STAFF REPORT

MEETING DATE:	**April 30, 2025**
SUBJECT:	**Approve Contributing Regional Low Carbon Transit Operations Program (LCTOP) Funds to Redding Area Bus Authority (RABA) Projects**
AGENDA ITEM:	**7-9**
STAFF CONTACT:	**Jennifer Pollom, AICP, Senior Transportation Planner**

SUMMARY:

The Fiscal Year (FY) 2024/25 Low Carbon Transit Operations Program (LCTOP) allocation to SRTA totals $463,169 (Attachment A). The Redding Area Bus Authority (RABA) directly receives an additional $24,108 for eligible transit projects. Staff solicited project ideas from RABA – in consultation with Dignity Health Connected Living (DHCL) – with RABA requesting operating expenses for Route 15 serving the Redding Veterans Home, Redding Veterans Administration (VA) Clinic, and Redding Regional Airport, consistent with their Short-Range and SRTA's Long-Range transit plans, totaling $487,277. Staff reviewed the proposed project for consistency with SRTA's LCTOP policy (Attachment B) and recommends contributing all regional funds to RABA's project. Applications were due to Caltrans by April 24, 2025, and RABA's project is pending board approval or the funds will be redistributed elsewhere in California.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Approve contributing regional FY 2024/25 LCTOP funds totaling $463,169 to RABA's project; and
2. Adopt Resolution 25-02 delegating authority to the executive director to be the authorized agent for the FY 204/25 LCTOP funds.

DISCUSSION:

LCTOP provides public transportation funding for new or enhanced transit services that reduce greenhouse gas emissions (GHG) and improve mobility. The State Controller's Office's released the eligibility letter with fund amounts on February 13, 2025. Caltrans issued a call for projects on February 14, 2025. For the FY 2024/25 LCTOP allocation, RABA is the sole applicant. RABA requested that SRTA contribute the regional LCTOP funds to operating expenses for Route 15 which serves the Redding Veterans Home, Redding Veterans Administration (VA) Clinic, and Redding Regional Airport, along with other key regional locations.

Staff reviewed preliminary project information from RABA and confirmed that the project meets the program guidelines and shows that it will reduce GHG emissions. Applications were due to Caltrans by April 24, 2025, and the RABA project is pending board approval, or the funds will be redistributed elsewhere in California.

ALTERNATIVES:

The board of directors may choose to divide the funds among the requested project and other project(s) suggested by the board of directors, request the funds be allocated to a different transit project, or may choose not to contribute funds to any project. This would require SRTA staff to immediately submit a project application extension to Caltrans and then, if granted, identify other regional transit project(s) with our transit partners that meet program guidelines to reduce greenhouse gas emissions and improve mobility. Due to the LCTOP program schedule, an extension by Caltrans may not be granted and could result in the loss of a portion of, or all, funding for the region to other areas of the state.

OTHER AGENCY INVOLVEMENT:

Staff reached out to eligible public transit providers for project ideas on the use of the FY 2024/25 LCTOP funds. */// The Technical Advisory Committee (TAC) met on April 9, 2025, to review and discuss the LCTOP contribution and to vote on the matter./// ///The RABA board of directors approved/disapproved the requested project at their April 21, 2025, board meeting.///*

FISCAL & POLICY COMMITTEE REVIEW:

///The Fiscal & Policy Committee met on April 14, 2025, to review and discuss the FY 2024/25 LCTOP funds 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 services 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 25-02 allows funds to flow directly to RABA for use.

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Sean Tiedgen, AICP, Executive Director

Attachments:

A: Letter from CA State Controller: Fiscal Year 2024/25 Low Carbon Transit Operations Program
B: Chapter 3.27 - Low Carbon Transit Operations Program Policy
C: Resolution 25-02 delegating authority to the executive director to be the authorized agent for the fiscal year 2024/25 LCTOP funds

MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

February 13, 2025

County Auditors
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: Low Carbon Transit Operations Program

Pursuant to Health and Safety Code section 39719(b)(1)(B), the State Controller's Office shall allocate five percent of the annual proceeds from the Greenhouse Gas Reduction Fund to the Low Carbon Transit Operations Program. The allocation is made according to the requirements of the Low Carbon Transit Operations Program and pursuant to the distribution formula in sections 99312(b) or (c), 99313, and 99314 of the Public Utilities Code. Enclosed is a schedule that provides the amounts available for the Fiscal Year 2024-25 Low Carbon Transit Operations Program.

Please contact Lucas Rasmussen by telephone at (916) 323-1374 or by email at LRasmussen@sco.ca.gov with any questions or for additional information.

