



# **FY 2025-2026**

# **LOW CARBON TRANSIT**

# **OPERATIONS PROGRAM**

# **GUIDELINES**

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CALTRANS

DIVISION OF LOCAL ASSISTANCE

# Low Carbon Transit Operation Program FY 2025-2026 Guidelines

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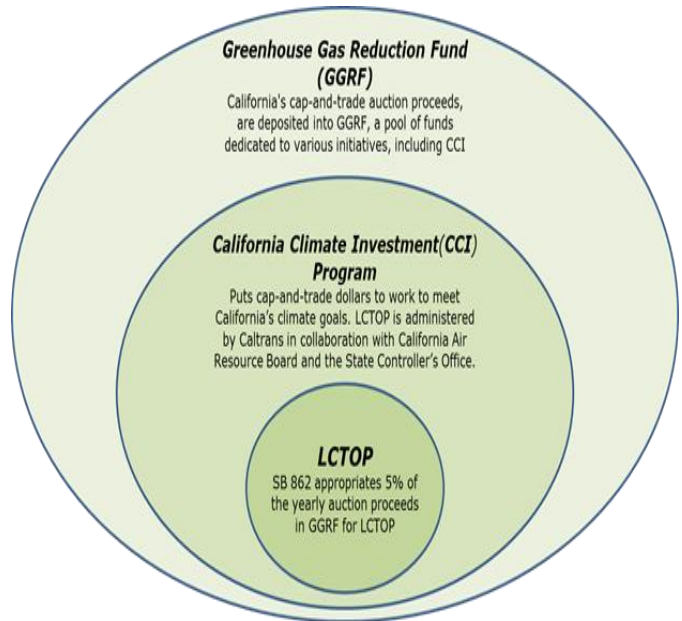
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# Low Carbon Transit Operation Program FY 2025-2026 Guidelines

## Introduction

The Low Carbon Transit Operations Program (LCTOP) is part of California's comprehensive Transit, Affordable Housing, and Sustainable Communities Program established in 2014 by Senate Bill 862 (SB 862). LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving Disadvantaged Communities (DAC). LCTOP supports new or expanded transit services, and expansion of intermodal transit facilities, with each project reducing greenhouse gas emissions. For agencies whose service area includes DACs, at least 50% of the total money received shall be expended on projects that will benefit these communities. SB 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund (Fund) for LCTOP, beginning in 2015-16.



LCTOP is administered by the California Department of Transportation (Caltrans) in coordination with California Air Resource Board (CARB) and the State Controller's Office (SCO). Caltrans is responsible for ensuring that the statutory requirements of the program are met in terms of project eligibility, greenhouse reduction, disadvantaged community benefit, and other requirements of the law.

This document provides guidance to eligible recipients on the process and timeline for requesting funds for transit projects that meet the established criteria. The 2025-2026 LCTOP Guidelines does not include the legislation pertaining to LCTOP and instead a distinct historic legislation document has been created. For legislative details, please refer to the LCTOP Legislation Document. These guidelines are consistent with CARB's 2024 Funding Guidelines for Agencies that Administer California Climate Investments (CCI) (Funding Guidelines).

The 2024 Funding Guidelines provide flexibility in implementing a diverse set of investments while maintaining transparency of outcomes and ensuring meaningful community benefits from these investments. These guidelines align with the Legislature's priorities found in [AB 398](#) and Fiscal Year (FY) 2024-25 appropriations. These guidelines reflect the increasingly important role of California Climate Investments in facilitating the reduction of greenhouse gases while also reducing air pollution, helping communities adapt to the impacts of climate change, and providing meaningful benefits to disadvantaged communities, low-income communities, and low-income households (also referred to as [priority populations](#)"), among other statutory requirements.

The 2024 Funding Guidelines overhauled several key areas of the Guidelines. The list below gives an overview of those key changes.

- A new section on recommended job quality standards and strategies to bolster workforce development (Section V.A.) as well as specific guidance for programs with a compliance obligation under AB 680 (Section V.B.).
- Reporting frequency and timing has been updated to reflect a once-annual reporting period (Section VI.B.).

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- The previous project outcome reporting guidance has been restructured into program and project evaluations (Section VI.E.).
- Recommendations for direct outreach and community engagement have been strengthened (various sections).
- The finalized guidance on the updated designations of disadvantaged communities and low-income communities and households has been incorporated (Appendix A).
- The finalized SB 27 guidance has been incorporated (Appendix B).

Additional information can be found at the following CARB websites:

<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>

## **California Climate Investment Resource Portal**

Serving as both a new online library of resources and a companion to the Funding Guidelines, the California Climate Investments Resource Portal is intended to support applicants, grantees, policymakers, program administrators, and others in accessing and implementing California Climate Investments. Checklists, guides, tools, and analyses provide data and knowledge to build the capacity of California Climate Investments participants and interested parties in supporting State goals of reducing greenhouse gas emissions, strengthening the economy, improving public health and the environment, and providing direct benefits to priority populations. Available here:

<https://www.caclimateinvestments.ca.gov/resource-portal>

## **Eligible Recipients**

Eligible recipients are transportation planning agencies and transit operators eligible for State Transit Assistance (STA) funds per Public Utilities Code 99313 or 99314. The State Controller's Office (SCO) provides the list of eligible entities and available funding levels each year. (Refer to SCO's apportionment announcement [here](#)). If an eligible agency cannot use their apportionment for any reason, the agency can be a Contributing Sponsor for another eligible agency's project. LCTOP can help facilitate discussions between Contributing Sponsor and lead agencies and will work to connect agencies within the same geographic area. If, after due diligence, there are no other agencies in the area that can use those funds, then the funds may be allocated to agencies outside of the area. All recipient agencies, both the Lead Agency and Contributing Sponsor, must comply with the California Air Resources Board (CARB) Funding Guidelines. The Funding Guidelines include requirements for reporting, recordkeeping and other activities designed to provide accountability and transparency. Please note CARB Funding Guidelines mandate administrative requirements for LCTOP.

## **Lead Agency**

The Lead Agency is an eligible recipient of LCTOP funds that is responsible for overseeing or performing all work on an allocation from request to final reporting. The Lead Agency receives all funds directly from the State Controller's Office (SCO) and is accountable for all project and program reporting requirements. These include but are not limited to the following tasks:

1. Submitting completed allocation request packages during the open call for projects that meet all statutory requirements including Greenhouse Gas Reduction, Disadvantaged Community, low-income community, and/or low-income household requirements, where applicable.
2. Oversight and/or performance of all work from the receipt of funding through the completion of the project.
3. Submitting all required project reporting including the annual Project Activity Report (PAR), Close-Out Report (COR), Expenditure Report, Jobs Reporting, and Outcome Reporting.

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4. Expending funding within the scope of work for an approved LCTOP Project in a timely manner.
5. All required program documentation includes but not limited to: Corrective Action Plans, Project Audits, Transportation Development Act Audits, and any additional information requested. Please review the Reporting section for greater detail.
6. Attend annual LCTOP Guidelines Workshops and Allocation Request Workshops, either in person or virtually.

