



Board Report

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Agenda Number: 14.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 20, 2021

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 \$30,484,780 in fiscal year (FY) 2021-22 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 FY2021-22; 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

As the Regional Entity for the SGR program in Los Angeles County, Metro is required to submit a combined SGR project list to Caltrans in September, 2021 to claim funding for FY2021-22. 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.

BACKGROUND

The SGR Program Guidelines state that eligible transit operators shall provide a proposed list of projects to Caltrans and their Regional Entity, as defined by Public Utilities Code (PUC) Sections 99313 and 99314. The Regional Entity is required to approve the list of projects and agree to comply with the program requirements. For Los Angeles County, Metro is the Regional Entity. Since the required documentation was not ready until September, 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. Pursuant to PUC Section 99312.1, the funds are distributed to eligible agencies using the State Transit Assistance Program (STA) formula. This formula distributes half of the funds according to population and half according to transit operator revenues. Similar to STA, within Los Angeles County, the revenue portion will be distributed according to the Metro Board-adopted FAP.

Metro and the Municipal Operators select projects individually, work with Caltrans to ensure eligibility and apply directly to Caltrans. As the Regional Entity, Metro reviews the applications and prepares a resolution with the list of projects for Board adoption. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions throughout Los Angeles County.

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 would positively impact the region by making an estimated \$30.5 million available to support 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 have a positive impact to the FY22 budget, as Metro is one of the regional recipients of these funds.

EQUITY PLATFORM

This program helps fund preventive maintenance and state of good repair activities for Metro and the Municipal Operators throughout Los Angeles County. By providing additional resources for transit service, this program will benefit existing and potential Metro riders. 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 FY21-22 SGR fund allocation.

NEXT STEPS

October 2021: Metro submits Board-adopted Resolution to Caltrans.

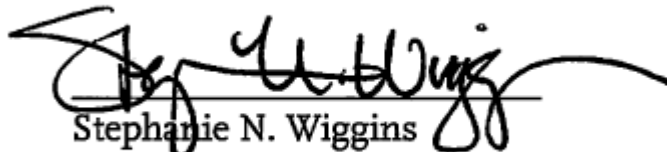
ATTACHMENTS

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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