

SCSPC STAFF REPORT

SUBJECT: Distribution of Low Carbon Transit Operations Program and State of Good Repair Transit Funding

MEETING DATE: July 14, 2021 **AGENDA ITEM:** 6

STAFF CONTACT: Sarkes Khachek

RECOMMENDATION:

- A. Receive presentation on scenarios for distributing regional transit funding from the Low Carbon Transit Operations Program and State of Good Repair Program.
- B. Provide recommendation to SBCAG Board of Directors on scenario to allocate Low Carbon Transit Operations Program and State of Good Repair Program funding.

DISCUSSION:

Since the creation of the State Low Carbon Transit Operations Program (LCTOP) and State of Good Repair (SOGR) Program, SBCAG staff has worked with local transit operators to develop a needs-based approach to fund eligible regional and local transit programs and projects.

Recently, SBCAG staff, in coordination with transit operator partners, has developed a proposal to distribute state transit funding made available to the SBCAG region through LCTOP and SOGR. The proposal is meant to address concerns by transit providers about the equitable distribution of funding for regional and local projects and between North County and the South Coast. The proposal creates regional and local pots for distribution of funds and is included as **Attachment A**.

For North County and South Coast Local Programs, SBCAG staff proposes a nomination process for formula distribution (similar to Transportation Development Act (TDA) programs) rather than a competitive application process. Operators within each program would coordinate on submittal of projects for funding that would not require a competitive selection process. SBCAG will work with transit partners on identifying any needs, however SBCAG staff will provide the final recommendation on projects approved by the SBCAG Board. The proposal does not apply to other transit programs like the Federal Transit Administration (FTA) programs or Transportation Development Act (TDA) programs. However, SBCAG staff will convene transit operator partners if new similar programs are created in the future.

Status of Proposal

SBCAG and Transit Operator Proposal for Distribution of Population Based Funds

After discussions the past few months on various scenarios, SBCAG staff and transit partners have reached consensus on a distribution proposal. While not perfect, the purpose is the proposal is to provide a process that allows for reduced administration and equitable distribution of funding for eligible agencies and projects to meet both regional and local needs. Multiple scenarios were considered that encompassed the various criteria that could be considered for distributing funds such as consideration of National Transit Database data for vehicle revenue hours, vehicle revenue miles, annual trips, vehicle assets, etc. Ultimately, the transit partners felt a percentage distribution formula for each funding program labeled **Option A** in **Attachment A** was the most



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equitable scenario for distributing funds. The proposed distribution proposal was presented to both County Subregional Planning Committees on May 12th.

May 12th Subregional Planning Committee Recommendation:

On May 12th, the North County Subregional Planning Committee provided a recommendation that a second distribution formula option for the regional transit funding programs be brought back to both Subregional Planning Committees that includes the SLORTA Route 10 service in the North County funding pot and not the Regional pot and the Coastal Express/peak hour train service be in the South Coast Pot and not the Regional pot leaving the Clean Air Express as the only eligible service for the regional percentage share. The topic of population split between North County and South Coast was also discussed and staff noted that the current North South split is 52% North and 48% South. The proposal included in **Attachment A** now includes the transit funding distribution recommendation proposed by the North County Subregional Planning Committee as **Option B**.

The South Coast Subregional Planning Committee expressed support for the proposed distribution formula proposal and deferred the item to a future meeting so SBCAG staff could meet with operators again to discuss the North County Subregional recommendation.

Transit Operator Meeting:

SBCAG staff recognized the diligence and dedication that the Santa Barbara County transit operators put into the new distribution formula proposal and felt it that any additional distribution options be discussed before staff returned to the subregional committees with a proposed alternative recommendation.

On June 1st, SBCAG staff reconvened the Santa Barbara County Transit operators regarding the North County Subregional Planning Committee recommendation. The operators supported the original distribution formula (Option A) of regional transit funding for both funding programs.

Staff feels it is important to provide greater context to the subregional committees on the various scenarios considered by transit operator staff which is included as an **Attachment B**.

