



April 10, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the header.

Subject: Low Carbon Transit Operations Program Recommendations for OC Bus Transit Projects

Overview

The Low Carbon Transit Operations Program provides funding to transit agencies on a formula basis to support transit operations and capital projects that promote transit ridership and reduce greenhouse gas emissions. Funding recommendations for the Orange County Transportation Authority fiscal year 2024-25 are presented for Board of Directors' consideration.

Recommendations

- A. Approve Resolution No. 2025-015 to authorize the use of \$10,144,185 in fiscal year 2024-25 Low Carbon Transit Operations Program funds for the Youth Ride Free Program.
- B. Authorize staff to request the California Department of Transportation to approve a Letter of No Prejudice for use of local funds until the Low Carbon Transit Operations Program funds are awarded, currently expected to be December 1, 2025.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program as well as negotiate and execute any necessary agreements and/or amendments to agreements with regional, state, or federal agencies 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 expanded or new transit operations and capital projects that reduce greenhouse gas emissions, improve mobility, and prioritize disadvantaged communities. The revenues for this program are generated through the California Climate Investments Program, commonly referred to as

Cap and Trade. On February 13, 2025, the State Controller's Office notified all eligible transit operators that the fiscal year (FY) 2024-25 LCTOP will make \$202,270,719 available statewide.

The Orange County Transportation Authority's (OCTA) share is \$10,144,185. This amount includes an allocation of approximately \$33,915, for the City of Laguna Beach. OCTA will utilize these funds and provide the City of Laguna Beach a commensurate amount of local funds to allow them to use less restrictive local funds in place of the LCTOP funds. Eligible projects must be submitted for consideration by Caltrans and the California Air Resources Board (CARB) and are expected to be approved by December 1, 2025.

Consistent with OCTA's Capital Programming Policies, LCTOP funds are primarily to be used for transit operations, capital projects that support bus transit expansion, and fare reduction programs to enhance transit availability and accessibility. LCTOP funds from previous funding cycles have been used for transit fare subsidy programs, bicycle racks on buses, bus purchases, a hydrogen fueling station, and the expansion of bus and commuter rail operations.

Discussion

The Youth Ride Free Program was launched in September 2021 with the goal to increase youth ridership and encourage future use of the OC Bus system. Through January 2025, ridership using the Youth Ride Free pass exceeded 10.6 million rides with more than 55,000 unique riders using the pass by the 2023-24 school year. On February 14, 2022, the OCTA Board of Directors (Board) approved continuing the program, authorized adding the pass to the schedule of fares and directed staff to pursue the use of LCTOP funds for the program.

Building on OCTA's prior fare programs investments, staff proposes to use \$10,144,185 in FY 2024-25 LCTOP funding to support the continuation of the Youth Ride Free Program. It is estimated this new funding will support approximately 30 months of the program from April 1, 2025 through September 30, 2027. The recommended project includes \$300,000 to provide all Youth Ride Free Program participants with new passes for the new Rider Validation System which plans to start July 2025. A more detailed description for the project is provided in Attachment A.

With Board approval, staff will also request a Letter of No Prejudice as part of the allocation request. Previously allocated LCTOP funds, FY 2023-24, are estimated to fund the Youth Ride Free Program until the end of March 2025. Since FY 2024-25 LCTOP awards are not expected to be released until December 2025, local funds will need to be expended from April 1, 2025, until the award date. Following Caltrans' approval of the Letter of No Prejudice and

Caltrans and CARB's approval of the project, OCTA will be able to use the LCTOP allocation to reimburse the local funds.

Consistent with Caltrans' LCTOP guidelines, the Board is requested to adopt a resolution that authorizes the use of funds towards the Youth Ride Free Program and the request for a Letter of No Prejudice (Attachment B).

Next Steps

With Board approval, staff will submit the Board resolution to direct the use of up to \$10,144,185 in FY 2024-25 LCTOP to the Youth Ride Free Program and also submit a request for approval of a Letter of No Prejudice. The use of LCTOP funds is subject to approval by both Caltrans and CARB.

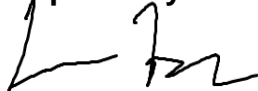
Summary

Board approval is requested for the use of LCTOP funds to continue supporting the Youth Ride Free Program, for staff to submit a request for a Letter of No Prejudice, and to approve the use of local funds as needed for the Youth Ride Free Program until LCTOP funds are available. Board authorization is also requested to amend the Federal Transportation Improvement Program and to negotiate and execute agreements and/or amendments, as appropriate.

Attachments

- A. Orange County Transportation Authority Low Carbon Transit Operations Program – Project Descriptions
- B. Resolution No. 2025-015, 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

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