

STAFF REPORT

SUBJECT: Resolutions in Support of Application for funding through the Low Carbon Transit Operations Program (LCTOP)

FROM: Angela Swanson

DATE: February 1, 2016

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**Action Requested**

Staff requests Board approval of Resolution 04-2016 and Resolution 05-2016 in support of a grant application to the Low Carbon Transit Operations Program (LCTOP). These resolutions are a requirement to apply for this funding.

**Background**

Attachment A is a proposed Board resolution which would authorize the Executive Director to apply for specific projects. The resolution is a requirement of the LCTOP Guidelines. Attachment B names the project LAVTA is submitting for funding.

The LCTOP was created 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 grant 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 Assembly Bill AB 32. Auction proceeds, known as the Greenhouse Gas Reduction Fund (Fund), are then reinvested in various projects to further reduce emissions. In FY2014-15, the initial year of the LCTOP, \$25 million was appropriated. In FY 2015-16, the fund grew to \$100 million. There is a continuous appropriation of 5% of Cap and Trade auction proceeds into the LCTOP and other Cap and Trade programs. The auction proceeds may grow significantly over time as Cap and Trade revenue increases.

LCTOP Guidelines

The guidelines state that the LCTOP is to fund operating and capital projects that will reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Transit agencies receiving funds from the LCTOP shall submit expenditure proposals listing projects that meet all of the following criteria:

- Support new or expanded bus or rail services, or expanded intermodal transit facilities,
- Enhance or expand transit service to increase mode share,
- Reduce greenhouse gas emissions

Project Eligibility Criteria

The LCTOP specifically requires documentation that each proposed project will achieve a reduction in greenhouse gas emissions. Examples provided include new or expanded transit service, purchase and replacement of vehicles, connections to active transportation, and reduced-fare transit passes. In supporting new or expanded bus or rail services or expanded intermodal transit facilities, projects may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities. Project leads may continue these operating costs in the next years of LCTOP funding. All projects must be consistent with the project lead'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 of two or more years.

**Discussion**

Staff proposes to use the LCTOP funding as part of the local match requirement for the purchase of two hybrid buses which will operate on the 70X line. Currently, the 70X and 70VX operates using a sub-fleet of 2000 and 2002 PrimeTime Phantom buses configured for commuter seating. All of these buses are scheduled for replacement as part of an order placed with Gillig in 2014 with expected delivery in June 2016.

**Budget**

The project budget is as follows:

<b>Purchase 2 Hybrid 40' Buses</b>	
<b>Funds Source</b>	<b>Amount</b>
FTA 5307 Program Funds	\$1,243,120
LCTOP - Revenue-Based	\$49,753
LCTOP – Population Based	\$203,612
Local Match	\$19,691
<b>Total Budget</b>	<b>\$1,516,176</b>

At LAVTA, bus purchases are funded through the FTA’s 5307 program (80%) and matched with local funds (20%). Local funds are any eligible funds not originating from the federal budget. LAVTA primarily uses local TDA funds for the match. When additional funds like this LCTOP program become available, they can be applied in lieu of a portion or all of the TDA funding. Applying the LCTOP funding to the local match has a positive budget impact as TDA funds are a more flexible funding source that may be used for operating or capital projects or placed in reserves for future use.

**Recommendation**

Staff requests Board approval of Resolution 04-2016 and Resolution 05-2016 in support of a grant application to the Low Carbon Transit Operations Program (LCTOP). The Board resolutions attached will enable staff to apply for LCTOP funding to purchase two hybrid buses.

Attachments:

1. Resolution 04-2016
2. Resolution 05-2016

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

**RESOLUTION 05-2016**

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
BOARD OF DIRECTORS**

**AUTHORIZATION FOR THE EXECUTION OF THE  
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS  
FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)**

**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 Michael Tree, Executive Director.

**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.

**NOW THEREFORE, BE IT FURTHER RESOLVED** that Michael Tree, Executive Director, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

***Certification***

I, Don Biddle, duly appointed and Chairman of the Livermore Amador Valley Transit Authority (LAVTA) Board of Directors do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Livermore Amador Valley Transit Authority (LAVTA) Board of Directors on the 1<sup>st</sup> Day of February, 2016.

Chairman  
(Official Position)

\_\_\_\_\_  
(Signature)

February 1, 2016  
(Date)

**RESOLUTION #04-2016**

**A RESOLUTION OF THE LIVERMORE AMADOR VALLEY TRANSIT  
AUTHORIZING THE EXECUTION OF THE  
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT:  
PURCHASE OF TWO REPLACEMENT HYBRID BUSES  
USING \$253,365 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) now or sometime in the future 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 use LCTOP funds to purchase replacement buses and operate them as 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 applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Livermore Amador Valley Transit Authority that it hereby authorizes the submittal of the following project, the "*Purchase and Operation of Two Replacement Hybrid Buses*" and further authorizes the submittal of a \$253,365 allocation request to the Department in FY 2015-16 for LCTOP funds.

**PASSED AND ADOPTED BY** the governing board of the Livermore Amador Valley Transit Authority on this 1<sup>st</sup> day of February, 2016.

***Certification***

I, Don Biddle, duly appointed and Chairman of the Livermore Amador Valley Transit Authority (LAVTA) Board of Directors do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Livermore Amador Valley Transit Authority (LAVTA) Board of Directors on the 1<sup>st</sup> Day of February, 2016.

Chairman

(Official Position)

(Signature)

February 1, 2016

(Date)