STAFF REPORT

MEETING DATE:	**April 25, 2024**
SUBJECT:	**Adopt Resolution 24-05 Delegating Authority to Executive Director to be the Authorized Agent for Low Carbon Transit Operations Program**
AGENDA ITEM:	**14**
STAFF CONTACT:	**Jennifer Pollom, AICP, Senior Transportation Planner**

SUMMARY:

The fiscal year (FY) 2023/24 Low Carbon Transit Operations Program (LCTOP) allocation to the Shasta Regional Transportation Agency (SRTA) totals $475,286, with an additional $24,587 that is designated solely for the Redding Area Bus Authority's (RABA) use. SRTA's LCTOP policy (Chapter 3.27) is provided as Attachment A. Staff solicited project ideas from RABA and Dignity Health Connected Living (DHCL), with RABA providing three project ideas, consistent with their Short-Range and SRTA's Long-Range transit plans, totaling $499,873. Staff recommends contributing all regional funds to RABA's projects. Applications are due by Friday, April 26, 2024, or the funds will be redistributed elsewhere in California.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Approve contributing all FY 2023/24 regional LCTOP funds totally $475,286 to RABA's projects;
2. Adopt Resolution 24-05 (Attachment B), delegating authority to the executive director to be the Authorized Agent for LCTOP funds now and in the future.

DISCUSSION:

LCTOP provides public transportation funding for new or enhanced transit services that reduce greenhouse gas emissions and improve mobility. The State Controller's Office's released the eligibility letter with fund amounts on February 29, 2024. Caltrans then issued a call for projects on March 1, 2024. For the FY 2023/24 LCTOP allocation, the Redding Area Bus Authority (RABA) is the sole applicant. RABA is requesting SRTA to contribute the regional LCTOP funds to three projects which are listed in the table below.

Project	Project Description	Project Amount
Free Summers in Shasta (on all transit)	Free fare days starting July 1, 2024 to September 30, 2024 for RABA and CTSA based on fare per boarding	$350,000
Mobility Management	Hire Mobility manager to manage and deliver coordinated transporation services to customers such as, Volunteer driver program, Travel training, etc.	$103,738
Lifeline Transit Program	Fare subsidy program for passengers who meet the Department of Health and Human Services Poverty Guidelines	$46,135
	Total Amount (including regional funds and RABA specific funds):	$499,873

Staff reviewed preliminary project information from RABA and confirmed that the above projects meet the program guidelines and show that they would reduce GHG emissions. Applications are due to

Caltrans by Friday, April 26, 2024, or the funds will be redistributed elsewhere in California. A resolution from SRTA approving the allocation of regional funds is necessary.

Since RABA is requesting SRTA to contribute funds toward the projects a contribution letter from SRTA is required. Caltrans, on approval of the project applications, would then directly provide the funds to RABA, who would be responsible for administration and reporting on use of the funds. Only an "Authorized Agent" can sign the contribution letter. To create efficiency in SRTA LCTOP administrative duties for current and future LCTOP funds, staff recommends the board of directors delegate authority to the executive director to be SRTA's ongoing "Authorized Agent" for LCTOP agreements, documents, and reports in Resolution 24-05. Staff would still seek board approval for current or future allocations of funds or any changes thereof, per SRTA's LCTOP policy.

ALTERNATIVES:

The board of directors could choose to contribute funds to only some of the requested projects or choose to not contribute funds to any of the projects. This would require SRTA staff to immediately seek a possible extension to submitting projects to Caltrans and then to identify other regional transit projects with our transit partners that meet program guidelines to reduce greenhouse gas emissions and improve mobility. Due to the LCTOP program schedule it seems highly unlikely an extension may be provided and likely would result in the loss of a portion of some or all funding for the region that would go to other areas of the state.

OTHER AGENCY INVOLVEMENT:

Staff reached out to eligible publc transit providers for project ideas on the use of the FY 2023/24 LCTOP funds. */// The Technical Advisory Committee (TAC) met on April 11, 2024, to review and discuss the staff recommendation and to vote on the matter. ///*

FISCAL IMPACT:

The requested action makes efficient use of regional LCTOP funds by reducing administrative tasks for SRTA and RABA, and maximizing funds for servies and projects to meet regional transit needs. Funds have only been "made available" to the region and require approval by Caltrans. Should projects be approved for funding, Adopting Resolution 24-05 allows funds to flow directly to RABA for use.

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Sean Tiedgen, AICP, Executive Director

Attachments:

A: Chapter 3.27 - Low Carbon Transit Operations Program Policy

B: Resolution 24-05: Delegating Authority to Executive Director to be the Authorized Agent for Low Carbon Transit Operations Program must be submitted to accrue funding. Funding may accrue for up to four years. Any fund accrual requires SRTA Board of Directors' approval.

