and available funding. As part of the Phase 1 and Phase 2 list adoption, Metro will establish design guidelines and additional BRT criteria. Once finalized, the BRT study and its elements will provide the foundation for the assignment of Measure M funds made available for this program. Procedures for that assignment will be amended by reference to the Guidelines once adopted. The procedures will also include the definition of "Bus Rapid Transit (BRT) Capital" under Measure M.

### **RESERVE/CARRYOVER REQUIREMENTS**

Metro's goal will be to spend or allocate these funds in a timely manner, once allocations are made. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

## **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M Countywide BRT Expansion funds are contributing to accomplishing the program objectives.

## **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

## **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT

## SUBREGIONAL EQUITY PROGRAM

---

### INTRODUCTION

At the June 2016 Board Meeting Director Fasana introduced an amendment to the expenditure plan to provide funding to all subregions equivalent to the allocation approved by the Board for the San Fernando Valley Transit project. The San Fernando Valley project was identified as \$180 million (FY15\$).

*“FASANA AMENDMENT to Motion 49.2 (June 23, 2016): To provide equivalent funding based on the original allocation of funding (i.e. \$180 million is 13% of such funding based on the San Fernando Valley’s share) to each of the other subregions to assure and maintain equitable funding (i.e., Subregional Equity Program).”*

The funding for programs in other sub-regions outside of San Fernando Valley are now collectively referred to as the Subregional Equity Program. Footnote “s” from the Measure M Ordinance provides guidance as identified below:

*“ This project will increase system connectivity in the North San Fernando Valley and the Metro Transit System. Environmental plan work shall begin no later than six months after passage of Measure M. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here: AV\* \$96,000; W\* \$160,000; CC\* \$235,000; NC\* \$115,000; LVM\* \$17,000; GC\* \$244,000; SG\* \$199,000; and SB\* \$130,000.”*

### ALLOCATION METHODOLOGY

Funding for this program will be identified as part of the Cashflow Management evaluation consistent with the TFP Model. The funds identified may be any combination of federal, state, or Metro controlled funds including, but not limited to, Measure M. Prior to each 5 year review Countywide Planning will provide a forecast of the amount of funding, if any, that is forecasted to be available for this program over the subsequent 5 years. Once funding is identified each subregion will be afforded an opportunity to submit their project to Metro staff for evaluation based on project readiness provisions outlined in these Guidelines. Additional details regarding the evaluation process for this program will be developed within one year of the adoption of

these Guidelines. In the interim, projects will be considered on a first come, first serve basis provided the sponsor can prove the project is ready to go to construction.

### **REPORTING REQUIREMENTS**

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Subregional Equity Program funds are contributing to accomplishing the program objectives.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT



## 1% REGIONAL RAIL

---

### INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 1% Regional Rail program, including the required metrics to increase the allocation from 1% to 2% beginning in 2039. These funds shall not be eligible for Los Angeles County Metropolitan Transportation Authority (Metro) operated bus, light rail, or heavy rail transit services.

### PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Regional Rail “means regional commuter rail service within Los Angeles County, including operating, maintenance, expansion, and state of good repair.”

Regional commuter rail services in Los Angeles County are currently provided on behalf of Metro by the Southern California Regional Rail Authority (SCRRA) under the brand name Metrolink. The SCRRA is a Joint Powers Authority (JPA) representing the transportation commissions of Los Angeles, Orange, Riverside, San Bernardino and Ventura counties in which Metro is a Member Agency. Metrolink trains operate across a six-county network, which includes a portion of northern San Diego County.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 1% of all net revenues derived from the tax for investment in regional commuter rail activities.

### ALLOCATION METHODOLOGY

Funds will be allocated annually at the discretion of, and in amounts determined by, the Metro Board of Directors.

### ELIGIBLE RECIPIENTS

The Los Angeles County Metropolitan Transportation Authority for Commuter Rail Investments in or benefitting Los Angeles County, and the Southern California Regional Rail Authority, or its successor.

## **ELIGIBLE USES**

Eligible expenses include the costs of regional commuter rail operations and services for Los Angeles County. Examples of eligible expenses include operations, maintenance, system expansion, state of good repair, capital projects, feasibility studies and any other expenses that will contribute to meet the program objectives.

## **FUNDING EXPANSION**

Section 7 of the Measure M Ordinance includes the provision that, “no earlier than July 1, 2039, the Metro Board of Directors shall increase the percentage of Net Revenues allocated to the Regional Rail program from 1% to 2% provided that the recipients satisfy certain performance criteria, which shall be adopted by the Metro Board of Directors.”

Performance criteria shall include the ongoing attainment of Operating, Cost Containment, and Investment goals.

Operating goals shall include the ongoing attainment of the following standards:

- Service Reliability and On-Time-Performance (OTP): The operator of regional commuter rail services in Los Angeles County shall maintain an average OTP of not less than 90% of scheduled operations measured on a rolling 24 month average.
- Achievement of less than 20 train delays per month due to Mechanical Issues as defined in the SCRRA’s adopted Strategic Plan.
- Grow and retain ridership based on three (3) year average ridership changes that are at or above the average of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index.
- Ensure a safe operating environment by reducing train accidents by incidents per 100,000 train miles at or above of the top 10 commuter rail operators as measured in the National Transit Database (NTD) or its successor index. NTD.

Cost Containment goals shall include the ongoing attainment of the following standards:

- Operating costs per revenue train mile, measured annually, on a rolling 3 year basis, shall not exceed the average increase of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index.
- Total Revenue Recovery, including Fares and other Operating Revenues, shall meet or exceed 50% of operating costs on an annual basis as measured on a 3 year rolling average.

Investment goals shall include and be measured by the following standards:

The SCRRA, successor agency, or agency providing regional commuter rail services for LA County, shall provide Metro a detailed asset management plan (State of Good Repair) for Metro owned or shared assets that reflects both a fiscally constrained 5-year plan of actions as well as a 10 year unconstrained plan to identify Right-Of-Way (ROW), revenue equipment, capital projects, and other asset maintenance requirements. This plan shall be updated, at minimum, on a biannual basis.

As referenced above, the ten largest commuter rail operators shall be measured on the basis of total operating costs for the provision of commuter rail services.

### **FUND DISBURSEMENT**

Funds will be disbursed after:

- A memorandum of understanding (MOU) between the recipient and Metro has been executed; or
- After approval by the Metro Board of Directors and applied towards an approved program of Regional Rail investment and subject to all Metro policies and procedures.

### **LAPSING REQUIREMENT**

Given the objective of the program to improve transit service, recipients are encouraged to spend these funds in a timely manner.

Recipients have four years, which is the year of allocation plus three years, to spend the funds allocated through this program. All invoices must be submitted no later than one year after the four year program. Metro staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request.

### **REPORTING REQUIREMENTS**

Eligible recipients will provide an annual report to Metro describing how uses of Measure M 1% funds are contributing to accomplishing the program objectives. In addition, eligible recipients will be required to prepare quarterly reports on the status of performance criteria outlined above. These quarterly reports shall be submitted to Metro for review by the Independent Taxpayer Oversight Committee.

### **AUDIT REQUIREMENTS**

Use of these funds will be audited as part of the annual audit of each recipient. Any organization receiving and utilizing these funds will retain all documents and records related to

this program and the use of funds for a period of three years after the year in which the funds are expended.

### **MEASURE M RECOGNITION**

All operators are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each operator.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT

## 5% METRO RAIL OPERATIONS

---

### **INTRODUCTION**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for Measure M Metro Rail Operations for the Los Angeles County Metropolitan Transportation Authority (Metro).

### **PROGRAM OBJECTIVES**

As defined in Section 3 of the Measure M Ordinance, Metro Rail Operations “means service delivery for operating and regular and preventative maintenance for Metro Rail Lines as defined in guidelines adopted by the Metro Board of Directors, as well as Metro State of Good Repair.” Metro State of Good Repair “means the repair, rehabilitation, and replacement required to maintain reliable, safe, effective, and efficient rail transit services.”

### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 5% of all net revenues derived from the tax solely for Metro Rail Operations.

### **ALLOCATION METHODOLOGY**

Funds will be allocated to Metro exclusively for Metro Rail Operations. In addition, Metro may expend some portion or all of these funds for Metro State of Good Repair. Allocations and uses for Metro State of Good Repair are further defined in the “Program Guidelines for 2% Metro State of Good Repair.”

### **ELIGIBLE RECIPIENTS**

Metro shall be the sole recipient of Metro Rail Operations funds, as defined in the Measure M Ordinance.

