



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**June 3, 2025**

---

**TOPIC:** Measure M2 Funding Eligibility 2025-26 Renewal

---

**AGENDA TITLE**

Resolution to Maintain Measure M2 Funding Eligibility

**RECOMMENDED ACTION**

Adopt a resolution affirming consistency between the City's Mobility Element and the Orange County Master Plan of Arterial Highways (MPAH), concurring with the existing Transportation System Improvement Area fee program per Orange County Transportation Authority (OCTA) 2025-26 Measure M2 eligibility requirements.

RESOLUTION NO. 2025-XXX entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA CONCERNING THE STATUS AND UPDATE OF THE MOBILITY ELEMENT, AND MITIGATION FEE PROGRAM FOR THE MEASURE M (M2) PROGRAM

**GOVERNMENT CODE §84308 APPLIES:** No

**DISCUSSION**

In November 1990, Orange County voters approved Measure M, a one-half cent sales tax increase for 20 years, to fund transportation projects in Orange County. In November 2006, voters approved the Renewal of Measure M (M2), for an additional thirty years, effective in April 2011. The Orange County Transportation Authority (OCTA) administers M2 revenues and expenditures and Cities must meet 13 eligibility requirements to qualify to receive M2 funding. A portion of the revenues generated by M2 contribute to two types of local roadway funding: Local Fair Share (LFS) and competitive grants. LFS funding is distributed on a formula-based allocation determined by population, arterial roadway miles, and taxable sales. Competitive grant funding is available through OCTA's Comprehensive Transportation Funding Program (CTFP) and regularly releases calls for projects. Cities are required to submit various M2 program compliance documentation to OCTA to remain eligible for M2 funding. Fulfilling M2 eligibility requirements allows the City access to over \$6 million annually in LFS alone.

OCTA determines local agency annual eligibility for M2 funds based upon the local agency's successful and timely submittal of required documentation. As part of the

requirements due by June 30, 2025, the City must include an adopted resolution that affirms consistency between the City's Mobility Element and OCTA's Master Plan of Arterial Highways (MPAH), and reaffirm that the City has an existing Mitigation Fee Program (Exhibit 1). City staff has reviewed and updated the City's street classification system to ensure traffic mobility and traffic safety are in alignment with City goals, and have coordinated those changes with OCTA. This resolution attests that the City's adopted General Plan Mobility Element (Exhibit 2) is consistent with the MPAH, does not preclude implementation of the MPAH within Santa Ana, and that no unilateral reduction in vehicle lanes has been made on MPAH arterials during Fiscal Years 23-24 and 24-25 (Exhibit 3).

Additionally, the proposed resolution reaffirms the City's concurrence with its existing and previously adopted Transportation System Improvement Area fees to mitigate the effects of new development on transportation infrastructure (Exhibit 4). Measure M2 Program Guidelines require local agencies to assess traffic impacts of new development and require new development to pay a fair share of necessary transportation improvements attributable to the new development. The development impact fee programs and policies currently in place satisfy this requirement and are updated each fiscal year by Council action through the budget process.

Staff recommends City Council adopt the proposed resolution. Adoption of the resolution by June 30, 2025 is required to meet Measure M2 Program guidelines, ensure that the City continues to receive Measure M2 Local Fair Share funds each year, and remain eligible for CTFP grant funding.

#### **ENVIRONMENTAL IMPACT**

There is no environmental impact associated with the action.

#### **FISCAL IMPACT**

There is no fiscal impact at this time. The recommended actions will maintain the City's eligibility to receive Measure M2 funds. Upon meeting OCTA eligibility requirements, the City of Santa Ana is anticipated to receive \$6,338,621 in LFS funds (as of March 2025 estimate) and an undetermined amount in M2 competitive funds for FY 2025-26.

If the recommended action is not approved, the City stands to lose Measure M2 LFS revenue and eligibility to apply for various future OCTA comprehensive funding programs.

#### **EXHIBIT(S)**

1. Resolution
2. General Plan Mobility Element
3. Arterial Highway Mileage Change Report
4. Mitigation Fee Program

Measure M2 Funding Eligibility Renewal  
June 3, 2025  
Page 3

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Alvaro Nuñez, City Manager