



February 9, 2017

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Low Carbon Transit Operations Program Recommendations for Fiscal Year 2016-17 Funds

Overview

Funding recommendations are presented for the Low Carbon Transit Operations Program for fiscal year 2016-17 funds that will promote transit ridership growth and reduce greenhouse gas emissions. This program is part of the state Cap-and-Trade Program.

Recommendations

- A. Approve the use of fiscal year 2016-17 Low Carbon Transit Operations Program funding, currently estimated to be \$1.7 million, for a fare adjustment program and for the purchase and installation of three-position bike racks on buses and spares, both intended to increase bus system ridership.
- B. Approve Resolution 2017-002, consistent with the Low Carbon Transit Operations Program Guidelines.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the above recommendations.

Background

The Low Carbon Transit Operations Program (LCTOP) provides funds to transit agencies on a formula basis to support transit operations or capital projects that reduce greenhouse gas (GHG) emissions and improve mobility, with a priority to provide benefit to disadvantaged communities.

Projects may include new or expanded bus or rail services, expanded intermodal transit facilities, equipment acquisition, including upgrade of transit vehicles to support active transportation and encourage ridership (e.g., bicycle racks on

buses), fueling, maintenance, and other costs to operate transit services or facilities, including fare discount and promotion programs. Fifty percent of the funds must benefit disadvantaged communities, as defined by the state.

For fiscal year (FY) 2016-17, the LCTOP formula program is estimated to provide \$49.0 million statewide and will continuously appropriate five percent of the annual auction proceeds in the GHG reduction fund for LCTOP. Final funding levels for FY 2016-17 may not be made public until March 2017. Funds will be distributed based on the State Transit Assistance formula, which is based on population and fare revenues. The Orange County Transportation Authority's (OCTA) share is currently estimated to be approximately \$1.7 million, based on the current auction proceeds for FY 2016-17.

The California Department of Transportation (Caltrans) issued updated guidelines for the 2016-17 LCTOP in December 2016, and is requesting transit agencies to submit projects for Caltrans' confirmation of eligibility by March 2017. Based on the Capital Programming Policies, approved by the OCTA Board of Directors (Board) on December 12, 2016, the funds are to be used for transit operations or capital for expansion of bus transit service, fare reduction programs, and other bus and commuter rail transit efforts that increase ridership and reduce GHG emissions.

Discussion

OCTA expects to receive approximately \$1.7 million in LCTOP funds for FY 2016-17. Staff recommends using a portion (\$0.9 million) of the FY 2016-17 LCTOP funds for a fare adjustment program that would target ridership growth, which may include colleges and universities. This use is consistent with the prior two years of LCTOP funding, which directed the funds to fare discount and ridership promotion programs. Staff will keep the Board apprised as the fare adjustment program is developed.

Staff is also recommending that \$0.8 million be used to purchase and install three-position bike racks on the bus fleet (except 60 foot articulated and cutaway buses), plus spares that would also result in ridership growth by increasing the number of bicyclists who could access the bus system. OCTA buses are currently equipped with two-position bike racks and, as a result, buses leave bicyclists at stops when there are two bicycles already in the bike rack.

In FY 2015-16, approximately 240 riders were recorded as being turned away at stops due to a lack of bike rack capacity. This number does not account for potential lost ridership due to insufficient bike rack capacity. Replacing the two-position racks with three-position racks is a project consistent with the LCTOP Guidelines. The larger capacity racks will reduce the likelihood a bicyclist is left behind, make the system more attractive to bicyclists, and ultimately result in increased ridership. OCTA is proposing to use the funds to purchase up to a total of 557 bike racks, which include 484 installed units and 73 spares. The use of three-position bike racks was demonstrated to the Citizens Advisory Committee on August 2, 2016, and OCTA received positive feedback. While the California Highway Patrol has yet to issue approval to use these three-position bike racks, approval is expected. The current order of 157 buses included two-position bike racks. OCTA is unable to remove them from the current order, but will work with the vendor and the Federal Transit Administration to sell the two-position bike racks or use them elsewhere in order to recover the costs.

The above recommendations are consistent with Caltrans' LCTOP Guidelines. Caltrans has requested that the Board approve submittal of the project and execution of the certifications, and assurance and authorized agent forms through a resolution, which is provided in Attachment A. The authorized agent form authorizes the Chief Executive Officer, or his designee, to sign documents on behalf of OCTA.

Next Steps

With Board approval, staff will submit a request for FY 2016-17 LCTOP funds, currently estimated to be \$1.7 million, to Caltrans by March 1, 2017. Caltrans will finalize and submit the statewide list of FY 2016-17 projects to the State Controller's Office (SCO) on or before May 1, 2017. Caltrans expects the SCO to begin releasing FY 2016-17 funds to transit agencies for identified projects by June 1, 2017.

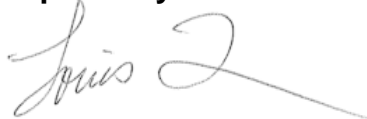
Summary

Staff is recommending that OCTA use FY 2016-17 LCTOP funds for a fare adjustment program, and the purchase and installation of three-position bike racks on all buses except 60-foot articulated and cutaway buses, plus spares. The Board is further requested to approve a resolution authorizing submittal of the project and execution of the certifications, and assurance and authorized agent forms.

Attachment

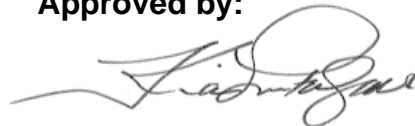
- A. Resolution 2017-002 – Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program and for the Execution of the Low Carbon Transit Operations Program Project: Fare Adjustment Program and Purchase and Installation of Three-Position Bike Racks on Buses Plus Spares: Fiscal Year 2016-17 Low Carbon Transit Operations Program Funding, \$1,652,825

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