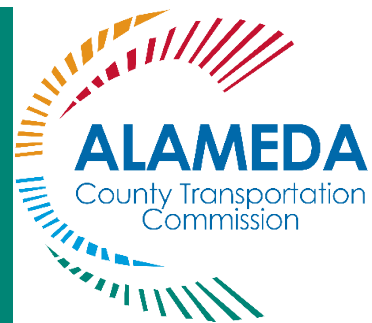


Vehicle Registration Fee

Direct Local Distributions
Program Compliance Report

Fiscal Year 2015-2016



Alameda County Transportation Commission
1111 Broadway Suite 800
Oakland, CA 94607
www.AlamedaCTC.org

JUNE 2017

Table of Contents

Introduction	3
Direct Local Distribution Program Revenues	4
Direct Local Distribution Program Expenditures	5
Expenditures by Project Phase	6
Expenditures by Project Type	6
Revenue and Expenditure Trends	7
Timely Use of Funds Policy	8
Implementing and Monitoring Timely Use of Funds	9
Program Compliance Determination and Future Reports.	10
FY 15-16 VRF Program Performance	11



Introduction

In November 2010, Alameda County voters approved the Measure F Vehicle Registration Fee (VRF) to authorize the annual collection of a \$10 per vehicle registration fee. Vehicles subject to the VRF include all motorized vehicles (unless vehicles are expressly exempt). Six months after the Measure's approval, VRF fee collection began and in spring 2012, the first VRF distributions were allocated to eligible recipients.

The VRF Program allocates 60 percent of net fund receipts to local road improvements and repairs in Alameda County. The goal of this program is to support transportation investments to sustain the County's transportation network and reduce traffic congestion and vehicle-related pollution. The VRF's Local Road and Repair Program is part of an overall strategy to finance transportation capital improvements intended to maintain and improve local streets and roads as well as a broad range of facilities in Alameda County (from local to arterial facilities).

The Alameda County Transportation Commission (Alameda CTC) maintains Master Programs Funding Agreements with fifteen jurisdictions eligible to receive VRF funds known as "Direct Local Distribution" (DLD) funds. Through the Master Program Funding Agreement (MPFA), Alameda CTC outlines specific requirements tied to eligible usage of VRF funds, and reporting requirements. This Compliance Report provides a summary of fiscal year 2015-16 (FY 15-16) revenues and expenditures reported by VRF recipients.

VRF recipients are required to submit an audited financial statement and complete a compliance reporting process that includes submitting the following deliverables annually to Alameda CTC:

- **Annual Revenues:** Documentation of annual DLD funds received from Alameda CTC.
- **Annual Expenditures:** Documentation of annual expenditures in sufficient detail to determine eligibility, performance, and use of funds.
- **Newsletter:** Documentation of a published article that highlights the VRF funded improvements.
- **Website:** Documentation of program information on a local agency website with a link to Alameda CTC's website.
- **Signage:** Documentation of public identification of program improvements as a benefit of using the VRF program.
- **Pavement Condition Index:** Documentation of the agency's Pavement Condition Index (PCI) to provide a frame of reference for the conditions of their local streets and roads.
- **Timely Use of Funds Policy:** Documentation of the agency's adherence to the DLD's Timely Use of Funds policy..



