

STAFF REPORT

SUBJECT: Resolution in Support of Allocation Request for FY 20-21 Funding through the State Low Carbon Transit Operations Program (LCTOP)

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: March 23, 2021

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**Action Requested**

Staff requests the Finance and Administration Committee recommend the Board of Directors approve Resolution 09-2021 in support of an allocation request to Caltrans for the FY 20-21 Low Carbon Transit Operations Program (LCTOP) to restart school-serving routes in FY 21-22. 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 are always anticipated to vary over time as Cap and Trade revenues fluctuate, proceeds were notably reduced in 2020 due to the COVID-19 pandemic, particularly the May 2020 auction, which impacted overall revenues available to the LCTOP for allocation in FY20-21 compared to prior years.

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 by providing free trips to qualifying low-income students via the Student Transit Pass Program sponsored by the Alameda County Transportation Commission.

**Discussion**

Given the ongoing impacts of the COVID-19 pandemic on both revenues and ridership for public transit agencies, in December Caltrans provided clarification to eligible LCTOP recipients that for FY 20-21, “new or expanded services” could encompass previously existing services that were cut due to these impacts, and LCTOP funds are required in order to restart the service. LAVTA stopped service on school-serving routes in March 2020, when Dublin and Pleasanton school districts suspended in-person instruction due to shelter-in-place orders imposed to control the spread of COVID-19. Because local school districts determine the schedules for in-person instruction days now that in-person K-12 instruction is resuming, staff recommends that LAVTA request LCTOP funding to meet the agency’s immediate needs to restart school service while other sources of operating revenues supporting stabilize more gradually with pandemic recovery. LCTOP guidelines allow for a period of up to five years following inception to be considered “new service.” The allocation request would encompass funding for school-serving routes in Dublin and Pleasanton for the entire 2021-22 school year.

**Budget**

The proposed project budget for FY21-22 is as follows, and assumes 8,370 service-hours serving Dublin and Pleasanton schools, at a marginal cost per hour of \$49.81. Passenger fare revenues assume ridership on school routes at approximately 1/3 of pre-pandemic levels.

<b>Fund Source</b>	<b>Amount</b>
FY 20-21 LCTOP – Revenue-Based	\$43,714
FY 20-21 LCTOP – Population Based	\$224,303
<i>LCTOP Subtotal</i>	<i>\$268,017</i>
Passenger Fares	\$140,008
TDA	\$8,885
<b>Total Budget</b>	<b>\$416,910</b>

**Recommendation**

Staff recommends Finance & Administration Committee refer Resolution 09-2021 to the Board of Directors for approval to request an LCTOP allocation for the FY 20-21 Low Carbon Transit Operations Program (LCTOP) to restart school-serving routes in FY 21-22.

Attachments:

1. Resolution 09-2021

**RESOLUTION 09-2021**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND  
ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON  
TRANSIT OPERATIONS PROGRAM (LCTOP) TO RESTART OPERATIONS FOR  
SCHOOL-SERVING ROUTES USING \$268,017 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 below;

**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 FY2020-2021 LCTOP funds:

**Project Name:** Restart Operations for School-Serving Routes

**Amount of LCTOP funds requested:** \$268,017

**Short description of project:** Restart service on school-serving routes cut in March 2020 when in-person K-12 instruction stopped due to COVID-19.

**Benefit to a Priority Population:** School-serving routes provide a direct connection with K-12 schools and qualified low-income students can ride free with the agency's Student Transit Pass Program.

**Contributing Sponsor:** Metropolitan Transportation Commission

**PASSED AND ADOPTED BY** the governing board of the Livermore Amador Valley Transit Authority on this 5th day of April 2021.

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Bob Woerner, Chair

Attest:

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Michael Tree, Executive Director