



November 14, 2024

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "DEJ", with the word "For" written in smaller blue ink above the signature.

Subject: Low Carbon Transit Operations Program Corrective Action Plans

Overview

The Orange County Transportation Authority receives California Department of Transportation Low Carbon Transit Operations Program funding via formula to support expanded or new transit operations and capital projects that reduce greenhouse gas emissions, improve mobility, and prioritize disadvantaged communities. Funds may be transferred from a prior year to support ongoing projects with approval from the implementing agency's governing body and approval by the California Department of Transportation. Recommendations to utilize prior year funding for this program are presented for Board of Directors' review and approval.

Recommendations

- A. Approve Resolution 2024-084 to authorize the use of prior year Low Carbon Transit Operations Program funds and interest earnings estimated at \$3,736,809 for the Youth Ride Free Program and for new or expanded OC Bus Rapid services (recognized as Bravo! 553 Bus Service Operating Subsidy in the funding program).
- B. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program as well as negotiate and execute any necessary agreements with regional, state, or federal agencies to facilitate the recommendation 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 LCTOP funds are derived from the

Greenhouse Gas Reduction Fund (GGRF), which is generated from proceeds from the California Air Resources Board's Cap-and-Trade Program.

Consistent with the Orange County Transportation Authority's (OCTA)'s Capital Programming Policies, LCTOP funds are primarily 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.

According to the fiscal year 2023-24 LCTOP guidelines, to change an approved project request, including any changes to the scope, schedule, cost, or funding, including the transfer of funds, the lead agency must first obtain approval from Caltrans by submitting a Corrective Action Plan which also requires evidence of Board of Directors' (Board) approval through a resolution.

Discussion

Staff is proposing programming changes to prior year LCTOP funds totaling \$2,829,300 that were programmed to the College Pass Program for Orange Coast College and the Welcome Back Fare Reduction Program for OC Bus Riders, as well as \$907,508.96 in interest accrued on LCTOP funds. These two programs will not be able to fully expend the allocated funds before the LCTOP funds expiration date of June 30, 2025. Sufficient LCTOP funding was retained on these two programs to ensure funding through June 2025. The Welcome Back Fare Reduction Program will not continue past this date, and the College Pass Program for Orange Coast College will continue and be funded with student fees. Staff is proposing to transfer the balance of funds to two existing and eligible LCTOP projects to fully expend the funds prior to lapsing, as follows:

- \$2,319,300 in LCTOP and \$907,508.96 in accrued interest to Youth Ride Free Program.
- \$510,000 in LCTOP to OC Bus Rapid 553 (Rapid 553) Service. This is an existing ongoing project in the LCTOP which was established as the Bravo! 553 Bus Service Operating Subsidy. Rapid 553 runs along Main Street serving 15 stops from the Anaheim Regional Transportation Intermodal Center to MacArthur Boulevard and provides service to the cities of Anaheim, Orange, and Santa Ana.

Detailed descriptions for each project are provided in Attachment A. The funds will support existing operational needs for the Rapid 553 service and cover

ongoing costs tied to OCTA's successful Youth Ride Free Program. These projects have helped to increase OC Bus ridership.

Consistent with Caltrans' LCTOP guidelines, Board approval is requested to adopt the resolution that authorizes the redirection of prior year LCTOP funds and confirms OCTA's agreement to other standard LCTOP requirements (Attachment B).

Next Steps

With Board approval, staff will submit the Board resolution along with a request to direct the use of \$2,829,300 in expiring LCTOP funds and \$907,508.96 in accrued interest to the Youth Ride Free Program and Rapid 553 (referenced as Bravo! 553 Bus Service Operating Subsidy in the resolution consistent with the funding program requirements). The use of LCTOP funds is subject to approval by both Caltrans and the California Air Resources Board. However, both of these projects are already in the LCTOP program and will likely be approved.

Summary

The Board is requested to approve the use of LCTOP fund balances and accrued interest to fulfill timely use of funds requirements for transit projects that improve OC Bus services and ridership. Board authorization is also requested to negotiate and execute agreements as appropriate.

Attachments

- A. Orange County Transportation Authority Low Carbon Transit Operations Program – Project Descriptions
- B. Resolution No. 2024-084, Authorization for the Submittal of the Corrective Action Plans for the Low Carbon Transit Operations Program and for the Execution of the Low Carbon Transit Operations Program Projects Using Prior Year Funds and Interest

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