

# STAFF REPORT



<b>MEETING DATE:</b>	<b>October 20, 2020</b>
<b>SUBJECT:</b>	<b>Approve Low Carbon Transit Operations Program (LCTOP) Policy</b>
<b>AGENDA ITEM:</b>	<b>8</b>
<b>STAFF CONTACT:</b>	<b>Sean Tiedgen, Senior Transportation Planner</b>

## **STAFF RECOMMENDATION:**

It is recommended that the board of directors:

1. Approve the attached Low Carbon Transit Operations Program (LCTOP) Policy to select and prioritize projects; and
2. Authorize the executive director to make administrative edits to the policy as necessary to meet state guidelines.

## **DISCUSSION:**

LCTOP is a noncompetitive, formula-based program funded by the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014. LCTOP provides operating and capital assistance to transit agencies with the goal of reducing greenhouse gas emissions while improving transit ridership and mobility—with an emphasis on serving disadvantaged and low-income communities.

SRTA's role in this program is to guide the development of joint local-regional projects that best achieve program goals and implement the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The board of directors previously approved LCTOP funds for expanded Redding Area Bus Authority (RABA) express routes, Sunday Transit, and a regional reduced/free fare program.

The attached recommended policy primarily reflects state requirements. Section 3.27.030 establishes regional priorities reflective of past LCTOP projects approved by the board of directors.

## **ALTERNATIVES:**

The board of directors may modify this policy, continue this item to request additional information, or decline to approve the LCTOP Policy.

## **OTHER AGENCY INVOLVEMENT:**

The proposed policy was provided to RABA and Dignity Health Connected Living for their input; no comments were received.

## **FISCAL IMPACT:**

Approval of the policy has no direct fiscal impact. The region receives over \$325,000 in regional LCTOP funds annually.

A handwritten signature in blue ink that reads "Dan Little".

**Daniel S. Little, AICP, Executive Director**

**Attachment:** Low Carbon Transit Operations Program Policy

## **3.27 Low Carbon Transit Operations Program Policy**

### **3.27.010 – Program Overview**

The Low Carbon Transit Operations Program (LCTOP) is a noncompetitive, formula program funded by the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 with Senate Bill 862. Funds are deposited into the State Transit Assistance account and then distributed by formula, with half of the LCTOP funds being allocated to regional agencies according to population (Public Utilities Code (PUC) 99313) and half of the LCTOP funds allocated to transit agencies according to transit operator revenues (PUC 99314). The Shasta Regional Transportation Agency (SRTA) is responsible for overseeing project selection for the population-based LCTOP fund allocations, not the transit operator revenues-based fund allocations. Therefore, this policy addresses the population-based (PUC 99313) regional allocations only.

The purpose of the LCTOP is to provide operating and capital assistance to transit agencies with the goal of reducing greenhouse gas (GHG) emissions and improving transit ridership and mobility—with an emphasis on serving Disadvantaged Communities and low-income communities.

SRTA's role in this program is to drive the development of joint local-regional projects that best meet LCTOP guidelines, SRTA priorities, regional and local transit plans, and implement the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

Additional details are available in the most current LCTOP Guidelines published by the Caltrans Division of Rail and Mass Transportation, located at <http://www.dot.ca.gov/dgmt/splctop.html>. LCTOP Guidelines supersede information presented in this policy.

### **3.27.020 – Project Eligibility**

LCTOP funds provide operating and capital assistance to transit agencies for projects that reduce GHG emissions and improve transit mobility. Projects should be prioritized to benefit DACs and low-income communities. Project eligibility is defined per PUC Section 75230(f)(1-3) and is summarized below.

#### Eligible Projects and Expenses:

- Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
- Operational expenditures that increase transit mode share.

- Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support these zero-emission buses.

Ineligible Projects and Expenses:

- The program is not based on reimbursements; therefore, Lead Agencies cannot expend LCTOP funds on costs incurred prior to LCTOP award/approval. Additionally, any request or expenditure identifying a phase prior to construction will likely be ineligible for the program.

Projects must start within six months after SRTA or transit operator(s) receive(s) LCTOP funds from the State Controller's Office (SCO). Apportionments will not be held by the SCO into the following year and should be expended/planned for annually according to the LCTOP Guidelines. Recipients have the ability to fund "new or expanded services" with single or multiple years of LCTOP funding as long as the agency is not supplanting funds; services are considered to be new for a specific timeframe (see the most current LCTOP Guidelines), and after that must secure alternative funding.