### **ELIGIBLE USES**

Eligible expenses include operating, regular and preventative maintenance for existing and new Metro Rail Lines, as well as the repair, replacement, and rehabilitation of Metro assets required for its rail transit vehicle fleet, systems and engineering, and stations. Examples of eligible expenses include, but are not limited to, the following:

- Rail transit operations, exclusive of bus bridges required for capital projects or disruptions in service
- Rail transit maintenance, including daily check-ups, cleaning, and repairs
- Rail transit communications, signals, power, controls, and track systems and engineering operations and upkeep
- Rail vehicle overhaul, midlife, and acquisition
- Maintenance and component replacement of rail communications, signals, power, controls, and track systems and engineering
- Rail station upkeep, repairs, and maintenance, including, but not limited to, fare gates, ticket vending machines (TVMs), transit passenger information system (TPIS) systems, and lighting
- Fare collection system and equipment

### **RESERVE/CARRYOVER REQUIREMENTS**

Given the objective of the program to address Metro Rail Operations, Metro is encouraged to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year.

### **REPORTING REQUIREMENTS**

Metro will provide quarterly reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M 5% Metro Rail Operations funds are contributing to accomplishing the program objectives.

Measure M funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

### **MEASURE M RECOGNITION**

Projects and services funded by the Measure M Metro Rail Operations program will recognize the use of Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of Metro.

## **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.

DRAFT

## **20% TRANSIT OPERATIONS (Metro and Municipal Providers)**

---

### **INTRODUCTION**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 20% Transit Operations program for the Los Angeles County Metropolitan Transportation Authority (Metro) and Municipal Operators.

### **PROGRAM OBJECTIVES**

As defined in Section 3 of the Measure M Ordinance, Transit Operations “means countywide transit service operated by Metro and the Included and Eligible Municipal Operators receiving funds allocated through a Board-adopted Formula Allocation Procedure (FAP).” The purpose of the Measure M 20% Transit Operations program is to improve countywide transit service operations, maintenance, and expansion. The intent of Measure M is to increase revenues available for the public transit system. The program is flexible to allow each operator to determine how best to accomplish making public transportation more convenient, affordable, and improve quality of life.

### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 20% of all net revenues derived from the tax for transit operations to all existing eligible and included municipal transit operators in the County of Los Angeles and to Metro.

### **ALLOCATION METHODOLOGY**

Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Formula Allocation Procedure (FAP) for the year in which funds are allocated. The allocations to the eligible and included municipal operators and Metro for this program shall be made solely from the revenues derived from the Measure M 20% funds, and not from other local discretionary sources. Measure M 20% services will not be included in the Foothill Mitigation Calculation.

### **ELIGIBLE RECIPIENTS**

All included and eligible municipal operators and Metro participating in the FAP are eligible to receive these funds. Eligible recipients are those operators that were in existence when the



Measure M program was approved by the voters of Los Angeles County (California) and include the following:

City of Arcadia  
City of Claremont  
City of Commerce  
City of Culver City  
Foothill Transit  
City of Gardena  
City of La Mirada  
Long Beach Transit  
City of Montebello  
City of Norwalk  
City of Redondo Beach  
City of Santa Monica  
City of Torrance  
Antelope Valley Transit Authority  
City of Santa Clarita  
Los Angeles Department of Transportation  
Los Angeles County Metropolitan Transportation Authority – Operations

**ELIGIBLE USES**

Eligible expenses include operations for transit service, maintenance, and expansion, and any other operating expenses that will contribute to meet the above program purpose and/or objectives. For Metro, these funds are also eligible to be used for Metro Rail operations, and as secondary Metro Rail State of Good Repair and pilot programs for new transit services. Metro will develop policies that will define and establish criteria for implementing pilot programs.

**MAINTENANCE OF EFFORT**

Senate Bill No. 767 (De Leon) states that funds allocated by Metro to eligible and included municipal operators shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by Metro to the eligible and included municipal operators for public transit. In addition to implementing new transit services and programs, eligible recipients may use Measure M 20% funds to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Metro staff reserves the right to request appropriate documentation from eligible recipients to support the existence of a funding shortfall.

For Metro, Senate Bill No. 767 (De Leon) states that funds allocated by Metro to itself shall be used for transit operations and shall not supplant funds from any other source allocated by Metro to itself for public transit operations (Attachment B – Senate Bill No. 767).

Measure M funds shall not supplant any local return fund contributions made toward the operations of a transit system.

### **FUND DISBURSEMENT**

Funds will be disbursed after a memorandum of understanding (MOU) between the operator and Metro has been executed and the operator has submitted to Metro a Measure M 20% Improvement Plan showing the assignment of that fiscal year's funds. The Measure M 20% Improvement Plan should include a description of how these funds will be spent. The plan should explain how these services will meet the program objective and benefit transit users. The Measure M 20% Improvement Plan may be amended by the operator in coordination with Metro's Local Programming staff. Funds for operating purposes will be disbursed monthly in equal portions of an operator's allocation once an invoice for the annual allocation amount is received from that operator.

All interest accrued on the Measure M 20% transit operations fund will be reallocated annually through the FAP and according to these guidelines.

### **RESERVE/CARRYOVER REQUIREMENTS**

An operator may reserve or carryover its allocation to the next fiscal year; however, the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the program, purpose, and objectives and within the lapsing requirement timeframe. Fund trade will not be allowed using Measure M 20% funds.

### **LAPSING REQUIREMENT**

Given the objective of the program to improve transit service, operators are encouraged to spend these funds in a timely manner.

Operators have three years, which is the year of allocation plus two years, to spend the funds allocated through this program. Metro may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request. The appeal of any lapsing funds will be submitted to Metro, in consultation with Bus Operations Subcommittee (BOS), and subject to approval by the Metro Board of Directors, with any lapsed funds reverting back to the Measure M 20% fund for reallocation to eligible recipients.

## **REPORTING REQUIREMENTS**

Operators will provide quarterly reports to Metro describing how uses of Measure M 20% funds are contributing to accomplishing the program objectives. Metro will compile the operators' quarterly reports into a regional Measure M 20% Program update for the Metro Board and the Measure M Independent Taxpayer Oversight Committee. The quarterly reports are in addition to the annual Improvement Plan. All service funded with Measure M 20% Transit Operations proceeds will be included in the FAP, and reported separately on the Transportation Performance Measurement forms. Measure M Funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Measure M 20% Funds used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).

## **AUDIT REQUIREMENTS**

Use of these funds will be audited as part of the annual audit of each municipal operator. Those operators that perform their own audit shall consult with Metro for a scope of work, which covers the Measure M 20% audit requirement. The audit shall include in the scope of work compliance with the Maintenance of Effort provision and exceptions to that provision will be reported as a finding. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

## **MEASURE M RECOGNITION**

All operators are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each operator.

## **REVISIONS TO PROGRAM GUIDELINES**

These guidelines cannot be changed without consensus from the eligible recipients, as defined in these guidelines, and upon approval of the Metro Board of Directors.

## **2% ADA PARATRANSIT FOR THE DISABLED; METRO DISCOUNTS FOR SENIORS AND STUDENTS**

---

### **INTRODUCTION**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 2% program for:

- A) ADA paratransit for people with disabilities, *and*
- B) Los Angeles County Metropolitan Transportation Authority (Metro) discounts for seniors and students.

### **PROGRAM OBJECTIVES**

The purpose of this Measure M 2% program is:

- A) To maintain and improve the service performance of ADA paratransit services for people with disabilities in Los Angeles County. As defined in Section 3 of the Measure M Ordinance, ADA paratransit “means paratransit service for the disabled as provided for by the Americans with Disabilities Act,” *and*
- B) To fund Metro discounts for seniors and students.

### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 2% of all net revenues derived from the tax to the program objectives set out above.

### **ALLOCATION METHODOLOGY**

The program funds will be allocated annually based on budgetary needs, with ADA as a priority, for a maximum of 75% for ADA paratransit, and

a minimum of 25% for Metro discounts for seniors and students. Any unused funds will revert back to the pool of funds to be redistributed in the following fiscal year.

### **ELIGIBLE RECIPIENTS**

- A) For the ADA paratransit portion, any transportation agency that provides ADA paratransit services on behalf of Los Angeles County fixed route transit operators is eligible to receive the program funds. In Los Angeles County, ADA paratransit is

currently provided by Access Services on behalf of fixed route transit operators countywide. If there are any changes to eligible ADA paratransit providers, the content of these guidelines should be revisited.

- B) For the Metro discounts for seniors and students portion, all funds will be allocated to Metro to fund the fare subsidy program described in Appendix B/Attachment A.

#### **ELIGIBLE USES**

- A) For the ADA paratransit portion, eligible uses include ADA paratransit operating expenses, capital expenses and activities to enhance ADA paratransit services provided by the eligible recipients as described above.
- B) For the Metro discounts for seniors and students portion, funds will be allocated to the fare subsidy program described in Appendix B/Attachment A.

