



DATE: April 4, 2011
TO: Alameda County Technical Advisory Committee (ACTAC)
FROM: Matt Todd, Manager of Programming
SUBJECT: Approval of Vehicle Registration Fee Program Principles

Recommendation

It is recommended that the Commission approve Vehicle Registration Fee program principles. The principles will be the basis of a VRF Program Guidelines document.

Summary

The Measure F Alameda County Vehicle Registration Fee (VRF) Program was approved by the voters on November 2, 2010, with 63% of the vote. The fee will generate about \$11 million per year by a \$10 per year vehicle registration fee. The schedule, detailed in Table A, calls for VRF Program Principles to be considered in May.

Based on discussions with the Department of Motor Vehicles (DMV), the collection of the \$10 per year vehicle registration fee is anticipated to begin the first week of May 2011, six months after the approval of Measure F (as detailed in the enabling legislation). DMV has indicated that individuals will begin to receive registration renewal notices that include the VRF fee in March (notices sent about 60 days before the payment due date). The first revenue is not expected to be received by the Alameda CTC from the fee until the August/September 2011 time period. The revenue is expected to arrive in monthly increments.

Background

The goal of the program is to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution. The program included four categories of projects to achieve this, including:

- Local Road Improvement and Repair Program (60%)
- Transit for Congestion Relief (25%)
- Local Transportation Technology (10%)
- Pedestrian and Bicyclist Access and Safety Program (5%)

An equitable share of the funds will be distributed among the four planning areas of the county over successive five year cycles. Geographic equity will be measured by a formula, weighted fifty percent by population of the planning area and fifty percent of registered vehicles of the planning area. With 2010 information, the formula by planning area is:

Planning Area 1	38.15%
Planning Area 2	25.15%
Planning Area 3	22.0%
Planning Area 4	14.7%

Staff is working with DMV on a method to obtain updated information regarding vehicle registration by planning area on a recurring basis. Department of Finance information will be used for population information.

Alameda CTC staff will track funds used in each planning area by the four categories of projects approved in the VRF Program. The overall value of the VRF Program benefits will be assigned by planning area and will be tracked relative to the formula detailed in the ballot measure (50% population/50% vehicles registered). Overall geographic equity, based on the formula detailed in the ballot measure, is required to be achieved when measured over successive five (5) year cycles. Though it is not required to attain the planning area geographic equity measured by each specific program (Local Road Improvement and Repair, Transit for Congestion Relief, Local Transportation Technology, and Pedestrian and Bicyclist Access and Safety Programs), it will be considered a goal to maintain.

Programmatic categories are identified with funding targets, defined as a percentage of overall funds over a period of time to address allocation of funds to multi-year programs for a given purpose. For the programming of the funds, it is proposed that the Alameda CTC Board would adopt a Strategic Plan and Implementation Plan on an annual basis.

Strategic Plan

The Alameda CTC Board each year shall adopt a multi-year Strategic Plan. The Strategic Plan will include funding targets for programmatic categories identified in the Expenditure Plan for a five year period. The percentage allocation of Fee revenues to each category will be the target funding levels, as identified in the Expenditure Plan

Implementation Plan

In addition to the 5 year Strategic plan the Alameda CTC Board will adopt a shorter term implementation plan that will include the approval of specific projects to be programmed. Projects will be approved within the eligible categories based on projected funding that will be received. Based on the actual revenue received each year, funding adjustments will be made to ensure geographic equity by planning area will be met over the 5 year window as well as to ensure funding targets for each programmatic category as identified in the Expenditure Plan are met. Variances from projected to actual will also be considered in future updates of the Strategic Plan.

The ballot measure language specifies that "A sponsors costs shall be reimbursed for expenditures incurred on an approved project." Based on the ballot measure language, staff is working with legal counsel to determine options for the program reimbursement structure. Staff proposes an expenditure deadline of two (2) years to expend the funds.

