



Board Report

File #: 2026-0558, File Type: Oral Report / Presentation

Agenda Number: 4.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE SEPTEMBER 2, 2026

SUBJECT: LOCAL RETURN

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Local Return programmed revenues and uses for Los Angeles County jurisdictions to support discussion on the effective and efficient use of funds.

ISSUE

To support the discussion on Local Return revenue amounts programmed and usage by each Los Angeles County local jurisdiction, this report provides a quarterly update and presents the status of Local Return funding in the fourth quarter of fiscal year 2026 (FY26). This includes a summary of actual Measure M fund use for FY26, and updates on current points of concern raised by Metro's Board of Directors.

EQUITY PLATFORM

Local Return receives a 17% revenue share of the Measure M Ordinance funding apportioned to local jurisdictions by population. Under Board-adopted guidelines, this item enables the programming of funds to recipients supporting the implementation of various transportation projects and improvements throughout the region. This includes improvements for public access, paratransit services for seniors and individuals with disabilities, and transit subsidies for students and low-income residents. Local Jurisdictions make the determination of the projects that are most beneficial for their communities. Staff will continue to support jurisdictions in meeting Local Return requirements through workshops, multiple written communications regarding deadlines and one-on-one briefings with the goal of improving program compliance. In May 2026, Metro held a FY26 Consolidated Audit Workshop to clarify the programs' requirements for audit compliance. Staff also worked with cities that have funds due to lapse by proposing to create Capital Reserve accounts so those jurisdictions may have additional time to complete larger projects. Those Capital Reserve accounts received Metro Board approval in July 2026.

In response to the March 2023 Metro Board Bus Shelters Motion (Motion 20), Local Return staff will continue to monitor and report on bus stop improvements for the region and will inform the planned

Quality of Life Scorecard of the data so they may accurately and fairly assess how the pass-through funding supports local infrastructure.

ATTACHMENT

Attachment A - Motion 20 - Metro Bus Shelters Motion

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Metro

Board Report

File #: 2023-0184, File Type: Motion / Motion Response

Agenda Number: 20.

EXECUTIVE MANAGEMENT COMMITTEE
MARCH 16, 2023

Motion by:

DIRECTORS HAHN, MITCHELL, NAJARIAN, DUPONT-WALKER, AND HORVATH

Metro Bus Shelters Motion

The overwhelming majority of transit riders taking Metro depend on buses for their travel. In the final three months of 2022, Metro buses handled a weekday average of approximately 646,000 boardings every day. Metro operates more than 110 bus routes and serves over 12,000 bus stops, owned by 63 jurisdictions.

As part of Metro's "Shade for All" effort in its 2022 Customer Experience Plan, Metro estimates that only 24% of bus stops served by Metro buses and other municipal transit operators have shelters, and only 46% have seating, which exacerbates conditions for people with limited mobility and older adults. Moreover, in the summer most of Metro's bus stops are located in areas where temperatures average 97 degrees in the middle of the day, and a shade structure could lower that temperature by 25 to 40 degrees. Additionally, at night, many bus stops lack lighting that make transit riders feel safer and more visible.

Bus shelters are almost always the responsibility of the local jurisdiction in which they are located. Several cities have invested heavily in providing shelters to support transit riders, but more can be done. Each city in LA County receives a local return from LA County's Propositions A and C and Measures R and M, which helps fund things like bus shelters, benches, and other local transit needs.

Metro has committed to providing technical assistance to cities, which is a step in the right direction. However, in many cases, cities may still not recognize the need, or may face other constraints. In these circumstances, Metro can provide its data and expertise to alleviate this glaring challenge across the Metro system. Metro can also help local jurisdictions with scarce resources deliver bus stop improvements.

SUBJECT: METRO BUS SHELTERS MOTION**RECOMMENDATION**

APPROVE Motion by Directors Hahn, Mitchell, Najarian, Dupont-Walker, and Horvath that the Board

direct the Chief Executive Officer to:

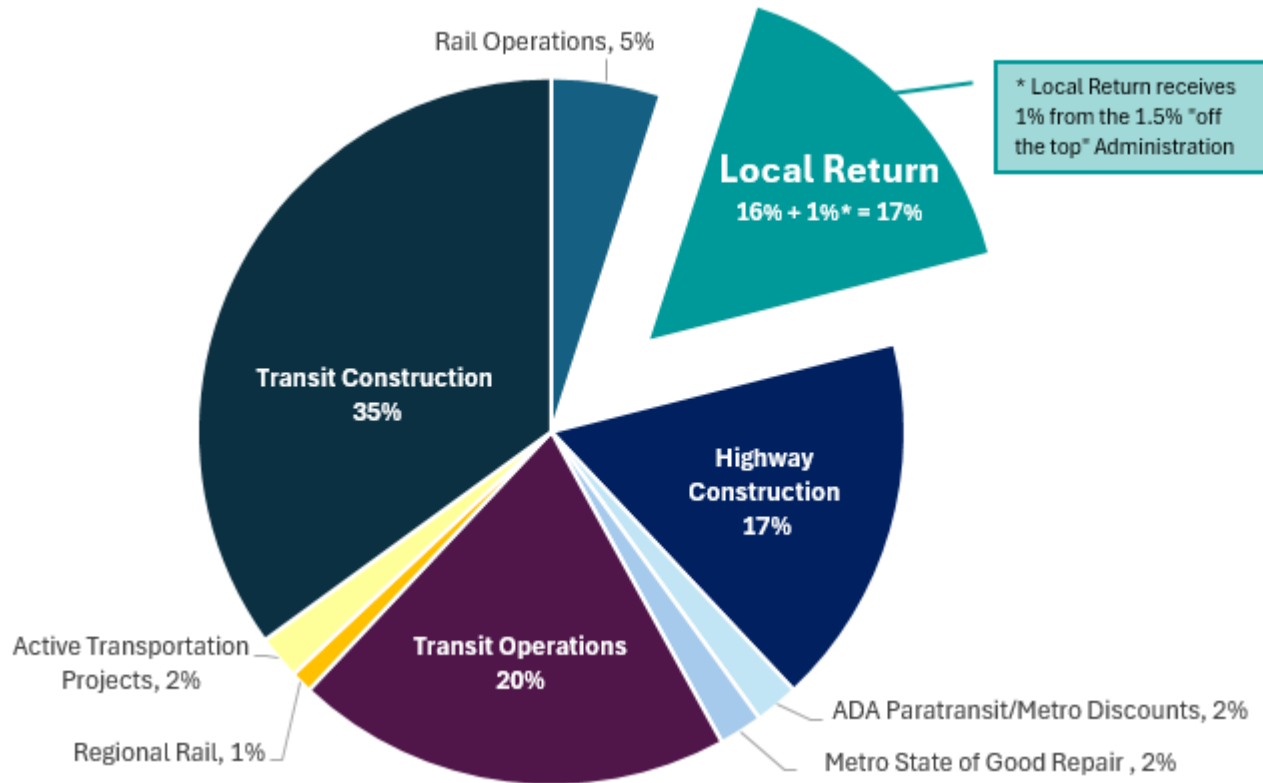
- A. Identify priority bus stops within each local jurisdiction based upon data, including but not limited to:
 - 1. Ridership per line and stop;
 - 2. Existing bus stop amenities such as seating, shelters, and lighting
 - 3. Heat island index
 - 4. EFCs
 - 5. Safety related incidents over the last three year
- B. Share all available bus stop data with each applicable jurisdiction;
- C. Inventory transportation funding sources which can be leveraged to help local jurisdictions deliver bus stop improvements, including Metro-controlled and pass-through sources as well as both formula and competitive programs;
- D. Recommend technical, financial, and other ways for Metro to support bus stop improvements by local jurisdictions, prioritizing such improvements in Equity Focus Communities;
- E. In consultation with jurisdictions, host a bus stop summit to review the state of bus shelters, including examples of best practices and a vendor showcase;
- F. As part of the annual local return audit, report on the progress of installing and maintaining bus stop amenities by jurisdiction; and
- G. Report back on the above action items in 120 days.

Measure M Local Return



**Measure M Oversight Committee
Local Programming
September 2026 update**

Local Return (LR) – Measure M



- **Measure M**
 - Approved 2016
 - Funding started FY18
- **LR share 17%**
 - 16% share + 1% of the 1.5% off the top
- **Requires Assurances and Understanding agreement**
- **Due Dates (same for all LR funds)**
 - August 1 – Budget
 - October 15 – Expenditures
- **Annual Compliance Audits**

Local Return – Updates

Measure M Updates

- Local Return audits will begin in October
- Multiple emails/phone calls/outreach were sent to cities regarding lapsing funds – goal for no audit findings in this category for FY26
- FY26 Measure M Capital Reserves for City of Bell, Beverly Hills, Lawndale, Palmdale, Rolling Hills Estates, San Dimas, and Santa Monica approved July 23rd for a total of \$10,735,666 of Measure M Local Return funds being placed on reserve