Options for consideration:

Option A – Recommendation by Transit Operators	Option B – Scenario Provided at May North County Subregional Meeting	Option C – Status Quo
10% to Regional	10% to Regional	State of Good Repair Program: Four-year Programming Cycle with a competitive application process. A scoring committee comprised of each eligible transit operator reviews project applications and scores each project. Proceeding the submitted scores, the scoring

		committee is convened to discuss the submitted scores and offer a four-year programming recommendation to the SBCAG board. Geographic equity is established during the guidelines approval process.
44% of Total Funds for North County Transit Projects/Programs	52% of Remaining Funds for North County Transit Projects/Programs	Low Carbon Transit Operations Program: SBCAG staff convenes transit operators to discuss available funding and prospective projects for submittal. Operators indicate eligible projects for available population-based funds. Transit operators then reach consensus on splitting the available population funds.
46% of Total Funds for South Coast Transit Projects/Programs	48% of Remaining Funds for South Coast Transit Projects/Programs	

Summary of Prior Programming:

SBCAG staff reviewed the prior programming cycles (**Attachment C**) for both regional transit programs over the past five years. The SOGR summary includes two four-year programming cycles as SBCAG just completed a four-year cycle. The total programming for each County geographic area is summarized. With the FY 20/21 LCTOP funding amount being less than the FY 19/20 amount, the deficit will be accounted for with FY 21/22 funding. This is a primary reason why the South Coast total LCTOP funding is higher. The North County LCTOP adjustment will be \$366,657 in FY 21/22 to account for the reduced regional apportionment amount.

Timeline:

Currently SGR funds are programmed through Fiscal Year 24/25 with LCTOP funds programmed through 21/22. SBCAG staff proposes that the LCTOP distribution be implemented in FY 22/23 for a two-year program. Subsequently, SBCAG staff proposes that multiyear programs be developed collectively for both programs starting in FY 25/26.

ATTACHMENTS:

- A. Proposal for Distribution of State LCTOP and SB1 SGR Funding for Regional and Local Transit Improvements
- B. 2019 NTD Service Summary Table
- C. Summary of LCTOP and SOGR Programming

Attachment A -

Proposed Framework for Distribution of State Low Carbon Transit Operations Program (LCTOP) and Senate Bill 1 (SB1) State of Good Repair (SOGR) Funding for Regional and Local Transit Improvements

- **Background:** The proposal described below was developed in coordination with transit operator representatives to identify a process that allows for reduced administration and equitable distribution of funding for eligible agencies and projects to meet regional and local transit needs.
- **Population Based Funding:** The proposal only applies to the population-based funding for the LCTOP and SOGR programs and will not apply to farebox based funding provided by the State directly to eligible operators. With that, SBCAG will convene transit partners if new similar federal or state programs are created.
- **Amounts:** Annually, approximately \$800,000 is available for LCTOP and \$680,000 for SOGR per figures from the State.
- **FTA and TDA Not Included:** The proposal does not apply to other State and Federal Transit Programs (i.e. Federal Transit Administration (FTA) and Transportation Development Act (TDA) Programs).
- **Categories:** The proposal provides recommendations for distribution of LCTOP and SOGR utilizing percentages for Regional and Local Transit Programs and Projects with a percentage share for regional programs and percentage shares for North County Local Programs and South Coast Local Programs.
- **Nomination Process:** For North County and South Coast Local Programs, SBCAG staff proposes a nomination process for formula distribution rather than a competitive application process.
- **Eligible Projects:** Per the respective state LCTOP and SOGR program guidelines, projects must meet program eligibility and nominations must follow any program requirements.
- **Local Program Process:** SBCAG's role for local projects will be to solicit nominations from eligible transit operators and present those nominations to the SBCAG Board for approval. SBCAG will rely upon our transit operators to consult with one another on an equitable distribution of funds in the North and South Programs.
- **Regional Program Process:** SBCAG will work with transit partners on identifying any needs, however SBCAG staff will provide the final recommendation on projects approved by the SBCAG Board. Eligible regional programs include the Clean Air Express, Coastal Express, Passenger Rail, and transit services that provide trips from Santa Barbara County to San Luis Obispo County.
- **Timeline:** Currently SOGR funds are programmed through Fiscal Year 24/25 with LCTOP funds programmed through 21/22. SBCAG staff proposes that the LCTOP distribution be implemented in FY 22/23 for a two-year program. Subsequently, SBCAG staff proposes that multiyear programs be developed collectively for both programs starting in FY 25/26.

