



City Council Agenda Report
January 21, 2025

TO: Honorable City Council

FROM: Jesus M. Gomez, City Manager

BY: James C. Parker, Executive Director of Regional Transportation
Theresa Clark, Transit Administrative Officer
Elisa Robledo, Senior Management Analyst

**SUBJECT: MEMORANDUM OF UNDERSTANDING – SENATE BILL 125 ZERO EMISSION
TRANSIT CAPITAL PROGRAM (ZETCP) – PROPOSITION C 40%
DISCRETIONARY FUNDS**

Background:

State Senate Bill 125 (SB 125) amended the Budget Act of 2023 to establish funding over the next four years for the Zero Emission Transit Capital Program (ZETCP). Funding under the ZETCP can be used for zero-emission transit equipment, including, but not limited to, zero-emission vehicles, refueling infrastructure, and to fund transit operating expenditures that prevent service reduction or increase/maintain ridership. SB 125 allocated \$320.6 million to the Los Angeles County Metropolitan Transportation Authority (Metro), as the Regional Transportation Planning Agency (RTPA) for Los Angeles County, over four years beginning in 2024.

Metro approved an allocation of a share of the total four-year allotment of ZETCP funds to Included Municipal and Eligible Operators in the amount of \$49.84 million in Proposition C 40% Discretionary funds. As an Included Municipal Operator, Norwalk Transit System (NTS) will receive an allocation of \$1,209,474 in Fiscal Year 2024/2025 (see Exhibit A).

To secure the funding, NTS must execute a Memorandum of Understanding (MOU) with Metro and adhere to the specifics outlined in Exhibit B.

Fiscal Impact:

The Proposition C 40% Discretionary funds in the amount of \$1,209,474 will be included in recommended adjustments to the Department of Transportation Budget during the City's mid-year budget process. There is no impact to the General Fund.

Citizens Advised:

N/A

Strategic Plan 2023 Implementation:

N/A

Recommended Action:

Staff recommends City Council approve the Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority for the use of Proposition C 40% Discretionary Funds, in the amount of \$1,209,474 for Fiscal Year 2024/2025; and authorize the City Manager to execute the Memorandum of Understanding on behalf of City, in a form approved by the City Attorney.

Attachments:

1. SB 125 Funding MOU
2. Exhibit A - ZETCP Equivalent Fund Allocations
3. Exhibit B - ZETCP Equivalent Fund Qualification Requirements