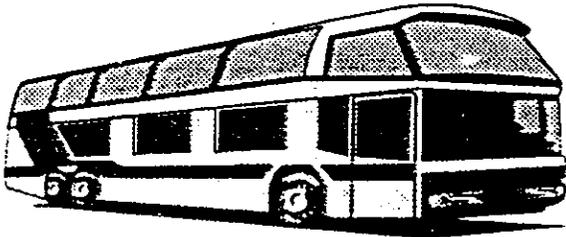
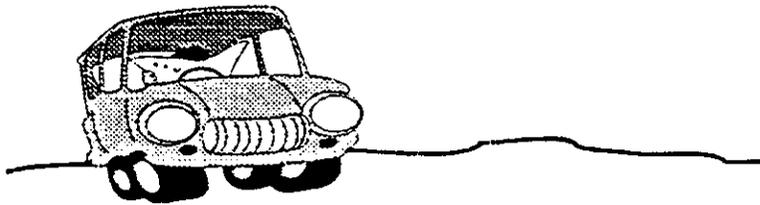
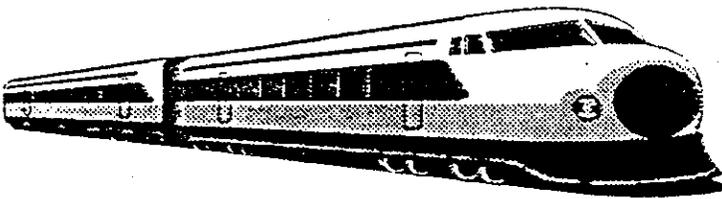


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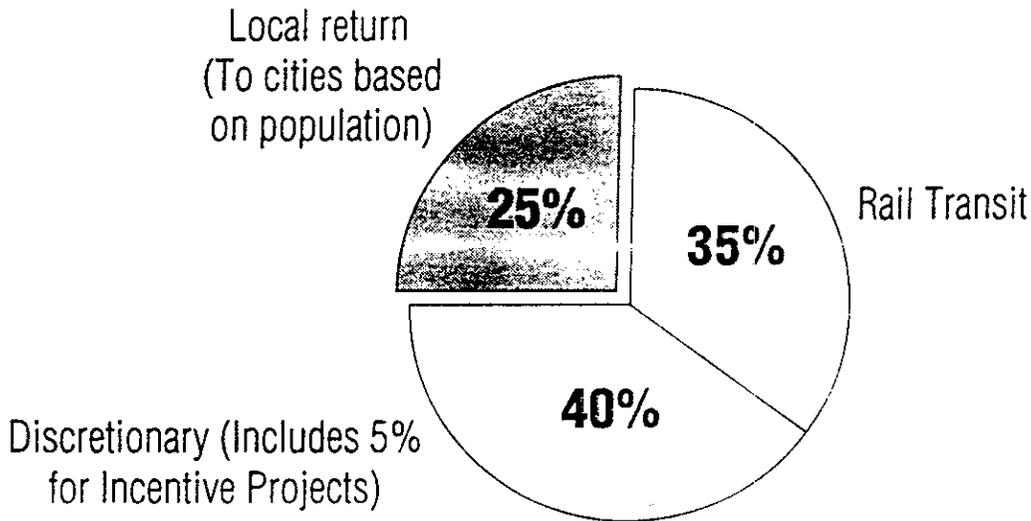
GUIDELINES

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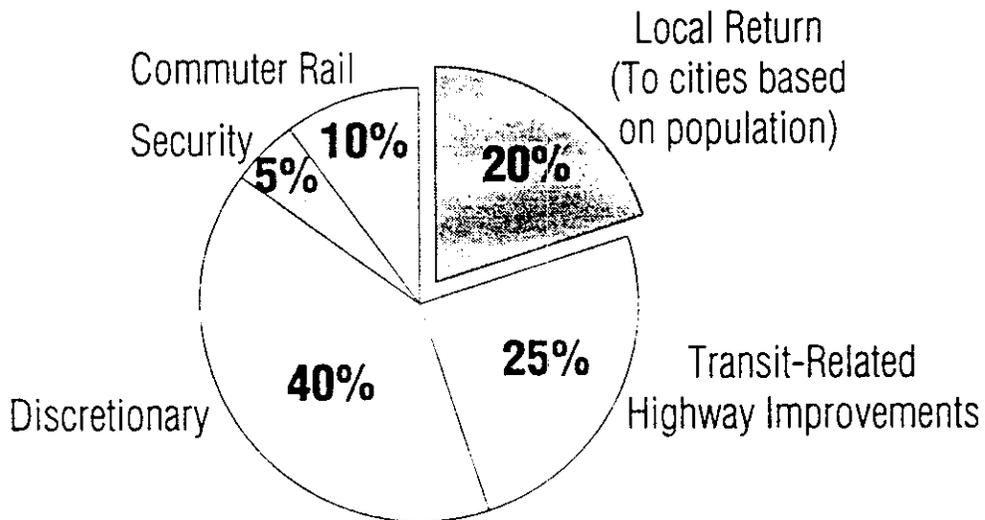


PROPOSITION A AND C LOCAL RETURN

PROPOSITION A & C DISTRIBUTION



PROPOSITION A



PROPOSITION C

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I. EXECUTIVE SUMMARY

INTRODUCTION

The Proposition A and Proposition C programs are the 1/2 cent sales tax measures approved by the voters to finance a Transit Development Program in Los Angeles County. The Proposition A measure was approved in 1980 and collection of the tax began on July 1, 1982. The Proposition C measure was approved in 1990 and collection of the tax began in April, 1991.

Twenty-five percent of the Proposition A 1/2 cent sales tax and 20 percent of the Proposition C 1/2 cent sales tax are designated as Local Return to be used by cities and the County for public transit, paratransit, and related services.

Proposition A and C Local Return Programs are administered by the Los Angeles County Metropolitan Transportation Authority (LACMTA). Funds are distributed directly to the cities on a "per capita" basis. The Los Angeles County Auditor/Controller disburses the Proposition A funds on a monthly basis, while the Proposition C funds are disbursed by the LACMTA on a monthly basis.

PROPOSITION A LOCAL RETURN FUNDS

The Proposition A Ordinance requires that local return funds be used exclusively for public transit. For example, public transit services, including fixed route and paratransit, Transportation Systems Management improvements and fare subsidy programs that exclusively benefit transit, and Transportation Demand Management programs are all eligible uses of Proposition A Local Return funds. Proposition A funds can also be traded for other cities' general funds.

PROPOSITION C LOCAL RETURN FUNDS

Proposition C funds can also be used for public transit projects, as described above, as well as on a broader category of public transit projects, such as street and road improvements that benefit transit, bikeways and Congestion Management Program activities. Proposition C funds cannot be traded.

The tables in Appendix I illustrate the summary of Proposition A and C Local Return uses and the program and administrative differences.

HOW TO OBTAIN PROPOSITION A AND C FUNDS

In order to begin receiving Proposition A and C Local Return funds, each city is required to execute and submit to the MTA a Standard Assurances and Understanding Regarding Receipt and Use of Proposition A or C funds covering administration, accounting, expenditure and audit of all Proposition A or C funds. Please note, cities are only required to submit a Proposition A or C Standard Assurance for Proposition A or C funds one time at the onset of the Proposition A or C program. A sample

Standard Assurance for the Proposition A and C programs is included in Appendix II. The flow chart in Appendix III shows MTA's approval process for use of Proposition A and C Local Return funds.

HOW TO EXPEND PROPOSITION A AND C LOCAL RETURN FUNDS

Local jurisdictions should review the Eligibility Guidelines to determine which projects can be funded from Proposition A and C Local Return.

PROPOSITION A AND C CONSOLIDATED FORMS

Project Description Form (Form A):

Once a local jurisdiction has determined that a project is eligible under the Eligibility Guidelines, a Project Description Form (Form A) must be submitted to the MTA prior to the expenditure of funds. MTA will approve the project for funding if it meets the statutory requirement for being for "public transit" purposes. Form A should be submitted whenever a local agency is requesting 1) a new project; 2) a new route; 3) a route change of 25 percent or more (increases or decreases in route miles or revenue vehicle miles); 4) a budget or scope change of 25 percent or more on transit service, paratransit service and project administration projects; 5) or a change that duplicates an existing route for 3/4 mile. Local jurisdictions will not be required to submit to MTA a request for budget change expenditures except for project administration, ongoing transit service or paratransit service projects. Form A can be submitted any time during the fiscal year. Form A and its instructions are included in Appendix IV.

Annual Project Summary Form (Form B):

On an annual basis, cities are required to submit an update of already approved, ongoing and carryover Proposition A and C Local Return projects for the upcoming fiscal year on an Annual Project Summary Form (Form B). This form is due by August 1 of each fiscal year. Form B and its instructions are included in Appendix IV.

Annual Expenditure Report (Form C):

At the end of each fiscal year local jurisdictions are required to accurately report Proposition A and C Local Return funds received and expended the previous fiscal year on an Annual Expenditure Report Form (Form C). This form is due by September 1 of each fiscal year. Form C and its instructions are included in Appendix IV.

*A chart of the due dates for Forms A, B and C is also included in Appendix IV.

| | | | |

TIMELY USE OF FUNDS

Under the Proposition A Ordinance, each local jurisdiction has four years from the Fiscal Year of allocation to expend Proposition A funds. For example, if a local jurisdiction received funds during FY 1994-95, it has until June 30, 1998 to expend the funds and any interest income and other income earned from Proposition A projects, such as fare revenues or revenues from advertising. Under the Proposition C Ordinance, each local jurisdiction has three years from the Fiscal Year of allocation to expend Proposition C funds. For example, if a local jurisdiction received funds during FY 1994-95, it has until June 30, 1997 to expend the funds and any interest income and other income earned from Proposition C projects, such as fare revenues or revenues from advertising. If funds are not expended within the time allocated for each Proposition, local jurisdictions will be required to return the funds to the MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.

AUDIT OF PROPOSITION A AND C FUNDS

Since Proposition A and C expenditures must be permitted by statute and be within the Eligibility Guidelines, an audit will be conducted annually on each local jurisdiction to verify Proposition A and C expenditures. Refer to the matrix titled, Non-Compliance with Proposition A and C Local Return Guidelines Findings and Penalties matrix in Appendix IX.

II. WHAT ARE PROPOSITION A AND C FUNDS ELIGIBLE FOR?

The Proposition A and C Ordinances specify that Proposition A and C funds are to be used for "public transit projects". The MTA has adopted the following Proposition A and C Local Return definitions of Public Transit Purposes:

Proposition A: A proposed expenditure of funds shall be deemed to be for public transit purposes to the extent that it can reasonably be expected to sustain or improve the level of quality, safety and/or accessibility of transit services available either to the general public or to any group which requires special transportation assistance.

Proposition C: Public Transit Purposes are expenditures which maintain, improve, and expand public transit, reduce congestion and increase mobility.

These definitions are being provided for general guidance only and are not the sole determinants of the legal eligibility of projects funded under the Proposition A and C Local Return Programs. The specific criteria found in the Eligibility Guidelines constitutes an extension of this definition. A project must meet the conditions outlined in the Eligibility Guidelines, in order to be eligible. The local jurisdictions

should use the Eligibility Guidelines to determine whether a proposed expenditure is authorized or permitted by law as set forth in the Guidelines. However, the authority of a local jurisdiction to determine the legality of an expenditure is not absolute. This authority rests solely with the MTA.

In the event funds have been expended for ineligible purposes, the MTA will require the local jurisdiction to reimburse its Proposition A or C account with interest as indicated in the Audit Section.

III. GENERAL PROVISIONS OF EXPENDING PROPOSITION A AND LOCAL RETURN FUNDS

Because of provisions in the Proposition A Ordinance, the "local return" process cannot be entirely post-audit in nature. Specifically, Section 5(d) of the Ordinance states (in pertinent part):

- A. Allocation of funds to local jurisdictions shall be subject to the following conditions:
 - 1. Submission to the MTA of a description of intended use of the funds, in order to establish legal eligibility. Such use shall not duplicate or compete with existing transit service.
 - 2. The MTA will impose regulations to insure the timely use of local transit funds.
 - 3. Recipients shall account annually to the MTA on the use of local transit funds.
- B. Local jurisdictions are encouraged to use available funds for improved transit service.

The following are examples of eligible, conditionally eligible and ineligible Proposition A and C Local Return funds.

IV. ELIGIBILITY GUIDELINES -- EXAMPLES OF ELIGIBLE, CONDITIONALLY ELIGIBLE AND INELIGIBLE PROPOSITION A PROJECTS

A. ELIGIBLE USES OF PROPOSITION A

As a general rule, a proposed expenditure which would be eligible for funding under one or more existing state or federal categorical transit funding programs will be eligible, unless it duplicates existing regional service provided by MTA or others.

The following is a list of projects that are eligible for funding under the Proposition A Local Return Program. Many of the examples have been drawn from city projects submitted to MTA since the inception of Proposition A in 1981.

1. PUBLIC TRANSIT SERVICES - OPERATING

All fixed route transit projects are subject to review to determine whether they complement or compete with the regional system provided by MTA or other regional operators. MTA may require modification to local transit service prior to implementation.

a. Fixed Route

- provide shuttle service between city activity centers
- extension/augmentation of existing bus line(s)
- contracting with existing transit operator or private provider for commuter bus service
- operating subsidy to existing bus operator
- new fixed route service
- provide service for bus rail interface
- ADA related improvements to Fixed Route Operations

b. Paratransit

- expansion/coordination of existing paratransit service
- provision of subsidized shared-ride taxi service for disadvantaged residents
- new paratransit service
- general public paratransit service
- ADA related improvements to paratransit operations

2. PUBLIC TRANSIT SERVICES - CAPITAL

a. Vehicles

- transit vehicles for passenger service
- mechanical parts and supplies for buses or vans
- non-revenue support vehicles (e.g., fleet supervisor cars, service trucks)
- ADA related improvements to vehicles
- necessary vehicle for security

b. Equipment

- new or modified maintenance facilities for exclusive use of the transit operation
- equipment retrofits or additions to buses or vans, such as lifts, fareboxes, or radios
- maintenance equipment for exclusive use by new and existing transit and paratransit operations

- office equipment and furnishings for exclusive use by new and existing transit and paratransit operations
- ADA related improvements to equipment
- necessary capital equipment for security

3. TRANSIT TDM/TSM IMPROVEMENTS

- Exclusive bus lanes (physically separated) on surface arterials
- Reserved bus lanes (no physical separation) on surface arterials
- Contra flow bus lanes (utilizing a lane of the opposite direction for peak direction flow)
- Ramp meter by-pass (regulated access with bus and carpool unrestricted entry)
- Traffic signal preemption for buses (allowing approaching transit vehicles to extend green phase or change traffic signal from red to green)
- Preferential turning movements for buses
- Bus-only transit malls
- Other traffic signal improvements made specifically to facilitate bus movement
- Transit/paratransit accessible transfer centers (including shelter, telephone, other facilities)
- Funding of overall Transportation Demand Management plans as long as the plan contains a public transit element; the implementation of plan elements will be funded according to the existing guideline eligibility criteria

4. FARE SUBSIDY PROGRAMS

- User-side subsidy (purchase of passes, tickets or rides) for the general public or segments of the general public (i.e., elderly, individuals with disabilities, or low-income residents)
- Subsidy of bus/rail passes, tickets or tokens for transit riders

5. SAFETY AND SECURITY OPERATIONS, SAFETY EDUCATION PROGRAMS -- PROJECTS IN MTA SERVICE AREA

Local transit agencies and local governments may use any appropriate security measures, that are consistent with other law enforcement programs, to enhance transit security. The Proposition A Local Return funding must be used for direct transit purposes and cannot constitute a supplement to general government programs. These security measures may include, but are not limited to:

- Funding to enhance a local police department's deployment for direct and specific transit security;

- Funding to support qualified (state licensed) private security for transit;
- Funding for contract police services from law enforcement agencies with competent jurisdiction;
- Funding to support capital improvements for transit security;
- Funding to support innovative and advanced technologies for transit security;
- Funding to support community based policing activities in direct support of transit security;
- Funding to support passenger information and security awareness programs.

Cities are encouraged to participate in security projects that supplement MTA security programs. Such projects will be reviewed by the MTA Transit Police Department to avoid any duplication or overlap of existing security programs.

NOTE: Security projects outside of the MTA service area will be reviewed on a case by case basis.

B. CONDITIONALLY ELIGIBLE USES OF PROPOSITION A

Conditionally eligible projects are examined on a case-by-case basis to determine compliance with the Local Return Program Guidelines. The following types of projects will be approved by the MTA staff if the conditions outlined for a specific type of project are met. Cities must certify that all project conditions will be met and include all supporting documents with Form B. If all conditions for project funding are not met and project eligibility is still undetermined, an appeal to the MTA through the Planning and Programming Committee can be scheduled.

1. RIDESHARING PROJECTS

Conditions:

- Must be available to the general public
- Must be coordinated with or through existing rideshare programs and appropriate transit operators. (See Service Coordination Process on page 43).

2. RIGHT-OF-WAY IMPROVEMENTS

Conditions:

- Must show direct, quantifiable, environmental or economic benefit to the rail project
- Must be consistent with adopted Proposition A corridors, priorities and preferred alignments
- Must be coordinated through MTA

3. FACILITIES

Conditions:

Land and facilities purchases must be accompanied by:

- A plan for the use of the purchase, including assurances that the portion of the facility funded with public transit dollars will be used exclusively for the designated public transit and ridesharing purpose and will be used by the affected transit operators;
- Documentation of the financial resources to be used to carry out the plan;
- An appraisal of the land;
- Assurance that the local jurisdiction will proceed in a timely manner with the implementation of the plan;
- Environmental clearance to conform with local, state or federal requirements, wherever applicable. Cities preparing an Environmental Impact Report (EIR) must coordinate with the MTA Congestion Management Program Department. Cities are responsible for obtaining any and all environmental clearances.

