



***Caltrans***

**LOW  
CARBON  
TRANSIT  
OPERATIONS  
PROGRAM**

[SB 862 (2014)]

DECEMBER 2014

# STARTING POINTS: CLIMATE POLICY TO REDUCE GHG EMISSIONS

- **AB 32 (2006)**
  - Target:
    - Greenhouse Gas (GHG) emissions at 1990 levels by 2020 and maintain reductions
    - Authorized the Cap and Trade Program at the Air Resources Board (ARB)
  
- **SB 375 (2008) and SB 391 (2009)**

Required Sustainable Communities Strategies in Regional Transportation Plans

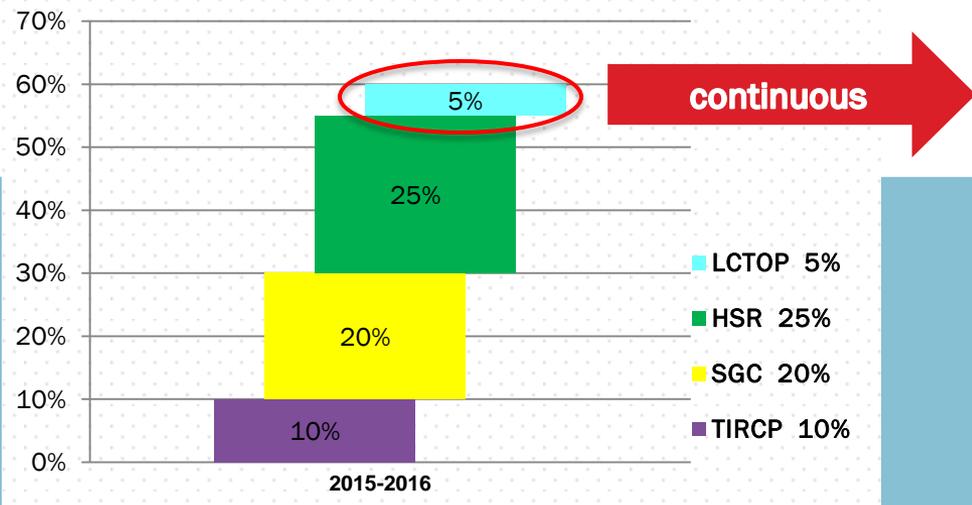
**SB 535 (2012)**

- Directs state and local agencies to make significant investments in disadvantaged communities



## 2014-15 BUDGET – SB 862

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



# WHAT ARE THE KEY LCTOP PURPOSES?

- Provide operating and capital assistance for transit agencies to:
  - *Reduce greenhouse gas emissions*
  - *Improve mobility*
  - *With a priority on serving disadvantaged communities*



# WHAT ARE THE REQUIREMENTS FOR THE TRANSIT AGENCY?

- Comply with guidelines developed by Caltrans and the State Air Resources Board
- Provide the following documents to Caltrans:
  - Annual reporting requirements
  - List of proposed expenditures
  - Required documentation to demonstrate compliance



# WHAT ARE THE ROLES OF STATE AGENCIES?

- Caltrans, in coordination with the Air Resources Board, will:
  - *Establish guidelines describing methodologies to meet criteria*
  - *Determine eligibility of proposed expenditures*
  - *Establish reporting requirements*



# WHAT ARE THE ROLES OF STATE AGENCIES?

- The Strategic Growth Council will review guidelines for consistency with State policy
- Caltrans will notify the State Controller's Office of approved expenditures and allocation amounts
- SCO shall allocate funding



California  
Strategic Growth Council



# WHO IS AN ELIGIBLE APPLICANT FOR LCTOP FUNDING?

- **50% to Regional Entities based on Population**
  - Allocation based on Public Utilities Code (PUC) 99313
- **50% to Transit Agencies based on Farebox Revenue**
  - Allocation based PUC 99314

\*Agencies qualified as recipients of funds under PUC 99314, may also receive funds from PUC 99313 as determined by each Regional Entity.



# KEY ELIGIBILITY REQUIREMENT FOR ALL *LCTOP* PROJECTS:

- **Must directly enhance or expand transit service to increase mode share**
  - Cal. Pub. Res. Code section 75221, subd. (b) (2)
- **“[A] project shall demonstrate that it will achieve a reduction in [GHG] emissions.” (Emphasis added.)**
  - Cal. Pub. Res. Code section 75221, subd. (b) (3)
- **The State Air Resources Board will develop guidelines for benefiting disadvantaged communities (where applicable for transit agencies)**
  - Cal. Gov. Code section 39715



# WHAT PROJECTS ARE ELIGIBLE FOR FUNDING?

Moneys for the program shall be expended to provide transit operating or capital assistance that meets all of the following criteria:

- (1) Expenditures 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) The recipient transit agency demonstrates that each expenditure directly enhances or expands transit service to increase mode share.
- (3) The recipient transit agency demonstrates that each expenditure reduces greenhouse gas emissions



# WHAT PROJECTS ARE ELIGIBLE FOR FUNDING?

Expand Transit Service:

Example:

- Implement bus rapid transit (for new routes or expansion of existing routes)
- Increase service (extend transit routes, increase frequency of service, extend service hours)
- Free or reduce-fare transit passes/vouchers
- Increase capacity on routes nearing capacity (add more buses, or rail cars to existing routes)



# WHAT PROJECTS ARE ELIGIBLE FOR FUNDING?

Projects that Support New/Expanded Transit Services:

Examples but, not limited to:

- Purchase zero-emission or hybrid vehicles and equipment (e.g. buses, railcars, auxiliary electrical power units)
- Expanded intermodal transit facilities
- Install new transit stops/stations that connect to bike paths/pedestrian path
- Upgrade transit vehicles to support active transportation and encourage ridership (e.g., bicycle racks on buses; bicycle storage on rail cars)



# UPDATE & 2014-15 TIMELINES

- Draft LCTOP Guidelines published Nov. 7, 2014
- Public Comments due to Caltrans Dec. 10, 2014
- Interim Guidelines Dec. 19, 2014

## Cycle 1

- Agencies submit expenditure proposals Feb. 2, 2015
- Caltrans and ARB concurrently review expenditures and submit
- Approved projects to the SCO April 1, 2015
- SCO releases 75% of approved amount of funds  
to recipients April 15, 2015
- SCO releases remaining 25% of approved amount June 30, 2015



# Update & 2014-15 Timelines

## Cycle 2

- Agencies submit expenditure proposals April 15, 2015
- Caltrans and ARB concurrently review expenditures and submit June 10, 2015
- SCO releases of approved amount of funds to recipients June 30, 2015



For Program information

<http://www.dot.ca.gov/hq/MassTrans/lctop.html>