

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE:	December 6, 2023	ITEM: E-2
SUBJECT:	Transit and Intercity Rail Capital Program and Zero Emission Transit Capital Program Project Allocation Requests	
STAFF CONTACT:	Stephen Hanamaikai	

SUMMARY

SLOCOG will receive over \$33 million from the Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) for programming over the next four fiscal years. In October, the Board directed staff to prepare a draft funding plan to allocate these funds. Staff released a request for project Statements of Interest on October 19th to all agencies eligible to receive funding, including: the Cities of Atascadero, Morro Bay, and San Luis Obispo, SLOCOG, and the RTA (including Paso Express and South County Transit). 23 projects were submitted requesting over \$41 million, which exceeds available funding by approximately \$8.5 million. Table 1 summarizes the available funding and funding requests by agency. A maximum of 1% of the total multi-year funding may be used for program administration:

Table 1: Total Funding & Funding Requests by Agency

Available Funding	23/24	24/25	25/26	26/27
TIRCP	\$ 14,486,636	\$ 14,522,455	\$ -	\$ -
ZETCP	\$ 1,569,547	\$ 880,477	\$ 880,477	\$ 880,477
Annual Total	\$ 16,056,183	\$ 15,402,932	\$ 880,477	\$ 880,477
Funding Requests	23/24	24/25	25/26	26/27
SLO RTA	\$ 13,388,000	\$ 13,373,000	\$ 1,100,000	\$ 1,200,000
Paso Express	\$ -	\$ -	\$ -	\$ -
South County Transit	\$ -	\$ -	\$ -	\$ -
Atascadero	\$ -	\$ -	\$ -	\$ -
MB	\$ 124,000		\$ 800,000	
SLO	\$ 280,000	\$ 1,275,000	\$ -	\$ -
SLOCOG	\$ 5,922,000	\$ 3,922,000	\$ -	\$ -
Program Administration	\$ 160,562	\$ 154,029	\$ 8,805	\$ 8,805
Annual Total	\$ 19,874,562	\$ 18,724,029	\$ 1,908,805	\$ 1,208,805
Annual Shortfalls	\$ (3,818,379)	\$ (3,321,097)	\$ (1,028,328)	\$ (328,328)

SLOCOG, San Luis Obispo Air Pollution Control District (SLOAPCD), and Caltrans District 5 staff reviewed and ranked the projects based on how well each project aligned with the objectives of the TIRCP and ZETCP to:

- Reduce greenhouse gas emissions,
- Increase transit ridership; and,
- Provide direct, meaningful, and assured benefits to low-income and disadvantaged communities.

The project rankings and proposed funding recommendations are summarized in Table 3 below and the full scoring detail is found in Table 4 at this [link](#). To maximize the use of TIRCP and ZETCP funding, staff recommends utilizing already programmed and future unprogrammed federal transit funds to reduce the overall TIRCP and ZETCP request and funding all project funding requests. TIRCP, ZETCP, and future unprogrammed federal transit funds will be amended into SLOCOG's Federal Transportation Improvement

Program (FTIP) at a later date.

RECOMMENDATION:

Staff: Submit allocation package for \$33.2 million and authorize the Executive Director to adjust allocations as needed and to return to the Board for endorsement.

SSTAC:

TTAC:

CTAC:

BACKGROUND

The TIRCP was created to fund transformative capital improvement that modernize the state's transit systems to achieve specific policy objectives:

- Reduce emissions of greenhouse gases;
- Expand and improve transit service to increase ridership;
- Integrate the various rail services throughout the state, including high-speed rail, and;
- Improve transit safety

The ZETCP was created to support the purchase of zero emission buses and associated charging infrastructure and facility modifications. Zero Emission Mobility Programs, such as bike and car share programs, are also eligible for funding through the ZETCP. Previous legislation established a goal to provide at least 25 percent of available funding through the ZETCP and TIRCP to projects that provide direct, meaningful, and assured benefit to disadvantaged communities, low-income communities, and low-income households. Taken as a whole, the increases in transit system ridership, as well as the reduction in vehicle miles traveled, congestion, and greenhouse gas emissions, will help deliver a healthier and safer transportation system.

SB 125 (2023) specifies that funding can be distributed by RTPA for either high-priority capital projects or for transit operating expenses for operators in their jurisdictions experiencing financial hardship to address the transit operational deficits due to ridership loss impacts lingering from the COVID-19 pandemic. To address this provision, staff requested estimated transit operating costs and fare revenues from all eligible funding recipients to determine if transit agencies will experience operational deficits in fiscal years 2023/24 through 2026/27. Based on the financial information submitted by the transit operators no operational funding deficits are expected and no transit operating projects are proposed at this time. Table 2 on the following page shows the estimated annual operating expenses, fare revenues, and state and federal transit funding expected for fiscal years 23/24 through 26/27.

