

STAFF REPORT

SUBJECT: Resolution in Support of Allocation Request for FY 22-23 Funding through the State Low Carbon Transit Operations Program (LCTOP)

FROM: Tamara Edwards, Director of Finance

DATE: March 6, 2023

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**Action Requested**

The Finance & Administration Committee requests that the Board of Directors approve Resolution 09-2023 in support of an allocation request to Caltrans for the FY 22-23 Low Carbon Transit Operations Program (LCTOP) to construct a hydrogen fueling station and related support infrastructure at LAVTA’s Atlantis maintenance facility to accommodate the fueling of zero-emission hydrogen fuel-cell electric buses. This resolution is required to request an allocation of these funds from Caltrans.

**Background**

The LCTOP was established 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 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 AB 32, California’s Global Warming Solutions Act of 2006. Auction proceeds, known as the Greenhouse Gas Reduction Fund, are then reinvested in various projects to further reduce emissions. There is a continuous appropriation of 5 percent of Cap and Trade auction proceeds into the LCTOP and other Cap and Trade programs. Though auction proceeds have seen notable fluctuation due to the COVID-19 pandemic in recent years, auction sales appeared to have stabilized downward in 2022, leading to a slight decrease in revenues available to the LCTOP for allocation in FY22-23 compared to last year, though still above pre-pandemic levels.

The program guidelines state that transit agencies receiving funds from the LCTOP shall 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 services, expanded intermodal facilities, and include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
- Operational expenditures that increase transit mode share.
- 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-emission buses.

The LCTOP specifically requires documentation that each proposed project will achieve a reduction in greenhouse gas emissions and will not supplant other sources of funds. In addition, project sponsors are required to document how their projects meet all program

requirements related to benefits to Disadvantaged Communities (DACs) and AB 1550 Population requirements to benefit low-income households. LAVTA’s service area does not have any DACs, but the project is expected to benefit low-income households and the low-income community of North Livermore identified by AB 1550 (shown in Attachment 2) by reducing harmful emissions of diesel particulate matter by enabling LAVTA to replace its diesel-fueled fleet with zero-emission hydrogen fuel-cell electric buses in accordance with LAVTA’s Zero-Emission Bus Rollout Plan adopted by LAVTA’s Board of Directors in April 2022.

**Discussion**

In July 2022, LAVTA received an award of \$6,591,250 from its Cycle 5 application to the California State Transportation Agency’s Transit and Intercity Rail Capital Program (TIRCP) for construction of a hydrogen fueling station at LAVTA’s Atlantis Maintenance Facility. In October 2022, Caltrans programmed Federal Highway Administration funds available to the State toward the award, which require an 11.47% (non-federal) local match that was not included in LAVTA’s original application budget for the fueling station project requesting TIRCP funds. Programming available LCTOP funds toward the project’s local match eligible for this type of project will free up a commensurate amount of LAVTA’s more flexible Transportation Development Act funds to put toward other needs to be identified in LAVTA’s forthcoming FY23-24 budget, while still completing the hydrogen fueling station project expeditiously with full funding.

**Budget**

The proposed project budget is as follows.

<b>Fund Source</b>	<b>Amount</b>	<b>%</b>
FHWA Carbon Reduction Program Funds Transfer to Federal Transit Administration	\$6,591,250	88.53%
LCTOP Subtotal	\$625,776	
<i>FY 22-23 LCTOP – Revenue-Based</i>	<i>\$102,737</i>	
<i>FY 22-23 LCTOP – Population Based</i>	<i>\$523,039</i>	
TDA 4.0	\$228,190	
<b>Total Budget</b>	<b>\$7,445,216</b>	<b>100.00%</b>

**Recommendation**

The Finance & Administration Committee recommends that the Board of Directors approve Resolution 09-2023 in support of an allocation request to Caltrans for the FY 22-23 Low Carbon Transit Operations Program (LCTOP) to construct a hydrogen fueling station and related support infrastructure at LAVTA’s Atlantis maintenance facility to accommodate the fueling of zero-emission hydrogen fuel-cell electric buses. This resolution is required to request an allocation of these funds from Caltrans.

Attachments:

1. Resolution 09-2023
2. North Livermore AB 1550 Low Income Community

Approved: \_\_\_\_\_

**RESOLUTION 09-2023**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES  
AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT  
OPERATIONS PROGRAM (LCTOP) TO SUPPORT THE ATLANTIS HYDROGEN  
FUELING STATION PROJECT USING \$625,776 IN LCTOP FUNDS**

**WHEREAS**, the Livermore Amador Valley Transit Authority 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**, the Livermore Amador Valley Transit Authority wishes to delegate authorization to execute these documents and any amendments thereto to the Executive Director or his/her designee; and

**WHEREAS**, the Livermore Amador Valley Transit Authority wishes to implement the following LCTOP project listed above;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Livermore Amador Valley Transit 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; and

**BE IT FURTHER RESOLVED** that the Executive Director or his/her designee be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation; and

**BE IT FURTHER RESOLVED** by the Board of Directors of the Livermore Amador Valley Transit Authority that it hereby authorizes the submittal of the following project nomination and allocation request to the Department in FY2022-2023 LCTOP funds:

**Project Name:** LAVTA Atlantis Hydrogen Fueling Station

**Amount of LCTOP funds requested:** \$625,776

**Short description of project:** Construct a hydrogen fueling station and related support infrastructure at LAVTA's Atlantis maintenance facility to accommodate the fueling of zero-emission hydrogen fuel-cell electric buses.

**Benefit to a Priority Population:** Reduces diesel particulate matter and other harmful emissions in the AB 1550 community of North Livermore and other low-income households in LAVTA's service area.

**Contributing Sponsor:** Metropolitan Transportation Commission

**PASSED AND ADOPTED BY** the governing board of the Livermore Amador Valley Transit Authority on this 3rd day of April 2023.

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David Haubert, Chair

Attest:

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Christy Wegener, Executive Director

# Attachment 2. Location of AB 1550 Low Income Community (North Livermore) in LAVTA's Service Area