Any Proposition A funds used to finance the purchase of land or a facility must be returned to the Proposition A account if the facility ceases to be used for public transit purposes. The amount to be returned is the original purchase price or the present appraised value, whichever is greater. Repayment of other facility expenditures will be based on the schedule outlined on page 53. Therefore, acquisition of improved property (especially that requiring relocation of businesses or residents) is not advisable unless the city is certain the facility will be permanent.

In addition, if the facility will not be used exclusively for public transit purposes in accordance with Condition 1 above, a determination must be made by MTA staff and at its discretion may request additional information to justify the expenditure of Proposition A or C funds, if the project scope is unclear. A project budget specifying what percentage and amount of the land and capital improvement costs are exclusively for public transit purposes must be submitted in accordance with Condition 1 above to facilitate this determination.

4. RECREATIONAL TRANSIT

Conditions:

- All recreational transit trips must be taken within the eligible area. This area includes Los Angeles, Orange, and Ventura Counties or eligible portions of Riverside and San Bernardino Counties. For destinations outside the eligible area (i.e., to Imperial, Santa Barbara, and San Diego Counties and portions of Riverside and San Bernardino Counties) Proposition A funds may not be used. However Proposition A funds may be used for that portion of the trip within the eligible area. A map is shown on page 38.
- While trips may be limited to certain general age groups (e.g., children under 18, senior citizens, individuals with disabilities), all trips must be available to the general public within that group.
- Specialized destinations (e.g., city parks, concerts, special events) may be served; however, all members of the general public including individuals with disabilities must be informed of, and allowed to use, the service to the special event or specialized destination.
- A listing of proposed destinations must be submitted to the MTA in advance.
- Proposition A Local Return funds cannot be used to pay for salaries of recreation leaders or other escorts under recreational transit projects.
- Any proposed purchases of recreational transit vehicles must be circulated to private operators for review.

To ensure that recreational transit programs developed by cities are available equally to all residents and to allow flexibility in how programs are funded, cities should set their own criteria for projects to include a public selection process. MTA will verify that cities have

successfully implemented a public process as a part of the annual compliance audit for Propositions A and C.

5. BUS STOP IMPROVEMENTS AND MAINTENANCE

Conditions:

- The city must coordinate all bus stop improvements with existing transit operators by submitting a letter of coordination from the affected transit operators, along with Form A.
- If a city proposes to use Proposition A funds to replace a bench or shelter currently supplied by a private provider, that provider must be notified before final Council approval is given to the project.

NOTE: The private provider has seven (7) days to respond to the notification received from the city before the city can take action.

Examples of Projects:

- Concrete pads located at bus stops
- Curb cuts at corners located at or adjacent to a bus stop
- Bus turn-out areas which allows the bus to stop out of regular traffic flow for passenger pick-up and discharge
- Installation of bus stop shelters and on-going maintenance and replacement
- Installation of bus stop benches

6. PARK-AND-RIDE LOTS

Conditions:

- Must be located adjacent to a bus stop served by commuter transit
- Must be located on unimproved land unless a specific waiver is granted by the MTA
- Must be environmentally cleared by the city/local jurisdiction prior to obtaining MTA approval.

- The city must provide reasonable assurances that the park-and-ride lot will be used by the affected transit operators. A letter of agreement from the affected transit operator must be submitted along with Form A.
- The park-and-ride facility must be used exclusively by transit/rideshare patrons during commute hours. Signage must be posted and enforced.
- Park-and-ride facilities may be utilized during non-transit usage time, e.g., evenings, weekends, for parking, as long as the transit requirements are not adversely impacted. All revenues generated during the non-transit usage time must go back into the local jurisdictions' Proposition A Local Return account in the same proportion to the original local return investment in the park-and-ride Facility. At some point after completion, a park-and-ride facility rendered unusable for its intended purpose, the MTA reserves the right to require repayment of funds plus interest according to the schedule on page 53.

At its own discretion, MTA may evaluate each projects on a case by case basis and request additional supporting documents, surveys or studies to justify the project scope.

7. NON-EXCLUSIVE SCHOOL SERVICE

Exclusive school bus service is not an eligible use of Proposition A Local Return funds. Fixed-route bus services or demand responsive services available to the general public which also provide school trips are eligible for Proposition A funding. The following criteria must be met to ensure that the proposed service is not an exclusive fixed-route school bus service:

- Buses shall not be marked in any way which indicates that they are not available to the general public. Vehicles utilized cannot be marked "School Bus." Any yellow used in the coloring should not be for the specific purpose of meeting the vehicle code definition of a school bus.
- The bus headsign is to display the designation of the route by street intersection, geographical area, or other destination description. It cannot be marked "School Trip" or "Special." In cases where the schedule includes an alternate rush-hour route to provide service past a school, the bus dash sign is to indicate the line termination without indicating the school name.

- Timetables for such routes must be available to the general public and show the schedule and route followed.
- Drivers must be instructed that such service is open to the general public. If a member of the public expresses a desire to board, he or she will not be refused so long as the location is a regular bus stop.
- The same fare payment options must be available to all user groups.
- The overall transportation service provide in the city must not be for school service hours only.

8. ADMINISTRATION

Administration is defined as those ongoing costs incurred by cities for the duration of a given capital and operating project. These costs include personnel salaries and benefits, office supplies and equipment.

Conditions:

- All costs must be necessary for developing, maintaining, monitoring, coordinating, reporting and budgeting specific Proposition A project(s).
- The administrative portion of the project cost shall not exceed 20 percent of the Proposition A Local Return approved project budget.
- Expenditures must be reasonable and appropriate to the activities undertaken by the locality.

For further conditions on allowable administration costs, refer to the Audit Guidelines in Appendix VIII.

9. TRANSPORTATION PLANNING

In general, planning costs are incurred prior to actual project implementation.

Conditions:

- All planning must be related to development of a clearly eligible Proposition A transit project. Planning for clearly ineligible projects is not reimbursable.

- All planning must be initiated with the intent by the city to fund and formally submit the developed project to the MTA.

For further conditions on allowable planning costs, refer to the Audit Guidelines in Appendix VIII.

10. SPECIALIZED PUBLIC TRANSIT

The MTA will approve special-user-group service or social service transit where it can be incorporated into the existing local transit or paratransit program. A special stand-alone project may be approved only if the City can clearly demonstrate it is impossible to modify the existing service to meet the identified need.

Conditions:

- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnic origin.
- Service should be equally available to all members of the general public having that specialized need and shall not be restricted to members of a specific group or program. Use of the service does not require membership in an organization.
- Service should be duly advertised to the general public.
- The service should be a public transit only and cannot be used to provide transportation for private groups or organizations.
- If a local jurisdiction proposes a stand-alone program, MTA staff will review the potential for coordination or consolidation with other local jurisdictions' programs and may require specific coordination or consolidation for the project to be approved as presented.
- Proposition A funds can only be used for the transportation component of the special user group program. This component must include direct, clearly identifiable and auditable transportation costs separate from the entire program. Proposition A funds cannot be used to pay for the salaries of specialized escorts or other program aides required for the specialized public transit program.
- The vehicle(s) must be made available for coordination with other paratransit programs if space permits.

To ensure that special-user-group services or social services transit programs developed by cities are available equally to all residents, and to allow flexibility in how programs are funded, cities should set their own criteria for projects to include a public selection process. MTA will verify that cities have successfully implemented a public process to allocate funds on an equitable basis as part of the annual compliance audit for Propositions A and C.

11. FUND EXCHANGES (INCLUDING LOCAL OR MULTIPLE FUND EXCHANGES)

Conditions:

- Participants in the fund trade must meet all existing Proposition A Local Return Program Guidelines requirements;
- Participants are responsible for insuring that the traded funds from the original exchange will be utilized for public transit purposes;
- The exchanging of funds should not result in a net loss of public transit revenues available for public transit in Los Angeles County;
- In multiple fund exchanges, (e.g., where the city wishes to exchange general fund monies for Proposition A monies and then in turn utilize these Proposition A funds for another fund source/Proposition A trade), the approval of the primary exchange carries no certainty that the secondary trade for funds also will be approved;
- Traded Proposition A Local Return funds retain their original date of allocation for purposes of compliance with MTA guidelines on timely expenditures of funds (participants must note the allocation year of the funds to be traded so that the lapsing funds policy can be accurately tracked).

12. RAIL

Conditions:

MTA encourages cities to provide funding for rail system and station enhancements. All lines proposed for funding must be included in MTA's existing and planned program of projects. However, in order to be eligible for funding, the following projects must receive MTA concurrence prior to the expending of any Local Return funds:

- Signal upgrades at light rail crossings
- Transit security at rail transit stations, park-and-ride facilities and on board vehicles
- Signage and marketing materials to promote increased ridership
- Landscaping, lighting and environmental enhancements such as maintenance of artwork, tiles, etc.
- System Safety
- MTA/SCRRRA Safety Education program
- Local Rail Station operating, maintenance, insurance, and other station-related costs

13. SYNCHRONIZED SIGNALIZATION

Conditions:

Synchronized signalization is an eligible use of Local Return funds subject to the following:

- Bus pre-emption must be included as part of the project;
- The street targeted for implementation must have a minimum total of ten (10) full-sized transit buses traveling per hour in a bi-directional manner e.g., five (5) buses per hour in each direction;
- Projects may be done only on arterial streets;
- Documentation of coordination with the public transit operators is required before approval (e.g., correspondence between the local jurisdiction and the transit operator and written concurrence to the MTA from the transit operator); and

14. TRANSPORTATION DEMAND MANAGEMENT

Condition:

- In the staff review of conditionally-eligible TDM projects, cities should be able to demonstrate that the implementation of a proposed project will result in a reduction of single-occupancy vehicle trips and vehicle miles traveled. More specifically, cities

should demonstrate how the proposed TDM measures encourage implementation of local, regional and federal air quality requirements for transportation control measures (TCMs).

Eligible TDM projects include the following:

- Preparation, administration, implementation and marketing of the city's Regulation XV plan and any employee incentives or city services provided in support of Transportation Demand Management efforts. Employee incentives or services offered by local jurisdictions must be focused on increasing mobility and must demonstrate the potential for reduction of employee trips and vehicle miles traveled (VMT). **Local jurisdictions are encouraged to take advantage of additional opportunities for funding TDM projects by leveraging Proposition A with local funds received as a result of the California Clean Air Act (AB2595) and AB 2766, among other local sources.**
- Funding of specific employer Transportation Demand Management (TDM) programs, as long as these programs are demonstrations specifically designed for a potential multiple-employer application or are selected through an open public process administered by the city. TDM strategies funded with Proposition A and administered on a city-wide basis could include the following types of projects:

TDM Strategies:

1. Formation of vanpool and/or vanpool incentive programs available to all employers and/or residents within city boundaries;
2. Community-based midday shuttles for employees as long as such services complement existing transit service;
3. Planning, development, construction and operation of neighborhood telework centers;
4. Community-wide parking management programs;
5. Employer and/or citizen ridesharing subsidies;
6. Community-based child care centers which are developed as a component of major transit facilities;
7. Formation and/or ongoing operation of a transportation management association as long as the administration and

administrative overhead cost do not exceed 20 percent. See administration, Section 1 above;

8. Transit and TDM-related activities required by the Congestion Management Program (CMP) including:
 - Preparation of TDM ordinances;
 - Administration and implementation of transit- or TDM-related projects pursuant to CMP deficiency plans;
 - Monitoring of transit standards by transit operators.
9. Funding the insurance costs of a Transportation Management Organization's (TMO) or individual employer's vanpool program under the umbrella vehicle insurance policy of the local jurisdiction;
10. Local jurisdictions may also utilize Proposition A funds for the administration and marketing of local TDM programs, provided that administrative costs do not exceed the 20 percent cap stipulated in the Proposition A Local Return guidelines;
11. Full funding of TDM plan preparation is allowed, including the non-transit portion, provided that the plan contains a public transit element.

Local jurisdictions are encouraged to adopt monitoring and evaluation performance standards for the receipt of Local Return funds for TDM projects. Local entities are encouraged to utilize regionally adopted standards, and demonstrate, for example, how AQMP trip reduction targets are addressed through the TDM measure.

In conformity with regional, state and federal air quality objectives, the MTA encourages use of alternative fueled vehicles (e.g. LNG, CNG, methanol) for any TDM-related shuttle, vanpool or paratransit vehicles.

The planning of any such new or expanded shuttle, vanpool or paratransit services funded with Proposition A Local Return should be coordinated with potentially affected transit operators prior to implementation. (See Service Coordination Process on page 43 of these Guidelines.) This kind of coordination will help ensure that a new or expanded TDM service is complementary to service provided by (a) transit operator(s). Projects which compete with

regional services provided by MTA or others will be determined to the ineligible expenditures of Proposition A.

V. **EXAMPLES OF INELIGIBLE USES OF PROPOSITION A**

- A. Street and Roads Construction, e.g., expenditures that are made for construction purposes for streets and roads as authorized by Article XIX of the State Constitution; construction work includes:
- New Location
 - General Reconstruction
 - Betterments
- B. Streets and Roads Maintenance, e.g., the preservation, upkeep or rehabilitation of a street or road's constructed condition, and the operation of a street or road facility and its integral services to provide safe, convenient and economical highway transportation.
- C. Other Ineligible Capital Products
- The cost of constructing or improving a street or area for parking purposes, except if such improvements can be demonstrated to exclusively benefit users of public transit or ridesharers or vanpoolers
 - Rearranging non-transit facilities (for example, utility relocation) when not specifically required for a public transit facility
 - Installation of utilities when not specially required for a public transit facility
 - Street lighting
 - Work outside a rail transit right-of-way is not a specific right-of-way obligation
 - Equestrian or pedestrian under and overpasses or other similar structures for any other special interest group unless as a part of a right-of-way obligation
 - Bikeways and bikelanes
- D. Planning, engineering, design and/or environmental analysis when not directly intended for the development of eligible projects (e.g., relating to another ineligible-use project).
- E. Administrative support or planning not focused on specific transit project (as defined in the Audit Guidelines in Appendix VII).
- F. Emergency medical transportation
- G. Exclusive school service

VI. ELIGIBILITY GUIDELINES -- EXAMPLES OF ELIGIBLE, CONDITIONALLY ELIGIBLE AND INELIGIBLE PROPOSITION C PROJECTS

A. ELIGIBLE USES OF PROPOSITION C

As a general rule, expenditures which are eligible for funding under Proposition A are also eligible for funding from Proposition C.

The following is a list of projects that are eligible for funding under the Proposition C Local Return Program.

1. PUBLIC TRANSIT SERVICES - OPERATING

All fixed route transit projects are subject to review to determine whether they complement or compete with the regional system provided by MTA or other regional operators. MTA may require modification to local transit service prior to implementation.

a. Fixed Route

- provide shuttle service between city activity centers
- extension/augmentation of existing bus line(s)
- contracting with existing transit operator or private provider for commuter bus service
- operating subsidy to existing bus operator
- new fixed route service
- provide service for bus rail interface
- ADA related improvements to Fixed Route Operations

b. Paratransit

- expansion/coordination of existing paratransit service
- provision of subsidized shared-ride taxi service for disadvantaged residents
- new paratransit service
- general public paratransit service
- ADA related improvements to paratransit operations

2. PUBLIC TRANSIT SERVICES - CAPITAL

a. Vehicles

- transit vehicles for passenger service
- mechanical parts and supplies for buses or vans
- non-revenue support vehicles (e.g., fleet supervisor cars, service trucks)

- ADA related improvements to vehicles
- necessary vehicle for security

b. Equipment

- new or modified maintenance facilities for exclusive use of the transit operation
- equipment retrofits or additions to buses or vans, such as lifts, fareboxes, or radios
- maintenance equipment for exclusive use by new and existing transit and paratransit operations
- office equipment and furnishings for exclusive use by new and existing transit and paratransit operations
- ADA related improvements to equipment
- necessary capital equipment for security

3. TRANSIT TDM/TSM IMPROVEMENTS

- Exclusive bus lanes (physically separated) on surface arterials
- Reserved bus lanes (no physical separation) on surface arterials
- Contra flow bus lanes (utilizing a lane of the opposite direction)
- Ramp meter by-pass (regulated access with bus and carpool unrestricted entry)
- Traffic signal preemption for buses (allowing approaching transit vehicles to extend green phase or change traffic signal from red to green)
- Preferential turning movements for buses
- Bus-only transit malls
- Other traffic signal improvements made specifically to facilitate bus movement
- Transit/paratransit accessible transfer centers (including shelter, telephone, other facilities)
- Funding of overall Transportation Demand Management plans as long as the plan contains a public transit element; the implementation of plan elements will be funded according to the existing guideline eligibility criteria

4. FARE SUBSIDY PROGRAMS

- User-side subsidy (purchase of passes, tickets or rides) for the general public or segments of the general public (i.e., elderly, individuals with disabilities, or low-income residents)
- Subsidy of bus/rail passes, tickets or tokens for transit riders

5. SAFETY AND SECURITY OPERATIONS, SAFETY EDUCATION PROGRAMS -- PROJECTS IN MTA SERVICE AREA

Local transit agencies and local governments may use any appropriate security measures, that are consistent with other law enforcement programs, to enhance transit security. The Proposition C Local Return funding must be used for direct transit purposes and cannot constitute a supplement to general government programs. These security measures may include, but are not limited to:

- Funding to enhance a local police department's deployment for direct and specific transit security;
- Funding to support qualified (state licensed) private security for transit;
- Funding for contract police services from law enforcement agencies with competent jurisdiction;
- Funding to support capital improvements for transit security;
- Funding to support innovative and advanced technologies for transit security;
- Funding to support community based policing activities in direct support of transit security;
- Funding to support passenger information and security awareness programs.

