

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, APPROVING A FUND TRADE AGREEMENT FOR THE
EXCHANGE OF PROPOSITION A FUNDS WITH THE CITY OF WALNUT**

WHEREAS, Proposition A (“Prop A”) Funds in the County of Los Angeles are restricted for transit purposes only; and

WHEREAS, many cities have had difficulties expending allocated Prop A Funds due to said restricted purposes; and

WHEREAS, the Los Angeles Metropolitan Transportation Authority (“LACMTA”), which administers such funds, has allowed cities that can expend the restricted Prop A Funds to exchange unrestricted revenues for the right to use another city’s Prop A Funds for approved projects; and

WHEREAS, such exchanges usually involve an agreement by a city that can utilize the restricted Prop A Funds to pay the city that has available Prop A Funds a sum that is less than the amount of the Prop A Funds; and

WHEREAS, the city that can utilize the restricted Prop A Funds is therefore able to obtain these funds at a discounted rate while the other city that cannot utilize its Prop A Funds is able to receive unrestricted funds that can be put to use for other purposes; and

WHEREAS, the City of Commerce is proposing to provide ongoing operating funding for fixed route, dial-a-ride, and recreation services to the residents of the City and certain capital projects that are eligible for Prop A Funds; and

WHEREAS, adequate Proposition A Local Return funding for such services is not available to the City of Commerce because of the City’s Local Return allocation; and

WHEREAS, the City of Walnut has uncommitted funding authority for its Fiscal Years 2026-27, 2027-28 allocations of Proposition A Local Return Funds that can be made available to the City of Commerce to assist in providing these services; and

WHEREAS, the City of Walnut is willing to assign \$1,500,000 of its uncommitted FY 2026-27 Proposition A Local Return Funds to the City of Commerce in exchange for the assignment by the City of Commerce of \$1,125,000 of its general funds to the City of Walnut. This same exchange will also be conducted in Fiscal Years 2027-28.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. The Proposition A Fund Trade Agreement between the City of Walnut and the City of Commerce, California, is hereby approved. The Mayor is authorized to execute the Agreement and this Resolution for and on behalf of the City of Commerce. This transaction is contingent upon approval by the LACMTA.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

Section 4. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this 11th day of August, 2026.

Kevin Lainez
Mayor

ATTEST:

Eduardo Sarmiento
City Clerk