



**MEASURE M**

**FINAL**

**GUIDELINES**

## Introduction

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*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 Measure M Guidelines.*

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## I. ADMINISTRATION & OVERSIGHT

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### **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 will be developed and revised separately, as required to adjust to changing circumstances over time.

The Guidelines recognize the potential cross benefits and synergies between the different funding programs and will encourage a comprehensive approach to project development and delivery to ensure maximum benefits.

### **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 #16-01.

### **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 cashflow 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.

### **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. As compared to projects that are delayed due to unavailable funding, environmental clearance issues, litigation, or other considerations the Metro Board may consider project on, but not limited to the following:

- Available local funding such as supplemental local sales tax ballot measure, local toll/farebox revenues or special district tax increment financing;
- Available private investment when funding assumes such P3 investment;
- Elements that determine use of available federal/state discretionary funding;
- Opportunity to combine two or more projects to achieve economy of scale and minimize impacts of multiple back-to-back construction over a long period of time; 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.

The most direct way to incorporate **additional** acceleration to deliver projects more quickly than the schedules listed in the Ordinance Attachment A relates to Metro's "Operation Shovel Ready," detailed in January 2016. As part of this program, Metro will aggressively move forward in bringing major transit and highway 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.

## **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 ensure 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 VII.
- 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 III.

- 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;
5. Subregional funding reductions from the affected subregion; and then
6. 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 Long Range Transportation Plan (LRTP).

### **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 publicly 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.

### **SMALL BUSINESS ENTERPRISE PROGRAM**

Measure M projects and programs are encouraged to comply with the Metro Board adopted Small Business Enterprise (SBE) Program and the Prohibition against Discrimination or Preferential Treatment by State and Other Public Entities.

### **REVISIONS TO PROGRAM GUIDELINES**

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

## II. AUDITS

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### **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.



### III. **COMPREHENSIVE PROGRAM ASSESSMENT PROCESS & AMENDMENTS**

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#### **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, performance metrics 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.

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 Long Range Transportation Plan (LRTP) updates, including LRTP performance metrics, 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.

#### IV. MAJOR PROJECT ACCELERATION AMENDMENTS

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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;
- Changes in technology that reduce project costs and improves project delivery;
- 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, including financial feasibility and other performance metrics. 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 Ten-year Comprehensive Program Assessment to confirm and update actual project delivery schedules.

The Measure M Independent Taxpayer Oversight Committee shall review and provide comment on the Ten-year Comprehensive Program 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.

## V. DEBT POLICY

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### **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.

## VI. CASHFLOW MANAGEMENT

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### 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. 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. Cashflow determinations will consider 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.

### 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 project and program purposes included within the Transit and Highway Capital Subfunds defined in the Ordinance will be forecast in the Long Range Transportation Plan, Program Management Plan, Annual Budget, or other appropriate processes. Cashflow may include funding from other local, state, federal sources, including revenue from debt issuance.

### PROGRAM AMOUNT AND ALLOCATION PERIOD

Cashflow will be identified to fund projects and programs after allocations to the Transit Operating & Maintenance, and the Local Return/Regional Rail subfunds, per the Ordinance. 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 Ten-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. 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, and consistent 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 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 45 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.

Multi-Year Subregional projects will be identified in a five year plan, pursuant to Section IX. At the start of each year included in the 5 year plan, 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 four 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-served” 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 by the affected subregion(s). The process for this, as well as the process for requesting funds will be developed within six months 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.



## VII. CONTINGENCY SUBFUNDS

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### 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 VI 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

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 Boulevard 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 cashflow forecasts and as part of the five-year assessments.

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**

Projects funded from 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 Extention & 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

## **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.

## VIII. 3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS

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### INTRODUCTION

The Measure M Ordinance includes a provision for 3% local contribution to major rail transit capital projects. The rationale for the contribution is that local communities with a rail 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 rail 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 thirty percent (30%) of final design, 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 thirty percent (30%) of final design, 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.

### 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, but not limited to, project specific right-of-way and waiver of permitting fees, local agency staff time (incurred and forecast) if, those costs are specifically included in the project cost and contribution amount by the conclusion of thirty percent (30%) of final design.

### **Betterments**

Betterments are defined consistent with existing policy adopted by the Metro Board on Supplemental Modifications to Transit Projects (October 2013). A “betterment” is defined “as an upgrade of an existing city or utility’s facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party.” Once the 30% design project scope and cost have been determined as the basis of the 3% contribution calculation, subsequent betterments cannot be included in that calculation, nor counted toward a jurisdiction’s eligible contribution. However, they may be included in the project scope if carried at the jurisdiction’s expense.

