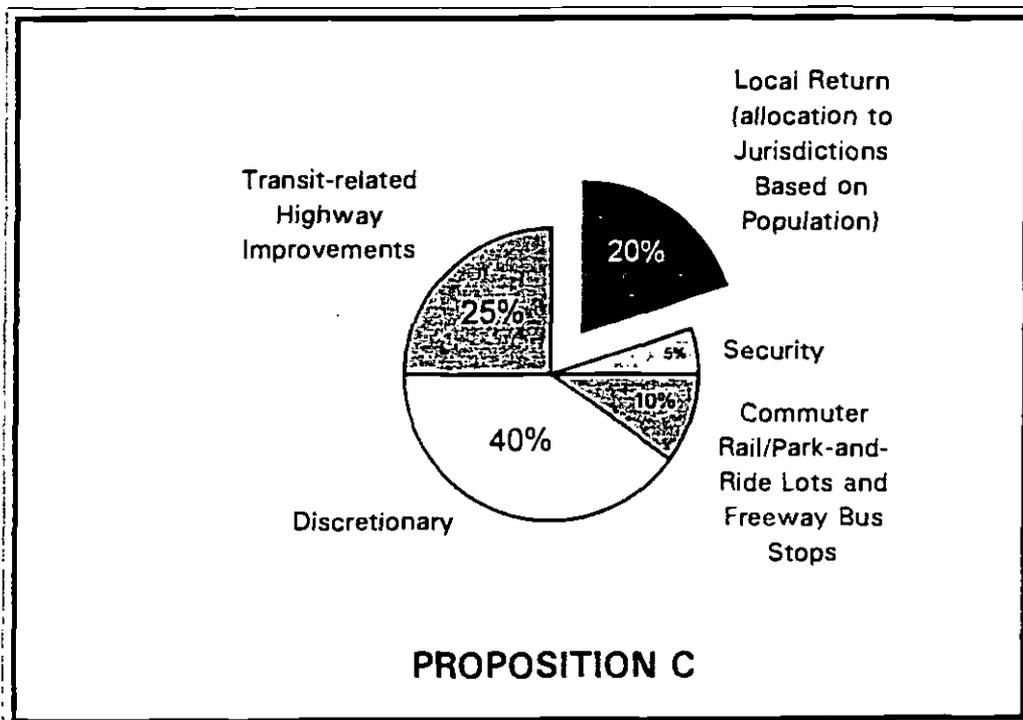
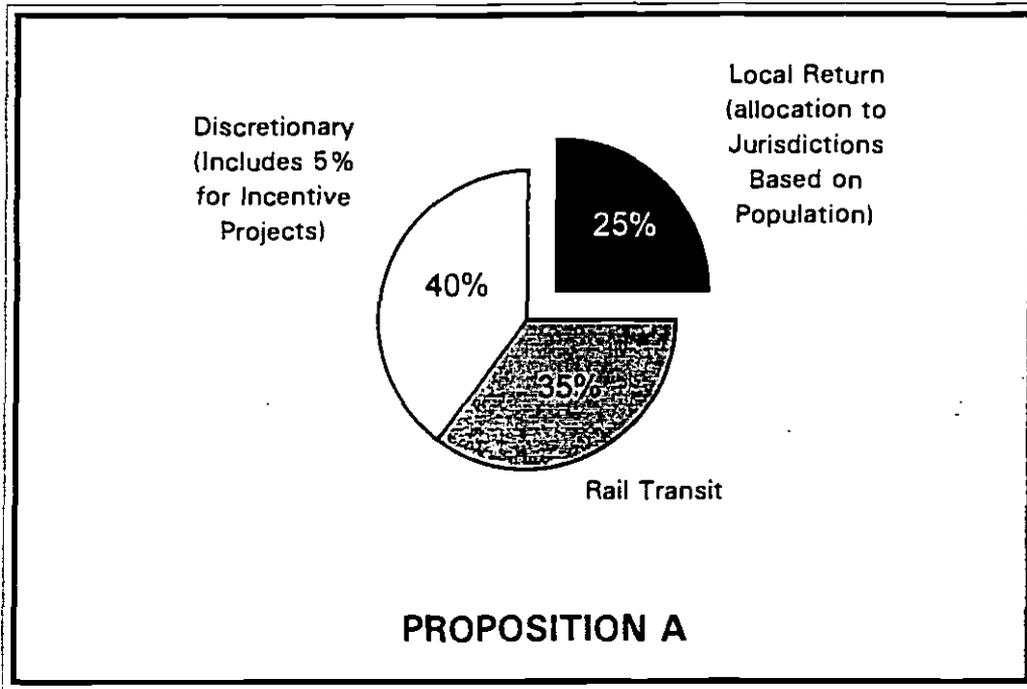


**DRAFT**

**PROPOSITION A AND C  
LOCAL RETURN GUIDELINES**

**REVISED 1998**

# PROPOSITION A AND C DISTRIBUTION



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**I. PROGRAM SUMMARY**

**A. INTRODUCTION**

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

Twenty-five percent of the Proposition A tax and twenty percent of the Proposition C tax is designated for the Local Return (LR) Program funds to be used by cities and the County (Jurisdictions) in developing and/or improving public transit, paratransit, and the related transportation infrastructure.

LR funds are allocated and distributed monthly to Jurisdictions on a "per capita" basis by the Los Angeles County Metropolitan Transportation Authority (MTA).

**1. PROPOSITION A LOCAL RETURN FUNDS**

The Proposition A Ordinance requires that LR funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded to other Jurisdictions in exchange for general or other funds.

**2. PROPOSITION C LOCAL RETURN FUNDS**

The Proposition C Ordinance directs that the LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including, Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C funds cannot be traded.

The tables in Appendix I summarize the Proposition A and C LR Programs and the respective eligible project expenditures.

**B. GENERAL PROVISIONS CONCERNING PROPOSITION A AND C LOCAL RETURN EXPENDITURES**

Jurisdictions are required to use LR funds for developing and/or improving public transit service. As a general rule, an expenditure that is eligible for funding under one or more existing state or federal transit funding programs would also be an eligible LR fund

expenditure provided that the project does not duplicate an existing regional or municipal transit service, project or program.

Allocation of LR funds to and expenditure by Jurisdictions shall be subject to the following conditions:

1. **TIMELY USE OF FUNDS**

The MTA will enforce regulations to insure the timely use of LR funds. Under the Proposition A and C Ordinances, Jurisdictions have three years to expend LR funds. Funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated. Therefore, by method of calculation, each Jurisdiction has three years plus the Fiscal Year of allocation to expend Prop A and C funds. For example, a Jurisdiction receiving funds during FY 1998-99 must expend those funds, and any interest or other income earned from Prop A and/or C projects, by June 30, 2002.

2. **AUDIT OF PROPOSITION A AND C FUNDS**

Jurisdictions shall annually account, through a fiscal and compliance audit, to the MTA on the use of LR funds. The Audit Section, (Section V, page 29), details Project Expenditure Criteria, Allowable Costs, Audit Deliverables, and Administrative Accounting Procedures.

3. **INELIGIBLE USE OF FUNDS**

In the event that LR funds have been expended prior to MTA approval and/or used for ineligible purposes, Jurisdictions will be required to reimburse their Proposition A or C LR account, including interest and/or earned income, as indicated in the Audit Section (page 32).

Stand alone projects, such as, lighting, landscaping, traffic signals, storm drains, or Transportation Planning projects unrelated to an eligible project, are not eligible.

4. **STANDARD ASSURANCES**

In the event that a new Jurisdiction is formed within Los Angeles County, the MTA will require that a Standard Assurances and Understanding agreement be submitted prior to participation in the LR Program. A sample Standard Assurance and Understanding Agreement form is included as Appendix II.

### C. PROPOSITION A AND C FORMS AND SUBMITTAL REQUIREMENTS

To maintain eligibility and meet LR Program compliance requirements, Jurisdictions shall submit a Project Description (Form A) as required, an Annual Project Update (Form B) and Annual Expenditure Report (Form C). Form submittal information is detailed in the Administrative Process section, page 18. Sample forms along with instructions for their completion are included as Appendix VII. An electronic version is available on the website @www.mta.net (under Guidelines).

#### Project Description Form (Form A)

Jurisdictions shall submit for approval a Project Description Form prior to the expenditure of funds for: 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 25 percent or greater change in an approved project budget or scope on transit, paratransit or administration; or 5) a service change that duplicates/overlays, equal to or greater than .75 miles, an existing transit service.