#### **FUND DISBURSEMENT**

- A) For the ADA paratransit portion, funds will be disbursed after a Memorandum of Understanding (MOU) between each eligible ADA paratransit provider and Metro has been executed.
- B) For the Metro discounts for seniors and students portion, Metro will be the sole recipient, and all such monies will be used to fund the discounts as described in Attachment A.

#### **REPORTING REQUIREMENTS**

- A) Eligible recipients will provide an annual report to Metro describing how uses of Measure M 2% funds are contributing to accomplishing the program objectives. In addition, eligible recipients will be required to prepare quarterly reports on the status of performance metrics as specified in the MOU. These quarterly reports shall be submitted to Metro for review by the Independent Taxpayer Oversight Committee.
- B) Metro will be required to report quarterly to the Independent Taxpayer Oversight Committee on the status and utilization of the fare subsidy program described in Attachment A.

#### **AUDIT REQUIREMENTS**

- A) Use of these funds by ADA paratransit providers will be audited as part of Metro's Consolidated Audit program.
- B) Use of these funds for Metro discounts for seniors and students will be audited as part of Metro's Consolidated Audit program.

## **MEASURE M RECOGNITION**

All recipients are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each recipient.

## **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors. Future Board adopted changes to the fare subsidy program described in Appendix B/Attachment A shall automatically append these guidelines.

DRAFT

## 2% METRO STATE OF GOOD REPAIR

---

### INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for Measure M 2% Metro State of Good Repair for the Los Angeles County Metropolitan Transportation Authority (Metro).

### PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Metro State of Good Repair “means the repair, rehabilitation, and replacement required to maintain reliable, safe, effective, and efficient rail transit services.” This definition is will also apply to Measure M funding categories that are Metro State of Good Repair eligible: 5% Metro Rail Operations and 20% Transit Operations.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 2% of all net revenues derived from the tax solely for Metro State of Good Repair.

### ALLOCATION METHODOLOGY

Funds will be allocated to Metro exclusively for Metro State of Good Repair.

### ELIGIBLE RECIPIENTS

Metro shall be the sole recipient of Metro State of Good Repair funds for rail, as defined in the Measure M Ordinance.

### ELIGIBLE USES

Eligible expenses include the repair, replacement, and rehabilitation of Metro assets required for its rail transit vehicle fleet, systems and engineering, and stations. Examples of eligible expenses include, but are not limited to, the following:

- Rail vehicle overhaul, midlife, acquisition, and maintenance
- Maintenance, component replacement, and upkeep of rail communications, signals, power, controls, and track systems and engineering; and,

- Rail station upkeep, repairs, and maintenance, including, but not limited to, fare gates, ticket vending machines (TVMs), transit passenger information system (TPIS) systems, and lighting
- Fare collection system and equipment
- Systems, software and services to assess, prioritize and report on state of good repair projects

### **RESERVE/CARRYOVER REQUIREMENTS**

Given the objective of the program to address Metro State of Good Repair, Metro is encouraged to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year.

### **REPORTING REQUIREMENTS**

Metro will provide quarterly reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M 2% Metro State of Good Repair funds are contributing to accomplishing the program objectives.

Measure M funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall.

### **AUDIT REQUIREMENTS**

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

### **MEASURE M RECOGNITION**

Projects and services funded by the Measure M Metro State of Good Repair program will recognize the use of Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of Metro.

### **REVISIONS TO PROGRAM GUIDELINES**

These program guidelines may be revised by the Metro Board of Directors.



## LOCAL RETURN

---

### INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion. Consistent with the Measure M Ordinance, these guidelines summarize the funding policies and administrative procedures for the Measure M Local Return (LR) program.

### PROGRAM OBJECTIVES

The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and the County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes. The Measure M Ordinance directs the Los Angeles County Metropolitan Transportation Authority (Metro) to develop LR Guidelines, including administrative requirements. The projects included herein further define those transportation purposes for which Measure M LR revenues may be used.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year, Metro shall allocate 17% of all net revenues to the LR Program. This amount shall increase to 20% on July 1, 2039.

### ALLOCATION METHODOLOGY

Metro will require that Jurisdictions submit Assurances and Understandings agreements before participating in the LR Program. The Measure M Ordinance specifies that 17% of its revenues be allocated to Jurisdictions on a per capita basis. After administrative costs are deducted, apportionments are made to all Jurisdictions within the Los Angeles County, currently 88 cities and the County of Los Angeles (for unincorporated areas). The Jurisdictions' allocations are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the Transit Fund Allocations and approved by the Metro Board.

## ELIGIBLE RECIPIENTS

The following cities and the County of Los Angeles are eligible to receive Measure M LR funds:

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bellflower
- Bell Gardens
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont
- Commerce
- Compton
- Covina
- Cudahy
- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo
- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada Flintridge
- La Habra Heights
- Lakewood
- La Mirada
- Lancaster
- La Puente
- La Verne
- Lawndale
- Lomita
- Long Beach
- Los Angeles City
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando
- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena
- Temple City
- Torrance
- Vernon
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated Los Angeles County

## ELIGIBLE USES

Following are listings of eligible projects for which Measure M LR funds can be used.

1. Streets and Roads. Planning, right of way and utility acquisition, engineering and design, administration, construction, improvement, maintenance, and operation of public streets and roads, bridges, highways and exclusive public mass transit guide ways, and their related public facilities for non-motorized traffic, including the mitigation of their environmental effects, improvements to capture, convey, infiltrate, and/or treat urban runoff and storm water, and all costs associated with property acquisition for such purposes.

Streets and Roads improvements may consist of, but are not limited to, the following:

- Repair and maintenance of public roadways, pavement maintenance, slurry and rubberized seals, chip seals, pot-hole repair, pavement rehabilitation, or other pavement preservation treatments, roadway construction or reconstruction, curb, gutter, sidewalk, trees, roadway signage, median and parkway improvements, and storm drain systems in connection with any roadway improvements
- Cape seals, or other pavement preservation treatments, slope maintenance to preserve the operation of the public right of way
- Capacity enhancements, street widenings, pavement marking and striping or restriping
- Exclusive bike or bus lanes
- Roadway safety improvements such as sound walls, roadway lighting, traffic signals, raised median or roadway striping and signage, railroad crossings, erosion/sediment controls for hillside roads, and guardrails
- Street improvements to meet Americans with Disabilities Act (“ADA”) requirements

### Complete Streets

As defined in Section 3 of the Measure M Ordinance, “Complete Streets” means a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, users and operators of public transit, bicyclist, persons with disabilities, seniors, children, motorists, users of green modes, and movers of commercial goods.

Specific aspects of a complete street are dependent on the context in which the roadway is located (urban, suburban, rural, heavy traffic volume, numerous pedestrian destinations, etc.).

### Green Streets

As defined in Section 3 of the Measure M Ordinance, “Green Streets” means urban transportation rights-of-way integrated with storm water treatment techniques that use natural processes and landscaping and quantitatively demonstrate that they capture and treat storm water runoff from their tributary watershed through infiltration or other means and are included within the respective Enhanced Watershed Management Plan.

Green Streets are a stormwater management approach that incorporates vegetation (perennials, shrubs, trees), soil, and engineered systems, such as permeable pavements, to slow, filter, and cleanse stormwater runoff from impervious surfaces (e.g., streets, sidewalks). Green streets are designed to capture rainwater at its source, where rain falls. Enhanced Watershed Management Programs may include, but are not limited to, any Watershed Management Plan and/or Program approved by the California Regional Water Quality Control Board, Los Angeles Region, or its successors. Projects that integrate urban runoff storm water capture, infiltration, and/or treatment techniques that are not included within a watershed management plan or program may still be eligible for Measure M LR funds as part of other eligible project categories.

Per Ordinance, no more than 33 1/3% of LR funds received may be spent on Green Streets projects in any fiscal year.

### Storm Drains

Storm drains are drains designed to remove excess rain and ground water from impervious surfaces such as paved streets, parking lots, bikepaths, and sidewalks. Most storm drainage systems are designed to drain the water, untreated and unfiltered, into channels and water bodies.

2. Traffic Control Measures. Signal Synchronization, Transportation Demand Management (“TDM”), Transportation Systems Management (“TSM”), Intelligent Transportation System (“ITS”), new traffic signals, traffic signal modification, signalization of turns, traffic management center, and traffic safety.
  - a. Signal Synchronization. The research, planning, design, engineering, administration, construction, improvement, maintenance, and operation of traffic signals and traffic signal improvement projects, in particular those

improvements required to install and maintain traffic signal synchronization and coordinated traffic signal timing across jurisdictions.