Failure to adhere to the administrative requirements of the LCTOP program including delinquent reporting, missing financial records, or inability to expend LCTOP funding in a timely manner can result in agency being placed on the **High-Risk Agency List** and temporary suspension from receiving LCTOP appropriations until all outstanding delinquencies associated with the agencies are resolved.

### **Contributing Sponsor**

The Contributing Sponsor(s) is an agency that redirects funds to the Lead Agency to support a project. The Contributing Sponsor(s) may be either the regional transportation planning agency (PUC 99313) or a transit operator (PUC 99314) redirecting funds to either a regional transportation planning agency or transit operator. **If a Contributing Sponsor(s) has a DAC within its jurisdiction, at least 50% of the transferred funds must be utilized within a DAC and meaningfully address an important community transit need.**

The California Department of Transportation (Caltrans) is not responsible for tracking funding agreements (borrowing, loaning, delegating, relinquishing funds, etc.) between Lead Agencies and Contributing Sponsors(s). Contributing Sponsors must transmit a letter on agency letterhead stating how much funding and which funding (99313 or 99314) will be contributed to the Lead Agency. The Lead Agency must provide this letter in their Allocation Request Packet. Caltrans will track allocation amounts to ensure funding is accurate per regional apportionment and track the Contributing Sponsor(s) letter of agreement to pass their funds to the Lead Agency who will carry out the project requirements.

### **Project Eligibility**

The Low Carbon Transit Operations Program (LCTOP) was created to provide operating and capital assistance for transit agencies to reduce Greenhouse Gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities (DACs). Per Public Resource Code 75230 (f) (1-3), monies for the program shall be expended to provide transit operating or capital assistance that meets any of the following:

1. Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
2. Operational expenditures that increase transit mode share.
3. 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 these zero-emission buses.

Caltrans, in coordination with California Air Resources Board (CARB) will review each project to determine if the project supports at least one of the above-listed criteria, decreases GHG emissions, and benefits low-income households, low-income communities and/or a DAC (also known as Priority Populations).

Apart from projects accumulating rollover funds, all projects are to start within 6 months of the award

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date. Anything that initiates a project (e.g., place a bid/order, procurement of equipment, routes begin services, ready for construction or new installations) constitutes a start to a project.

Any Allocation Request which will incur costs for a stage prior to construction will not be approved by LCTOP.

### **Definition of “NEW” for Bus, Rail, and Waterborne Transit Service Projects**

As it pertains to section 75230 (f)(1) of the Public Resource Code; Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, water-borne transit, or intermodal transit facilities, “New” is defined as a transit service implemented within the last 5 years.

SB 824 (Beall, 2016) Section 75230 (l) allows “a recipient transit agency that has used program money for any type of operational assistance allowed by subdivision (f) in a previous year may use program money to continue the same service or program in any subsequent fiscal year if the agency can demonstrate that reductions in the emissions of greenhouse gases can be realized.” To demonstrate this reduction agencies will have to show a year-over-year decrease in greenhouse gas emissions with the California Air Resources Board’s GHG Benefits Calculator (QM-Tool). These requirements apply only to transit service projects outside of the definition of “New” and does not apply to other “Operations” projects such as free and reduced fare projects.

### **Rollover Projects**

If the Lead Agency needs multiple years of LCTOP funding for a project, it may accrue a maximum of 4 years of LCTOP funding for a single operating or capital project or phase of a project. A complete Allocation Request package must be submitted each fiscal year, and each Allocation Request will receive its own Project ID. Regardless of the number of years, the Lead Agency must complete the project and fully expend funds within 4 years from the final rollover year. Please note that the 4 years does not restart when rollover funds are transferred to a new project. The money allocated to the new project must be expended within the prior stipulated time frame unless otherwise directed by the LCTOP.

A rollover project’s Allocation Request must list any prior year’s funds, the current year funds, and the estimated additional year(s) so the total LCTOP funds are documented. The total project cost and the total LCTOP funds must be identified in the first year of rollover. After a project is fully reviewed and approved, the SCO will release the requested funds each year to the Lead Agency to be deposited in the dedicated LCTOP bank account. Upon receipt of the final year’s funding, whether for 4 years or less, the agency will have **six months** to begin the project. If the Lead Agency fails to submit an allocation for a rollover, the project must begin immediately without further LCTOP funding.

### **SB 942 Continuing Free or Reduced Fare Projects**

Lead Agencies who requested and have an approved SB 942 Free and Reduce Fare Project will need to submit a completed SB 942 Annual Report. Not all Free and Reduced Fare projects are required to complete and submit SB 942 Annual Report. Please contact your LCTOP liaison to get a copy of the Annual Report. If the agency is receiving funding from another agency a Contributing Sponsor Letter must be included in the Annual Report. LCTOP also requires an up-to-date Certification and Assurances form, Authorized Agent form and Board Resolution to be on file for the project. This reporting ensures the project meets the requirements of Section 75230 (s).

### **AB 680 Workforce Standards to Support Job Quality**

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AB 680 requires certain California Climate Investments programs (covered programs), Affordable Housing and Sustainable Communities Program (AHSC), Sustainable Agricultural Land Conservation Program, Low Carbon Transit Operations Program (LCTOP), and Transit and Intercity Rail Capital Program (TIRCP), to implement six workforce standards across applicable projects. These standards set baseline job quality and project selection requirements aligned with the State's workforce development goals.

As defined in AB 680, a high-quality job facilitates an individual's economic mobility by providing compensation at or above the regional median wage and offers vacation and sick leave, training opportunities, and retirement benefits featuring an employer contribution. Many of the standards emphasize creating high-quality jobs for members of priority populations. The standards also prioritize tribal community members, which include federally recognized and non-federally recognized tribal governments and their members (California tribes).

Administering agencies with covered programs are encouraged to exceed the standards required by AB 680 where possible and to the extent feasible. To ensure access to high-quality jobs supported by covered programs, administering agencies may consider requiring applicants to conduct community engagement and outreach initiatives, support training programs, develop partnerships, and leverage the existing State workforce development infrastructure. These activities should prioritize assisting members of priority populations and California tribes in overcoming barriers to obtaining high-quality jobs wherever possible and to the extent feasible.

As part of the FY 25-26 LCTOP Allocation Request Lead Agencies will be required to submit their agency's approved procurement manual.

### **Allocation Request Requirements**

This section will highlight how an eligible agency should submit their Allocation Request and the requirements the Lead Agency and Contributing Sponsor(s) must comply with. *Please note:* The Allocation Request will be treated in accordance with the Public Records Act requirements and that all information, subject to those requirements, may be publicly disclosed. To further support these requirements, the initial Awarded Project List is posted annually to the Low Carbon Transit Operations Program (LCTOP) website.