**3.27.030 – Regional Funding Priorities**

SRTA will support the development and implementation of projects that best achieve the state's LCTOP goals, meet the transit needs of the region, and make progress toward transit-related objectives and targets in SRTA's RTP/SCS and other regional planning documents (e.g. short/long-range transit plans, annual Unmet Transit Needs Assessment, transit asset management plan, etc.).

SRTA will prioritize funding to projects that show they have the potential to reduce GHGs, increase transit mobility, or lead to the implementation of zero-emission technology. The following priorities, in order of priority, will generally guide project selection:

1. Specialized and demonstration transit projects approved by the board of directors as part of the Unmet Transit Needs Assessment that seek to increase transit mobility and efficiency while reducing emissions, including any needed capital costs to implement such services;
2. Operational projects that increase transit mode share or efficiency;
3. Targeted reduced or free fare programs that encourage increased transit ridership;
4. Replacement or modernization of rolling stock, including replacement of diesel or gas vehicles with hybrid or zero-emission vehicles and the supporting equipment and infrastructure; and
5. New zero-emission vehicles and the supporting equipment and infrastructure.

### **3.27.040 – SRTA and Partner Roles**

The SCO is responsible for LCTOP accounting, determining and publishing available funding amounts, and distributing funds to approved recipients.

The California Air Resources Board (CARB) is responsible for developing the methodologies for quantifying and reporting of GHG emissions reductions and other co-benefits, and working with Caltrans to determine the eligibility of the projects submitted by the Lead Agency (SRTA for the Shasta County regional allocation) for funding.

In coordination with CARB, Caltrans is responsible for administering the LCTOP Program, including providing technical assistance and guidance to local agencies in preparing requests for funds, evaluating agencies' requests for funds, and reviewing and providing concurrence on agency-submitted projects.

SRTA is responsible for the following activities:

- Maintain a separate bank account for LCTOP funds;
- Submit an Authorized Agent Form identifying the agent who has the authority to act on behalf of SRTA and a Certifications and Assurances Form (requires board of directors approval);
- Submit a board-approved Allocation Request annually during the open call for projects (including Allocation Request Form, Quantification Methodology Tool, Funding Plan, Disadvantaged Communities and/or Low-Income Communities Maps, etc.).
- Submit all required reporting including Semi-Annual Reports, Close-Out Reports, Expenditure Reports, and any additional reporting initiated by CARB and/or Caltrans.

### **3.27.050 – Additional Procedures**

#### Allocation Request Modification (Corrective Action Plan)

A Corrective Action Plan (CAP) is required in order to change an approved Allocation Request. Board approval of the CAP is required if the Authorized Agent and/or Certifications and Assurances for any involved agencies/projects has changed substantially. A CAP also requires Caltrans and CARB approval.

#### Fund Accrual

A full Allocation Request must be submitted each year. Unrequested funds will not be held by the SCO for a future request and may be reallocated to other eligible agencies.

Annual LCTOP Timeline (per the Fiscal Year (FY) 2019/20 Guidelines)

Caltrans posts LCTOP guidelines for upcoming FY funds. SCO notifies agencies of available funding for the FY.	January
SRTA/Transit Operator Allocation Requests Due to Caltrans	March
Caltrans and CARB approve projects and submit to SCO	Mid-June
SCO releases project funding to SRTA	June 30
Semi-Annual Report due to Caltrans (on data October 1 – March 31)	May 15
Semi-Annual Report due to Caltrans (on data April 1 – September 30)	November 15

**3.27.060 – Contracting**

Once projects have been approved by the SRTA Board of Directors, Caltrans and CARB, projects will be referenced in, and attached to, a transit operator’s sub-recipient cooperative agreement with SRTA, as applicable. If the operator does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the operator may be required to enter into a technical services agreement with SRTA.

**3.27.070 – Project Management and Delivery**

Invoices will be paid on a reimbursement basis for work completed. Transit operators will provide documentation sufficient to support any invoice, and, at a minimum, provide quarterly updates to SRTA in writing. Transit operators will work with SRTA to provide all information necessary for submitting complete semi-annual and close-out reports to Caltrans. Transit operators will inform SRTA of project completion in writing.