

To: Administration & Finance Committee

Date: 01/27/2020

From: Ruby Horta, Director of Planning, Marketing & Innovation

Reviewed by: *WC.*

SUBJECT: Cap and Trade Grant (LCTOP) – FY 2019-20

Background:

The Cap and Trade funding program for transit is titled Low Carbon Transit Operations Program (LCTOP). The initial three years of funding were available from FY 2014-15 to FY 2016-17 and funds were primarily used to operate the Martinez Shuttle – Route 3. Prior to FY 17-18, at least 50% of LCTOP funds had to be used **within ½ mile** of a disadvantaged community (DAC). The FY 17-18 guidelines stated that eligible projects must be “**within a DAC**”. Route 3 was ½ mile from the DAC, thus no longer eligible for these funds. Due to low productivity and lack of funding, Route 3 was eliminated in Fall 2018.

Route 99X was designed to meet the new guidelines, connecting the Martinez Amtrak Station to BART via Pacheco Blvd. and Morello Ave. Additionally, given the increased amount of funds, staff added three trips to the existing weekend route (316), also serving the DAC. These service changes were implemented in Fall 2018. Staff used the remaining 50% of the funds for the Low/No electric bus project – the second set electric buses.

New Guidelines (FY 18-19)

The California Legislature passed Senate Bill 1119 (SB 1119) in 2018, to increase project flexibility by allowing transit agencies to waive the requirement of expending 50% of their total allocation within and benefiting a DAC if the recipient transit agencies expend the funding provided pursuant to the following guidelines:

- a) New or expanded transit service that connects with transit service serving disadvantaged communities or in low-income communities
- b) Transit fare subsidies including, but not limited to, discounted or free student transit passes.
- c) The purchase of zero-emission transit buses and supporting infrastructure.

This bill provided the flexibility needed to implement the fare subsidy project in the Monument Corridor on routes 11, 14 and 16.

Extend Free Fares Pilot

MTC has published an estimate for the region and County Connection is expected to receive \$1.1M.

Staff proposes to use these funds to continue operating service between Amtrak and BART and continue subsidizing the fares for routes: 11, 14 and 16. All of these routes serve AB 1550 low-income communities and an MTC community of concern, which is centered around Downtown Concord and the Monument Corridor. The current pilot has been extremely successful, and this grant provides a guaranteed fare revenue.

Cap & Trade Allocations					
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20*
Revenue Based	\$ 123,087	\$ 56,812	\$ 110,058	\$ 161,497	\$ 164,000
Population-Based	\$ 492,491	\$228,378	\$ 640,697	\$ 971,709	\$ 956,000
Subtotal	\$ 615,578	\$285,190	\$ 750,755	\$1,133,206	\$1,120,000
Local Funds	\$ -	\$ 22,819	\$ -	\$ -	\$ -
Total Revenues	\$ 615,578	\$308,009	\$ 750,755	\$1,133,206	\$1,120,000
Projects Funded					
Martinez Shuttle	\$ 308,009	\$308,009	\$ -	\$ -	\$ -
Electric Trolley/Bus	\$ 307,569	\$ -	\$ 375,377	\$ -	\$ -
Martinez Amtrak to BART	\$ -	\$ -	\$ 375,378	\$ 375,378	\$ 215,710
Subsidized Fares (11, 14, 16)	\$ -	\$ -	\$ -	\$ 757,828	\$ 904,290
Total Expenses	\$ 615,578	\$308,009	\$ 750,755	\$1,133,206	\$1,120,000
*MTC estimates for planning purposes					

Recommendation:

Staff recommends that the A&F Committee forward the proposed LCTOP project funding allocation to Board for approval. The additional year for subsidized fares on Routes 11, 14, and 16 will cover FY 20-21.

Financial Implications:

Using FY 2019-20 LCTOP to fund service operating within the DAC (\$215,710) and continue the fare subsidy for one additional year on Routes 11, 14, and 16 (\$904,290).