

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: August 26, 2024

To: The Honorable City Council
c/o City Clerk, Room 395
Attention: Heather Hutt, Chair, Transportation Committee

From: Laura Rubio-Cornejo, General Manager 
Department of Transportation

Subject: **AUTHORITY TO ACCEPT FUNDS AND EXECUTE ANY NECESSARY AGREEMENTS FOR THE SENATE BILL (SB) 1 STATE TRANSIT ASSISTANCE (STA) TRANSIT FUNDING**

SUMMARY

The Los Angeles Department of Transportation (LADOT) requests authority to accept the annual allocation of SB1 STA funds and approve the required California Department of Transportation (Caltrans) resolution for transit capital and operating expenses.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. AUTHORIZE the General Manager of LADOT or Chief of Transit Programs to apply and accept up to \$3,170,997 in FY 2024-2025 State Transit Assistance (STA) SB1 program funds and execute any necessary agreements and contractual documents with the Los Angeles County Metropolitan Transportation Authority (Metro) on behalf of Caltrans, subject to the approval of the City Attorney as to form and legality.
2. APPROVE the attached required SB1 STA funding resolution.

BACKGROUND

The Road Repair and Accountability Act of 2017, Senate Bill 1 (SB 1), includes an allocation of State Transit Assistance (STA) funds that provide approximately \$91.1 million annually to transit operators in Los Angeles County. Eligible SB1 STA projects include transit operations, maintenance, rehabilitation, and capital projects. As a transit operator in Los Angeles County, LADOT is eligible to receive an allocation of SB1 STA funds.

LADOT does not receive STA funding directly. Caltrans provides a regional funding allocation to Metro, which the agency distributes and administers through the Measure R funding formula. SB1 STA funding requires Metro to allocate the funds to each transit operator. In order to receive its regional allocation, LADOT must submit an SB1 STA claim to Metro.

DISCUSSION

For the City of Los Angeles to receive the SB1 STA funds, LADOT must sign an SB1 STA funding resolution to satisfy funding program requirements established by Caltrans. The FY 2024-2025 LADOT Transit allocation is \$3,170,997. LADOT Transit will use the SB1 STA funding to pay for recent increases to transit costs to operate the DASH bus service due to the recent increases to driver base wages (CF 18-0244-S3).

FISCAL IMPACT

There is no impact to the City of Los Angeles General Fund. SB1 STA funds will be deposited in the Proposition A Fund 385, Revenue Source Code 3361, State Grants – Other.

RESOLUTION

WHEREAS, the State Transportation Development Act (TDA), as amended by the Mills-Alquist-Deddeh Act (Public Utilities Code Section 99200 et seq.) provides for the allocation of State Transit Assistance (STA) funds, derived from the statewide sales tax on diesel fuel; and

WHEREAS, pursuant to the provisions of the TDA, as amended, and pursuant to the applicable rules and regulations thereunder (Cal Code of Regulations, Title 21, Sections 660 et seq.), a prospective claimant wishing to receive an allocation from the STA is required to file its annual claim with its county transportation authority; and

WHEREAS, eligible uses for these funds include transit operations, maintenance, rehabilitation, and capital projects; and

WHEREAS, the City of Los Angeles is an eligible claimant and desires to file claims for STA funds with the Los Angeles County Metropolitan Transportation Authority (Metro) for the FY 2025 allocation of \$3,170,997; and

WHEREAS, the City will use the funds to support transit operations;

NOW, THEREFORE, BE IT RESOLVED, that the City Council authorizes the General Manager of the Department of Transportation or designee to apply, submit, and execute the annual claims to the Los Angeles County Metropolitan Transportation Authority for FY 2025 State Transportation Development Act funds, in an amount not to exceed \$3,170,997.