



Staff Report

File #: 23-0265

REQUEST FOR CITY COUNCIL ACTION

DATE: 4/05/2023

TO: Honorable Mayor and City Council Members

FROM: Community Services Department

SUBJECT:

CITY COUNCIL CONSIDERATION TO ADOPT RESOLUTION NO. 2023-021, AUTHORIZING THE FILING OF THE APPLICATION FOR FISCAL YEAR 2022-23 ALLOCATION OF LOW CARBON TRANSIT OPERATIONS PROGRAM FUNDS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt Resolution No. 2023-021 which authorizes the execution and submittal of a funding application under the Low Carbon Transit Operations Program with the California Department of Transportation. Under this application, staff requests funding for three years to provide fare subsidies for Corona's public transit riders.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2023-021, authorizing the execution of the Certifications and Assurances and Authorized Agent forms for the Low Carbon Transit Operations Program (LCTOP) with the California Department of Transportation for the following project: Fare Subsidy Program - \$779,467.

BACKGROUND & HISTORY:

In 2014, California Legislature, Senate Bill 862 (SB 862), established the Transit, Affordable Housing, and Sustainable Communities Program, and appropriated proceeds in the Greenhouse Gas Reduction Fund (GGRF) for the Low Carbon Transit Operations Program (LCTOP). This Program was established as a formulaic program that is apportioned five percent of the annual auction proceeds of the GGRF in accordance with Sections 99313 and 99314 of the Public Utilities Code (PUC).

LCTOP is one of several programs that are part of the Transit Affordable Housing and Sustainable Communities Program. It was created to provide operating and capital assistance to eligible recipients with the goal of reducing greenhouse gas emissions and improving mobility with an emphasis on serving disadvantaged communities. Eligible recipients include transportation planning

agencies and transit operators eligible for State Transit Assistance funds. The City of Corona is an eligible recipient and may receive state funding from the LCTOP for transit projects.

ANALYSIS:

The Community Assistance Division - Transit Unit (Transit Unit) is currently utilizing LCTOP funds to reactivate the ridership lost during the pandemic by providing free fares to all riders. Since the launch of this program in February 2022, ridership has increased 25% on average. The funding for this program is estimated to be spent this September 2023. In anticipation, the Transit Unit petitioned Riverside County Transportation Commission (RCTC) to support its application for additional funding from LCTOP to create a new three-year Fare Subsidy Program.

Under the new Fare Subsidy Program, staff seeks approval and funding to provide free-fares to seniors, students, and persons with disabilities on the Corona Cruiser (fixed routes) and Dial-A-Ride and reduce fare to \$1.00 for the general public on Corona Cruiser. Based on ridership projections, it is estimated that an award of \$779,467 is needed to fund this program for three years. The three-year funding request parallels the City's three-year Short Range Transit Plan.

To receive this funding, the City must submit an Allocation Request package for an eligible project to the California Department of Transportation. Eligible activities include:

1. Enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
2. Operational expenditures that increase transit mode share.
3. Purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support these zero-emission buses.

Additionally, the project must meet the following criteria:

1. Support at least one of the above listed eligible projects.
2. Reduces greenhouse gas emissions.
3. Must be located in, or provide benefits to low-income households, low-income communities and/or a disadvantaged community defined by the California Environmental Protection Agency (CalEPA).
4. Increase ridership for projects related to increasing transit mode share.

The Transit Unit petitioned to extend the current fare subsidy program that provides free fares to all riders but was informed a duplication of program was ineligible. Therefore, based on the State's direction and the eligible activities and criteria listed above, staff recommends applying for LCTOP funds for operating assistance in the form of a Fare Subsidy Program as follows:

1. Free fares for students on the Corona Cruiser.

2. Free fares for seniors and persons with disabilities on both the Corona Cruiser and Dial-A-Ride.
3. Reduced fare of \$1.00 for the general public on the Corona Cruiser.

This program will support the City's efforts to increase ridership and reduce GHG emissions. This program also is supported by RCTC staff. If approved by the Council, staff will submit the approved and adopted City Resolution No. 2023-021 along with the LCTOP Allocation Request package. A complete copy of the resolution and allocation request signature package are attached as Exhibit 1 and 2, respectively, to this staff report.

With the concurrence of our RCTC partners, the Transit Unit seeks Council approval of the LCTOP proposed Fare Subsidy Program and adoption of Resolution 2023-021.

FINANCIAL IMPACT:

Under PUC 99314, the City has been apportioned a direct \$7,202 of FY 22-23 LCTOP funds. Per PUC 99313, the additional \$772,265 will be contributed to Corona's fare subsidy program by Riverside County Transportation Commission.

The FY22-23 LCTOP grant funds totaling \$779,467 will provide three years of fare subsidy starting October 1, 2023, through June 30, 2026.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely adopts the resolution approving the fare subsidy program. There is no possibility that this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: SUDESH PAUL, TRANSIT PROGRAM MANAGER & CYNTHIA LARA, COMMUNITY ASSISTANCE MANAGER

REVIEWED BY: ANNE K. TURNER, COMMUNITY SERVICES DIRECTOR

Attachments:

1. Exhibit 1 - Resolution 2023-021 for FY 22-23 LCTOP Allocation Request
2. Exhibit 2 - LCTOP FY 22-23 AR Signature Pages