Signal Synchronization Improvements may consist of, but are not limited to, the following:

- Installation of new traffic signal
- Installation of left-turn or right-turn phasing
- Maintenance, repair, replacement and/or upgrade of traffic and pedestrian signal equipment
- Installation, repair and maintenance of vehicle detection system which may include operation as a fully traffic actuated signal
- Installation of time-based coordination; installation and maintenance of traffic signal coordination timing
- Traffic Management Center (TMC) establishment or modification for management of traffic signals
- Installation of signal-related electrical system and/or fiber optic in the roadway

- b. TDM projects are defined as strategies/actions intended to influence how people commute, resulting in minimizing the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects must be made available to all employers and/or residents within the Jurisdiction boundaries.

TDM-eligible project expenditures may consist of, but are not limited to, the following:

- Vanpool and/or vanpool incentive programs, and carpool and biking incentive programs. Community-based shuttles for employees, if such services complement existing transit service
- Parking management incentive programs, including parking cash-outs or parking pricing strategies
- Employer or citizen ride-matching programs and subsidies
- Transportation Management Organization's ("TMO") insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction
- Matching funds for LR-eligible projects such as Safe Routes to School projects, Call for Projects, and highway improvement safety projects
- Car sharing programs

- Bike sharing programs
  - Guaranteed Ride Home Programs, Telework Incentives, Ride-hailing incentives
  - First/last mile transit connectivity strategies including shared mobility services (mobility hubs, secure bike parking, bikeshare, carshare, universal reservation payment systems, etc.
  - Safe routes for Seniors
  - Safe routes to school
  - Autonomous and/or Connected Shared Vehicle Technology
- c. TSM-eligible project expenditures include those for relatively low-cost, non-capacity-enhancing traffic control measures that improve vehicular flow and/or increase safety within an existing right-of-way. TSM projects may consist of, but are not limited to, the following:
- Reserved bus lanes (no physical separation) on surface arterials
  - Contra-flow lanes (reversible lanes during peak travel periods)
  - Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
  - Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
  - Preferential turning lanes for buses
  - Other traffic signal improvements that facilitate traffic movement

#### Traffic Control Measures - Eligibility Restrictions

LR funds may not be used to alter system/signal timing that was implemented under a traffic forum project/grant, unless coordinated with all affected Jurisdictions in the corridor. If a LR-funded project is or has an ITS component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures that the Metro Board has adopted.

3. Active Transportation. Active transportation is any non-motorized, human-powered mode of transportation, such as walking, bicycling, rolling, skating or scooting. Complete Streets projects are intended to facilitate and encourage the use of active transportation modes.

Bikeway and pedestrian improvements are for public uses and should follow ADA and California Title 24 specifications for accessibility requirements. Bikeways and pedestrian improvements may consist of, but are not limited to, the following:

- Construction and maintenance of bike/pedestrian facilities, sidewalks, related lighting, and cycle track operation and maintenance of off-street bike and pedestrian facilities, shared use paths, bike/pedestrian trails and trail connections
- Installation, repair, and maintenance of street furniture, such as seating and parklets
- Signage, information/safety programs
- Lighting for bike and pedestrian safety, including ongoing energy and maintenance costs
- Bike signal, bike detection, bike valet, bike lane and bike parking/storage
- ADA improvements, streetscapes, crossings and curb cuts
- Bike sharing
- Pedestrian, bike safety and bike education and studies
- Pedestrian plans
- Demonstration, pilot, or temporary staging projects to show the public a project and test the project's feasibility
- Improve first and last mile access to transit
- Bicycle center and supportive secure parking, and repair services for city owned bike share program
- Open street events to provide opportunities for 1) riding transit, walking and riding a bike, possibly for the first time, 2) to encourage future mode shift to more sustainable transportation modes, and 3) for civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level.
- Non-profit and private organization consultant services that can offer their expertise in outreach, planning, cost estimation, grant writing, design, environmental review, implementation, and maintenance.

4. Public Transit Services. Proposed new or expanded transit or paratransit services to address unmet transit needs must be coordinated with Metro and other affected existing regional bus transit systems to determine the proposed service's compatibility with the existing service(s). Metro may request that the proposed service be modified. Proposed services must also meet the criteria outlined under "Non-Exclusive School Service" and "Specialized Transit." Emergency Medical Transportation is not an eligible use of LR funds. Public transit service expenditures may include, but are not limited to, the following:

- New fixed route, paratransit (Elderly and Disabled and/or General Public) or Flexible Destination bus service

- Extension or augmentation of an existing bus route(s) and coordination of existing paratransit service
- Contracting with a transit operator or private provider for transportation services
- Contracting with transit operator in an adjacent county to provide transportation services within Los Angeles County
- Operating subsidy to existing municipal or regional bus operator
- Service enhancements related to bus/rail interface
- Shuttle service between activity centers
- Fare subsidy, subsidized taxi service for residents
- Taxi coupon programs used to provide paratransit systems for senior and disabled patrons
- ADA related improvements to fixed route or paratransit operations
- Transit security operations
- Recreational transit
- Software or technology for collecting, reporting, and analyzing real-time operations, performance, or fare collection data
- Support existing levels of transit operations

Public Transit Services - Eligibility Restrictions

- a. **Non-Exclusive School Service** which includes fixed-route bus services or demand-responsive services available to the general public, which also provide school trips, are eligible for LR funding. Exclusive school bus services are not eligible. Projects must meet the following conditions:
- The vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus.
  - The bus head sign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name.
  - Timetables for such services which will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service".



- Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops.
  - The same fare payment options must be made available to all users.
  - The overall transportation service provided in the Jurisdiction must not be for school hour service only.
- b. **Specialized Public Transit**, special user group service or social service transit may be eligible where it can be incorporated into the existing local transit or paratransit program. Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. Projects must meet the following conditions:
- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity.
  - Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program.
  - Service shall be advertised to the general public.
  - Metro may require, as a condition of approval, inter-jurisdictional project coordination and consolidation.
  - LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable transportation costs, excluding salaries for specialized escorts or other program aides.
  - The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits.

- c. **Recreational Transit Services** are eligible for travel within a 300 mile radius of the designated point of departure within the Jurisdiction. All eligible trips must be made within California, and eligibility restricts the use to day trips (no overnight trips). Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities); however, trips must be made available to all individuals within that designated group. Special events or destinations may be served; however, all members of the general public including individuals with disabilities must be allowed to use the service.

LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects. All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites. Jurisdictions must submit a Recreational Transit Service Form (Appendix II) on or before October 15<sup>th</sup> after the fiscal year the service was made available, to certify that all conditions were met.

5. **Public Transit Capital.** Bus/rail improvements, maintenance, and transit capital. Jurisdictions must coordinate bus stop improvements with affected transit operators. Public Transit Capital projects may consist of, but are not limited to, the following:

- Improvements to bus stops or rail stations (including street improvements)
- Transit Infrastructure
- Vehicles (new, replacement, and/or maintenance)
- Transit facilities
- Maintenance of facilities/state of good repair
- Transportation Enhancements (“TE”), park-and-ride lots
- Right of way improvements
- Improvements to rail crossing(s)
- Farebox systems and related improvements
- Transit Access Pass (“TAP”)
- Universal Fare System (“UFS”), plan development or projects
- Passenger counting systems, Automated Passenger Counter
- Purchase and installations of bus stop /station amenities and signage
- Parking facilities that support public transit use
- Transportation technical systems
- Transit security capital

6. Transit Oriented Community Investments (TOC). Transit-oriented development (TOD) is a type of community development that includes a mixture of housing, office, retail and/or other commercial development and amenities integrated into a walkable and bikeable neighborhood and located within a half-mile of quality public transportation.

Measure M's intent goes beyond TOD to focus on the creation of "transit oriented communities" (TOC). TOCs represent a comprehensive approach to creating compact, walkable and bikeable places in a community context, rather than focusing on a single development site, particularly around transit.

Measure M funds must leverage private and other public funds to create TOC. Jurisdictions are encouraged to publicize that Measure M funding was used to fund the project.

7. Transportation Marketing. If promotional signage, literature, or other project marketing material is distributed or displayed as part of a Measure M project outreach or marketing activity, Jurisdictions are encouraged to include a notation indicating that Measure M funding was used to fund the project.

Marketing projects may consist of, but are not limited to, the following:

- Transportation kiosks and/or transit pass sales centers
- Transportation information amenities such as maps, brochures, transportation signage
- Transportation user subsidy programs
- Promotions and events
- GIS mapping of bikeways & other bikeway information

8. Planning, Engineering and/or Study, Congestion Management Program ("CMP") Planning, coordination, engineering and design costs incurred toward implementing an eligible LR project are eligible when the following conditions are met:

- Projects being planned (designed, coordinated, etc.) are LR eligible. Coordination includes: Jurisdictions' start-up costs or dues for Councils of Governments ("COGs") and Transportation Management Associations ("TMAs"); advocacy; and funding for Joint Powers Authorities ("JPAs") by Jurisdictions or ("COGs"). If some activities are LR eligible and some are not, partial payment of dues must be made proportionally to the organization's budget for LR-eligible projects.

