



Board Report

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Agenda Number: 15.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 19, 2022

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 designee to claim \$36,485,158 in fiscal year (FY) 2022-23 State of Good Repair Program (SGR) grant funds as the Regional Entity for Los Angeles County for this program;
- B. APPROVE the regional SGR Project List for FY22-23 (Attachment B); 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) guidelines for the FY 2022-23 SGR Program 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 2, 2022. 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 assurance 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 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 repair, 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. The revenues will be distributed within Los Angeles County according to the Metro Board-adopted FAP.

DETERMINATION OF SAFETY IMPACT

The requested actions will not impact the safety of our customers or employees.

FINANCIAL IMPACT

Adoption of the SGR resolution would positively impact the region by making an estimated \$36.5 million available to support the state of good repair efforts for Metro and the Municipal Operators. The actual amount is dependent upon SB1 revenues received during the year.

Impact to Budget

Claiming SGR funds will positively impact the FY23 budget, as Metro is one of the regional recipients of these funds.

EQUITY PLATFORM

This program helps fund rehabilitation and state of good repair activities for Metro and the Municipal Operators throughout Los Angeles County. This program will benefit existing and potential Metro riders by providing additional resources for transit service. There are no equity concerns anticipated as a result of this action.

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 the loss of the region's FY22-23 SGR fund allocation.

NEXT STEPS

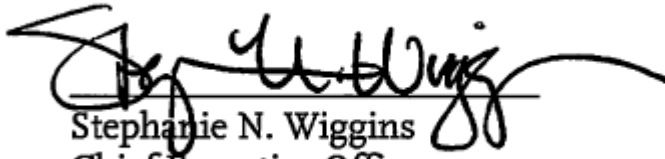
October 2022: Metro submits Board-adopted Resolution to Caltrans.

ATTACHMENTS

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

Prepared by: Timothy Mengle, DEO Finance, OMB, (213) 922-7665

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer