File #: 2016-0231, **File Type:** Program **Agenda Number:** 15

PLANNING AND PROGRAMMING COMMITTEE
APRIL 13, 2016

SUBJECT: CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM

ACTION: APPROVE REVISED RESOLUTIONS FOR FY2015-16 FUNDING

RECOMMENDATION

CONSIDER:

A. APPROVING the revised Resolution in Attachment A that authorizes the Chief Executive Officer (CEO) or his designee to claim $16,825,598 in fiscal year (FY) 2015-16 **Low Carbon Transit Operations Program (LCTOP) grant funds for one year of Gold Line Foothill Extension Phase 2A operations and one year of Expo Line Phase 2 operations**; and

B. APPROVING the Resolution in Attachment B that certifies that Metro will comply with the LCTOP Certification and Assurances and the Authorized Agent requirements, and authorizes the CEO or his designee to execute all required documents and any amendments with the California Department of Transportation.

ISSUE

At the October 2015 meeting, the Board approved a resolution that authorized Metro to claim its FY15-16 LCTOP funds and identified that the funds would be used toward operations of the Gold Line Foothill Extension Phase 2A and Expo Line Phase 2. The original deadline for this allocation request was November 1, 2015. However, shortly before the submittal date, Caltrans announced that the deadline would be extended to February 1, 2016 and issued new guidelines for FY15-16 LCTOP grant funds in December 2015. After submittal of the grant package, Caltrans informed Staff that the Board resolution approved in October 2015 and included in the package needed to be revised. While the document approved by the Board was generally consistent with the guidelines, it did not use the new format required by the guidelines. Staff is seeking Board approval to submit a revised project resolution and approve the new Certification and Assurances, and authorized agent resolution to be added to the grant package.

DISCUSSION

Board Item #28 at the October 2015 Board meeting approved a resolution that: 1) authorized the

CEO or his designee to claim up to $28 million in FY 2015-16 LCTOP funds; 2) identified the Gold Line Foothill Extension Phase 2A and Expo Line Phase 2 as the projects to be funded with the LCTOP funds; and 3) authorized the CEO or his designee to execute and amend all required LCTOP documents with Caltrans including the Certification and Assurances and Authorized Agent forms. The new guidelines released in December 2015 stipulated that two separate resolutions would be required, one for project identification and the other for the Certification and Assurances, and the Authorized Agent requirements. The resolution approved by the Board in October combined portions of the two new resolutions into one document, but Caltrans has determined it does not meet the new requirements released after the Board action.

In addition, although the LCTOP submittal deadline was November 1, 2015, the final fund amounts were not released until October 30, 2015 by the State Controller's Office. This is the reason the resolution stated that Metro would claim up $28 million to allow flexibility once the final LCTOP amounts were available. The amount included in the resolution was an estimate based on prior information released on LCTOP. Therefore, the proposed revised project resolution reflects the final LCTOP grant amount made available to Metro ($16,825,598) and the fund amounts to be allocated to each identified project.

LCTOP Program Funding

The LCTOP was created by California Senate Bill 862 to provide funding, on a formula basis, for operational or capital expansion projects to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The grant funds are derived from California's Cap-and-Trade Program and are the result of quarterly auctions of emission credits for greenhouse gas emitters regulated under Assembly Bill AB32. Auction proceeds, known as the Greenhouse Gas Reduction Fund (Fund), are to be reinvested in various projects that further reduce emissions. In FY 2014-15, $25 million was appropriated to LCTOP, one of 11 such programs, from the Fund. The amount made available for FY 2015-16 is $75 million though it had been anticipated to be $100 million prior to the final fund allocations being released.

Transit agencies receiving funds from the LCTOP shall submit expenditure proposals listing projects that meet all of the following criteria:

- Support new or expanded bus or rail services, or expanded intermodal transit facilities,
- Enhance or expand transit service to increase mode share,
- Reduce greenhouse gas emissions, and
- For agencies whose service areas include disadvantaged communities (DAC), 50 percent of total funds received shall be expended on projects or services that benefit the DAC.

DETERMINATION OF SAFETY IMPACT

The requested actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

Adoption of the LCTOP resolutions and authorization of the CEO to execute the required documents to claim LCTOP funds would positively impact the agency's budget by making $16,825,598 available to support the operation of Metro Rail service.

Impact to Budget

Claiming LCTOP funds will have a positive impact on the FY 2016 budget, as LCTOP funds will be disbursed to Metro by May 1, 2016.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the resolutions in Attachment A and Attachment B. Staff does not recommend this alternative because it would risk loss of Metro's FY15-16 LCTOP fund allocation amount.

NEXT STEPS

- May 1, 2016: Caltrans and ARB review and approve list of projects and submit to State Controller's Office.
- June 1, 2016: State Controller's Office will release approved amount of funds to recipients.

ATTACHMENTS

Attachment A - Resolution to Execute LCTOP Projects
Attachment B - Resolution to Execute LCTOP Certifications and Assurances, and Authorized Agent Forms

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Los Angeles County Metropolitan Transportation Authority

Board Resolution

Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) Projects:
Metro Gold Line Foothill Extension Phase 2A Operations - $7,007,087
Metro Expo Line Phase 2 Operations - $9,818,511

WHEREAS, the Low Carbon Transit Operations Program (LCTOP) was established by Senate Bill 862, passed by the California Legislature in 2014, to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is an eligible project sponsor and may receive state funding from the LCTOP now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, Metro has been allocated **$16,825,598** in FY 2015-16 LCTOP funds that include $9,818,511 in PUC 99313 LCTOP grant funds and $7,007,087 in PUC 99314 LCTOP grant funds; and

WHEREAS, Metro as a recipient agency submitted its FY 2015-16 LCTOP expenditure proposals on February 1, 2016; and

WHEREAS, the Metro projects listed above have been determined by staff to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities; and

WHEREAS, Metro wishes to implement the LCTOP projects listed above; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that it hereby authorizes the submittal of the following project nominations and allocation requests to the Department in FY 2015-16 LCTOP funds:

Project Name: Metro Gold Line Foothill Extension Phase 2A
LCTOP Funds Requested: $7,007,087
Description: 1 year operations of Gold Line Foothill Extension Phase 2A

Project Name: Metro Expo Light Rail Line Phase 2
LCTOP Funds Requested: $9,818,511
Description: 1 year operations of Expo Light Rail Line Phase 2

C E R T I F I C A T I O N

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, April 28, 2016.

_____
Michelle Jackson
LACMTA Secretary

Dated:

(SEAL)

ATTACHMENT B

Los Angeles County Metropolitan Transportation Authority

Board Resolution

Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program (LCTOP)

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, Metro wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO) or his designee; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Chief Executive Officer (CEO) or his designee be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

C E R T I F I C A T I O N

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, April 28, 2016.

_____
Michelle Jackson
LACMTA Secretary

Dated:

(SEAL)

Los Angeles County
Metropolitan Transportation Authority

Metro