Vehicle Registration Fee Direct Local Distribution Revenues

VRF Direct Local Distributions

Dollars in millions

1 Local Streets and Roads	\$7.4	100%
Total Distributions	\$7.4	100%

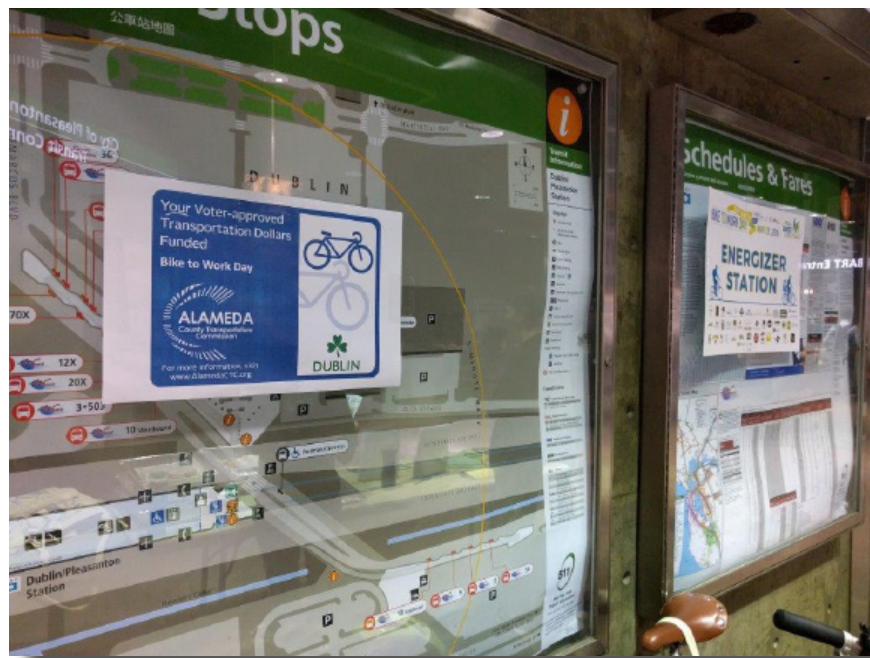
Alameda CTC disburses VRF DLD funds on a monthly basis to the eligible jurisdictions for their local road improvement and repair programs. This report summarizes the total Alameda CTC VRF fund allocations and agency expenditures for FY 15-16.

The data within this report is based on information included in compliance and audited financial statement reports submitted by jurisdictions at the end of the calendar year. The individual reports and audits are available for review online at http://www.alamedactc.org/app_pages/view/9863.

VRF Direct Local Distributions

From the start of the VRF Program distributions in spring 2012, program receipts and Alameda CTC's funding distributions have been consistent each year. Annually, Alameda CTC collects approximately \$12.0 million in VRF receipts. Approximately 60 percent of net VRF program funds are allocated to local jurisdictions as DLD funds.

In FY 15-16 Alameda CTC provided approximately \$7.4 million in VRF DLD funds to jurisdictions for their local streets and roads programs. In turn, the jurisdictions used the VRF funds in tandem with other revenue streams such as the Measure B and Measure BB transportation sales tax programs to implement projects and programs that support the growth and longevity of the transportation system.



Vehicle Registration Fee Direct Local Distribution Expenditures

The VRF program is in its fifth full fiscal year of implementation. In FY 15-16, approximately \$7.2 million in VRF funds were spent on local road improvements and maintenance activities. This is equivalent to the prior fiscal year's expenditures reported by the DLD recipients. Total DLD expenditures may vary each year due to fluctuating maintenance needs and implementation schedules. VRF funded improvements include pavement rehabilitation programs, street overlays, traffic signals improvements, and curb ramp enhancements. These improvements maintain the transportation system in Alameda County to make travel safer for motorists, bicyclists, and pedestrians. VRF funds continue to be an instrumental source of revenues to maintain a state of good repair of Alameda County's roadways.



See the chart below for more information on VRF DLD fund balances, revenue, and expenditures in FY 15-16.