New Local Return Guidelines

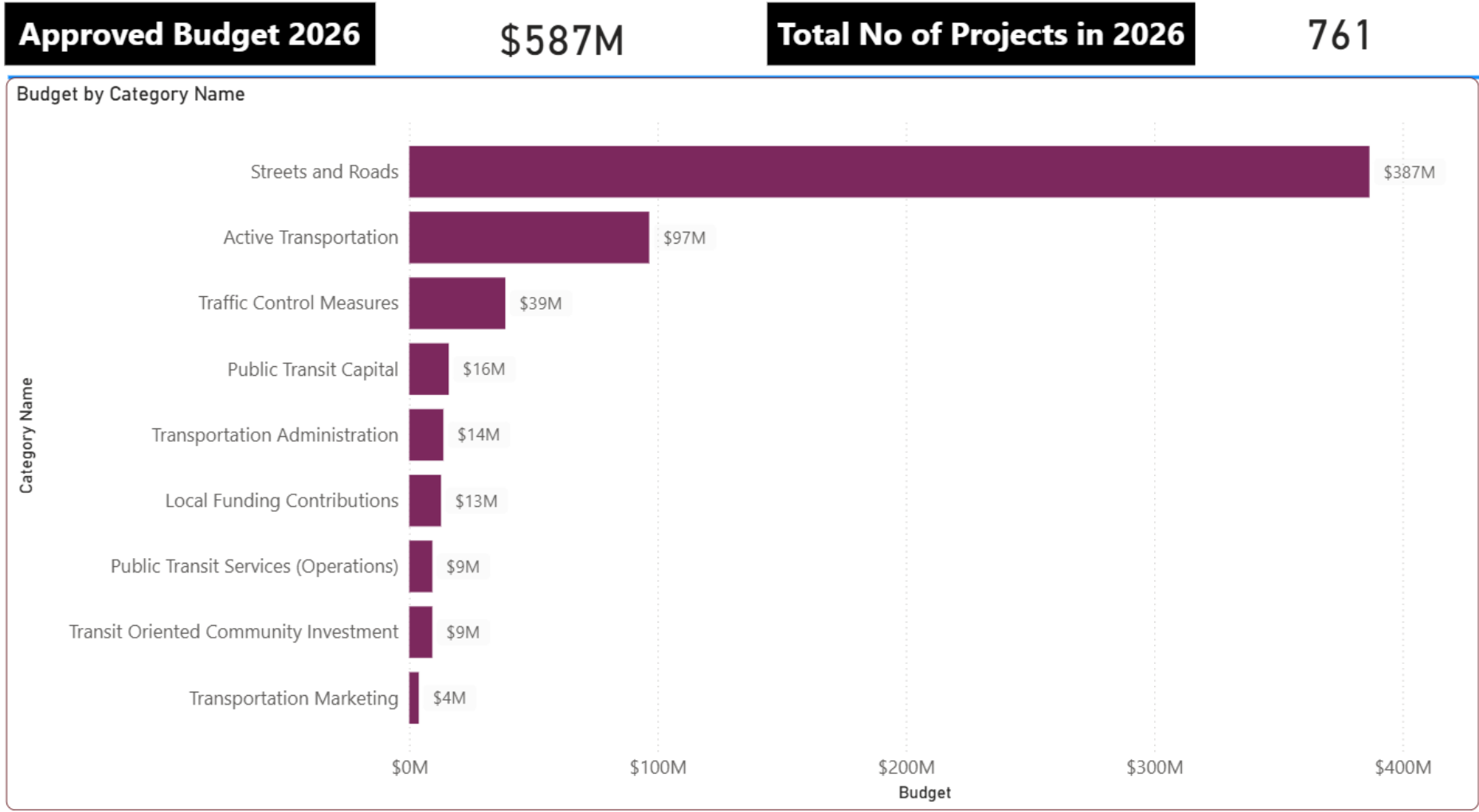
- Modernizes guidelines
 - Accounts for changing transit landscape
 - Incorporates online database
 - Removes outdated procedures and requirements
- Consolidates 3 separate guidelines into one document
- Metro Board Consideration in Late Fall

Local Return – Updates

Metro Board Bus Shelters Motion (Motion 20)

- Investigate Local Return investments in bus stops and other efforts
- To date, 3 cities are using Measure M LR funds for bus stops
 - City of Los Angeles, Baldwin Park, and West Covina
- Most cities use other local return sources for bus stop improvements
- This will inform planned Quality of Life Scorecard which will assess how pass-through funding supports local infrastructure including bus stops

FY26 Measure M Local Return Fund Usage



THANK YOU

Questions?

Local Programming

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