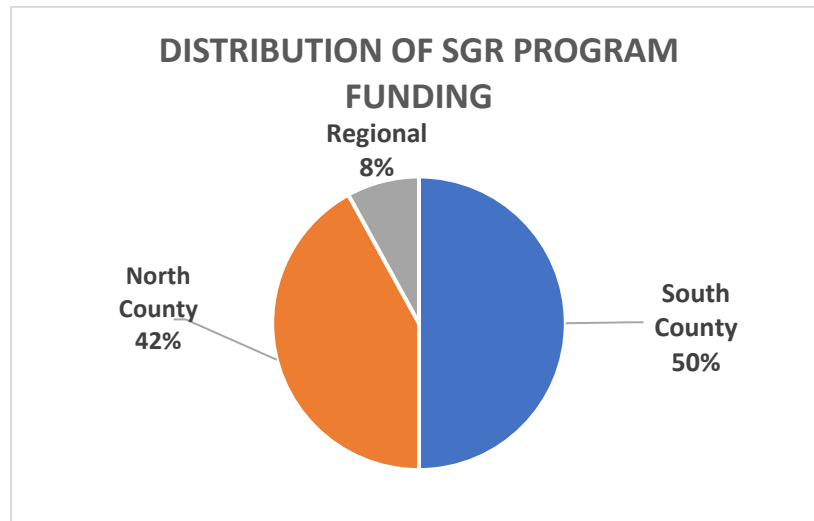
Attachment A -

State of Good Repair Program: Option A

The following is the proposed distribution for the State of Good Repair Program.

The proposal is to provide 50% to South Coast Transit Programs, 42% to North County Transit Programs and the remaining 8% to Regional Transit and Rail Programs.

As noted on page 1, projects must be eligible per the State of Good Repair Program guidelines and sponsors will be responsible for any reporting requirements.



State of Good Repair Program Distribution - \$668k annual estimate		
Proposed Distribution		Available Funding
South County	50%	\$334,000
North County	42%	\$280,560
Regional	8%	\$53,440
Total:	100%	\$668,000

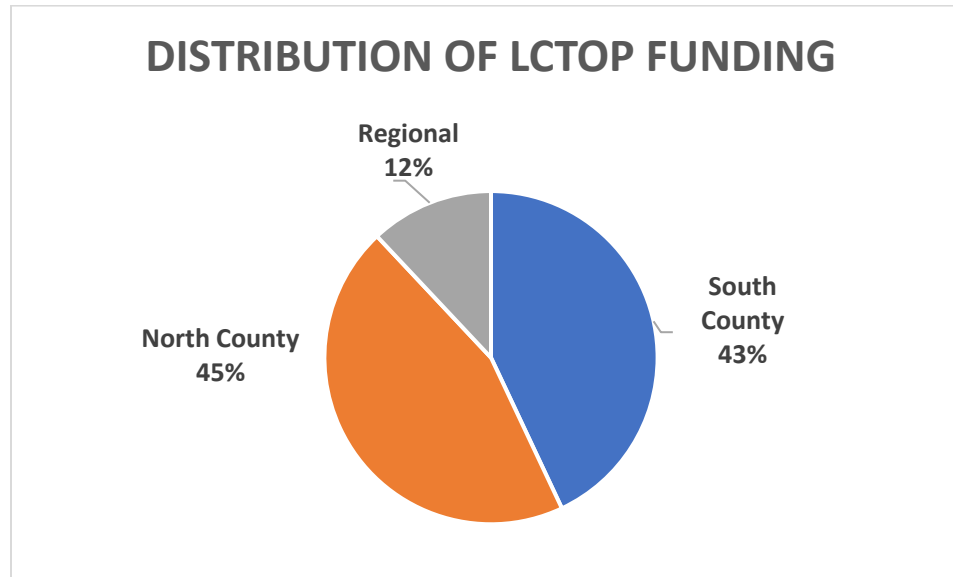
Attachment A -

Low Carbon Transit Operations Program: Option A

The following is the proposed distribution for the Low Carbon Transit Operations Program.

The proposal is to provide 43% to South Coast Transit Programs, 45% to North County Transit Programs and the remaining 12% to Regional Transit and Rail Programs.

As noted on page 1, projects must be eligible per the Low Carbon Transit Operations Program guidelines and sponsors will be responsible for any reporting requirements.