### **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 thirty percent (30%) of final design. All local first/last 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. First/Last mile improvements consistent with this section and included in project scope at conclusion of 30% of final design will not be considered “betterments” for the purposes of these Guidelines, and are eligible for local contribution obligations.

### **Local Contribution Limits**

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

Contributions for calculations assigned to the County of Los Angeles are to be determined by the County.

### 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.

### **AUDIT REQUIREMENTS**

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

### **REPORTING REQUIREMENTS**

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

### **REVISIONS TO PROGRAM GUIDELINES**

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

## IX. MULTI-YEAR SUBREGIONAL PROGRAMS

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### 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.

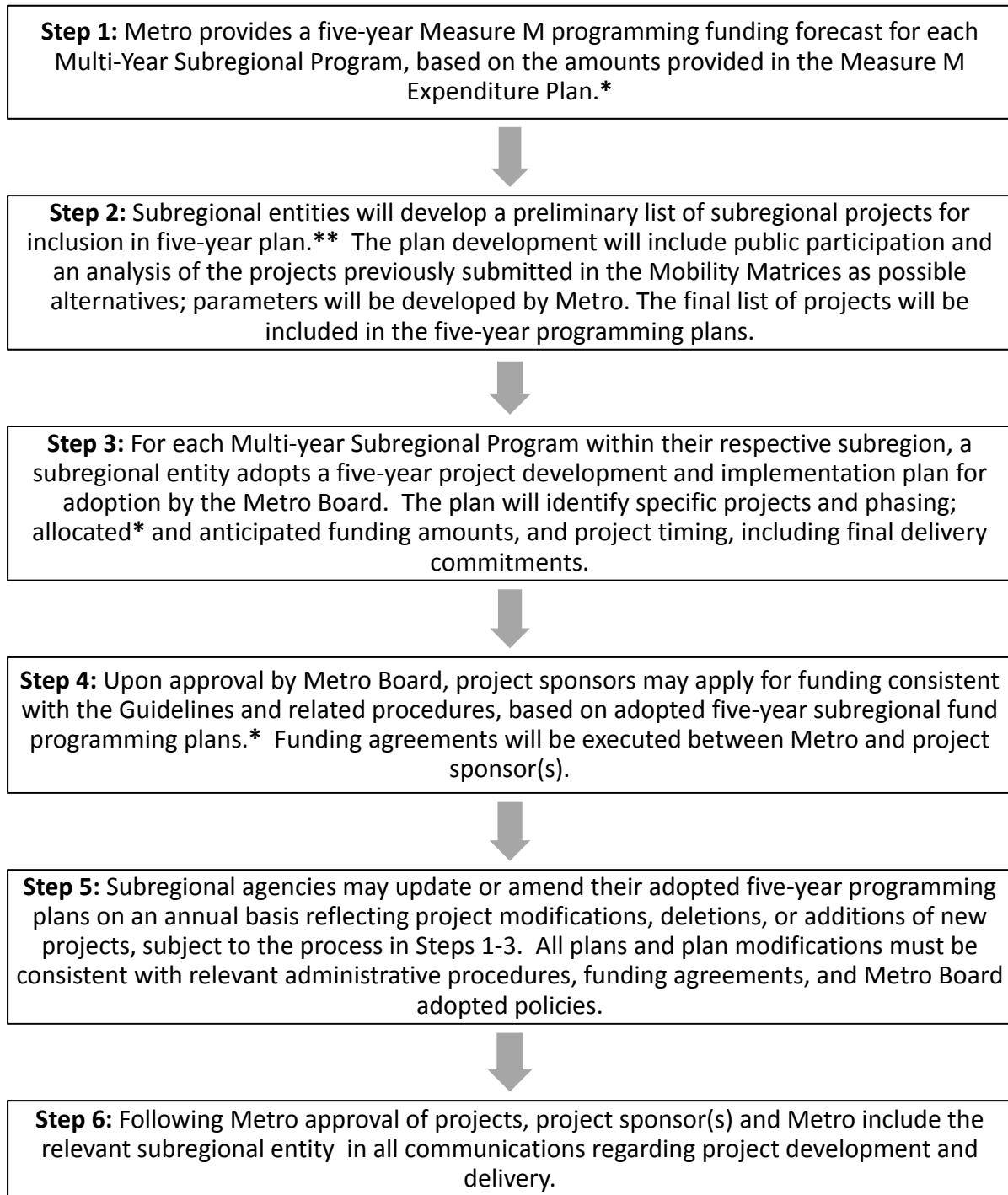
### USE OF MEASURE M FUNDS

The Multi-year 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 foundational considerations to the Multi-year Subregional Program. Specifically, the projects submitted to the Mobility Matrices are eligible, and the subregions or jurisdictions within the subregions are considered eligible project sponsors. MSP funds can be used to supplement Local Return allocations to support smaller cities subject to the eligibility, process, and availability of funds as described hereafter.

