

**MEMORANDUM OF UNDERSTANDING  
TO ALLOCATE PROPOSITION C 40% DISCRETIONARY FUNDS  
FOR THE LOS ANGELES COUNTY REGIONAL ZERO EMISSION TRANSIT  
CAPITAL PROGRAM (ZETCP)**

This Memorandum of Understanding (“MOU”) is entered into as of June 26, 2025, by and between the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) and City of Redondo Beach (“GRANTEE”).

WHEREAS, on September 26, 2024, the LACMTA Board adopted the Los Angeles County Regional Zero Emission Bus Procurement Policy; and

WHEREAS, the Board approved the Los Angeles County Regional Zero Emission Transit Capital Program (ZETCP)-Equivalent Fund Allocation Framework (“Framework”); and

WHEREAS, Senate Bill (SB) 125 Zero Emission Transit Capital Program will allocate \$320.6 million to Metro, as the county’s regional transportation planning agency, over four years beginning in 2024; and

WHEREAS, on September 26, 2024, the LACMTA Board approved the advancement of the total four-year allocation of \$49.84 million in Proposition C 40% Discretionary funds for Included and Eligible Transit Operators; and

WHEREAS, on June 26, 2025, the Board subsequently approved the Revised ZETCP-Equivalent fund allocations effectively reducing from \$49.84 million to \$18.5 million to the Included and Eligible Transit Operators commensurate with current ZETCP fund availability to Metro (Exhibit A), and delegate authority to the Chief Executive Officer to negotiate any future amendments if further adjustments are made in funding availability; and

WHEREAS, SB 125 ZETCP provides the flexibility to use the approved funds to fund transit operating and capital improvements; and

WHEREAS, all SB 125 ZETCP eligible projects must demonstrate that they will achieve a reduction in greenhouse gas emissions; and

WHEREAS, there are specific qualification requirement for use of ZETCP equivalent funds; and

WHEREAS, the GRANTEE is an Eligible or Included Operator and desires to receive the funds from LACMTA for the Los Angeles County Regional ZETCP; and

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of funds.

NOW THEREFORE, in consideration of the mutual term and conditions contained herein, LACMTA and GRANTEE hereby agree as follows:

ARTICLE 1 - TERM

- 1.1. This MOU will be in effect from June 26, 2025, through June 30, 2028, unless terminated earlier as provided herein.
- 1.2. During the term of this MOU, LACMTA and Grantee shall not pursue legislation, legal or other actions to alter the LACMTA Board approved funding sources currently subject to formula allocations.

ARTICLE 2 - ALLOCATION OF PROPOSITION C 40% DISCRETIONARY FUNDS AND INVOICE PROCEDURE

- 2.1. Attached as Exhibit A is the board approved REVISED ZETCP-EQUIVALENT FUND ALLOCATIONS. GRANTEE shall receive one hundred fifteen thousand eight hundred seventy-four dollars (\$115,874) in FY25 only. GRANTEE agrees that the advanced allocation of funds allows for immediate use. LACMTA shall not be obligated to forward the funds for the ZETCP to GRANTEE until it receives an invoice, and the ZETCP Service Improvement Plan described in Article 3.1 below.
- 2.2. GRANTEE shall send LACMTA invoice(s) for the ZETCP funds in an amount consistent with the amount shown on the ZETCP-Equivalent Fund Allocation. LACMTA shall disburse funds for operating purposes monthly in equal portions. LACMTA shall disburse funds for capital purposes on a reimbursement basis.

ARTICLE 3 - USE OF FUNDS

- 3.1. Included in Exhibit B are the required elements of the ZETCP-Equivalent Funds Service Improvement Plan. GRANTEE shall submit a service improvement plan along with their request for funds. Funds can be used for capital and/or operating expenses. If GRANTEE intends to use for both purposes, then the plan must show the assignment of funds between operating and capital. The plan should explain how these services will achieve a reduction in greenhouse gas emissions. The service improvement plan may be amended by Grantee in coordination with the LACMTA.
- 3.2. GRANTEE shall use the funds as described in the service improvement plan.