Cities are encouraged to participate in security projects that supplement MTA security programs. Such projects will be reviewed by the MTA Transit Police Department to avoid any duplication or overlap of existing security programs.

NOTE: Security projects outside of the MTA service area will be reviewed on a case by case basis.

B. CONDITIONALLY ELIGIBLE USES OF PROPOSITION C

Conditionally eligible projects are examined on a case-by-case basis to determine compliance with the Local Return Program Guidelines. The following types of projects will be approved by MTA staff if the conditions outlined for a specific type of project are met. Cities must certify that all

project conditions will be met and include all supporting documents with Form B. If all conditions for project funding are not met and project eligibility is still undetermined, an appeal to the MTA through the Planning and Programming Committee can be scheduled.

1. RIDESHARING PROJECTS

Conditions:

- Must be available to the general public
- Must be coordinated with or through existing rideshare programs and appropriate transit operators. (See Service Coordination Process on page 43.)

2. RIGHT-OF-WAY IMPROVEMENTS

Conditions:

- Must show direct, quantifiable, environmental or economic benefit to the rail project
- Must be consistent with adopted Proposition C corridors, priorities and preferred alignments
- Must be coordinated through MTA

Projects from this category may also be eligible for Proposition C 10% Commuter Rail/Transit Center funding. Refer to the specific eligibility requirements detailed in the 10% Commuter Rail/Transit Center Policy Guidelines.

3. FACILITIES

Conditions:

Land and facilities purchases must be accompanied by:

- A plan for use of the purchase, including assurances that the portion of the facility funded with public transit dollars will be used exclusively for the designated public transit and ridesharing purpose and will be used by the affected transit operators;
- Documentation of the financial resources to be used to carry out the plan;

- An appraisal of the land; and
- Assurance that the local jurisdiction will proceed in a timely manner with the implementation of the plan.
- Environmental clearance to conform with local, state or federal requirements, wherever applicable. Cities preparing an Environmental Impact Report (EIR) must coordinate with the MTA Congestion Management Program Department. Cities are responsible for obtaining any and all environmental clearances.

Any Proposition C funds used to finance the purchase of land or a facility must be returned to the Proposition C account if the facility ceases to be used for public transit purposes. The amount to be returned is the original purchase price or the present appraised value, whichever is greater. Repayment of other facility expenditures will be based on the schedule outlined on page 53. Therefore, acquisition of improved property (especially that requiring relocation of businesses or residents) is not advisable unless the city is certain the facility will be permanent.

In addition, if the facility will not be used exclusively for public transit purposes, a determination must be made by MTA staff and at its discretion may request additional information to justify the expenditure of Proposition A or C funds, if the project scope is unclear. A project budget specifying what percentage and amount of the land and capital improvement costs are exclusively for public transit purposes must be submitted in accordance with Condition 1 above to facilitate this determination.

Projects from this category may also be eligible for Proposition C 10% Commuter Rail/Transit Center funding. Refer to the specific eligibility requirements detailed in the 10% Commuter Rail/Transit Center Policy Guidelines.

4. RECREATIONAL TRANSIT

Conditions:

- All recreational transit trips must be taken within the eligible area. This area includes Los Angeles, Orange, and Ventura Counties or eligible portions of Riverside and San Bernardino Counties. For destinations outside the eligible area (i.e., to Imperial, Santa Barbara, and San Diego Counties and portions of Riverside and San Bernardino Counties) Proposition C funds may not be used.

However Proposition C funds may be used for that portion of the trip within the eligible area. A map is shown on page 38.

- While trips may be limited to certain general age groups (e.g., children under 18, senior citizens, individuals with disabilities), all trips must be available to the general public within that group.
- Specialized destinations (e.g., city parks, concerts, special events) may be served; however, all members of the general public, including individuals with disabilities must be informed of, and allowed to use, the service to the special event or specialized destination.
- A listing of proposed destinations must be submitted to the MTA in advance.
- Proposition C Local Return funds cannot be used to pay for salaries of recreation leaders or other escorts under recreational transit projects.
- Any proposed purchases of recreational transit vehicles must be circulated to private operators for review.

To ensure that recreational transit programs developed by cities are available equally to all residents and to allow flexibility in how programs are funded, cities should set their own criteria for projects to include a public selection process. MTA will verify that cities have successfully implemented a public process as a part of the annual compliance audit for Propositions A and C.

5. BUS STOP IMPROVEMENTS AND MAINTENANCE

Conditions:

- The city must coordinate all bus stop improvements with existing transit operators by submitting a letter of coordination from the affected transit operators, along with Form A.
- If a city proposes to use Proposition C funds to replace a bench or shelter currently supplied by a private provider, that provider must be notified before final City Council approval is given to the project.

NOTE: The private provider has seven (7) days to respond to the notification received from the city before the city can take action.

Examples of Projects:

- Concrete pads located at bus stops
- Curb cuts at corners located at or adjacent to a bus stop
- Bus turn-out areas which allows the bus to stop out of regular traffic flow for passenger pick-up and discharge
- Installation of bus stop shelters and on-going maintenance and replacement
- Installation of bus stop benches

6. PARK-AND-RIDE LOTS

Conditions:

- Must be located adjacent to a bus stop served by commuter transit
- Must be located on unimproved land unless a specific waiver is granted by the MTA
- Must be environmentally cleared by the city/local jurisdiction prior to obtaining MTA approval.
- The city must provide reasonable assurances that the park-and-ride lot will be used by the affected transit operators. A letter of agreement from the affected transit operator must be submitted along with Form A.
- The park-and-ride facility must be used exclusively by transit/rideshare patrons during commute hours. Signage must be posted and enforced.
- Park-and-ride facilities may be utilized during non-transit usage time, e.g., evenings, weekends, for parking, as long as the transit requirements are not adversely impacted. All revenues generated during the non-transit usage time must go back into the local jurisdictions' Proposition C Local Return account in the same proportion to the original local return investment in the park-and-ride facility. At some point after completion, if a park-and-ride facility rendered unusable for its intended purpose, the MTA reserves the right to require repayment of funds plus interest according to the schedule on page 53.

At its own discretion, MTA may evaluate each projects on a case by case basis and request additional supporting documents, surveys or studies to justify the project scope.

Projects from this category may also be eligible for Proposition C 10% Commuter Rail/Transit Center funding. Refer to the specific eligibility requirements detailed in the 10% Commuter Rail/Transit Center Policy Guidelines.

7. NON-EXCLUSIVE SCHOOL SERVICE

Exclusive school bus service is not an eligible use of Proposition C Local Return funds. Fixed-route bus services or demand responsive services available to the general public which also provide school trips are eligible for Proposition C funding. The following criteria must be met to ensure that the proposed service is not an exclusive fixed-route school bus service:

- Buses shall not be marked in any way which indicates that they are not available to the general public. Vehicles utilized cannot be marked "School Bus." Any yellow used in the coloring should not be for the specific purpose of meeting the vehicle code definition of a school bus.
- The bus headsign is to display the designation of the route by street intersection, geographical area, or other destination description. It cannot be marked "School Trip" or "Special." In cases where the schedule includes an alternate rush-hour route to provide service past a school, the bus dash sign is to indicate the line termination without indicating the school name.
- Timetables for such routes must be available to the general public and show the schedule and route followed.
- Drivers must be instructed that such service is open to the general public. If a member of the public expresses a desire to board, he or she will not be refused so long as the location is a regular bus stop.
- The same fare payment options must be available to all user groups.
- The overall transportation service provided in the city must not be for school service hours only.

8. ADMINISTRATION

Administration is defined as those ongoing costs incurred by cities for the duration of a given capital and operating project. These costs include personnel salaries and benefits, office supplies and equipment.

Conditions:

- All costs must be necessary for developing, maintaining, monitoring, coordinating, reporting and budgeting specific Proposition C project(s).
- The administrative portion of the project cost shall not exceed 20 percent of the Proposition C Local Return approved project budget.
- Expenditures must be reasonable and appropriate to the activities undertaken by the locality.

For further conditions on allowable administration costs, see the Audit Guidelines in Appendix VIII.

9. TRANSPORTATION PLANNING/ENGINEERING/DESIGN

In general, planning costs are incurred prior to actual project implementation. Preliminary engineering or design of capital project costs necessary in the development of a project prior to implementation are eligible. However, planning, engineering or design activities for clearly ineligible projects are not reimbursable.

Conditions:

- All planning, engineering, or design activities must be related to development of a clearly eligible Proposition C project;
- All planning, engineering or design activities must be initiated with the intent by the city to fund and formally submit the developed project to the MTA;
- Expenditure on planning, preliminary engineering, and design of capital projects will be accounted for and included as part of the overall project cost.

10. SPECIALIZED PUBLIC TRANSIT

The MTA will approve special-user-group service or social service transit where it can be incorporated into the existing local transit or paratransit programs. A special stand-alone project may be approved only if the city can clearly demonstrate it is impossible to modify the existing service to meet the identified need.

Conditions:

- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnic origin
- Service should be equally available to all members of the general public having that specialized need and shall not be restricted to members of a specific group or program. Use of the service does not require membership in an organization.
- Service should be duly advertised to the general public.
- The service should be a public transit only and cannot be used to provide transportation for private groups or organizations.
- If a local jurisdiction proposes a stand-alone program, MTA staff will review the potential for coordination or consolidation with other local jurisdictions' programs and may require specific coordination or consolidation for the project to be approved as presented.
- Proposition C funds can only be used for the transportation component of the special user group program. This component must include direct, clearly identifiable and auditable transportation costs separate from the entire program. Proposition C funds cannot be used to pay for the salaries of specialized escorts or other program aides required for the specialized public transit program.
- The vehicle(s) must be made available for coordination with other paratransit programs if space permits.

To ensure that special-user-group services or social services transit programs developed by cities are available equally to all residents, and to allow flexibility in how programs are funded, cities should set their own criteria for projects to include a public selection process. MTA will verify that cities have successfully implemented a public process to allocate funds on an equitable basis as part of the annual compliance audit for Propositions A and C.

11. RAIL

Conditions:

MTA encourages cities to provide funding for rail system and station enhancements. All lines proposed for funding must be included in MTA's existing and planned program of projects. However, in order to be eligible for funding, the following projects must receive MTA concurrence prior to the expending of any Local Return funds:

- Signal upgrades at light rail crossings
- Transit security at rail transit stations park-and-ride facilities and on board vehicles
- Signage and marketing materials to promote increased ridership
- Landscaping, lighting and environmental enhancements such as maintenance of artwork, tiles, etc.
- System Safety
- MTA/SCRRRA Safety Education program
- Local Rail Stations operating, maintenance, insurance and other station-related costs

12. SYNCHRONIZED SIGNALIZATION

Conditions:

Synchronized signalization projects are eligible when all of the following conditions are met:

- The street targeted for implementation must have full-sized transit buses operating on a regularly scheduled fixed route;
- Projects shall be constructed on major roadways;
- Documentation of coordination with the public transit operators is required before approval (e.g., correspondence of notification between the local jurisdiction and the transit operator).

13. TRANSPORTATION DEMAND MANAGEMENT

Conditions:

Transportation Demand Management (TDM) is an eligible use of Local Return funds subject to:

In the staff review of conditionally-eligible TDM projects, cities should be able to demonstrate that the implementation of a proposed project will result in a reduction of single-occupancy vehicle trips and vehicle miles traveled. More specifically, cities should demonstrate how the proposed TDM measures encourage implementation of local, regional and federal air quality requirements for transportation control measures (TCMs).

Eligible TDM projects include the following:

- Preparation, administration, implementation and marketing of the city's Regulation XV plan and any employee incentives or city services provided in support of Transportation Demand Management efforts. Employee incentives or services offered by local jurisdictions must be focused on increasing mobility and must demonstrate the potential for reduction of employee trips and vehicle miles traveled (VMT). **Local jurisdictions are encouraged to take advantage of additional opportunities for funding TDM projects by leveraging Proposition C with local funds received as a result of the California Clean Air Act (AB2595) and AB2766, among other local sources.**
- Funding of specific employer Transportation Demand Management (TDM) programs, as long as these programs are demonstrations specifically designed for a potential multiple-employer application or are selected through an open public process administered by the city. TDM strategies funded with Proposition C and administered on a city-wide basis could include the following types of projects:

TDM Strategies:

1. Formation of vanpool and/or vanpool incentive programs available to all employers and/or residents within city boundaries;
2. Community-based midday shuttles for employees as long as such services complement existing transit service;

3. Planning, development, construction and operation of neighborhood telework centers;
4. Community-wide parking management programs;
5. Employer and/or citizen ridesharing subsidies;
6. Community-based child care centers which are developed as a component of major transit facilities;
7. Formation and/or ongoing operation of a transportation management association as long as the administration and administrative overhead cost do not exceed 20 percent. See administration, Section 1 above.
8. Transit and TDM-related activities required by the Congestion Management Program (CMP) including:
 - Preparation of TDM ordinances;
 - Administration and implementation of transit- or TDM-related projects pursuant to CMP deficiency plans;
 - Monitoring of transit standards by transit operators.
9. Funding the insurance costs of a Transportation Management Organization's (TMO) or individual employer's vanpool program under the umbrella vehicle insurance policy of the local jurisdiction;
10. Local jurisdictions may also utilize Proposition C funds for the administration and marketing of local TDM programs, provided that administrative costs do not exceed the 20 percent cap stipulated in the Proposition C Local Return guidelines;
11. Full funding of TDM plan preparation is allowed, including the non-transit portion, provided that the plan contains a public transit element.

Local jurisdictions are encouraged to adopt monitoring and evaluation performance standards for the receipt of Local Return funds for TDM projects. Local entities are encouraged to utilize regionally adopted standards, for example, how AQMP trip reduction targets are addressed through the TDM measure.

In conformity with regional, state and federal air quality objectives, the MTA encourages use of alternative fueled vehicles (e.g. LNG, CNG, methanol) for any TDM-related shuttle, vanpool or paratransit vehicles.

The planning of any such new or expanded shuttle, vanpool or paratransit services funded with Proposition C Local Return should be coordinated with potentially affected transit operators prior to implementation. (See Service Coordination Process on page 43 of these Guidelines.) This kind of coordination will help ensure that a new or expanded TDM service is complementary to service provided by (a) transit operator(s). Projects which compete with regional services provided by MTA or others will be determined to be ineligible expenditures of Proposition C.

14. CONGESTION MANAGEMENT PROGRAM ACTIVITIES

Projects and activities required as part of the Congestion Management Program (CMP) to the extent that they are transit-related are eligible uses of Proposition C funds as outlined below:

- Preparation of TDM ordinances and deficiency plans;
- Land use analysis required by CMP;
- Administration, monitoring and implementation of transit- or TDM-related projects in deficiency plans;
- Monitoring of transit standards by transit operators;
- Computer modeling requirements to support CMP land use analysis.

15. BIKEWAYS AND BIKE LANES

Certain types of bicycle facilities can be effective Transportation Demand Management tools. Bicycle commuting is a recognized TDM measure under Regulation XV; therefore, bikeway projects that perform a public transit function are an eligible use of Proposition C. Bikeway projects proposed for Proposition C funding must meet the following conditions:

- The facility must be linked to employment sites;
- The facility must be accessible to, or be provided in conjunction with, public streets and bus routes;

- The facility must be usable as a commuting facility;
- The local jurisdiction must have an adopted Pavement Management System in place (Refer to Pavement Management System Requirement Section).

Bikeway construction, signage, information and maintenance, as well as bike lockers, bicyclist education and safety programs are eligible uses of Proposition C funds.

16. STREET IMPROVEMENT AND MAINTENANCE

Proposition C Local Return funds can be used for a variety of street-related projects, including TSM, capacity enhancements, safety improvements, and repair and maintenance, as long as the project benefits transit or is performed on "streets heavily used by public transit."

A. Minimum Requirements

Project must benefit transit. In order to be eligible for Proposition C Local Return funds, street improvement and maintenance projects must benefit transit or be performed on streets "heavily used by public transit." Streets "heavily used by public transit" are defined as streets which carry regularly-scheduled, fixed-route public transit services where such fixed-route services have been in existence for a minimum of one year, and where there are no reasonably foreseeable plans to discontinue such service on a particular street.

If there are no fixed-route systems within a local jurisdiction or if all the streets supporting fixed-route systems are already in a satisfactory condition as documented by the required Pavement Management System, (refer to Pavement-Management System requirements on next page), a local jurisdiction may use local return funds for street improvements and maintenance and repair on streets within their community on which they can demonstrate that public paratransit trips concentrate.

One possible method of demonstrating heavy use by paratransit vehicles is to review trip pick-up and drop-off locations for a heavy period of time perhaps one month to determine heavy destination points for the local jurisdiction's paratransit system. During this review, a local jurisdiction might find that activity centers (e.g., food markets and senior centers) typically serving paratransit users would likely show high concentration of paratransit trips. The collected data can be used in making logical judgments on which street segments have relatively heavy use by this form of transit.