Due to changes in the LCTOP program associated with SB 840 there will be two FY 25-26 Allocation Request cycles, one starting February/March 2026 and ending April/May 2026 (Cycle A) and one starting in July/August 2026 and ending September/October 2026 (Cycle B). **Cycle A and Cycle B will use the same Allocation Request Form (Excel File) and Guidelines, will only require one signed Certification and Assurances, and one approved Board Resolution.** For the Board Resolution LCTOP will accept a Draft Resolution with Cycle A and an approved Board Resolution with Cycle B, Board Resolutions will still need to have consistent project information including project name, project description and requested LCTOP funding amount. **To secure allocated funds agency will have to request their allocated amounts for each cycle or be a contributing sponsor of their funds to another Lead Agency.**

**FY 26-27 Allocation Request Cycle will only have one call for projects which will open July/August 2027 and close September/October 2027.**

### **Allocation Request Process**

LCTOP staff will review submitted Allocation Requests and contact Lead Agencies as needed for clarification and/or revisions. CARB staff concurrently review each request. If CARB staff have

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comments or concerns, LCTOP staff will work with Lead Agencies to address these and make necessary revisions. If Lead Agencies do not make necessary revisions to the submitted Allocation Request, the project will not be awarded. LCTOP staff will document and communicate early on with the Lead Agency on why Allocation Requests are not moving forward for award. Allocation Requests will be awarded if they meet all criteria after the review and approval from LCTOP and CARB staff.

### **Allocation Request Submittal**

The Lead Agency must submit an Allocation Request to receive the annual apportionment. Funding amounts will not be held or saved for a future year's request. **LCTOP will not accept late submission of Allocation Requests.** The following documents are required and must be submitted electronically to Caltrans:

- Allocation Request Form (all green tabs of the Excel)
- Signed Authorized Agent Form (PDF)
- Signed Certifications and Assurances (PDF)
- Approved Board Resolution (PDF)
- Contributing Sponsor Letters (PDF)
- Supporting Documents (Title VI concur letter, KMZ or GIS files, etc.)

The Lead Agency must submit **one Allocation Request package per email**. The subject line of the email should read: Agency Name, Caltrans District, title of project, and number of projects. For example, it could read: ***YCTD D3 Free Fare project (1 of 2)***

**Hard copies mailed to LCTOP are no longer accepted. Please email all the required documents outlined above by the due date to [LCTOPcomments@dot.ca.gov](mailto:LCTOPcomments@dot.ca.gov) with a cc to your district liaison.**

### **Allocation Request Package**

The Lead Agency must submit an Allocation Request(s) annually to the California Department of Transportation (Caltrans) for each appropriation of LCTOP funds. The LCTOP Allocation Request is the basis for Caltrans' verification that the project is consistent with LCTOP requirements and CARB reporting. The Allocation Request package consists of an Excel document; *Allocation Request Form* containing multiple worksheets (Allocation Request, QM-Tool, Lat-Long, Map), a Word document; *Signature Pages* containing multiple sections (*Authorized Agent, Certifications and Assurances, and sample Board Resolution*), and an agency Board Resolution. The Lead Agency may only submit the Allocation Request during the annual call for projects and must submit by the final due date. Only Allocation Request packets with all required and completed documents will be accepted.

**A complete Allocation Request Package or SB 942 Annual Report must be submitted annually to receive an apportionment.** Section 75230 (s) A recipient transit agency shall provide annual reports to the Department of Transportation, in the format and manner prescribed by the department, consistent with the internal administrative procedures for the use of the fund proceeds developed by the State Air Resources Board. This will allow the State Controller's Office (SCO) to release funds annually to the Lead Agencies and allows the Department of Transportation (Caltrans) to appropriately report to the California Air Resources Board (CARB). Agencies who do not submit an Allocation Request or SB 942 Annual Report will not have apportionments carried over into the following year. All unallocated apportionments will be returned to the Greenhouse Gas Reduction Fund (GGRF) to be distributed in future years.

### **Allocation Request Form**

In the Allocation Request form, there are (7) seven worksheets, Allocation Request, QM-Tool, Lat-Long, Map, Co-Benefits Summary, Job Summary, and GHG Summary. Agencies are only

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required to complete the first (4) four worksheets with the last three worksheets auto populated by information provided. Agencies must complete all sections of the Allocation Request worksheet including the Lead Agency Information, Project Summary, Funding Information, Funding Plan, Project Information, Agency Information, Project GHG Benefits, Project Benefits and Priority Populations Benefits sections. Agencies also must complete the QM-Tool, provide project latitude and longitude location information, and provide a CARB priority population map within the Allocation Request Form. Further information on Allocation Request Form sections is provided below.

### **Funding Information**

In the Funding Information Section, recipients must confirm that the project seeking LCTOP funds is fully funded and that LCTOP funds will not supplant another source of funding. In the Funding Information section, recipients must show any additional Greenhouse Gas Reduction Funds (GGRF) being leveraged or pursued for the project to ensure benefits are attributed accurately to each GGRF program.

### **Priority Population Identification**

The priority populations in California are disadvantaged communities, low-income communities, and/or low-income households. Senate Bill (SB) 535 and Assembly Bill (AB) 1550 direct State and local agencies to make investments that benefit these populations. Residents of the following "priority populations" are included: (1) census tracts identified by the CalEPA as being disadvantaged under SB 535; (2) census tracts identified as being low-income under AB 1550; or (3) a low-income household under AB 1550. The Lead Agency will document and select the appropriate information to show their project meets all DAC and AB 1550 population requirements by:

- Being physically located in an AB 1550 community census tract or benefit a low-income household; and
- Meaningfully address an important community or household need; and
- Providing direct, meaningful, and assured benefits to an AB 1550 population, consistent with the criteria in the California Air Resources Board (CARB) Funding Guidelines (see Appendix A).
- Provide a map(s) depicting their project in relation to the AB 1550 Population; identify the latitude and longitude coordinates of their specific project location in the Allocation Request
- In an effort to meet SB 535 and AB 1550 requirements, maps identifying a DAC and or low-income community are available at: SB 535 Interactive Map 4.0 <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40> A "look-up" tool and list of Housing and Community Development's "low- income" threshold by county and household size are available at <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>

### **Addressing an Important Need for a Community or Household**

LCTOP's goal of funding projects that provide direct, meaningful, and assured benefits towards Priority Populations extends beyond the legislative requirements of SB 535, AB 1550, and SB 862. (For evaluation criteria of benefits, see Appendix A and Appendix B.) Program staff encourage recipient agencies to coordinate internally with their planning, outreach, or marketing staff to provide comprehensive qualitative or quantitative information that details (including but not limited to) community engagement, prioritized planning towards Priority Populations, or any other internal process or procedures that capture the intentional efforts dedicated towards funding the project. **Applicable**

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**projects shall specify how the investment will result in benefits that meaningfully address an important community or household need(s).**

Compliant with CARB's Funding Guidelines, project leads must use at least one of the four approaches as described in Step 2 of the Transportation and Equipment Benefit Assessment Tables (Appendix A) to determine community or household need. LCTOP staff advises eligible agencies to utilize the second or third recommended approaches to determine the needs of the Priority Populations. LCTOP funds should result in benefits that either address an important need commonly identified by DAC and/or low-income residents or address a key factor that caused the area(s) to be identified as a DAC or low-income community. Please refer to [CARB's Funding Guidelines](#) for a detailed description of the need's identification process.

