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**Title:** RESOLUTION - Authorizing submission of funding requests to the Low Carbon Transit Operations Program for bus service operating support and maintenance facility improvements, execution of grant award documents if awarded, and execution of related Certifications & Assurances and Authorized Agent Forms

**Sponsors:** Department of Transportation

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**Attachments:** 1. Resolution, 2. Certifications and Assurances

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**REPORT TO THE CITY COUNCIL**

**FROM:** JOE VARGAS, Director  
Department of Transportation

**BY:** BELINDA McMILLAN HAENER, Interim Assistant Director  
Department of Transportation

**SUBJECT**

RESOLUTION - Authorizing submission of funding requests to the Low Carbon Transit Operations Program for bus service operating support and maintenance facility improvements, execution of grant award documents if awarded, and execution of related Certifications & Assurances and Authorized Agent Forms

**RECOMMENDATION**

Staff recommends Council approve a resolution authorizing the Director of Transportation or designee to submit a 2021-22 Low Carbon Transit Operations Program (LCTOP) funding requests to the California Department of Transportation (Caltrans) to fund one (1) year of operating support for continued service enhancements and maintenance facility improvements to accommodate Hydrogen Fuel Cell Buses (FCEBs). Additionally, staff recommends the Director of Transportation or designee execute and file all necessary funding documents on behalf of the City and execute the required Certifications and Assurances and Authorized Agent Forms.

**EXECUTIVE SUMMARY**

In 2015, Council approved a continuing authorizing resolution to enable the Department to apply for and receive LCTOP funding each year. Caltrans is requesting that the Department provide a new resolution each year that specifies the projects to be funded with that year's funding allocation. The attached resolution includes both the authorization to execute funding agreements and specifies the project to be funded.

Previously, FAX utilized LCTOP funding for unscheduled extra service during peak ridership hours, for the first, second, and third years of service for the Increased Frequency Weekend Service, and for Extended Night Service. LCTOP has also funded the purchase and install of real-time bus stop displays, ADA accessibility improvements, and two years of service enhancements including the new FAX Route 03 (Herndon cross-town through Council Districts 2 and 6) and the Route 28 alignment to serve the new Fresno County Department of Social Services (DSS, through Council Districts 1, 3, 4, and 7).

There is a three-year funding limit for new services, and this year the LCTOP funding will be used to provide the third and final year of operating support for Route 03 service, as well as the interline of FAX Routes 12 (West of 99, through Council Districts 1 and 2) and 35 (Olive cross-town, through Council Districts 3, 4, and 7). Should this round of LCTOP funding not be applied to the continuation of these service enhancements, the operating costs would have a premature impact on enterprise funds used to sustain current service levels.

The current application will also request funding for improvements to the FAX maintenance facility, to accommodate incoming hydrogen FCEBs that will be purchased under separate federal funding. The maintenance upgrades will include a hydrogen gas detection system and new insulated rollup doors that will open automatically if dangerous gas levels are detected. These enhancements are necessary to ensure the safety of staff maintaining the FCEBs.

## **BACKGROUND**

Senate Bill 862 (2014) included the Low Carbon Transit Operations Program (LCTOP) to fund transit-specific projects in California to serve disadvantaged communities (DACs) and improve air quality by providing demonstrable reductions in Greenhouse Gas Emissions (GHGs). LCTOP funding may only be applied to operating projects for the first three years of new or expanded transit service or capital projects that lead to significant reductions of GHG emissions whose benefits are realized by residents of disadvantaged and/or low-income communities. LCTOP funds may not be used as general capital or operating support or revenue replacement for lost transit fares.

To qualify for LCTOP funding, FAX must quantify the anticipated GHG reductions within approved DACs of the proposed project using the California Air Resources Board (CARB) Benefits Calculator Tool in the application and in all progress reports. This Benefits Calculator Tool ensures the proposed project avoids substantial burdens, such as physical or economic displacement of low-income households, small businesses, minority or women-owned businesses, or increase exposure of low-income households to toxic pollutants or other health risks. The Benefits Calculator Tool also estimates the following selected co-benefits and key variables from LCTOP projects: reductions in criteria and toxic air pollutants (in tons), including diesel particulate matter (PM), nitrogen oxide (NOx), reactive organic gases (ROG), fine PM less than 2.5 micrometers, passenger VMT reductions (in miles), fossil fuel use reductions, renewable energy generated in kilowatt hours (kWh), fossil fuel energy use reductions (kWh), travel cost savings (\$), energy savings, and fuel cost savings (\$).

The legislation named the California Department of Transportation (Caltrans) as the administrative agency for LCTOP and defined project sponsors (eligible recipients) that may receive the funding, which includes the City of Fresno Department of Transportation/FAX. The statutes related to state-funded transit projects require an implementing agency to abide by various regulations and Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to local agencies.

The program requires recipient agencies to provide a resolution from their governing body each year to approve the projects. In 2015, Council provided this approval through a continuing authorizing resolution. LCTOP funding received in prior cycles has funded both the Increased Frequency Weekend Service and the Extended Night Service, as well as various bus stop improvements such as real-time bus stop display signs and ADA accessibility improvements. This resolution is to approve applications/funding for the third year of planned service changes and the maintenance facility improvements needed to accommodate incoming FCEBs.

## **ENVIRONMENTAL FINDINGS**

This authorization to submit grant applications is not a “project” for the purposes of the California Environmental Quality Act, pursuant to CEQA Guidelines section 15378.

## **LOCAL PREFERENCE**

Local preference was not considered because this resolution does not include a bid or award of a construction or services contract.

## **FISCAL IMPACT**

There is no fiscal impact to the General Fund from this request. LCTOP grant projects are expected to be funded 100 percent through LCTOP revenues and FAX enterprise match.

Attachments:

Resolution

Certifications and Assurances