RECOMMENDATION

Staff recommends that the Regional Transportation Commission (RTC) consider input from the Elderly and Disabled Transportation Advisory Committee (E&D TAC) and adopt a resolution (Attachment 1) designating the RTC’s FY18/19 share of Low Carbon Transit Operations Program (LCTOP) funds ($511,315) to Santa Cruz METRO and Community Bridges Lift Line projects, and authorize staff to sign and execute any agreements necessary to distribute LCTOP funds to Santa Cruz METRO and Community Bridges Lift Line.

BACKGROUND

Assembly Bill 32 (2006) established goals to significantly reduce Greenhouse Gas (GHG) emissions in California and authorized the California Air Resources Board (CARB) to develop Cap and Trade programs to reduce greenhouse gases. The Low Carbon Transit Operations Program (LCTOP) grant program was established in 2014 as part of the Transit, Affordable Housing, and Sustainable Communities Program (SB 862). The LCTOP is a formula grant program that receives 5% of Greenhouse Gas Reduction Funds generated from the sale of carbon credits in the Cap and Trade program. Revenue appropriated to the LCTOP is distributed to transit operators and regional transportation planning agencies (RTC) using the State Transit Assistance (STA) distribution formulas. As the regional entity designated under Public Utilities Code (PUC) 99313, the RTC can act as a lead agency on eligible projects or act as a “contributing sponsor” and pass funds to a transit operator to support an eligible project.

The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with an emphasis on serving disadvantaged communities. Eligible projects include:

1. Expenditures that support new or expanded transit service (bus, rail, ferry, water taxi).

2. New or improved transit facilities, equipment, fueling, or maintenance, including new transit vehicles, transit stop, or station improvements and amenities that can attract more passengers (e.g. shelters, benches, solar lighting, signage, real-time information), electronic fare equipment and network/fare integration between transit agencies, and bike lockers, bike racks, or other investments supporting multimodal integration.
3. Operational expenditures that increase transit mode share, including new (or recently implemented) routes or route extensions, increased frequency, expanded span of service, and fare subsidies for passengers (e.g. free/discounted passes or vouchers and free fare day programs).

4. Purchase of zero-emission buses and charging infrastructure for electric vehicles.

In addition to defining the types of projects that are eligible for LCTOP funds, SB824 (2016), requires recipient agencies to demonstrate that each expenditure of program monies does not supplant another source of funds. Lead agencies with a Disadvantaged Community (DAC), as identified on CalEnviro Screen 3.0, must expend 50% of their funding amount within a DAC and provide a meaningful and assured benefit to the DAC. SB1119 (2018), however, provides some additional flexibility, by allowing agencies to waive this 50% DAC requirement if the funds are expended pursuant to the following:

a) New or expanded transit service that connects with transit service serving disadvantaged communities, as identified in Section 39711 of, or in low-income communities, as defined in paragraph (2) of subdivision (d) of Section 39713 of, the Health and Safety Code (summarized as AB1550).

b) Transit fare subsidies and network and fare integration technology improvements, including, but not limited to, discounted or free student transit passes.

c) The purchase of zero-emission transit buses and supporting infrastructure.

The areas in Santa Cruz County that meet the CalEnviroScreen 3.0 (CES) DAC and/or AB1550 low-income household criteria are shown below.

Source: [https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm](https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm)
When applying for LCTOP funds under criteria #1 above, the intent is to help start a new viable service that can demonstrate GHG reductions. Funds can be used during the first few years of service. As these projects become part of the baseline transportation network, other funding sources would need to supplement and ultimately replace LCTOP funds for operating assistance; since over time these projects will no longer represent additional net GHG reductions.

If an agency is not prepared to initiate a project in the current fiscal year, they may roll funds over into a subsequent fiscal year, accruing a maximum of four years of LCTOP funds for a more substantial project. All funds must be applied to the project within four years. Approved projects must also be completed and funds expended within the subsequent four years.

DISCUSSION

For FY18/19, the State Controller’s Office has allocated $939,101 to Santa Cruz County: $511,315 to the Regional Transportation Commission (RTC) and $427,786 to the Santa Cruz Metropolitan Transit District (METRO). The RTC’s FY18/19 share is $171,967 higher than FY17/18 amounts ($339,348). The combined total share for FY18/19 is $319,289 higher than in FY17/18 ($619,812). Shares are higher than FY17/18 due to more robust Cap-and-Trade auction proceeds in 2018, though have varied significantly and been lower in prior years.