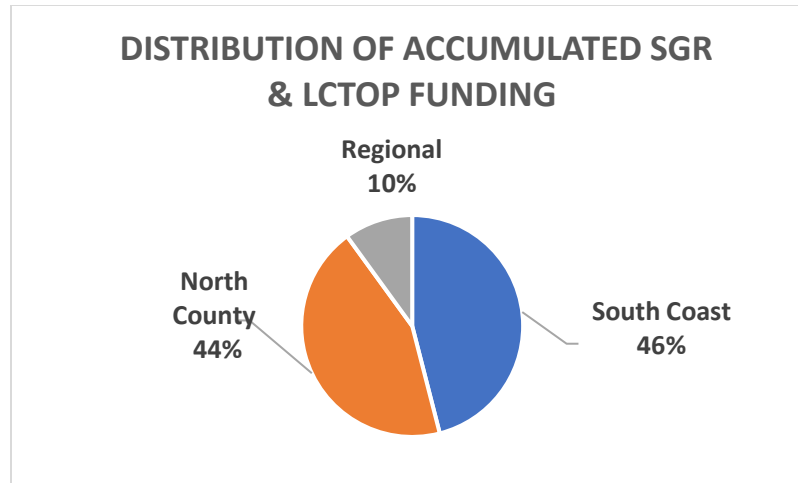


Low Carbon Transit Operations Program Distribution - \$800k annual estimate		
Proposed Distribution		Available Funding
South County	43%	\$344,000
North County	45%	\$360,000
Regional	12%	\$96,000
Total:	100%	\$800,000

Attachment A -

Cumulative Distribution for Both Programs: Option A

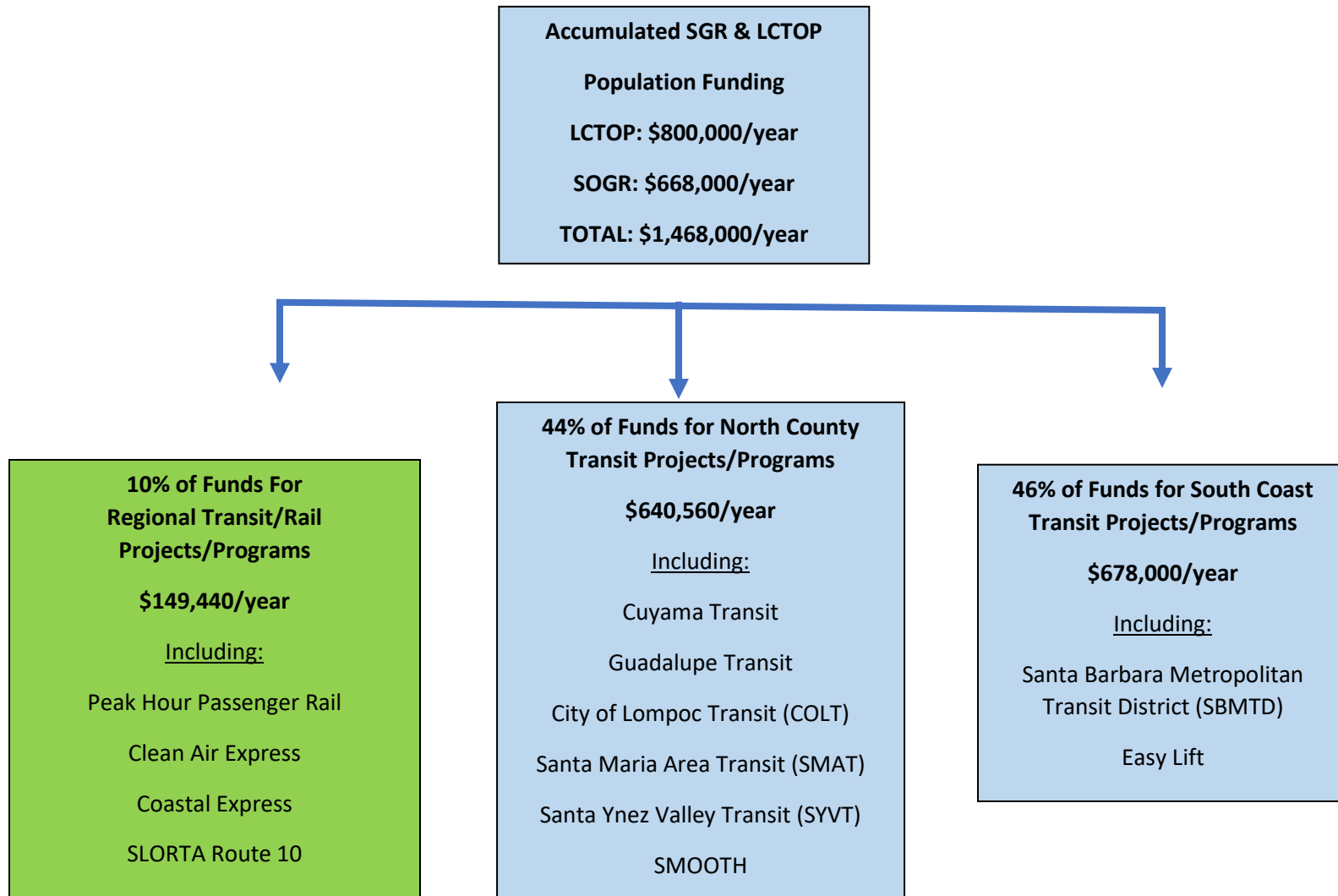
The following is the cumulative distribution of funding for both programs with 46% to South Coast Programs, 44% to North County Programs and the remaining 10% for Regional Transit and Rail Programs.



