

BOARD MEETING DATE: May 1, 2026

AGENDA NO. 14

PROPOSAL: Approve Contract Modification as Approved by MSRC

SYNOPSIS: As part of their FYs 2021-24 Work Program, the MSRC approved a contract modification under their Microtransit Program. The MSRC seeks the Board approval of the contract modification as part of the FYs 2021-24 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, April 16, 2026;  
Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve modified contract with the City of Gardena, extending the period for providing microtransit service from 12 months to 15 months, as part of approval of the FYs 2021-24 Work Program, as described in this letter; and
2. Authorize the Chair (or designee) to execute the contract, as described above and in this letter.

Larry McCallon  
Chair, MSRC

AK:CR

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**Background**

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to the South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

**Proposals**

At its April 16, 2026 meeting, the MSRC considered recommendations from its MSRC Technical Advisory Committee (MSRC-TAC) and approved the following:

### FYs 2021-24 Microtransit Program

As part of the FYs 2021-24 Microtransit Program, the MSRC originally approved an award to the City of Gardena to implement the GTrans Microtransit Service for twelve months. The City of Gardena now indicates that the level of ridership during this initial period has been less than anticipated due to a combination of operator shortages and lower than expected demand. To address this situation, the City of Gardena has recruited additional operators and continues to coordinate with a marketing consultant. Gradual ridership increases have been noted following each outreach campaign.

The City of Gardena requested to extend the period of MSRC operational support from 12 to 18 months. No additional MSRC funding allocation would be needed; the extended operational period would be supported by unexpended funds in the contract. The MSRC considered the City's request and approved extending the period for microtransit service from 12 months to 15 months, with the condition that the City of Gardena provides a report on ridership trends at the end of this period. The MSRC would then consider the remainder of the City's request.

The MSRC requests that the South Coast AQMD Board approve the contract modification as part of approval of the FYs 2021-24 AB 2766 Discretionary Fund Work Program as outlined above.

### **Resource Impacts**

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein will be drawn from this fund. No additional costs are being requested.