#### Annual Project Update (Form B)

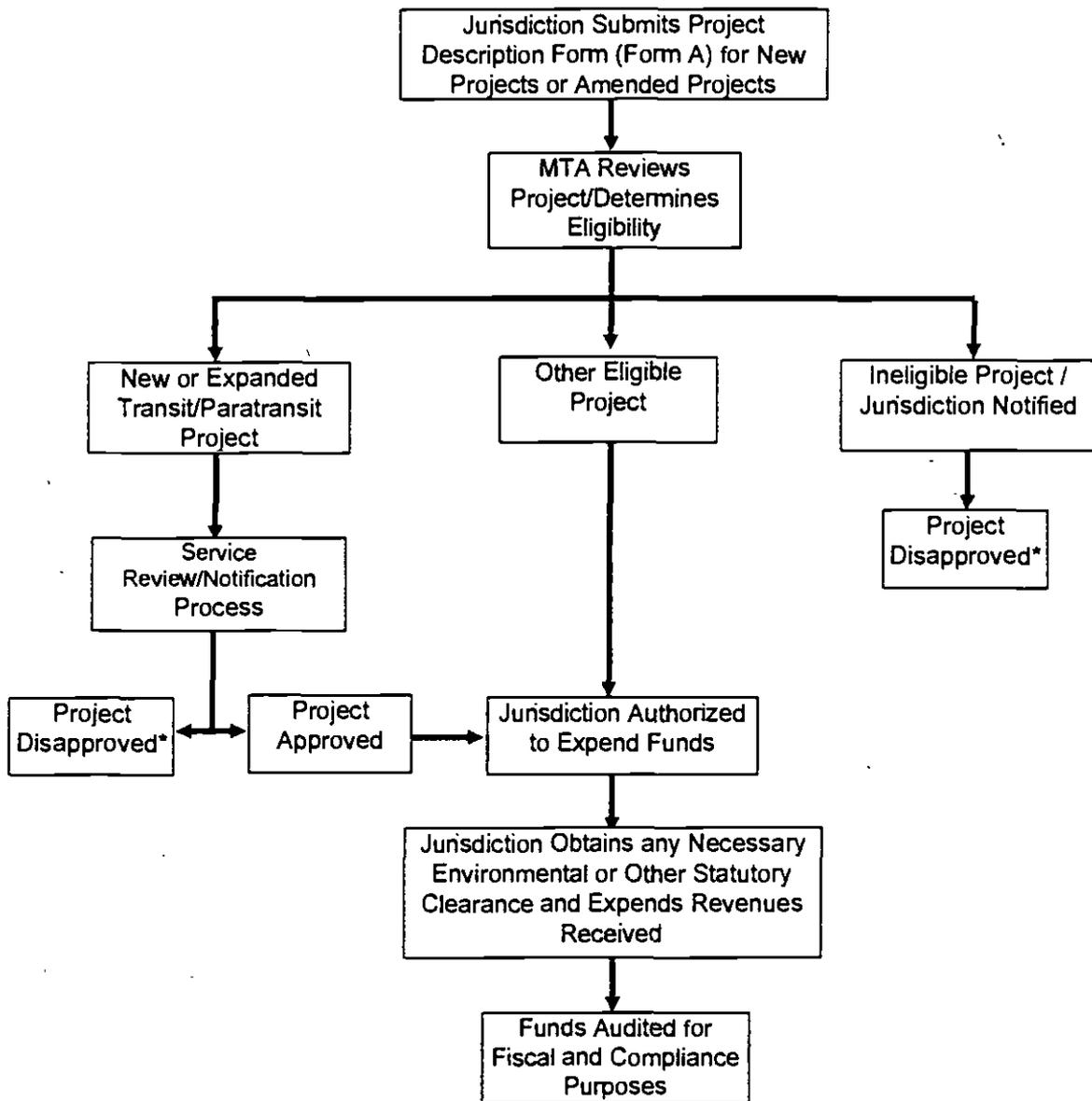
Jurisdictions shall submit on or before August 1 of each fiscal year an Annual Project Update to provide current information on approved, on-going and carryover LR projects. The MTA will review and accept or return the report for changes.

#### Annual Expenditure Report (Form C)

On or before October 15th of each fiscal year, Jurisdictions shall submit an Annual Expenditure Report to provide an update on previous year LR fund receipts and expenditures. The MTA will review and approve or return the report for changes.

The following provides a summary of form use and due dates:

<u>FORM</u>	<u>DETERMINATION</u>	<u>DUE DATE</u>
Project Description Form Form A	New and amended projects	Any time during the year
Annual Project Update Form B	On-going or carryover projects	August 1 <sup>st</sup> of each year
Annual Expenditure Report Form C	Report expenditures	October 15 <sup>th</sup> of each year



**\*MTA Appeals Process:**

If a Jurisdiction's proposed project is formally denied by the MTA project manager, the Jurisdiction may request a formal appeal. See page 20 for appeal of eligibility.

## II. PROJECT ELIGIBILITY

The Proposition A and C Ordinances specify that LR funds are to be used for “public transit purposes” as defined in the following: “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 quality and safety of and/or access to public transit services by the general public or those requiring special public transit assistance”.

For simplification and user ease, project categories that share common eligibility requirements and/or project code designations are defined and listed as either Prop A and C Eligible, Prop A Exclusive, or Prop C Exclusive. **Note: The following project eligibility criteria provides for general guidance only and is not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with the MTA.** Jurisdictions may appeal projects deemed ineligible as described in Section III, MTA’s Administrative Process, page 20.

### A. ELIGIBLE USES OF PROPOSITION A AND C

#### 1. PUBLIC TRANSIT SERVICES - OPERATING (Codes 110,120, 130 and 140)

New or expanded transit or paratransit services are subject to review under the Service Coordination Process (SCP) as detailed in Section III, page 21. The process will, in part, determine the proposed service’s compatibility with the existing regional bus transit system provided by the MTA and services provided by the municipal transit operators. MTA may request that modification be made to proposed services that duplicate or compete with existing services. Proposed services must also meet the criteria outlined under Non-exclusive School Service and Specialized Transit discussed on the following page. Note that Emergency Medical Transportation is not an eligible use of LR funds.

Examples of Fixed Route, Paratransit, and Recreational Transit Service projects follow:

#### 1.1 FIXED ROUTE SERVICE (Project Code 110)

- New fixed route or flexible destination bus service
- Extension or augmentation of an existing bus route(s)
- Contracting with a transit operator or private provider for commuter bus service
- Operating subsidy to existing municipal or regional bus operator
- Service enhancements related to bus/rail interface
- ADA improvements to fixed route operations
- Shuttle service between activity centers

#### 1.2 PARATRANSIT SERVICE (Project Codes 120 & 130)

- Expansion/ coordination of existing paratransit service
- Subsidized, shared-ride taxi service for disadvantaged residents

- New paratransit service
- General public paratransit service
- ADA-related improvements to paratransit operations

#### **Non-Exclusive School Service**

Fixed-route bus services or demand-responsive services available to the general public which also provide school trips are eligible for LR funding. Exclusive school bus services are not eligible. **Projects must meet the following conditions:**

- Vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus
- The bus headsign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name
- Timetables for such services will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service"
- Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops
- The same fare payment options must be made available to all users
- The overall transportation service provided in the Jurisdiction must not be for school service hours only

#### **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.

Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. **Projects must meet the following conditions:**

- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity
- Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program
- Service shall be advertised to the general public
- MTA may require, as a condition of approval, inter-jurisdictional project coordination and consolidation
- LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable transportation costs, excluding salaries for specialized escorts or other program aides
- The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits

**1.3 RECREATIONAL TRANSIT SERVICE (Project Code 140)**

Jurisdictions shall submit a listing of Recreational Transit Services at the end of each fiscal year. **Recreational Transit Service projects must meet the following conditions:**

- Travel within the area of Los Angeles, Orange and Ventura Counties, and portions of Riverside and San Bernardino Counties (see map Appendix VI) are eligible expenditures. Trip segments outside of this area must be funded through other sources
- Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities), however, trips must be made available to all individuals within that designated group
- Special events or destinations (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
- LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects

**2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160 & 170)**

Amenities shall be integral (within eight (8) feet) to the stop. Curb cuts located on or adjacent to street segments (blocks) with bus stops are eligible.

**Examples of Bus Stop Improvement and Maintenance projects follow:**

- Concrete bus pads at stops
- Curb cuts
- Bus turn-outs
- Installation/replacement and/or maintenance of bus benches or shelters

**Conditions:**

Jurisdictions shall coordinate bus stop improvements (excluding curb cuts) with affected transit operators. A letter of coordination must be submitted with the Project Description Form. Jurisdictions that propose replacing privately owned benches or shelters must notify the provider before requesting City Council project approval. The provider shall have seven (7) days to respond to the notification before the Jurisdiction takes further action.

**3. PUBLIC TRANSIT - CAPITAL (Project Codes 180, 190 & 200)**

Public Transit Capital projects will be approved only for the percentage of vehicle or equipment use, as determined by MTA staff, exclusive to public transit service.

**A list of sample Public Transit Capital projects follows:**

- a. Vehicles/parts purchases and repairs
  - Transit vehicles for passenger service
  - Mechanical parts and supplies for buses or vans
  - Non-revenue support vehicles, i.e., supervisors cars, service trucks
  - ADA-related improvements to vehicles
  - Retrofits or additions to buses or vans, i.e. lifts, fareboxes, or radios
  - Security equipment, i.e., cameras on buses

- b. Equipment
  - New or modified transit maintenance facilities
  - Maintenance equipment for new or existing transit or paratransit operations
  - Office equipment and furnishings for new and existing transit and paratransit operations

NOTE: Jurisdictions shall reimburse their LR Account, in the amount of the current appraised value, for Public Transit Capital projects no longer used for public transit purposes.

**4. TRANSIT SYSTEMS MANAGEMENT (TSM) (Project Code 210)**

TSM projects are relatively low-cost, non-capacity-enhancing traffic control measures that serve to improve vehicular (bus and car) flow and/or increase safety within an existing right-of-way. Proposals must include an element demonstrating the project's benefit to public transit. **A list of sample TSM projects follows:**

- Reserved bus lanes (no physical separation) on surface arterials
- Contra-flow bus lanes (reversible lanes during peak travel periods)
- Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
- Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
- Preferential turning lanes for buses
- Other traffic signal improvements that facilitate bus movement
- Arterial HOV lanes

**5. TRANSIT SECURITY (Project Codes 220 & 230)**

Transit Security projects may include Transit Safety, Security Operations and Safety Education Programs, provided that they demonstrate a direct benefit to public transit service and do not supplant general law enforcement programs.

