


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

Date: August 20, 2025

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

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

Subject: **AUTHORITY TO ACCEPT FUNDS AND EXECUTE ANY NECESSARY AGREEMENTS FOR  
THE SENATE BILL 1 STATE TRANSIT ASSISTANCE (STA) TRANSIT FUNDING**

**SUMMARY**

The Los Angeles Department of Transportation (LADOT) requests authority to accept the annual allocation of the Senate Bill (SB) 1 State Transit Assistance (STA) funds and approve the required California Department of Transportation (Caltrans) resolution for transit capital and operating expenses.

**RECOMMENDATION**

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

1. AUTHORIZE the General Manager of LADOT or their designee to apply and accept up to \$3,104,944 in FY 2025-2026 STA SB1 program funds and execute any necessary agreements and contractual documents with the Los Angeles County Metropolitan Transportation Authority (Metro) on behalf of Caltrans, subject to the approval of the City Attorney as to form and legality.
2. APPROVE the attached required SB1 STA funding resolution.

**BACKGROUND**

The Road Repair and Accountability Act of 2017, SB1, includes an allocation of STA funds that provide approximately \$91.1 million annually to transit operators in Los Angeles County. Eligible SB1 STA projects include transit operations, maintenance, rehabilitation, and capital projects. As a transit operator in Los Angeles County, LADOT is eligible to receive an allocation of SB1 STA funds.

LADOT does not receive STA funding directly. Caltrans provides a regional funding allocation to Metro, which the agency distributes and administers through the Measure R funding formula. SB1 STA funding requires Metro to allocate the funds to each transit operator. In order to receive its regional allocation, LADOT must submit an SB1 STA claim to Metro.

**DISCUSSION**

For the City of Los Angeles to receive the SB1 STA funds, LADOT must sign an SB1 STA funding resolution to satisfy funding program requirements established by Caltrans. The FY 2025-2026 LADOT Transit allocation is \$3,104,944. LADOT Transit will use the SB1 STA funding to pay for recent increases to transit costs to operate the DASH bus service due to the recent increases to driver base wages (CF 18-0244-S3). Given the increase in operations cost and few funding sources available to fund transit operations beyond sales tax (e.g. Proposition A (Prop A)), LADOT now relies on SB1 STA annual formula fund allocations as a stable funding source to support transit operations. The additional benefit is that SB1 STA funds are not restricted to reimburse specific LADOT Transit services as opposed to funding we receive via Metro's Formula Allocation Proposal (FAP), which includes Prop A 40 percent discretionary funds, Measure R 20 percent funds, and Measure M 20 percent funds allocated to municipal operators. FAP funds are limited to reimburse Commuter Express and Downtown DASH, and most Community DASH services are not eligible for reimbursement through the approximately \$70 million annual allocation LADOT receives from the FAP. Conversely, LADOT can use SB1 STA funds to offset funding of Community DASH services, which further advances transit equity.

**FISCAL IMPACT**

There is no impact to the City of Los Angeles General Fund. SB1 STA funds will be deposited in the Proposition A Fund 385, Revenue Source Code 3361, State Grants – Other.

LRC:ds:ew

Attachment

## **RESOLUTION**

**WHEREAS**, the State Transportation Development Act (TDA), as amended by the Mills-Alquist-Deddeh Act (Public Utilities Code Section 99200 et seq.) provides for the allocation of State Transit Assistance (STA) funds, derived from the statewide sales tax on diesel fuel; and

**WHEREAS**, pursuant to the provisions of the TDA, as amended, and pursuant to the applicable rules and regulations thereunder (Cal Code of Regulations, Title 21, Sections 660 et seq.), a prospective claimant wishing to receive an allocation from the STA is required to file its annual claim with its county transportation authority; and

**WHEREAS**, eligible uses for these funds include transit operations, maintenance, rehabilitation, and capital projects; and

**WHEREAS**, the City of Los Angeles is an eligible claimant and desires to file claims for STA funds with the Los Angeles County Metropolitan Transportation Authority (Metro) for the FY 2026 allocation of \$3,104,944; and

**WHEREAS**, the City will use the funds to support transit operations;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council authorizes the General Manager of the Department of Transportation or designee to apply, submit, and execute the annual claims to the Los Angeles County Metropolitan Transportation Authority for FY 2025 State Transportation Development Act funds, in an amount not to exceed \$3,104,944.