In addition, Lead Agencies must utilize the Community Engagement Co-Benefit Assessment Methodology. This is provided as Appendix C within these guidelines, as well as the Allocation Request *Supplemental Guidance*, and online at the California Climate Investments Co-Benefits website: [https://www.cdfa.ca.gov/oefi/ddrdp/docs/final\\_communityengagement\\_am.pdf](https://www.cdfa.ca.gov/oefi/ddrdp/docs/final_communityengagement_am.pdf) Lead Agency would assess their level of community engagement as High, Medium or Low based on a series of questions and then assess the response.

### **CARB Benefits Calculator Tool (QM)**

Allocation Requests must use the corresponding California Air Resources Board (CARB) approved Benefits Calculator Tool (QM) to calculate the estimated greenhouse gas (GHG) emission reductions associated with a proposed LCTOP project. This tool will provide a uniform approach to quantify GHG emission reduction in metric tons of carbon dioxide equivalent. All projects must net a positive emissions reduction to qualify for approval.

This tool will use project level data specified within the Allocation Request for estimated ridership increases and corresponding Vehicle Miles Traveled (VMT) reductions. The QM also estimates the following selected co-benefits and key variables from LCTOP projects: reductions in criteria and toxic air pollutants (in tons), including diesel particulate matter (PM), nitrogen oxide (NOx), reactive organic gasses (ROG), fine PM less than 2.5 micrometers, passenger VMT reductions (in miles), fossil fuel use reductions, renewable energy generated in kilowatt hours (kWh), fossil fuel energy use reductions (kWh), travel cost savings (\$), energy savings, and fuel cost savings (\$). LCTOP staff will integrate the QM into the Allocation Request for a streamlined approach to submit project requests. Please find the QM (as a stand-alone) and corresponding documents (PDF instructions and Excel based tool) online on the new [CCI Tools webpage](#).

### **CARB Job Co-Benefit Assessment Methodology**

Allocation Requests must utilize the CARB Job Co-Benefit Assessment Methodology to estimate jobs supported by California Climate Investments (CCI) projects. A job is defined as a full-time equivalent (FTE) employment of one person for one year. These jobs supported by an LCTOP project include direct, indirect, and induced employment. This tool is integrated by LCTOP staff into the Allocation Request to provide a uniform approach to model jobs support for CCI. LCTOP staff integrated this tool into the

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Allocation Request to streamline the submittal process. The tool can be found as a stand-alone tool at: <https://ww2.arb.ca.gov/resources/documents/cci-methodologies>.

### **Contributing Sponsor Letter**

A Contributing Sponsors letter must accompany the Lead Agency's Allocation Request. The Contributing Sponsor Letter should indicate the dollar amount to be contributed, be on agency letterhead and signed by the executive officer of the contributing agency. If there are multiple Contributing Sponsors, each sponsor must submit a signed letter with the required information as described above.

### **Certifications and Assurances Form**

The Authorized Agent for the Lead Agency must sign and submit, with their Allocation Request, a self-certification that the Lead Agency will meet all requirements of the LCTOP Guidelines, including all reporting deadlines.

### **Board Resolutions**

The Resolution must include a description of the project, the amount of LCTOP funds requested, identification of any DAC and/or Low-Income communities project requirements, and a list of Contributing Sponsors in the publicly approved project Board Resolution. This Resolution is crucial and demonstrates the project was publicly reviewed. LCTOP staff strongly recommends utilizing the sample Project Board Resolution to ensure all language is captured. A Lead Agency may combine multiple LCTOP projects on one resolution, however, each project must be listed separately or bulleted with the allocated dollar amounts and project name. If the project is an approved roll-over from the previous year, an updated Resolution is required annually per project. Draft Board Resolutions are acceptable in the interim of official Board approval.

### **SB 942 Continuing Free or Reduced Fare Project Submittal**

Lead Agencies who requested and have approved SB 942 Free or Reduced Fare Project will need to submit a completed SB 942 Annual Report. Not all Free or Reduced Fare projects are required to complete SB 942 Annual Report. Please contact your LCTOP liaison to get a copy of the report. If the agency is receiving funding from another agency a Contributing Sponsor Letter must be included in the Annual Report. LCTOP also requires an up-to-date Certification and Assurances form, Authorized Agent form and Board Resolution to be on file for the project. Please refer to the section above for guidance on how to complete the report.

## **Award Requirements**

Once LCTOP staff creates a final project list and sends the list to the State Controller's Office (SCO), SCO will prepare and transmit LCTOP funds to Lead Agencies. The California Department of Transportation will announce the awarded projects and provide Lead Agencies with Award Letters. This award letter will detail the project information and include the LCTOP assigned project identification number. Lead Agencies will use this number for the life of the project for all reporting.

### **Bank Account**

Once an Allocation Request is approved, the State Controller's Office (SCO) will release the allocation amount to the Lead Agency. The Lead Agency must deposit funds into a dedicated bank account that will hold only LCTOP funds. If a separate account is not possible, the agency must show documents of a line item or subaccount dedicated to LCTOP funds.

### **Expending Funds**

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Lead Agencies must expend funds on approved projects in a timely manner. Awards for fiscal years 15/16 and 16/17 had three years to be expended. As of FY 17/18 and beyond, Lead Agencies have 4 years from the project award date to expend funds. For rollover projects funds, the 4 years begins the last rollover year that funds are accrued.

Lead Agencies **cannot** expend LCTOP funds on costs incurred prior to LCTOP award/approval. LCTOP is not a reimbursement program; funds are awarded annually upfront for expenses approved and outlined in the Allocation Request that are to be incurred after the project is awarded.

### **Funds Expiration Table**

<b>Award Year</b>	<b>Expiration Date</b>
FY 20/21	July 28, 2025
FY 21/22	August 03, 2026
FY 22/23	October 26, 2027
FY 23/24	October 9, 2028
FY 24/25	January 14, 2030
FY 25-26 A	September 24, 2030*
FY 25-26 B	March 22, 2031*

*\*Estimate based on projected FY 25/26 project award date.*

### **Interest Earned**

Lead Agencies must track interest earned on LCTOP funds. Project Activity Reports (PAR) must include interest earned for each project. Interest on LCTOP funds must be used similarly as the principal. Interest remaining after a project has been completed can only be applied to an approved LCTOP project. The Close-Out report must include total interest earned and used on the project. Any unused interest may be applied to either a current project or applied to a new project during the next Allocation Request call for projects. If interest is added to a new project during the Allocation Request cycle, it should be added in the "Prior column/Other Funds" field of the Allocation Request form.

Interest accrued on LCTOP funds are subjected to the same statutory funding requirements and fall within the purview of LCTOP guidelines, monitoring and reporting.

### **Letter of No Prejudice**

A Lead Agency may request a Letter of No Prejudice (LONP) in advance of LCTOP Awards, for an eligible LCTOP project. Caltrans will thoroughly review the agency's LONP. If approved by Caltrans, the LONP will allow the Lead Agency to incur costs, expend its own money for the project and be eligible to use their LCTOP allocation if the project is approved by both Caltrans and California Air Resources Board to back fill prior spent funds.