LCTOP guidelines require agencies to seek input from community-based organizations, especially those serving low-income individuals, on priorities for LCTOP funds. In meeting this requirement, the Elderly and Disabled Transportation Advisory Committee (E&D TAC), which includes several community-based organizations and serves as the region’s state-mandated Social Services Transportation Advisory Council (SSTAC), discussed possible priorities for LCTOP funds at its February 12, 2019 meeting. The RTC’s E&DTAC recommends the following priorities for Fiscal Year 2018/19 and future LCTOP funds which will reduce greenhouse gas emissions:

- Free fixed route transit rides for ADA paratransit eligible passengers, which could reduce greenhouse gas emissions/vehicle miles driven, as well as paratransit service operating costs; and
- Projects that promote electrification of transit and paratransit services, including charging stations and vehicles.

On March 6, 2019, Santa Cruz METRO staff submitted a revised request letter that recommends that the RTC allocate $292,605 of the RTC’s FY18/19 PUC 99313 share of LCTOP funds to Lift Line since METRO will not be able to expend all of the funds this year. METRO staff requests that the RTC designate the balance 85.5% of its FY18/19 share of LCTOP funds ($218,710) to Santa Cruz METRO to develop and install Zero Emission Bus (ZEB) electric charging infrastructure and a battery storage facility (Attachment 2). METRO will be using 100% of its share for this same project. If approved by RTC, METRO and Lift Line staff have agreed that next year Lift Line would waive any claims to RTC’s share of LCTOP funds; METRO requests that RTC allocate 100% of FY19/20 LCTOP funds to METRO to finish funding it’s zero emission bus charging infrastructure. METRO staff also requests that in future years, starting with the FY2020-21 funding cycle, 85.5% of the RTC’s
share of LCTOP funds be distributed to METRO and 14.5% to other eligible recipients. Staff did not have sufficient time to review this request and will meet with METRO and Caltrans, as well as Community Bridges, the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and other stakeholders to discuss this option and return to a future RTC meeting with recommendations for future year funds. Given the large backlog of METRO buses that are past their useful life and state mandates to reduce emissions from public transit vehicles, Santa Cruz METRO has also used the region’s share of LCTOP funds over the past several years to purchase battery-electric replacement buses and will likely do so again in future years. It will not be possible for METRO to deploy zero-emission buses until the required infrastructure is in place. Santa Cruz METRO staff has indicated that while they support providing incentives to shift ADA-paratransit trips from ParaCruz to fixed route buses, as recommended by the E&DTAC, their priority is to use LCTOP funds for electric charging infrastructure/ battery storage and replacement buses in the near term, which is also supported by the E&DTAC. METRO staff recommends revisiting free fare programs in the future.

Community Bridges Lift Line has requested that the RTC serve as the lead sponsoring agency and designate a total of $292,605 of the RTC’s share of LCTOP funds to purchase one electric 9-passenger paratransit van ($171,075) and two level three charging stations in Watsonville and Felton ($121,530), which would also be available for use by Santa Cruz Metro and Monterey-Salinas Transit. Santa Cruz METRO has originally suggested that 14.5% of LCTOP funds ($74,141) be made available to other recipients, but METRO and Lift Line staff have since agreed that if Lift Line receives 100% of its request this year, that Lift Line would waive any claims to funds next year.

Staff recommends that the Regional Transportation Commission (RTC) consider priorities identified by the Elderly and Disabled Transportation Advisory Committee (E&D TAC) and adopt a resolution (Attachment 1) to approve the METRO and Lift Line staff recommendations to:

1. Approve projects to receive Fiscal Year 2018/19 LCTOP funds which will reduce greenhouse gas emissions and benefit disadvantaged communities as follows:
   - $218,710 for the Santa Cruz METRO electric charging infrastructure/battery storage project, with RTC serving as a “contributing sponsor”; and
   - Reserve $74,141, to be rolled over to future years $292,605 for Community Bridges Lift Line to use toward purchase of an EV paratransit vehicle(s) and charging equipment/infrastructure.