C. Contracting
   1. Once projects have been approved by the SRTA Board of Directors, they will be referenced in and attached to a local agency's sub-recipient cooperative agreement with SRTA or amended into an existing agreement.

   2. If the grantee does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the grantee will be required to enter into a technical services agreement with SRTA. If the grantee cannot enter into a sub-recipient agreement and/or technical services agreement with SRTA, SRTA may be unable to award SGR funds to the grantee.

   3. No work can begin on a project until a sub-recipient cooperative agreement or technical services agreement is fully executed or amended.

D. Invoicing
   1. Invoices will be paid on a reimbursement basis for work completed, dependent on receiving SGR allocations from the SCO. Local agencies will provide sufficient documentation to support any invoice. Project updates must be provided quarterly to SRTA in writing.

   2. Local agencies will inform SRTA of project completion in writing within 30 days of completion.

CHAPTER 3.27 – LOW CARBON TRANSIT OPERATIONS PROGRAM POLICY

(Adopted 10-20-2020)

3.27.010 – PROGRAM OVERVIEW

A. The Low Carbon Transit Operations Program (LCTOP) is a noncompetitive, formula program funded by the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 with Senate Bill 862. Funds are deposited into the State Transit Assistance account and then distributed by formula, with half of the LCTOP funds being allocated to regional agencies according to population (Public Utilities Code (PUC) 99313) and half of the LCTOP funds allocated to transit agencies according to transit operator revenues (PUC 99314). The Shasta Regional Transportation Agency (SRTA) is responsible for overseeing project selection for the population-based LCTOP fund allocations, not the transit operator revenues-based fund allocations. Therefore, this policy addresses the population-based (PUC 99313) regional allocations only.

B. The purpose of the LCTOP is to provide operating and capital assistance to transit agencies with the goal of reducing greenhouse gas (GHG) emissions and improving transit ridership and mobility—with an emphasis on serving Disadvantaged Communities and low-income communities.

C. SRTA's role in this program is to drive the development of joint local-regional projects that best meet LCTOP guidelines, SRTA priorities, regional and local transit plans, and implement the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

D. Additional details are available in the most current LCTOP Guidelines published by the Caltrans Division of Rail and Mass Transportation, located at http://www.dot.ca.gov/drmt/splctop.html. LCTOP Guidelines supersede information presented in this policy.

3.27.20 – PROJECT ELIGIBILITY

A. LCTOP funds provide operating and capital assistance to transit agencies for projects that reduce GHG emissions and improve transit mobility. Projects should be prioritized to benefit DACs and low-income communities. Project eligibility is defined per PUC Section 75230(f) (1-3) and is summarized below.

B. Eligible Projects and Expenses:
   1. Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, 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.

C. Ineligible Projects and Expenses:
   1. The program is not based on reimbursements; therefore, Lead Agencies cannot expend LCTOP funds on costs incurred prior to LCTOP award/approval. Additionally, any request or expenditure identifying a phase prior to construction will likely be ineligible for the program.

   2. Projects must start within six months after SRTA, or transit operator(s) receive(s) LCTOP funds from the State Controller's Office (SCO). Apportionments will not be held by the SCO into the following year and should be expended/planned for annually according to the LCTOP Guidelines. Recipients have the ability to fund "new or expanded services" with single or multiple years of LCTOP funding as long as the agency is not supplanting funds; services are considered to be new for a specific timeframe (see the most current LCTOP Guidelines), and after that must secure alternative funding.

3.27.30 – REGIONAL FUNDING PRIORITIES

A. SRTA will support the development and implementation of projects that best achieve the state's LCTOP goals, meet the transit needs of the region, and make progress toward transit-related objectives and targets in SRTA's RTP/SCS and other regional planning documents (e.g. short/long-range transit plans, annual Unmet Transit Needs Assessment, transit asset management plan, etc.).

B. SRTA will prioritize funding to projects that show they have the potential to reduce GHGs, increase transit mobility, or lead to the implementation of zero-emission technology. The following priorities, in order of priority, will generally guide project selection:
    1. Specialized and demonstration transit projects approved by the board of directors as part of the Unmet Transit Needs Assessment that seek to increase transit mobility and efficiency while reducing emissions, including any needed capital costs to implement such services;
    2. Operational projects that increase transit mode share or efficiency;
    3. Targeted reduced or free fare programs that encourage increased transit ridership;
    4. Replacement or modernization of rolling stock, including replacement of diesel or gas vehicles with hybrid or zero-emission vehicles and the supporting equipment and infrastructure; and
    5. New zero-emission vehicles and the supporting equipment and infrastructure.

