



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 THE PROJECT LIST FOR FISCAL YEAR 2019-2020 FOR THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM

MEETING DATE: AUGUST 20, 2019

RECOMMENDATION:

Adopt Resolution approving the Project List for Fiscal Year 2019-2020 for the California State of Good Repair Program, and Approving said 2019-2020 Funding Allocation for said Project List, including towards preventative maintenance and spare parts within the City's transit fleet.

BACKGROUND:

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5), Statutes of 2017, signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects. SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for State of Good Repair funding, potential agencies must comply with various reporting requirements. The State of Good Repair Guidelines describe the general policies and procedures in carrying out the reporting requirements and other statutory objectives of the Road Repair and Accountability Act of 2017.

ANALYSIS:

The SGR Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of the fee will be transferred to the State Controller's Office (SCO) for the SGR program. The SCO will allocate SGR funds under the State Transit Assistance Program formula, to eligible agencies pursuant to Public Utilities Code (PUC) Section 99312.1. Half of the funds will be allocated according to population under PUC Section 99313, and half will be allocated according to transit operator revenues under PUC Section 99314.

PUC section 99313 allocations are based on the latest available annual population estimates from the Department of Finance. PUC section 99314 allocations are based on the revenue amount for each STA-eligible operator, determined from annual reports submitted to the Controller pursuant to Section 99243. Pursuant to PUC section 99314.3, each Transportation Planning Agency (TPA) is required to allocate funds to the STA-eligible operators in its jurisdiction.

The criteria for SGR eligible projects fall into three major areas:

1. Replacement or rehabilitation of:
 - Rolling stock
 - Passenger stations and terminals
 - Security equipment and systems
 - Maintenance facilities and equipment
 - Ferry vessels
 - Rail
2. Preventive maintenance
3. New facilities or maintenance equipment for transit fleet

After reviewing the eligible project guidelines, staff has determined the most effective use of these funds is for preventive maintenance of the City's transit fleet of CNG-powered buses.

ALTERNATIVES:

1. Approve staff recommendation
2. Reject staff recommendation
3. Provide staff with further direction

FISCAL IMPACT:

Based on the SGR funding estimate that was released by the State Controller's Office on January 31, 2019, the City of Commerce will be eligible for \$20,024 of SGR funds for FY 2019-2020.

RELATIONSHIP TO 2016 STRATEGIC GOALS:

This agenda item relates to the 2016 strategic planning goal: "review and update services and activities to increase efficiency," as this transit security subsidy will assist in mitigating transportation's operating and capital costs for the City.

Recommended by: Claude McFerguson, Director of Transportation
Fiscal impact reviewed by: Vilko Domic, Director of Finance
Approved as to form: Norma Copado, City Attorney
Respectfully submitted: Edgar P. Cisneros, City Manager