Jurisdiction	15-16 Starting VRF Balance	15-16 VRF Revenue	15-16 VRF Interest	15-16 VRF Expended	15-16 Ending VRF Balance
ACPWA	\$314,761	\$728,514	\$727	\$249,989	\$795,013
City of Alameda	\$710,844	\$331,730	\$8,324	\$430,438	\$620,460
City of Albany	\$83,453	\$80,359	\$504	\$37,085	\$127,231
City of Berkeley	\$1,059,908	\$514,143	\$2,194	\$751,105	\$825,140
City of Dublin	\$174,188	\$273,321	\$1,463	\$233,748	\$215,224
City of Emeryville	\$87,399	\$45,753	\$529	\$2,600	\$131,081
City of Fremont	\$534,585	\$1,079,279	\$7,364	\$671,741	\$949,487
City of Hayward	\$458,779	\$759,607	\$4,852	\$176,	\$1,046,299
City of Livermore	\$774,914	\$420,867	\$11,131	\$456,634	\$750,278
City of Newark	\$479,695	\$210,586	\$921	\$435,198	\$256,004
City of Oakland	\$3,022,593	\$1,777,307	\$9,011	\$2,419,043	\$2,389,868
City of Piedmont	\$30,453	\$48,103	\$226	\$75,597	\$3,185
City of Pleasanton	\$158,329	\$366,344	\$3,421	\$132,422	\$395,672
City of San Leandro	\$619,752	\$439,407	\$6,444	\$428,665	\$636,938
City of Union City	\$804,932	\$346,549	\$3,308	\$729,825	\$424,964
Total	\$9,314,585	\$7,421,868	\$60,419	\$7,230,029	\$9,566,844

Notes:

1. The table above reflects total VRF revenue and expenditures reported by the jurisdictions.
2. Revenue and expenditure figures throughout this report may vary due to number rounding.
3. The city of Albany's figures reflect the most current available data from the city.
4. The Ending VRF balance includes interest on VRF funds.

Vehicle Registration Fee Direct Local Program Distribution Expenditures

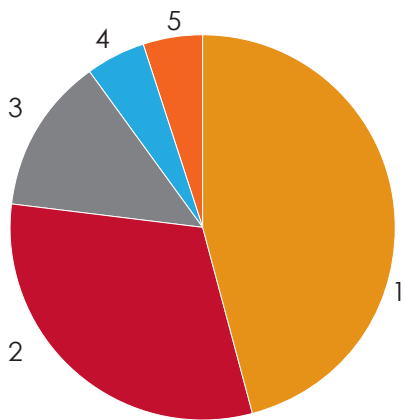
Total VRF Funds Expended

Dollars in millions

1 Local Streets and Roads	\$7.2	100%
Total Expenditures	\$7.2	100%

Per the VRF Local Streets and Roads Implementation Guidelines, the VRF Local Road Improvement and Repair Program funds are eligible for capital improvements for surface streets and arterial roads, including maintenance and upkeep efforts of local streets. VRF funding may be also used for improving, maintaining, and rehabilitating local roadways and traffic signals. Projects and activities designed to incorporate a Complete Streets practice that makes local roads safe for all modes, including bicyclists, pedestrians, and accommodation for transit are also eligible VRF expenses.

In FY 15-16, the jurisdictions reported \$7.2 million in VRF expenditures that supported local roadway and complete streets improvements. Of those total expenditures, \$6.6 million directly funded street and roads projects and the remaining \$0.6 million funded bicycle and pedestrian improvements related to streets and roads.



Total VRF Expenditures by Phase

Dollars in millions

1 Construction	\$3.3	46%
2 Maintenance	\$2.2	31%
3 Project Closeout	\$0.9	13%
4 PS&E	\$0.4	5%
5 Other	\$0.4	5%
Total Expenditures	\$7.2	100%

Total VRF Expenditures by Project Phase

VRF funds support local transportation improvements through various project phases. This includes initial planning/project scoping, environmental review, construction, maintenance and operational activities, and project close-out. The jurisdictions perform ongoing road maintenance and safety enhancements to provide residents with improved roadway conditions.

In FY 15-16, \$3.3 million in VRF funds supported construction projects throughout Alameda County. These improvements included road rehabilitation projects, slurry seals, and other maintenance activities to maintain and improve local roadways. An additional \$2.2 million was expended on street maintenance and repair activities. The remaining \$1.7 million in VRF expenditures supported project development work for the next fiscal year's improvements. These expenditures help improve Alameda County's transportation infrastructure by improving, maintaining, and rehabilitating local roads.

