

STAFF REPORT



MEETING DATE:	October 26, 2023
SUBJECT:	Receive Update on California Senate Bill 125 Formula-Based Transit and Intercity Rail Capital Program (TIRCP), Zero-Emission Transit Capital Program (ZETCP), and Hydrogen Fueling Station for Intercity Bus Service
AGENDA ITEM:	16
STAFF CONTACT:	Mehdi Moeinaddini, Associate Transportation Planner

SUMMARY:

The Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) provide regional formula grants to fund capital and operational improvements for California's intercity, commuter, and urban rail systems, as well as bus and ferry transit systems. SRTA is receiving a regional allocation totaling \$21,534,813 in combined TIRCP/ZETCP funds for Fiscal Years (FYs) 2023/24 through 2026/27. Before receiving funds, SRTA must submit an Initial Allocation Package to the California State Transportation Agency (CalSTA) by December 31, 2023, and a long-term capital financial plan by June 30, 2026. SRTA is discussing project ideas with regional partners for use of the funds, including the necessary funding match for the potential hydrogen refueling station at the Redding Area Bus Authority (RABA) maintenance property.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Receive an update on Senate Bill (SB) 125 formula based TIRCP and ZETCP funding, and the hydrogen refueling station; and
2. Provide suggestions to staff regarding capital or operational projects to explore with regional transit partners.

DISCUSSION:

Background – Assembly Bill (AB) 102 and Senate Bill (SB) 125 amended the 2023 California Budget Act to provide \$4 billion from the General Fund to the TIRCP and \$910 million from the Greenhouse Gas Reduction Fund (GGRF) funding along with \$190 million from Public Transportation Account (PTA) funding for the ZETCP. TIRCP was established to fund essential capital improvements for California's intercity, commuter, and urban rail systems, as well as bus and ferry transit systems. Included was a set-aside specifically for zero-emission public transportation projects, which is seen as early support for a region's implementation of Innovative Clean Transit (ICT) regulations. CalSTA is required to oversee the funds statewide, while regional transportation planning agencies (RTPA) must administer the funds for their respective regions.

Funding – A combined total of \$21,534,813 in TIRCP/ZETCP funds are being allocated to the Shasta region over the next four years, as shown in the table on page two. CalSTA must distribute FY 2023/24 funds to RTPAs by June 30, 2028, based on not-yet-developed, short-range and long-

range transit capital programs. Once funds are distributed to RTPAs, there is no specific deadline for expending the funds. SRTA has been allocated the following funding amounts (see next page):

State TIRCP/ZETCP Funding Available by Fiscal Year

	FY23-24	FY24-25	FY25-26	FY26-27
TIRCP	\$9,423,391	\$9,446,427	-	-
ZETCP	\$993,316	\$557,226	\$557,226	\$557,226

Eligible projects – In order to qualify for TIRCP capital project funding projects must demonstrate two things (see Attachment A, Section 5):

1. Ability to reduce greenhouse gas emissions; and
2. Ability to result in increased transit ridership.

A number of projects can be funded, including but not limited to:

- Rail capital projects including intercity, commuter, and urban rail improvements.
- Bus rapid transit, intercity and regional transit capital, and services.
- Smart phone mobile ticketing, contactless payment, or integrated ticketing.
- Projects related to mitigating impacts on freight rail services.
- Housing-accessibility projects.

ZETCP provides funding for projects related to zero-emission transit equipment, transit facilities, and network improvements. This includes replacing aging vehicle fleets with Zero-Emission Vehicles (ZEVs) and associated infrastructure modifications. RTPAs can also use TIRCP and ZETCP funds for transit operating expenses to prevent service cuts and boost ridership.

SRTA Responsibilities – SRTA is responsible for overseeing the administration of the SB 125 TIRCP/ZETCP funds in the Shasta Region. These duties include:

- Distributing funds to eligible public agencies (passenger rail, urban rail transit, bus, ferry transit), including the RTPA for its own projects.
- Managing capital and operating projects and partnering with eligible agencies.
- Submitting an Initial Allocation Package by December 31, 2023, addressing deficits and improving ridership through 2025/26, project descriptions, and transit operator data.
- Submitting a long-term financial plan by June 30, 2026, demonstrating ridership retention, recovery strategies, and a five-year operating funding forecast.
- Reporting regional transit data monthly on the agency's website.
- Submitting annual reports on project progress, expenses, and remaining funds.