Initial Costs/Administration

Certain initial costs as well as ongoing administrative costs are allowed for in the program. It is estimated that approximately \$1.5 million of expenses were incurred to initiate the VRF program. Approximately \$900,000 is allowed to be reimbursed prior to the application of the 5% administration cap, and the remaining \$600,000 that will be applied within the 5% administration

fee, though an amortization of multiple years is allowed. These costs will be included in the Strategic Plan and Implementation Plan.

Ongoing Implementation of the Program

The collection of the \$10 per year vehicle registration fee is anticipated to begin the first week of May 2011. The first revenue is not expected to be received by the Alameda CTC from the fee until the August/September 2011 time period. The revenue is expected to arrive in monthly increments. Depending the implementation schedule of projects, there is a scenario where there may be more requests for funds than cash available to disburse. In the event reimbursement requests are greater than available funds, available funds will be reimbursed to project sponsors based on the percentage each sponsor's project bears to Alameda CTC's overall approved VRF program until such time full funding is available.

Fiscal Impact

The VRF funds included in this funding program are anticipated to be available in FY 2011/12 and will be accounted for in the FY 2011/12 budget. Costs associated with the creation and administration of the Alameda CTC's VRF program will be included in the assumptions for the 2011/12 budget.

Attachments

Attachment A - Proposed Schedule for Measure F – VRF Program

Attachment B – Additional Program Details

Attachment C - Alameda County Transportation Improvement Measure Expenditure Plan

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Proposed Schedule for Measure F – VRF Program

Date	Activity
April 2011	Program Principles to Committees/ Board
May 2011	Final Program Guidelines to Committees/ Board
June 2011	Release Call for Projects
July 2011	Draft Program to Committees/Board
September 2011	Final Program to Committees/Board
Fall 2011	Execute Agreements

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Additional Program Details

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Local Road Improvement and Repair Program (60%)

This program would provide funding for improving, maintaining and rehabilitating local roads and traffic signals. It would also incorporate the “complete streets” practice that makes local roads safe for all modes, including bicyclists and pedestrians, and accommodates transit. Projects eligible could include:

- Street repaving and rehabilitation, including curbs, gutters and drains
- Traffic signal maintenance and upgrades, including bicyclist and pedestrian treatments
- Signing and striping on roadways, including traffic and bicycle lanes and crosswalks
- Sidewalk repair and installation
- Bus stop improvements, including bus pads, turnouts and striping
- Improvements to roadways at rail crossings, including grade separations and safety protection devices
- Improvements to roadways with truck or transit routing

Approach

Capital projects providing street repaving and rehabilitation are proposed to be priority projects for the Local Road Improvement and Repair Program category. Within a project’s primary scope of the street repaving and rehabilitation projects, staff also anticipates scope associated with curbs, gutters, drains, sidewalks, traffic signals, bicycle improvements, pedestrian improvements and transit service. Projects that address regionally significant routes are proposed to be given some prioritization. Proposed projects will be required to submit material supporting the overall pavement condition and the analysis of the proposed facility from the jurisdictions current pavement management system. Additional programming capacity can be combined with Local Road Improvement and Repair Program eligible components of projects funded from other VRF Program categories (Transit for Congestion Relief Program, Local Transportation Technology Program, Pedestrian and Bicyclist Access and Safety Program) if appropriate. The Local Road Improvement and Repair Program projects will be assigned to a planning area and are proposed to be tracked on the planning area level relative to the formula detailed in the ballot measure (50% population/50% vehicles registered). The programming assigned to the Local Road Improvement and Repair Program by planning area will be considered with programming for all four program categories when overall VRF Program geographic equity is evaluated.