Total VRF Expenditures by Project Type

By project type, VRF funds were expended on improvements that not only directly benefit the roadway infrastructure, but also on subsidiary elements such as safety improvements for bicyclists and pedestrians as part of an overall complete streets program to make transportation safe and accessible to all modes. In FY 15-16, by project type jurisdictions expended the majority of the \$7.2 million in expenditures on street resurfacing and maintenance (\$5.9 million). The remaining \$1.3 million in expenditures include bicycle safety enhancements, new sidewalks, upgraded curb ramps, and pedestrian crossing improvements.

Vehicle Registration Fee Revenue and Expenditure Trends

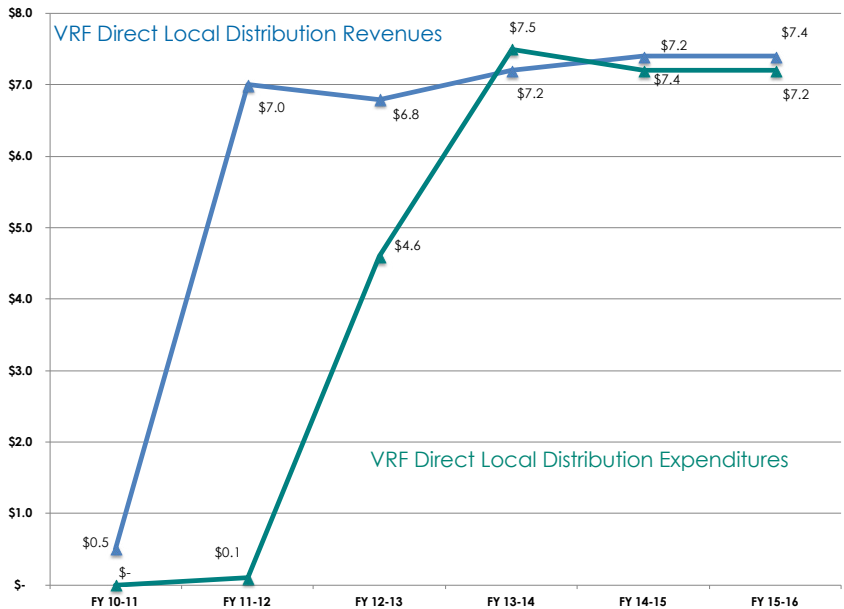
Alameda CTC has distributed approximately \$36.3 million in DLD funds to eligible cities and Alameda County since the start of the VRF program in 2011. Each year, Alameda CTC receives approximately \$12.0 million in receipts, of which approximately \$7.0 million (60 percent) is allocated directly to the cities and Alameda County. The VRF program currently contains five fiscal years of funding distributions and jurisdictions are expending a consistent amount of \$7.2 million per year on roadway improvements.

Annual expenditures are supporting Alameda county's roadway network to ensure street conditions are maintained and safe for public use. Program expenditures continue to be invested in slurry seal, pavement rehabilitation, and pothole repair programs