B. Pavement Management System Requirement

To foster the cost-effective use of public funds for "Street Repair and Maintenance," prior to expending Proposition C funds for street repair and maintenance on streets heavily used by public transit or on bikeways, a local jurisdiction must first certify that it has in place a Pavement Management System. The self-certification form (included in Appendix X) executed by the City Engineer or a registered civil engineer designated by the city, can be submitted with the local jurisdiction's Form B for expenditure of Proposition C funds.

This requirement for a Pavement Management System (PMS) is consistent with the PMS required by Proposition 111 (Streets & Highways Code Section 2108.1) and must meet the following criteria:

- Inventory of existing pavements including, as a minimum, arterial and collector routes, reviewed and updated biennially.
- Inventory of existing Class I bikeways, reviewed and updated biennially;
- Assessment (evaluation) of pavement condition including, as a minimum, arterial and collector routes, reviewed and updated biennially;
- Identification of all sections of pavement needing rehabilitation or replacement;
- Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current and following biennial period(s);

Self-certifications must be resubmitted biennially by June 1, to maintain eligibility for the use of Proposition C Local Return funds for street repair and maintenance on streets heavily used by public transit.

C. Maintenance of Effort Requirement

(Note in November 1992, LACTC/MTA suspended the Maintenance of Effort requirement until June 30, 1995 for the same three years the state has suspended this requirement under Proposition 111).

The purpose of the Proposition C Program is to improve transportation conditions, including the roadways upon which transit operates. Therefore, cities that utilize local return Proposition C funds to improve those road systems heavily utilized

by transit shall document that these funds are not being used to replace other city general funds of a city, or discretionary funds that have been traditionally used for their city street systems (i.e., maintenance of effort requirement). Proposition 111, passed by the voters in June of 1990, enacted Section 2105(c) of the California Streets and Highways Code which requires cities to maintain previous funding levels (three-year average) from their general funds for their street and road systems. To minimize administrative problems, MTA will accept the State Controller's finding of a city's compliance with Section 2105(c) of the Streets and Highways Codes as sufficient to demonstrate the required Maintenance of Effort during any fiscal year in which Proposition C Local Return funds are expended for streets and roads by a local jurisdiction.

In cases of hardship which make it difficult for local jurisdictions to meet the MOE requirements of Proposition 111, the MTA will consider exceptions to the Proposition C MOE requirements. In those circumstances, the MTA will make a determination on a case-by-case basis.

D. Eligible Street Improvement and Maintenance Projects

Transportation Systems Management Projects

For eligible conditions of synchronized signalization projects, refer to page 29.

Transportation Systems Management (TSM) projects are relatively low-cost, non-capacity enhancing, traffic control improvements that improve the level of service and/or safety on roadways for all vehicles, and generally are contained within the existing street right-of-way. Examples of these projects include signal synchronization, arterial HOV lanes, reversible lanes, channelization, contra-flow bus lanes and bus traffic signal pre-emption.

Street Improvement Projects

Street improvement projects are level of service and/or capacity improvements or capital projects that improve safety for all vehicles, including transit vehicles on streets that are "heavily used by transit." Examples of these projects include capacity improvements, widenings, improved channelization, or new streets which will be heavily used by transit and access roads linking an arterial with Park-and-Ride lots and transit centers.

Pavement Management Systems

Eligible Pavement Management Systems projects include:

- One-time development costs of a Pavement Management System (PMS).
- The ongoing costs of maintaining the PMS equal to the proportion of eligible street mileage to the total street mileage; or 50% of costs, whichever is greater.

Street Repair and Maintenance

Restoration of the pavement surface, which includes curb and gutter on streets "heavily used by transit" (e.g., slurry seals, resurfacing, reconstruction without betterments) are the only eligible street repair and maintenance use of Proposition C Local Return funds.

Incidental Transit-Related Street Improvements

Incidental transit-related street improvements, which include installation of traffic signals and traffic controls (signs and markings), street lighting, landscaping, sidewalks at bus stops, and utility installations and relocations, are eligible uses of Proposition C Local Return funds when they will benefit transit.

Americans With Disabilities Act Related Street Improvements

In compliance with the Americans With Disabilities Act (ADA), the provision of curb cuts at or adjacent to bus stops and other accessible improvements on roadways heavily used by transit is an eligible use of Proposition C Local Return funds. Such modifications must meet ADA and California Title 24 specifications.

VII. INELIGIBLE USES OF PROPOSITION C

A. FUND TRADES OR EXCHANGES

Proposition C Local Return Funds may not be traded or exchanged with other local jurisdictions. Although trading and exchanges of Proposition A funds is conditionally eligible use, the Proposition C Ordinance specifically prohibits trades or exchanges of these funds with other local jurisdictions.

B. CONGESTION MANAGEMENT PROGRAM

CMP related projects and activities that are ineligible uses of Proposition C funds include:

- Preparation of the 7-year capital improvement program;
- Monitoring of principal arterials within local jurisdictions on the regional network;
- Implementation of non-transit or non-TDM-related projects in deficiency plans.

C. EXCLUSIVE SCHOOL BUS SERVICE

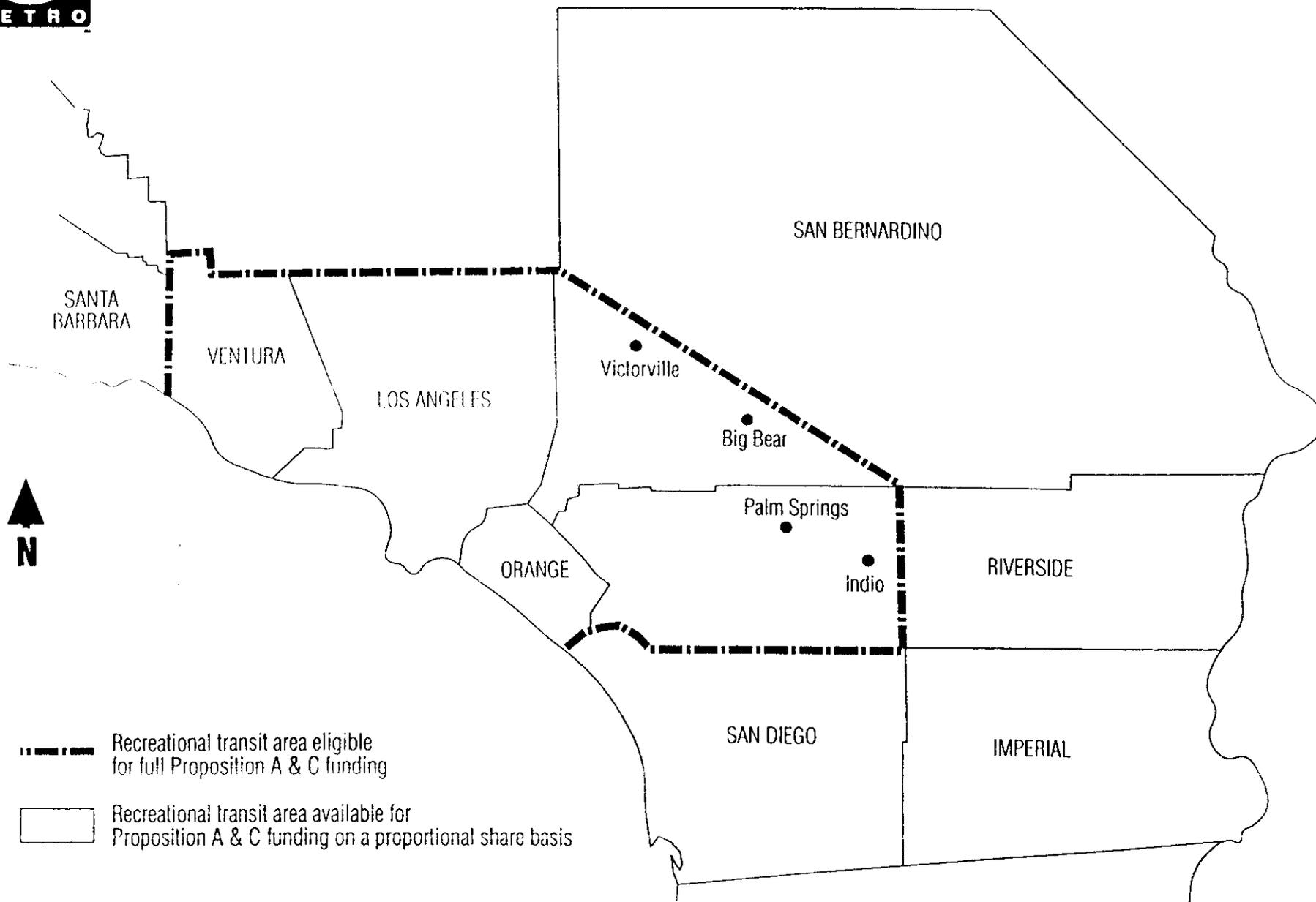
D. EMERGENCY MEDICAL TRANSPORTATION

E. NON-TRANSIT-RELATED ROAD REPAIR, MAINTENANCE, AND OPERATIONS

1. The ongoing maintenance and operations cost of any roadway element, except restoration of the pavement surface on streets "heavily used by transit."
2. Any costs associated with stand alone storm drains or curb and gutter.



ELIGIBLE RECREATIONAL TRANSIT SERVICE AREA



VIII. MTA'S ADMINISTRATIVE PROCESS

A. REPORTING REQUIREMENTS FOR LOCAL JURISDICTIONS (FOR REPORTING REQUIREMENTS OF STREET MAINTENANCE PROJECTS, SEE PAGE 41.)

PROJECT DESCRIPTION FORM (FORM A)

On a proposed expenditure which is not covered in the Eligibility Guidelines, local jurisdictions may secure an informal indication from MTA staff as to whether or not an audit question would be raised in the event the expenditure is made. This indication will be given in writing and shall not constitute any type of final determination but will indicate whether or not a question of legality exists which should be resolved prior to submittal of a Project Description Form (Form A) and before any expenditures are made.

Once a local jurisdiction decides to proceed on a new or revised project, the local jurisdiction should comply with the following process before expending any funds:

STEP 1

Form A serves as the basis for determining compliance with the Guidelines. MTA will approve a new or revised project for funding if it meets the statutory requirement for being for "public transit" purposes, as described in Section II. Form A can be submitted any time during the fiscal year. Form A and the instructions for completing it are included in Appendix IV.

Form A must be submitted to the MTA prior to the expenditure of funds for the following types of projects:

- New Projects -- A new Proposition A or C project, including a new transit service or paratransit service project. If the project is a proposed new route that duplicates an existing route for 3/4 mile, the local jurisdiction is required to follow the Service Coordination Process, as described on page 43.
- Budget or Scope Change in Transit or Paratransit Service or Project Administration Projects (25% or more) -- Transit or paratransit service projects with a change* of 25 percent (increases or decreases in route miles or revenue vehicle miles); a budget or scope change of 25 percent or more on transit service, paratransit service and project administration projects; or a change that duplicates an existing route for 3/4 mile. For these types of projects, local jurisdictions are required to follow the Service Coordination Process, as described in on page 43.

NOTE: If transit service is canceled local jurisdictions should notify MTA in writing, and inform the public.

*A change is defined as any modification to route, budget, service area, stops, frequency, fare or clientele for the project as originally-approved or subsequently approved by the MTA.

STEP 2

MTA staff will review Form A to determine if the project is legally eligible for Proposition A and C Local Return expenditure.

STEP 3

After it is determined that the project is eligible, MTA staff will notify local jurisdictions in writing authorizing the expenditure of the Proposition A or C Local Return funds. This will be done within thirty days of receipt of Form A. However, if additional information/justification for the project is required, it may take longer for the approval.

STEP 4

Form A will be used as the basis for a local jurisdiction's annual compliance audit required under the Proposition A or C Local Return Programs.

NOTE: Local jurisdictions can begin implementing a project only after the project has been approved by the MTA. **If a local jurisdiction expends Proposition A or C funds for a project prior to MTA approval, the local jurisdiction will be required to reimburse its Proposition A or C Local Return account. Additionally, approvals cannot be retroactive.**

The flow chart in Appendix III shows the basic process for approving Proposition A and C projects.

ANNUAL PROJECT SUMMARY (FORM B)

If a local jurisdiction has an **ongoing or carryover project** previously approved by the MTA, then a list of projects for one year should be reported on the Annual Project Summary Form (Form B). This form is due by August 1 of each year to update MTA on already approved projects.

Projects for service operations whose anticipated start-up date is in the middle of the fiscal year, should be budgeted for services through the end of the fiscal year only. After the first year of service operations, project descriptions should be submitted annually, by August 1 of the new fiscal year.

Following review of the Annual Project Summary, MTA staff will verify that the status of the projects corresponds to the originally-approved projects. Local jurisdictions will be informed in writing of the approval. Form B and the instructions for completing the form are included in Appendix IV.

D. GOVERNING BODY AUTHORIZATION

While the MTA does not require local jurisdictions to file a governing body authorization with the MTA (e.g., a local jurisdiction resolution or minute order) when submitting Proposition A or C Local Return forms, it is the responsibility of the local jurisdiction to keep these documents on file for audit purposes.

E. ENVIRONMENTAL REVIEW RESPONSIBILITY

Local jurisdictions are the lead agencies for the projects which they propose to implement using Proposition A and C funds. Therefore, those agencies are responsible for preparing the necessary state and/or federal environmental documentation, and must comply with all applicable provisions of the California Environmental Quality Act, or if federal funds are involved, the National Environmental Policy Act.

F. PROJECT DESCRIPTION FORM IN RELATIONSHIP TO PROPOSITION A AND C 40% DISCRETIONARY PROGRAM

If a local jurisdiction submits a project description for operating assistance for an included transit operator, the amount of operating assistance applied for will be considered as an operating subsidy in the fiscal year specified in Forms A or B. The full Proposition A or C Local Return operating assistance amount shown in Form A or B will be considered when determining the eligible Proposition A or C Discretionary grant amount in accordance with the Proposition A and C 40% Discretionary Program Guidelines. Any changes must be approved prior to the close of the specific fiscal year. **No changes will be approved after November 1 of the following fiscal year (e.g., changes in FY 1994-1995 projects must be received by MTA prior to November 1, 1996 to allow adequate time for staff review).**

In addition, depreciation is not an eligible operating expense for which Proposition A or C Local Return funds can be allocated, committed, encumbered, or claimed.

G. ANNUAL PROJECT SUMMARY SUBMITTALS BY RECIPIENTS OF MTA FORMULA FUNDS

Local jurisdictions having municipal bus operations receiving MTA formula funds (e.g. TDA Article 4, FTA Section 9 and State Transit Assistance Funds) should submit projects with the regular Transportation Improvement Program (TIP) and TIP-amendment cycle to facilitate processing and coordination. Other local jurisdictions may submit Project Description Forms at any time. Proposition A and C Local Return projects and revenue may, in the future, be shown in the Los Angeles County TIP for information purposes. However, they are not a part of the Federal TIP and/or State AB402 (Highways) TIP process.

H. OTHER RESPONSIBILITIES OF LOCAL JURISDICTIONS

It is the responsibility of local jurisdictions to ensure that all applicable federal, state and local requirements are met with regard to public health and safety, affirmative action, fair labor practices, transit accessibility to disabled person, etc. The MTA has no responsibilities in these areas with regard to local transit projects carried out by local jurisdictions receiving Proposition A or C revenues.

I. AMERICANS WITH DISABILITIES ACT MAINTENANCE OF EFFORT

At this time, the MTA has not established a Maintenance of Effort policy. The MTA will continue to monitor the operations of Proposition A and C Local Return-funded paratransit services to ensure that ADA paratransit-eligible riders continue to receive service on local paratransit systems. If the MTA determines that ADA paratransit-eligible individuals are disproportionately being denied service, then the MTA reserves the right to impose a local Maintenance of Effort. However, federal regulation (49 CFR Part 37.141) requires that any local jurisdiction which provides fixed route or local shuttle services must continue to operate existing paratransit services until such time as the ADA complementary paratransit service is fully implemented.

Local jurisdictions which currently provide no paratransit service are required to, either provide ADA-eligible individuals service, or fund trips which are completely within the local jurisdiction boundaries, when requested. This obligation shall not exceed 20 percent of the total Proposition A or C Local Return allocation to the local jurisdiction. If no requests for service within the local jurisdiction limits are received, there will be no obligation to provide service or funding.

J. SERVICE COORDINATION PROCESS

If a local jurisdiction is proposing a new or expanded paratransit or transit service project it is required to comply with the following Service Coordination Process guidelines.

The Service Coordination Process has four principal steps: Early Consultation by the proposing local jurisdiction with MTA Operations, Contracts and Privatization Section and Multimodal Section as the service is being developed at a local level; Proposition A or C eligibility review; service coordination administrative review; MTA Board Appeal Process to review the administrative determination, if requested. The following instructions should help you through the service coordination review process.

Under the Proposition A Ordinance, transit services provided by local jurisdictions with Local Return Funds should not "compete with or duplicate" existing transit services. The Proposition C Ordinance requires the MTA to

ensure that eligible transit or paratransit services funded from Proposition C Local Return funds do not duplicate existing transit or paratransit services.

The Proposition A and C guidelines require local jurisdictions to follow the service coordination process under the following conditions: when a new service is proposed or when current service is modified by expanding service by 25 percent (increases or decreases) in route miles, revenue vehicle miles, service areas, stops, frequency or fare; when a proposed new route or change duplicates an existing route for 3/4 mile; or if a service is canceled.