ARTICLE 4 - AUDIT AND REPORTING REQUIREMENTS

- 4.1. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain all documents and records related to the ZETCP and the use of the funds for three (3) years after the end of the fiscal year in which funds were expended. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the funds were expended.

- 4.2 By January 31, 2026, the GRANTEE shall submit to the LACMTA a completed TPM form including the use of the funds for operating transit service.

ARTICLE 5 – MISCELLANEOUS

- 5.1 This grant shall be a one-time grant subject to the terms and conditions agreed to herein. Except as otherwise provided in this MOU, the grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2 GRANTEE understands and agrees that in programming the funds and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these funds for public transit purposes or the projects or services described in the service improvement plan. GRANTEE shall fully indemnify, defend and hold the LACMTA, its directors, officers, employees and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of (i) breach of GRANTEE's obligations under this MOU; (ii) misuse of the funds by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of the GRANTEE or its officers, agents, employees or subcontractors in the performance and/or provision of the services provided under this MOU, the service improvement plan and/or the ZETCP-Equivalent Funds.
- 5.3 GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services and any services rendered for the ZETCP.
- 5.4 LACMTA reserves the right to terminate this MOU and withhold the funds if the LACMTA Board terminates the ZETCP or if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein until GRANTEE is determined to be in compliance.
- 5.5 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.6 GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.
- 5.7 This MOU and the Exhibits constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed as of the dates below with all the formalities required by law.

CITY OF REDONDO BEACH

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_  
James A. Light  
Mayor

By: \_\_\_\_\_  
Stephanie Wiggins  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Joy A. Ford  
City Attorney

DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_

By:  \_\_\_\_\_  
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Date: \_\_\_\_\_

Date: 8/21/2025 \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Eleanor Manzano,  
CMC, City Clerk

Date: \_\_\_\_\_

REVISED ZETCP-EQUIVALENT FUND ALLOCATIONS

Operators	SB1 - STA Allocation <sup>(1)</sup>	Original ZETCP Allocation <sup>(2)</sup>	Revised ZETCP Allocation per State Budget Reduction <sup>(2)(3)</sup>
<b><u>Included Operators:</u></b>			
1 Arcadia	0.0803%	\$ 128,657	\$ 47,954
2 Claremont	0.0282%	45,161	16,833
3 Commerce	0.1028%	164,790	61,422
4 Culver City	1.3009%	2,085,360	777,270
5 Foothill Transit	6.1695%	9,889,646	3,686,141
6 Gardena	1.2745%	2,042,965	761,469
7 La Mirada	0.0229%	36,667	13,667
8 Long Beach	5.7494%	9,216,219	3,435,136
9 Montebello	1.9764%	3,168,129	1,180,848
10 Norwalk	0.7545%	1,209,474	450,804
11 Redondo Beach DR	0.0143%	22,932	8,547
12 Redondo Beach MB	0.1796%	287,949	107,327
13 Santa Monica	4.9045%	7,861,768	2,930,295
14 Torrance	1.5116%	2,423,023	903,127
<b><u>Eligible Operators:</u></b>			
15 Antelope Valley	1.5593%	2,499,459	931,617
16 Santa Clarita	1.2974%	2,079,675	775,152
17 LADOT Local	2.2998%	3,686,505	1,374,061
18 LADOT Express	1.1688%	1,873,488	698,300
19 Foothill BSCP	0.6972%	1,117,544	416,539
20 Total Municipal Operators	31.0917%	\$ 49,839,411	\$ 18,576,508

Note:

(1) Based on FY24 SB1 Allocation Formula.

(2) This represents the total ZETCP allocation for all years of SB125.

