



Board Report

File #: 2025-0028, File Type: Program

Agenda Number: 8.

PLANNING AND PROGRAMMING COMMITTEE APRIL 16, 2025

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

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER approving the Resolution in Attachment A that:

- A. AUTHORIZES the Chief Executive Officer (CEO) or their designee to claim a total of \$53,221,812 in California Cap-and-Trade proceeds accumulated in State Fiscal Year (FY) 2024-25 disbursed through LCTOP, and to use \$48,761,092 for A Line operations, as enhanced by the opening of the Regional Connector, and \$4,460,720 for Special Event Supplementary Bus Service;
- B. CERTIFIES that Metro will comply with LCTOP certification, assurances, and the authorized agent requirements; and
- C. AUTHORIZES the CEO or their designee to execute all required documents and any amendments with the California Department of Transportation (Caltrans).

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 State-designated disadvantaged communities, which partially overlap with Metro's Equity Focus Communities (EFC). The State issued the FY 2024-2025 LCTOP Guidelines in January 2025 and requires agencies to claim these formula grant funds by April 24, 2025. 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

Created by California Senate Bill 862 (2014), LCTOP provides proceeds from California's Cap-and-Trade Program to support transit agency investment in various projects intended to reduce

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

On February 14, 2025, the State notified eligible agencies of their FY 2024-25 fund allocation amounts, including \$49,045,872 apportioned to Metro. In addition, 15 Los Angeles County municipal operators requested to transfer to Metro \$4,175,940 of their FY 2024-25 LCTOP fund allocations in exchange for more flexible local funds.

DISCUSSION

To claim the total \$53,221,812 grant award, Metro must submit a request describing the proposed transit expenditures to be funded using the LCTOP proceeds. The complete allocation request package must include a Board resolution that: 1) authorizes the CEO or their designee to claim \$53.2 million in FY 2024-25 LCTOP funds; 2) identifies the project(s) to be funded with the LCTOP funds; 3) accepts the transfer of FY 2024-25 LCTOP funds to Metro by the 15 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 a portion of the FY 2024-25 funds with the supplementary bus service needs for the 2026 FIFA World Cup, included in the Mobility Concept Plan, and the remainder to the operation of the A Line.

LCTOP Program Funding

In FY 2024-25, \$202.2 million was allocated to LCTOP statewide, with \$49 million allocated to Metro.

Transit agencies receiving funds from the LCTOP must submit 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 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. All projects are required to benefit disadvantaged communities, low-income communities, and/or low-income households.

Metro-Specific Considerations in Selecting LCTOP Projects

Staff considered various factors in the analysis that resulted in the recommendation to utilize FY 2024-25 LCTOP funding for Metro's A Line operations and supplementary bus service for a range of extra bus service for the 2026 FIFA World Cup, which includes eight games in Los Angeles. Potentially viable grant uses collected during prior years' LCTOP efforts and new requests were analyzed by Staff. The analysis included evaluation of potential LCTOP recipient project's alignment with Metro's Strategic Vision, each proposal's project and program costs, equity, community engagement undertaken, and the extent to which allocating LCTOP funding to a project improves the balance between Metro's financial commitments and funding availability. As a result of this analysis, staff recommends Metro A Line operations and the ramp up, ramp down, and deployment of supplementary bus service for the eight 2026 FIFA World Cup matches. Further proposal details are outlined below:

Metro A Line Operations:

Metro's Regional Connector Transit Project, which opened to the public on June 16, 2023, created 1.9 miles of new track and three new underground stations, enabling light rail travel between Union Station and 7th Street/Metro Center Station in Downtown's Financial District. The project's completion also allowed Metro to merge the L Line with the A and E Lines, creating two train lines where there were once three. This new/expanded and enhanced rail service, which provides smoother, faster, one-seat rides between Long Beach and Azusa, and East LA and Santa Monica, has helped increase rail ridership on the A Line by 14 percent in the first half of FY25. Like other Metro construction projects, the Regional Connector line was designed and built with significant community input. The opening of the Regional Connector Transit Project, creating the new A Line connecting Long Beach to Azusa, and an upcoming 9.1-mile extension to Pomona, aligns well with LCTOP eligibility requirements.

