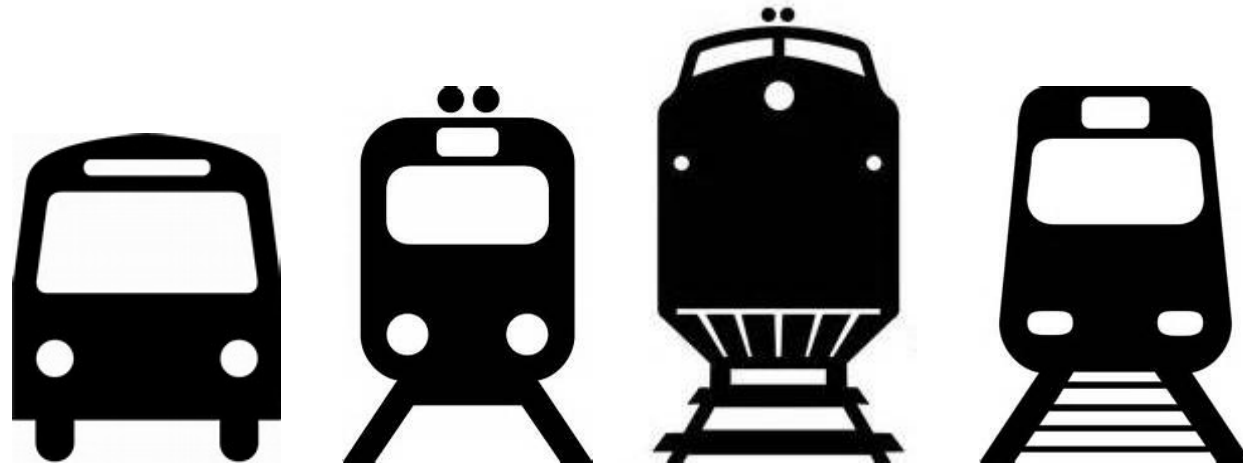


# Low Carbon Transit Operations Program (LCTOP)



OFFICE OF STATE PROGRAMS AND POLICY  
DIVISION OF RAIL AND MASS TRANSPORTATION  
DEPARTMENT OF TRANSPORTATION

# Presentation Overview

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- Program History
- FY 16/17 Guideline Updates
- Update Discussion
- Program Future / Timeline

# Low Carbon Transit Operations Program

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## HISTORY



# Climate Policy to Reduce GHG Emissions

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## AB 32 (2006)

- Greenhouse Gas (GHG) emissions at 1990 levels by 2020 and maintain reductions
- Authorized the Cap and Trade Program

## SB 32 (2016)

- This bill requires the Air Resources Board (ARB) to ensure that statewide greenhouse gas (GHG) emissions are reduced to at least 40% below the 1990 level by 2030.

