



Board Report

File #: 2020-0112, File Type: Resolution

Agenda Number: 6.

PLANNING AND PROGRAMMING COMMITTEE MARCH 18, 2020

SUBJECT: CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER approving the Resolution in Attachment A that:

- A. Authorizes the Chief Executive Officer (CEO) or his designee to claim \$39,098,039 in fiscal year (FY) 2019-20 LCTOP grant funds for the Electric Bus Charging Infrastructure Project;
- B. Certifies that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. Authorizes the CEO or his designee to execute all required documents and any amendment with the California Department of Transportation.

ISSUE

The Low Carbon Transit Operations Program (LCTOP) is a cap-and-trade program established in 2014 that provides operating and capital assistance funds to public transportation agencies throughout California to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. The State issued the FY 2019-20 guidelines for the LCTOP in February 2020 and agencies must claim these formula grant funds by April 8, 2020. The grant package must include an adopted Board resolution that provides project information and certifies that Metro will comply with all LCTOP conditions and requirements. Therefore, staff is seeking Board approval of the resolution contained in Attachment A.

DISCUSSION

Each year, the State makes LCTOP formula grant funds available through a process administered by the California Department of Transportation (Caltrans) in coordination with the California Air Resource Board (CARB) and the State Controller's Office (SCO).

In February 2020, the State notified eligible agencies of their FY 2019-20 fund allocation amounts, including \$36,016,862 apportioned to Metro. In addition, 12 Los Angeles County municipal operators

requested to transfer to Metro \$3,081,177 of their FY 2019-20 LCTOP fund allocations for use on its 2020 LCTOP-funded expenses in exchange for more flexible local funds.

To claim the grant award, Metro must prepare a request describing the proposed transit expenditures that will be funded using the LCTOP allocation. The grant application package must include a Board resolution that: 1) authorizes the CEO or his designee to claim \$39.1 million in FY 2019-20 LCTOP funds; 2) identifies the project to be funded with the LCTOP funds; 3) accepts the transfer of FY 2019-20 LCTOP funds to Metro by the 12 municipal operators; and 4) authorizes the CEO or his designee to execute and amend all required LCTOP documents with Caltrans including the certifications and assurances and authorized agent forms. Staff is proposing to fund the Electric Bus Charging Infrastructure Project with these LCTOP funds.

LCTOP Program Funding

The LCTOP, created by California Senate Bill 862 (2014), provides funding derived from California's Cap-and-Trade Program and supports transit agency investment in various projects to further reduce greenhouse gas emissions. In FY 2019-20, \$146 million was allocated to LCTOP statewide. Transit agencies receiving funds from the LCTOP must submit expenditure proposals listing projects that meet any of the following criteria:

- Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit or expanded intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities;
- Operational expenditures that increase transit mode share; and
- Expenditures related to the purchase of zero-emission buses, including electric buses and the installation of the necessary equipment and infrastructure to operate and support zero emissions buses.

Equity Platform

Senate Bill 535 (de Leon, 2012) and Assembly Bill 1550 (Gomez, 2016) established criteria for meeting the LCTOP requirement to prioritize serving disadvantaged communities. The California Environmental Protection Agency (CalEPA) provides tools for identifying Disadvantaged Communities (DACs) based on geographic, socioeconomic, public health, and environmental hazard criteria. The State's parameters include, but are not limited to:

1. Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
2. Areas with concentrations of people that are of low income, high unemployment, and low levels of educational attainment.

Additional requirements for low-income communities and low-income residents include:

- 5% of available funds must be allocated to projects that benefit low-income households or to

projects located within, and benefiting individuals living in, low-income communities, and

- 5% of available funds must be allocated to projects that benefit low-income households that are outside of, but within a ½ mile of, disadvantaged communities, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within a ½ mile of disadvantaged communities.

Analysis using the State's criteria shows that DACs are disproportionately located in both Los Angeles County and the Central Valley, and notably less prevalent in other major metropolitan areas. Metro, as the lead agency, must select and document the appropriate information to show that a proposed project meets all DAC and other population requirements.

Additional Project Eligibility Criteria

In addition to maximizing benefits to DAC's, low-income communities and/or low-income households, all projects must be consistent with the lead agency's most recently adopted short-range transit plan, regional plan, or publicly-adopted plan. For project leads in a Metropolitan Planning Organization area, projects must also be consistent with the Sustainable Communities Strategy. Additionally, capital projects must have a useful life not less than that typically required for capital assets pursuant to State General Obligation Law, with buses or rail rolling stock considered to have a useful life of two or more years. The LCTOP specifically requires documentation that each proposed project will achieve a reduction in greenhouse gas emissions and improve mobility.