Special Event Supplementary Bus Service:

Metro is planning permanent, long-term improvements and benefits to its system. In partnership with local jurisdictions, Metro plans to deliver projects and implement initiatives that aim to restore community connectivity by investing in high-quality multimodal transportation options to enable affordable, reliable mobility and access to opportunity ahead major events like the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games ("the Games"). Metro worked with LA28, Caltrans, Metrolink, the Los Angeles Department of Transportation, and the City of Los Angeles Mayor's Office, a group collectively known as the Games Mobility Executives (GME), to develop the 2028 Mobility Concept Plan (MCP) which was adopted by the Board in December 2022. Metro and the GME identified a list of 15 priority MCP workstreams deemed to either serve a specific Games delivery need or be highly beneficial and supportive of the transport strategy for the Games. Capital and operational improvements in the MCP include system reliability investments and optimized customer experience, including supplementary bus service, that can be activated to meet the demand associated with mega-events, security-sensitive activities, and other requirements that might exceed existing operator capacity or capability. Stakeholder engagement for the MCP included input

from partner agencies and riders, including advisory meetings, service council meetings, and LA28 coordination meetings. Metro also engaged with municipal bus operators on the MCP for feedback and best practices for the Games. The MCP shows how Metro seeks to improve access and create a core system that is faster, more reliable, safer, and connected, to encourage mode shifts and provide permanent benefits beyond these major events. These benefits include learning best practices, accelerated improvements, an established brand for major events, and enhanced customer experience.

The MCP anticipated that major events leading up to the 2028 Games would help Metro pilot test and create strategies to improve mobility and manage congestion. Over the past several and in upcoming years, Los Angeles hosted or will host major sporting events such as the NFL Super Bowl, WrestleMania, the 123rd US Open Men's Golf Championship, the 2024 NCAA Division 1 Men's Basketball West Region Championship, and the 2026 US Open Women's Golf Championship. A supplementary bus service, which is included as a priority MCP workstream, is a supplementary transit system that enhances service by providing additional vehicles and staff resources, from partner operators, to meet the unprecedented demand associated with very large or security-sensitive events like the 2026 FIFA World Cup and the 2028 Games. This is an example of how Metro can test and scale new mobility options, as contemplated in the MCP. Staff recommends funding the ramp up, ramp down, and deployment of supplementary bus service for the eight 2026 FIFA World Cup matches. This pilot can be scaled up to improve mobility and manage congestion, it aligns with LCTOP eligibility requirements, and meets the program goals, as it is expected to reduce GHG emissions, improve mobility, and benefit priority populations. This will augment bus system service for the World Cup's spectators and workers locally and regionally, including traveling to and from the matches at SoFi Stadium, as well as FanFests or Live Sites throughout the County. This supplementary service is necessary to provide a safe, secure, and sustainable transit solution for the tournament, and serve as a test ahead of the 2028 Games. The service will help avoid externalities experienced by community surrounding SoFi Stadium if all spectators and workers had to travel in private autos.

DETERMINATION OF SAFETY IMPACT

The requested actions will not impact the safety of Metro customers or employees.

FINANCIAL IMPACT

Claiming the LCTOP funds would positively impact the agency's budget by making \$53.2 million available to Metro for new or enhanced transit service.

Impact to Budget

LCTOP funds are eligible for bus and rail operations.

EQUITY PLATFORM

Senate Bill 525 (de Leon, 2012) and Assembly Bill 1550 (Gomez, 2016) established criteria for meeting the LCTOP requirement to prioritize serving disadvantaged and low-income communities.

The California Environmental Protection Agency (CalEPA) provides tools, such as CalEnviroScreen 4.0, for identifying Disadvantaged Communities (DACs) based on geographic, socioeconomic, public health, and environmental hazard criteria. As the lead agency, Metro must select the document information to show that a proposed project meets all DAC and other priority population requirements. Staff considered both projects by utilizing the CalEnviroScreen 4.0 mapping tool, Metro's EFCs Map, and engagement from Regional Connector, LA28, and adoption of the Mobility Concept Plan. Additionally, continued community engagement for supplementary bus service will follow Metro's protocols with the communities around SoFi Stadium in Inglewood with proposed operating plans.

