




May 13, 2021

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Low Carbon Transit Operations Program Recommendations for Fiscal Year 2020-21 and Prior Year Funds

Overview

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

Recommendations

- A. Approve Resolution No. 2021-042 to authorize the use of fiscal year 2020-21 Low Carbon Transit Operations Program funds, prior year funds, and interest earnings totaling \$6,359,899, as follows:
- \$3,703,032 for the “Welcome Back” Fare Reduction Program for OC Bus Riders,
 - \$716,152 for the College Pass Program for Orange Coast College,
 - \$1,940,715 for the Ten Battery-Electric Buses, Bus Depot Upgrades and Charging Infrastructure Project.
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the recommendations above.

Background

The California Department of Transportation (Caltrans) 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.

On February 26, 2021, the State Controller's Office (SCO) notified all eligible transit operators that the fiscal year (FY) 2020-21 LCTOP will make \$81.854 million available statewide. The Orange County Transportation Authority's (OCTA) estimated share is \$4,095,614. Projects submitted for consideration will be approved by Caltrans and the California Air Resources Board by June 30, 2021.

An additional \$2.1 million LCTOP funding, along with an estimated \$164,285 in interest, which was previously programmed to Metrolink Service Expansion, is also available due to project delays and is at risk of lapsing.

OCTA's Capital Programming Policies (CPP), was approved by the Board of Directors (Board) in February 2019 and specifies that LCTOP 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. Generally, the program also requires that 50 percent of the funds benefit passengers in disadvantaged communities. LCTOP funds from previous funding cycles have been used for transit fare subsidy programs, travel training, bicycle racks on buses, bus purchases, and bus and commuter rail operations.

Discussion

For FY 2020-21 LCTOP funding, staff is proposing that the apportionment of \$4,095,614 be used to support the OCTA Welcome Back Fare Reduction Program for OC Bus Riders (Welcome Back Program), in the amount of \$3,379,462. In addition, \$716,152 of funding is proposed for the College Pass Program for Orange Coast College. Both projects were developed to encourage OC Bus riders to return to using the OC Bus service and encourage new riders to consider using OC Bus. The Welcome Back Program will include promotional discounts on fares. The College Pass Program for Orange Coast College will extend the opportunity for additional students to use OC Bus service at a reduced fare. These projects and programs are consistent with LCTOP Guidelines and will support OCTA's transit service by encouraging a growth in ridership. Increased use of transit is expected to reduce GHG emissions from single occupant vehicles and reduce vehicle miles traveled. Additional information on these projects and the other projects discussed in this item is provided in Attachment A.

In addition to the recommendations above, staff is also proposing changes to the use of prior year LCTOP funds that were originally programmed to the Metrolink Service Expansion Project (MSEP). The MSEP has been delayed due to the coronavirus (COVID-19) impacts on commuter rail service.

Consistent with the CPP, staff is proposing to redirect \$2.1 million in prior year LCTOP funds to alternative eligible projects to maximize the use of state funding available for projects and programs that can still be delivered in the timeframe required for the funds. A portion of these funds, \$159,285, along with interest collected from the LCTOP funds, estimated at \$164,285 and totaling \$323,570, is proposed to provide additional support for the Welcome Back Program noted above. In total, the Welcome Back Program will receive \$3,703,032 in LCTOP funds.

The remaining funds from the MSEP, in the amount of \$1,940,715, are proposed to support the Battery-Electric Buses, Bus Depot Upgrades and Charging Infrastructure Project (Ten Battery-Electric Buses Project). This project previously received LCTOP and provided partial funding for the purchase of ten battery-electric buses and the associated fueling infrastructure. Use of the remaining funds for this project is needed, because two discretionary state funding sources that were expected to be used for the project are no longer available. In one case, the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program unexpectedly ran out of funding due to high-demand. In the other case, the plan for use of Volkswagen Settlement for the Battery-Electric Buses Project did not succeed as the buses being replaced were repowered with newer engines than allowed through the program. This left a shortfall of approximately \$1,940,715. The redirection of LCTOP funds is proposed to cover this need. Staff will return to the Board with funding recommendations for the MSEP if Metrolink indicates that the project will resume.

The proposed changes are listed below:

Proposed Project for LCTOP Funds	FY 2020-21 LCTOP Funds	Prior Year LCTOP Funds Redirected	Estimated LCTOP Interest	Total LCTOP Funding in this Report
Welcome Back Program	\$3,379,462	\$159,285	\$164,285	\$3,703,032
Orange Coast College	\$716,152	\$-	\$-	\$716,152
Ten Battery-Electric Buses	\$-	\$1,940,715	\$ -	\$1,940,715
Totals	\$4,095,614	\$2,100,000	\$164,285	\$6,359,899

Consistent with Caltrans' LCTOP Guidelines, the Board is requested to approve the use of funds as proposed, execution of the certifications and assurances, and authorized agent forms through a resolution (Attachment B). The authorized agent form authorizes the Chief Executive Officer, or his designee, to sign program documents on behalf of OCTA.

The Capital Program Funding Report, which is provided in Attachment C, includes a summary of current funding for OCTA's capital projects. For this report, only proposed changes to the Ten Battery-Electric Buses Project are included, as the fare programs are considered operations support projects, and not capital projects.

Next Steps

With Board approval, staff will submit the Board resolutions to Caltrans to direct the use of \$4,095,614 in FY 2020-21 LCTOP funds and \$2,100,000 in prior year LCTOP funds. Staff will also program the unused interest, currently estimated to be \$164,285 to the Welcome Back Program. The use of LCTOP funds is subject to approval by both Caltrans and the California Air Resources Board. Caltrans expects the SCO to begin releasing FY 2020-21 funds to transit agencies for approved projects by June 30, 2021.

Summary

The Board is requested to approve a resolution authorizing the use of FY 2020-21 and prior FY LCTOP funds for transit projects. Additionally, the Board is requested to approve the use of unprogrammed interest accrued from LCTOP funds for the OCTA Welcome Back Fare Reduction Program for OC Bus Riders.

Attachments


- A. Orange County Transportation Authority, Low Carbon Transit Operations Program – Project Descriptions
- B. Resolution No. 2021-042, 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 Projects
- C. Capital Funding Program Report

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