Accumulated SGR & LCTOP		
Proposed Distribution		Available Funding
South County	46%	\$678,000
North County	44%	\$640,560
Regional	10%	\$149,440
Total:	100%	\$1,468,000

Attachment A -

Flow Chart Depicting Overall Framework of Distribution of Funds: **Option A**



Attachment A -

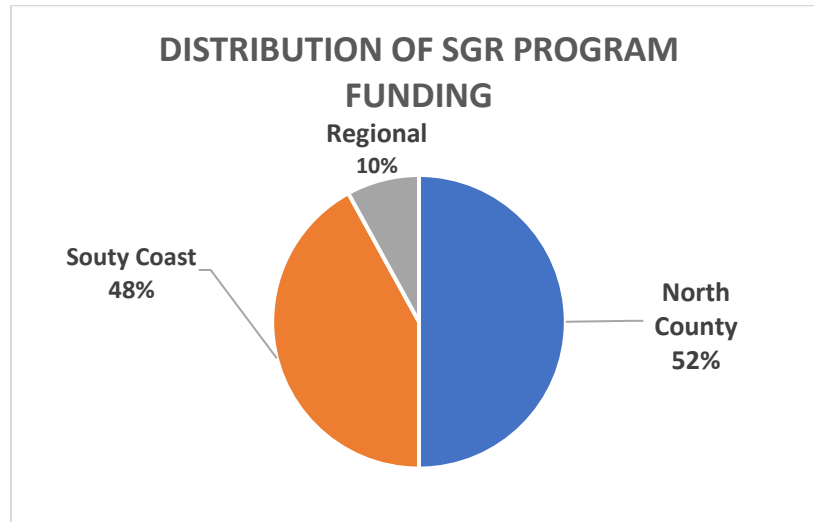
Option B – Discussed at May North County Subregional Committee Meeting:

State of Good Repair Program: Option B

The following is the proposed distribution for the State of Good Repair Program for Option B.

The Option B proposal is to provide 10% to Regional Transit and Rail Programs (Clean Air Express only) and 52% of the remaining funding to the North County Transit Programs and 48% of the remaining funding to the South Coast Transit Programs.

As noted on page 1, projects must be eligible per the State of Good Repair Program guidelines and sponsors will be responsible for any reporting requirements.



State of Good Repair Program Distribution - \$668k annual estimate		
Proposed Distribution		Available Funding
North County	52%	\$312,624
South Coast	48%	\$288,576
Regional	10%	\$66,800
Total:	100%	\$668,000

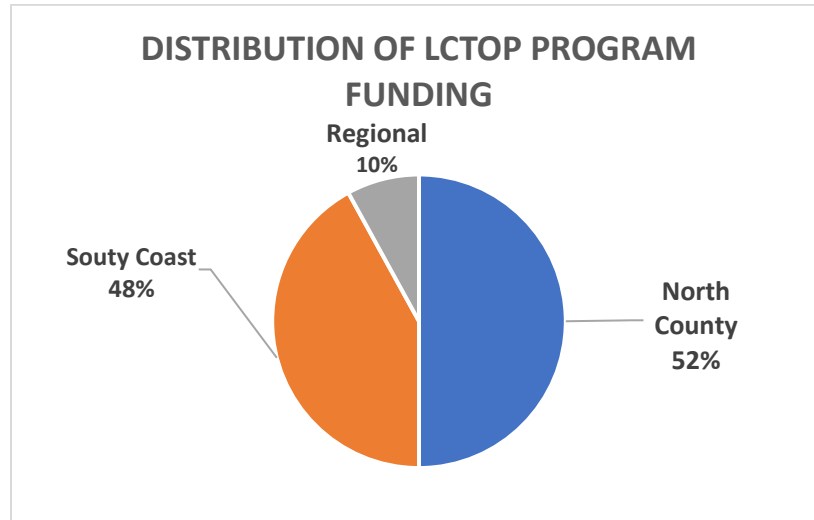
Attachment A -

Low Carbon Transit Operations Program: Option B

The following is the proposed distribution for the Low Carbon Transit Operations Program for Option B.

