Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2017-0772, **File Type:** Resolution **Agenda Number:** 45.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017

SUBJECT: SB1: STATE TRANSIT ASSISTANCE STATE OF GOOD REPAIR PROGRAM (STASGR)

ACTION: APPROVE RESOLUTION FOR RECIPIENT CERTIFICATIONS AND ASSURANCES

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

A. AUTHORIZE the Chief Executive Officer (CEO) or his designee to receive STASGR funds from the State Controller's Office (SCO); and

B. CERTIFY that Metro will comply with STASGR Recipient Certifications and Assurances, and authorize the CEO or his designee to execute all required documents and any amendments with the California Department of Transportation.

ISSUE

The California Department of Transportation (Caltrans) issued the formal draft of the SB1 State of Good Repair Program Guidelines on October 6, 2017. The guidelines state that in order to qualify for eligibility to receive funding allocations, potential recipients must submit a signed, dated and Board-approved Certifications and Assurances document and a signed and dated Authorized Agent Form to Caltrans. Therefore, staff is seeking Board approval to submit the resolution contained in Attachment A.

DISCUSSION

On April 28, 2017, Governor Brown signed Senate Bill 1 (SB1) into law. Section 19 of SB1 modifies the State Transit Assistance (STA) program to provide new funding to transit operators in California for eligible state of good repair capital projects. The STASGR is funded from a portion of the new Transportation Improvement Fee on vehicle registrations commencing January 1, 2018.

Even with only six months' worth of revenues in Fiscal Year 2018, the State Controller's Office (SCO) estimates the STASGR will provide $105 million statewide, with more than $31.6 million coming to Los Angeles County. Fiscal Year 2019 is projected to be approximately double that amount. The funds will be distributed using the STA formula, so the Municipal Operators also will receive funding

from this program. While the funding is formula driven, all eligible recipients are required to submit to Caltrans lists of capital projects on which they plan to use the funds. These projects must be approved by Caltrans before the SCO will release the funds. Metro staff will meet with the Municipal operators to ensure all eligible recipients in the county are updated and aware of program requirements, submittals and deadlines.

Since this is a new program, Caltrans is in the process of drafting guidelines. The formal draft of the guidelines was issued on October 6 and is expected to be finalized in mid-December. Metro staff have distributed the draft guidelines to the eligible operators in the county and are participating in the review process. The program schedule in the formal draft gives a January 31, 2018 deadline for submission of all required documentation in order to be eligible for the first quarterly distribution. Agencies that miss this deadline risk forfeiture of their first quarter funds.

Two of the required documents are standard procedural forms: the Authorized Agent form and the Certifications and Assurances form. A Board-adopted resolution accompanying the Certifications and Assurances form is required by Caltrans. Since the Metro Board is not scheduled to meet again until just before the January 31 deadline, staff is requesting approval of the resolution in Attachment A so Metro may submit the necessary documents in a timely manner.

DETERMINATION OF SAFETY IMPACT

The requested actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

Adoption of the STASGR resolution and authorization of the CEO to execute the required documents and receive STASGR funds will enable Metro to access a significant new funding source to support the agency's state of good repair program.

Impact to Budget

By itself, this action has no impact on the FY18 budget. Staff is currently reviewing state of good repair projects to determine the optimal candidates for the initial submittal to claim Metro's share of the STASGR funding.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because delays would risk loss of Metro's initial quarterly STASGR fund allocation amount.

NEXT STEPS

- Execute and submit the required forms and Board-adopted resolution to Caltrans;
- Meet with Municipal Operators to ensure they are aware of program requirements, submittals

and deadlines;
- Develop Metro state of good repair project list for initial submittal.

ATTACHMENTS

Attachment A - Resolution to Execute STASGR Certifications and Assurances and Authorized Agent Forms

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Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Los Angeles County Metropolitan Transportation Authority

Board Resolution

Authorization for the Execution of Certifications and Assurances for the State Transit Assistance State of Good Repair Program

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is the Regional Transportation Planning Agency (RTPA) for Los Angeles County and may receive funding from the State Transit Assistance State of Good Repair Program (STASGR) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Department) as the administrative agency for STASGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing STASGR funds to eligible project sponsors (local agencies); and

WHEREAS, Metro wishes to receive STASGR funds for transit state of good repair projects in accordance with applicable statutes, regulations and guidelines; and

WHEREAS, Metro wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO), or his designee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certifications and Assurances document and applicable statutes, regulations and guidelines for all STASGR funded transit projects.

NOW THEREFORE, BE IT RESOLVED that the CEO or his designee is authorized to execute all required documents of the STASGR program and any Amendments thereto with the California Department of Transportation.

C E R T I F I C A T I O N

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, November 30, 2017.

_____
Michelle Jackson
LACMTA Secretary

Dated:

(SEAL)