Sincerely,

Evelyn Calderon-Yee

Digitally signed by Evelyn Calderon-Yee
Date: 2025.02.13 07:56:39 -08'00'

Evelyn Calderon-Yee
Bureau Chief, Bureau of Payments

Enclosure

STATE CONTROLLER'S OFFICE

LOW CARBON TRANSIT OPERATIONS PROGRAM

ELIGIBLE ALLOCATION FISCAL YEAR 2024-25 SUMMARY

Regional Entity	PUC 99313 Fiscal Year 2024-25 Eligible Allocation	PUC 99314 Fiscal Year 2024-25 Eligible Allocation	Total Fiscal Year 2024-25 Eligible Allocation
	A	**B**	**C= (A + B)**
Metropolitan Transportation Commission	$ 19,614,875	$ 54,192,959	$ 73,807,834
Sacramento Area Council of Governments	5,129,210	1,752,746	6,881,956
San Diego Association of Governments	2,459,899	602,434	3,062,333
San Diego Metropolitan Transit System	6,046,677	2,480,331	8,527,008
Tahoe Regional Planning Agency	279,814	15,981	295,795
Alpine County Transportation Commission	3,047	228	3,275
Amador County Transportation Commission	102,383	3,623	106,006
Butte County Association of Governments	532,266	28,832	561,098
Calaveras County Local Transportation Commission	115,904	1,410	117,314
Colusa County Local Transportation Commission	56,200	2,501	58,701
Del Norte County Local Transportation Commission	68,094	3,631	71,725
El Dorado County Local Transportation Commission	450,811	30,721	481,532
Fresno County Council of Governments	2,629,775	472,909	3,102,684
Glenn County Local Transportation Commission	74,275	2,114	76,389
Humboldt County Association of Governments	344,026	58,172	402,198
Imperial County Transportation Commission	472,696	44,086	516,782
Inyo County Local Transportation Commission	48,737	0	48,737
Kern Council of Governments	2,352,871	143,699	2,496,570
Kings County Association of Governments	394,498	15,720	410,218
Lake County/City Council of Governments	173,179	8,857	182,036
Lassen County Local Transportation Commission	72,881	3,318	76,199
Los Angeles County Metropolitan Transportation Authority	25,392,529	33,500,890	58,893,419
Madera County Local Transportation Commission	411,820	13,521	425,341
Mariposa County Local Transportation Commission	43,852	1,296	45,148
Mendocino Council of Governments	231,270	17,003	248,273
Merced County Association of Governments	742,598	35,225	777,823
Modoc County Local Transportation Commission	21,929	1,911	23,840
Mono County Local Transportation Commission	33,242	50,142	83,384
Transportation Agency for Monterey County	1,131,110	348,646	1,479,756
Nevada County Local Transportation Commission	258,930	12,289	271,219
Orange County Transportation Authority	8,144,028	2,925,753	11,069,781
Placer County Transportation Planning Agency	823,895	117,316	941,211
Plumas County Local Transportation Commission	48,699	7,581	56,280
Riverside County Transportation Commission	6,312,864	1,029,514	7,342,378
Council of San Benito County Governments	170,212	2,688	172,900
San Bernardino County Transportation Authority	5,638,394	1,193,958	6,832,352
San Joaquin Council of Governments	2,045,568	458,191	2,503,759
San Luis Obispo Area Council of Governments	719,765	49,803	769,568
Santa Barbara County Association of Governments	1,146,641	289,849	1,436,490
Santa Cruz County Transportation Commission	678,675	619,361	1,298,036
Shasta Regional Transportation Agency	463,169	24,108	487,277
Sierra County Local Transportation Commission	8,196	315	8,511
Siskiyou County Local Transportation Commission	112,200	4,817	117,017
Stanislaus Council of Governments	1,418,350	80,568	1,498,918
Tehama County Transportation Commission	166,218	3,455	169,673
Trinity County Transportation Commission	41,136	1,353	42,489
Tulare County Association of Governments	1,237,869	129,756	1,367,625
Tuolumne County Transportation Council	140,627	3,608	144,235
Ventura County Transportation Commission	2,129,456	348,170	2,477,626
State Totals	$ 101,135,360	$ 101,135,359	$ 202,270,719

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. <u>Eligible Projects and Expenses:</u>
   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. <u>Ineligible Projects and Expenses:</u>
   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 25-02

A RESOLUTION OF THE SHASTA REGIONAL TRANSPORTATION AGENCY DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO BE THE AUTHORIZED AGENT FOR THE FISCAL YEAR 2024/25 LOW CARBON TRANSIT OPERATIONS PROGRAM FUNDS

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 $463,169 in regional (PUC 99313) LCTOP funds for fiscal year (FY) 2024/25; 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 by the Board of Directors of the Shasta Regional Transportation Agency, that SRTA hereby:

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.

PASSED AND ADOPTED this 30th day of April 2025, by the Board of Directors of the Shasta Regional Transportation Agency.

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Greg Watkins, Chair
Shasta Regional Transportation Agency

ATTEST:

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Sean Tiedgen, AICP, Executive Director
Shasta Regional Transportation Agency