



Board Report

File #: 2024-0903, File Type: Program

Agenda Number: 24.

FINANCE, BUDGET, AND AUDIT COMMITTEE OCTOBER 24, 2024

SUBJECT: CALIFORNIA SB1 STATE OF GOOD REPAIR PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

- A. AUTHORIZE the Chief Executive Officer (CEO) or designee to claim \$40,211,229 in fiscal year (FY) 2024-25 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 FY24-25; 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 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 into Caltrans' online SMART system. Caltrans staff review all submittals, ask follow-up questions if necessary, and send the final list of county projects to Metro in early September. The 2024-2025 project list is included in Attachment B.

Metro is required to submit the combined project list to Caltrans by September 1, 2024. 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. The final project list was not received by Metro until September 10, 2024, too late to include in the September Board cycle. 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 provide additional funding for state of good repair activities that will enhance the safety of Metro's and the Municipal Operators' customers and employees.

FINANCIAL IMPACT

Adoption of the SGR resolution would positively impact the region by making an estimated \$40.2 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 FY25 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. Projects include bus stop shelter replacements, zero-emission vehicles, charging facilities and repairs to existing vehicles and facilities. These projects will

enhance service frequency and reliability and provide customer experience benefits to Los Angeles County transit 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 loss of the region's FY24-25 SGR fund allocation.

NEXT STEPS

Upon approval, staff will submit the Resolution to Caltrans.

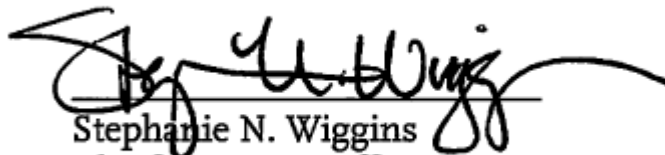
ATTACHMENTS

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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