3.27.040 – SRTA AND PARTNER ROLES

A. The SCO is responsible for LCTOP accounting, determining, and publishing available funding amounts, and distributing funds to approved recipients.

B. The California Air Resources Board (CARB) is responsible for developing the methodologies for quantifying and reporting of GHG emissions reductions and other co-benefits and working with Caltrans to determine the eligibility of the projects submitted by the Lead Agency (SRTA for the Shasta County regional allocation) for funding.

C. In coordination with CARB, Caltrans is responsible for administering the LCTOP Program, including providing technical assistance and guidance to local agencies in preparing requests for funds, evaluating agencies' requests for funds, and reviewing and providing concurrence on agency-submitted projects.

D. SRTA is responsible for the following activities:
    1. Maintain a separate bank account for LCTOP funds;
    2. Submit an Authorized Agent Form identifying the agent who has the authority to act on behalf of SRTA and a Certifications and Assurances Form (requires board of directors approval);
    3. Submit a board-approved Allocation Request annually during the open call for projects (including Allocation Request Form, Quantification Methodology Tool, Funding Plan, Disadvantaged Communities and/or Low-Income Communities Maps, etc.).
    4. Submit all required reporting including Semi-Annual Reports, Close-Out Reports, Expenditure Reports, and any additional reporting initiated by CARB and/or Caltrans.

3.27.050 – ADDITIONAL PROCEDURES

A. Allocation Request Modification (Corrective Action Plan)
A Corrective Action Plan (CAP) is required in order to change an approved Allocation Request. Board approval of the CAP is required if the Authorized Agent and/or Certifications and Assurances for any involved agencies/projects has changed substantially. A CAP also requires Caltrans and CARB approval.

B. Fund Accrual
A full Allocation Request must be submitted each year. Unrequested funds will not be held by the SCO for a future request and may be reallocated to other eligible agencies.

C. Annual LCTOP Timeline (per the Fiscal Year (FY) 2019/20 Guidelines)

Caltrans posts LCTOP guidelines for upcoming FY funds. SCO notifies agencies of available funding for the FY.	January
SRTA/Transit Operator Allocation Requests Due to Caltrans	March
Caltrans and CARB approve projects and submit to SCO	Mid-June
SCO releases project funding to SRTA	June 30
Semi-Annual Report due to Caltrans (on data October 1 – March 31)	May 15
Semi-Annual Report due to Caltrans (on data April 1 – September 30)	November 15

3.27.060 – CONTRACTING

A. Once projects have been approved by the SRTA Board of Directors, Caltrans and CARB, projects will be referenced in, and attached to, a transit operator's sub-recipient cooperative agreement with SRTA, as applicable. If the operator does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the operator may be required to enter into a technical services agreement with SRTA.

3.27.070 – PROJECT MANAGEMENT AND DELIVERY

A. Invoices will be paid on a reimbursement basis for work completed. Transit operators will provide documentation sufficient to support any invoice, and, at a minimum, provide quarterly updates to SRTA in writing. Transit operators will work with SRTA to provide all information necessary for submitting complete semi-annual and close-out reports to Caltrans. Transit operators will inform SRTA of project completion in writing.

RESOLUTION 24-05

A RESOLUTION OF THE SHASTA REGIONAL TRANSPORTATION AGENCY DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO BE THE AUTHORIZED AGENT FOR LOW CARBON TRANSIT OPERATIONS PROGRAM

WHEREAS, the Shasta Regional Transportation Agency (SRTA) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, SRTA received an allocation of $475,286 in regional (PUC 99313) LCTOP funds for fiscal year (FY) 2023/24; and

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

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors; and

WHEREAS, the SRTA Board of Directors wishes to delegate authority to execute LCTOP authorized agent forms to the executive director;

NOW, THEREFORE, BE IT RESOLVED that the Shasta Regional Transportation Agency:

1. Agrees to comply with all conditions and requirements set forth in the LCTOP Authorized Agent documents and applicable statutes, regulations, and guidelines for LCTOP funded transit projects; and
2. Authorizes the Executive Director to execute all required documents of the LCTOP program and any amendments thereto with Caltrans now and in future LCTOP cycles.

PASSED AND ADOPTED this 25th day of April 2024, by the Board of Directors of the Shasta Regional Transportation Agency by the following vote:

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Mark Mezzano, Chair
Shasta Regional Transportation Agency

ATTEST:

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Sean Tiedgen, AICP, Executive Director
Shasta Regional Transportation Agency