



Board Report

File #: 2023-0029, File Type: Program

Agenda Number: 7.

REVISED
PLANNING AND PROGRAMMING COMMITTEE
APRIL 19, 2023

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

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

APPROVE the Resolution in Attachment A that:

- A. AUTHORIZES the Chief Executive Officer (CEO) or their designee to claim \$52,157,339 in fiscal year (FY) 2022-23 LCTOP funds for the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley Transit Corridor;
- B. CERTIFIES that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. AUTHORIZES the CEO or their designee to execute all required documents and any amendment with the California Department of Transportation.

ISSUE

The Low Carbon Transit Operations Program (LCTOP), a California Cap-and-Trade Program established in 2014, provides operating and capital assistance funds to public transportation agencies to reduce greenhouse gas emissions and improve mobility, prioritizing projects serving disadvantaged communities, similar to areas within Metro's Equity Focus Communities. The State issued the FY 2022-23 LCTOP guidelines in January 2023 and requires agencies to claim these formula grant funds by May 1, 2023. A complete grant package includes an adopted Board resolution that provides recipient project information and certifies that Metro will comply with all LCTOP conditions and requirements. Therefore, staff seeks Board approval of the Resolution contained in Attachment A.

BACKGROUND

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 Resources Board (CARB) and the State Controller's Office (SCO).

On March 1, 2023, the State notified eligible agencies of their FY 2022-23 fund allocation amounts, including \$46,701,338 apportioned to Metro. In addition, 17 Los Angeles County municipal operators requested to transfer to Metro \$5,456,001 of their FY 2022-23 LCTOP fund allocations in exchange for more flexible local funds.

DISCUSSION

To claim the grant award, Metro must submit a request describing the proposed transit expenditures to be funded using the LCTOP funds. The complete application package must include a Board resolution that: 1) authorizes the CEO or their designee to claim \$52.1 million in FY 2022-23 LCTOP funds; 2) identifies the project(s) to be funded with the LCTOP funds; 3) accepts the transfer of FY 2022-23 LCTOP funds to Metro by the 17 municipal operators; and 4) authorizes the CEO or their designee to execute and amend all required LCTOP documents with Caltrans including the certifications and assurances and authorized agent forms. Staff proposes to align these LCTOP funds with the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley (NSFV) Transit Corridor.

LCTOP Program Funding

The LCTOP, created by California Senate Bill 862 (2014), provides proceeds from California's Cap-and-Trade Program to support transit agency investment in various projects intended to further reduce greenhouse gas emissions. In FY 2022-23, \$192.3 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 waterborne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and 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 these zero-emission buses.

Additional Project Eligibility Criteria

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 FY 2022-23 LCTOP funding on the Division 8 Charging Infrastructure and En Route Charging for NSFV Transit Corridor. Staff analyzed potentially viable proposed grant uses collected during prior years' LCTOP efforts and current year information requests from Metro's Senior Leadership Team. Staff analysis included evaluating 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. Numerous community meetings and outreach were completed for the North San Fernando Valley BRT Improvements Project, where Metro staff collected feedback to incorporate into the project design. Outreach included low-income communities along the project corridor that are transit-dependent riders. Additionally, staff received positive comments during the extensive NextGen Bus Plan process in support of frequent, reliable service, and zero-emission buses for a smoother ride. Staff recommends the Division 8 Charging Infrastructure and En Route Charging for NSFV Transit Corridor because of its alignment to LCTOP eligibility requirements and for priority populations served, including state-identified DACs and overlap with Metro-defined Equity Focus Communities. The project also strongly supports Metro's commitment to further reduce greenhouse gas emissions by transitioning to zero-emission buses by 2035, ahead of CARB's Innovative Clean Transit (ICT) regulation to transition to one-hundred percent electric bus fleets by 2040.

The Division 8 charging infrastructure and en-route charging is in support of Metro's NSFV Bus Rapid Transit (BRT) Improvements Project, which includes new zero-emission buses. This will require the build-out for the full electrification of Division 8 and en-route charging to support the NSFV Transit Corridor, which will enable the charging of electric buses that aim to reduce noise and greenhouse gas emissions, provide better performance, and a quieter ride. The NSFV Transit Corridor project would increase connectivity and provide high-quality bus service and transit infrastructure in North San Fernando Valley communities.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Adoption of 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 \$52.1 million available to Metro.

Impact to Budget

Claiming LCTOP funds will have a positive impact on the budget once the LCTOP funds are scheduled to be disbursed to Metro.

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 based on geographic, socioeconomic, public health, and environmental hazard criteria.