**A list of sample Transit Security Programs follows:**

- Local police deployment for direct and specific transit security
- Private security (state licensed) deployment for transit security
- Contracted police services for direct and specific transit security
- Capital improvements for transit security
- Innovative and/or advanced technology transit security
- Community-based policing activities in direct support of transit security
- Security awareness, graffiti prevention, and/or crime prevention programs

NOTE: Jurisdictions are encouraged to participate in existing local and regional transit security efforts which should be coordinated through MTA.

**6. FARE SUBSIDY (Project Codes 240 & 250)**

Fare Subsidy programs provide residents within Jurisdictions a discount fare incentive for using public transit. The method, amount of subsidy and user

group(s) shall be determined by Jurisdictions. A list of sample Fare Subsidy Programs follows:

- User-side subsidies (buydown of passes, tickets, or coupons) 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

7. **RIDESHARING** **(Project Code 260)**

Ridesharing projects shall be available to the general public and must be coordinated through existing rideshare programs and/or appropriate transit operators. A list of sample Rideshare Programs follows:

- Vanpool/carpool formation/subsidy/operation
- New rider subsidy programs
- Ride-matching programs

8. **TRANSIT MARKETING** **(Project Code 280)**

Transit Marketing projects may include:

- Transit user guides, maps, brochures
- Transit information kiosks
- Transit information/pass sales centers
- New rider subsidy programs

9. **PARK-AND-RIDE LOTS** **(Project Code 290)**

Park-and-Ride Lot projects must be coordinated with MTA and appropriate affected transit operator(s). Additional justification including, for example, surveys or studies that provide a basis for determining the project's level of public transit use and related funding, may be requested prior to project evaluation.

**Park-n-Ride Lot projects shall:**

- be located adjacent (no greater than .25 mile away) to a fixed route service bus stop, HOV lanes and commuter rail stations.
- be located on unimproved land unless a specific MTA waiver is granted.
- have received environmental clearance by the Jurisdiction prior to MTA approval.
- require a letter from the affected transit operator(s) to the Jurisdiction and MTA, as reasonable assurance, that park-and-ride lot users will be assured of continued access to services.
- be used exclusively by transit/rideshare patrons during commute hours.
- have appropriate exclusive-use signage posted and enforced.
- be open for general parking during non-transit use time. e.g., evenings and weekends, provided that transit user demands are not adversely impacted. All revenues, (i.e. parking, advertising or related revenue) generated during the non-transit use time must be returned to the Jurisdictions' LR Account in the same proportion as the original LR investment in the facility. In the event that the facility ceases operation, the Jurisdiction shall be required to repay its LR Account as scheduled on page 32.

**10. TRANSIT FACILITIES (Project Codes 290, 300 & 310)**

**Examples of Transit Facility projects include:**

- Bus-only transit malls or stations
- Transit/paratransit accessible transfer centers that feature, for example, shelters, telephones, information displays/centers, and/or other related amenities)

**Conditions:**

Jurisdictions shall submit a project budget and scope of work that specifies the proposed facility's public transit and, if applicable, joint development. Additional documentation may be required to determine project eligibility and level of funding.

If the facility ceases to be used for public transit purposes, LR funds used toward land purchase for a facility must be returned at the original purchase price or present appraised value, whichever is greater, to the Jurisdiction's LR Account. Repayment of facility expenditures shall be based on the schedule outlined on page 27.

Prior to land and/or facility purchases, Jurisdictions shall provide the following:

- Documentation of the financial resources for facility implementation, operation and maintenance
- Assurance(s) from the affected transit carrier(s) to provide facility service
- Land appraisal
- Assurance that the Jurisdiction will proceed with the project per the implementation schedule outlined in the application
- Environmental clearance in conformance with, wherever applicable, all local, state and federal requirements. Jurisdictions preparing an Environmental Impact Report (EIR) must coordinate with the MTA Regional Transportation Planning and Development Department.

**11. METRO CAPITAL (Project Codes 320, 330 & 340)**

Metro Rail Capital projects may include, for example, Metro Red, Blue or Green Line station or line improvements, local match toward Metro Rail Capital projects, Metro Art or related Metro Rail enhancements.

**12. RIGHT-OF-WAY IMPROVEMENTS (Project Code 350)**

Right-of-Way Improvements or land purchases must be coordinated through MTA to ensure consistency with adopted regional corridors, priorities/or preferred alignments. Right-of-Way Improvement project proposals must also demonstrate direct, quantifiable, environmental and/or economic benefit to given transit services.

**13. RAIL (Project Codes 360, 370, 380 & 390)**

Rail (commuter system and station enhancement) projects must be consistent with MTA's existing and planned program of rail projects. Examples of Rail projects include:

- Signal upgrades at rail crossings
- Transit security at commuter rail stations and park-and-ride facilities (to be coordinated through MTA with regional efforts)
- Signage and marketing materials to promote increased commuter rail ridership
- Landscaping, lighting, fencing and environmental enhancements at or along commuter rail facilities
- System safety
- MTA/SCRRA safety education programs
- Commuter rail station operating, maintenance, insurance, or other station-related costs

**14. CAPITAL RESERVE (Project Code 380)**

A Capital Reserve project provides Jurisdictions the opportunity to accumulate LR funds (over and above the year of allocation and three year expenditure requirement) to finance a large project. Projects are limited to construction of bus facilities, bus purchases, transit centers, park-and-ride lots, construction of major street improvements or rail projects along MTA's planned and adopted rail corridors.

A Capital Reserve project constitutes a long term financial and planning commitment. For specific information on the Capital Reserve approval process, see Section III, MTA's Administration Process, page 23.

**15. TRANSPORTATION DEMAND MANAGEMENT (Project Code 410)**

Transportation Demand Management (TDM) projects are defined as strategies/actions intended to influence the manner in which people commute, resulting in a decrease in the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects require a public transit element and will be evaluated on their projected impact on reduction of single-occupancy vehicle trips and corresponding vehicle miles traveled. **A list of sample TDM projects follow:**

- Formation of vanpool and/or vanpool incentive programs (must be made available to all employers and/or residents within the Jurisdiction boundaries)
- Community-based shuttles for employees as long as such services complement existing transit service
- Parking Management, i.e., parking cashouts, parking pricing strategies
- Employer and/or citizen ride-matching programs and subsidies
- Formation and/or ongoing operation of a Transportation Management Association to administer and market local TDM programs (provided that the 20 administrative cost stipulated for Prop A and C is not exceeded)
- 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; and monitoring of transit standards by transit operators

- Funding Transportation Management Organization's (TMO) insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction

Jurisdictions are encouraged to adopt monitoring and evaluation performance standards for funding TDM projects. Jurisdictions 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-fuel vehicles (e.g. LNG, CNG, Methanol) for any TDM-related shuttle, vanpool or paratransit vehicles.

**16. DIRECT ADMINISTRATION (Project Code 480)**

Direct Administration is defined as those salaries and benefits, office supplies and equipment directly associated with administering LR operating and capital projects.

**Direct Administration project conditions:**

- All costs shall be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s)
- The administrative portion of the project cost shall not exceed 20 percent of the LR approved project budget
- Expenditures must be reasonable and appropriate to the activities undertaken by the locality
- Jurisdictions are required to call out all administrative charges to Direct Administration in order to verify compliance of 20% administration cap.

## **B. EXCLUSIVE USES OF PROPOSITION A FUNDS**

Projects listed below are eligible for Prop A LR funding only. Jurisdictions must certify that all project conditions will be met and include all supporting documents with submittal of the Form A. Stand alone amenities such as traffic signals, landscaping and storm drains are ineligible. Note: The following project eligibility criteria provides general guidance only and is not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with the MTA. Jurisdictions may appeal projects deemed ineligible as described in Section III, page 20.

### **1. TRANSPORTATION PLANNING (Project Code 270)**

Planning, engineering and design costs incurred toward the implementation of an eligible Prop A LR project are eligible when the following conditions are met:

- All planning, engineering or design activities must be related to development of an eligible Prop A LR project.
- Program activities must be initiated with the intent by the Jurisdiction to fund the respective developed Prop A LR project by formal submittal to the MTA.

### **2. SYNCHRONIZED SIGNALIZATION (Project Code 400)**

Synchronized Signalization projects must meet the following eligibility conditions:

- Bus priority must be included as an element of the project
- The project arterial must be used by a minimum of ten full-sized transit buses, counted bi-directionally, per hour, e.g., five buses hourly in each direction
- Projects may be implemented only on major arterials
- Documentation of coordination with affected public transit operators is required for approval (e.g., correspondence between the Jurisdiction and the transit operator with written concurrence between the transit operator and MTA)

### **3. FUND EXCHANGE (Project Code 405)**

Prop A funds may be given, loaned, or exchanged by Jurisdictions provided that the following conditions are met:

- Participants are responsible for insuring that the traded funds will be utilized for public transit purposes
- The exchange of funds should not result in a net loss of revenues available for public transit in Los Angeles County (i.e., trade of Prop A funds for farebox or other transit revenues)
- In multiple fund exchanges. (e.g., where Jurisdictions wish to exchange general fund monies for Prop A funds and, in turn, utilize these funds for another fund source, the project approval of the primary exchange carries no certainty that the secondary trade of funds will be approved
- Traded Prop A LR funds retain their original date of allocation and lapse date. Jurisdictions submitting Fund Exchange projects shall note the year of allocation on their Form A so that the fund lapse policy may be monitored.