Please be advised that LCTOP funding is not guaranteed and fluctuates per quarterly auction sales. The Lead Agency should use the QM-Tool to calculate the estimated project GHG emissions reduction to ensure final project approval by CARB and Caltrans.

To streamline the LONP process the FY 25-26 LCTOP Allocation Request Form will include a section for Lead Agencies to complete if their proposed project is expected to start before the estimated Award Date of October 1, 2026. LCTOP staff will review requests for LONP and provide approval or denial letters prior to the proposed project start date. If an agency

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proposed start date is prior to the Allocation Request due date Lead Agencies will need to request a LONP at least 45 days prior to the start of their project.

### **Program Compliance and Reporting Obligations**

All programs funded by the Greenhouse Gas Reduction Fund (GGRF) must report annually. The California Department of Transportation (Caltrans) must complete and submit documentation to the California Air Resources Board (CARB) who will then compile all program information and submit reports to the Department of Finance (DOF) who will then finalize the report to the Legislature. This section will highlight all the reporting requirements that Caltrans and Lead Agency must complete. Lead Agencies should track metrics in accordance with CARB Funding Guidelines for all projects. Samples of reporting templates are available upon a request to the Low Carbon Transit Operations Program (LCTOP) staff.

#### **Annual Expenditure Record (Caltrans)**

Per the 2024 CARB Funding Guidelines, Caltrans must complete and maintain an Expenditure Record and Attestation Memorandum. The Attestation Memorandum must be signed by the Agency Secretary and Department Director (or equivalent) affirming that the Expenditure Record was prepared according to the requirements of Senate Bill 1018 (SB 1018) and the 2024 Funding Guidelines. An Expenditure Record is prepared for a program, not for individual projects. It provides elements that describe the proposed use of monies and must be submitted prior to the expenditure of those monies for projects. The Expenditure Record is a critical first step in the tracking and reporting process to ensure that all California Climate Investments (CCI) meet statutory requirements and further the purposes of Assembly Bill 32 (AB 32) and related amendments. The Expenditure Record must be updated, as outlined in CARB's Funding Guidelines, to accurately reflect the LCTOP design and implementation, as it serves as a valuable tool for maintaining accountability throughout the life of the projects funded by the appropriation.

#### **Annual Report (Caltrans)**

Caltrans must submit report annually to CARB to ensure timely data is provided to the DOF. DOF will then submit the [Annual Reports](#) to the Legislature. The report will provide a status of CCI projects and the outcomes of those projects. In addition, the Annual Reports describe how Caltrans met the investment minimums required under Assembly Bill 1550 (AB 1550) and Senate Bill 535 (SB 535).

The Annual Reports will include LCTOP specific information compiled by Caltrans that include agency and program description, program schedule, public meetings, solicitation process, program financial status, benefits to AB 1550 populations, jobs support criteria, and a description of the co-benefits provided by LCTOP. The project level information compiled by Caltrans from approved allocation requests and broken into sections: "Selected Projects" (projects awarded but funds are being rolled over); "Awarded/Implemented" (projects expending funds within 6 months of award); Closeout (when a project is complete); and "Jobs". The information that Caltrans and LCTOP staff will collect is outlined in CARB's 2024 Draft Funding Guidelines, starting on Page 55. The information will be gathered and compiled from all documentation submitted by the Lead Agency. Caltrans will submit the collected information into the California Climate Investments Reporting Transacting System (CCIRTS) on program implementation as well as individual projects. The information will be collected during the Annual reporting cycle on activities that occurred within that period. The reporting cycles cover November 1 through October 31. Submittals are due 30 days after the end of a reporting cycle.

#### **Project Activity Report -PAR (Lead Agency)**

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Project Activity Reports are due 45 days after the end of the reporting period, which is from **October 1<sup>st</sup> to September 30<sup>th</sup>** each year. The Lead Agency is required to report annually to Caltrans on the activities and progress of all open projects. The Lead Agency must demonstrate that expenditure of LCTOP funds is on activities and tasks within the approved scope, schedule, and cost. Lead Agencies are required to document information such as when the project started, the anticipated end date, percentage of project completion, and benefit to the priority population. The Lead Agency must provide completed and signed Project Activity Reports every twelve months until LCTOP funds on a project are completely expended, and the project Close-Out Report has been submitted and approved. If the Lead Agency encounters delays in project schedule, detailed information on the delay should be included in the PAR. LCTOP staff will work with the Lead Agency on a new project completion date, which must fall within the appropriate timelines.

If the agency is accruing LCTOP funds over a period of two or more years for a rollover project, the Lead Agency will provide all Project ID numbers associated with the rollover, the total funding amount received, and accrued interest on the Project Activity Report.

### **Corrective Action Plan-CAP (Lead Agency)**

To change an approved Allocation Request, including any changes to the originally approved scope, schedule, cost, or funding, including the transfer of funds, the Lead Agency must first obtain approval from Caltrans by submitting a CAP. This must be done before funds can be applied to any use outside the approved Allocation Request. Funds may not be used on an alternate project or task until the CAP has been submitted and approved. If the funds are being reassigned to an alternate project, the alternate project must have an approved LCTOP Allocation Request on file. The CAP must indicate any potential changes in the scope, schedule, cost, or funding amounts. Once LCTOP staff have received all required information the CAP will be processed and approved within 45 days.

### **Changes to Project Scope**

If the project scope is being revised to reflect changes in project components, tasks, or quantities an adequate justification must be provided. If the scope of work changes the type or level of benefits, the changes must also be reflected in the benefit description, with revised estimates of benefits listed. If there are significant changes to the project, a revised Quantification Methodology Tool may be required to demonstrate a reduction in GHG emissions. All CAPs must have the adequate information for the proposed change. If a justification is not deemed adequate by Caltrans staff, the agency will be asked to provide a revised justification before the CAP is approved. The project change may not move forward until Caltrans has approved the CAP.

### **Changes to Project Schedule**

If the project schedule is being revised to reflect any delays or obstacles, an adequate justification must be given and the amended LCTOP project completion date must fall within the appropriate timelines. All CAPs must have the adequate information for the proposed change. If a justification is not deemed adequate by Caltrans staff, the agency will be asked to provide a additional justification before the CAP is approved. The project change may not move forward until Caltrans has approved the CAP.

### **Changes to Project Cost**

If the project costs change the Lead Agency must provide a CAP with adequate justification for the change along with an updated funding plan. All CAPs must have the adequate information for the proposed change. If a justification is not deemed adequate by Caltrans staff,

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the agency will be asked to provide additional justification before the CAP is approved. The project change may not move forward until Caltrans has approved the CAP.