VRF Annual Revenue and Expenditure Trends FY 10-11 through FY 15-16

Dollar in millions





Timely Use of Funds Policy

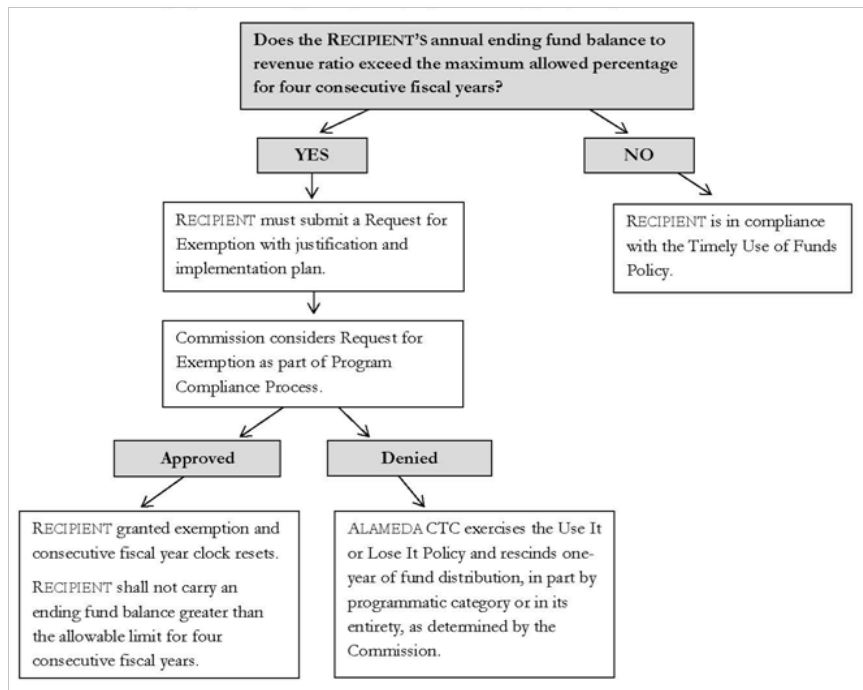
In 2016, Alameda CTC implemented an updated Timely Use of Funds Policy on DLD funds to encourage the expeditious use of funds across all DLD recipients.

INTENT: The intent of the Timely Use of Funds Policy is to encourage Measure B/Measure BB/Vehicle Registration Fee recipients to expend voter-approved transportation dollars expeditiously on transportation improvements and operations that the public can use and benefit from immediately.

POLICY: DLD recipient shall not carry a fiscal year ending fund balance greater than 40 percent of the Direct Local Distribution revenue received for that same fiscal year for four consecutive fiscal years, by funding program. Non-compliance with this policy may invoke rescission penalties per the Use it or Lose It Policy.

DLD recipient may seek an exemption from the Timely Use of Funds Policy through the Annual Program Compliance reporting process. DLD recipients must demonstrate that extraordinary circumstances have occurred and provide a timely expenditure plan that would justify the exemption. Exemption requests must be submitted to Alameda CTC and approved by the Commission.

This policy applies to fiscal year 2016-17 DLD funds.

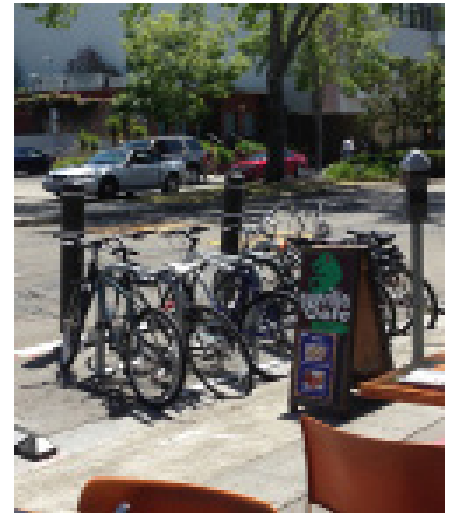


Implementing and Monitoring Timely Use of Funds

Through the Annual Program Compliance reporting process, Alameda CTC will monitor the DLD recipient's annual ending fund balance to revenue received ratio, cumulatively across the DLD recipient programmatic categories by fund program, to verify policy compliance.

The Timely Use of Funds policy is not yet applicable to the current FY 15-16 reporting and balances contained in this document. The FY 15-16 is considered a grace year to allow jurisdictions to modify their programs accordingly to expend any remaining fund balance in schedule with this policy. The current ending fund balances for each DLD recipient program is listed on the following table.

Jurisdiction	15-16 Ending VRF Balance
ACPWA	\$795,013
City of Alameda	\$620,460
City of Albany	\$127,231
City of Berkeley	\$825,140
City of Dublin	\$215,224
City of Emeryville	\$131,081
City of Fremont	\$949,487
City of Hayward	\$1,046,299
City of Livermore	\$750,278
City of Newark	\$256,004
City of Oakland	\$2,389,868
City of Piedmont	\$3,185
City of Pleasanton	\$395,672
City of San Leandro	\$636,938
City of Union City	\$424,964
Total	\$9,566,844



Next year, Alameda CTC will be monitoring fund balances as the first year of monitoring and implementation of the Timely Use of Funds Policy. Alameda CTC's compliance reporting evaluation will continue to monitor jurisdictions' implementation plans for remaining fund balances to ensure jurisdictions are actively expending VRF funds and enhancing the local transportation system throughout Alameda County in a timely manner.