In addition, Jurisdictions shall provide the following detail in submitting Fund Exchange projects for approval:

- Source of funds to be exchanged
- Fund amounts to be exchanged
- Period of exchange
- Assurance that the end use of Prop A LR funds will be for eligible transit uses
- Provision for circumstances should source of funds (one or both) become unavailable during the exchange period
- Certification by participating Jurisdictions

A sample Fund Exchange Agreement is included in Appendix V.

**NOTE:** Jurisdictions participating as the “seller” in a Prop A Fund Exchange projects will, for two years from the date of transaction, be subject to disqualification or reduced project application scores in the Transportation Improvement Program (TIP) Call for Projects.

### **C. EXCLUSIVE USES OF PROPOSITION C FUNDS**

Projects listed below are eligible for Prop C LR funding only. Jurisdictions must certify that all project conditions will be met and include all supporting documents with submittal of the Form A. Jurisdictions are encouraged to use LR funds for improved public transit services. Stand alone amenities such as traffic signals, landscaping, storm drains are ineligible. Note: The following project eligibility criteria provides for general guidance only and is not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with the MTA. Jurisdictions may appeal projects deemed ineligible as described in Section III, page 20.

#### **1. TRANSPORTATION PLANNING (Code 270)**

Planning, engineering and design costs incurred toward the implementation of an eligible Prop C LR project are eligible when the following conditions are met:

- All planning, engineering or design activities must be related to development of an eligible Prop C LR project.
- Program activities must be initiated with the intent by the Jurisdiction to fund the respective developed Prop C LR project by formal submittal to the MTA.

#### **2. SYNCHRONIZED SIGNALIZATION (Project Code 400)**

**Synchronized Signalization projects must meet the following conditions:**

- Projects shall be implemented only on major arterials
- The major arterial targeted for implementation must have full-sized transit buses operating on regularly scheduled fixed route(s)
- Documentation of coordination with affected public transit operators is required for approval (e.g., correspondence between the Jurisdiction and the transit operator with written concurrence from the transit operator to the MTA)

3. **CONGESTION MANAGEMENT PROGRAM (CMP)** (Project Code 420)

The following provides a list of sample CMP projects:

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

4. **BIKEWAYS AND BIKE LANES** (Project Code 430)

Bikeway projects including bike lane/way construction and maintenance, signage, information/safety programs, and bike lockers must meet the following conditions:

- Shall be linked to employment sites
- Shall be usable as a commuting facility
- Jurisdictions must have an approved PMS (see page 17)

5. **STREET IMPROVEMENT AND MAINTENANCE** (Codes 440,450 & 460)

Capacity enhancements, repairs and maintenance, TSM efforts and safety improvements represent a sampling of eligible Street Improvement and Maintenance Projects. Projects must meet the following conditions and reporting requirements:

A. **CONDITIONS:**

**Public Transit Benefit**

Projects must demonstrate a public transit benefit or be performed on streets "heavily used by public transit," where such streets carry regularly-scheduled, fixed-route public transit service, and where service has operated for a minimum of one (1) year and there are no foreseeable plans to discontinue such service.

If there are no fixed-route systems within a Jurisdiction, or if all the streets supporting fixed-route systems are already in a satisfactory condition as documented by the required Pavement Management System (PMS), a Jurisdiction may use LR funds for street improvements and maintenance and repair on streets within their community on which they can demonstrate that public paratransit trips (in service for a minimum of one year) concentrate.

The method of demonstrating heavy-use by paratransit vehicles is to document trip pick-up and drop-off locations, including street-routing, for a consecutive three month time period. The data will be used in making a determination on which street segments have heavy-use by this form of transit.

### **Maintenance of Effort (MOE) Requirement**

The goal of the Prop C LR Program is to improve transportation conditions, including the roadways upon which public transit operates. Therefore, Jurisdictions that utilize Prop C LR funds to improve those road systems heavily utilized by public transit shall document that these funds are not being used to replace general or discretionary funds that traditionally have been used for street systems (i.e., Maintenance of Effort requirement). Prop 111, passed by the voters in June of 1990, enacted Section 2105(c) of the California Streets and Highways Code which requires Jurisdictions to maintain previous funding levels (three-year average) from their general funds for their street and road systems. MTA will accept the State Controller's finding of a Jurisdiction'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 Prop C LR funds are expended for streets and roads.

In cases of hardship which make it difficult for Jurisdictions to meet the MOE requirements of Prop 111, the MTA will consider exceptions to the Prop C LR MOE requirements. In these circumstances, the MTA will make a determination on a case-by-case basis.

### **B. REPORTING REQUIREMENTS**

Street maintenance rehabilitation or reconstruction projects may be submitted individually or as an annual program. Jurisdictions shall submit a Project Description Form listing all new project street segments prior to undertaking each annual street maintenance program. Jurisdictions will be advised as to any eligible and ineligible street segments within 30 day of project submittal.

Project Description Forms and Annual Expenditure Reports must be reflected on subsequent Form B submittals (due each August 1) until the project is completed or deleted from the work program. Once deleted, a segment must be re-submitted for approval if a new street maintenance project on the segment is subsequently planned.

### **Eligible Street Improvement and Maintenance Projects**

#### **1. Exclusive Bus Lane Street Widening**

Such projects are for exclusive bus lanes (physically separated) on surface arterials.

#### **2. Street Improvement**

Street Improvement projects are level-of-service and/or capacity improvements or capital projects that improve safety for all

vehicles, and must include a public transit element that comprises of transit vehicles on streets that are "heavily used by transit." Examples of these projects include street widening, improved channelization or capacity enhancements.

3. Street Repair and Maintenance

Eligible Street Repair and Maintenance projects are limited to pavement maintenance, rehabilitation or restoration (slurry seals, resurfacing) and reconstruction including required curb and gutter repair on streets "heavily used by transit." Betterments are not eligible for LR funding.

4. 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 Prop C LR funds. Such modifications must meet ADA and California Title 24 specifications.

6. PAVEMENT MANAGEMENT SYSTEM (PMS) (Project Code 470)

**Sample Pavement Management System projects include:**

- One-time development cost of a Pavement Management System.
- The ongoing cost of maintaining a PMS equal to the proportion of a Jurisdiction's eligible street mileage to total street mileage; or 50% of the PMS maintenance cost, whichever is greater.

**Note:** Jurisdictions are required to certify that they have conducted and maintain Pavement Management Systems when proposing "Street Repair and Maintenance" or "Bikeway" projects. The requirement for a Pavement Management System (PMS) is consistent with Streets & Highways Code Section 2108.1.

**PMS Certifications must include the following:**

- 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 of pavement condition including, as a minimum, arterial and collector routes, reviewed and updated biennially;
- Identification of all pavement sections needing rehabilitation/replacement; and
- Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current and following biennial period(s)

Self-certifications (included in Appendix III) executed by the Jurisdiction's Engineer or designated, registered civil engineer, must be submitted biennially on or before June 1, to satisfy "Street Repair and Maintenance" and "Bikeway" project eligibility criteria.

### III. MTA'S ADMINISTRATIVE PROCESS

#### A. REPORTING REQUIREMENTS FOR JURISDICTIONS

##### STANDARD ASSURANCES

In the event that a new Jurisdiction is formed within Los Angeles County, the MTA will require that a Standard Assurances and Understanding agreement be submitted prior to participation in the LR Program. A sample Standard Assurance and Understanding agreement form is included as Appendix II.

##### PROPOSITION A AND C FORMS

To maintain legal eligibility and meet LR Program compliance requirements, Jurisdictions shall submit to the MTA a Project Description Form as required, an Annual Project Update and Annual Expenditure Report. A Project Description Form, Annual Project Update and Annual Expenditure Report (Forms A, B and C along with instructions) are included in Appendix VII.

##### PROJECT DESCRIPTION FORM (FORM A)

A new project that meets the eligibility criteria listed in Section II, Project Eligibility, must be submitted to the MTA on Project Description Form (Form A) prior to the expenditure of funds. MTA will review the project to determine if it meets the statutory eligibility requirement and notify Jurisdictions of the project's LR funding eligibility. **If a Jurisdiction expends Prop A or C LR funds for a project prior to MTA approval, the Jurisdiction will be required to reimburse its LR Account. Additionally, approvals cannot be retroactive.**

A Project Description Form (Form A) may be submitted any time during the fiscal year. The MTA will review and accept or return the report for changes. Once a Jurisdiction decides to proceed on a new or revised project, the Jurisdiction should comply with the following process before expending any funds:

##### STEP 1 - Form Submittal

A Project Description Form (Form A) shall be submitted whenever a Jurisdiction proposes a 1) a new project; 2) a new route; 3) a 25 percent or more (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service); 4) a 25 percent or greater change\* in an approved LR project budget or scope, paratransit service or project administration project; or 5) a service change that duplicates/overlays an existing transit service equal to or greater than .75 miles.

\*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.

- NOTE:** a.) All new transit or paratransit service projects, existing services with a change of 25% or more (increase or decrease), or cancellation of services, are subject to review under the Service Coordination Process (as described on page 21).
- b.) If transit service is canceled, Jurisdictions should notify MTA in writing, secure review by the Service Review Process, and inform the public.

#### STEP 2

MTA staff will review Form A to determine if the project is eligible for LR expenditure.

#### STEP 3

After it is determined that the project is eligible, MTA staff will notify Jurisdictions in writing authorizing the expenditure of the LR 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 Jurisdiction's annual compliance audit required under the LR Program. Records should be maintained as stated in Section V, Audit Section - Retention of Documents, page 30.