Metro-Specific Considerations in Selecting LCTOP Projects

Staff considered various factors in the analysis that resulted in the recommendation to use 2019-20 LCTOP funding on the Electric Bus Charging Infrastructure Project. In addition to ensuring the above criteria were met, teams from various departments weighed potential LCTOP recipient projects against alignment with Metro's Strategic Vision, project and program costs, funding availability, feedback collected via community engagement, and the extent to which allocating to a project improves the balance between Metro's financial commitments and funding availability.

The Electric Bus Charging Infrastructure Project will procure and install new stationary and portable charging equipment and storage to enable reduction of air pollutants and toxic air contaminant emissions. Fixed charging facilities will be installed at the Division 9 Bus Maintenance Facility in El Monte and will power electric buses that serve populations in areas that meet the State's definition for disadvantaged and low-income communities.

Staff recommends using this grant to fund the Electric Bus Charging Infrastructure Project because its characteristics best align with the grant program eligibility criteria and strongly supports Metro's commitment to further reduce greenhouse gas emissions by transitioning to zero-emission buses ahead of the State's 2040 goal to transition to one-hundred percent electric bus fleets. In addition, operation of electric buses is an element of the Metro NextGen Service Plan. Staff received positive comments from the public during the extensive NextGen community engagement process in support of Metro's plan to place zero-emission buses in service. The Bus Electric Charging Infrastructure Project will support that effort.

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 resolution and authorization of the CEO to execute the required documents to claim LCTOP funds would positively impact the agency's budget by making \$39.1 million available to support the Electric Bus Charging Infrastructure Project.

Impact to Budget

Claiming LCTOP funds will have a positive impact on the FY21 budget, as LCTOP funds are scheduled to be disbursed to Metro in June 2020 for use in FY21.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support Metro Vision 2028 Strategic Goal 1.1: To expand the transportation network and increase mobility for all users.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk loss of Metro's FY 2019-20 LCTOP fund allocation amount of \$36.02 million and the \$3.08 million in LCTOP funds transferred by 12 municipal operators to Metro.

NEXT STEPS

- April 8, 2020: Metro submits allocation request to Caltrans.
- June 1, 2020: Caltrans and CARB approves and submits project list to State Controller's Office.
- June 30, 2020: State Controller's Office releases approved project list.

ATTACHMENTS

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

Attachment B - Funding Table for Metro Electric Bus Charging Infrastructure Project

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Phillip A. Washington
Chief Executive Officer

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) for the Following Project:

Metro Electric Bus Charging Infrastructure Project - \$39,098,039

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, twelve Los Angeles County LCTOP recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$3,081,177 in PUC 99314 FY2019-20 LCTOP funds to Metro to fund the Metro Electric Bus Charging Infrastructure Project; 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

WHEREAS, Metro wishes to implement the following LCTOP project listed above;

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.



Los Angeles County
Metropolitan Transportation Authority

Metro

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

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 nomination and allocation request to the Department in FY 2019-20 LCTOP funds:

Project Name: Metro Electric Bus Charging Infrastructure Project

LCTOP Funds Requested: \$39,098,039 comprised of Metro's allocation of \$36,016,862, and PUC 99314 allocations transferred to Metro from 12 Los Angeles County LCTOP Contributing Sponsors totaling \$3,081,177 for the Metro Electric Bus Charging Infrastructure Project.

Description: Purchase and installation of stationary electric bus charging infrastructure and storage at the Division 9 Bus Maintenance Facility and purchase of portable electric bus charging equipment to fuel new zero emission buses.

Benefit to Priority Populations: The project is located within a disadvantaged community as defined by SB 535 (2012) and a low-income community as defined by AB 1550 (2016). The charging facilities also support bus lines that operate within areas that meet the State's definition for disadvantaged and low-income communities. Therefore the project will enable reduction of air pollutants and toxic air contaminant emissions by powering electric buses that serve priority populations as defined by the State.

Contributing Sponsors: Antelope Valley Transit Authority, City of Arcadia, City of Claremont, City of Commerce, City of Culver City, Foothill Transit Zone, City of Gardena, City of La Mirada, City of Montebello, City of Redondo Beach, City of Santa Monica and City of Torrance.



Los Angeles County
Metropolitan Transportation Authority

Metro

CERTIFICATION

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, March 26, 2020.

Michelle Jackson
LACMTA Secretary

Dated:

(SEAL)

FUNDING TABLE

Metro Electric Bus Charging Infrastructure Project

Project Cost \$	\$39,098,039
Cost Type	Estimated Cost

Revenue

Funding Source	Type	Amount	Status
State	Cap & Trade LCTOP	\$39,098,039	Committed
Total Revenue		\$39,098,039	