### Process

Unless otherwise indicated in these Guidelines, any Multi-year Subregional Program not coded “SC” in Measure M on page 3 of the Expenditure Plan will go through a subregional program development process. The administrative and procedural details for the process will be developed within six months of the adoption of these Guidelines, and will be included with other MSP administrative requirements, including “Readiness” detailed hereafter. However, generally, the development process will follow the steps provided in the following table:

**Table IX: Multi-Year Subregional Program (MSP) Project Development Process**



*\*Actual funds disbursement will be based on cashflow policy in the Guidelines. Fund estimates may be adjusted annually by Metro for accuracy. \*\* Coordination with Metro staff is required to ensure project eligibility in each category. Administrative review procedures will be developed specific to each MSP program area (e.g., Highways, Active Transportation, Transit, etc.), to include plan requirements and eligible use of funds within each MSP program area.*



The plans will:

Build on prior Mobility Matrix projects as a foundation; with provisions to reconsider the relevance and performance of existing Matrix projects, and the addition of new ones;

- Include meaningful public outreach, which is essential to the success of Multi-year Subregional program development; Metro will develop baseline parameters for effective community engagement; and
- Be adopted by the Metro Board, with provisions for periodic updates/modifications.

Resources to support the steps listed in Table IX can be drawn from MSP funds, not to exceed 0.5% of the amounts for any single year determined in Step 1 of Table IX. Any additional resources to support the steps in Table IX must be drawn from resources under the control of the subregion or its constituent cities.

### **Supplemental Funds Requirements**

If project sponsors are able to fully fund projects identified in their 5 year plans, consistent with procedures established within these Guidelines with MSP funds, the project sponsor may proceed to request disbursement of those funds. 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 illustration, 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

Projects and programs utilizing additional assistance or funding are encouraged to comply with the Metro Board adopted Small Business Enterprise (SBE) Program and the Prohibition against Discrimination or Preferential Treatment by State and Other Public Entities.

## **READINESS**

The merits and priority of any project funded by the Multi-year Subregional Program funds not coded “sc” will be determined by the process outlined in Table IX. However, the timing of the actual availability of funds will be determined based on project readiness. The Timely Use of Funds principle 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.

Project readiness will apply to separate phases of a project. Readiness thresholds will be determined for planning, environmental, right of way, and construction, and will be defined as appropriate for each funding category (i.e., Highway, Transit, Active Transportation, etc.). Administrative procedures for determining project readiness will be established within six months of the adoption of these Guidelines.

## **PROGRAM MANAGEMENT CONSIDERATIONS**

The subregional funds within the MSP are subject to the cashflow parameters within 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 each year. When notice is not provided, fund availability will be on a first-come, first-served basis in the subsequent fiscal year.

Per the Cashflow provisions in Section VI, 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).

All MSP program areas are subject to the following requirements: Audit(s); Measure M Recognition; Reporting; and Revision of Program Guidelines.

## **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 publicly acknowledge the use of Measure M funds through websites, flyers, signs at projects sites and/or other promotional and marketing

materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

### **REPORTING REQUIREMENTS**

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

### **REVISIONS TO PROGRAM GUIDELINES**

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

## X. MULTI-YEAR PROGRAMS (HIGHWAY SUBFUNDS)

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The Measure M Ordinance under Section 7.c. (Page 13, Lines 13 through 24), directs the Metro Board of Directors to “adopt guidelines regarding Multi-Year Subregional Programs identified in Attachment A.” Pertinent to the purposes attached to the Highway Subfund, this section provides detailed definitions for the categories below:

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

The following activities will need to be undertaken to better define the scope and schedule of future Measure M projects, and must be incorporated into the 5 year plan detailed in Section IX:

**Pre-construction activities** such as preliminary studies, project initiation documents, environmental clearance, design and right of way, to define the purpose and need, project limits and actual total project cost. In the case of highway projects, preliminary/planning studies are limited to development of Project Initiation Documents (PID) for focused projects with the intent to complete the subsequent phases: PAED, PS&E, and complete construction.

