



# Administrative Report

---

H.12., File # 26-0144

Meeting Date: 2/17/2026

---

**To:** MAYOR AND CITY COUNCIL

**From:** ELIZABETH HAUSE, COMMUNITY SERVICES DIRECTOR

## **TITLE**

APPROVE AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR THE USE OF PROPOSITION C 40% DISCRETIONARY FUNDS BY BEACH CITIES TRANSIT FOR THE TERM OCTOBER 1, 2024 THROUGH JUNE 30, 2028

## **EXECUTIVE SUMMARY**

On May 20, 2025, the City Council approved an agreement with the Los Angeles County Metropolitan Transportation Authority (Metro) to participate in the Zero Emission Transit Capital Program (ZETCP). Metro is amending agreements with local transit operators to align allocations with ZETCP funds actually received from the State. As a result, the Beach Cities Transit's (BCT) allocation has been reduced from \$310,881 to \$115,874. Approval of the amendment will update the Agreement to reflect the revised funding level. The reduction in funding does not have any immediate impact on BCT operations or projects, as the funds are planned for the upcoming Transit Maintenance Yard Capital Improvement Program (CIP) project.

## **BACKGROUND**

The ZETCP was established by Senate Bill 125 in 2023 to support the transition to zero-emission transit through funding for eligible equipment, infrastructure, and operations. The program is administered by the California State Transportation Agency (CalSTA) and funded through continuous State appropriations distributed to regional transportation planning agencies. Metro serves as the regional administering agency for Los Angeles County and received an initial ZETCP award of \$320 million to advance its zero-emission bus program. Metro adopted the Los Angeles County Regional Zero Emission Bus Procurement Policy and Fund Allocation Plan to distribute ZETCP-equivalent funding to local transit operators using a Metro Board-approved formula. BCT was identified as an eligible operator under the allocation plan and entered into an agreement with Metro authorizing reimbursement for qualifying expenditures.

To date, Metro has received \$119.5 million from the State. Although future appropriations for the program were preserved in the State's FY 2026 budget, Metro is amending its agreements with local transit operators to align allocations with the actual funding received and to mitigate potential future funding delays or reductions. Under the revised funding levels, total allocations for all eligible operators are reduced to \$18.58 million, subject to further adjustment based on future State funding actions.

Under the revised allocation, BCT's reimbursement amount is reduced by \$195,007. The remaining allocation may be used for eligible operating and capital expenditures that support greenhouse gas emission reduction projects, and is currently planned for use as part of the (yet to be designed or initiated) Transit Maintenance Yard CIP project. There are no immediate impacts to BCT operations or projects. If additional ZETCP funding becomes available in the future, BCT will pursue reimbursement for qualifying zero-emission infrastructure or vehicle investments in compliance with program guidelines.

### **COORDINATION**

The MOU has been approved as to form by the City Attorney's Office.

### **FISCAL IMPACT**

The amended MOU for the Zero Emission Transit Capital Program will provide \$115,874 of funding to the Beach Cities Transit system. ZETCP funding is allocated through Proposition C 40% Discretionary monies. There is no impact to the City's General Fund.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### **ATTACHMENTS**

- Agmt - Amended Metro MOU, Zero Emission Transit Capital Program
- Agmt - Original Metro MOU, Zero Emission Transit Capital Program, May 20, 2025