2. Authorize staff to sign and execute any agreements necessary for implementing agencies to receive these funds.

While the fund amount recommended for the Community Bridges project does not fully fund the proposed projects, Community Bridges could seek additional LCTOP funds in future cycles or from other funding programs. Other options the RTC could consider: modifying the amounts allocated to each agency or project, only funding one or more of the projects, or reserving all or some of the funds for programming in the future.
SUMMARY

The California Legislature has established a Low Carbon Transit Operations Program (LCTOP) to distribute revenue from the sale of carbon emission credits (Cap & Trade funds) for transit operations and capital projects that reduce greenhouse gases. Funds are distributed by formula to regional agencies (RTC) and transit agencies. Staff recommends that the RTC consider priorities identified by its Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approve projects to receive the RTC’s FY18/19 share of funds ($511,315).

Attachments:
   1. Resolution
   2. Request Letter from Santa Cruz METRO
   3. Request Letter from Community Bridges Lift Line
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of March 7, 2019
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION APPROVING PROJECTS TO RECEIVE THE REGION’S FISCAL YEAR 2018-2019
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FUNDS AND
AUTHORIZING EXECUTION OF PROJECTS, CERTIFICATIONS AND ASSURANCES, AND
AUTHORIZED AGENT FORMS

WHEREAS, the State of California enacted the Transit, Affordable Housing and
Sustainable Communities Program (SB 862) in 2014 to reduce greenhouse gas emissions from
the transportation sector; and

WHEREAS, SB 862 established the Low Carbon Transit Operating Program (LCTOP) to
receive revenue from the sale of emission allowances in California’s Cap-and-Trade program
and distribute these funds to Regional Transportation Planning Agencies (RTPAs) and transit
operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and
99314 of the Public Utility Code (PUC) for transit projects which reduce greenhouse gas
emissions; and

WHEREAS, the State Controller’s Office has allocated $511,315 to the Regional
Transportation Commission (RTC) and $427,786 to Santa Cruz Metropolitan Transit District
(METO) for a total of $939,101 to Santa Cruz County in Fiscal Year 2018-2019 (FY18/19); and

WHEREAS, the RTC may serve as the lead agency for eligible projects, serve as the lead
agency on behalf of public transit and community transportation services, and/or elect to act as
a contributing sponsor and transfer its share of funds to the Santa Cruz Metropolitan Transit
District; and

WHEREAS, the RTC and Santa Cruz Metropolitan Transit District (Santa Cruz METRO)
are eligible project sponsors and may receive state funding from the Low Carbon Transit
Operations Program (LCTOP) for transit projects in Santa Cruz County; and

WHEREAS, the statutes related to state-funded transit projects require a local or
regional implementing agency to abide by various regulations;

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Caltrans)
as the administrative agency for the LCTOP and Caltrans has developed guidelines for the
purpose of administering and distributing LCTOP funds to eligible project sponsors; and

WHEREAS, Santa Cruz METRO and RTC wish to implement the LCTOP projects listed
below; and

WHEREAS, Santa Cruz METRO requests that the Santa Cruz County Regional
Transportation Commission designate its allocation of LCTOP funds to Santa Cruz METRO; and
WHEREAS, the Santa Cruz Metropolitan Transit District and Lift Line have committed to use LCTOP funds in accordance with applicable statutes, regulations and guidelines for the program; and

WHEREAS, projects proposed for FY18/19 LCTOP funds serve disadvantaged communities, and are consistent with the Santa Cruz County Regional Transportation Plan;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION THAT:

1. The Santa Cruz County Regional Transportation Commission (SCCRTC) shall act as a “contributing sponsor” and transfer $218,710,437,174 of its Fiscal Year 2018/19 allocation of Low Carbon Transit Operating Program (LCTOP) funds to Santa Cruz METRO for the following:

   Project Name: Charging infrastructure/battery storage
   Amount of LCTOP Funds: $218,710,437,174
   Description: Implement charging infrastructure/battery storage for battery-electric buses

2. The Santa Cruz County Regional Transportation Commission (SCCRTC) shall reserve $292,605,744,141 of its Fiscal Year 2018/19 allocation of Low Carbon Transit Operating Program (LCTOP) funds for use in future years for the following Community Bridges/Lift Line project:

