



Metro

FY26 Local Return Capital Reserve Accounts - Item# 2026-0393

Finance, Budget & Audit Committee

July 16, 2026

Issue & Background

- Metro annually allocates Local Return funds to LA County jurisdictions to implement local projects
 - › Proposition A
 - › Proposition C
 - › Measure R
 - › Measure M
- Local Return funds must be spent within 4 or 5 years, depending on fund source
 - › If not spent, funds could lapse and jurisdiction can lose revenues
- Jurisdictions may need additional time to accumulate funding to implement projects
- To prevent lapsing, jurisdictions may request Capital Reserve Account
- Board approval is required to establish or amend Capital Reserve Accounts

Capital Reserve Account Projects

NEW CAPITAL RESERVES		
Jurisdiction Name	Amount	Project
Bell (Meas M)	\$ 1,500,000	NEW Project - Bear Ave and Otis Ave Street Improvement
Beverly Hills (Meas M)	1,000,000	NEW Project - Citywide Street and Alley Improvement
Compton (Prop C)	5,000,000	NEW Project - Citywide Street Maintenance and Street Rehabilitation Program
Lawndale (Prop C & Meas M)	1,160,733	NEW Project - Hawthorne Blvd Rehabilitation Project
Lynwood (Prop C)	4,000,000	NEW Project - Santa Fe Street & State Street - Remove and Reconstruct (Design and Construction)
Palmdale (Meas M)	3,000,000	NEW Project - Avenue T Street Improvements
Palmdale (Prop C & Meas R)	10,800,000	NEW Project - Ave R & R-8 Street Improvements
Palos Verdes Estates (Prop C)	1,500,000	NEW Project - Pavement Rehabilitation and Resurfacing Program
Rolling Hills Estates (Prop C, Meas R & Meas M)	631,446	NEW Project - Intersection Capacity Improvements at Palos Verdes Drive North & Dapplegray School Entrance
Rosemead (Prop C)	2,200,000	NEW Project - Walnut Grove Ave & Valley Blvd Roadway Improvements
San Dimas (Prop C & Meas M)	1,600,000	NEW Project - Arrow Highway Street Improvement Project
Santa Monica (Prop C & Meas M)	5,441,609	NEW Project - Pier Bridge Replacement Project
Sierra Madre (Prop A)	1,000,000	NEW Project - Sierra Madre Transit Hub & Passenger Amenity Modernization Project
Torrance (Prop C)	6,000,000	NEW Project - FY26 Arterial Pavement Improvement I-139 Project

AMEND CAPITAL RESERVES		
Jurisdiction Name	Amount	Project
Lomita (Prop C)	\$ 7,000,000	EXTENSION - Lomita/Narbonne Intersection Project - ADA

Recommendation

CONSIDER:

- A. ESTABLISHING new Local Return funded Capital Reserve Accounts for the Cities of Bell (Measure M), Beverly Hills (Measure M), Compton (Proposition C), Lawndale (Proposition C and Measure M), Lynwood (Proposition C), Palmdale (Proposition C, Measure R, Measure M), Palos Verdes Estates (Proposition C), Rolling Hills Estates (Proposition C, Measure R, Measure M), Rosemead (Proposition C), San Dimas (Proposition C, Measure M), Santa Monica (Proposition C, Measure M), Sierra Madre (Proposition A), Torrance (Proposition C), and amending the existing Local Return funded Capital Reserve Account for the City of Lomita (Proposition C) (Attachment A); and
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities in Recommendation A for their Capital Reserve Accounts as approved.