Transit for Congestion Relief Program (25%)

This program would seek to make it easier for drivers to use public transportation, make the existing transit system more efficient and effective, and improve access to schools and jobs. The goal of this program is to decrease automobile usage and thereby reduce both localized and areawide congestion and air pollution. Projects eligible could include:

- Transit service expansion and preservation to provide congestion relief, such as express bus service in congested areas
- Development and implementation of transit priority treatments on local roadways
- Employer or school-sponsored transit passes, such as an “EcoPass Program”
- Park-and-ride facility improvements
- Increased usage of clean transit vehicles
- Increased usage of low floor transit vehicles
- Passenger rail station access and capacity improvements

Approach

Strategic capital investments that will create operating efficiency and effectiveness are proposed to be priority projects for the Transit for Congestion Relief Program category. Projects that address regionally significant transit issues are proposed to be given some prioritization. Additional programming capacity can be combined with Transit for Congestion Relief Program eligible components of projects funded from other VRF Program categories (Local Road Improvement and Repair Program, Local Transportation Technology Program, Pedestrian and Bicyclist Access and Safety Program) if appropriate. The Transit for Congestion Relief Program projects will be assigned to a planning area and are proposed to be tracked on the planning area level relative to the formula detailed in the ballot measure (50% population/50% vehicles registered). The programming assigned to the Transit for Congestion Relief Program by planning area will be considered with programming for all four program categories when overall VRF Program geographic equity is evaluated.

Local Transportation Technology Program (10%)

This program would continue and improve the performance of road, transit, pedestrian and bicyclist technology applications, and would accommodate emerging vehicle technologies, such as electric and plug-in-hybrid vehicles. Projects eligible could include:

- Development, installation, operations, monitoring and maintenance of local street and arterial transportation management technology, such as the “Smart Corridors Program”, traffic signal interconnection, transit and emergency vehicle priority, advanced traffic management systems, and advanced traveler information systems
- Infrastructure for alternative vehicle fuels, such as electric and hybrid vehicle plug-in stations
- New or emerging transportation technologies that provide congestion or pollution mitigation
- Advance signal technology for walking and bicycling

Approach

The operation and maintenance of ongoing transportation management technology projects such as the “Smart Corridors Program” are the proposed priority for these funds. This is also proposed to the first programming available to the from the overall VRF Program. The initial programming proposed for the Local Transportation Technology Program will exceed the 10% program share in year one of the VRF Program. The programming made available in future years of the VRF program to the Local Transportation Technology Program will be reduced to account for the advance of programming to this category. If programming capacity remains after addressing ongoing operation and maintenance costs, the program will be opened to other eligible project categories. Additional programming capacity can be combined with Local Transportation Technology Program eligible components of projects funded from other VRF Program categories (Local Road Improvement and Repair Program, Transit for Congestion Relief Program, Pedestrian and Bicyclist Access and Safety Program) if appropriate. Based on current operation and maintenance levels of the existing corridor programs, planning area 1 is projected to require more funding than their proportional share of the funding, with planning areas three (3) and four (4) less funding than proportional share. The programming assigned to the Local Transportation Technology Program by planning area will be considered with programming for all four program categories when overall VRF Program geographic equity is evaluated.

Additional Program Details

Pedestrian and Bicyclist Access and Safety Program (5%)

This program would seek to improve the safety of bicyclists and pedestrians by reducing the conflicts with motor vehicles and to reduce congestion in areas such as schools, downtowns, transit hubs, and other high activity locations. It would also seek to improve bicyclist and pedestrian safety on arterials and other locally-maintained roads and reduce occasional congestion that may occur with incidents. Projects eligible could include:

- Improved access and safety to schools, such as “Safe Routes to Schools Programs”, “Greenways to Schools Programs”, and other improvements (including crosswalk, sidewalk, lighting and signal improvements) for students, parents and teachers
- Improved access and safety to activity centers (such as crosswalk, sidewalk, lighting and signal improvements)
- Improved access and safety to transit hubs (such as crosswalk, sidewalk, lighting and signal improvements)
- Improved bicyclist and pedestrian safety on arterials, other locally-maintained roads and multi-use trails parallel to congested highway corridors