- TDM-related activities as required by the CMP. CMP projects may consist of, but are not limited to the following:
  - a. preparation of TDM ordinances
  - b. administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans
  - c. monitoring of transit standards by transit operators

9. Transportation Administration. Expenditures for those administrative costs associated with and incurred for the aforementioned eligible projects/programs.

Direct administration include those fully-burdened costs that are directly associated with administering LR program or projects, salaries and benefits, office supplies and equipment, and other overhead costs. All costs must be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s). Expenditures must be reasonable and appropriate to the activities undertaken by the locality. The administrative expenditures for any year shall not exceed twenty percent (20%) of the total LR annual expenditures.

10. Local Funding Contributions. Measure M LR funds may be used as matching funds for other federal, state, or local sources that may be used to fund transportation projects as listed herein in this section.

The Measure M Ordinance requires a three percent (3%) local funding contribution for designated projects. LR funds may be used to provide these local funding contributions. The 3% Local Contribution to Major Transit Projects guidelines are included in Attachment A.

### **MAINTENANCE OF EFFORT (“MOE”)**

Measure M LR Program funds are to be used to augment, not supplant, existing local revenues being used for transportation purposes. Jurisdictions must maintain their individual existing local commitment of funds, for current transportation projects and services.

In addition to implementing new Measure M eligible projects and programs, Jurisdictions may use Measure M LR funds to supplement existing Measure M eligible projects and programs should current grant funding that supports the operations of a program sunset, or it there is a

current or projected funding shortfall. Metro reserves the right to request appropriate documentation from a Jurisdiction to support the existence of grant funding schedules and/or a funding shortfall.

#### **COORDINATION APPROACH**

Jurisdictions are encouraged to coordinate and use their Measure M LR funded projects as follows:

1. More corridor based projects, specifically projects that support other Measure M rail, bus and highway corridors
2. Coordination on arterials
3. Land use policies to support rail and bus transit
4. Bike connectivity between Jurisdictions
5. Bicycle and pedestrian access to support transit stations and rail stations
6. Rapid bus service implementation
7. Street improvements to support coordinated signal synchronization across jurisdictions
8. Complete streets, green measures
9. Improve first and last mile access to transit network.

#### **PROMOTE SUSTAINABILITY**

Jurisdictions are encouraged to use Measure M LR funds for projects that will foster a more sustainable countywide transportation system by improving the efficiency and operation of streets and roads and/or increasing alternative transportation choices. Jurisdictions should also consider sustainability in the development of each project by incorporating design elements that reduce construction-related and long-term environmental impacts.

Sustainable design elements should aim to reduce energy, water, waste and air pollutants that occur throughout the lifecycle of a project, including its construction, maintenance, and operations.

#### **ADMINISTRATIVE**

#### **AGREEMENT**

Prior to receiving disbursements, a Jurisdiction must submit an executed Assurances and Understandings (legal agreement), a sample of which is shown in Attachment B. Funds are then automatically disbursed on a monthly basis from the net received revenues, on a per capita basis, to the Jurisdiction.

## REPORTING REQUIREMENTS

### Expenditure Plan (Form M-One)

To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year. A sample of Form M-One is shown in Attachment C.

Form M-One provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operation and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan containing the following:

1. The estimated total cost for each project and/or program activity;
2. Funds other than Measure M that will be expended on the projects and/or program activity;
3. The active funding schedule for each project and/or program activity; and,
4. The expected completion dates for each project and/or program activity.

### Expenditure Report (Form M-Two)

The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15<sup>th</sup> (following the conclusion of the fiscal year). The Expenditure Report serves to notify Metro of previous year LR fund receipts and expenditures. Jurisdictions are required to specify administration charges to Direct Administration in order to

verify compliance of the 20% cap on administration costs. A sample of Form M-Two is shown in Attachment D.

Recreational Transit Form

Jurisdictions that use their Measure M LR funds for recreational transit services must fill out, sign and submit this form no later than October 15<sup>th</sup> after the fiscal year in which the services were rendered. A sample Recreational Transit Form is shown in Attachment E.

Form Submission Timeline

<u>FORM</u>	<u>DETERMINATION</u>	<u>ANNUAL DUE DATE</u>
Expenditure Plan (Form M-One)	New, amended, ongoing and carryover projects; Capital projects require additional information	August 1 <sup>st</sup>
Expenditure Report (Form M-Two)	All projects	October 15 <sup>th</sup>
Recreational Transit Form	Recreational Transit only	October 15 <sup>th</sup>

FINANCE

Establishing a Separate Account

Jurisdictions are required to establish a separate account, or sub-account (line item), and deposit all Measure M LR revenues, interest earnings received and other income earned (such as fare revenues, revenue from advertising, etc.) in that account.

### Pooling of Funds

Metro will allow Jurisdiction's to pool Measure M LR funds in order to obtain maximum return on investments. Such investment earnings must be reported and expended consistent with these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangement should keep adequate records of such transactions in order to allow for subsequent audits.

### Unexpended Project Funds

All unexpended project funds remaining upon completion of an approved project must be re-programmed.

DRAFT



## Reimbursement

Measure M LR funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funds, if the project itself is eligible under these guidelines. The reimbursement must be returned to the Measure M LR account.

A jurisdiction may advance an approved Measure M LR project using City/County funds, to be subsequently reimbursed by Measure M LR funds.

## Fund Exchange: Trade, Loan, Gift

Jurisdictions involved with fund exchanges are required to obtain Metro approval and keep all related documents on file.

1. Trading of Measure M LR funds are restricted to other dedicated transportation funds/revenues (except for Proposition C funds which are not allowed).
2. Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another in order to meet short-term project financing needs while allowing for multi-year payback to the lead agency. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions are held mutually responsible for ensuring that the end use of Measure M is for statutorily allowed purposes.
3. Jurisdictions can gift its Measure M LR funds to another Jurisdiction for the implementation of a mutual project, providing that the funds are used for eligible transportation purposes as listed herein. Jurisdictions giving the funds away cannot accept an exchange or gift of any kind in return.

See Attachment F for a sample Fund Exchange Agreement.

## Bonding

Jurisdictions may issue bonds against Measure M LR Revenue. See Attachment G for bonding requirements.

### LAPSING REQUIREMENT

Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. For example: funds received in FY 2017-18 are required to be expended by June 30, 2023. A First-In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis.

Metro will allow a time extension for Jurisdictions to reserve funds (see RESERVE/CARRYOVER REQUIREMENTS below).

### RESERVE/CARRYOVER REQUIREMENTS

Jurisdictions, may set up a reserve fund account to obtain additional time (beyond the five year term limit) to expend funds. The reserve project will be accounted for in a separate account, or sub-account for audit purposes and lapse date calculation. The reserve fund process is as follows:

1. The Jurisdiction must send a letter to Metro requesting a reserve fund along with project details, including an Expenditure Plan and justification and time continuance specific to the project for which the extension is needed.

2. Metro will determine if the extension is warranted. If the project qualifies, Metro will send an approval letter for the reserve.
3. The Jurisdiction will then be required to establish a separate account, or sub-account (line item), that can be audited.

However, if a Jurisdiction finds that the reserve fund project cannot be constructed for reasons beyond the Jurisdiction's control, the Jurisdiction may submit a request to Metro to reprogram the reserve. The Jurisdiction must indicate in writing the proposed use of the accumulated reserve funds to be reprogrammed, and receive written Metro approval. If the reserve funds are reprogrammed without the approval of Metro, Metro may request that the funds be paid back to Metro for reallocation to Jurisdictions on a per capita basis through the Measure M LR allocation process.

#### AUDIT REQUIREMENTS

A financial and compliance audit will be conducted annually as part of Metro's Consolidated Audit Program to verify adherence to the Measure M Guidelines. Audits will be performed in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit shall also include review of internal control procedures, assessing the accounting principles used, as well as evaluation of the overall basic financial presentation.

It is the Jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines. This includes proper controls that administrative charges are adequately supported (timesheets, payroll registers, labor distribution reports and other related documentation). Jurisdictions are required to retain LR records for at least four years following the year of allocation and be able to provide trial balances, financial statements, worksheets and other documentation required by the auditor. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.

