



**December 6, 2021**

**To:** Regional Planning and Highways Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Measure M2 Annual Eligibility Review

### **Overview**

Measure M2 requires local agencies to annually satisfy eligibility requirements to continue to receive Measure M2 net revenues. Required documentation for the review period ending June 30, 2021, has been received and reviewed by the Taxpayer Oversight Committee and Orange County Transportation Authority staff. Recommendations are presented for Board of Directors' review and approval.

### **Recommendation**

Approve all Orange County local agencies as eligible to continue to receive Measure M2 net revenues.

### **Background**

Local agencies, which includes all 34 cities, and the County of Orange are required to meet Measure M2 (M2) eligibility requirements and submit eligibility verification documents to the Orange County Transportation Authority (OCTA) annually to remain eligible to receive M2 net revenues. There are 13 eligibility requirements that local agencies must either meet and/or adhere to. However, not all 13 eligibility components require verification each eligibility cycle. For reference, a summary of M2 eligibility requirements and their respective due dates are provided in Attachment A.

While OCTA staff reviews and confirms all M2 eligibility components, the M2 Ordinance also requires the Taxpayer Oversight Committee (TOC) to review five requirements. These include the Congestion Management Program (CMP), Mitigation Fee Programs (MFP), Local Signal Synchronization Plans, Pavement Management Plans (PMP), and Expenditure Reports.

Generally, local agencies must submit the required documentation on or before June 30, 2021. These submittals are reviewed by staff and the TOC in the fall. Expenditure Reports are due on December 31, 2021, six months after the close of the fiscal year, and are reviewed in the spring. This item addresses the 12 submittals that were due for the June 30, 2021, submittal cycle.

***Discussion***

All 35 local agencies submitted the required M2 eligibility verification documents prior to OCTA's June 30, 2021, deadline. OCTA staff reviewed all local agencies' eligibility verification documents to ensure completion, accuracy, and consistency with M2 Ordinance requirements. The TOC-designated Annual Eligibility Review (AER) Subcommittee was convened to review the eligibility components requiring TOC review. These components included CMP submittals, MFPs, and PMPs<sup>1</sup> (for applicable local agencies). Based on the AER Subcommittee's review, the TOC formally confirmed its required review at its October 12, 2021, meeting.

The review of all required eligibility documentation is complete. All local agencies submitted the appropriate documentation which were reviewed and deemed complete. OCTA staff recommends that all Orange County local agencies be found eligible to continue to receive M2 net revenues. A summary of the findings for the 12 M2 eligibility components that were due for this cycle is provided in Attachment B.

***Summary***

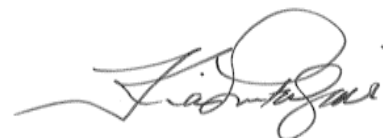
All local agencies in Orange County have submitted all required M2 documentation due at this time. TOC and OCTA staff have reviewed all required documentation and a finding of eligibility to continue receiving M2 net revenues is recommended.

***Attachments***

- A. Measure M2 Eligibility Requirements and Submittal Schedule Summary Due June 30, 2021 and December 21, 2021
- B. Fiscal Year 2021-22, Measure M2 Eligibility Review Summary

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<sup>1</sup> For this eligibility review cycle, PMPs were required from 14 local agencies. The remaining 21 local agencies' PMPs will be submitted and reviewed during the next eligibility review cycle.