

**Board Report**

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**File #:** 2020-0607, **File Type:** Resolution**Agenda Number:** 11.

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
OCTOBER 14, 2020****SUBJECT: CALIFORNIA SB1 STATE OF GOOD REPAIR PROGRAM****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

APPROVE the Resolution in Attachment A to:

- A. AUTHORIZE the Chief Executive Officer (CEO) or his designee to claim \$32,584,888 in fiscal year (FY) 2020-21 State of Good Repair Program (SGR) grant funds as the Regional Entity for Los Angeles County for this program; and
- B. APPROVE the regional SGR Project List for FY20-21; and
- C. CERTIFY that Metro will comply with all conditions and requirements set forth in the SGR Certification and Assurances document and applicable statutes, regulations and guidelines.

**ISSUE**

The California Department of Transportation (Caltrans) issued final FY 2020-21 guidelines for the SGR Program in August, 2019. The Guidelines state that eligible transit operators shall provide a proposed list of projects to their Regional Entity, as defined by Public Utilities Code (PUC) Sections 99313 and 99314. For Los Angeles County, Metro is the Regional Entity. Metro is required to submit a combined project list to Caltrans by September 1, 2020. The submittal package must include an adopted Board resolution approving the Project List and certifying that Metro will comply with all conditions and requirements set forth in the certifications and assurances documents. Since the required documentation was not ready until August, Caltrans has accepted a draft resolution with the project list submittal pending receipt of a Board-adopted resolution. Therefore, staff is seeking Board approval of the resolution contained in Attachment A.

**DISCUSSION**

As defined in The Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1), the SGR Program provides approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects to help keep transit systems in a state of good repair. These new investments will lead to cleaner transit vehicle fleets,

increased reliability and safety, and reduced greenhouse gas emissions.

Pursuant to PUC Section 99312.1, the funds for the SGR Program are distributed to eligible agencies using the State Transit Assistance Program formula. This formula distributes half of the funds according to population and half according to transit operator revenues. Within Los Angeles County, the revenues will be distributed according to the Metro Board-adopted FAP.

### **DETERMINATION OF SAFETY IMPACT**

The requested actions will have no impact on the safety of our customers or employees.

### **FINANCIAL IMPACT**

Adoption of the SGR resolution and would positively impact the region by making \$32.6 million available to support state of good repair efforts for Metro and the Municipal Operators.

#### **Impact to Budget**

Claiming SGR funds will have a positive impact to the FY21 budget, as Metro is one of the regional recipients of these funds.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendations support Metro Vision 2028 Strategic Goal 1.2: Optimize the speed, reliability and performance of the existing system by revitalizing and upgrading Metro's transit assets.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk loss of the region's FY20-21 SGR fund allocation.

### **NEXT STEPS**

- October, 2020: Metro submits Board-adopted Resolution to Caltrans.

### **ATTACHMENTS**

Attachment A - Resolution to Accept and Distribute Los Angeles County SGR Funds  
Attachment B - Submitted Project Listing From Metro and Municipal Operators

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