## SB 375 (2008) and SB 391 (2009)

- Required Sustainable Communities Strategies in Regional Transportation Plans

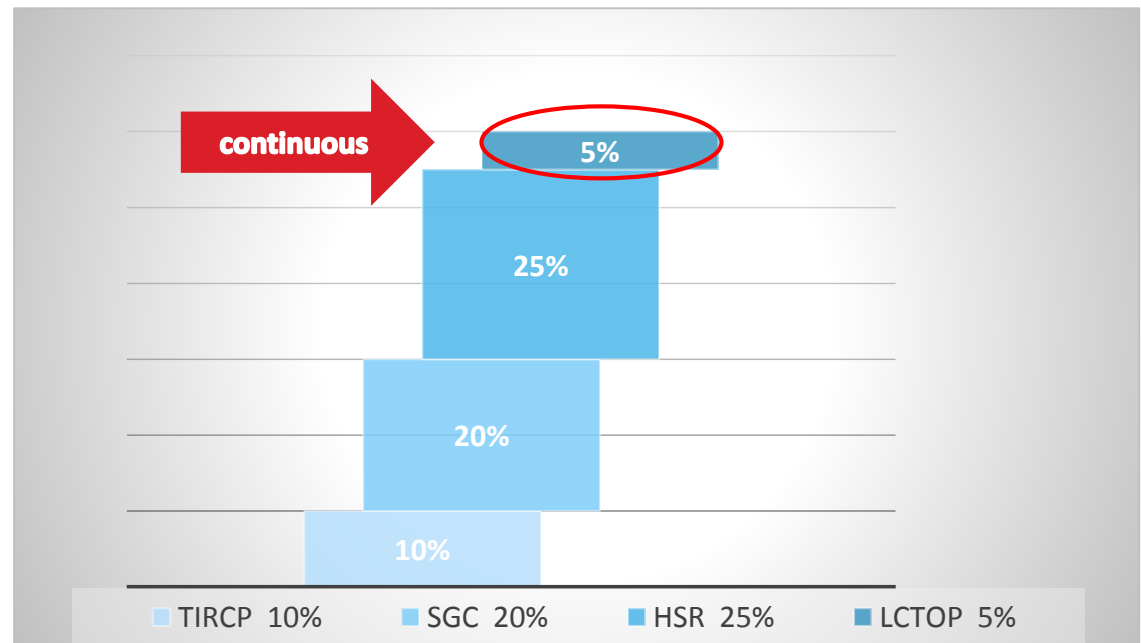
## SB 535 (2012)

- Directs state and local agencies to make significant investments in disadvantaged communities (DACs) from Greenhouse Gas Reduction Fund (GGRF)

# Climate Policy to Reduce GHG Emissions

## SB 862 (2014)

- Directs proceeds from Greenhouse Gas Reduction Fund to specific programs
- Low Carbon Transit Operation Program (LCTOP) Established
  - \$25 million of FY 2014-15 Funds
  - 5% of future annual GGRF proceeds continuously appropriated



# FY 14-15 & 15-16 Program Updates

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## ➤ FY 14-15

- LCTOP allocated \$25 million
- Funds were distributed prior to June 30<sup>th</sup>, 2015 deadline
- 68 projects benefited a disadvantaged community

## ➤ FY 15-16

- LCTOP allocated \$75 million
- 135 allocation requests
- 86 projects benefited a disadvantaged community

# Low Carbon Transit Operation Program

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FY 16-17 GUIDELINE UPDATE



# FY 2016-17 Guidelines Updates

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- Programming Funding Update
- Eligible Agencies (SB 838)
- Eligible Projects (SB 824)
- Funding Rollover (SB 824)
- Letter of No Prejudice (SB 824)
- CEQA/Civil Rights/Environmental Justice (SB 824)
- Disadvantaged Communities (AB 1550)



# FY 2016-17 Program Funding Update

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- Per 2015-2016 Budget Act AB 93 Chapter 10 Statute 2015 Sec. 15.13 (b) No department shall encumber or commit more than 75% of any appropriation prior to the fourth Cap-and-Trade Auction.
- For 2016 and beyond the Department of Finance (DOF) will release auction proceeds quarterly after the auction totals are finalized.
- This will result in four separate releases during the 2016-17 fiscal year.
- Caltrans anticipates official notification to the State Controller's Office of available proceeds to determine formulaic shares for recipients after the November 2016 or February 2017 Cap and Trade Auction.

# Eligible Agencies

- Transportation planning agencies and transit operators that are eligible for State Transit Assistant (STA)\* funds per PUC 99313 or 99314 are eligible for allocation from the GGRF under LCTOP
- SB 838 requires, the State Controllers Office (SCO) to distribute the next two fiscal years of LCTOP funds per FY 2014-15 STA eligibility.
- Where applicable, at least 50% of available funding must provide a benefit to a disadvantaged community



# SB 824 2016

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- Modifies project eligibility requirements
- Modifies rollover funds requirements
- Letter of No Prejudice (LONP)
- Complying with applicable state and federal requirements
  - California Environmental Quality Air
  - Civil Rights
  - Environmental Justice

# SB 824 Project Eligibility

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LCTOP funds to be expended on projects that **reduce GHG** *and* meet any of the following:

- Expenditures that directly enhance or expand transit service by:
  - supporting new or expanded bus, rail services or water-borne transit,
  - expanded intermodal transit facilities,
  - may 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, or the installation of the necessary equipment and infrastructure to operate and support zero-emission buses.