1. ADMINISTRATIVE PROCESS FOR IMPLEMENTING A PROPOSED NEW OR MODIFIED TRANSIT OR PARATRANSIT SERVICE

When implementing a new or modified transit service or paratransit service project local jurisdictions should comply with the following process:

- a. Prior to Submittal of Project Description Form -- The MTA encourages local jurisdictions to work closely with Multimodal Planning staff and MTA's Operations Unit when a service project is being developed, in order to avoid or reduce service duplication impacts.
- b. Submitting Project Description Form -- Similar to other Proposition A or C Local Return projects, local jurisdictions are required to submit a Form A describing the new or modified service. For an existing service, if the service or fare charged has changed more than 25 percent over the prior year, a revised Form A is required prior to implementation.

The service coordination condition is required with the MTA service area (the urbanized area of Los Angeles County -- does not include parts of North Los Angeles County or Santa Catalina island) for any new fixed route transit service or any existing transit which is changed significantly.

- c. Letter of Conditional Approval Will Be Sent to Local Jurisdictions -- After Multimodal Planning and MTA Operations staffs have reviewed Form A, a letter of conditional approval is sent to local jurisdictions, subject to MTA service coordination committee review (See sample letter in Appendix V). This letter is then forwarded with a recommendation to the Service Review Committee, to potentially affected local jurisdictions and transit operators with the Form A and any route maps, service schedules and fare information provided by the proposing local jurisdiction.

- d. Role of Service Review Committee -- The Service Review Committee will review the following criteria for evaluating the impacts of new or expanded services funded:
- Potential for passenger and revenue diversion from the existing transit services, resulting from service duplication, to the proposed new or expanded service.
 - Operational considerations such as available street capacity, bus zone curb space, street configuration and traffic congestion.
 - Type of service and/or markets served by the new service, compared to existing services in the area.
 - Early coordination and project development with existing service providers and local jurisdictions (efforts beyond the minimum 60 days).
 - Administrative Approval - Based on the evaluation criteria, the Service Review Committee may grant approval or deny a local jurisdiction's request.
 - Service Approved -- A local jurisdiction receives a letter informing them to proceed with service implementation.
 - Service Not Approved -- If a proposed project does not meet the above criteria, a local jurisdiction will be informed that the project was denied.
 - Board Appeal Process -- The appeal process is administered as a Board Public Hearing by the Board Secretary's office at the regularly scheduled Planning and Programming meetings. The Board has the authority to act on the transcript of the Hearing or to conduct its own hearing. The MTA Board Decision is final.

Once the determination is final (either by an administrative determination that is not appealed within the 10-day statute of limitations, or as a result of the appeal process), Multimodal Planning staff sends a notice of final determination of project eligibility to the proposing local jurisdiction using the customary project approval form letter with conditions described or attached. A copy of the letter is sent to the Operations Contract and Privatization Section to complete the Service Coordination record.

2. SEASONAL OR EMERGENCY TEMPORARY SERVICE

Seasonal service lasting less than 60 days will be administratively reviewed and considered for approval without MTA Board review,

unless an MTA Board action is specifically requested. In the event of an emergency, staff reserves the right to temporarily waive the service coordination requirements. Any projects begun under emergency waiver conditions must undergo the New Service Coordination review process within 60 days after the emergency had ended, in order to continue to be eligible for expenditure of Proposition A or C funds. Equipment purchased during the emergency waiver period will not be subject to prior approval. Emergency service may continue during the subsequent New Service Review process.

3. CONTRACTING WITH OTHER SERVICE PROVIDERS

Local jurisdictions may use their Proposition A or C funds to contract with other public or private service providers for new or improved transit services, subject to non-duplication/competition requirements.

K. CAPITAL RESERVE PROCESS

A Capital Reserve Fund is defined as a Proposition A or C Local Return fund set aside by a local jurisdiction (or group of local jurisdictions) for purposes of reserving funds for up to three years to finance large projects. Such projects include construction of bus facilities, bus purchases, transit centers, park-and-ride lots, the construction of major street improvements or rail projects along MTA's high-priority representative rail routes.

Local jurisdictions who wish to establish a Capital Reserve Fund with Proposition A or C Local Return revenues should note that establishing a Capital Reserve Fund constitutes a long term financial and planning commitment.

1. APPROVAL PROCEDURE

- a. The local jurisdiction must submit a project description;
- b. The project description must be reviewed by the MTA staff and be approved by the MTA Board;
- c. If the project is approved, the local jurisdiction is required to:
 - Enter into a Memorandum of Understanding (see sample in Appendix VI) with MTA, to reserve funds.)
 - Establish a separate account, or a sub-account, for Capital Reserve Funds. Any interest accrued on the Capital Reserve Account would remain in said account.
 - The local jurisdiction would be required each fiscal year to submit an updated Project Description Form with the Project

Annual Summary to include the amount to be reserved and the current project status.

d. Conditions of the Capital Reserve Agreement

- Every three (3) years, the MTA must evaluate the Capital Reserve Account as it pertains to:

The status of the project; and
The projected amount of funds available

- If the funds are not used for the originally-approved capital project, the funds will have to be returned to the Proposition A or C Central Account, held with the Los Angeles County Auditor or MTA.
- If the capital project is not completed within the time specified under the terms of the Memorandum of Understanding, it will be subject to lapse. However, if the project is delayed, local jurisdictions should request in writing to MTA, approval to extend the life of the reserve. Such projects will be reviewed on a case-by-case basis.
- For rail projects, if it is decided by the MTA that the Rail corridor is no longer a high priority, the agreement will be terminated and the local jurisdiction must:

Dissolve the Capital Reserve Fund and return the accumulated funds, including any interest earned on those funds, to the local jurisdiction's Proposition A or C Local Return Fund; and

Reprogram the funds, within the next three (3) years of the time the MTA decision is made. While the local jurisdiction is not required to expend all of the funds within these three years, the MTA reserves the right to impose a reasonable limit on the period of expenditure for reprogrammed funds.

- If, at any time a local jurisdiction, independent of any MTA action, desires to reprogram all, or part, of the funds in the Capital Reserve Account, the local jurisdiction must:

Receive MTA approval; and,

Indicate the proposed use of the accumulated funds to be reprogrammed.

MTA approval for reprogramming funds will be based on the following:

After exhausting all Proposition A or C funds, additional funds are necessary to meet critical immediate or pending transit needs.

If the reprogramming request is approved, the agreement between MTA and the local jurisdiction will be either terminated or amended accordingly.

If the reprogramming request is disapproved, the local jurisdiction would be required to continue the rail reserve account as stipulated or draw the fund down for an approved rail related project.

L. FUND EXCHANGE (PROPOSITION A LOCAL RETURN ONLY)

1. LOANS OR EXCHANGES OF FUNDS

Proposition A funds may be loaned or exchanged under certain circumstances, but all such arrangements must be reported to MTA staff. The following conditions from the Eligibility Guidelines must be met in order for a fund exchange to be eligible:

- Participants in the funds trade must meet all existing Proposition A Local Return Program Guidelines requirements;
- Participants are responsible for insuring that the traded funds from the original exchange will be utilized for public transit purposes;
- The exchanging of funds should not result in a net loss of public transit revenues available for public transit in Los Angeles County;
- Traded Proposition A Local Return funds retain their original date of allocation for purposes of compliance with MTA guidelines on timely expenditures of funds (participants must note the allocation year of the funds to be traded so that the lapsing funds policy can be accurately tracked).

A standard fund trade agreement for fund exchanges is presented in Appendix VII of these Guidelines. The participating local jurisdictions are held mutually responsible for insuring that the end use of the Proposition A funds is for statutorily-allowed purposes (i.e., public transportation purposes as defined in these guidelines).

Both parties involved in such an arrangement remain responsible for insuring that such traded funds will be used for public transit purposes.

It is MTA policy to not allow exchanges that result in a net loss of transit funds within Los Angeles County (e.g., exchanges of Proposition A funds for farebox or other transit revenues).

A local jurisdiction wishing to commit its Proposition A funds to an exchange must submit a Form A indicating the amount of Proposition A funds to be exchanged to the MTA within 30 days prior to the effective date of the exchange.

In addition, at a minimum include the following considerations in fund exchange agreements:

- Types of funds to be exchanged;
- Amount of funds to be exchanged;
- Period of exchange;
- Insurance that the end use of Prop A and C funds is an eligible use;
- Provision for circumstances should one (or both) source of funds become unavailable for exchange at some point during the exchange period; and,
- Certification by participating local jurisdictions.

PLEASE NOTE: Proposition C funds cannot be loaned or exchanged since the Proposition C Ordinance prohibits trades or exchanges of such funds.

2. **LOANING LOCAL RETURN FUNDS BETWEEN LOCAL JURISDICTIONS (FOR PROPOSITION A LOCAL RETURN ONLY)**

In order to meet short-term project needs while preserving longer-term reserves or to avoid loss of funds due to the timely-use provisions, the local jurisdictions may arrange a mutually acceptable temporary transfer or loan from one local jurisdiction to another. These loans are to be made on terms to be negotiated between the involved parties. The participating local jurisdictions are held mutually responsible for ensuring that the end use of Proposition A is for statutorily-allowed purposes. The timely use provision as indicated on page 52 will apply to loaning of such funds.

The MTA will not normally initiate these transfers but will be available to locate potential "lending" cities if the local jurisdiction desiring a loan needs such assistance. The MTA must be notified of the amount, terms and period of such arrangements within thirty days of such arrangements.

The MTA reserves the right to temporarily reallocate funds. Any temporary reallocation would be subject to full review by the Planning and Programming Committee and approved by the MTA Board.

3. GIVING PROPOSITION C LOCAL RETURN FUNDS TO ANOTHER LOCAL JURISDICTION

Since the Proposition C Ordinance does not allow trades or exchanges of these funds, a local jurisdiction can give its Proposition C funds to another local jurisdiction for the implementation of a mutual project. However, the local jurisdiction giving the funds away cannot accept an exchange or gift of any kind in return. Cities involved in giving funds should keep official agreements on file.

IX. FINANCE SECTION

A. MTA'S METHOD OF APPORTIONMENT

The Proposition A Ordinance specifies that twenty-five percent of all Proposition A revenues are to be allocated to local jurisdictions for local transit on a "per capita" basis. While the Proposition C Ordinance specifies that twenty percent of all Proposition C revenues are to be allocated to local jurisdictions for local transit on a "per capita" basis. The annual estimate of Proposition A and C revenues will be derived from projections by the State Board of Equalization.

After administrative costs of the Proposition A and C programs are deducted, apportionments will be made to all 88 cities and the County of Los Angeles (for unincorporated areas), on the basis of population. These population shares will be based on the projected populations derived from annual estimates made by the California State Department of Finance.

B. MTA'S FUND DISBURSEMENT

The Proposition A funds are disbursed by the Los Angeles County Auditor/Controller on a monthly basis, while the Proposition C funds are disbursed by the MTA on a monthly basis. The disbursements to an individual local jurisdiction will equal that local jurisdiction's population-based share of actual net receipts for the month.

C. ACCOUNTING FOR PROPOSITION A AND C REVENUES AND EXPENDITURES BY LOCAL JURISDICTIONS

1. ESTABLISHING A SEPARATE ACCOUNT

Local jurisdictions which do not use the State Controller's Uniform System of Accounts and Records must establish a separate Proposition A or C Local Transit Assistance Account and deposit all Proposition A or C revenues, interest earnings received, and other income earned from Proposition A and C in that account.

In accordance with the State Controller's instructions, local jurisdictions which use the Controller's Uniform System do not need to establish a separate Proposition A or C Local Transit Assistance Account but will list all Proposition A or C revenues (including interest) and expenditures as special line items in the Uniform System. In any case, all local jurisdictions will be required to account for and identify all Proposition C receipts, interest, and expenditures. This will enable financial and compliance audits to be conducted in an organized and timely fashion. Sufficient unrestricted cash must be available at all times to meet the needs of general local jurisdiction operations without impairment of the Proposition A or C Local Transit Assistance Accounts.

2. EXCEPTIONS FOR RECIPIENTS OF TDA ARTICLE 4 FUNDS

A separate account or fund is not mandatory when Proposition A or C Local Return funds are accounted for in an enterprise funds and are exclusively used as transit operating subsidies as long as the local jurisdiction/operator is able to maintain accounting records. These records should allow for the preparation of financial statements, which present assets, liabilities, revenues, expenditures (if any) and transfers out. While it is necessary that Proposition A and C Program recipients be able to demonstrate that they have complied with applicable guidelines in expending Proposition A or C funds as operating subsidies, it is not necessary that such expenditures be separately identifiable for audit purposes.

D. NON-SUBSTITUTION OF FUNDS

1. Proposition A and C revenues should only be used to maintain and/or improve public transit services. They may not be used to substitute for property tax revenues which are currently funding existing programs. If the local jurisdiction is unable to segregate property tax from other general fund revenues which cannot be so distinguished, substitution of Proposition A or C funds for general funds is also prohibited.
2. Local jurisdictions which currently receive federal and/or state transit-assistance funds may use Proposition A or C revenues to replace or supplement any other state, federal, or local funds, as long as there is no relation to the property tax (as noted above).
3. The MTA Staff reserves the right to bring project proposals involving the substitution of funds before the MTA Board.

E. POOLING OF FUNDS

MTA will allow local jurisdictions to pool Proposition A or C Local Return 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, cities involved in such arrangements should keep adequate records of such transactions in order to allow for subsequent audits.

F. TIMELY USE OF FUNDS

1. PROPOSITION A FUNDS

Each local jurisdiction has four years from the Fiscal Year of allocation to expend Proposition A funds. For example, if a local jurisdiction received an allocation during FY 1994-95, it has until end of FY 1997-98 or June 30, 1998 to expend the funds. Proposition A disbursements, interest income and other income earned from Proposition A projects, such as fare revenues or revenues from advertising which are not expended within four years will be returned to the MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.

2. PROPOSITION C FUNDS

Under the Proposition C Ordinance, each local jurisdiction has three years from the Fiscal Year of allocation to expend Proposition C funds. For example, if a local jurisdiction received an allocation during FY 1994-95, it has until FY 1996-97 or June 30, 1997 to expend the funds.

Please note, since the first disbursement of Proposition C Local Return funds was made on July 1, 1992 (FY 1993), local jurisdictions have until June 30, 1995 to expend their first year's Proposition C allocation. Proposition C Local return disbursements, interest income and other income earned from Proposition C projects, such as fare revenues or revenues from advertising which are not expended within three years will be returned to the MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.

3. PROCEDURE FOR DETERMINING COMPLIANCE WITH TIMELY USE PROVISION

In applying the timely use provision, the MTA will use a "First-In-First-Out" (FIFO) accounting principle, to afford local jurisdictions maximum time to expend funds. For example, if a local jurisdiction receives \$1,000 each year in Proposition A funds and has \$4,000 of unexpended Proposition A funds at the end of the fourth fiscal year, then the city is liable to lapse its first year's allocation of \$1,000 beginning the fifth fiscal year.

4. EXTENSION OF TIMELY USE PROVISION

Any local jurisdiction which believes it has a viable project (for example a guideway project) against which it may need to set aside

funds for more than the standard time may seek an extension from the MTA. A specific project must be identified for an extension to be considered. MTA will allow a local jurisdiction to reserve funds for multi-year capital projects. Such projects must have prior MTA approved, as described in the Capital Reserve section of these guidelines.

G. INTEREST AND OTHER EARNED INCOME

Local jurisdictions are entitled to retain any and all interest revenues which they may earn on their Proposition A or C revenues. Other income earned from Proposition A or C projects such as fare revenues, revenue from advertising, etc., may also be retained by local jurisdictions. Such earnings must be reported and expended consistent with these guidelines and reported in the local jurisdiction's annual audit.

H. RELATIONSHIP TO TDA ENTRY AND FORMULA DISTRIBUTION

Provision of transit services with local return funds will not qualify local jurisdictions for Transit Development Act (TDA) funding programs. In addition, mileage will not be counted in the MTA's subsidy allocation formula for TDA operators.

I. SECTION 15

Currently, MTA reports data on MTA Operations and operators who receive Incentive Program funds. The Municipal Operators report their own data. Beginning FY 1995-96, all local return fixed route and paratransit operators will be required to report Section 15 data. At that time, MTA will make a certain percentage of these funds available for reimbursement to local jurisdictions.

PLEASE NOTE: During FY 1994-95, MTA staff will develop a methodology, as well as identify funding sources to reimburse local jurisdictions for reporting Section 15 data to the local jurisdictions.

J. REPAYMENT OF FUNDS FOR FIXED ASSETS PURCHASES

The following are guidelines for paying back loans for land or facilities:

If a facility ceases to be used for public transit use as originally stated in the project description, all Proposition A or C funds expended for the project must be returned to the Proposition A or C accounts.

General guidelines for repayment are as follows:

Land: Repayment of purchase price or appraised value, whichever is greater.

Facilities: 100% repayment of Prop A and C funds if discontinuation of public transit use occurs between 0-5 years.

75% if discontinuation occurs in more than 5 years but less than 10 years.

50% if discontinuation occurs in more than 10 years but less than 15 years.

25% if discontinuation occurs in more than 15 years.

Repayment must be made no later than five years after the decision is made to cease utilizing the project as a public transit facility. Payback may be made in one lump sum or on an annual equal payment schedule over a five-year period.

Vehicles: Local jurisdictions that cease to utilize vehicles for "public transit" purposes before their useful life, will be required to repay the funds into their Proposition A or C accounts in proportion to the useful life remaining. Federal standards for useful life will apply.

Repayment will be made in the same fiscal year as the vehicles ceased to be used for "public transit" purposes.