**Note:** Jurisdictions are required to expend their Measure M LR funds for transportation purposes, as defined by these guidelines. Any Jurisdiction that violates this provision must fully reimburse the LR Measure M fund, including interest thereon, for the misspent funds and may be deemed ineligible to receive Measure M LR funds for a period of three (3) years.

Financial and Compliance Provisions

The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:

Audit Area	Non-Compliance Penalty (for failure to comply with Audit Area)
<p>Measure M LR funds were expended for transportation purposes (as defined by the Measure M LR Guidelines)</p> <p>Assurances and Understandings (fully executed agreement)</p> <p>Accounts and records have established a separate operating Measure M Local Transportation Assistance Account for LR purposes.</p> <p>Verification of revenues received</p>	<p>Reimbursement to the LR fund of unsupported expenditures, and possible suspension of disbursements for three (3) years. The suspended funds will be reallocated to Jurisdictions on a per capita basis</p> <p>Suspension of disbursements until compliance</p> <p>Suspension of disbursements until compliance</p> <p>Suspension of disbursements until</p>

<p>including allocations, project generated revenues, interest income properly credited to Measure M account</p>	<p>compliance</p>
<p>Verification that funds were expended with Metro’s approval</p>	<p>Jurisdiction will be required to reimburse its LR account</p>
<p>Verification that funds were not substituted for property tax and are in compliance with the MOE</p>	<p>Jurisdiction will be required to reimburse its LR account (Auditors will measure MOE compliance globally, not project by project)</p>
<p>Verification that the funds are expended within five (5) years from the last day of the fiscal year in which funds were originally allocated or received (unless an approved reserve fund has been established). See page 98.</p>	<p>Lapsed funds will be returned to Metro for reallocation to Jurisdictions on a population basis</p>
<p>Verification that <u>administrative expenditures</u> did not exceed 20% of the total annual LR expenditures.</p>	<p>Jurisdictions will be required to reimburse their LR account for the amount over the 20% cap.</p>
<p>Verification that the Expenditure Plan was submitted on or before August 1<sup>st</sup> at the beginning of the new fiscal year.</p>	<p>Audit exception.</p>
<p>Verification that the Annual Expenditure Report was submitted on or before October 15<sup>th</sup> following the end of the</p>	<p></p>

<p>prior fiscal year.</p> <p>Where funds expended are reimbursable by other grants or fund sources, verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement.</p> <p>Where Measure M funds were given, loaned or exchanged by one Jurisdiction to another, verification that the receiving Jurisdiction has credited its LR account with the funds received.</p> <p>Where a capital reserve has been granted, verification that a separate account for the capital reserve is established, and current status is reported in the Expenditure Plan</p>	<p>Audit Exception.</p> <p>Audit exception and reimbursement received must be returned to the LR account</p> <p>Audit exception and reimbursement of affected funds to the LR account.</p> <p>Audit exception.</p>
--	--

## Audit Deliverables

The auditor shall submit to the Jurisdictions and to Metro a Comprehensive Annual Report of Measure M LR funds no later than March 31<sup>st</sup> following the end of fiscal year. The report must, at the minimum, contain the following:

- Audited Financial Statements – Balance Sheet, Statement of Revenues and Expenditures and Changes in Fund Balances.
- Compliance Report, Summary of Exceptions, if any, and ensuing recommendations.
- Supplemental Schedules – Capital Reserves, if any; Schedule of Detailed Project Expenditures; and Capital Assets.

## Suspension or Revocation

Jurisdictions are expected to take corrective action in response to the LR financial and compliance audit. Notwithstanding the provisions of these guidelines, Metro reserves the right to suspend or revoke allocation to Jurisdictions that may be found to be in gross violation of these guidelines, or repeatedly committing violations, or refusing to take corrective measures.

## **MEASURE M RECOGNITION**

All jurisdictions are encouraged to recognize projects and services that are funded using Measure M funds. Examples may include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each jurisdiction.

## **REVISIONS TO PROGRAM GUIDELINES**

These guidelines shall be reviewed by a Working Group of LR jurisdictions at least every five years. Any revisions to these program guidelines shall be approved by the Metro Board of Directors.

DRAFT



## ATTACHMENTS

*Note: currently under development and not included in this draft*

- A. 3% Local Contribution to Major Transit Projects Guidelines
- B. Assurances and Understandings (Sample)
- C. Form M-One (Sample)
- D. Form M-Two (Sample)
- E. Recreational Transit Form (Sample)
- F. Fund Exchange Agreement (Sample)
- G.** Bonding

DRAFT

**APPENDIX A: POTENTIAL 3% JURISDICTIONS BY MAJOR TRANSIT PROJECT**

<b>Measure M Transit Project</b>	<b>City – Station Location</b>
<b>Crenshaw Light Rail Northern Ext to West Hollywood (LRT)</b>	City of Los Angeles
<b>Crenshaw Light Rail Northern Ext to West Hollywood (LRT)</b>	City of Los Angeles
<b>Crenshaw Light Rail Northern Ext to West Hollywood (LRT)</b>	West Hollywood
<b>East San Fernando Valley Transit Corridor (LRT)</b>	City of Los Angeles
<b>East San Fernando Valley Transit Corridor (LRT)</b>	San Fernando
<b>Gold Line Foothill Extension to Claremont Phase 2B (LRT)</b>	Pomona
<b>Gold Line Foothill Extension to Claremont Phase 2B (LRT)</b>	Glendora
<b>Gold Line Foothill Extension to Claremont Phase 2B (LRT)</b>	San Dimas
<b>Gold Line Foothill Extension to Claremont Phase 2B (LRT)</b>	La Verne
<b>Gold Line Foothill Extension to Claremont Phase 2B (LRT)</b>	Claremont
<b>Green Line to Norwalk Metrolink Station (LRT)</b>	Norwalk/Santa Fe Springs
<b>Green Line to Norwalk Metrolink Station (LRT)</b>	Norwalk
<b>Lincoln Blvd LRT</b>	Los Angeles County/City of Los Angeles
<b>Lincoln Blvd LRT</b>	Inglewood
<b>Lincoln Blvd LRT</b>	City of Los Angeles
<b>Lincoln Blvd LRT</b>	City of Los Angeles
<b>Lincoln Blvd LRT</b>	City of Los Angeles
<b>Lincoln Blvd LRT</b>	Santa Monica
<b>Gold Line Eastside Phase II [SR-60]</b>	Montebello/Monterey Park
<b>Gold Line Eastside Phase II [SR-60]</b>	Los Angeles County/Monterey Park
<b>Gold Line Eastside Phase II [SR-60]</b>	Los Angeles County
<b>Gold Line Eastside Phase II [SR-60]</b>	Monterey Park
<b>Gold Line Eastside Phase II [SR-60]</b>	South El Monte
<b>Gold Line Eastside Phase II [SR-60]</b>	Los Angeles County
<b>Gold Line Eastside Phase II [SR-60]</b>	Montebello
<b>Gold Line Eastside Phase II [SR-60]</b>	Rosemead
<b>Gold Line Eastside Phase II [SR-60]</b>	Los Angeles County
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Montebello/Monterey Park
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County/Monterey Park
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County/Whittier
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County/Santa Fe Springs
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Pico Rivera
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Whittier
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Montebello
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Commerce
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Montebello

<b>Metro Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County
<b>Metro Gold Line Eastside Phase II [Washington Blvd]</b>	Santa Fe Springs
<b>Metro Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County
<b>Orange Line Conversion to Light Rail (LRT)</b>	City of Los Angeles
<b>Sepulveda Pass Corridor - Westwood to LAX (HRT)</b>	City of Los Angeles
<b>Sepulveda Pass Corridor - Westwood to LAX (HRT)</b>	City of Los Angeles
<b>Sepulveda Pass Corridor - Westwood to LAX (HRT)</b>	Culver City
<b>Sepulveda Pass Corridor - Westwood to LAX (HRT)</b>	City of Los Angeles
<b>Sepulveda Pass Corridor - Westwood to LAX (HRT)</b>	Culver City
<b>Sepulveda Pass Transit Corridor (HRT)</b>	City of Los Angeles
<b>So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd</b>	Torrance/Redondo Beach (Harbor Subdvsn 182-190 St)
<b>So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd</b>	Torrance
<b>So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd</b>	Lawndale
<b>So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd</b>	Redondo Beach
<b>So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd</b>	Redondo Beach
<b>Transit Connector Orange/Red Line to Gold Line (LRT)</b>	Glendale
<b>Transit Connector Orange/Red Line to Gold Line (LRT)</b>	Burbank
<b>Transit Connector Orange/Red Line to Gold Line (LRT)</b>	City of Los Angeles
<b>Transit Connector Orange/Red Line to Gold Line (LRT)</b>	Pasadena
<b>Vermont Transit Corridor (HRT)</b>	Los Angeles County/City of Los Angeles
<b>Vermont Transit Corridor (HRT)</b>	City of Los Angeles
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park/Vernon
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	South Gate/Cudahy; Metro ROW
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park/Cudahy; Metro ROW
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park/Bell
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	South Gate
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Huntington Park
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Los Angeles County
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	City of Los Angeles
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Bell
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	Downey
<b>West Santa Ana Transit Corridor (Gardendale to Downtown)</b>	South Gate/Downey
<b>West Santa Ana Transit Corridor (Pioneer to Gardendale)</b>	Bellflower
<b>West Santa Ana Transit Corridor (Pioneer to Gardendale)</b>	South Gate
<b>West Santa Ana Transit Corridor (Pioneer to Gardendale)</b>	Paramount
<b>West Santa Ana Transit Corridor (Pioneer to Gardendale)</b>	Cerritos
<b>West Santa Ana Transit Corridor (Pioneer to Gardendale)</b>	Artesia
<b>Westside Purple Line Ext to Westwood/VA Hospital (Section 3)</b>	City of Los Angeles
<b>Westside Purple Line Ext to Westwood/VA Hospital (Section 3)</b>	Los Angeles County