Approach

In general, the Pedestrian and Bicyclist Access and Safety Program is anticipated to provide about \$500,000 per year. The eligible project types for this category are similar to the eligibility for the Transportation Fund for Clean Air Program Manager Funds, the TDA Article 3 funds, and the Measure B Bicycle/Pedestrian Discretionary Program. It is proposed that calls for projects for the Pedestrian and Bicyclist Access and Safety Program category of the VRF program be coordinated with the aforementioned funding programs. Based on the amount of funds available on an annual basis, staff proposes that a call for projects be conducted every other year, using two years of programming capacity (i.e. about \$1 million available for a call for projects). Additional programming capacity can be combined with Pedestrian and Bicyclist Access and Safety Program eligible components of projects funded from other VRF Program categories (Local Road Improvement and Repair Program, Transit for Congestion Relief Program, and Local Transportation Technology Program) if appropriate. Specific “projects” identified in the countywide bike and pedestrian plans will be given priority in project selection. The programming assigned to the Pedestrian and Bicyclist Access and Safety Program by planning area will be considered with programming for all four program categories when overall VRF Program geographic equity is evaluated.

**ALAMEDA COUNTY
TRANSPORTATION IMPROVEMENT MEASURE
EXPENDITURE PLAN**

A. Purpose of the Expenditure Plan

The Alameda County Vehicle Registration Fee Expenditure Plan (Plan) will guide the annual expenditures of the funds generated by a \$10 per year vehicle registration fee (Fee), if approved by voters in the November 2010 election. Alameda County has very significant unfunded transportation needs, and this Fee would provide funding to meet some of those needs. It is expected that this Fee will generate approximately \$11 million per year.

The goal of this Plan is to support transportation investments in a way that sustains the County's transportation network and reduces traffic congestion and vehicle-related pollution. The Fee would be a key part of an overall strategy to develop a balanced, well thought-out program that improves transportation and transit for County residents. The Fee will fund programs that:

- Repair and maintain local streets and roads in the county.
- Make public transportation easier to use and more efficient.
- Make it easier to get to work or school, whether driving, using public transportation, bicycling or walking.
- Reduce pollution from cars and trucks.

The Plan would have the following specific elements:

- All of the money raised by the Fee would be used exclusively for transportation in Alameda County.
- None of the funds raised, outside of the costs incurred by the Department of Motor Vehicle to collect the Fee, can be taken by the State.
- Projects and programs included in the Expenditure Plan must have a relationship or benefit to the owner's of motor vehicles paying the Fee.
- Help fund roadway repairs and maintenance that make roads in Alameda County safer for motorists, bicyclists and pedestrians.
- Provide investments that will help create a smarter, more efficient transportation system.
- Establish a reliable source of funding to help fund critical and essential local transportation programs.
- Provide matching funds for funding made available from state general obligation bonds.
- Maintain and improve the County's transportation network while maintaining geographic equity, over successive five year cycles.

B. Statutory Authorization and Requirements

The opportunity for a Countywide transportation agency to place this Fee before the voters was authorized in 2009 by the passage of Senate Bill 83, authored by Senator Loni Hancock (Oakland). The Alameda County Congestion Management Agency (Agency) shall place a transportation measure (Measure) on the November 2, 2010 ballot to enact a \$10 vehicle registration fee that would be used for local transportation and transit improvements throughout Alameda County. A majority vote of the electorate is required to adopt this Fee.

The statute requires that the Fee collected be used only to pay for programs and projects that bear a relationship or benefit to the owners of motor vehicles paying the Fee and be consistent with a Regional Transportation Plan. The Fee will be imposed on each annual motor-vehicle registration or renewal of registration in Alameda County occurring on or after six-months following the November 2, 2010 election, where the Measure was approved by the voters, for an unlimited period, unless otherwise terminated by the voters of Alameda County. To implement this Fee, the statute requires the governing board of the Agency to adopt an Expenditure Plan. The statute also requires the ballot Measure resolution be approved by majority vote of the Agency members at a noticed public hearing.

C. Programmatic Expenditures

The Plan identifies four types of programs that will receive funds generated by the Fee. Below are descriptions of each program and the percentage in parentheses of the annual revenue that will be allocated to each program after deducting for the Agency's administrative costs.