The Option B proposal is to provide 10% to Regional Transit and Rail Programs (Clean Air Express only) and 52% of the remaining funding to the North County Transit Programs and 48% of the remaining funding to the South Coast Transit Programs.

As noted on page 1, projects must be eligible per the Low Carbon Transit Operations Program guidelines and sponsors will be responsible for any reporting requirements.

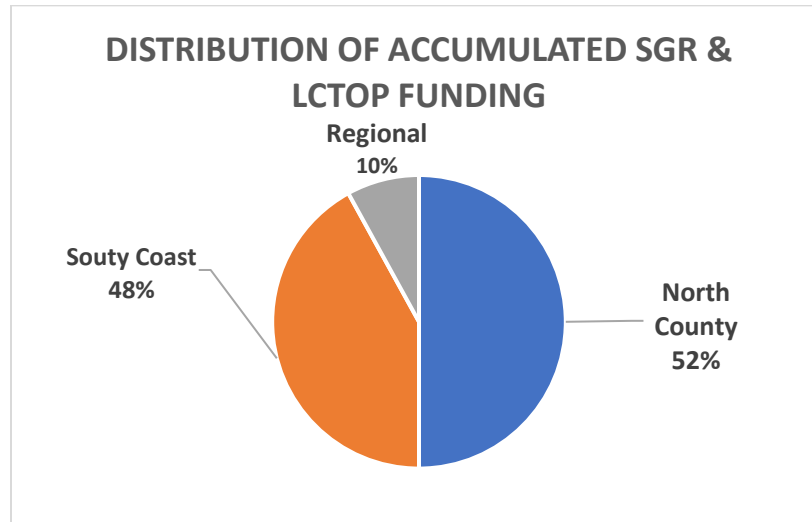


Low Carbon Transit Operations Program Distribution - \$800k annual estimate		
Proposed Distribution		Available Funding
North County	52%	\$374,400
South Coast	48%	\$345,600
Regional	10%	\$80,000
Total:	100%	\$800,000