Vehicle Registration Fee FY 15-16 Program Compliance Determination and Future Reporting



FY 15-16 VRF Compliance Determination

For the FY 15-16 reporting year, all VRF recipients submitted compliance reports and audited financial statements that complied with the Measure F (VRF) Expenditure Plan and agreement requirements. From these reports and follow-up correspondences with the individual recipients, Alameda CTC has determined that the VRF DLD recipients are in compliance with the reporting, expenditure requirements, and Timely Use of Funds policy for expenses incurred in FY 15-16. Note the City of Albany's reports are still under review at the time of this report, and from initial review, Alameda CTC has determined the agency to be in preliminary compliance.

Future Reporting and Performance Monitoring

Alameda CTC will continue to monitor the recipients compliance with the Measure F (VRF) Expenditure Plan and funding agreement requirements through future compliance reporting processes. In an effort to streamline the compliance administration and recipient reporting on all DLD funds from Measure B, Measure BB, and VRF programs, Alameda CTC and the recipients entered into new Master Programs Funding Agreements effective July 1, 2016 through June 30, 2026. The updated agreements includes new timely use of funds policies and performance monitoring requirements that are to be applied to fiscal year 2016-17 funds and will be monitored in future compliance reports and other agency performance reports.

The focus of future reports will include:

- Monitoring the draw down of existing fund balances
- Performance monitoring of the use of funds
- Monitoring consistency with Expenditure Plan requirements
- Verifying compliance with the updated timely use of fund requirements
- Verifying recipient's completion of general reporting obligations

Vehicle Registration Fee Local Road Improvement and Repair Program FY 15-16 Program Performance

In FY 15-16, jurisdictions implemented approximately \$7.2 million in local road improvements and repairs to make Alameda County's transportation system safer, accessible, and maintained. Of these expenditures, 97% were directly related to capital investments while the remaining 3% were put towards administrative investments.

- **Alameda County:** Resurfaced six lane miles of pavement to extend pavement life and reliability.
- **City of Alameda:** Resurfaced five lane miles including upgrading ADA ramps, replacing striping and pavement crack sealing.
- **City of Albany:** Initiated planning for Washington/Sante Fe Roundabout and Traffic Calming project.
- **City of Berkeley:** Completed design work for the Downtown Berkeley BART Plaza and transit improvements.
- **City of Dublin:** Updated and maintained 93 traffic signals.
- **City of Emeryville:** Completed work in administering the VRF program.
- **City of Fremont:** Completed pavement rehabilitation projects amounting to 9 million square feet of repairs throughout the city.
- **City of Hayward:** Completed about 1 mile of structural street repairs along Whipple Road.
- **City of Livermore:** Repaired, sealed and rehabilitated 2.7 million square feet of roadway and pavement.
- **City of Newark:** Performed overlay of various streets with asphalt concrete on over 291,000 square feet.
- **City of Oakland:** Resurfaced 15 lane miles of city streets to improve vehicular, bike and pedestrian safety.
- **City of Piedmont:** Pavement rehabilitation along Highland and Moraga Avenue.
- **City of Pleasanton:** Implemented street resurfacing and prevention programs on 1.1 million square feet.
- **City of San Leandro:** Performed street sealing, repair and resurfacing on over 2 lane miles of city streets.
- **City of Union City:** Initiated pilot for "Green Streets" program on C street between 6th and 9th, which include rain gardens and bio treatment areas.



For complete Performance Reporting, refer to Alameda CTC website at: http://www.alamedactc.org/app_pages/view/9863



alamedactc.org