(3) May be revised based on actual state fund allocation

**ZERO EMISSION TRANSIT CAPITAL PROGRAM (ZETCP) - EQUIVALENT FUND  
QUALIFICATION REQUIREMENTS,  
SERVICE IMPROVEMENT PLAN,  
FINAL REPORT, AND LAPSING REQUIREMENT**

**QUALIFICATION REQUIREMENTS**

Senate Bill (SB) 125 Zero Emission Transit Capital Program (ZETCP) will allocate \$320.6 million to Metro, as the county’s regional transportation planning agency, over four years beginning in 2024. The Metro Board of Directors approved the advancement of the total four-year allocation of \$49.84 million in Proposition C 40% Discretionary funds for included and eligible transit operators to cover the provisions of ZETCP. SB 125 ZETCP provides the flexibility for operators to use the approved funds to fund transit operating and capital improvements.

**Transit Capital**

Transit operators must participate in Metro’s SB 125 ZETCP Regional Bus Procurement Program or equivalent multi-agency procurement. Project must meet Terms of FTA February 2024 “Dear Colleague” letter (attached) corresponding provisions for reduced customizations, standardized specifications, and milestone payments with testing and performance bond or other security. Project must also meet Clean Air Resource Board (CARB) Innovative Clean Transit (ICT) Regulations.

**Transit Operations**

Funds may be used for operations only after the operator has drawn down fully on federal COVID relief funding, including American Rescue Plan Act (ARPA) and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding.

**SERVICE IMPROVEMENT PLAN**

**Transit Capital**

Transit operator requesting to use allocation of ZETCP-Equivalent Fund for capital projects (Zero Emission Bus Purchases/Charging Infrastructure & other Zero Emission Vehicles used for transit service), shall submit the following for each project:

1. A summary or fact sheet that includes the following elements:
  - a. Implementing agency or agencies.
  - b. Project title.
  - c. Dates for the start and end of each project phase.
  - d. Summary of project scope.
  - e. Total project costs, including identification of the amount of funding used for project management as budgeted for the agency or agencies involved.

2. A detailed project schedule, including the project’s current status, and the completion dates of all major delivery milestones.
3. Project location – provide a map for each of the following, where relevant:
  - a. Project location denoting the project site and impacted transit lines.
  - b. Planned and existing active transportation infrastructure.
4. An explanation of greenhouse gas reducing features of the project.
5. An explanation of expected ridership benefits of the project when constructed, if any.

When requesting reimbursement for capital related expenses, operator must show proof of participation in Metro’s regional bus procurement or equivalent multi-agency procurement that meets corresponding provisions for reduced customizations and milestone or advanced payment.

**Transit Operations**

An operator that requests to use its allocation of ZETCP-Equivalent funding for transit operations shall include the following information:

1. Operator’s total ridership for FY22-23.
2. Amount of funding requested.
3. List of specific activities funded by the request, quantified where possible:
  - a. Amount of service being paid for by the additional funding expressed in both revenue service hours and by nature of service retention, restoration or increase invested in (e.g. preventing a reduction in frequency on one or more routes (or systemwide), frequency increases on particular routes or launch of new routes made possible by the funds). Costs involved in maintaining current operations may include those necessary for ensuring safety and state of good repair of the vehicles and infrastructure necessary to operate service and shall be identified with respect to the current service level they are protecting.
  - b. Identification of operating expenses invested in increased safety and security measures.
  - c. Identification of operating expenses that are intended to increase ridership, including those that fund actions to improve coordination of routes and schedules.
4. Identification of benefits to transit dependent riders of activities funded by the request.

Operators request for funding must include elements of the above information to receive their allocation of funds.

**FINAL REPORT**

Upon project completion, the operator must submit a Final Report that describes the improvements funded with the ZETCP-Equivalent funds and an estimate of greenhouse gas emissions reduced as a result of the project. For capital projects, operator will provide digital photographs. For transit operations related expenses, operators will provide proof of overall service improvements implemented.

**LAPSING REQUIREMENT**

Operators have four years, that is the year of allocation plus three years, to spend the funds allocated through this ZETCP. Lapsed funds will revert to a joint municipal operator fund, which will be allocated proportionally to all other municipal operators.