



# Administrative Report

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H.8., File # 25-0357

Meeting Date: 5/20/2025

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**To:** MAYOR AND CITY COUNCIL

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

## **TITLE**

APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR THE USE OF PROPOSITION C 40% DISCRETIONARY - ZERO EMISSION TRANSIT CAPITAL PROGRAM - FUNDS BY THE BEACH CITIES TRANSIT SYSTEM FOR THE TERM OCTOBER 1, 2024 THROUGH JUNE 30, 2028

## **EXECUTIVE SUMMARY**

The State of California has allocated funding to modernize and decarbonize its transportation sector through the Federal Transit and Intercity Rail Capital Program (TIRCP) and the Zero-Emission Transit Capital Program (ZETCP). A total of \$4 billion in funding through TIRCP, and \$1.1 billion from ZETCP, are being distributed by regional transportation planning agencies (RTPA), including the Los Angeles County Metropolitan Transportation Authority (LACMTA), to support local capital improvements and zero-emission transit initiatives.

Through these programs, the City of Redondo Beach is eligible to receive a total of \$310,881 in funding on a reimbursement basis. These funds will be utilized to support current Beach Cities Transit system operations.

## **BACKGROUND**

The TIRCP was established by Senate Bill (SB) 862 (Chapter 36, 2014) and amended by SB 9 (Chapter 710, 2015) to provide grants from the Greenhouse Gas Reduction Fund (GGRF) for transformative capital improvements to modernize California's intercity, commuter, and urban rail, bus, and ferry transit systems. The program aims to significantly reduce greenhouse gas emissions, vehicle miles traveled, and congestion.

SB 125 (Chapter 54, Statutes of 2023) directs the allocation of \$4 billion in General Fund revenue through TIRCP to RTPAs using a population-based formula. These funds may be used to support transit operations or capital improvements. In addition, SB 125 established ZETCP, a \$1.1 billion program, administered by the California State Transportation Agency, to fund zero-emission transit equipment and operations. ZETCP allocations are based on both population and revenue formulas.

On September 26, 2024, LACMTA, the designated RTPA for the City of Redondo Beach, approved the Los Angeles County Regional Zero Emission Bus Procurement Policy and accompanying Fund Allocation Plan. This enables the allocation of one-time TIRCP and ZETCP funds to local transit operators, including the City of Redondo Beach, which is eligible to receive a total of \$310,881 on a

reimbursement basis under the program. These funds will support ongoing BCT operations, including vehicle and infrastructure maintenance to ensure safety and service reliability.

Staff recommends approval of the Memorandum of Understanding with LACMTA in order to provide the City access to these funds.

**COORDINATION**

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

**FISCAL IMPACT**

The MOU Agreement for the Zero Emission Transit Capital Program will provide \$310,881 of funding to the Beach Cities Transit system. There is no impact to the General Fund. ZETCP funding is allocated through Proposition C 40% Discretionary monies.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Memorandum of Understanding to Allocate Proposition C Funds