   Project Name: Lift Line Electric Vehicle (EV) Paratransit Van
   Amount of LCTOP Funds: $292,605,744,141
   Description: Rollover of LCTOP funds for up to four years in order to purchase a zero-emission replacement paratransit van vehicle(s) and charging equipment/infrastructure

3. Fund recipients agree to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded projects.

4. The Executive Director is authorized to sign and execute on behalf of the Santa Cruz County Regional Transportation Commission any actions, agreements, and amendments necessary to distribute funds to implementing agencies.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS
Ed Botorff, Chair

ATTEST:

Guy Preston, Secretary

Distribution: Caltrans; Wondimu Mengistu, SCMTD; RTC Budgets and RTC Programming

s:\resoluti\2019\03\fy19-lctop-res-rtc.doc
March 6, 2019

Mr. Guy Preston, Executive Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060

Revised: Request for SCCRTC to Sponsor METRO's FY2018-2019 Low Carbon Transit Operations Allocation Request

Dear Mr. Preston:

Following on from the METRO letter to Mr. Preston dated February 25, 2019 on the above subject, METRO requests a modified allocation of RTC’s FY2018-19 LCTOP funding.

As METRO will not be able to expend the entire $864,960.32 originally requested on Zero Emissions Bus (ZEB) charging infrastructure within the next 12 months and Lift Line has an immediate need, METRO asks that RTC allocate to Lift Line their original request of $292,605 of RTC’s $511,315 share of the LCTOP allocation.

METRO requests that Lift Line and/or any other eligible recipient waive any claims to RTC’s share of LCTOP funding in next fiscal year’s (FY2019-20) cycle to allow METRO to finish funding its ZEB yard-charging infrastructure and other charging infrastructure needs in time for arrival of our four new ZEBS which will be on property in early 2020.

Lastly, METRO requests that in future years, starting with the FY2020-21 funding cycle, the TDA percentage formula for allocation of funds (85.5% to METRO and 14.5% to other program recipients) be applied to the RTC share of the LCTOP funding.

Finally, since the original letter was approved by the METRO board at their February 22, 2019 meeting, staff will request ratification of this revised request at the upcoming March 22, 2019 METRO board meeting.

Thank you for your consideration.

Alex Clifford
CEO/General Manager

BE:gmp

110 Vernon Street, Santa Cruz, CA 95060 (831) 426-6080, FAX (831) 426-6117
METRO online at http://www.scmtd.com
Re: LCTOP Letter of Interest FY2018/2019 Funding

Dear Mr. Preston,

Community Bridges, Consolidated Transportation Service Agency (CTSA) Lift Line requests the consideration of LCTOP funds for FY2018/2019 for greenhouse emission reducing activities that will have a positive impact on disadvantaged communities.

In supporting us, you will also be supporting the mission and goals of CalTrans and the Regional Transportation Commission to ensure enhancement of mobility options, reducing GHG emissions and increasing ridership and service. Community Bridges will combine California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), LCTOP and Measure D funding to produce additional regional resources that will be used by coordinating transportation services. We are requesting a total of $292,605.048 of LCTOP funds for this expansion project that will include $171,075.366 for a 9-passenger van and 121,529.682 for two level-three charging stations that will allow for full access to limited range EV vehicles.

We seek to expand our infrastructure in Census Tract 0608711400 located in Watsonville and to install an extended range level III charging station at our Mountain Community Resources (“MCR”) center in Felton, CA. This would allow us to create infrastructure that can be shared and used by METRO, VTA, MTA and Lift Line. The location of the second charging station outside MCR will promote early adoption of EV use among disadvantaged communities, and mitigate current range limitations of 110 miles for bus and transit vehicles by providing access to rapid charging stations.

As the only provider of paratransit services for county residents beyond the 1/4 federal minimum mile standard, we aim to continue our early adoption and pilot project of mass transit EV use with our vehicles that are scheduled to arrive in early April 2019. We hope that the proposed 9-passenger van would arrive in late 2019 and be complementary to existing services for Watsonville residents while providing full county access through the facilitation of charging stops. This would ensure all eligible residents have access to any medical groups or specialized care through EV vehicle use throughout Santa Cruz County, including to and from any region in the San Lorenzo Valley.

Thank you for your consideration,

Raymon Cancino

Chief Executive Officer, Community Bridges