The Metro A Line is located in or adjacent to neighborhoods designated as disadvantaged and/or low-income communities per SB 535 and AB 1550. Twenty-three (23) stations along the A Line are located within Metro's Equity Focus Communities in (EFCs) in Long Beach, South Los Angeles, and East Los Angeles. Stations in census tracts along the A Line's EFC boundaries have an average of 61 percent of low-income households and an average of 22 percent of zero-vehicle households. At least 80 percent of the A Line is located within a DAC as defined by CalEnviroScreen 4.0. The proposed grant funding will help Metro fund the operations of the A Line, which will benefit the impacted communities by providing direct, safe, and reliable transit service to major centers in Long Beach, Downtown Los Angeles, Pasadena, and Azusa. The anticipated A Line extension to Pomona will also expand to other destinations further East and increase access to available multi-modal transit service. Robust public engagement was initiated for communities in the extended corridor area, including public scoping meetings that drew 229 participants.

Through the opening of the Regional Connector, 1.9 miles of new track and three new stations in Downtown Los Angeles allowed Metro to merge the former L Line with the new and enhanced A and E Lines. Community engagement for the Regional Connector included in-person and virtual Community Leadership Council meetings. Outreach completed during the draft Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) provided the public with opportunities to comment during scoping meetings. These meetings were advertised in multi-lingual publications and press releases, and multi-lingual notices were placed on Metro buses and trains. Part of the community outreach efforts during the EIS/EIR phase was the formation of the Little Tokyo Working Group (LTWG) in response to concerns by stakeholders on potential impacts on the community. Metro worked collaboratively with the LTWG to identify concerns and propose mitigation measures to address the potential effects of the Regional Connector.

The grant will also fund special event supplementary bus service, which will deploy additional buses on transit services needed to meet demand for spectator and worker transport during the upcoming 2026 FIFA World Cup consisting of eight games in Los Angeles. This will also help serve to build a long-term approach for Metro to meet high transportation demands for mega and security-sensitive events. SoFi Stadium is located in Inglewood, an area that includes Metro designated EFCs. An average of 88 percent of these census tracts around SoFi Stadium are low-income households, 20 percent are zero-vehicle households, and 97 percent identify as Black, Indigenous, and People of Color (BIPOC). Proposed Metro bus services for this event also serve to avoid equity-focused communities seeing high volumes of private car traffic in their neighborhoods to access the event. Funding supplementary bus service for the 2026 FIFA World Cup would provide environmental and health benefits by reducing greenhouse gas emissions from workers and spectators accessing the

stadium using private autos in the absence of such supplementary services which will allow better access to and from the venue and games. Projects identified in the MCP follow Metro's Equity guidelines and scored projects with an emphasis on equity with a weighted score of 40 percent.

Approval of the Resolution and disbursement of LCTOP Funds for both projects would help provide fast, frequent, reliable, and accessible service to the communities along the A Line and the South Bay region. Metro's goals beyond the World Cup would be to create a model for long-term solutions to transportation for mega events across Los Angeles County, including the 2028 Olympic and Paralympic Games. This model would provide equitable access to transportation, by providing residents with reliable and efficient commuting options, access to education centers, job opportunities and essential services.

VEHICLE MILES TRAVELED OUTCOME

Vehicle Miles Travelled (VMT) and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT, as it is related to investment activities that will benefit and encourage taking transit, including rail and bus.

As a step for meeting the State's requirements, staff also calculated VMT associated with the proposal to show that the net effect of this multi-modal item is to decrease VMT. The California Air Resources Board's GHG Benefits Calculator (QM-Tool) is used in the LCTOP Allocation Request to demonstrate GHG and VMT reductions. Based on projected ridership numbers and estimated annual fuel use for A Line operations, the estimated VMT reduction is 113,011,848 miles. The supplementary bus service for the 2026 FIFA World Cup estimates VMT reduction of 885,931 miles, based on projected ridership, annual VMT, and transit bus models.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goal #1 to 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

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 \$53,221,812 in State FY 2024-25 LCTOP funding - \$49 million allocated directly and \$4.1 million in funds transferred by 15 municipal operators to Metro.

NEXT STEPS

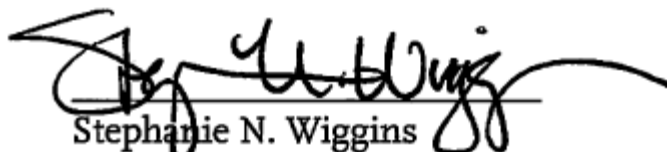
- April 24, 2025: Metro submits LCTOP allocation request to Caltrans.
- September 2025: Caltrans and CARB approve the List of Projects and submit it to SCO.
- December 2025: SCO releases approved project list.