Local Road Improvement and Repair Program (60%)

This program would provide funding for improving, maintaining and rehabilitating local roads and traffic signals. It also would incorporate the "complete streets" practice that makes local roads safe for all modes, including bicyclists and pedestrians, and accommodates transit. Projects eligible could include:

- Street repaving and rehabilitation, including curbs, gutters and drains
- Traffic signal maintenance and upgrades, including bicyclist and pedestrian treatments
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Transit for Congestion Relief Program (25%)

This program would seek to make it easier for drivers to use public transportation, make the existing transit system more efficient and effective, and improve access to schools and jobs. The goal of this program is to decrease automobile usage and thereby reduce both localized and area-wide congestion and air pollution. Projects eligible could include:

- Transit service expansion and preservation to provide congestion relief such as express bus service in congested areas
- Development and implementation of transit priority treatments on local roadways
- Employer or school-sponsored transit passes such as an "EcoPass Program"
- Park-and-ride facility improvements
- Increased usage of clean transit vehicles
- Increased usage of low floor transit vehicles

- Passenger rail station access and capacity improvements

Local Transportation Technology Program (10%)

This program would continue and improve the performance of road, transit, pedestrian and bicyclist technology applications, and would accommodate emerging vehicle technologies such as electric and plug-in-hybrid vehicles. Projects eligible could include:

- Development, installation, operations, monitoring and maintenance of local street and arterial transportation management technology such as the “Smart Corridors Program”, traffic signal interconnection, transit and emergency vehicle priority, advanced traffic management systems and advanced traveler information systems
- Infrastructure for alternative vehicle fuels such as electric and plug-in-hybrid vehicle stations
- New or emerging transportation technologies that provide congestion or pollution mitigation
- Advance signal technology for walking and bicycling

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This program would seek to improve the safety of bicyclists and pedestrians by reducing the conflicts with motor vehicles and to reduce congestion in areas such as schools, downtowns, transit hubs and other high activity locations. It also would seek to improve bicyclist and pedestrian safety on arterials and other locally-maintained roads and to reduce occasional congestion that may occur with incidents. Projects eligible could include:

- Improved access and safety to schools, such as “Safe Routes to Schools Programs”, “Greenways to Schools Programs”, and other improvements (including crosswalk, sidewalk, lighting and signal improvements) for students, parents and teachers
- Improved access and safety to activity centers (such as crosswalk, sidewalk, lighting and signal improvements)
- Improved access and safety to transit hubs (such as crosswalk, sidewalk, lighting and signal improvements)
- Improved bicycle and pedestrian safety on arterials, other locally-maintained roads and multi-use trails parallel to congested highway corridors

D. Governing Board and Organizational Structure

1. Agency Responsible for Administering Proceeds of Fee

The Agency, pursuant to California Government Code Section 65089.20, shall place a majority vote ballot measure before the voters to authorize a \$10 per year increase in the motor vehicle registration fee. If so approved, the Agency will collect and administer the Fee in accordance with the Plan.

The Agency and the Alameda County Transportation Improvement Authority (Authority) have approved a merger of the two agencies into a new Alameda County Transportation Commission (Alameda CTC), which would have members from all the jurisdictions that

currently are represented on the Agency’s Board. The Agency and the Authority expect to delegate all of their powers, assets and liabilities to Alameda CTC. Upon such delegation, the Fee would be collected and administered by the Alameda CTC pursuant to the Plan. All references to “Agency” include reference to Alameda CTC.

2. Contract with Department

The Agency shall contract with the Department of Motor Vehicles to collect the fee imposed pursuant to California Government Code section 65089.20 upon the registration or renewal of registration of a motor vehicle registered in the County, except those vehicles that are expressly exempted under this code from the payment of registration fees, pursuant to California Vehicle Code section 9250.4, as approved by the voters of Alameda County.

