

To: Marketing, Planning & Legislative Committee

Date: 10/03/2018

From: Ruby Horta, Director of Planning & Marketing

Reviewed by: WC.

SUBJECT: Senate Bill 1119 – LCTOP Funding

Background:

The Low Carbon Transit Operations Program (LCTOP) is the state's Cap and Trade funding program for transit. When the program started in FY 2014-15, it required that at least 50% of the funds were used on projects within ½ mile of a disadvantaged community (DAC). The only DAC in County Connection's service area is in Martinez and is roughly bounded by Pacheco Blvd./Howe Rd. and Pacheco Blvd./Arthur Rd. During the initial three years, LCTOP funds were primarily used to operate the Martinez Shuttle – Route 3, which ran within ½ mile of the DAC, and to supplement the purchase of electric buses.

New guidelines, which were introduced in FY 2017-18, modified the program requirements to state that eligible projects must be within a DAC. Since Route 3 did not fulfill this requirement, the route was eliminated and replaced with a new route, Route 99X, which directly serves the DAC.

Senate Bill 1119:

Senate Bill (SB 1119) was approved in September 2018 and again modifies the spending requirements for LCTOP funds. The change introduces a waiver to the requirement to spend at least 50% of LCTOP funds on projects within a DAC if funds are used for any of the following:

1. New or expanded transit service in low-income communities, as defined by the Health and Safety Code
2. Transit fare subsidies
3. Purchase of zero-emission transit buses and supporting infrastructure

LCTOP Potential Project Proposal:

The Monument Corridor in Concord is located within a low-income community, as defined by the Health and Safety Code. The area is currently served by Routes 11, 14 and 16 on weekdays and Routes 311 and 314 on weekends. One possible use of future LCTOP funds

would be to provide free or discounted fares on routes serving the Monument Corridor, which would not only satisfy the expenditure requirement by using the funds for transit fare subsidies, but it would also directly benefit a low-income community. Staff has yet to define the actual project, but this potential proposal would likely generate additional ridership on these routes.

The FY18-19 LCTOP program will be funded by the four auctions from calendar year 2018. With one auction to go, the trend suggests that funding levels will see a sizable increase, potentially in the 30-50% range. Applications for the next round of LCTOP funding will be due around March 2019.

Recommendation:

Staff prepared this item as information only and would like to request feedback from the Committee before finalizing the project.

Financial Implications:

Any future proposal would be funded with LCTOP funds.