




**March 4, 2024**

**To:** Regional Transportation Planning Committee  
**From:** Darrell E. Johnson, Chief Executive Officer   
**Subject:** Revisions to the Measure M2 Eligibility Guidelines

### **Overview**

The Orange County Transportation Authority's Measure M2 Ordinance No. 3 specifies requirements that local jurisdictions must satisfy in order to be eligible to receive Measure M2 net sales tax revenues. The Measure M2 eligibility guidelines and countywide Pavement Management Plan guidelines assist local jurisdictions in navigating Measure M2 eligibility requirements and submittal processes. Proposed updates to these documents are presented for Board of Directors' review and approval.

### **Recommendations**

- A. Approve proposed revisions to the Measure M2 Eligibility Guidelines.
- B. Approve proposed revisions to the countywide Pavement Management Plan Guidelines.

### **Background**

The Orange County Transportation Authority's (OCTA) Measure M2 (M2) Ordinance No. 3 specifies requirements that M2-defined local jurisdictions (the cities and the County of Orange) must satisfy in order to be eligible to receive net M2 sales tax revenues. To assist local jurisdictions with these requirements, OCTA regularly updates guideline documents, including the M2 Eligibility Guidelines (Eligibility Guidelines) and the countywide Pavement Management Plan (PMP) guidelines. The OCTA Board of Directors (Board) last approved changes to the Eligibility Guidelines in April 2023.

Staff has completed a review of the Eligibility Guidelines and is recommending approval of revisions (discussed below). These updates are recommended to support local jurisdictions in meeting the M2 eligibility requirements. The recommended revisions incorporate feedback received during the most recent

and previous eligibility review cycles and also include updates to clarify and/or streamline M2 eligibility submittal and review processes.

The local jurisdictions are responsible for meeting and satisfying all required M2 eligibility requirements each year. These guidelines are intended to assist local jurisdictions in completing required M2 eligibility processes. In the most recent eligibility cycle, no issues surfaced that would warrant a change to the guidelines.

### ***Discussion***

The next M2 eligibility cycle will start immediately following the approval of the updated Eligibility Guidelines. The recommended revisions for the current cycle also include changes to the countywide PMP guidelines, which are complementary to the Eligibility Guidelines.

### Eligibility Guidelines

The Eligibility Guidelines assist local jurisdictions in submitting a compliant eligibility package. The recommended amendments to the guidelines consist primarily of administrative changes. These include minor updates to the eligibility checklist and due dates, general wording modifications, clarification of submittal requirements, deletion of references to the former coronavirus modification for the maintenance of effort benchmark requirement, and technical updates/clarifications throughout the document, appendices, and reporting forms. A summary of the recommended revisions to the Eligibility Guidelines is provided in Attachment A, and a redline version of the proposed changes is provided in Attachment B.

### Countywide PMP Guidelines

The PMP guidelines establish a consistent methodology for local jurisdictions to evaluate and report on pavement conditions, monitor changes, anticipate needed improvements, and verify compliance with M2's PMP requirements. Like the Eligibility Guidelines, the PMP guidelines have been revised to update administrative elements such as dates, checklists, and webpage links. The primary revision to the guidelines for the current eligibility cycle is clarification to the accepted electronic submission methods for pavement management data files. Agencies currently submit digital data in various formats, and this change clarifies a consistent electronic method for data submittals. The proposed revisions to the countywide PMP guidelines are identified in Attachment A, and a redline version in Attachment C.

Next Steps

Following the Board’s approval of the recommended guidelines revisions, OCTA will conduct a workshop on March 14, 2024, to inform the local jurisdictions of the changes and guide them through the process. Staff will also coordinate with all local jurisdictions throughout the eligibility review process to facilitate timely submittal of required M2 eligibility components.

Staff will return to the Board to seek approval of M2 eligibility findings and recommendations through a two-phased process, with the first components (due in June 2024) being presented for Board consideration in February 2025, and the second component, M2 Expenditure Reports (due in December 2024), being presented in July 2025.

**Summary**

Revisions to the Eligibility Guidelines are recommended to support and facilitate the initiation of the ongoing M2 eligibility review process. Upon Board approval of recommended Eligibility Guidelines revisions, the first phase of the next M2 eligibility review cycle will commence.

**Attachments**

- A. Revisions to the Measure M2 Eligibility Guidelines and Countywide Pavement Management Plan Guidelines
- B. Measure M2 Eligibility Guidelines, Fiscal Year 2024/2025
- C. Countywide Pavement Management Plan Guidelines, March 2024

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