**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.

Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

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

All MSP projects (not coded “sc” in the Ordinance Attachment A) funded from the Highway Subfund must be included in the 5 year plans to be developed under the process in Section IX. 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.
- 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.
- Eligibility for Highway Subfunds includes all current state highways, as well as all those that have been or will be relinquished to local jurisdictions.

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 which achieve these same objectives are eligible on major/minor arterials or key collector roadways: within one mile of a State Highway; or farther than one mile as determined on a case by case basis. Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Sections IX and X, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance 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 on a State Conventional Highway or within one mile of a state highway, or on major/minor arterials on case by case basis
- Turnouts for safety purposes
- Shoulder widening/improvements for enhanced operation of the roadway
- Safety improvements that reduce incident delay
- Freeway bypass/freeway to freeway connections providing traffic detours in case of 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, direct access ramps, and high occupancy toll (HOT) lanes, Active Traffic Management (ATM) projects such as Dynamic Lane Control, Hard Shoulder Running, Junction Control, Queue Warning, and related strategies as defined by FHWA. “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 pre-construction and construction related project phases as referenced in Sections IX and X, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. 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 pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. 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 pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. 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
- 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 pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. 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
- Sight distance corrections/improve alignment
- Turnouts
- Safety improvements that reduce incident delay
- Network connectivity multiple modes

### F. **“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 pre-construction and construction related project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance 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 impact 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, 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 and Traffic Congestion Relief Programs 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 freeway-to-freeway interchange projects and major freeway improvement project initiation documents and PAEDs funded through Measure M must consider an ExpressLanes alternative for corridors identified in the Metro Countywide ExpressLanes Strategic Plan.

**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.

## XI. INTELLIGENT TRANSPORTATION SYSTEMS AND TRANSPORTATION TECHNOLOGY IMPROVEMENTS

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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, advanced 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, advanced 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 and 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 and 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.

**XII. ACTIVE TRANSPORTATION (NORTH COUNTY, GATEWAY CITIES,  
LAS VIRGENES, MALIBU)**

**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.

The above-referenced Subregional Programs shall comply with the Metro Policies listed below. Note especially that the Supplemental Fund provisions listed on page 25 apply to these MSP funds.

<b>Metro Board Policy or Plan</b>	<b>Relevance</b>	<b>Date Approved/ Adopted</b>
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 wayfinding, 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 stormwater treatment techniques that use natural processes and landscaping. Quantitatively demonstrate that they capture and treat stormwater 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.

**Great Streets:** Definition and eligibility shall be defined as part of the administrative procedures development, and must be consistent with Metro policy and the policies of the project(s) project sponsor.



### **XIII. TRANSIT MULTI-YEAR SUBREGIONAL PROGRAMS**

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#### **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, including but not limited to those detailed in Section IX, from these Guidelines apply 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 Sections I and IX and cashflow availability per Section VI . Additionally, eligibility applies to direct costs (excluding administration) associated with purchased transportation services needed to support a capital project.

#### **BUS RAPID TRANSIT CAPITAL IMPROVEMENT**

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.

#### **REPORTING REQUIREMENTS**

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

#### **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publicly 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.

## **XIV. METRO ACTIVE TRANSPORTATION (2%)**

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### **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 administrative 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. 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 calculations based on this commitment.

## **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 Active Transportation (2%) 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.

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

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### **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 five-year basis, based on cashflow, 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. 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. Administrative 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.

#### **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publicly 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.

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

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### **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 BRTs”.

### **ALLOCATION METHODOLOGY**

Funds will be allocated to Metro for administration, and Metro shall determine on a five-year basis, based on cashflow, 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. 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.

## **XVII. VISIONARY PROJECT SEED FUNDING**

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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.

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**

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

### **Eligible Applicants**

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
- Connectivity to major trip generators
- Use new and innovative technology solutions, beyond transit solutions
- Provide innovation and reduces project costs compared to conventional delivery methods

### **Selection Criteria**

Criteria and selection process will be developed and adopted within six months 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.

## **XVIII. COUNTYWIDE BRT EXPANSION**

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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 also evaluate additional corridors throughout Los Angeles County from the Mobility Matrix process and/or any potential corridors that may fill any missing gaps in the countywide BRT network, excluding those already funded.