DRAFT

## APPENDIX B: ATTACHMENT A

---

*Note: The program outlined below will be formally brought to the Board of Directors for approval in May 2017, prior to Board approval of the Measure M guidelines.*

### **Measure M – Metro Discounts for Seniors and Students Summary Description of Low Income Fare Subsidy Program**

#### **BACKGROUND**

As required by the Measure M Ordinance and further described in the Measure M Guidelines for the 2% program (ADA Paratransit for the Disabled; Metro Discounts for Seniors and Students), a maximum of 25% of the revenues generated by this program shall be allocated to fare discounts for seniors and students. This document outlines the provisions for the use of these funds.

#### Current Fare Discounts Offered to Seniors and Students

Within Metro's existing fare structure, there are a wide variety of discounted fare products available to seniors, K-12 students, and college/vocational students. The total effective subsidy for all reduced fare products and Metro fare subsidies currently offered is over \$100M annually. By contrast, Measure M is expected to generate \$4M annually for this purpose—an overall subsidy increase of less than 5%.

#### Leveraging Measure M to Benefit Low Income Seniors and Students

In order to best utilize the Measure M monies available for senior and student discounts, these limited funds will be directed toward fare discounts for low income seniors and low income students. With the fare subsidy program described below, Metro is aiming to maximize the impact of the Measure M 2% program by providing fare subsidy benefits to the senior and student transit riders who need it most.

#### **LOW INCOME FARE SUBSIDY PROGRAM**

This revised fare subsidy program focused on low income riders in Los Angeles County will build upon the successes and lessons learned of the current fare subsidy programs – Immediate Needs Transportation Program (INTP) and Rider Relief Transportation Program (RRTP). The program will utilize funds from the existing programs and the additional Measure M revenues to offer additional subsidies to program participants, with a total estimated FY18 budget of \$14M - \$5M from INTP, \$5M from RRTP, and a projected \$4M in new sales tax revenue from Measure M.

The program will combine and increase benefits provided separately by each program today, while improving the customer's experience in applying for and utilizing program

benefits. Projected efficiencies under the new program together with additional funds from Measure M will fund the expansion of subsidies to program participants, allowing Metro to provide more benefits to more riders. Key elements of the new program are summarized in the following table.

<b>Eligibility</b>	<ul style="list-style-type: none"> <li>○ Low income per LA County Poverty Guidelines</li> <li>○ Annual determination of eligibility</li> </ul>
<b>Subsidy</b>	<ul style="list-style-type: none"> <li>○ Regular Riders - \$18 to \$24 pass subsidy</li> <li>○ Reduced Fare - \$8 to \$12 pass subsidy, with potential variability by rider type to provide a more equitable discount</li> <li>○ Introduction of a ride benefit (i.e. 10 to 20 rides per month)</li> </ul> <p><i>Note: subsidy levels are currently under evaluation</i></p>
<b>Annual Budget</b>	<ul style="list-style-type: none"> <li>○ \$10M from existing RRTP and INTP budgets</li> <li>○ An estimated additional \$4M from Measure M in FY18</li> </ul>
<b>TAP Integration</b>	<ul style="list-style-type: none"> <li>○ Program benefits available through TAP card</li> <li>○ Convenience of purchasing discounted fares through the entire TAP vendor network and taptogo.net</li> </ul>

Details on the new program, including comparison with the current fare subsidy programs, are described in further detail below.

- Consolidation of Transit Benefits for Individuals – RRTP provides a discount off a weekly or monthly pass while the INTP provides tokens for individual trips. Individuals may not participate in both programs so must choose to register in one or the other, receiving either the pass discount or tokens. The revised program will allow participants to choose which benefit meets their needs each month. Further, very few types of trips or trip purposes qualify for tokens under the INTP program. The revised program will no longer consider trip purpose, making all trips made using transit eligible.
- Increased Subsidy Amount – RRTP provides \$10 off a full-fare pass, and \$6 off a reduced fare (senior/disabled, college/vocational, or student) pass. INTP provides an average of 10 tokens (rides) per person per month. Under the new program, pass discounts will increase to \$X and \$Y. The ride benefit will increase to Z rides.
- Simplify Participant Eligibility Process – Customers are required to appear in person twice a year for RRTP coupon distribution, and monthly for INTP token allocation. Under the revised program, participant eligibility will be determined once per year at any time during the year to allow the customer to receive benefits for twelve consecutive months.

- TAP Integration– Today subsidies are provided in the form of paper coupons (RRTP) and tokens (INTP). When fully implemented, the new program will provide participant benefits through a customer’s enrolled TAP card, streamlining and improving the experience for customers, agencies, vendors, and Metro staff.
- New TAP Ride-Based Option – Tying customer benefits to a TAP card allows for a new ride fare product to replace the tokens issued under the INTP today. Under the revised program, the customer can choose either a discounted pass product or the TAP rides each month. This enhancement will allow the customer to receive full benefit of the Metro two hour transfer that is not supportable with the tokens used today.
- Convenient Access to Program Benefits – Customers will be able to utilize taptogo.net as well as the entire TAP vendor network for redeeming their pass or ride benefits under the revised program.
- Refocused Taxi Element – The taxi element of the revised program will focus on agencies rather than individuals, and on specific critical trip purposes. Today, individuals may receive taxi coupons from participating agencies that can be utilized at any time and for any reason. The new program will provide access to taxi services to approved agencies/organizations like hospitals and shelters to call upon on behalf of their members to provide trips categorized by mobility limitations, urgency, or safety. A member’s enrollment in the transit subsidy element of the new program will not prevent them from receiving taxi services initiated by an agency on their behalf.

## **IMPLEMENTATION TIMELINE**

The new Low Income Fare Subsidy program will be presented to the Metro Board for consideration in May 2017. If adopted, the implementation of the new program is anticipated to occur in two phases beginning in January 2018. The first phase will consist of program policy changes that can be implemented without TAP enhancements/modifications including increases to subsidy levels and taxi service provision, culminating in the issuance of an RFP in FY19 for new third party administrators. The second phase will incorporate the remaining TAP program elements and will also begin in January 2018 but will take longer to implement as improvements to the TAP vendor network are rolled out countywide.

## ATTACHMENT B

### 20% Transit Operations Process & Working Group

The following Measure M Program Guidelines for 20% Transit Operations are the result of consensus achieved through meetings of the Measure M Transit Operations Working Group. A formal letter from Metro's Chief Executive Officer requesting volunteers for participation in the Working Group was sent out to the General Managers of all eligible and included transit operators in December 2016.

The Working Group was established and convened in January 2017, with the final Working Group meeting held on January 25, 2017. The draft guidelines that were agreed upon by the Working Group members were then forwarded to Metro Operations for input and comment. We believe the resulting draft guidelines have been adequately evaluated by the appropriate stakeholders and affected Metro departments and are therefore ready for external review.