#### ANNUAL PROJECT UPDATE (FORM B)

Jurisdictions shall submit on or before August 1 of each fiscal year an Annual Project Update (Form B) to provide the MTA with an update on approved, **on-going and carryover** LR projects. The MTA will review the report and accept or return the report for changes. Staff review will consist of verification that the status of the projects listed corresponded to the originally approved projects. Jurisdictions will be informed in writing of the approval.

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 updates should be submitted annually, by August 1 of the new fiscal year.

#### ANNUAL EXPENDITURE REPORT (FORM C)

On or before October 15 of each fiscal year, Jurisdictions shall submit an Annual Expenditure Report (Form C) to notify the MTA of previous year LR fund receipts and expenditures. The MTA will review the report and approve or return for changes.

For Jurisdictions with Recreational Transit projects, Jurisdictions are required to annually submit (at the end of the fiscal year) an accounting of Recreational Transit trips, destinations and costs. This information should be submitted along with the Form C.

Jurisdictions are required to call out administration charges to Direct Administration (Project Code 480) in order to verify compliance of 20% cap on administration costs.

The following provides a summary of form use and due dates:

<u>FORM</u>	<u>DETERMINATION</u>	<u>DUE DATE</u>
Project Description Form Form A	New and amended projects	Any time during the year
Annual Project Update Form B	On-going or carryover projects	August 1 <sup>st</sup> of each year
Annual Expenditure Report Form C	Report expenditures	October 15 <sup>th</sup> of each year

**B. APPEAL OF ELIGIBILITY**

Jurisdictions submitting a project which has been classified by MTA staff as ineligible, may appeal the determination. An appeal should be submitted in writing to the Deputy Executive Officer (DEO) of Transportation Development and Implementation (TDI). The project will then reviewed for eligibility.

Should the project be denied eligibility status by the DEO, a final appeal may be submitted in writing to the Chief Executive Officer. The project will then come before the MTA Board for final determination of eligibility.

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), MTA staff will send a notice of final determination of project eligibility to the Jurisdiction with conditions described or attached.

**C. GOVERNING BODY AUTHORIZATION**

While the MTA does not require Jurisdictions to file a governing body authorization when submitting LR Forms (e.g., a city resolution or minute order), it is the responsibility of the Jurisdiction to keep these documents on file for audit purposes.

**D. ENVIRONMENTAL REVIEW RESPONSIBILITY**

Jurisdictions are the lead agencies for the projects with which they propose to implement using LR 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.

**E. PROJECT DESCRIPTION FORMS AND THE PROP A AND C 40% DISCRETIONARY PROGRAM**

If a 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 LR operating assistance amount shown in Form A or B will be considered when determining the eligible Prop A or C Discretionary grant amount in accordance with the Prop 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 1997-1998 projects must be received by MTA prior to November 1, 1999 to allow adequate time for staff review).**

In addition, depreciation is not an eligible operating expense for which LR funds can be allocated, committed, encumbered, or claimed.

**F. ANNUAL PROJECT UPDATE SUBMITTALS BY RECIPIENTS OF MTA FORMULA FUNDS**

Jurisdictions with municipal bus operations receiving MTA formula funds (e.g. TDA Article 4, FTA Section 5307 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 Jurisdictions may submit Project Description Forms at any time. LR projects and revenue may, in the future, be shown in the Los Angeles County TIP for information purposes.

**G. OTHER RESPONSIBILITIES OF JURISDICTIONS**

It is the responsibility of 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 persons, etc. The MTA has no responsibilities in these areas with regard to local transit projects carried out by Jurisdictions receiving Prop A or C revenues.

**H. AMERICANS WITH DISABILITIES ACT MAINTENANCE OF EFFORT (MOE)**

The MTA will continue to monitor the operations of LR 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, the MTA reserves the right to impose a local MOE. However, federal regulation (49 CFR Part 37.141) requires that any 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.

Jurisdictions which currently provide no paratransit service are required to either provide ADA-eligible individuals service, or fund trips which are completely within the Jurisdiction boundaries, when requested. This obligation shall not exceed 20 percent of the total LR Allocation to the Jurisdiction. If no requests for service within the Jurisdiction limits are received, there will be no obligation to provide service or funding.

## I. SERVICE COORDINATION PROCESS

If a Jurisdiction is proposing to use LR funds for a new or expanded paratransit or transit service project, it is required to comply with the following Service Coordination Process:

The Service Coordination Process has four principal steps: Early Consultation by the proposing Jurisdiction with MTA Operations, Contract and Transportation Development and Implementation (TDI) Departments as the service is being developed at a local level; Prop A or C LR eligibility review; service coordination administrative review; MTA Board Appeal Process to review the administrative determination, if requested. The following instructions should assist Jurisdictions in completing the service coordination review process:

Under the Prop A and C Ordinance, transit services provided by Jurisdictions with LR funds should not duplicate existing transit or paratransit services.

The Prop A and C LR Guidelines require 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 (increase or decrease) in route miles, revenue vehicle miles, service areas, stops, frequency or fare; when a proposed new route or change duplicates an existing route for .75 miles or more; or if a service is canceled.

### 1. Implementing A Proposed New Or Modified Transit Or Paratransit Service

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

- a. Prior to Submittal of the Project Description Form -- The MTA encourages Jurisdictions to work closely with Transportation Development and Implementation (TDI) staff and MTA's Operations Unit when a service project is being developed, in order to avoid or reduce service duplication impacts.
- b. Submitting a Project Description Form -- Similar to other LR projects, Jurisdictions are required to submit a Form A describing the new or modified service.
- c. Letter of Conditional Approval Will Be Sent to Jurisdictions -- After TDI and MTA Operations staffs have reviewed Form A, a letter of conditional approval is sent to Jurisdictions, subject to MTA service coordination committee review. This letter is then forwarded with a recommendation to the Service Review Committee, to potentially affected Jurisdictions and transit operators, with the Form A and any route maps, service schedules and fare information provided by the proposing 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 Jurisdictions (efforts beyond the minimum 60 days)
  - e. Letter of Final Approval or Disapproval -- Based on the evaluation criteria, the Service Review Committee will either grant approval or deny a Jurisdiction's request. The Committee will notify the Jurisdiction of the outcome.
  - f. Board Appeal Process -- If the project is disapproved, the Jurisdiction may file an appeal. See Appeal of Eligibility, page 20.
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 has ended, in order to continue to be eligible for expenditure of LR funds. Seasonal or emergency services are not considered ongoing projects. 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  
 Jurisdictions may use their LR funds to contract with other public or private service providers for new or improved transit services, subject to non-duplication/competition requirements.

J. CAPITAL RESERVE PROCESS - APPROVAL PROCEDURE

Jurisdictions who wish to establish a Capital Reserve fund with LR revenues should note that establishing a Capital Reserve fund constitutes a long term financial and planning commitment. The approval procedure is as follows:

- a. The project description, submitted by the Jurisdiction, must be reviewed by MTA staff and approved by the MTA Board;
- b. If the project is approved, the Jurisdiction is required to:
  - Enter into a Memorandum of Understanding (see sample in Appendix IV) 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
  - Include the Capital Reserve amount and the current project status in their Project Annual Update (Form B).
- c. 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 shall have to be returned to the Prop A or C Central Account, held by MTA.
  - If the capital project is not completed within the time specified under the terms of the Memorandum of Understanding, its funds will be subject to lapse. However, if the project is delayed, 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 Jurisdiction must:
    1. Dissolve the Capital Reserve fund and return the accumulated funds, including any interest earned, to the Jurisdiction's LR fund; and
    2. Reprogram the funds, within the next three (3) years from the time the MTA decision is made. While the 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 Jurisdiction, independent of any MTA action, desires to reprogram all or part of the funds in the Capital Reserve Account, the Jurisdiction must indicate the proposed use of the accumulated funds to be reprogrammed, and receive MTA approval.
- d. MTA approval for reprogramming funds will be based on the following:
- If after exhausting all LR 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 Jurisdiction will be either terminated or amended accordingly
  - If the reprogramming request is disapproved, the Jurisdiction would be required to continue the capital reserve account as stipulated or apply to draw the fund down for another MTA approved capital-related project

K. LOANING LR FUNDS BETWEEN JURISDICTIONS (FOR PROP A 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 Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions are held mutually responsible for ensuring that the end use of Prop A is for statutorily-allowed purposes. The timely use provision as indicated on page 26 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 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.

Note: 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.

L. GIVING PROP C LR FUNDS TO ANOTHER JURISDICTION

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

#### IV. FINANCE SECTION

##### A. MTA'S METHOD OF APPORTIONMENT

The Prop A Ordinance specifies that twenty-five percent (25%) of all Prop A revenues, while the Prop C Ordinance specifies that twenty percent (20%) of all Prop C revenues, are to be allocated to Jurisdictions for local transit on a "per capita" basis. The annual estimate of Prop A and C revenues will be derived from projections by the State Board of Equalization.

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

##### B. MTA'S FUND DISBURSEMENT

The Prop A and C funds are disbursed by the MTA on a monthly basis. The disbursements to an individual Jurisdiction will equal that Jurisdiction's population-based share of actual net receipts for the month.