IV. AUDIT SECTION

A. AUDIT OF FUNDS

Proposition A and C expenditures must be permitted by statute and be within adopted MTA Eligibility Guidelines. An audit will be conducted annually as part of the MTA consolidated audit program to verify Proposition A and C expenditures. Local jurisdictions are responsible for applicable record-keeping, environmental impact and other legal requirements relating to the use of the funds. At the close of the fiscal year, the MTA will contract with an independent auditor for a fiscal and compliance audit of expenditures. The Audit Guidelines are found in Appendix VIII.

B. MAINTENANCE OF AUDITABLE RECORDS

Each year the MTA will audit reported uses of Proposition A and C Local Return funds, for fiscal and compliance purposes. It is the responsibility of local jurisdictions to maintain the proper accounting procedures, cash management records and documentation, in accordance with the Audit Guidelines in Appendix VIII.

C. SUSPENSION OR PAYBACK OF IMPROPERLY USED FUNDS

The MTA reserves the right to suspend disbursement of funds to a local jurisdiction in cases where eligibility, duplication or timely use policies have been violated. The MTA may do so only where it has made a preliminary finding that there is sufficient cause to warrant such a suspension pending the outcome of a more detailed investigation. If funds have been improperly expended, the local jurisdiction will be required to reimburse its Proposition A or C Local Return account with interest. Interest assessed would not be greater than the average prime rate during the period of improper expenditure. A matrix indicating findings and penalties for improper use of Proposition A and C funds is included in Appendix IX.

**SUMMARY OF PROPOSITION A AND C
LOCAL RETURN PROGRAM USES**

- PROPOSITION A AND C LOCAL RETURN FUNDS ARE ALLOCATED TO CITIES ON A POPULATION BASIS.
- CITIES CAN EXPEND PROPOSITION A AND C LOCAL RETURN FUNDS FOR PUBLIC TRANSIT PURPOSES.

THE FOLLOWING ARE EXAMPLES OF PROJECTS THAT ARE ELIGIBLE FOR PUBLIC TRANSIT USE:

- PROVIDE SHUTTLE SERVICE BETWEEN CITY ACTIVITY CENTERS
- PURCHASE OF VEHICLES FOR PUBLIC TRANSIT PURPOSES
- INSTALLATION OF BUS STOP BENCHES
- PURCHASE OF EQUIPMENT RETROFITS OR ADDITION TO BUSES OR VANS
- RECREATIONAL TRANSIT TRIPS
- THE ATTACHED MATRIX A ILLUSTRATES THE PROGRAM DIFFERENCES OF THE PROPOSITION A AND C PROGRAMS.
- THE ATTACHED MATRIX B ILLUSTRATES THE ADMINISTRATIVE DIFFERENCES BETWEEN THE PROPOSITION A AND C PROGRAMS.

MATRIX A

SUMMARY OF PROGRAM DIFFERENCES OF THE
PROPOSITION A AND C LOCAL RETURN PROGRAMS

PROJECT	PROPOSITION A	PROPOSITION C
STREETS AND ROADS EXPENDITURES	ALLOWED EXCLUSIVELY FOR BUS LANES AND CURB CUTS AT CORNERS LOCATED OR ADJACENT TO BUS STOPS.	<ul style="list-style-type: none"> • ALLOWED ONLY ON STREETS THAT CARRY REGULARLY-SCHEDULED, FIXED ROUTE PUBLIC TRANSIT SERVICES AND ON STREETS THAT CARRY PUBLIC PARATRANSIT TRIPS (SEE CONDITIONS OUTLINED IN ELIGIBILITY SECTION OF THE LOCAL RETURN GUIDELINES).
SIGNAL SYNCHRONIZATION	<ul style="list-style-type: none"> • ALLOWED WITH MORE STRINGENT CONDITIONS THAN PROPOSITION C. • ALLOWED IF PERFORMED TO PREDOMINATELY BENEFIT TRANSIT. • BUS PRE-EMPTION MUST BE INCLUDED AS PART OF THE PROJECT. • THE STREET MUST HAVE A MINIMUM OF FIVE (5) FULL-SIZED TRANSIT BUSES IN EACH DIRECTION PER HOUR. 	<ul style="list-style-type: none"> • ALLOWED ON STREETS THAT ARE HEAVILY-USED BY PUBLIC TRANSIT. • THE STREET MUST HAVE FULL-SIZED TRANSIT BUSES OPERATING ON A REGULARLY SCHEDULED FIXED ROUTE (NO MINIMUM NUMBER OF BUSES).

PROJECT	PROPOSITION A	PROPOSITION C
BIKEWAYS	NOT ALLOWED	<ul style="list-style-type: none"> • COMMUTER BIKEWAYS ALLOWED. • MUST BE LINKED TO EMPLOYMENT SITES. • MUST BE ACCESSIBLE TO OR PROVIDED IN CONJUNCTION WITH, PUBLIC STREETS AND BUS ROUTES.
CONGESTION MANAGEMENT ACTIVITIES	NOT ALLOWED	<p>MOST ELEMENTS ALLOWED SUCH AS:</p> <ul style="list-style-type: none"> • PREPARATION OF TDM ORDINANCES AND DEFICIENCY PLANS. • LAND USE ANALYSIS REQUIRED BY CMP. • MONITORING OF TRANSIT STANDARDS BY TRANSIT OPERATORS.
PAVEMENT MANAGEMENT SYSTEM	NOT ALLOWED	<p>SOME ELEMENTS ALLOWED SUCH AS:</p> <ul style="list-style-type: none"> • ONE-TIME DEVELOPMENT COSTS OF A PAVEMENT MANAGEMENT SYSTEM. • THE ONGOING COSTS OF MAINTAINING THE PAVEMENT MANAGEMENT SYSTEM (SEE GUIDELINES FOR CONDITIONS).

MATRIX B

SUMMARY OF ADMINISTRATIVE DIFFERENCES OF THE
PROPOSITION A AND C LOCAL RETURN PROGRAMS

ISSUE	PROPOSITION A	PROPOSITION C
TRADING OR EXCHANGING OF FUNDS	ALLOWED IF THE TRADED FUNDS ARE USED FOR PUBLIC TRANSIT PURPOSES.	NOT ALLOWED
TIMELY USE PROVISION	<ul style="list-style-type: none">• EXPEND WITHIN FOUR YEARS OF RECEIPT.• IF A LOCAL JURISDICTION RECEIVED FUNDS DURING FY 1994-95, IT HAS UNTIL JUNE 30, 1998 TO EXPEND THE FUNDS.	<ul style="list-style-type: none">• EXPEND WITHIN THREE YEARS OF RECEIPT.• IF A LOCAL JURISDICTION RECEIVED AN ALLOCATION DURING FY 1994-95, IT HAS UNTIL JUNE 30, 1997 TO EXPEND THE FUNDS.

ASSURANCES AND UNDERSTANDINGS REGARDING
RECEIPT AND USE OF PROPOSITION A FUNDS

(Updated November, 1994)

The undersigned, in conjunction with the receipt of funds derived from the one-half cent sales tax imposed by Ordinance No. 16 (Proposition A) of the Los Angeles County Metropolitan Transportation Authority (MTA), and as required by the MTA's Local Return Program Guidelines, hereby provides the following assurances and understandings.

A. The undersigned hereby assures the MTA:

1. That the Prop. A funds will not be substituted for property tax funds which are currently funding existing public transportation programs;
2. That Prop. A funds will be used for public transit purposes as defined in the MTA's Local Return Program Guidelines;
3. That the undersigned will submit to the MTA a description of the use of funds:
 - a. For service expansion or new service: at least 60 days before encumbrance of funds;
 - b. For other projects: at least 30 days before encumbrance of funds;
4. Any proposed use of funds will not duplicate or compete with any existing publicly-funded transit or paratransit service;
5. That Prop. A funds will be used within the year of receipt plus three years thereafter unless specific permission for a time extension is granted by the MTA;
6. That the undersigned will submit to the MTA an annual preliminary report on use of funds within 90 days of the close of the fiscal year;
7. Unless otherwise required by the MTA, an audit certified by a Certified Public Accountant, will be conducted by the MTA within 180 days of the close of the fiscal year;
8. That the description of the intended use of the funds, as submitted to the MTA, is an accurate depiction of the project to be implemented;
9. That a 25 percent change in project scope or financing for those projects defined in the Guidelines will be submitted to the MTA at least 60 days before that change in scope is implemented;

10. That all projects proposed for Prop. A funding will meet the legal requirements of the MTA's Prop. A Ordinance and the MTA's Local Return Program Guidelines criteria.

B. The undersigned further understands and agrees:

1. That the MTA will require the undersigned to return any Prop. A funds and may impose interest penalties on any expenditure found to be illegal or improper under the terms of the MTA's Prop. A Ordinance or the MTA's Local Return Program Guidelines;
2. That the undersigned will assume all responsibilities for compliance with applicable American With Disabilities Act (ADA) requirements, CEQA and NEPA requirements regarding projects to be funded in part or in whole with Prop. A funds;
3. That the undersigned will comply with all applicable federal, state, and local requirements as to affirmative action, fair labor practices, transit accessibility, and public health and safety;
4. That the undersigned will either utilize the State Controller's Uniform System of Accounts and Records to accommodate uses and disbursements of Prop. A funds or will establish a separate Prop. A Local Transit Assistance (PALTA) accounting system which will allow financial and compliance audits of Prop. A funds transactions and expenditures to be conducted;
5. That any Prop. A funds not encumbered within the year of receipt of funds plus three years thereafter, or as may be extended by the MTA, will be returned to the MTA upon request therefrom.

IN WITNESS WHEREOF the undersigned has executed this "Assurances and Understandings Regarding Receipt and Use of Proposition A Funds" this ____ day of _____, 19__ by its duly authorized officer:

CITY OF _____

BY _____

(Title)

DATE _____

ASSURANCES AND UNDERSTANDINGS REGARDING
RECEIPT AND USE OF PROPOSITION C FUNDS

(Updated November, 1994)

The undersigned, in conjunction with the receipt of funds derived from the 1/2 cent sales tax imposed by the Proposition C Ordinance of the Los Angeles County Metropolitan Transportation Authority (MTA), and as required by the MTA's Local Return Program Guidelines, hereby provides the following assurances and understandings:

A. The Undersigned hereby Assures the MTA:

1. That the Prop. C funds will not be substituted for property tax funds which are currently funding existing public transportation programs;
2. That Prop. C funds will be used for "public transit purposes", as defined in the MTA's Local Return Program Guidelines;
3. That the undersigned will not trade, exchange or loan Prop. C funds to other local jurisdictions;
4. That the undersigned will submit to the MTA a description of the use of funds:
 - a. Annually, by August 1st of each year, beginning in 1993;
 - b. Project amendments for a service expansion or a new service: at least 60 days before encumbrance of funds;
 - c. For all other project amendments: at least 30 days before encumbrance of funds;
5. Any proposed use of funds will not duplicate or compete with any existing publicly-funded transit or paratransit service;
6. That Prop. C funds will be expended within the year of receipt, plus two years thereafter;
7. Unless otherwise required by the MTA, an audit, certified by a certified public accountant, will be conducted by the MTA within 180 days of the close of the fiscal year;
8. That the plan for the intended use of the funds, as submitted to the MTA, is an accurate depiction of the projects to be implemented;

9. That any 25 percent change in project scope or financing for those projects defined in the Guidelines will be submitted to the MTA at least 60 days before that change in scope is implemented;
10. That all projects proposed for Prop. C funding will meet the legal requirements of the MTA's Prop. C Ordinance and the MTA's Local Return Program Guidelines criteria.

B. The undersigned further understands and agrees:

1. That the MTA will require the undersigned to return any Prop. C funds, and may impose interest penalties on any expenditure found to be illegal or improper, under the terms of the MTA's Prop. C Ordinance or the MTA's Local Return Program Guidelines;
2. That the undersigned will assume all responsibilities for compliance with applicable Americans with Disabilities Act (ADA) requirements, CEQA, and NEPA requirements regarding projects to be funded, in part or in whole, with Prop. C funds;
3. That the undersigned will comply with all applicable federal, state, and local requirements as to Affirmative Action, Fair Labor practices, transit accessibility, and Public Health and Safety;
4. That the undersigned will, either utilize the state controller's Uniform System of Accounts and Records to accommodate uses and disbursements of Prop. C funds, or will establish a separate Prop. C Local Transit-Assistance (PCLTA) accounting system, which will allow financial and compliance audits of the Prop. C fund transactions and expenditures to be conducted;
5. That any Prop. C funds, not expended within the year of receipt of funds, plus two years thereafter (see A.5), will be returned to the MTA, upon request therefrom.

IN WITNESS WHEREOF, the undersigned has executed these Assurances and Understandings Regarding Receipt and Use of Proposition C Funds this ____ day of _____, 19__, by its duly-authorized officer:

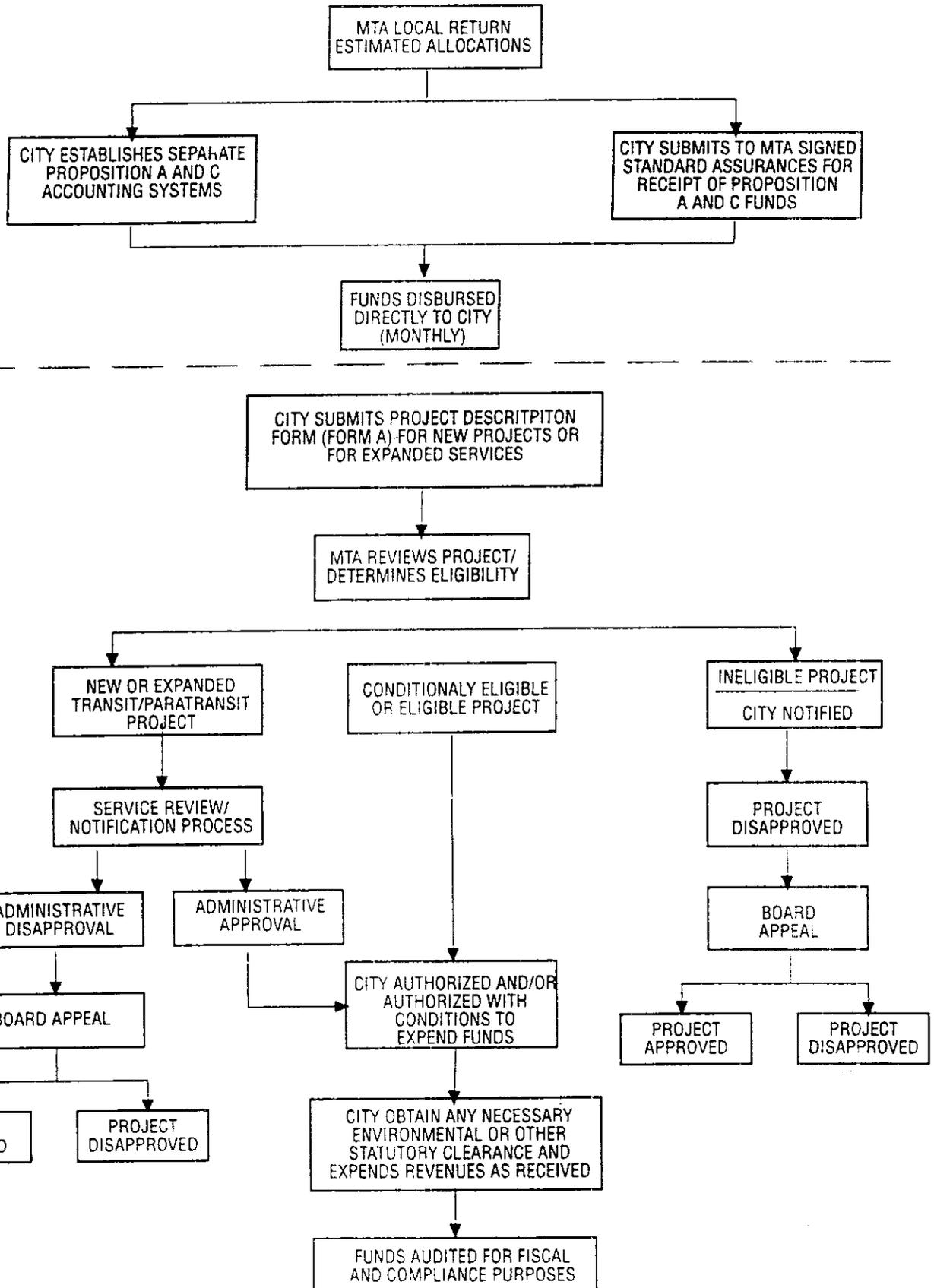
CITY OF _____

BY _____

(Title)

DATE _____

FLOW CHART FOR USE OF PROPOSITION A AND C LOCAL RETURN FUNDS



**INSTRUCTIONS
PROPOSITION A/C LOCAL RETURN
CONSOLIDATED FORMS**

PROJECT DESCRIPTION - FORM A

Form A should be submitted whenever a local agency is requesting the approval of a new project or if there is a budget or scope change in an ongoing transit or paratransit project (as defined in Proposition A and C guidelines). This form can be submitted any time during the fiscal year.

AGENCY/CITY:

Name of City or County submitting the project for review. If this project is being done under a Joint Powers Agreement (JPA) (a cooperative agreement between several cities to fund a project) each city participating in the joint powers arrangement should submit its own form. The Project Description of the form should list the other cities participating in the JPA.

CONTACT PERSON:

Name and title of person to contact if additional information is needed.

DATE:

Enter the month, day and year the form is being submitted to the MTA.