#### Measure M Transit Operations Working Group Membership

Name	Agency	Subregion
Len Engel	Antelope Valley Transit Authority	North County
Judy Fry		
Norm Hickling		
Art Ida	Culver City Bus Lines	Westside
Michelle Caldwell	Foothill Transit	San Gabriel Valley
Ernie Crespo	Gardena Municipal Bus Line (G-Trans)	South Bay
Dana Pynn	Long Beach Transit	Gateway
Martha D'Andrea	Los Angeles Department of Transportation	Central City
Nora Chin		San Fernando
Jim Parker	Norwalk Transit	South Bay
Joyce Rooney	Redondo (Beach Cities) Transit	Westside
David Feinberg	Santa Monica Big Blue Bus	Gateway
		South Bay
		Westside



Eric O'Connor		
James Lee	Torrance Transit	South Bay
Manijeh Ahmadi	Metro	N/A - Los Angeles County
Nalini Ahuja		
Rufus Cayetano		
Chris Gallanes		
Tim Mengle		
Michelle Navarro		

*Note: For each transit agency, only one vote was allowed in discussions regardless of the count of representatives.*

### **17% Local Return Process & Working Group**

The following Measure M Program Guidelines for 17% Local Return are the result of the discussions held during meetings of the Measure M Local Return Working Group. A formal letter from Metro's Chief Executive Officer requesting volunteers for participation in the Working Group was sent out to all Los Angeles County jurisdictions and the County of Los Angeles in December 2016.

The Working Group was established and convened in January 2017, with the final Working Group meeting held on March 2, 2017. At the time of the last meeting, consensus was achieved on all provisions in the attached draft guidelines, except for the specific terms of allocation to the jurisdictions of Los Angeles County. Three scenarios were identified by the Working Group, minimums to be provided at the sub-regional level, incorporation of an employment-based measure, and minimum allocations ranging from \$100,000 to \$300,000 per jurisdiction. A majority of the Working Group members were in favor of the concept of a minimum allocation to each jurisdiction.

After evaluation of several scenarios, Metro is recommending:

Minimum allocation of \$100,000 per jurisdiction, reflecting a 0.43% contribution from donor cities to 8 small cities in year 1. Dollar impact would be highest for City of Los Angeles at \$230,873 and County of Los Angeles at \$60,253.

Measure M Local Return Working Group Membership

<b>Name</b>	<b>Jurisdiction</b>	<b>Subregion</b>
Audra McDonald	City of Avalon	Gateway
Aaron Kunz	City of Beverly Hills	Westside
Beverly Wong	City of Burbank	Arroyo Verdugo
Benjamin Chan	City of Calabasas	Las Virgines/Malibu
Rebecca Scott	City of Cerritos	Gateway
Mohammad Mostahkami	City of Downey	Gateway
Kristen Petersen	City of Duarte	San Gabriel Valley
Elaine Jeng	City of El Monte	San Gabriel Valley
Greg Carpenter	City of El Segundo	South Bay
Kathryn Engle	City of Glendale	Arroyo Verdugo
La Shawn Butler	City of Glendora	San Gabriel Valley
Andrew Brozyna	City of Hermosa Beach	South Bay
Alex Gonzalez	City of Industry	San Gabriel Valley
Judy Quinonez	City of La Mirada	Gateway
Sonia Southwell	City of Lakewood	Gateway
Abraham Bandegan	City of Long Beach	Gateway
Carlos Rios	City of Los Angeles	Central City San Fernando South Bay Westside
Buffy Bullis	City of Monrovia	San Gabriel Valley
Brian Kuhn	City of Palmdale	North County
Sebastian Hernandez	City of Pasadena	Arroyo Verdugo
Rene Guerrero	City of Pomona	San Gabriel Valley
Natalie Chan	City of Rancho Palos Verdes	South Bay
Joyce Rooney	City of Redondo Beach	South Bay

Daniel Wall	City of San Marino	San Gabriel Valley
Jason Smiko	City of Santa Clarita	North County
Joe Barrios	City of Santa Fe Springs	Gateway
Francie Stefan	City of Santa Monica	Westside
Charlie Honeycutt	City of Signal Hill	Gateway
Jacquelyn Ascosta	City of South Gate	Gateway
Claudia Arellano	City of Vernon	Gateway
Joanna Hankamer	City of West Hollywood	Westside
Mary Reyes	LA County DPW	All Subregions
Nalini Ahuja	Metro	N/A - Los Angeles County
Kelly Hines		
Tim Mengle		
Susan Richan		





# Measure M Draft Guidelines Executive Management Committee

March 16, 2017



**Metro**

# Introduction

## Measure M is Distinct from Measure R:

- Measure M is more comprehensive & complex
- No sunset
- Increased oversight and evaluation mechanisms

## Therefore, these Guidelines must:

- Reinforce fiduciary responsibility first and foremost
- Provide guidance framework for all aspects of Measure M, not just where guidance specifically indicated
- Use lessons learned from Measure R

## Measure M Direction

**Metro is not here to escrow funds.**

**Metro is here to manage dollars  
to deliver projects and programs.**



# Fiduciary Responsibility

**Responsible funds management is imperative to deliver projects as promised.**

## **Three Core Principles:**

- **Timely Use of Funds**
- **Cashflow**
- **Multi-Year Funds Partnering & Related Toolbox**

# Timely Use of Funds

## Project Readiness:

- Demonstrate you are “ready to go” before locking down funds

## Lapsing Policy:

- If money is not being used, reprogrammed to maximize delivery

# Cashflow Management

**Responsible funds management also means moving projects based on fund availability.**

**As part of that we address the following:**

- **“Shovel Ready” – preparedness to move faster**
- **Cost Containment – maintain integrity of Measure M Commitments**
- **Comprehensive Assessments & Amendments – discipline in addressing changes**
- **Debt Policy & Contingency Funds – managing alignment of need & time**
- **3% Local Contribution – improve on Measure R**



**Metro**

## Example: 3% Local Contribution

- Definition includes “Walk-shed” of ½ mile from station;
- Eligible funds include Agency funds, Local Return, or Subregional Multi-year Program Funds;
- 30% Design Determines Local Contribution;
- Active Transportation Capital Improvements must be consistent with Metro design and policy; and
- Opt out for up to 15 Years of Local Return, withheld if no agreement by bid award\*.



**Metro**

\*Award of any construction bid contract within jurisdiction border.

# Multi-Year Subregional Programs (MSP)

**MSP balances flexibility with Measure M goals. Flexibility exists within the following parameters:**

- **Developed from Mobility Matrix**
- **Meet Guideline definitions**
- **Remain within Expenditure Plan program funding\*, which includes ability of Subregions to borrow from their own multi-year program funding**

**However, must meet Timely Use of Funds requirements.**



**Metro**

**\*Based on Cashflow and Project Readiness provisions.**

## **Multi-Year Subregional Programs (MSP) cont'd.**

**Metro will create a MSP Toolbox in anticipation of requests for managing resource timing, within and across subregional programs.**

**Supplemental Fund Provision: Flexibility maximized when MSP project funding remains within local and subregional sources; requests for other Metro funds/resources to supplement project needs will trigger application of additional Metro policies.**



**Metro®**

# Competitive Funds

**Eligibility, technical criteria and competitive process will be further developed for the following capital areas:**

- **2% ATP**
- **2% Highway**
- **2% Transit**

# Operating, SGR & Regional Subsidies

**Half of Measure M funds go to LA County transit operators, cities, Access and Metro to improve mobility in Los Angeles**

<b>Local Return (17%)</b>	<b>Transit Ops (20%)</b>
<b>ADA Paratransit/ Metro Discounts Seniors &amp; Students (2%)</b>	<b>Rail Operations (5%)</b>
<b>Regional Rail (1%)</b>	<b>State of Good Repair (2%)</b>

- **Guidelines were developed collaboratively with cities, transit operators and key stakeholders**
- **Measure R guidelines were used as the basis, incorporating new MM eligible uses and definitions**
- **New reporting requirements were included to satisfy Oversight Committee**



# Key areas to highlight

Measure M	Key Area	Discussion
Local Return	Method of Allocation	<ul style="list-style-type: none"> <li>▪ Proposal is to move forward with minimum allocation of \$100K per jurisdiction</li> <li>▪ Impact of reallocation: Est. \$585K</li> <li>▪ City of LA: Est. \$230K and County of LA: Est. \$60K</li> </ul>
ADA Paratransit/Metro Discounts for Seniors & Students	Two distinct uses	<ul style="list-style-type: none"> <li>▪ Comprehensive low-income program that combines our current fare subsidy programs</li> <li>▪ Add to the \$100M in discounts in our fare structure</li> <li>▪ Low-income program will be brought separately for Board approval</li> </ul>
Regional Rail	Performance Measures	<ul style="list-style-type: none"> <li>▪ Ordinance requires performance criteria to increase % allocation in FY39 from 1% to 2%</li> <li>▪ Service quality, safety, cost containment and investment measures</li> <li>▪ Continue discussions with Metrolink</li> </ul>

# Evolving Process

**Several areas require further procedural development and/or technical criteria.**

**Tax Oversight Committee: Guidelines provide framework for Committee review and reporting.**

**Metro Board has authority to adopt Guideline revisions consistent with assessment and amendment process to respond to changing circumstances.**

# Staff Recommendation

**Request that the Board authorize the release of the Draft Measure M Guidelines for public comment**



Questions?



Metro