##### C. ACCOUNTING FOR PROP A AND C REVENUES AND EXPENDITURES BY JURISDICTIONS

###### 1. ESTABLISHING A SEPARATE ACCOUNT

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

In accordance with the State Controller's instructions, Jurisdictions which use the Controller's Uniform System do not need to establish a separate Prop A and C Local Transit Assistance Account but will list all Prop A and C revenues (including interest) and expenditures as special line items in the Uniform System. In any case, all Jurisdictions will be required to account for and identify all Prop A and 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 Jurisdiction operations without impairment of the Prop A and C Local Transit Assistance Accounts.

###### 2. EXCEPTIONS FOR RECIPIENTS OF TDA ARTICLE 4 FUNDS

A separate account or fund is not mandatory when Prop A and C LR funds are accounted for in an enterprise fund and are exclusively used as transit operating subsidies as long as the 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 Prop A and C Program recipients be able to demonstrate that they have

complied with applicable guidelines in expending Prop A and C funds as operating subsidies, it is not necessary that such expenditures be separately identifiable for audit purposes.

3. POOLING OF FUNDS

MTA will allow Jurisdictions to pool Prop A and C LR funds in order to obtain maximum return on investments. Such investment earnings must be reported and expended consistent with these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangements should keep adequate records of such transactions in order to allow for subsequent audits.

4. INTEREST AND OTHER EARNED INCOME

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

D. NON-SUBSTITUTION OF FUNDS

1. Prop 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 Jurisdiction is unable to segregate property tax from other general fund revenues which cannot be so distinguished, substitution of Prop A and C funds for general funds is also prohibited.
2. Jurisdictions which currently receive federal and/or state transit-assistance funds may use Prop A and C revenues to replace or supplement any other state, federal, or local transit 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. TIMELY USE OF FUNDS

1. PROP A AND C FUNDS

Under the Proposition A and C Ordinances, Jurisdictions have three years to expend LR funds. Funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated. Therefore, by method of calculation, each Jurisdiction has three years plus the Fiscal Year of allocation to expend Prop A and C funds. For example, a Jurisdiction receiving funds during FY 1998-99 must expend those funds, and any interest or other income earned from Prop A and/or C projects, by June 30, 2002.

Prop A and/or C disbursements, interest income and other income earned from LR projects, such as fare revenues or revenues from advertising which are not expended within the allocated time will be returned to the MTA for reallocation to Jurisdictions for discretionary programs of county-wide significance.

2. 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 Jurisdictions maximum time to expend funds.

3. EXTENSION OF TIMELY USE PROVISION

MTA will allow Jurisdictions to reserve funds for multi-year capital projects.

A specific project must be identified under the Capital Reserve Process. See Capital Reserve Process, page 23.

F. RELATIONSHIP TO TDA ENTRY AND FORMULA DISTRIBUTION

Provision of transit services with LR funds will not qualify 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.

G. NATIONAL TRANSIT DATABASE (NTD)

As of FY 1995-96, all LR fixed route and paratransit operators are required to report NTD data. MTA will make a certain percentage of these funds available for reimbursement to Jurisdictions. Currently, MTA reports data on MTA Operations and operators who receive Incentive Program funds. The Municipal Operators report their own data.

H. REPAYMENT OF FUNDS FOR FIXED ASSETS PURCHASES

If a facility ceases to be used for public transit use as originally stated in the project description, all Prop A and C funds expended for the project must be returned to the Prop A and C LR 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 LR 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: Jurisdictions that cease to utilize vehicles for "public transit" purposes before their useful life, will be required to repay the funds into their Prop A and C LR 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.

V. AUDIT SECTION

An audit will be conducted annually as part of the MTA consolidated audit program to verify Prop A and C LR expenditures. Jurisdictions are responsible for applicable record-keeping, environmental impact and other legal requirements relating to the use of the funds for both operating and capital projects. At the close of the fiscal year, the MTA will contract with an independent auditor for a fiscal and compliance audit of expenditures.

A. 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.

B. ROLES AND RESPONSIBILITIES

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 Jurisdiction.

**Jurisdiction:** It is the responsibility of the Jurisdiction receiving Prop A and C LR funds to maintain the proper accounting procedures, cash management, records and documentation. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records.

**MTA:** It is the responsibility of the MTA to provide administration, review, and monitoring of the Prop A and C programs; Prop 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 Prop 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 Prop A and C Ordinances and LR 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 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 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.

NOTE: Auditors should review the findings and penalties in the Non-Compliance with Prop A and C LR Guidelines matrix on page 33.

**C. AUDIT CRITERIA**

1. Compliance with Ordinances and Guidelines
2. Adherence to approved project description
3. Proper accounting procedures
4. Maintenance of Prop A and C LR 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

**D. METHODS OF VERIFICATION**

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

**E. RETENTION OF DOCUMENTS - MAINTENANCE OF AUDITABLE RECORDS**

The Jurisdiction is required to maintain Prop A and C LR Program documentation and records for a period of three years (including audit year). All Jurisdictions are required to prepare consolidated worksheets, and to reconcile total reported revenues, expenditures, and fund balances to the General Ledger.

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

- Forms A, B and C;
- 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.

F. AUDIT DELIVERABLES

The audit will provide the following:

- Auditor's Report; Balance Sheet; Statement of Revenue and Expenditures; Review for Compliance; Summary of Exceptions;
- Ridership, farebox revenue, expenses, miles and hours operated for each operating project (e.g. Dial-a-Ride, fixed-route bus service) if applicable;
- Statement indicating verification that capital items purchased are being utilized in accordance with proposed uses

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

Attn: Regional Transportation Planning and Development  
The Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012

G. ALLOWABLE COSTS

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

- Eligible, as defined in Section II of the Prop A and C Guidelines
- Consistent with the approved Project Description and Annual Project Update Forms (Form A and B)
- Auditable (verifiable)

H. ADMINISTRATIVE ACCOUNTING PROCEDURES

Interest Allocation

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

Project Revenue

The Jurisdictions need only report project-generated revenues, such as fares, when such revenues are retained and recorded by the Jurisdiction. Revenues should be reported on the accrual basis.

Inter-Fund Transfers

On an accrual basis of accounting, Jurisdictions should make note of the following: expenditures for an approved project, which are made from a fund other than the Prop A or C LR fund and will be reimbursed by Prop A or C LR 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.

### Ongoing Projects

Continuing administration, transit or paratransit projects, are ongoing projects. Such projects which have unexpended funds at the year end (excluding any outstanding liabilities) may not carry fund balances into the next fiscal year. Ongoing projects must be resubmitted on an annual basis (see Annual Project Update on page 19).

### Carryover Projects

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 a project description. However, until completed, such projects must continue to be reported in the Annual Project Update and Annual Expenditure Report (Forms B and C).

## I. SUSPENSION OR PAYBACK OF IMPROPERLY USED FUNDS

Jurisdictions will be responsible for any unauthorized LR expenditures. Prior written approval from MTA is needed before any funds are expended. Unauthorized expenditures will result in reimbursement of the Prop A or C LR accounts.

The MTA reserves the right to suspend disbursement of funds to a 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 Jurisdiction will be required to reimburse its Prop A or C LR account with interest. Interest assessed would not be greater than the average prime rate during the period of improper expenditure. Jurisdictions are required to take corrective action in response to the findings of the LR financial and compliance audit. A matrix indicating findings and penalties for improper use of Prop A and C LR funds is as follows:

**NON-COMPLIANCE WITH  
PROPOSITION A AND C LOCAL RETURN GUIDELINES**

**FINDINGS AND PENALTIES**

<b>FINDING</b>	<b>PENALTY</b>
Expended funds prior to MTA approval.	Jurisdiction will be required to return the funds back to MTA for reallocation to Jurisdictions for discretionary programs of county-wide significance.
Failure to submit Annual Project Update (Form B) by August 1 <sup>st</sup> .	Audit Exception
Failure to submit Annual Expenditure Report (Form C) by October 15 <sup>th</sup> .	Audit Exception
Did not expend Prop A and C LR funds within three years of the last day of the fiscal year in which funds were originally allocated (fiscal year + 3 years).	Lapsed funds will be returned to MTA for reallocation to Jurisdictions for discretionary programs of county-wide significance.
Expended Prop A or C LR funds on a project that is not for "public transit purposes".	Jurisdictions are required to return LR funds expended on programs that are not for "public transit purposes".