Attachment A -

Cumulative Distribution for Both Programs: Option B

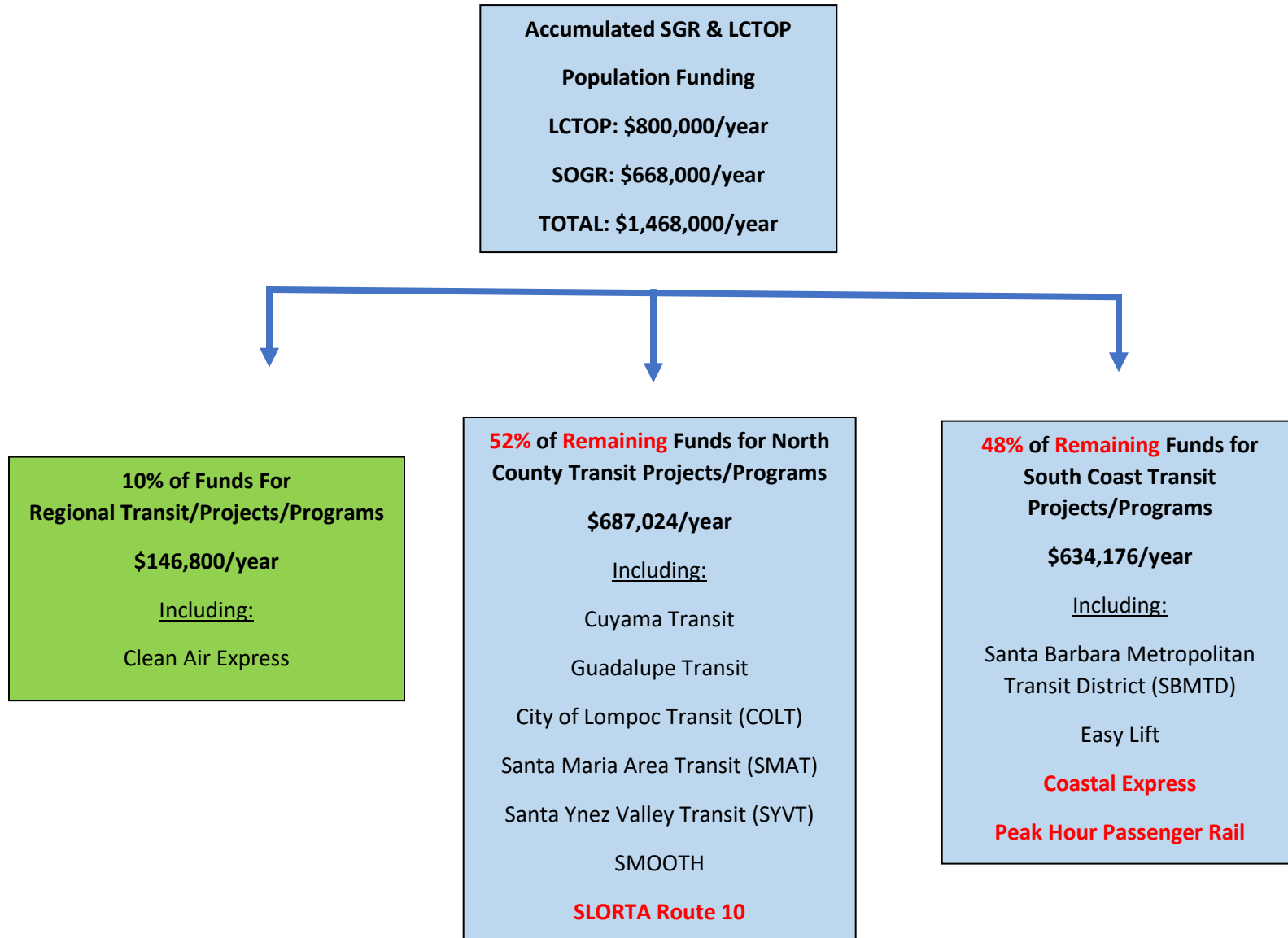
The following is the cumulative distribution of funding for both programs with 10% to Regional Transit and Rail Programs (Clean Air Express only) and 52% of the remaining funding to the North County Transit Programs and 48% of the remaining funding to the South Coast Transit Programs.



Accumulated SGR & LCTOP		
Proposed Distribution		Available Funding
North County	52%	\$687,024
South Coast	48%	\$634,176
Regional	10%	\$146,800
Total:	100%	\$1,468,000

Attachment A -

Flow Chart Depicting Overall Framework of Distribution of Funds: **Option B**



ATTACHMENT B

2019 National Transportation Database Service Data for Santa Barbara County Operators								
	<i>2019 Vehicle Revenue Miles</i>		<i>2019 Vehicle Revenue Hours</i>		<i>2019 Revenue Vehicles</i>		<i>2019 Unlinked Passenger Trips</i>	
Operator	Revenue Miles	% County Share	Revenue Hours	% County Share	# of Vehicles	% County Share	Passenger Trips	% County Share
SBMTD	2,606,184	47%	219,864	56%	117	45%	6,432,190	84%
COLT	260,078	5%	20,266	5%	12	5%	89,061	1%
SMAT	955,173	17%	64,626	17%	39	15%	687,383	9%
SYVT	197,547	4%	11,732	3%	7	3%	41,562	1%
Easy Lift	562,564	10%	28,711	7%	26	10%	76,300	1%
SBCAG (CAE)	386,644	7%	8,929	2%	17	7%	179,026	2%
Guadalupe	113,565	2%	6,987	2%	4	2%	76,989	1%
SMOOTH	412,836	8%	30,004	8%	36	14%	84,996	1%
TOTAL	5,494,591	100%	391,119	100%	258	100%	7,667,507	100%