### **Eligible Projects**

These funds are eligible for BRT projects in Los Angeles County, including non-Metro transit providers. The updated BRT study will establish metrics for BRT system performance, including, but not limited to, corridor travel time savings, improved bus speeds, potential for ridership increases, and reduced dwell times. The study will also establish a proposed sequencing or prioritization of BRT projects based on performance, regional balance, and available funding. Metro will also establish a set of standard design guidelines/criteria as well as performance metrics. 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. 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 carry over 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.

## XIX. SUBREGIONAL EQUITY PROGRAM

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### 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.”*

Considerations for developing this Program:

1. Funding will be identified from either Measure M or other available sources as soon as available.
2. The Subregional Program Process outlined in Section IX will incorporate the Subregional Equity Program.
3. Other funds can be used to satisfy funding requirements with concurrence by the subregion.

### ALLOCATION METHODOLOGY

Funding for this program will be identified as part of the Cashflow Management evaluation. The funds identified may be any combination of federal, state, or Metro controlled funds including, but not limited to, Measure M. Prior to each five-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 five-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.

## **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.

## **MEASURE M RECOGNITION**

Projects and services funded by Measure M will publicly 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.



## **XX. 1%-2% REGIONAL RAIL**

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### **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 be periodically reviewed by the Board. This review will include the evaluation of Operating, Cost Containment, and Investment criteria outlined below.

Operating goals shall include the ongoing evaluation 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.
- The growth and retention of ridership based on three (3) year average ridership changes. As a comparable industry benchmark, the Board shall consider the average of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index, or other alternative benchmarks as identified by the Metro Board.
- To ensure a safe operating environment, the Board shall consider the rate of train accidents and passenger and employee injuries as measured by incidents per 100,000 train miles. The data shall be compiled and conform to standards as required by the Federal Railroad Administration (FRA) or its successor agency.

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

- To ensure the efficient use of agency resources, the Board shall consider the growth in operating costs per revenue train mile and changes in the required Metro financial contribution for the provision of commuter rail services in Los Angeles County. These values shall be reported and measured annually and on a rolling 3 year basis. As a comparable industry benchmark, the Board shall consider the average costs per revenue train mile of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index, or other index as identified by the Metro Board.

- The Board shall also consider Total Revenue Recovery, including Fares and other Operating Revenues, and their relation to total 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 commuter rail assets that reflects both a fiscally constrained 5-year plan of proposed 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 as reported through the National Transit Database (NTD).

#### **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 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.

## **XXI. 5% METRO RAIL OPERATIONS**

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### **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.

## **XXII. 20% TRANSIT OPERATIONS (Metro and Included and Eligible Municipal Providers)**

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### **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.

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

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### **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 or by the Americans with Disabilities Act;” and
- B) To fund Metro discounts for seniors and students.

In addition, this program will aim to bridge the mobility gap for older adults by designing programs to provide older adults and people with disabilities with the knowledge, practice and confidence to safely and independently travel on public transportation.

### **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 with 75% for ADA paratransit, and 25% for Metro discounts for seniors and students. Any unused funds will revert back to the 2% ADA Paratransit for the Disabled and Metro Discounts for Seniors and Students 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 and Metro are 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.

## **ELIGIBLE USES**

- A) For the ADA paratransit portion, eligible uses include ADA paratransit operating expenses, capital expenses (including innovative technology), and activities to enhance ADA paratransit services provided by the eligible recipients as described above. Up to 10% of the ADA paratransit funds (75% for ADA paratransit) may also be used for activities that encourage the use of other transportation options (besides ADA paratransit) by older adults and people with disabilities, such as Travel Training and other innovative programs in coordination with Metro.
- B) For the Metro discounts for seniors and students portion, funds will be allocated to the fare subsidy program described in Appendix B.

## **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 shall automatically append these guidelines.

## **XXIV. 2% METRO STATE OF GOOD REPAIR**

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### **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, lighting, and public art restoration
- 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.



## **XXV. LOCAL RETURN**

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### **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.

Reallocation of Local Return distributions can be subsequently pursued at the subregional level among the cities and county areas within subregional boundaries, to support smaller cities, at the discretion of those parties.

## 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 guideways, 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 stormwater, 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, utility undergrounding, 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 stormwater treatment techniques that use natural processes and landscaping and quantitatively demonstrate that they capture and treat stormwater 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 stormwater 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 groundwater 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, bike-share, car-share, 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 or similar service for residents
- Taxi or similar service coupon/voucher 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 C) 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).

