



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: A Resolution of the City Council of the City of Commerce, California, Approving Amendment to Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the Los Angeles County Regional Zero Emissions Transit Capital Program (ZETCP) Funds

MEETING DATE: August 26, 2025

RECOMMENDATION:

Adopt the Resolution approving the Amendment to Memorandum of Understanding MOU # MOUZET25COM1000 for the Los Angeles County Regional Zero Emissions Transit Capital Program (ZETCP) Funds.

ANALYSIS:

On June 26, 2025, the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board approved a reduction of \$49.84 million to \$18.5 million in ZETCP funding for the eligible transit operators, commensurate with Metro's availability of ZETCP funds. The existing MOU is amended by deleting and replacing it with the attached revised ZETCP-Equivalent Fund Allocation.

The ZETCP funds allow agencies to use the approved funds to fund transit operating and/or capital improvement projects. The City shall utilize the ZETCP funds per the guidelines adopted by LACMTA on September 26, 2024. LACMTA is the agency responsible for administering these funds, and the City's share of the program funding for FY2026 is \$61,422.

ZETCP 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.

ALTERNATIVES:

1. Approve the attached Resolution approving the Memorandum of Understanding or
2. Provide staff with further direction.

FISCAL IMPACT:

The City will recognize \$61,422 in revenue in fund 57. An equal amount is being requested to be appropriated to fund 57, resulting in a net-zero impact on the Transportation fund.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item report relates to the City's strategic planning goal: "Grow revenues to ensure all expenses are being met so that we can remain fiscally responsible and continue to provide services to the residents." These subsidies will assist in mitigating transportation's operating and capital costs for the City.

Prepared and recommended by: Claude McFerguson, Director of Transportation

Fiscal impact reviewed by: Alvaro Castellon, Director of Finance

Approved as to form by: Noel Tapia, City Attorney

Respectfully submitted: Ernie Hernandez, City Manager

Attachments: Resolution

Amended MOU – Proposition C 40% Discretionary ZETCP Funds