Attachment C

Low Carbon Transit Operations Program - 5 YEAR PROGRAMMING SUMMARY				
Funding Year:	Location:	Agency:	Project:	Population-based Funding Amount:
FY 16/17	North County	City of Guadalupe	Saturday/Sunday Service	\$73,000
		SBCAG	Intercity Saturday Service	\$25,508
	South Coast	SBMTD	Ridership Development Marketing Plan	\$88,657
		SBCAG	Traffic Solutions South Coast Marketing, Outreach & Incentives	\$9,851
	FY 16/17 Sub-total:			
FY 17/18	North County	City of Santa Maria	Fleet Electrification and Infrastructure Project	\$138,222
		City of Lompoc	Transit Fleet Maintenance and Transit Operations Center Renewable Energy	\$138,222
	South Coast	SBCAG	Peak Hour Rail Pass Subsidy Program	\$138,222
		SBMTD	Purchase of Four Replacement Zero-Emission Buses	\$138,222
	FY 17/18 Sub-total:			
FY 18/19	North County	City of Santa Maria	Youth Bus Pass Program	\$35,000
		City of Lompoc	Transit Fleet Maintenance and Transit Operations Center Renewable Energy	\$383,724
	South Coast	SBCAG	Cool Blocks Program	\$25,000
		SBCAG	Peak Hour Rail Pass Subsidy Program	\$74,758
	SBMTD	Micro-Transit Pilot	\$318,966	
FY 18/19 Sub-total:				\$837,448
FY 19/20	North County	City of Santa Maria	Youth Bus Pass Program	\$40,000
	South Coast	SBCAG	Peak Hour Rail Pass Subsidy Program	\$200,000
		SBMTD	Micro-Transit Pilot	\$591,492
FY 19/20 Sub-total:				\$831,492
FY 20/21	North County	City of Lompoc	Transit Operations and Maintenance Facility Renewable Energy	\$112,450
		City of Santa Maria	Youth Bus Pass Program and Electric Vehicle Procurement	\$262,385
		SBCAG	SBCAG Transit Facility Electrical Upgrades	\$50,000
	South Coast	SBMTD	Micro-Transit Pilot	\$40,000
FY 20/21 Sub-total:				\$464,835
North County Subtotal:				\$1,258,511
South Coast Subtotal:				\$1,625,168
TOTAL:				\$2,883,679

**With the FY 20/21 LCTOP funding amount being less than the FY 19/20 amount, the deficit will be accounted for with FY 21/22 funding. This is a primary reason why the South Coast total LCTOP funding is higher. The North County LCTOP adjustment will be \$366,657 in FY 21/22 to account for the reduced regional apportionment amount.*

SB1 State of Good Repair Program - 8 YEAR PROGRAMMING SUMMARY (Two 4-year cycles)

Funding Year:	Location:	Agency:	Project:	Population-based Funding Amount:
FY 17/18	North County	City of Santa Maria	Capital Assistance for Two Replacement Buses	\$215,000
		City of Lompoc	Replacement Buses	\$383,625
	FY 17/18 Sub-total:			\$598,625
FY 18/19	North County	City of Guadalupe	Transit Bus Replacement Local Match	\$74,023
		City of Lompoc	Replacement Buses	\$78,375
		City of Solvang	Bus Rehabilitation for Express Route	\$30,000
	South Coast	SBCAG	Peak Hour Rail Pass Subsidy Program	\$138,222
		SBMTD	Match for Bus Replacement	\$416,227
FY 18/19 Sub-total:			\$736,847	
FY 19/20	North County	City of Solvang	Youth Bus Pass Program	\$30,000
		SBCAG	Clean Air Express Bus Replacement	\$383,724
	South Coast	SBMTD	Match for Bus Replacement	\$15,148
	FY 19/20 Sub-total:			\$428,872
FY 20/21	South Coast	SBMTD	Micro-Transit Pilot	\$598,625
	FY 20/21 Sub-total:			\$598,625
FY 21/22	South Coast	SBCAG	Regional Transit Facility Rehabilitation	\$350,000
		SBMTD	MTD Facility Modernization Project (Phase 1)	\$318,000
	FY 20/21 Sub-total:			\$668,000
FY 22/23	North County	City of Solvang	Solvang EV Charging Station	\$205,000
	South Coast	SBMTD	MTD Facility Modernization Project (Phase 1)	\$463,000
	FY 22/23 Sub-total:			\$668,000
FY 23/24	North County	City of Guadalupe	Transit Vehicle Replacement	\$95,400
		City of Santa Maria	Capital Assistance (Replacement Bus & Infrastructure)	\$153,600
	South Coast	SBMTD	MTD Facility Modernization Project (Phase 1)	\$419,000
FY 23/24 Sub-total:			\$668,000	
FY 24/25	North County	City of Santa Maria	Capital Assistance (Replacement Bus & Infrastructure)	\$668,000
FY 23/24 Sub-total:				
North County Subtotal:				\$2,316,747
South Coast Subtotal:				\$2,718,222
TOTAL:				\$5,034,969