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

PROJECT TYPE	PROPOSITION A	PROPOSITION C
Streets and Roads Expenditures	<ul style="list-style-type: none"> <li>Allowed Exclusively for Bus Lanes and Curb Cuts at Corners Located or Adjacent to Bus Stops</li> </ul>	<ul style="list-style-type: none"> <li>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 Guidelines)</li> </ul>
Signal Synchronization	<ul style="list-style-type: none"> <li>Allowed if Performed to Predominantly Benefit Transit.</li> <li>Bus Priority Must be Included as Part of the Project.</li> <li>The Street Must Have a Minimum of Five (5) Full-Sized Transit Buses in Each Direction per Hour</li> </ul>	<ul style="list-style-type: none"> <li>Allowed on Streets that are Heavily -Used by Public Transit</li> <li>The Street Must Have Full-Sized Transit Buses Operating on a Regularly Scheduled Fixed-Route (no minimum number of buses)</li> </ul>
Bikeways	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>	<ul style="list-style-type: none"> <li>Commuter Bikeways</li> <li>Must be Linked to Employment Sites.</li> </ul>
Congestion Management Activities	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>	<p>Most Elements Allowed Such As:</p> <ul style="list-style-type: none"> <li>Preparation of TDM Ordinances and Deficiency Plans.</li> <li>Land Use Analysis Required by CMP</li> <li>Monitoring of Transit Standards by Transit Operators</li> </ul>
Pavement Management System	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>	<p>Some Elements Allowed Such As:</p> <ul style="list-style-type: none"> <li>One-Time Development Costs of a Pavement Management System.</li> <li>The Ongoing Costs of Maintaining the Pavement Management System (see Guidelines for conditions)</li> </ul>
Trading or Exchanging of Funds	<ul style="list-style-type: none"> <li>Allowed if the Traded Funds Area Used For Public Transit Purposes</li> </ul>	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>

ASSURANCES AND UNDERSTANDINGS REGARDING  
RECEIPT AND USE OF PROPOSITION A and/or C FUNDS

(Updated March, 1998)

The undersigned, in conjunction with the receipt of funds derived from the one-half cent sales tax imposed by Ordinance No. 16 (Proposition A) and/or the one-half 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. A and/or C funds will not be substituted for property tax funds which are currently funding existing public transportation programs;
2. That Prop. A and/or C 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;
  - c. Annually, by August 1<sup>st</sup> of each year, an update of previously approved projects;
  - d. Annually, by October 15<sup>th</sup> of each year, an update of the prior year's expenditures;
4. Any proposed use of funds will not duplicate or compete with any existing publicly-funded transit or paratransit service;
5. That Prop. A and/or C funds will be expended within the three years of the last day of the fiscal year in which funds were originally allocated, unless specific permission for a time extension is granted by the MTA;
6. 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;
7. 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;
8. 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;
9. That all projects proposed for Prop. A and/or C funding will meet the legal requirements of the MTA's Prop. A and C Ordinances 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 and/or C 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 and/or C funds or will establish a separate Prop. A and/or C Local Transit Assistance (PALTA/PALTC) accounting system which will allow financial and compliance audits of Prop. A funds transactions and expenditures to be conducted;
5. That any Prop. A and/or C 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 \_\_\_\_\_

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)

**CAPITAL RESERVE  
MEMORANDUM OF UNDERSTANDING  
ESTABLISHING CITY OF \_\_\_\_\_ CAPITAL RESERVE FUND**

This Memorandum of Understanding is dated \_\_\_\_\_, 199X and is by and between the Los Angeles County Metropolitan Transportation Authority ("MTA") and the City of \_\_\_\_\_.

WHEREAS, the City of \_\_\_\_\_ is prepared to commit and accumulate Proposition C Local Return funds, to be used exclusively for \_\_\_\_\_ as agreed to by both parties.

NOW THEREFORE, the MTA and the City of \_\_\_\_\_ agree as follows:

**FUNDING**

The City of \_\_\_\_\_ will establish a capital reserve fund and will allocate \$ \_\_\_\_\_ of Proposition C Local Return funds for FY \_\_\_\_\_ for the construction and /or enhancement of \_\_\_\_\_ as more specifically described in Attachment A ("Project Description"). All interest accumulated on funds placed in the capital reserve fund shall accrue to that fund.

**TERM/LAPSING OF FUNDS**

The capital reserve fund will begin as of \_\_\_\_\_. If the capital reserve funds are not expended by \_\_\_\_\_, then any unexpended funds will automatically lapse unless prior to the lapsing date, the MTA has approved to extend the term of the reserve. Before the end of three (3) years, the MTA may evaluate the Capital Reserve Account as it pertains to the status of the project and the projected amount of funds available.

If the project is delayed, the City of \_\_\_\_\_ must request in writing to MTA approval to extend the term of the reserve before the lapsing date. Without such approval, the unexpended funds will automatically lapse.

This agreement will follow the conditions set forth in the Proposition A and C Local Return Guidelines pertaining to the Capital Reserve process (collectively the "Guidelines").

**TERMINATION**

If either party desires to terminate this agreement early and reprogram the funds in the capital reserve account, either party may give 30-days written notice of such intent subject to the conditions set forth in the Guidelines.

If the MTA terminates this agreement, in addition to the requirements in the Guidelines, the capital reserve funds must be expended within three years from the time the MTA decision is made. If the City of \_\_\_\_\_ reprograms the funds, in addition to the requirements in the Guidelines, the capital reserve funds must be expended by the original automatic lapsing date.

**CONDITIONS**

The MTA and the City of \_\_\_\_\_ agree to abide by the requirements of the Guidelines, which are incorporated herein by reference, including without limitation:

- A. Submittal of Annual Project Update with updated Project Description Form;
- B. Reprogramming funds; and,
- C. Annual Status Update

This Memorandum of Understanding establishing the City of \_\_\_\_\_ Capital Reserve fund is hereby executed this \_\_\_\_\_ day of \_\_\_\_\_, 199X.

CITY OF \_\_\_\_\_

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

\_\_\_\_\_  
CITY MANAGER                      DATE

\_\_\_\_\_  
CEO    DATE

\_\_\_\_\_  
MAYOR    DATE

APPROVED AS TO FORM:

APPROVED AS TO FORM:

*DeWitt W. Clinton*  
County Counsel

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

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 Surf City, California and the City of Doll Valley, California with respect to the following facts:

- A. The City of Doll 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 Doll Valley. Adequate Proposition A Local Return funding for such a service is not available given the limited amount of the City of Doll Valley's Local Return allocation and the needs of other priority transit projects in the City.
- B. City of Surf 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 Doll Valley to assist in providing the services discussed in Paragraph A of this Agreement. In exchange for assignment by City of Doll Valley of the amount of its general funds indicated in Section 1 below, City of Surf City is willing to assign uncommitted Proposition A Local Return funding to City of Doll 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 Surf City agrees to assign \$100,000 of its Fiscal Year 199\_ -199\_ Proposition A Local Return Funding authority to City of Doll Valley. In return, City of Doll Valley agrees to assign \$50,000 of its general funds to City of Surf City.
2. Consideration. City of Surf City shall assign the agreed upon Proposition A Local Return funds to City of Doll Valley in twelve equal installments due the first of each month. City of Doll Valley shall assign the agreed upon general funds to City of Surf 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 Doll 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 Surf City  
101 Main Street  
Surf City, CA 90000
  
- b. City Manager  
City of Doll Valley  
401 Valley Boulevard  
Doll Valley, CA 90000

6. Assurances

- A. City of Doll 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 Doll 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

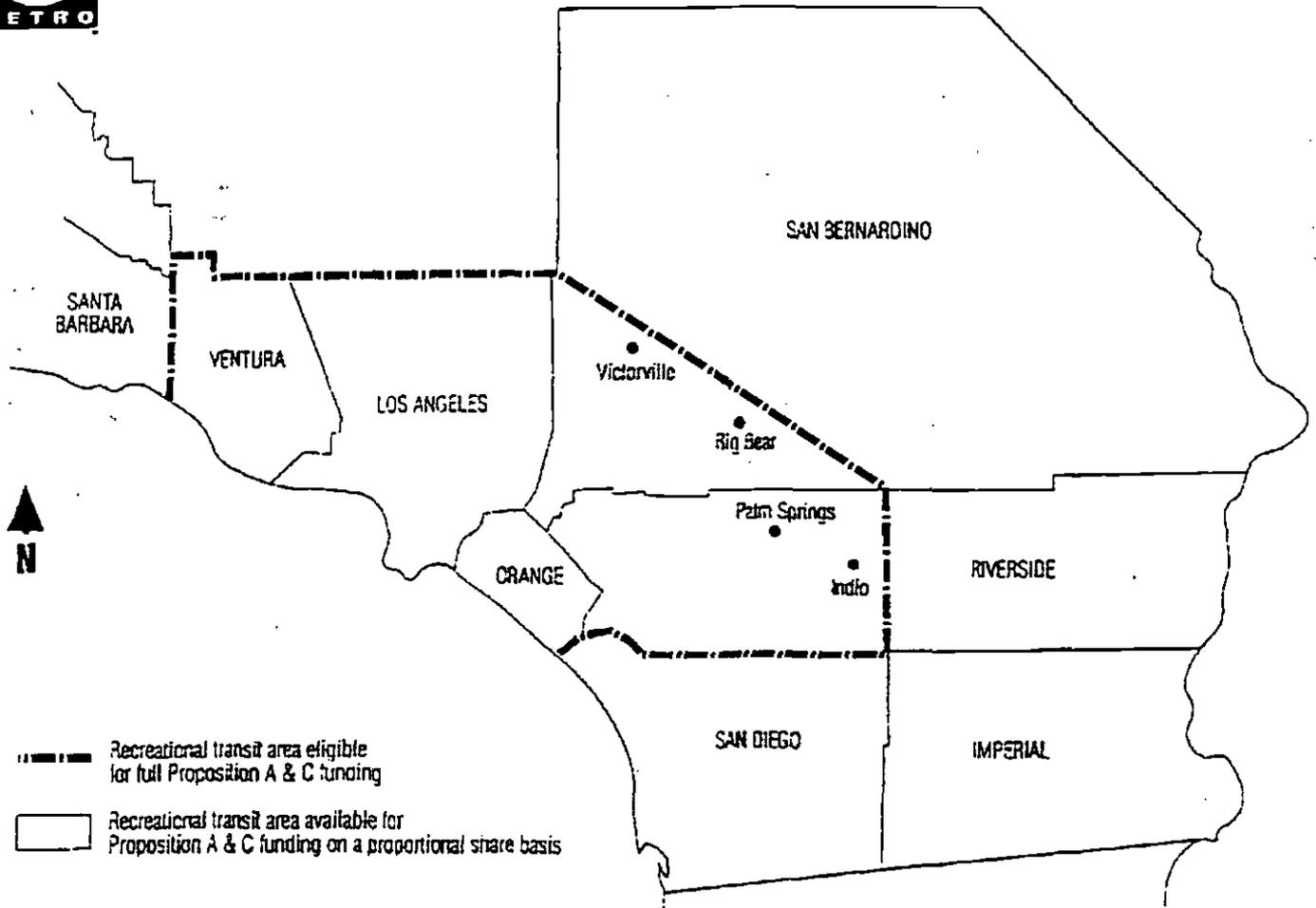
\_\_\_\_\_  
City Clerk

Approved as to Form:

Approved as to Form:



### ELIGIBLE RECREATIONAL TRANSIT SERVICE AREA



- Recreational transit area eligible for full Proposition A & C funding
- Recreational transit area available for Proposition A & C funding on a proportional share basis



LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

FORM A

<<Instructions on Back>>

LOCAL RETURN PROGRAM PROJECT DESCRIPTION FORM

(Required for all new and amended projects)

AGENCY/CITY: \_\_\_\_\_ CONTACT PERSON: \_\_\_\_\_

FISCAL YEAR (CURRENT): \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

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)

Table with 2 columns: BUDGET, (Funds in \$000's). Rows include PROJECT EXPENSES, Planning / Engineering, Operations/Maintenance, Contractual Services, Capital (Equip. & Const.), Other (Specify), and TOTAL PROJECT EXPENSE \$.