TELEPHONE NUMBER:

Telephone number of contact person.

PROGRAM:

Indicate whether this project will be funded by Proposition A or C Local Return. Indicate whether this is a new or amended/revised project description.

FISCAL YEAR:

Indicate the current fiscal year of the proposed project budget for which Proposition A or C Local Return funds will be used. Project funds should be budgeted by fiscal year (July 1 - June 30).

SEQUENCE NUMBER AND PROJECT CODE:

Indicate the sequence number (in order of submittal during the current fiscal year) and refer to the listing of codes attached and enter the three-digit number of the project type in this space. This code will help MTA staff compile projects by type for reporting purposes. Each project should have one code only.

ESTIMATED START AND COMPLETION DATES:

Indicate the estimated dates in which the project is scheduled to begin and end.

FORM A INSTRUCTIONS, con't

TITLE:

Indicate the title of the project.

PROJECT DESCRIPTION AND JUSTIFICATION:

Give a description of the project. Refer to Proposition A and C Local Return guidelines for requirements. Attach separate sheet if necessary.

PROJECT STATUS (Operating Projects Only):

This information is necessary so MTA may better determine 1) whether duplication/competition circulation is necessary, and 2) the type and amount of funds, if any, are being replaced by Proposition A or C funds.

New: Indicate whether the service or project has not been previously provided by the City.

Expanded or Reduced Service: Refer to the Service Coordination Process of the guidelines.

Change in Funding: Service or project currently in existence. Proposition A or C Local Return funds are to be used to replace current funding source(s). If so, indicate the source(s) and the amount(s) in the project description.

Restart: Service or project previously provided by the city but has been discontinued. If so, indicate the previous funding source(s), the amount(s), and the date service was discontinued in the project description.

ACCESSIBLE:

Wheelchair Users: If the proposed project is accessible to persons who use a wheelchair, place a check in the box.

Equipment modifications to accommodate wheelchair users include lifts, tie downs, etc.

Semi-Ambulatory: If the proposed project is accessible to persons who are semi-ambulatory, place a check in the box and indicate the modification(s) to accommodate semi-ambulatory persons in the project description.

FORM A INSTRUCTIONS, con't

Equipment modifications to accommodate semi-ambulatory persons include lift usage, hand-rails, preferential seating for elderly and handicapped, etc.

For facilities improvements indicate if the improvements are accessible in the project description.

BUDGET:

Proposition A Local Return: Provide a record of the amount of Proposition A Local Return funds budgeted for the project.

Proposition C Local Return: Provide a record of the amount of Proposition C Local Return funds budgeted for the project.

PROJECT EXPENSES:

Administration: Indicate the amount to be expended by your agency (city or county) for in-house administration of the project (include only wages, fringe benefits and overhead). Include all support activities not attributable to another category.

Planning/Engineering: Indicate the amount to be expended for planning/engineering. Include costs of environmental documentation design survey, soil report, etc and the preparation of plans, specifications and cost estimates, utility engineering and other necessary work prior to advertising of the project for bids.

Operations & Maintenance: Indicate the amount to be expended associated with vehicle operation and maintenance (i.e., fuel, insurance, drivers' salaries, dispatcher, maintenance supplies, wages for mechanics, etc.).

Contractual Services: Indicate the amount to be expended for contractual services (i.e., consultants, service providers, payments to contractor for the construction of project, etc.).

Capital (Equipment & Construction): Indicate the amount to be expended for capital equipment (tangible assets with an expected service life of more than one year and unit cost greater than agency capitalization cut-off) and construction (cost of materials, construction engineering and inspection).

Other: Indicate other funding sources and the amount which will be used for the project.

TOTAL EXPENSES:

Calculate the total amount of expenses. The total expenses should equal the total revenue.

PROJECT REVENUES:

Proposition A Local Return: Indicate the amount of Proposition A Local Return funds to be expended on the project.

FORM A INSTRUCTIONS, con't

Proposition C Local Return: Indicate the amount of Proposition C Local Return funds to be expended on the project and indicate a three year total for Proposition C Local Return only.

Fare Revenue: For operating (transit or paratransit) projects which will collect a fare, indicate the total estimated fare to be collected.

Other: Indicate other funding sources and the amount which will be used for the project.

TOTAL PROJECT REVENUES:

Calculate the total amount of revenues.

AUTHORIZED SIGNATURE:

This form should be signed by a person authorized to program city/agency projects (for example, Proposition A or C Local Return administrator, mayor, city manager, department head).

ANNUAL PROJECT SUMMARY - FORM B

Form B requires a local agency to give an update of already approved, ongoing and carryover Proposition A & C projects. This form is due by August 1 of each year. Since new projects require additional information, please include all new projects on Form A only.

AGENCY/CITY:

Name of City or County submitting the project for review. If this project is being done under a Joint Powers Agreement (JPA) (a cooperative agreement between several cities to fund a project) each city participating in the joint powers arrangement should submit its own form.

CONTACT PERSON:

Name and title of person to contact if additional information is needed.

FISCAL YEAR:

Indicate the fiscal year for which Proposition A or C Local Return funds will be used. Project funds should be budgeted by fiscal year (July 1 - June 30).

TELEPHONE NUMBER:

Telephone number of contact person.

ORIGINAL YEAR OF APPROVAL:

Indicate the original year of approval of the project.

SEQUENCE NUMBER AND PROJECT CODE:

Indicate the sequence number and enter the three-digit number of the project type in this space (refer to the attached listing of codes). This code will help MTA staff compile projects by type for reporting purposes.

PROJECT STATUS:

Indicate whether the project is On Going (OG) - transit or paratransit service projects that have already been approved and have not been amended or revised (as defined in Proposition A and C guidelines), or Carry Over (CO) - one-time projects (i.e. bus stop improvements, studies, vehicle purchases, etc.) if not completed within a previous fiscal year submitted for approval.

PROJECT TITLE:

Indicate the name of the project.

PROPOSITION A LOCAL RETURN:

Indicate the amount of Proposition A Local Return budgeted for the project for Year One only.

PROPOSITION C LOCAL RETURN:

Indicate the amount of Proposition C Local Return budgeted for the project for three years.

FORM B INSTRUCTIONS, con't

FARE REVENUE:

For operating (transit or paratransit) projects which will collect a fare, indicate the total estimated fare to be collected (Example: estimated annual riders = 5,000 x 25 cents fare = total estimated fare \$1,250). If fares are not retained by the city, do not include as a funding source.

OTHER:

Indicate the source and the amount of other funds which will be used for the project.

TOTAL:

Calculate total for the project.

AUTHORIZED SIGNATURE:

This form should be signed by a person authorized to program city/agency projects (for example, Proposition A or C Local Return administrator, mayor, city manager, department head).

ANNUAL EXPENDITURE REPORT - FORM C

Form C replaces the quarterly fiscal report form. This form requires a local agency to report the annual expenditures for both the Proposition A and C Local Return program for the previous fiscal year. Form C is due by September 1 of each year.

AGENCY/CITY:

Name of City or County submitting the project for review. If this project is being done under a Joint Powers Agreement (JPA) (a cooperative agreement between several cities to fund a project) each city participating in the joint powers arrangement should submit its own form.

CONTACT PERSON:

Name and title of person to contact if additional information is needed.

AMENDED/REVISED:

If this report is an amendment or revision to a previous report, please indicate by checking the box at the top of the page.

FISCAL YEAR:

Indicate the current fiscal year when this form is being submitted. Project expenditures should be for the prior fiscal year (e.g., if the current fiscal year is FY 1995, the expenditures listed in this form should be for FY 1994).

TELEPHONE NUMBER:

Telephone number of contact person.

ANNUAL REVENUE:

Indicate the amount of Proposition A and C Local Return interest income and revenue income for the prior fiscal year. Indicate the amount received in trades for the prior fiscal year for Proposition A Local Return only.

ORIGINAL YEAR OF APPROVAL:

Indicate the original year of approval of the project.

SEQUENCE NUMBER AND PROJECT CODE:

Indicate the sequence number and enter the three-digit number of the project type in this space (refer to the attached listing of codes). This code will help MTA staff to compile projects by type for reporting purposes.

PROJECT TITLE:

Indicate the name of the project.

PROP A LOCAL RETURN EXPENDITURE:

Indicate the total amount of Proposition A Local Return expended for the project during the previous fiscal year.

FORM C INSTRUCTIONS, con't

PROP C LOCAL RETURN EXPENDITURE:

Indicate the total amount of Proposition C Local Return expended for the project during the previous fiscal year.

OTHER EXPENDITURES:

This section is for reporting all non-local return expenditures on the project.

TOTAL EXPENDITURES:

Indicate the total amount of expenditures for the project during the previous fiscal year.

APPROVED MTA BUDGET:

Indicate the project budget approved by MTA.

AUTHORIZED SIGNATURE:

This form should be signed by a person authorized to program city/agency projects (for example, Proposition A or C Local Return administrator, mayor, city manager, department head).

PROPOSITION A LOCAL RETURN PROGRAM PROJECT CODES

- 110 FIXED ROUTE TRANSIT
- 120 GENERAL PUBLIC PARATRANSIT (E.G., DIAL-A RIDE)
- 130 SPECIAL SERVICE PARATRANSIT ELDERLY and/or PERSONS WITH DISABILITIES
- 140 RECREATIONAL OR SPECIAL EVENT TRANSIT
- 150 BUS STOP IMPROVEMENT PROGRAM (BUS PADS, CURB CUTS, BUS TURN-OUT AREAS)
- 160 BUS STOP SHELTERS AND BENCHES (CAPITAL)
- 170 BUS SHELTERS MAINTENANCE
- 180 VEHICLE & MISCELLANEOUS EQUIPMENT (FARE BOX, RADIOS, COIN COUNTER & DESTINATION SIGNS)
- 190 VEHICLE MODIFICATION PROGRAM
- 200 VEHICLE PURCHASE PROGRAM
- 210 BUS LANE MODIFICATION PROGRAM (EXCLUSIVE BUS LANES, REVERSE/ CONTRAFLOW BUS LANES, ETC.)
- 220 ON-BOARD & BUS STOP TRANSIT SECURITY
- 230 TRANSIT STATION/PARK-AND-RIDE LOT SECURITY
- 240 SUBSIDIZED TAXI SERVICES
- 250 USER-SIDE SUBSIDY
- 260 RIDESHARING PROGRAM
- 270 TRANSPORTATION PLANNING (INCLUDING PLANNING STUDIES)
- 280 TRANSIT MARKETING
- 290 PARK-AND-RIDE LOT PROGRAM (EXCLUSIVE TRANSIT OR RIDESHARING USE ONLY)
- 300 TRANSIT FACILITY IMPROVEMENTS (INCLUDING MODIFICATION OR CONSTRUCTION PROJECT)

PROPOSITION A LOCAL RETURN CODES

con't

- 310 TRANSIT CENTERS PROGRAM
- 320 METRO RED LINE CAPITAL
- 330 METRO BLUE LINE CAPITAL
- 340 METRO GREEN LINE CAPITAL
- 350 RIGHT-OF-WAY ACQUISITION PROGRAM
- 360 COMMUTER RAIL (OPERATIONS)
- 370 COMMUTER RAIL (CAPITAL)
- 380 CAPITAL RESERVE
- 390 RAIL TRANSIT ENHANCEMENTS (SIGNAGE, LANDSCAPING)
- 400 SYNCHRONIZED SIGNALIZATION
- 405 FUND EXCHANGE
- 410 TRANSPORTATION DEMAND MANAGEMENT
- 480 DIRECT ADMINISTRATION
- 500 OTHER (SPECIFY)

PROPOSITION C LOCAL RETURN PROGRAM
PROJECT CODES

- 110 FIXED ROUTE TRANSIT
- 120 GENERAL PUBLIC PARATRANSIT (E.G., DIAL-A RIDE)
- 130 SPECIAL SERVICE PARATRANSIT ELDERLY and/or PERSONS WITH DISABILITIES
- 140 RECREATIONAL OR SPECIAL EVENT TRANSIT
- 150 BUS STOP IMPROVEMENT PROGRAM (BUS PADS, CURB CUTS, BUS TURN-OUT AREAS)
- 160 BUS STOP SHELTERS AND BENCHES (CAPITAL)
- 170 BUS SHELTERS MAINTENANCE
- 180 VEHICLE & MISCELLANEOUS EQUIPMENT (FARE BOX, RADIOS, COIN COUNTER & DESTINATION SIGNS)
- 190 VEHICLE MODIFICATION PROGRAM
- 200 VEHICLE PURCHASE PROGRAM
- 210 BUS LANE MODIFICATION PROGRAM (EXCLUSIVE BUS LANES, REVERSE/ CONTRAFLOW BUS LANES, ETC.)
- 220 ON-BOARD & BUS STOP TRANSIT SECURITY
- 230 TRANSIT STATION/PARK-AND-RIDE LOT SECURITY
- 240 SUBSIDIZED TAXI SERVICES
- 250 USER-SIDE SUBSIDY
- 260 RIDESHARING PROGRAM
- 270 TRANSPORTATION PLANNING (INCLUDING PLANNING STUDIES)
- 280 TRANSIT MARKETING
- 290 PARK-AND-RIDE LOT PROGRAM (EXCLUSIVE TRANSIT OR RIDESHARING USE ONLY)
- 300 TRANSIT FACILITY IMPROVEMENTS (MODIFICATION OR CONSTRUCTION OF TRANSIT CENTER or TRANSIT INFORMATION CENTER, EXCLUDING COMMUTER RAIL)

PROPOSITION C LOCAL RETURN CODES

con't

- 310 TRANSIT CENTERS PROGRAM
- 320 METRO RED LINE CAPITAL
- 330 METRO BLUE LINE CAPITAL
- 340 METRO GREEN LINE CAPITAL
- 350 RIGHT-OF-WAY ACQUISITION PROGRAM
- 360 COMMUTER RAIL (OPERATIONS)
- 370 COMMUTER RAIL (CAPITAL)
- 380 CAPITAL REVERSE
- 390 RAIL TRANSIT ENHANCEMENTS (SIGNAGE, LANDSCAPING)
- 400 SYNCHRONIZED SIGNALIZATION
- 410 TRANSPORTATION DEMAND MANAGEMENT
- 420 CONGESTION MANAGEMENT PROGRAM ACTIVITIES
- 430 BIKEWAYS & BIKEWAY IMPROVEMENTS
- 440 STREET REPAIR AND MAINTENANCE (E.G., SLURRY SEALS, RESURFACING, RECONSTRUCTION, ETC.)
- 450 STREET IMPROVEMENT PROJECTS (E.G., CAPACITY IMPROVEMENTS, WIDENINGS, IMPROVED CHANNELIZATION OR NEW STREETS WHICH WILL BE HEAVILY USED BY TRANSIT)
- 460 STREET TSM PROJECTS (E.G., SIGNALIZATION, HOV LANES, REVERSIBLE LANES, ETC.)
- 470 PAVEMENT MANAGEMENT SYSTEM (COSTS SHOULD NOT INCLUDE ON-STREET WORK)
- 480 DIRECT ADMINISTRATION
- 500 OTHER (SPECIFY)

Form A

L.A. COUNTY METROPOLITAN TRANSPORTATION AUTHORITY



LOCAL RETURN PROGRAM PROJECT DESCRIPTION FORM



(required for all new & amended projects)

AGENCY/CITY: _____ CONTACT PERSON: _____

DATE: _____ TELEPHONE #: () _____

PROGRAM (Check Appropriate Box):
 Proposition A New
 Proposition C Amended/Revised

FISCAL YEAR: _____ SEQUENCE NO.: _____ PROJECT CODE: _____

ESTIMATED START DATE: _____ ESTIMATED COMPLETION DATE: _____

TITLE: _____

PROJECT DESCRIPTION AND JUSTIFICATION: (Attach separate sheet if necessary)

BUDGET (Funds in \$000's)	
PROJECT EXPENSES	Proposition A or C Amount
Administration	
Planning/Engineering	
Operations & Maintenance	
Contractual Services	
Capital (Equip. & Construction)	
Other (Specify)	
TOTAL EXPENSES	
PROJECT REVENUES	
Prop. A Local Return	
Prop C Local Return	
Fare Revenue	
Other (Specify)	
TOTAL PROJECT REVENUES	

Project Status
(Operating Projects only):

- New
- Expanded
- Change In Funding
- Restart

Handicapped Accessible:

- Wheel Chair
- Semi-Ambulatory

NOTE: Operating & capital budgets should be reported separately.

AUTHORIZED SIGNATURE

TITLE

DATE

APPENDIX IV
(Continued)

DUE DATES FOR FORMS A, B AND C

FORM	PURPOSE	DUE DATE
FORM A	PROJECT DESCRIPTION FORM (FOR NEW PROPOSITION A AND C LOCAL RETURN PROJECTS FOR EXPANDED SERVICES).	ANY TIME DURING THE YEAR.
FORM B	ANNUAL PROJECT SUMMARY FORM (FOR ON-GOING OR CARRYOVER PROPOSITION A AND C LOCAL RETURN PROJECTS).	AUGUST 1 OF EACH YEAR.
FORM C	ANNUAL EXPENDITURE REPORT (FOR THE REPORTING OF PROPOSITION A AND C ANNUAL EXPENDITURES).	SEPTEMBER 1 OF EACH YEAR.