ATTACHMENTS

Attachment A - Board Resolution to Execute LCTOP Project

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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 Projects:

Metro A Line Operations - \$48,761,092

Special Event Supplementary Bus Service - \$4,460,720

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, fifteen (15) Los Angeles County LCTOP recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$4,175,940 in PUC 99314 FY2024-25 LCTOP funds to Metro for Metro's FY 2024-25 LCTOP A Line Operations 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 projects also 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.



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 nominations and allocation request to the Department in FY 2024--25 LCTOP funds:

Project Name: Metro A Line Operations

LCTOP Funds Requested: \$48,761,092 comprised of Metro's allocation of \$49,045,872 and PUC 99314 allocations transferred to Metro from 15 Los Angeles County LCTOP Contributing Sponsors totaling \$4,175,940 for Metro's FY 2024-25 LCTOP Project.

Description: Operations of Metro's A Line light rail service.

Benefit to Priority Populations: The project improves connectivity and provides one-seat rides within neighborhoods designated as DACs and/or low-income communities per AB 1550 criteria.

Contributing Sponsors: Antelope Valley Transit Authority, City of Arcadia, City of Burbank, City of Claremont, City of Commerce, City of Culver City, City of Gardena, City of Glendale, City of La Mirada, City of Norwalk, City of Redondo Beach, City of Santa Clarita, City of Santa Monica, City of Torrance, and Long Beach Public Transportation Company.

Project Name: Special Event Supplementary Bus Service

LCTOP Funds Requested: \$4,460,720 comprised of Metro's allocation of \$49,045,872.

Description: Supplementary bus service for the 2026 FIFA World Cup.

Benefit to Priority Populations: The project is located in and/or provides service in communities designated as DACs, low-income communities, and/or a DAC ½ mile neighbor: low-income household eligible.



CERTIFICATION

The undersigned, duly qualified and acting as the Board Clerk 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 24, 2025.

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

Dated:

(SEAL)



Los Angeles County
Metropolitan Transportation Authority

Metro



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

PLANNING AND PROGRAMMING COMMITTEE
APRIL 16, 2025

APPROVE RECOMMENDATIONS

LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

- A. Authorizes the Chief Executive Officer (CEO) or their designee to claim a total of \$53,221,812 in Fiscal Year (FY) 2024-25 LCTOP grant funds and distribute \$48,761,092 for A Line operations and \$4,460,720 for Special Event Supplementary Bus Service;
- 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 amendments with the California Department of Transportation (Caltrans).



LCTOP ELIGIBILITY REQUIREMENTS

- > LCTOP can fund eligible operating and capital projects for transit agencies – with a priority on serving disadvantaged communities – that reduce greenhouse gas emissions (GHG) and improve mobility.
- > Eligible projects include:
 - New or expanded bus, rail, water-borne 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
 - Purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure.



Airport Metro Connector



**J-Line Zero Emission
infrastructure**



PRIOR LCTOP-FUNDED PROJECTS

- > Gold Line Foothill Extension 2A Operations (OPS) – 2015-19
- > Expo Phase 2 Ops – 2016-19
- > Division 9 Electric Bus Charging Infrastructure – 2020
- > Crenshaw/LAX Transit Corridor Ops and/or Fareless Initiative Pilot – 2021-22
- > Division 8 Charging Infrastructure for North San Fernando Valley Transit Corridor – 2023-24
- > E-Line Operations – 2024



Gold Line Foothill



K-Line



RECOMMENDATIONS

> A Line Operations

- The A Line is located within Metro's Equity Focus Communities boundaries and would provide a one-seat ride between Long Beach and Azusa. This light rail-line is estimated to reduce VMT by 113,011,848 as well as green house gas emissions.

> Special Event Supplementary Bus Service

- This supplementary service would provide special event bus services for the FIFA 2026 World Cup, a important but smaller sample of the demand and mobility needs for the 2028 Games. The service is within Metro's Equity Focus Community boundaries, would reduce VMT by 885,931 miles as well as green house gas emissions.

