

STAFF REPORT

SUBJECT: Resolution in Support of Allocation Request for FY 23-24 Funding through the State Low Carbon Transit Operations Program (LCTOP)

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: April 1, 2024

Action Requested

The Finance & Administration recommends the Board of Directors approve Resolution 09-2024 in support of an allocation request to Caltrans for the FY 23-24 Low Carbon Transit Operations Program (LCTOP) to construct necessary facility improvements at LAVTA's Atlantis Operations & Maintenance Facility to replace existing aging, insufficient facilities and accommodate the agency's transition to and future expansion of a 100% Fuel Cell Electric Bus (FCEB) fleet. 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 stabilized in 2023 relative to 2022, leading to a slight increase in revenues available to the LCTOP for allocation in FY23-24 compared to last year, with proceeds still trending 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 (ZEBs), including electric buses, and the installation of the necessary equipment and infrastructure to operate and support zero-emission buses.

The LCTOP 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 in April 2022.

Discussion

Securing a full funding plan for construction of the Atlantis Operations & Maintenance Facility is a high priority for LAVTA, in order to support the agency’s transition to 100% ZEBs beginning in 2026 as mandated by the California Air Resources Board’s Innovative Clean Transit regulation adopted in 2018. LCTOP funds are continuously appropriated and allocated to transit operators by formula for eligible projects. Under LCTOP guidelines, LAVTA can accrue up to four years of funding for eligible capital projects, including those that support necessary equipment and infrastructure to support ZEBs. Given recent funding recommended in the 2024 State Transportation Improvement Program for FY28, LAVTA will work in the intervening time to accrue LCTOP funds and secure a full funding plan from discretionary state, federal, and local sources, in anticipation of a 100% ZEB purchase requirement coming into effect in 2029, for ZEBs likely to be put in operation in 2030/2031.

Budget

The funding plan assumes a total of four years of LCTOP funding will be rolled over to support this major project, which is the maximum allowable accrual under LCTOP guidelines. The proposed budget is as follows, with the current allocation request shown under “Current/In Process.” Future estimated LCTOP funds assume a 5% Year over Year increase in funding based on trends in recent years for the proceeds from auction sales, but may vary.

Fund Sources	Amount	%
<u>Previously Committed</u>		
TDA (FY24 Budget)	\$12,753,366	
ACTC Measure B Discretionary (2024 CIP)	\$3,000,000	
<i>Subtotal Committed</i>	<i>\$15,753,366</i>	<i>19%</i>
<u>Current/In Process</u>		
2024 State Transportation Improvement Program	\$5,180,000	
FY23-24 LCTOP (Year 1 of 4)	\$669,768	
<i>Subtotal Current/In Process</i>	<i>\$5,849,768</i>	<i>7%</i>
<u>Future Estimated</u>		
FY24-25 LCTOP (Year 2 of 4)	\$703,257	
FY25-26 LCTOP (Year 3 of 4)	\$738,419	
FY26-27 LCTOP (Year 4 of 4)	\$775,340	
<i>Subtotal Future Estimated</i>	<i>\$2,217,016</i>	<i>3%</i>
<u>Future Uncommitted (All Potential Sources)</u>	<u>\$59,305,850</u>	<u>71%</u>
Total Estimated Project Cost	\$83,126,000	100%

Recommendation

The Finance & Administration Committee recommends the Board of Directors approve Resolution 09-2024 in support of an allocation request to Caltrans for the FY 23-24 Low Carbon Transit Operations Program (LCTOP) to construct necessary facility improvements at LAVTA's Atlantis Operations & Maintenance Facility to replace existing aging, insufficient facilities and accommodate the agency's transition to and future expansion of a 100% Fuel Cell Electric Bus (FCEB) fleet.

Attachments:

1. Resolution 09-2024
2. North Livermore AB 1550 Low Income Community

RESOLUTION 09-2024

**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 FACILITY
CONSTRUCTION PROJECT USING \$669,768 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 FY2023-2024 LCTOP funds:

Project Name: LAVTA Atlantis Facility Construction

Amount of LCTOP funds requested: \$669,768

Short description of project: Construct necessary facility improvements at LAVTA's Atlantis Maintenance Facility to replace existing aging, insufficient facilities and accommodate the agency's transition to and future expansion of a 100% Fuel Cell Electric Bus (FCEB) fleet.

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 1st day of April 2024.

Melissa Hernandez, Chair

Attest:

Christy Wegener, Executive Director

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