SAMPLE
SERVICE COORDINATION
CONDITIONAL APPROVAL LETTER

Date

Applicant
Title
City
Address

Dear (Applicant):

CONDITIONAL APPROVAL OF PROPOSITION A (AND/OR) C
LOCAL RETURN PROJECT SUBJECT TO
MTA SERVICE COORDINATION REQUIREMENTS

The Los Angeles County Metropolitan Transportation Authority (MTA) received your local jurisdiction's project description (Form A) for Project Code # xxxxxx on Month, date, year for use of Proposition A Local Return funds for FY 199x-9x and(or) Proposition C Local Return funds for FYs 199x, 199x, and 199x.

I have reviewed your project and have found it to be an eligible expenditure of Proposition A and(or) C funds with the following condition(s):

1. Prior to expenditure of Proposition A and(or) Proposition C funds, the proposed transit service project must be coordinated with MTA operations and other potentially affected existing public transit services in the vicinity of the proposed project. MTA has adopted a service coordination policy and procedures for service coordination. Your local jurisdiction is not authorized to expend any Proposition A or Proposition C funds on this project until this service coordination process is completed and the project is administratively approved with no subsequent appeal or approved following a formal MTA Board appeal process.
2. (Describe any other MTA conditions required for this project to be an eligible use of Proposition A and(or) C funds). The process for service coordination analysis, administrative approval and the formal MTA Board appeal process is attached. I have circulated this letter to the MTA Service Review Committee and the following other potentially interested parties: (List other operators, jurisdictions). The XXXXX Area Team would be happy to provide you with further assistance in this service coordination process. If you have any questions, please contact (Area Team Project Manager Name, Title) at (213) 244-xxxx.

Sincerely,

Name Project Manager

c: MTA Service Review Committee members

SAMPLE
CONDITIONAL APPROVAL OF PROJECT
BY MTA SERVICE REVIEW COMMITTEE

Date

Name

Title

City

Address

Dear XXX:

CONDITIONAL APPROVAL OF (LOCAL JURISDICTION'S) PROJECT #XXXX
BY MTA SERVICE REVIEW COMMITTEE

The Los Angeles County Metropolitan Transportation Authority's Service Review Committee (SRC) has reviewed your proposed transit project #XXXXXXXX pursuant to California statutes that require MTA to coordinate the proposed services with existing services in the vicinity in order to reduce service duplication and diversion of fare revenue.

The SRC has approved the proposed project with the following conditions:

(state conditions)

This administrative action was taken for the following reasons:

(state reasons)

The administrative action will be considered binding and final unless a formal MTA appeal process is requested by your jurisdiction or an MTA Board Member by xxxx xx, 199x, which is within 10 days following the date of this notice. Your jurisdiction may not expend any Proposition A or C funds until the ten-day appeal request period expires or until the appeal process is completed. Expenditure of either of these funds prior to this time will automatically be determined an ineligible use of Proposition A and/or Proposition C.

To initiate the formal MTA Board Appeal process, contact either of us.

Sincerely,

Ellen Levine
Deputy Executive Officer
Operations

Patricia McLaughlin
Deputy Executive Officer
Multimodal Planning

c: MTA Board Members/Alternates
Potentially affected operators, jurisdictions Service Review Committee staff

SAMPLE

CAPITAL RESERVE
MEMORANDUM OF UNDERSTANDING

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the City of _____ have agreed upon the need to improve transportation and will work jointly toward that end; and

WHEREAS, the LACMTA has designated _____ as a capital improvement project and,

WHEREAS, the City of _____ is prepared to commit and accumulate Proposition A or C Local Return funds, to be used exclusively for the construction and/or purchase of _____ as agreed to by both parties.

NOW THEREFORE, the MTA and the city agree as follows:

FUNDING

The City of _____ will establish a capital reserve fund and will allocate \$ _____ of Proposition A or C Local Return funds for FY _____. All interest accumulated on funds placed in the capital reserve fund shall accrue to that fund.

TERM

The capital reserve fund will begin as of Fiscal Year _____ and shall continue until such time as agreed upon by both parties and under the conditions set forth in the Proposition A and C Local Return Guidelines.

TERMINATION

This agreement can be terminated by either party with a 30-day written notice under the conditions set forth in the Proposition A and C Local Return Guidelines.

CONDITIONS

The MTA and the City of _____ agree to abide by the requirements of the Proposition A and C Local Return Guidelines pertaining to:

- A. Annual Project Summary;
- B. Reprogramming funds; and.
- C. Annual Status Update

This Memorandum of Understanding is hereby executed this _____ day of _____, 1999.

CITY OF

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY

MAYOR

CITY MANAGER

APPROVED AS TO FORM:

APPROVED AS TO FORM:

COUNTY COUNSEL

CITY ATTORNEY

BY: _____

FUND TRADE AGREEMENT

(PROPOSITION A LOCAL RETURN ONLY)

This Assignment Agreement is made and entered into this _____ day of _____, 199__, by and between the City of Center City, California and the City of Pine Valley, California with respect to the following facts:

- A. The City of Pine Valley proposes to provide Dial-A-Ride services to its elderly and individuals with disabilities. Approximately 20% of the City population is unable to use the available fixed route service due to frailty or handicap. No door-to-door public transit services are available in the City of Pine Valley. Adequate Proposition A Local Return funding for such a service is not available given the limited amount of the City of Pine Valley's Local Return allocation and the needs of other priority transit projects in the City.
- B. City of Center City, has uncommitted funding authority for its Fiscal Year 1988-89 allocation of Proposition A Local Return funds which could be made available to the City of Pine Valley to assist in providing the services discussed in Paragraph A of this Agreement. In exchange for assignment by City of Pine Valley of the amount of its general funds indicated in Section 1 below, City of Center City is willing to assign uncommitted Proposition A Local Return funding to City of Pine Valley for the purpose identified in Paragraph A above.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. City of Center City agrees to assign \$100,000 of its Fiscal Year 199__-199__ Proposition A Local Return Funding authority to City of Pine Valley. In return, City of Pine Valley agrees to assign \$50,000 of its general funds to City of Center City.
2. Consideration. City of Center City shall assign the agreed upon Proposition A Local Return funds to City of Pine Valley in twelve equal installments due the first of each month. City of Pine Valley shall assign the agreed upon general funds to City of Center City in twelve equal installments due the first of each month.

The first installment shall be due and payable upon approval by the Los Angeles County Metropolitan Transportation Authority (LACMTA) of City of Pine Valley's project description covering the services discussed in Paragraph A above.

3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.
4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the MTA so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.

5. Notices. Notices shall be given pursuant to this agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

a. City Manager
City of Center City
101 Main Street
Center City, CA 90000

b. City Manager
City of Pine Valley
401 Valley Boulevard
Pine Valley, CA 90000

6. Assurances

A. City of Pine Valley shall use the assigned Proposition A Local Return funds only for the purpose of providing the services discussed in Paragraph A of this Agreement and within the time limits specified in MTA's Proposition A Local Return Program Guidelines.

B. Concurrently with the execution of this Agreement City of Pine Valley shall provide MTA with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition A Funds specified in the Guidelines regarding the use of the assigned Proposition A Local Return funds.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers, duly authorized, on the day and year above written.

CITY OF _____ CITY OF _____

BY _____ BY _____

ATTEST:

City Clerk

City Clerk

Approved as to Form:

Approved as to Form:

AUDIT GUIDELINES

According to Audit Section on page 54 of these Guidelines, "Each year, the MTA will audit reported uses of Local Return funds for fiscal and compliance purposes." This appendix is a guide including instructions and outlining the requirements for completion of the audit.

EXPENDITURE CRITERIA

A proposed expenditure will be eligible for funding if it meets the statutory requirements of being for "public transit purposes", as defined in Section II of these guidelines. This definition is further clarified on a project-specific basis by the MTA in the listing of eligible, conditionally-eligible, and ineligible projects contained in Appendix II of these guidelines.

ROLES AND RESPONSIBILITIES

City/County: It is the responsibility of the local jurisdiction receiving Proposition A and C funds to maintain the proper accounting procedures, cash management, records and documentation.

MTA: It is the responsibility of the MTA to provide administration, review, and monitoring of the Proposition A and C programs; Proposition A and C receipts, distribution and expenditures; as well as the guidelines for audit of the programs.

Auditor: It is the responsibility of the Auditor to determine:

1. Compliance with Proposition A and C statutes and Guidelines and/or any law, regulation, or ordinance which governs the proper administration of public monies.
2. Adherence to approved project description. The exercise of the auditor's authority is restricted to a review of the legality of expenditures, under the Proposition A and C Ordinances and Local Return Program Guidelines. The auditor may not supervise or substitute his/her judgment for that of the local agency in matters that properly rest within the agency's discretion. For example, it is within the local agency's judgment to operate a Dial-A-Ride program. It is within the auditor's responsibility as to the expenditures related to that project. For the purpose of these audits, it is not the auditor's responsibility to question project need or project performance.

If a local jurisdiction proposes to buy five (5) vans for the operation of a Dial-A-Ride Program and instead, without

notifying and obtaining approval from the MTA, decides to purchase twenty five (25) vans (the five originally proposed plus 10 additional for Dial-Ride, and 10 for local jurisdiction non-transit use) it is within the auditor's responsibility and duty to question whether there has been an abuse of discretion and an unreasonable, illegal, and/or unauthorized expenditures.

AUDIT CRITERIA

1. Compliance with Ordinances and Guidelines;
2. Adherence to approved project description;
3. Proper accounting procedures;
4. Maintenance of separate Proposition A and C accounts and auditable records and documents;
5. Proper cash management;
6. Timely receipt and deposit of funds;
7. Non-substitution of property tax;
8. Legally eligible expenditures;
9. Project changes (if applicable)
10. Loans and exchanges (if applicable)
11. Timely use of funds

METHODS OF VERIFICATION

1. Physical inspection, site visits;
2. Review and test of records and documentation;
3. Interviews with relevant personnel.

RETENTION OF DOCUMENTS

The local jurisdiction is required to maintain Proposition A and C Local Return Program documentation and records for a period of three years (including audit year).

Aside from the expenditure-support documentation, the local jurisdiction should keep the following documents on file:

- Approval letters;
- Confirmation letters (e.g., bus stop improvement projects);
- Council minutes/Governing Body Resolutions;
- Assurances and Understandings.; and,
- Any other documents needed to support transactions that may be subject to audit.

AUDIT DELIVERABLES

The audit will provide the following:

- Auditor's Report;
- Balance Sheet;
- Statement of Revenue and Expenditures;
- Review for Compliance;
- Summary of Exceptions.

A copy of the audit report is to be submitted to:

The Los Angeles County Metropolitan Transportation Authority
Attention: Area Teams
818 West Seventh Street, Suite 1100
Los Angeles, California 90017

ALLOWABLE COSTS

All costs charged to Proposition A and C funds should meet the following conditions:

The charges must be:

- Eligible, as defined in Appendix II of the Proposition A and C Guidelines
- Consistent with the approved Project Description Form
- Auditable (verifiable)

ADMINISTRATIVE ACCOUNTING PROCEDURES

Interest Allocation

Jurisdictions are entitled to retain any and all interest revenues which they may earn on their Proposition C funds. Local jurisdictions must maintain accurate records for the amount of interest earned each year. Interest may be allocated to the funds in the proposition on an annual basis, and reported as part of the annual audit.

Project Revenue

The local jurisdictions need only report project-generated revenues, such as fares, when such revenues are retained and recorded by the local jurisdiction.

Inter-Fund Transfers

On an accrual basis of accounting, local jurisdictions should make note of the following: expenditures for an approved project, which are made from a fund other than the Proposition A or C fund, and will be reimbursed by Proposition A or C funds, should be included in the Annual Expenditure Report to MTA in the period such expenditures are made and not in the period in which the disbursing fund is reimbursed for such expenditures.

Unexpended Project Funds

All unexpended project funds remaining upon completion of an approved project must be re-programmed in accordance with Form B.

Carryover Projects

Ongoing administration, transit or paratransit projects, which have unexpended funds (i.e., fund balance) at the year end may not (excluding any outstanding liabilities) be carried into the next fiscal year. Such projects must be resubmitted on an annual basis (see Annual Project Summary on page 40).

All other types of projects not cited above which 1) are not completed within the applied fiscal year and 2) have unexpended funds (i.e., fund balance), may be carried into the next fiscal year without resubmitting an updated project description. Until completed, such projects must continue to be reported in the Annual Expenditure Report.

ADDITIONAL AUDIT REQUIREMENTS AND RESPONSIBILITIES

1. All local jurisdictions are required to prepare consolidated worksheets, and to reconcile total reported revenues, expenditures, and fund balances to the General Ledger.
2. Revenues should be reported on the accrual basis.
3. Local jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records.

4. Local jurisdictions will be responsible for any unauthorized local return expenditures. Prior written approval from MTA is needed before any funds are expended. Unauthorized expenditures will result in reimbursement of the Proposition A or C Local Return accounts.
5. Local jurisdictions are required to take corrective action in response to the findings of the local return financial and compliance audit.
6. The audit process will include a formal entrance conference and an exit conference to advise local management of the audit and all audit findings. The exit conference will afford management the opportunity to discuss any differences of opinion with the auditor before the final audit report is submitted to the local jurisdiction.
7. Auditors should review the findings and penalties in the Non-Compliance with Proposition A and C Local Return Guidelines matrix in Appendix IX.

APPENDIX IX

PROPOSITION A AND C FUND USES
FINDINGS AND PENALTIES

FINDING	PENALTY
Expended funds prior to MTA approval.	City will be required to return the funds back to MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.
Failure to submit Annual Project Summary (Form B) by August 1.	Audit Exception
Failure to submit Annual Expenditure Report (Form C) by September 1.	Audit Exception
Did not expend Proposition A Local Return funds within four years of allocation.	Any funds not expended within four years of allocation will be returned to MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.
Did not expend Proposition C Local Return funds within three years of allocation.	Any funds not expended within three years of allocation will be returned to MTA for reallocation to local jurisdictions for discretionary programs of county-wide significance.
Expended Proposition A or C Local Return funds on a project that is not for "public transit purposes".	Cities are required to return funds expended on programs that are not for "public transit purposes".

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY (LACMTA)
PAVEMENT MANAGEMENT SYSTEM CERTIFICATION
PROPOSITION C

The City of _____ certifies that it has a Pavement Management System (PMS) in conformance with the criteria stipulated by the Proposition C Local Return Guidelines (identical to the criteria adopted by the Joint City/County/State Cooperation Committee, pursuant to Section 2108.1 of the Streets and Highways Code).

The system was developed by _____ and contains, as a minimum, the following elements:

- * Inventory of arterial and collector routes (including all routes eligible for Prop. C funds), reviewed and updated biennially. The last inventory update was completed _____, 19__.
- * Inventory of existing Class I bikeways, reviewed and updated biennially.
- * Assessment (evaluation) of pavement condition for all routes in system, updated biennially. The last review of pavement conditions was completed _____, 19__.
- * Identification of all sections of pavement needing rehabilitation or replacement.
- * Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current biennial period, and for following biennial period.

If PMS was development in-house, briefly describe it on an attached sheet.

FROM:

AGENCY _____

DATE _____

(Please Print Name)

(Please Print Name)

(Title)

GLOSSARY

fixed route transit- generally refers to a bus system which operates on a fixed system with specific bus stops serving the general public. Fares are generally charged.

dial-a-ride- usually refers to a bus system serving a more defined target group such as seniors and the disabled. Buses are generally smaller, may require advance reservations, and may have fewer and varied stops. Unlike fixed route service, service may only be available to city residents. Cash or coupons may be used for fares. Dial-a-ride service is often referred to as a paratransit service.

recreational transit- city-sponsored trips to recreational or cultural destinations within a defined geographic area. Charter buses are frequently used and trips must be advertised to the general public. Service is generally contracted out to a private sector operator.

on-going project- a project which is continuous and will not be canceled in the short term. Fixed route and dial-a-ride services generally operate year after year.

carry-over project- a project which was not completed and which takes two or more year to finish. The construction of a transit center or a city-wide bus shelter installation project may be multi-year projects.

user-side subsidies- refers to funds set aside to offer discounts to public transit users. Such subsidies are approved by city councils and are optional. A city, for example, pays full price for a monthly bus or rail pass but will sell it to a transit user (city resident) for a lower (subsidized) rate. Each city defines who is eligible for subsidies based on demand and budgetary constraints.

fund exchange- a mechanism which allows city to purchase or sell Proposition A funds to other jurisdictions within Los Angeles County. A fund exchange allows cities more flexibility by recognizing that each city has different levels of transit needs. For example, a city with a higher population of seniors, or a city building a rail station, may need more transit dollars than a city with a low population density with high levels of automobile use. A fund exchange allows city more leverage while funds remain in the County of Los Angeles.

Congestion Management Program (CMP)- a state mandated program linked to Proposition 111 (1990), that requires each county to prepare a plan to address traffic congestion on regional streets and freeways. Elements of the CMP include designation of a regional highway system with level of service (LOS) standards, a local trip reduction ordinance, capital improvement program, land use impact analysis, and transit performance standards. If LOS standards are not maintained, deficiency plans must be prepared and implemented.

Transportation Demand Management (TDM)- generally refers to policies, programs and actions that are directed towards increasing the use of high occupancy vehicles (transit, carpooling and vanpooling) and the use of bicycling and walking. TDM also includes activities that encourage telecommuting, parking management programs, and compressed work week schedules as an alternative to driving. TDM has the added advantage of quick project implementation while encouraging innovative approaches without huge capital outlays.

The revision of the Proposition A and C Local Return Guidelines was made possible through the combined efforts of MTA staff from the Planning and Programming Department:

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The Guidelines cover was designed by Susan Nelson. Special thanks to the MTA Graphics Department.