Table 2: Estimated Operating Expenses and Available Operating Revenue Sources

Operating Expenses	23/24	24/25	25/26	26/27
RTA	\$ 12,001,090	\$ 12,692,010	\$ 13,422,710	\$ 14,195,480
South County Transit	\$ 2,329,130	\$ 2,458,440	\$ 2,594,930	\$ 2,739,000
Paso Express	\$ 1,200,710	\$ 1,266,180	\$ 1,335,220	\$ 1,408,020
Morro Bay	\$ 322,271	\$ 358,427	\$ 386,443	\$ 416,669
Atascadero	\$ 711,170	\$ 650,590	\$ 702,637	\$ 758,848
SLO	\$ 5,230,870	\$ 5,339,795	\$ 5,446,591	\$ 5,555,523
Fare Revenues				
RTA	\$ 681,720	\$ 715,810	\$ 751,600	\$ 789,180
South County Transit	\$ 123,120	\$ 129,390	\$ 135,980	\$ 142,910
Paso Express	\$ 139,530	\$ 146,510	\$ 153,840	\$ 161,540
Morro Bay	\$ 24,000	\$ 26,000	\$ 28,000	\$ 30,000
**Atascadero	\$ -	\$ -	\$ -	\$ -
SLO	\$ 990,000	\$ 1,000,000	\$ 1,032,500	\$ 1,055,675
State/Federal Funds				
*Federal	\$ 11,021,128	\$ 5,681,275	\$ 5,828,787	\$ 5,640,049
State	\$ 22,154,603	\$ 22,800,163	\$ 23,465,090	\$ 24,149,964

*Includes \$5.45 million unobligated funds and limits operating funds to 50%

** Atascadero fare revenues not provided

State & Federal Transit Funds	\$ 120,741,058
Fare Revenues	\$ 8,257,305
Operating Expenses	\$ 93,522,754

Balance \$ 35,475,609

DISCUSSION

The allocation package programs \$32.6 million of the \$33.1 million available over 23/24 through 26/27, leaving an unprogrammed balance of \$135k. Brief descriptions of the projects are provided below. A summary of the funding recommendation are provided below in Table 3, and the full list of recommended projects and project scores can be found in Table 4 [linked here](#). Greenhouse gas emission reductions and jobs benefit calculations must be produced in coordination with the funding recipients and included in the allocation package due to CalSTA on December 31, 2023 in order to receive timely allocation of FY 23/24 funds.

RTA

The majority of the RTA’s funding requests are for zero emission vehicles, charging infrastructure, and related planning and project development costs. RTA requested over \$29 million in TIRCP and ZETCP funding. It would be unequitable to program this level of funding to any one agency and SLOCOG will work with RTA to supplement the funding request with state and federal transit funds. Conditional approval of the proposed bus purchases pending approval of the on-going short range transit plan update is recommended.

SLO Transit

Only \$1.5 million is requested by the City of San Luis Obispo for electric buses, charging infrastructure and on-board security and bus location systems. Additional time for the city to seek council approval of electric vehicle procurements and service expansions is needed and SLOCOG will work with the city and other operators to revise the allocation package as such projects are approved.

Morro Bay Transit

The City of Morro Bay is in the early stages of transitioning their fleet to zero emission buses. SLOCOG recommends approving the full funding request of \$924k for the planning costs associated with the future fleet transition and the construction/installation of the necessary charging infrastructure.

SLOCOG

SLOCOG requested \$12.2 million for rail capital projects and project development, and for regionwide implementation of contactless fare payment systems on all fixed route buses. SLOCOG will apply \$9.6 million in TIRCP formula funds as match funding for a TIRCP competitive grant of \$40 million. If the grant is unsuccessful, SLOCOG will revise the allocation package to fund a sub-set of projects or project development costs.

South County Transit (SCT), Paso Express, and City of Atascadero

No projects specific to SCT, Paso Express, or the City of Atascadero were submitted. SLOCOG will allow opportunities to amend the allocation request to include projects for these agencies in the future.

Table 3- Funding Recommendation Summary

	23/24	24/25	25/26	26/27	Total Funding Recommended
RTA	\$ 9,268,000	\$7,752,750		\$ 843,000	\$17,863,750
SLO	\$675,000	\$880,000			\$1,555,000
MB	\$124,000		\$800,000		\$924,000
SLOCOG	\$ 5,762,000	\$6,533,000			\$12,295,000
Total Programming					\$32,637,750