3. Annual Budget Financial Projections

The Annual Budget, adopted by the Agency each year, will project the expected Fee revenue, other anticipated funds and planned expenditures for administration and programs.

4. Annual Report

The Agency shall draft an Annual Report, which shall be made available to the public and will include the following:

- Revenues collected
- Expenditures by programs, including distribution of funds within each program and in each planning area of the County, and administrative costs
- Accomplishments and benefits realized by the programs
- Proposed projects for funding in each program

Before adopting the Annual Report, the Agency will hold a public meeting and will address public comments in the Annual Report.

5. Use of Proceeds

The proceeds of the Fee governed by this ordinance shall be used solely for the programs and purposes set forth in the Plan and for the administration thereof. The Agency will administer the proceeds of the Fee to carry out the mission described in the Plan. An equitable share of the funds will be distributed among the four geographical sub-areas of the county over successive five year cycles. Geographic equity is measured by a formula, weighted fifty percent by population of the sub-area (as published by the California Department of Finance) and fifty percent of registered vehicles of the sub-area (as determined by the California Department of Motor Vehicles). The definition of the sub-areas may change from time to time. A sponsor’s costs shall be reimbursed for expenditures incurred on an approved project. Pursuant to California Government Code Section 65089.20, not more than five percent of the Fee shall be used for administrative costs associated with the programs and projects, including the amendment of the Plan.

Pursuant to California Vehicle Code Section 9250.4,

the initial setup and programming costs identified by the Department of Motor Vehicles (Department) to collect the Fee upon registration or renewal of registration of a motor vehicle shall be paid by the Agency from the Fee. Any direct contract payment with the Department by the Agency shall be repaid, with no restriction on the funds, to the Agency as part of the initial revenue available for distribution. The costs deducted pursuant to this paragraph shall not be counted against the five percent administrative cost limit specified in California Government Code Section 65089.20(d).

The costs of placing the Measure authorizing imposition of the Fee on the ballot, including payments to the County Registrar of Voters and payments for the printing of the portions of the ballot pamphlet relating to the Fee, advanced by the Agency, shall be paid from the proceeds of this Fee, and shall not be counted towards the five percent limit on administrative costs. The costs of preparing the Plan, advanced by the Agency, shall be paid from the proceeds of the Fee subject to the five percent limit on administrative costs. At the discretion of the Agency, these costs may be amortized over a period of years.

The proceeds of the Fee shall be spent only inside the limits of Alameda County. None of the proceeds, outside of the costs incurred by the Department of Motor Vehicles to collect the fee, shall be taken by the State.

6. Duration of Fee

The Fee, if so approved, would be imposed annually unless repealed.

7. Severability

If any provision of this Plan or the application thereof to any person or circumstance is held invalid, the remainder of this Plan and the application thereof to other persons or circumstances shall not be affected. If any proposed expenditure based on this Plan is held invalid, those funds shall be redistributed to other expenditures in accordance with the Expenditure Plan.

8. Amendments to the Plan

It is expected that the Plan will be amended from time to time. Amendment to the Plan shall be approved by a two-thirds vote of the Agency Board. All jurisdictions within the County with representatives on Agency will be given a minimum of 45 days notice and opportunity to comment on any proposed Plan amendment prior to its adoption.

9. Option to Bond

The Agency shall be authorized to issue bonds for the purposes of implementing the Plan. The bonds will be paid with the proceeds of the Fee. The costs associated with bonding will be borne only by programs in the Plan utilizing the bond proceeds. The costs and risks associated with bonding will be presented in the Agency's Annual Budget and will be subject to public comment before approving a bond sale.

10. Statute of Limitations

Any suit, action or proceeding in any court against the Agency, or against any officer of the Agency, to prevent

or enjoin the collection under this ordinance, of any Fee or any amount of Fee required to be collected must be brought within 120 days of the approval of the imposition of the Fee by the voters of Alameda County.

11. Effective Date

The Measure shall take effect at the close of the polls on the day of election at which the Fee is adopted by a majority of the electors voting on the Measure.

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