Measure M’s intent goes beyond traditional transit oriented development 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, as defined in Metro’s TOC Policy to be developed and approved by the Metro Board.

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 and 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 C.1. 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 of each year. A sample of Form M-One is shown in Attachment C.2.

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 C.3.

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 C.4.

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	August 1

	information	
Expenditure Report (Form M-Two)	All projects	October 15
Recreational Transit Form	Recreational Transit only	October 15

## 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 Jurisdictions 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.

### 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/State 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 C.5. for a sample Fund Exchange Agreement.

### Bonding

Jurisdictions may issue bonds against Measure M LR Revenue. See Appendix C .6. 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 each Jurisdiction's 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 Measure M LR 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:

<b>Audit Area</b>	<b>Non-Compliance Penalty (for failure to comply with Audit Area)</b>
<p>Measure M LR funds were expended for transportation purposes (as defined by the Measure M LR Guidelines).</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>Assurances and Understandings (fully executed agreement).</p>	<p>Suspension of disbursements until compliance.</p>
<p>Accounts and records have established a separate operating Measure M Local Transportation Assistance Account for LR purposes.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification of revenues received including allocations, project generated revenues, interest income properly credited to Measure M account.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification that funds were expended</p>	

<p>with Metro’s approval.</p> <p>Verification that funds were not substituted for property tax and are in compliance with the MOE.</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).</p> <p>Verification that administrative expenditures did not exceed 20% of the total annual LR expenditures.</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>Verification that the Annual Expenditure Report was submitted on or before October 15<sup>th</sup> following the end of the prior fiscal year.</p> <p>Where funds expended are reimbursable by other grants or fund sources,</p>	<p>Jurisdiction will be required to reimburse its LR account.</p> <p>Jurisdiction will be required to reimburse its LR account (Auditors will measure MOE compliance globally, not project by project).</p> <p>Lapsed funds will be returned to Metro for reallocation to Jurisdictions on a population basis.</p> <p>Jurisdictions will be required to reimburse their LR account for the amount over the 20% cap.</p> <p>Audit exception.</p> <p>Audit Exception.</p>
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<p>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 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>
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### 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 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.

## APPENDIX

- A. 3% Local Contribution to Major Transit Projects Guidelines
- B. Low Income Fare Subsidy Program (Measure M – Metro Discounts for Seniors and Students)
- C. Local Return Forms and Attachments (will be available within one month of adoption):
  - 1. Assurances and Understandings
  - 2. Form M-One
  - 3. Form M-Two
  - 4. Recreational Transit Form
  - 5. Fund Exchange Agreement
  - 6. Bonding

**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>Gold Line Eastside Phase II [Washington Blvd]</b>	Los Angeles County
<b>Gold Line Eastside Phase II [Washington Blvd]</b>	Santa Fe Springs
<b>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

## APPENDIX B: LOW INCOME FARE SUBSIDY PROGRAM

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**Note: In May 2017, the Metro Board approved the Program outlined below.**

### **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 minimum 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>New Low Income Program Benefits</b> <i>(to be phased in over the next 24 months)</i>					
<b>Individual Benefits (Choice of one each month)</b>					
Pass Type	Pass Amount	New Subsidy per Month	New Subsidized Pass Price	% Off Pass Price	Total Discount *
Regular Fare 30-Day or Regular Fare 7-Day <i>(four weeks per month)</i>	\$100	\$24	\$76	24%	24%
	\$25	\$6 <i>(four times per month)</i>	\$19	24%	24%
College/Vocational Pass 30-Day	\$43	\$13	\$30	30%	70%
Student 30-Day Pass	\$24	\$10	\$14	42%	86%
Senior/Disabled 30-Day Pass	\$20	\$8	\$12	40%	88%
20 Rides <i>(per month)</i>	<i>Option available as an alternative to pass purchase. Applicable to all rider categories.</i>				
<b>Agency Benefits</b>					
<ul style="list-style-type: none"> <li>• Taxi Coupons and/or Vouchers, not counted against individual benefits above. Some short term transit benefits are anticipated as well (e.g., day passes).</li> </ul>					
<b>Total Budget</b>	\$14 million in First Year				

\*Includes: 1) reduced fare discounts already available to that rider category, and 2) an additional low income subsidy benefits.

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 – R RTP 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 \$24 for full-fare customers and \$13, \$9, or \$8 for reduced fare; or, a monthly ride benefit of 20 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 12 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](http://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 was approved by the Metro Board in May 2017. 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 taxi or similar service provision and increases to subsidy levels, 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.