Project Status (Operating Projects Only): New [ ] Expanded [ ] Change in Funding [ ] Restart [ ]

Handicapped Accessible: Wheel Chair [ ] Semi-Ambulatory [ ]

Table with 2 columns: PROJECT REVENUES, (Funds in \$000's). Rows include Prop. A Local Returns, Prop. C Local Returns, Fare Revenues, Other (Specify), and TOTAL PROJECT REVENUE \$.

Note: Operating & capital budgets should be reported separately.

Authorized Signature

Title

Date

# Form A - Project Description Form

(This form can be submitted any time during the fiscal year)

—Instructions—

## Summary:

Form A should be submitted whenever a Jurisdiction is requesting the approval of a new project or if there is a budget or scope change of more than 25 percent in an ongoing transit or paratransit project (as defined in the Proposition A and C Guidelines).

## Key Terms:

- **Program:** Indicate whether this project will be funded with Prop A or C LR, and whether this is a new or amended/revised project description.
- **Fiscal Year:** Indicate the fiscal year (July 1 - June 30<sup>th</sup>) for which Prop A or C LR funds will be used.
- **Sequence Number and Project Code:** Indicate the sequence number of the project which is the order of submittal for this project (i.e., oldest approval to most current approval). Project Codes distinguish the type of projects being implemented.
- **Project Description:** Provide a detailed project description to help MTA staff determine project scope and eligibility.
- **Project Expenses:** Indicate in \$ thousands the itemized expenses for the project, including planning / engineering, operations / maintenance, contractual services, capital outlay, and other.
- **Project Revenues:** Indicate in \$ thousands the itemized revenues expected to fund the project.

## PROJECT CODES

### PROP A AND C LR JOINT CODES:

110	Fixed Route Transit
120	General Public Paratransit (e.g., dial-a-ride)
130	Special Service Paratransit (e.g., elderly/disabled)
140	Recreational or Special Event Transit
150	Bus Stop Improvement Program
160	Bus Stop Shelters and Benches (capital)
170	Bus Shelters Maintenance
180	Vehicle & Misc. Equipment (e.g., fare box)
190	Vehicle Modification Program
200	Vehicle Purchase Program
210	Bus Lane Modification Program
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
280	Transit Marketing
290	Park-and-Ride Lot Program
300	Transit Facility Improvements
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
400	Synchronized Signalization
410	Transportation Demand Management
480	Direct Administration
500	Other (Specify)

### Exclusive Uses of Prop A LR Funds:

405 Fund Exchange

### Exclusive Uses of Prop C LR Funds:

420	Congestion Management Program Activities
430	Bikeways & Pedestrian Improvements
440	Street Repair and Maintenance (e.g., slurry seal)
450	Street Improvement Projects (e.g., widenings)
460	Street TSM Projects (e.g., signalization)
470	Pavement Management Systems



# Form B - Annual Project Update

(This form must be submitted by August 1<sup>st</sup> of each year)

-Instructions-

## Summary:

Form B requires Jurisdictions to give an update of already approved, ongoing and carryover Prop A and C projects. Since new projects require additional information, please include all new projects on Form A only. (Note: Jurisdictions are required to call out all administration charges to Direct Administration in order to verify compliance of 20 percent maximum limit).

## Key Terms:

- **Fiscal Year:** Indicate the fiscal year (July 1 - June 30<sup>th</sup>) for which Prop A or C LR funds will be used.
- **Original Year of Approval:** Indicate the fiscal year (July 1 - June 30<sup>th</sup>) for which the project was originally approved for use of Prop A or C LR funds.
- **Sequence Number and Project Code:** Indicate the sequence number of the project(s), which is the order of submittal for this project(s) (i.e., oldest approval to most current approval). Project Codes distinguish the type of projects being implemented.
- **Project Status:** Indicate whether the project is ongoing (OG) - operational projects only, or carryover (CO) - one time capital projects if not completed within the previous fiscal year submitted for approval.
- **Prop A and C LR:** Indicate in \$ thousands the amount of Prop A and C LR revenues currently budgeted for the previously approved projects.
- **Fare Revenue:** For operating (transit or paratransit) projects which collect a fare, indicate the total estimated fare to be collected during the fiscal year.
- **Other:** Indicate the source and the amount of other funds which will be used for the project(s).
- **Total:** Calculate the total revenues for the project(s)

## PROJECT CODES

### PROP A AND C LR JOINT CODES:

110	Fixed Route Transit
120	General Public Paratransit (e.g., dial-a-ride)
130	Special Service Paratransit (e.g., elderly/disabled)
140	Recreational or Special Event Transit
150	Bus Stop Improvement Program
160	Bus Stop Shelters and Benches (capital)
170	Bus Shelters Maintenance
180	Vehicle & Misc. Equipment (e.g., fare box)
190	Vehicle Modification Program
200	Vehicle Purchase Program
210	Bus Lane Modification Program
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
280	Transit Marketing
290	Park-and-Ride Lot Program
300	Transit Facility Improvements
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
400	Synchronized Signalization
410	Transportation Demand Management
480	Direct Administration
500	Other (Specify)

### Exclusive Uses of Prop A LR Funds:

405 Fund Exchange

### Exclusive Uses of Prop C LR Funds:

420	Congestion Management Program Activities
430	Bikeways & Pedestrian Improvements
440	Street Repair and Maintenance (e.g., slurry seal)
450	Street Improvement Projects (e.g., widenings)
460	Street TSM Projects (e.g., signalization)
470	Pavement Management Systems



# Form C - Annual Expenditure Report

(This form must be submitted by October 15<sup>th</sup> of each year)

—Instructions—

## Summary:

Form B requires Jurisdictions to report the annual expenditures for both Prop A and C LR for the previous fiscal year. (Note: Jurisdictions are also required to submit an accounting of recreational transit trips, destinations and costs, if applicable).

## Key Terms:

- **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 (July 1 - June 30<sup>th</sup>) for which this form is being submitted.
- **Annual Revenue:** Indicate the amount of Prop A and C LR interest income and revenue for the prior fiscal year, as well as the amount of Prop A LR funds received in fund trades.
- **Original Year of Approval:** Indicate the original year of approval of the project, the Form A.
- **Sequence Number and Project Code:** Indicate the sequence number of the project, which is the order of submittal for this project(s) (i.e., oldest approval to most current approval). Project Codes distinguish the type of projects being implemented.
- **Project A and C LR Expenditures:** Indicate the total amount of funds expended for the project during the previous fiscal year.
- **Other Expenditures:** Indicate any non-LR funds expenditures on the project(s).
- **Total Expenditures:** Indicate the total amount of expenditures for the project(s) during the previous fiscal year.
- **Approved MTA Budget:** Indicate the project budget(s) approved by the MTA.

## PROJECT CODES

### PROP A AND C LR JOINT CODES:

110	Fixed Route Transit
120	General Public Paratransit (e.g., dial-a-ride)
130	Special Service Paratransit (e.g., elderly/disabled)
140	Recreational or Special Event Transit
150	Bus Stop Improvement Program
160	Bus Stop Shelters and Benches (capital)
170	Bus Shelters Maintenance
180	Vehicle & Misc. Equipment (e.g., fare box)
190	Vehicle Modification Program
200	Vehicle Purchase Program
210	Bus Lane Modification Program
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
280	Transit Marketing
290	Park-and-Ride Lot Program
300	Transit Facility Improvements
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
400	Synchronized Signalization
410	Transportation Demand Management
480	Direct Administration
500	Other (Specify)

### Exclusive Uses of Prop A LR Funds:

405 Fund Exchange

### Exclusive Uses of Prop C LR Funds:

420	Congestion Management Program Activities
430	Bikeways & Pedestrian Improvements
440	Street Repair and Maintenance (e.g., slurry seal)
450	Street Improvement Projects (e.g., widenings)
460	Street TSM Projects (e.g., signalization)
470	Pavement Management Systems

## ACKNOWLEDGEMENTS

### LOCAL RETURN PROGRAM GUIDELINE REVISIONS

The FY 1999 revision of the Proposition A and C Local Return Guidelines was made possible through the combined efforts of MTA staff from the Transportation Development and Implementation Department.

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