### **Changes to Project Funding**

If the Lead Agencies finds that they have residual funds at the completion of an approved LCTOP project or they determine that the funded LCTOP project is no longer a high priority or feasible, the Lead Agency may request to reassign funds to a different approved LCTOP project. A Corrective Action Plan (CAP) along with a completed Close-Out Report (COR) must be submitted for the original project. **Projects with Contributing Sponsor funds must obtain approval/acknowledgement from the sponsor on the new use of the funds.** If the alternate project is not a previously approved LCTOP project, the Lead Agency must submit both a completed CAP and an Allocation Request during the next call for projects complying with all requirements. If the reassigned funds have been accrued from a project within a DAC, the reassigned funds may only be applied to another project with DACs. These projects must meet legislative requirements as stated in Assembly Bill 1550 or Senate Bill 1119. **The funds being reassigned are tied to the funding year of the award and must be expended within the time limits of the original allocation of funds.**

If the Lead Agency is submitting a CAP to transfer LCTOP funds that exceed \$100,000, a draft Board Resolution must be submitted along with the CAP to reflect the change in funding. Once the CAP is approved, the Lead Agency will need to submit the final approved Board Resolution. LCTOP is asking the agency to be transparent and to inform their board members of changes to the original approved LCTOP project. If it is discovered that an agency has begun spending funds on a task or project outside the approved scope of work prior to submitting a CAP and prior to Caltrans approval of the CAP, the agency will be placed on the list of high-risk agencies. The State is entitled to recover any and all funds that are spent on an ineligible expense.

**Corrective Action Plan should be emailed to your district liaison and the [LCTOPcomments@dot.ca.gov](mailto:LCTOPcomments@dot.ca.gov).**

The subject line of the email should read: Agency Name, Project ID, Project Title, and CAP. For example, it could read: **SacRT-15-16-D03-34\_Free-Fare-Program\_CAP**

### **Close-Out Report-COR (Lead Agency)**

Once all LCTOP funds have been expended or the project is complete, the Lead Agency must submit a Close-Out Report within six months of completion. Agencies are encouraged to submit a draft Close-Out Report to the LCTOP Liaison for review and approval prior to signing.

The final project report includes:

1. Close-Out Report Form: It will also include summarized information regarding benefits to DACs and/or other AB 1550 Populations (if applicable), and a summary of co-benefits for the project.
2. Proof of Payment: Attach a copy of check or electronic transfer of funds to the contactor or attach the latest bank statement from the LCTOP dedicated bank account showing the disbursement of funds.
3. Verification: Project completion as scoped must be verified. The Lead Agency will provide at least two pieces of evidence of project completion which can including photograph(s), copy of the final invoicing, punch list from the facility's final walkthrough, route schedule, promotional material, or a copy of the title. This list includes a sample of what can be used to show evidence regarding the completion of a project. Please contact LCTOP staff to discuss alternatives that may exist for your circumstances.
  - o For Capital Projects: Pictures of the completed project, copy of title(s) for vehicle(s) purchased (if applicable), list of VIN for vehicles purchased (if applicable), invoices, punch list, and contract summary / signature pages.

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- For Operations Projects: Promotion and/or ad materials, route schedule (if applicable), and photos (if applicable).

If a project is completed and there are residual funds, the agency must include the proposed use for the residual funds, in a CAP, as part of the required COR. A COR without proposed uses for residual funds will not be approved and will be considered incomplete. Incomplete or incorrect reports will not be approved until corrections are provided by the agency. Projects will not be considered closed out until the COR is reviewed and approved via email by the LCTOP Liaison. Once LCTOP staff have received all required information, the COR will be processed and approved within 60 days.

**Close-Out Report Packages should be emailed to your district liaison and the [LCTOPcomments@dot.ca.gov](mailto:LCTOPcomments@dot.ca.gov).** The subject line of the email should read: Agency Name, Project ID, Project Title, and Close-Out Report. For example, it could read: **SacRT-15-16-D03-34\_Free-Fare-Program\_Closeout**

### **Jobs Reporting (Lead Agency)**

To the extent feasible, Caltrans will try to support Lead Agencies in fostering job creation via Allocation Requests to be carried out by California workers and businesses. To maximize economic benefits, investments should provide employment opportunities and job training tied to employment with an emphasis on Priority Populations. Caltrans encourages Lead Agencies to demonstrate local benefits and support of clean energy within the transportation sector and how projects can facilitate the shift towards a sustainable workforce. The Allocation Request is an opportunity to highlight these efforts from project types that support energy efficiency, renewable energy, and zero-emission transportation and mobility options.

Jobs reporting is required for all projects claiming to benefit Priority Populations by way of providing employment or training as well as any project that has a total project cost, including GGRF and leveraged funds exceeding \$1,000,000 awarded after August 2018 (Starting with FY18-19 Projects). Lead Agencies will report on all jobs and wages paid through GGRF, including subcontractors. This would apply to awards given over multiple years, such that a \$1,000,000 award disbursed as four annual awards of \$250,000 would be required to report its supported jobs. CARB staff has determined that exempting first-order subcontractors that enter a contract for less than \$100,000 in GGRF funds. This exemption would only apply to subcontractors providing directly to the awardees, but not to subcontractors further down the chain. The frequency and duration of Jobs Reporting will take place annually after the project begins and ends with the project Close-Out Report. Once data is collected from Lead Agencies completing Jobs Reports, Caltrans will report to CARB.

### **Transportation Development Act Audit (Lead Agency)**

Annual audits of public transportation operators required under the Transportation Development Act (TDA), per PUC 99245, must include verification of receipt and appropriate expenditure of funds. Lead Agencies receiving LCTOP funds in a fiscal year for which a TDA audit is conducted must submit a copy of the audit to Caltrans by December 31<sup>st</sup>, six months after the close of the fiscal year (closes June 30). Caltrans will make the audits available to the Legislature and the State Controller's Office (SCO) as needed. Lead Agencies may request a 90-day extension from the December 31<sup>st</sup> deadline to March 31<sup>st</sup>. They must notify Caltrans in writing via e-mail. Project leads who fail to submit an expanded TDA audit documenting all LCTOP funding allocated to date will not receive future LCTOP allocations until the required document(s) have been submitted to Caltrans.

### **Site Visits**

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As part of the ongoing monitoring associate with LCTOP, Caltrans will select multiple operational projects of an agency for in person assessment. These assessments, called Site Visits, will normally include a scheduled meeting with the agency and a review of all LCTOP projects. Site visits can take place at any time at the discretion of Caltrans. Following a Site Visit, LCTOP staff will send a letter documenting the visit and any action items discussed.

### **Spot Audits**

Caltrans may select agencies each year and perform an extensive review of all LCTOP-related information from the agency. If selected, an agency may be asked to provide additional documents pertinent to the LCTOP programs and projects. If inconsistencies are found, agencies will be provided with an opportunity to correct those errors. If discrepancies are not corrected, the agency may be placed on the High-Risk Agency list and will not be eligible to receive future funding.