Project proposals – SRTA is working closely with RABA and DHCL to develop project proposals for the short-range capital program, which is due to CalSTA by December 31, 2023. Initial ideas under consideration include using funds as match for the hydrogen fueling station (see discussion below), a potential zero-emission pilot project (infrastructure and vehicles) for DHCL-provided services, and match funding for zero-emission vehicles. Long-term capital program ideas will be

developed over the next couple of years, but may consider things like unified ticketing amongst transit services, Salmon Runner operations support, and first/last mile connections to transit.

Match for Hydrogen Refueling Infrastructure – Phase 2.5 of SRTA's North State Intercity Bus System plan, aimed at developing hydrogen refueling infrastructure, received an allocation of \$9,058,500 in statewide federal Carbon Reduction Program funding (Attachment B). These federal funds must be obligated before September 30, 2024, and be fully expended by September 30, 2028. Both SRTA and Caltrans recommend flexing these funds to the Federal Transit Administration (FTA) which would allow RABA to be the implementing agency for the project, since they have agreements in place with FTA. As the implementing agency, RABA would oversee the construction of a hydrogen refueling station on RABA property located off Market and Ellis streets, with SRTA participation. Any necessary agreements or memorandums of understanding are currently being discussed between RABA, SRTA, and Caltrans staff. Final recommendations would then be presented for future RABA and SRTA board consideration. The CRP or FTA Flex funds require a local match and SRTA staff recommends that ZETCP funds be used to fulfill that requirement, which would not impact regional transit funds.

ALTERNATIVES:

This is an informational item only. The board of directors may request additional information for a presentation at a future board meeting.

OTHER AGENCY INVOLVEMENT:

CalSTA is required to administer SB 125 programs statewide, confirm that regional agency's short-range and long-range capital programs meet SB 125 eligibility requirements, and distribute funds to RTPAs. SRTA and other regional agencies provided input during CalSTA's development of the SB 125 guidelines. The Technical Advisory Committee met on October 11, 2023, to receive an update on SB 125 program funding and guidelines.

FISCAL IMPACT:

SRTA is receiving a regional allocation totaling \$21,534,813 in combined TIRCP/ZETCP funds for FYs 2023/24 through 2026/27. Up to one percent of the funds (\$215,348) can be used for SRTA administration activities. A new work element will be added to SRTA's Overall Work Program for the administration of the program. SRTA can receive funds in advance and must keep funds in dedicated bank accounts and track interest earnings, which must be spent on approved projects.



Sean Tiedgen, AICP, Executive Director

Attachments:

A: CalSTA 2023 SB 125 Guidelines, available online:

(<https://calsta.ca.gov/-/media/calsta-media/documents/sb125-final-guidelines-a11y.pdf>)

B: North State Intercity Bus System: Phase 2.5, Hydrogen Refueling Infrastructure Award Letter

California Department of Transportation

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February 10, 2023

Mr. Sean Tiedgen
Executive Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Dear Mr. Tiedgen:

Congratulations! Your FFY 2020 FHWA Highway Infrastructure Program Project, *North State Intercity Bus System: Phase 2.5, Hydrogen Refueling Infrastructure* - \$9,058,500, meets the program guidelines and has been authorized for funding. The California Department of Transportation has changed this funding to FHWA Carbon Reduction Program to allow additional time for flex fund transfer and fund obligation and will continue to work with the California State Transportation Agency, the Federal Highway Administration, and the Federal Transit Administration to flex the funds for the Project.

Please note these federal funds must be obligated prior to September 30, 2024, or they will lapse. Prior to obligation, federal regulations require, among other things, inclusion in the Federal Transportation Improvement Program (FTIP), a Project Management Plan, Real Estate Acquisition Plan, and environmental clearance. Please therefore program this project into the FTIP at the next available opportunity. You are further advised that all funds must be fully expended by September 30, 2028.

Should you have any questions, please feel free to contact Section 5339 Program Manager, Michael Lange, by phone at 916-907-2217 or by email sent to michael.lange@dot.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads 'Jeanie Ward-Waller'.

JEANIE WARD-WALLER, P.E.
Deputy Director
Planning and Modal Programs

c: Kyle Grading, Chief, Division of Rail and Mass Transportation, Caltrans
Wendy King, Chief, Transit Grants and Contracts, Caltrans
Michael Lange, Senior Transportation Planner, Caltrans
Jenn Pollom, Senior Transportation Planner, SRTA
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