# SB 824 Roll Over

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Transit agencies allowed to roll over their LCTOP funding for a maximum of 4 years.

- All funds must be applied to a project within four years.
- Lead Agency must submit a complete Allocation Request each year
- Lead Agency must begin the project within six months of receiving the final years funding
- Lead Agency must complete the project and expend the funds within the subsequent four years

# SB 824 Letter of No Prejudice (LONP)

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LONP available for allowable expenditures. The amount expended shall be reimbursed by the state, as long as the program has sufficient funds, from money available for the program if all the following conditions are met:

- The project(s) component for which the LONP was requested has commenced and the regional or local expenditures have been incurred
- The expenditures made by the lead agency are eligible expenditures under the program
- The lead agency complies with all legal requirements for the project
- There are funds in the GGRF designated for the program that are sufficient to make the reimbursement payment

# SB 824 Compliance

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Requires recipient transit agencies to comply with all applicable legal requirements including:

- California Environmental Quality Act (CEQA) requirements
- Civil Rights requirements including Limited English Proficiency (LEP)
- Environmental Justice requirements

# Disadvantaged Communities (DAC)

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## Current Disadvantaged Communities Requirements per ARB's 2015 Funding Guidelines

- For transit agencies whose service areas include DAC(s), at least 50 percent of the total funds allocated shall be expended on projects or services that are in or benefit a DAC.
- Establish a community connection such as: employment, college, churches, social services, etc.
- Identify the “common need” such as:
  - Public Health & Safety
  - Economic
  - Environmental



# Disadvantaged Communities (DAC)

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Guidelines to implement AB 1550 are still in development and may not be ready in time for FY 16-17 projects

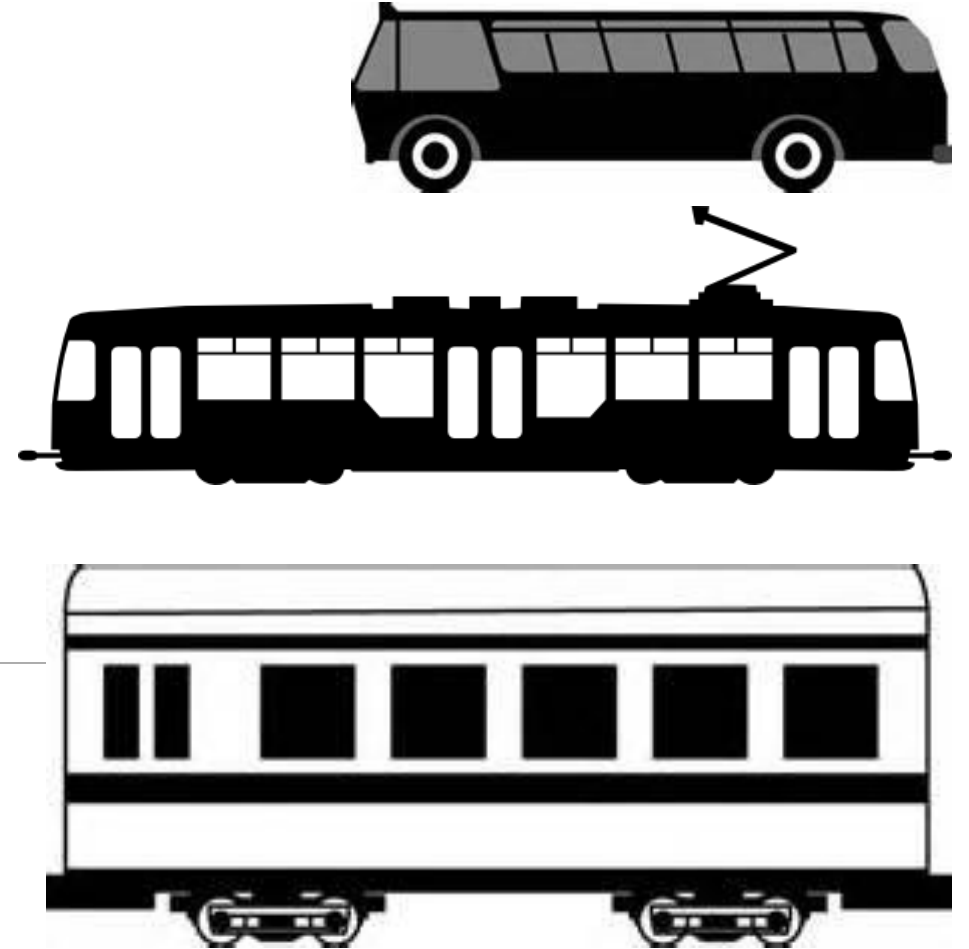
## AB 1550 (2016)