### **LCTOP Annual Calendar**

#### **Allocation Request Cycle A Schedule**

<b>Activity</b>	<b>Date</b>
Caltrans Posts Final FY 25-26 LCTOP Guidelines	Feb 2026
LCTOP Release of Updated Allocation Request Package	Feb 2026
LCTOP Allocation Request Workshops (in-person and virtual)	Feb 2026
SCO Releases Eligibility Letter/ LCTOP Call for Projects Opens	Feb/Mar 2026*
LCTOP Allocation Requests Due to Caltrans	Apr/May 2026*
Caltrans and CARB approve the List of Projects and Submits to SCO	Aug/Sep 2026*
SCO Releases Approved Amounts to Recipients	Sep/Oct 2026*

*\*Subject to Change*

#### **Allocation Request Cycle B Schedule**

<b>Activity</b>	<b>Date</b>
SCO Releases Eligibility Letter/ LCTOP Call for Projects Opens	Jul/Aug 2026*
LCTOP Allocation Requests Due to Caltrans	Sep/Oct 2026
Caltrans and CARB approve the List of Projects and Submits to SCO	Jan/Feb 2027
SCO Releases Approved Amounts to Recipients	Feb/Mar 2027

**Note FY 26-27 LCTOP funding cycle's call for projects will not be until July/August of 2027.**

### **Reporting Schedule**

Project Activity Reports are required on an annual basis and due 45 days after end of the reporting period which is **October 1<sup>st</sup> to September 30<sup>th</sup>**.

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## Appendix A

### Evaluation Criteria for Providing Benefits to Priority Populations

#### California Climate Investments 2024 Funding Guidelines Priority Populations Benefit Assessment Tool Project Type: Transportation and Equipment



**Purpose:** The benefit assessment tool is used to determine if a project funded by California Climate Investments is located within and provides a benefit to a priority population.

**Who uses it:** Administering agencies, applicants, and/or funding recipients.

**Background:** Whenever possible, projects should have direct, meaningful, and assured benefits to residents of disadvantaged communities, low-income communities, and low-income households. These three groups are collectively called *priority populations*.

This tool must be used to determine if a project benefits a priority population. California Climate Investments recognizes a project as benefiting a priority population if it meets one option in each of the three steps of the benefit assessment tool.

There are different *benefit assessment tools* for different types of projects. For complex projects, there may be more than one that is a good fit. Email the [GGRF Program](#) for any questions related to this tool.

**Project Type Description:** Projects incentivize, develop, or promote zero-emission or the cleanest (or lowest emission) available, vehicles and equipment, the infrastructure to support them, public transit, shared transportation options like carsharing, active transportation options like biking, and other strategies to reduce greenhouse gas emissions and/or the amount of driving people need to do, also known as reducing vehicle miles traveled.

### Steps to Determine if a Project Benefits a Priority Population

Select one option per step to answer the question: “Does this project benefit a priority population?” with a “yes” or “no.” This tool does not capture all benefits a project may provide.

**Step 1: Identify the Priority Population.** The project must be located within a community identified as disadvantaged or low-income, or directly benefit residents of a low-income household;

**Step 2: Identify a Need.** The project must identify an important community or household need for the priority population identified in Step 1; and

**Step 3: Provide a Benefit.** The project must provide one of the direct, meaningful, and assured benefits listed in Step 3. The benefit must be to the priority population identified in Step 1 and must directly address the need identified in Step 2.

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### Step 1 – Identify the Priority Population

**Instructions:** Review the questions below and select one that is a “yes” for the project.

**Note:** For consumer-based incentives (e.g., vouchers, rebates, transit passes, free fare days to individuals or households): the project location may be determined by the residential address or the low-income household boundary of the direct recipient, OR at least one stop or station in the service to which incentives are applied.

**For commercial or industrial business-based incentives (e.g., vouchers, rebates, grants):** the project location may be determined by where the vehicle or equipment is domiciled or located a majority of the time.

**For new/replacement transit or school buses, new service, or service improvements & supporting infrastructure (includes shared mobility services):** the project location may be determined by where the vehicle or equipment is domiciled or operated a majority of the time, OR at least one stop or station in the service.

**For other new/replacement vehicles or equipment & supporting infrastructure:** the project location may be determined by where the vehicle or equipment is domiciled or operated a majority of the time.

**For projects that operate at freight facilities, hubs, ports, railyards, or airports:** the project location may be determined by where the vehicle or equipment is domiciled or operated a majority of the time, OR at least a portion of the facility, hub, port, railyard, or airport.

**For active transportation infrastructure:** the project location may be determined by the location of at least a portion of the infrastructure, OR at least one access point to a priority population.

**For transit station/stop improvement:** the project location may be determined by the location of at least one stop or station improved by the project.

**For projects that implement green zones:** the project location may be determined by where the vehicle or equipment is domiciled or operated a majority of the time, OR a majority of the green zone.

**For projects that operate at schools:** the project location may be determined by at least one school where the vehicle or equipment is domiciled or operated.

**For the production of renewable, low-carbon transportation fuel:** the project location may be determined by where the vehicle or equipment that uses the majority of the fuel produced is domiciled or operated a majority of the time.

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**For electric vehicle chargers or charging stations, hydrogen refueling stations, or mobile refuelers/chargers:** the project location may be determined by where the charger or the charging station, or the hydrogen refueling station, or mobile refueler/charger is domiciled or operated a majority of the time.

**For facilities that produce hydrogen, renewable fuels, or low-carbon fuels:** the project location may be determined by where the facility is domiciled or operated, OR where the majority of their fuel recipients are domiciled or operated, OR where the majority of their fuel is supplied for end-use.

**Resources:** Visit the [California Climate Investments Resource Portal](#) for the:

- Priority Populations Map: a geographic tool to identify disadvantaged communities and low-income communities by address or census tract.
- Low-income Household Tool: a look-up tool to find low-income thresholds by county and household size.

- A. Disadvantaged Community:** Is the project located in a disadvantaged community census tract or disadvantaged community Tribal land?
- B. Low-income Community:** Is the project located in a low-income community census tract?
- C. Disadvantaged Community ½ mile neighbor:** Is the project located outside of, but within a ½ mile of, a disadvantaged community and also in one of the following:
  - a low-income community census tract?
  - a low-income household?
- D. Low-income Household:** Is the project located in a low-income household?

**Next Step:** If the answer to one of the questions in Step 1 is “yes,” continue to Step 2. If the answers are all “no,” do not continue.

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### Step 2 – Identify a Need

**Instructions:** Review the options below and select one that explains how the community or household need for the priority population identified in Step 1 was determined.

**Note:** California Climate Investments strongly encourages that program administrators and those that plan and implement projects work directly with local community residents and community-based organizations to identify and meaningfully address an important need.

**Resources:** Visit the [California Climate Investments Resource Portal](#) to explore promising practices, success stories, and other guides and resources about community outreach and engagement.

- A. Direct Engagement:** Engage local residents and community groups in meetings, workshops, or other opportunities as part of the planning process to identify community or household needs, and document how the engagement informed the design and/or selection of projects to address those needs.

**Note:** For specific types of projects, direct engagement with the community may not be possible. Those types of projects can use option B and option C to identify an important need.

- B. Local Documentation:** Receive documentation of broad support from local community-based organizations and/or residents (e.g., letters, emails) identifying a need that the project addresses or confirm the project furthers the goals identified in a local plan or initiative designed to address local needs (e.g., regional sustainability plan, local transit agency plan, community needs assessment) that was developed through, or as a result of, a robust community engagement process.

- C. Data Tools:** Refer to one of the tools provided [on the California Climate Investments website](#) and confirm that the project will reduce the impacts related to at least one of the factors or indicators.

