**CITY OF LOS ANGELES**
INTER-DEPARTMENTAL MEMORANDUM

Date: September 4, 2026

To: Honorable City Council
c/o City Clerk, Room 395
Honorable Heather Hutt, Chair, Transportation Committee

From: Laura Rubio-Cornejo, General Manager For
Department of Transportation

Subject: **AUTHORITY TO SUBMIT A GRANT APPLICATION AS A CO-APPLICANT TO THE STATE OF CALIFORNIA STRATEGIC GROWTH COUNCIL (SGC) TRANSFORMATIVE CLIMATE COMMUNITIES (TCC) ROUND 6 PROGRAM**

**SUMMARY**

The Los Angeles Department of Transportation (LADOT) seeks to partner with the Housing Authority of the City of Los Angeles (HACLA) to apply as a co-applicant for a TCC implementation grant in San Pedro. LADOT will support this grant by providing Mobility Wallets to residents of HACLA housing development and subsidize transit operations to the Rancho San Pedro community.

**RECOMMENDATION**

That the City Council, subject to approval of the Mayor:

AUTHORIZE LADOT to apply for and receive grant funds, as a subrecipient to HACLA, in an amount up to $5,014,000, from the TCC Program.

**BACKGROUND**

The TCC Program was established by Assembly Bill 2722 (2016) to support the development and implementation of neighborhood-level climate action plans in California's most disadvantaged communities. Administered by the California SGC, the program funds community-led, multi-benefit projects that reduce greenhouse gas (GHG) emissions while advancing health, environmental benefits, workforce development, and economic opportunity. The program emphasizes meaningful community engagement and coordinated investments that help prevent the displacement of disadvantaged communities.

In 2018, the City Council adopted Council File (CF) No. 17-0002-S128, establishing the City's official legislative position in support of continued and expanded grant funding under the TCC Program to address the needs of disadvantaged communities. The City partnered with organizations in previous rounds of TCC to secure funding for mobility and related needs. In TCC Round 1, City Council authorized LADOT to partner with HACLA as a co-applicant for the Watts Rising Collaborative to accept $1,713,075 to purchase battery-electric buses and $4,743,900 to implement walking and biking safety

improvements (CF 17-1161-S4). In TCC Round 4, City Council authorized LADOT to partner with the South LA Eco-Lab as a co-applicant to accept $6,232,451 to implement Universal Basic Mobility program improvements, including neighborhood traffic calming, EV charging infrastructure, and the e-bike library program (CF 22-0659).

On April 29, 2026, the California SGC adopted the Round 6 TCC Program Guidelines. On May 29, 2026, SGC released the Notice of Funding Availability, announcing approximately $98.4 million in funding for Round 6. TCC Round 6 will award three Implementation Grants statewide up to $27.5 million each. TCC Round 6 will also award funding to Planning Grants and Project Development Grants.

**DISCUSSION**

TCC grant guidelines encourage multi-disciplinary approaches. TCC reporting requirements are also stringent and challenging for City agencies to lead given resource constraints. Given these realities, City participation is most competitive as a sub-recipient of a larger collaborative. For this round of funding, LADOT is proposing to submit a TCC grant application as a co-applicant with HACLA (lead applicant) to provide mobility benefits to affordable housing residents.

HACLA is leading a collaborative effort to submit an implementation grant application focusing on the redevelopment of the Rancho San Pedro affordable housing development in the San Pedro community. According to HACLA's 2025 Statistics and Demographics Report, the average family income for Rancho San Pedro residents is $35,280, with over 90 percent of residents at or below 30 percent of the Area Median Income (AMI) level. The majority of residents are people of color, with a population of 63.9 percent Latino and 30.9 percent African-American.

HACLA's application will include $27,500,000 for a portfolio of projects designed to reduce GHG emissions, improve public health, and expand economic opportunities and quality of life for residents of the Rancho San Pedro development. Proposed investments include building retrofits, urban greening initiatives, workforce development, and transportation initiatives.

As a co-applicant with HACLA, LADOT would support mobility needs by establishing a Mobility Wallet program for households in the HACLA development and by offsetting the cost of operating the existing Commuter Express 142 bus route.

Mobility Wallet

Mobility Wallets provide transportation subsidies to increase transportation accessibility and affordability. This initiative will provide up to 707 households with $3,000 in Mobility Wallet funds over two years, enabling participants to use the funds in ways that support their individual travel needs, including but not limited to accessing public transit, bike-share programs, rideshare services, and other travel modes.