Metro, as the lead agency, must select and document appropriate information to show that a proposed project meets all DAC and other priority population requirements. The State's criteria prioritize serving DACs and low-income communities. The LCTOP funds would fund equipment and charging infrastructure that will enable reduction in greenhouse gas emissions for bus lines that serve DACs, low-income communities, and overlap with Metro-defined Equity Focus Communities. Division 8 is located in a low-income community within a ½ mile of a DAC, and will support NSFV BRT bus lines that operate within areas that meet the State's definition for disadvantaged and low-income communities.

The proposed LCTOP grant funding will help Metro fund the procurement and installation of charging infrastructure for Metro's Division 8, and en-route chargers to support the North San Fernando Valley BRT Improvements Project. The NSFV BRT Improvements Project is a proposed new 18-mile BRT line that would enhance existing bus service and increase transit system connectivity. According to Metro's 2019 passenger on-board survey for Bus lines 152, 224, and 240, one in four households in the project area earns less than \$5,000 annually, and over 50 percent live below the poverty line. Nearly 50 percent of riders on these lines live or work in the area. The project will allow for transit service improvements to benefit Black, Indigenous, and People of Color (BIPOC), low-income, and communities that rely on transit across the project area in the North Valley. The project will also improve service for students of California State University, Northridge, where 75 percent identify as BIPOC. This includes benefits such as, more frequent and reliable bus service, improved connections to the regional transit network, better access to destinations across the region, more transit to meet growing demand, enhanced bus stops, and other service improvements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan Goal #1, provide high-quality mobility options that enable people to spend less time traveling, and Goal #3, enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

Metro's internal evaluation process, which aims to recommend the use(s) with the greatest potential to address operational needs, consisted of vetting candidate proposals against LCTOP requirements and Metro priorities, policies, and practices. Consistent with Board guidance to prioritize operational needs, Metro evaluated potentially eligible costs related to the Crenshaw/LAX Transit Project, Regional Connector Transit Project, and fareless or reduced fare initiatives. These options were not selected, in part, because Congestion Mitigation and Air Quality (CMAQ) funding is expected to cover much of the eligible costs. Operations for the Crenshaw/LAX Transit Project still has available LCTOP funds, and the State does not support adding more funding before exhausting prior year's allocations. The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk the loss of Metro's FY 2022-23 LCTOP fund allocation amount of \$46.7 million and the \$5.4 million in LCTOP funds transferred by 17 municipal operators to Metro.

NEXT STEPS

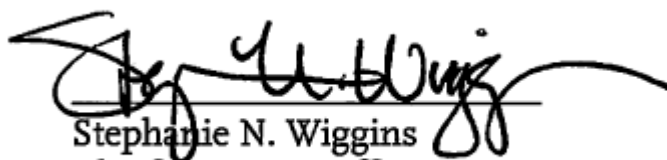
- May 1, 2023: Metro submits LCTOP allocation request to Caltrans.
- June 2023: Caltrans and CARB approve and submit project list to SCO.
- June - July 2023: SCO releases approved project list.

ATTACHMENTS

Attachment A - Board Resolution

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Reviewed by: James de la Loza, Chief Planning Officer, Countywide Planning & Development, (213) 922-2920


Stephanie N. Wiggins
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:**

**Division 8 Charging Infrastructure and En Route Charging for North San
Fernando Valley Transit Corridor - \$52,157,339**

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, 17 Los Angeles County LCTOP recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$5,456,001 in PUC 99314 FY2022-23 LCTOP funds to Metro for Metro's FY 2022-23 LCTOP 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 their 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 their 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 2022-23 LCTOP funds:

Project Name: Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley Transit Corridor

LCTOP Funds Requested: \$52,157,339 comprised of Metro's allocation of \$46,701,338 and PUC 99314 allocations transferred to Metro from 17 Los Angeles County LCTOP Contributing Sponsors totaling \$5,456,001 for Metro's FY 2022-23 LCTOP Project.

Description: Procurement and installation of charging infrastructure for Division 8 and en-route charging for North San Fernando Valley Transit Corridor.

Benefit to Priority Populations: The project is located in a low-income community within a ½ mile of a disadvantaged community (DAC) with bus lines that serve within areas that meet the State's definition for disadvantaged and low-income communities as defined by SB 535 (2012). Therefore, the project will enable reduction of air pollutants and toxic air contaminant emissions as defined by the State by providing greater access to the regional transit system.

Contributing Sponsors: Antelope Valley Transit Authority, City of Arcadia, City of Burbank, City of Claremont, City of Commerce, City of Culver City, Foothill Transit, City of Gardena, City of Glendale, City of La Mirada, Long Beach Public Transportation Company, City of Montebello, City of Norwalk, City of Redondo Beach, City of Santa Clarita, 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, April 27, 2023.

By: _____
Collette Langston, Board Clerk, Los
Angeles County Metropolitan
Transportation Authority

Dated:

(SEAL)



Los Angeles County
Metropolitan Transportation Authority

Metro