- Require investment plan to allocate:
  - Minimum 25% of available moneys to the fund to projects located within, and benefiting individuals living in DAC
  - An additional minimum of 5% to projects that benefit low-income households or to projects located within, and benefiting individual living in, low-income communities located anywhere in the state
  - An additional minimum of 5% either to projects that benefit low-income households that are outside of, but within a ½ mile of a DAC; or to projects located within the boundaries of and benefiting individuals living in, low-income communities that are outside of, but within a ½ mile of DAC

# Low Carbon Transit Operations Program

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PROGRAM FUTURE / TIMELINE



# LCTOP FY2016-2017 and Beyond

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## Program Update

- Updating LCTOP Guidelines
  - Format and content to include recent legislation
- Updating LCTOP Allocation Request, Forms and QM Tool
  - Reflect increased DAC requirements, monitoring and evaluation
  - Reflect increased public access to transparency
  - Reflect Cap-and-Trade Funding Guidelines updates
- Working with ARB to update Quantification Methodology Tool

# 2016-2017 Draft Quantification Methodology

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Methodology uses existing tools to allow a consistent, statewide approach

- GHG reductions based on mode shift and use of cleaner technologies
- Project-defined inputs needed (e.g., ridership)
- Default values where applicable
- Information on reporting after funding is awarded
- Document + Excel-based tool to guide users in applying the methodology

# 2016-2017 Draft Quantification Methodology

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- Two- week public comment period on the draft FY 16-17 quantification methodology.
- Comments on the quantification methodology should be sent to [GGRFProgram@arb.ca.gov](mailto:GGRFProgram@arb.ca.gov).
- Anticipated release of final quantification methodology: December 1
- During the application period, additional questions may be addressed by posting FAQ's
- Quantification methodology and calculator tool can be accessed at <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm>

# LCTOP Timeline FY2016-2017

Caltrans to provide LCTOP Draft Guidelines Workshops	October 2016
LCTOP Draft Guidelines comments due to Caltrans	November 1, 2016
LCTOP 2016 Guidelines and Updated Allocation Request Materials Publicly Available	December 1, 2016
SCO notifies transit operators of available funds for fiscal year	TBD *After November 2016 or February 2017 Auction*
Caltrans to provide Allocation Request with QM Tool Workshops	December 2016
Applicable transit agencies deadline to submit project allocation to Caltrans	February 15, 2017 *Subject to change
Caltrans, in collaboration with ARB, reviews and approves a list of eligible projects and submits list to SCO	May 1, 2017 *Subject to change
Semi-Annual Reports due to Caltrans	May 15 and Nov. 15 Annually

# LCTOP Staff Contact Information

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