LADOT is currently piloting a Universal Basic Mobility (UBM) program in South LA, the basis of which is a Mobility Wallet program that provides transportation subsidies to 2,000 low-income residents in South Los Angeles. This pilot is funded by the California Air Resources Board, Sustainable Transportation Equity Project (STEP) grant. Results from the evaluation conducted by UCLA and UC Davis indicate that Mobility Wallets can improve transportation equity for low-income residents by giving people the flexibility to choose the transportation option that best meets their needs, leading to greater transportation security,

better access to destinations, and improved quality of life. Participants particularly valued the Mobility Wallet's flexibility in mode choice, especially when transit was unavailable, impractical, or unreliable.

Public interest in the Mobility Wallet is very strong, as evidenced by the more than 50,000 applications received for a countywide Mobility Wallet program launched in 2025. If awarded TCC funding, LADOT would offer Mobility Wallets to HACLA's Rancho San Pedro residents for two years to provide meaningful and lasting benefits.

Subsidize Transit Operations

Commuter Express is an express bus service provided by LADOT that connects suburban neighborhoods to major employment hubs. Commuter Express Route 142 currently operates between the neighborhood of San Pedro and the City of Long Beach.

As part of the La Cienega LOMOD, Inc.'s application for the Affordable Housing Sustainable Communities (AHSC) Round 10 funding cycle, LADOT committed to re-route Commuter Express Route 142 in order to directly serve the One San Pedro Phase II Project.

The TCC funding would offset the cost of operating this bus route by partially subsidizing 4 years of transit operations. The funding would partially offset the expenses of the operator rate that LADOT pays for contracted services (e.g. driver labor) and the fueling costs needed to operate the service during this time frame. The City will pay the remaining operation costs from local sales tax received from Proposition A.

**NEXT STEPS**

If awarded funding, LADOT would request authority from the City Council to execute a Collaborative Governance Agreement (required in grant application) with SGC and enter into a Memorandum of Understanding (MOU) with HACLA. The grant implementation period is expected to start in Summer 2027 and end in Summer 2033.

**FISCAL IMPACT**

There is no impact to the General Fund. The TCC Round 6 grant requires leverage funding of at least 50 percent of the total requested grant amount. LADOT requests authorization to apply for $5,014,000 in TCC Grant funds. For the Mobility Wallet component, LADOT has identified $1,007,000 in Measure M funding to meet the leveraging requirement. Since the Commuter Express 142 line is an existing service, the Transit Operations component of the application will reduce the City's Prop A contribution of $17,140,000 by $3,000,000. LADOT has identified $1,500,000 of existing Prop A funding to meet the leveraging requirements for Transit Operations. HACLA is responsible for its portion of the required leveraging funds. Attachment A details the proposed funding structure.

LRC: TC:rg/ss

**Attachment**
A: Summary of LADOT Funding Request

**Attachment A:** Summary of LADOT Funding Request[1]

| Task | Description | Project Cost | TCC Grant Funds | (Leverage) Funds | Leverage Funding Source |
|---|---|---|---|---|---|
| **Mobility Wallet** | | | | | |
| Mobility Wallet Subsidies | $3,000 per household over two years (707 households) | **$2,121,000** | $1,414,000 | $707,000 | Measure M: Fund 59C, Account 94AV68 |
| Program Administration | In-person workshops, and outreach | **$700,000** | $466,667 | $233,333 | Measure M: Fund 59C, Account 94AV68 |
| Evaluation | Program evaluation | **$200,000** | $133,333 | $66,667 | Measure M: Fund 59C, Account 94AV68 |
| **Total** | | **$3,021,000** | **$2,014,000** | **$1,007,000** | |
| **Transit Operations** | | | | | |
| Transit Operations | Operate the Commuter Express 142 that will directly serve the project | **$17,140,000** | **$3,000,000** | $1,500,000 | Proposition A: Fund 385, Account Transit Operations |
| **Total** | | **$17,140,000** | **$3,000,000** | **$1,500,000** | |
| **Total Funding Request** | | | | | |

[1] Actual amount of TCC Grant Funds and Measure M funds allocated between tasks is subject to change as needed but totals for each funding source shall not be exceeded.

| | | | | | |
|---|---|---|---|---|---|
| **Total** | | **$20,161,000** | **$5,014,000** | **$2,507,000** | |