**Note:** Option D is for programs or projects serving individual households or businesses only, such as through vouchers or rebates distributed to qualifying applicants on either a first-come, first-served basis or on a needs-based model.

- D. Direct Engagement During Program Development:** During program design, outreach, or updates, engage residents and community groups from priority populations to identify community or household needs and document how the engagement informed the design of the program to address those needs.

**Instructions:** Describe the community or household need and how it was

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identified. If option “B. Local Documentation” was chosen, briefly describe the documentation. If option “C. Data Tools” was chosen, include the name of the tool in the description.

**Next Step:** If an option in Step 2 is selected, continue to Step 3. If none are selected, do not continue.

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### Step 3 – Provide a Benefit

**Instructions:** Review the options below and select one that demonstrates how the project directly benefits the priority population identified in Step 1 and addresses the need identified in Step 2.

**Note:** Projects must avoid potential substantial burdens or harms to priority populations.

**Resources:** Visit the [Climate Investments Resource Portal](#) to learn more about strategies for projects to avoid causing burdens and harms, including working with community members and community advocates to identify potential burdens or harms whenever possible.

- A.** Project reduces criteria air pollutant or toxic air contaminant emissions.
- B.** Project provides increased access to clean and/or shared transportation options.
- C.** Project improves connectivity between travel modes.
- D.** Project improves mobility between key destinations and communities.
- E.** Project improves safety and comfort of the transportation system.
- F.** Project reduces the transportation cost burden.
- G.** Project improves public health through increased access to active transportation.

**Next Step:** If the project meets one option in each of the three steps above, then it is located within and considered to provide a direct, meaningful, and assured benefit to priority populations.

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## Appendix B

### Co-Benefit Assessment Methodology Community Engagement Questionnaire

The questionnaire on the following pages is excerpted from the Community Engagement Co-Benefit Assessment Methodology for California Climate Investments (CCI). The questionnaire is converted into a fillable table for ease of use. Guidance on how to answer each question is provided in Section C of the full methodology available at: [www.arb.ca.gov/cci-cobenefits](http://www.arb.ca.gov/cci-cobenefits).

CCI projects that result in community engagement co-benefits create opportunities during planning, design, and implementation for communities to directly engage with the project, provide input that is incorporated into it, and collaborate on its development.

Overall, the methods for estimating the community engagement co-benefits are qualitative, based on tracking the extent and impact of public participation in project planning, design, and implementation. The assessment evaluates the quantity, quality, and equity of community engagement.

To estimate the community engagement co-benefit, users will respond to the five questions. Based on the responses to the questions, the level of community engagement will be evaluated as low, medium, or high. **The agency will then mark Low, Medium, or High on the LCTOP Allocation Request when documenting Priority Population Benefits.**

#### **Community Engagement Questionnaire**

1. Is the project a neighborhood-scale, city/regional-scale, or rural project?
2. With regard to public events held by the project proponent to discuss this project proposal with the community:
  - a. Briefly describe the events held. (Please respond in fewer than 100 words)
  - b. What was the approximate total attendance at those events?
3. With regard to other opportunities provided by the project proponent for community members to comment or provide input on the project (e.g., internet- or telephone- based input opportunities) or separate meetings with specific stakeholders, community leaders, and organizations, beyond those included above:
  - a. What is the approximate total number of people who provided commentary or input on the project through these opportunities?
  - b. Briefly describe the opportunities provided. (Please respond in fewer than 100 words)
4. Which of the following took place as part of the events and other opportunities identified in questions 2 and 3? (Check all that apply):
  - a. Informed the community about various aspects of the project, including the process by which major decisions about the project would be made.
  - b. Solicited and recorded written or spoken input from the community about specific aspects of the project or potential project alternatives before decisions on those aspects and alternatives were finalized.
  - c. Incorporated proposals or ideas from the community into project alternatives or components.
  - d. Reported back to the community on how the input in 4(b) and 4(c) was incorporated.
  - e. Developed project features or project alternatives collaboratively with the community by one or more of the following means: (Check all that apply):
    - i. One or more workshops or other meetings in which the community developed a project alternative or specific component to address unmet community needs, which was subsequently included in the project's application for funding or final design.
    - ii. Formal cooperation with a community-based organization (i.e., via a memorandum of understanding, community benefits agreement, steering committee, labor agreement,

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- etc.) to acquire or distribute funding, identify project alternatives or project components, or otherwise enhance community engagement in project design, planning and implementation.
- iii. Delegation of authority to choose between project alternatives or components to the community through a steering committee, organized voting process, representative community-based organization, or other means.
  - iv. A community-based organization, community-driven steering committee, or similar entity designed, planned, and implemented the project in whole or in significant part.
5. Considering all the events and input opportunities, which of the following statements are true (check all that apply):
- a. The participants comprised a broadly representative sample of the population potentially benefiting from, or affected by, the project.
  - b. Project proponents identified key community leaders and organizations and engaged them directly.
  - c. The events and input opportunities were hosted at varied and accessible times and locations throughout the area potentially affected by the project and included both in person and online forms of engagement. Events and written materials were offered in languages other than English.
  - d. The participation process was conducted or assisted by a professional facilitator or public participation expert.
  - e. The project proponents, or those acting on their behalf, prepared and followed a community engagement plan that meets the minimum criteria originally established by the Transformative Climate Communities Program (option is available for all project types).

### **Assessment**

To determine the overall Community Engagement Co-benefit, users will assess the responses to the quantity, quality, and equity-oriented questions as low, medium, or high. For the quantity category, which measures the number of people giving input on the project, the scoring is different for projects of different scales and contexts — neighborhood-scale, city/regional-scale, and rural. These scoring thresholds reflect considerations of total population size and population density in the area potentially affected by the project. Scores related to quantity, quality, and equity of community engagement are then aggregated to provide a total project community engagement score.

### **Evaluation of Community Engagement in Projects**

#### **Quantity**

Total event attendance + number of people commenting through other opportunities:

- For neighborhood-scale projects: **LOW** 0-24; **MEDIUM** 25-59; **HIGH** 60 or more
- For city/regional-scale projects: **LOW** 0-49; **MEDIUM** 50-99; **HIGH** 100 or more
- For rural projects: **LOW** 0-14; **MEDIUM** 15-29; **HIGH** 30 or more

#### **Quality**

Selection in response to **Community Engagement Questionnaire**, Question 4:

- **LOW** 4a or 4b; **MEDIUM** 4c or 4d; **HIGH** Any from 4e

#### **Equity**

Selection in response to **Community Engagement Questionnaire**, Question 5:

- **LOW** None or 1; **MEDIUM** 2 or 3; **HIGH** 4 or more

The total community engagement level will then be evaluated based on the quantity, quality, and equity of community engagement as follows:

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- If two or more of these categories are **low**, the overall engagement level is **LOW**
- If two or more of these categories are **medium**, the overall engagement level is **MEDIUM**
- If two or more of these categories are **HIGH**, the overall engagement level is **HIGH**
- If each category is in a separate rank (one low, one medium, and one high), the overall engagement level is **MEDIUM**