

**Metropolitan Transportation Commission
Programming and Allocations Committee**

March 13, 2024

Agenda Item 2f - 24-0215

**MTC Resolution No. 4273, Revised. FY2023-24 Cap and Trade Low Carbon Transit
Operations Program (LCTOP)**

Subject:

A request for approval of MTC's FY 2023-24 LCTOP program (MTC Resolution No. 4273, Revised) distributing approximately \$21 million in population-based (99313) LCTOP funds.

Background:

LCTOP is a formula-based transit funding program that receives 5% of the state's Cap and Trade auction revenues. Funds are allocated annually, with half of the program distributed to transit operators based on revenue, and half distributed to regions based on population.

The State Controller's Office (SCO) is expected to release the FY2023-24 LCTOP eligibility list shortly, distributing an estimated \$192 million to transit operators and Metropolitan Planning Organizations (MPOs) statewide. This year's program is anticipated to distribute approximately \$21 million in population-based funds to MTC and \$60 million in revenue-based funds directly to operators in the region.

FY 2023-24 Population-Based Funds Programming

For MTC's share (approximately \$21 million), projects are programmed based on the Cap and Trade Funding Framework, MTC Resolution No. 4130, Revised, adopted in April 2016.

Approximately \$7.2 million is being distributed to each of the following three project categories. See Attachment A of MTC Resolution No. 4273, Revised for further detail.

1. North Counties/Small Operators. North county and small operators will implement a variety of projects, including service expansion, free or reduced fare programs, and procurement of zero-emission buses and supportive bus-charging infrastructure. At least 60% of the funds from this category will be used for zero-emission buses or infrastructure.
2. Clipper/Fare Policy. Staff recommend applying these funds to Next Generation Clipper Operations to support account-based back office operations in preparation for the public launch of Open Payment capability, including communication and education of new

account-based features and expanded customer operations, expansion of the Clipper START means-based pilot program, single and multi-operator trip and fare capping (day, week, and monthly pass accumulators), improvements and upgrades to the Regional Transit Connection (RTC) Discount program, expanded regional no-cost/reduced cost inter-operator fare policies, and other regional transit fare programs and initiatives.

3. Key Transit Corridors. This category is distributed under the Transit Performance Initiative (TPI). The Cap and Trade Funding Framework sets aside minimum percentages over five years for SFMTA, VTA, and AC Transit within the key transit corridors category. For FY23-24, staff recommend focusing on these three operators to help ensure their minimum percentages are met over the current five-year period. Staff have worked with these operators to identify LCTOP-eligible projects proportional to their funding targets.

In selecting projects in the Key Transit Corridors category, staff prioritized consistency with the ongoing Bus Accelerated Infrastructure Delivery (BusAID) program, part of the Transit Transformation Action Plan and Regional Network Management implementation, and consistency with other regional transit priority investments.

- SFMTA Cloud-Based Transit Signal Priority (TSP): will upgrade network equipment and software to implement next-generation TSP across the system. This will improve the functionality of TSP for all high-frequency lines, and particularly benefit the 5 Fulton/5R Fulton Rapid, in alignment with the McAllister Street transit lane project under review for BusAID funding. The project will also complement the existing Muni Forward Five Minute Network TPI project, which will complete street design for transit priority improvements on high-frequency lines.
- VTA Senter Road Bus Boarding Islands and Bulb Outs project: will construct bus boarding islands and bulb outs to reduce transit delays and maintain frequencies. This project scored highly in the initial screening of the BusAID program and will be considered for further BusAID funding.
- AC Transit Cutting Boulevard Project: will improve riders' experience, transit operations and pedestrian safety along Cutting Boulevard in Richmond. The project includes bus stop relocations, bus bulbs, longer bus stops, and accessibility

improvements. The project will complement MTC's RM3-funded Richmond- San Rafael Forward Cutting Boulevard Project, which focuses on bus stops shared by AC Transit and Golden Gate Transit, by adding improvements to AC Transit-only stops along the same corridor.

FY 2022-23 Project Title Correction

This action also includes a correction to the Golden Gate Bridge Highway and Transit District's FY 2022-23 project title, consistent with their submitted and approved Allocation Request.

Issues:

Final Apportionments: The final apportionment amounts were expected to be released by the State Controller's Office in February 2024. Amounts shown in this resolution are based on an estimate released by Caltrans LCTOP program staff. As amounts are formula-driven, staff will pursue an Executive Director Administrative Authority action consistent with MTC Res. No. 4273, Revised to conform programming to exact amounts following the release of apportionments.

Schedule: Project sponsors are responsible for submitting applications to Caltrans (the due date is yet to be announced). Staff recommends that MTC approval of Resolution No. 4273, Revised be conditioned on local support documentation being submitted to Caltrans. Pending Commission approval, staff will submit Resolution No. 4273, Revised to Caltrans as documentation of the region's contribution of population-based funds to the various LCTOP projects.

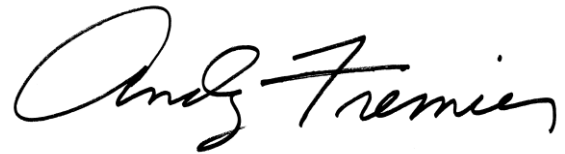
Disadvantaged Communities: LCTOP requires 50% of funds spent in a jurisdiction to benefit a Disadvantaged Community, if any are located in that jurisdiction. As the recipient of population-based funds for the region, MTC must ensure this requirement is met overall for the region's funds. Additionally, the agencies receiving MTC's population-based funds must meet this requirement for their own jurisdiction. These requirements will be met through the list of projects in Attachment A of Resolution No. 4273, Revised, with over 70% of funds going to projects that directly benefit Disadvantaged Communities or otherwise satisfy the state's requirement by investing in zero-emission buses or supporting infrastructure.

Recommendations:

Refer MTC Resolution No. 4273, Revised to the Commission for approval.

Attachments:

Attachment A: MTC Resolution No. 4273, Revised

A handwritten signature in black ink, reading "Andrew B. Fremier". The signature is written in a cursive style with a large initial "A".

Andrew B. Fremier