



## Board Report

File #: 2023-0597, File Type: Program

Agenda Number: 7.

### FINANCE, BUDGET, AND AUDIT COMMITTEE OCTOBER 18, 2023

**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 \$34,650,803 in fiscal year (FY) 2023-24 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 FY23-24; 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**

In order to receive SGR grant funds for Metro and other eligible operators in Los Angeles County, Metro, as the Regional Entity, is required to submit an adopted Board resolution approving the combined project list and certifying that Metro will comply with all conditions and requirements set forth in the Certifications and Assurances documents.

#### **BACKGROUND**

As defined in the Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1), the SGR Program provides approximately \$125.6 million in this cycle 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. Within Los Angeles County,

the revenues will be distributed according to the Metro Board-adopted FAP.

## **DISCUSSION**

The Caltrans guidelines state that eligible transit operators shall submit their own project requests directly to Caltrans and provide a list of those projects to their Regional Entity, as defined by Public Utilities Code (PUC) Sections 99313 and 99314. For Los Angeles County, Metro is both the Regional Entity and a direct recipient of these funds.

Program requirements and deadlines are discussed at the Bus Operator Subcommittee (BOS) meetings. Metro staff are available to provide guidance if requested. However, each individual agency is ultimately responsible for selecting their own projects and submitting their requests to Caltrans.

Metro is required to submit the combined project list to Caltrans by September 1, 2023. 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 the end of 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.

## **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 \$34.7 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 on the FY24 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. 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 recommendation supports the following Metro Strategic Plan Goal:  
Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

### **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 FY23-24 SGR fund allocation.

### **NEXT STEPS**

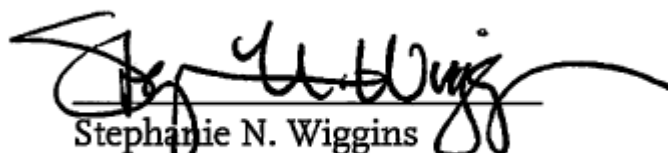
In October 2023, Metro will submit a certified copy of the Board-adopted resolution to Caltrans.

### **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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