



## Board Report

File #: 2015-1388, File Type: Program

Agenda Number: 28.

### PLANNING AND PROGRAMMING COMMITTEE OCTOBER 14, 2015

**SUBJECT: CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM**

**ACTION: APPROVE CANDIDATE LOW CARBON TRANSIT OPERATIONS PROGRAM  
RESOLUTION**

#### **RECOMMENDATION**

PLANNING AND PROGRAMMING COMMITTEE RECOMMENDED (4-0) approving the Resolution in Attachment A which:

- A. AUTHORIZES the Chief Executive Officer (CEO) or his designee to claim up to \$28 million in **FY 2015-16 the Low Carbon Transit Operations Program (LCTOP) funds from California's Cap-and-Trade Program's Greenhouse Gas Reduction Fund**, including \$24 million in funding appropriated to Metro and up to \$4 million in funding appropriations to any other Los Angeles County eligible recipients which may opt not to claim their appropriation;
- B. IDENTIFIES the projects for which LCTOP funds are to be claimed; and
- C. AUTHORIZES the Chief Executive Officer (CEO) or his designee, as an eligible fund recipient, to execute all required documents of the LCTOP and any amendments thereto with the California Department of Transportation and to execute the attached Authorized Agent form (Attachment B) and the attached Certification and Assurances document (Attachment C).

#### **ISSUE**

The California Department of Transportation (Caltrans) issued interim guidelines for the LCTOP program in August 2015. Claims for fiscal year (FY) 2015-16 LCTOP funds are due to Caltrans by November 1, 2015 and are required to include certified authorizing Board Resolutions. Staff is seeking Board approval to submit a claim for identified candidate projects considered as the best suited for this program in terms of eligibility, consistency with the overall goals of the Cap-and-Trade and LCTOP programs, and alignment with Metro's Board-adopted priorities. All LCTOP funds must be applied to a project within two years, and expended within the subsequent two years

#### **DISCUSSION**

Board Item #15 from the March 2015 Board meeting, authorized the claim of FY 2014-15 LCTOP

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funds, and \$5,897,391 was successfully awarded for Gold Line Foothill Extension Phase 2A Operations. The Resolution approved by the Board in March 2015 identified several projects as candidate recipients of the FY 2014-15 funds as described in Attachment D. Staff recommends continued consideration of two of those selected projects for this year's LCTOP fund application to Caltrans as there is ongoing opportunity to fund these projects. These projects include the Gold Line Foothill Extension Phase 2A Operations and the Expo Light Rail Line Phase 2 Operations.

The LCTOP was created by California Senate Bill 862 to provide funding, on a formula basis, for operational or capital expansion projects to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The grant funds are derived from California's Cap-and-Trade Program and are the result of quarterly auctions of emission credits for greenhouse gas emitters regulated under Assembly Bill AB 32. Auction proceeds, known as the Greenhouse Gas Reduction Fund (Fund), are then reinvested in various projects to further reduce emissions. In FY 2014-15, \$25 million was appropriated to LCTOP, one of 11 such programs, from the Fund. The estimate for FY 2015-16 is anticipated to be \$100 million, and it is assumed the available funds will continue to increase over the next few years, providing substantial opportunities to expand transit services and reduce greenhouse gas emissions.

### LCTOP Guidelines

The guidelines state that the LCTOP is to fund operating and capital projects that will reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Transit agencies receiving funds from the LCTOP shall submit expenditure proposals listing projects that meet all of the following criteria:

- Support new or expanded bus or rail services, or expanded intermodal transit facilities,
- Enhance or expand transit service to increase mode share,
- Reduce greenhouse gas emissions, and
- For agencies whose service areas include disadvantaged communities (DAC), 50 percent of total funds received shall be expended on projects or services that benefit the DAC.

### Project Eligibility Criteria

Expenditures eligible for funding under LCTOP are those that support new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities. This could include purchase and replacement of vehicles, connections to active transportation, and reduced-fare transit passes. Project leads may continue these operating costs in the next years of LCTOP funding. All projects must be consistent with the project lead's most recently adopted short-range transit plan, regional plan, or publicly-adopted plan. For project leads in a Metropolitan Planning Organization area, projects must also be consistent with the Sustainable Communities Strategy. Additionally, capital projects must have a useful life not less than that typically required for capital assets pursuant to State General Obligation Law, with buses or rail rolling stock considered to have a useful life of two or more years. The LCTOP specifically requires documentation that each proposed project will achieve

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a reduction in greenhouse gas emissions.

Another significant goal of the LCTOP is to maximize benefits to disadvantaged communities (DAC), requiring that transit agencies whose service areas include one or more DACs expend at least 50% of total funds received on projects that provide direct, meaningful, and assured benefit to DACs. The California Environmental Protection Agency (CalEPA) has used an environmental health screening tool to delineate DACs through a calculation based on environmental (especially air quality), socio-economic, and public health factors. DACs, as defined, are disproportionately located in both Los Angeles County and the Central Valley, and notably less prevalent in other major metropolitan areas. In service areas delineated as DAC on the CalEPA tool, projects will be determined to provide direct, meaningful, and assured benefit to DAC if:

- For low carbon transportation projects, there is a reduction in air pollution for DAC residents; and
- For transit projects, there is a reduction in air pollution for DAC residents or increased or improved access to transit service along transit lines or corridors that have stations or stops in a DAC.

#### Eligible LCTOP Recipients in Los Angeles County

The LCTOP distributes funding to operators according to State Transit Assistance legal codes to regional transportation planning agencies and transit operators. In Los Angeles County there are 17 eligible recipient agencies, including Metro. Any of these eligible recipients may assume the role of project lead, and any may assume a Contributing Sponsor role. The project lead is responsible for application for funds and implementation of a project, while a Contributing Sponsor may pass funds to the project lead to support a project. In the FY 2014-15 cycle, several eligible recipients assumed the role of Contributing Sponsors supporting Metro as project lead, enabling Metro to apply more funds to the Gold Line Foothill Extension Phase 2A Operations.

Staff intends to solicit Contributing Sponsor assistance again for this cycle of funding, which requires us to poll all 16 other recipient agencies as to their intent. The LCTOP Guidelines requires identification of the Contributing Sponsors in our Board's Resolution approving the project and application for LCTOP funds. Metro's allocation request form and expenditure proposal is due to Caltrans by November 1, 2015, and a second Board Resolution will be required that includes the amount of LCTOP funds requested, a description of the project, and the names of Contributing Sponsors.

#### Metro-specific Considerations in Selecting LCTOP Projects

The December 2014 Metro Board report on FY 2015-16 Budget Development highlighted the need to identify a combination of \$1.4 billion in revenue enhancements, tradeoffs, and other solutions to address funding commitments made following the adoption of the Short Range Transportation Plan. Staff developed the FY 2014-15 LCTOP funding recommendations with an eye toward LCTOP-eligible projects targeted to improve the balance between Metro's financial commitments and funding

availability and has continued this focus on the FY 2015-16 LCTOP funding recommendations.

### **DETERMINATION OF SAFETY IMPACT**

The requested actions will have no impact on the safety of our customers or employees.

### **FINANCIAL IMPACT**

Adoption of the LCTOP resolution and authorization of the CEO to execute the required documents to claim LCTOP would have a positive impact of up to \$24 million to the agency, as the funds would be used to support the operation of Metro Rail service.

#### **Impact to Budget**

Claiming LCTOP funds will have a positive impact on the FY 2016 budget, as LCTOP funds will be disbursed to Metro by March 1, 2016.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the candidate projects described in Attachment D and instead chose other projects. Staff does not recommend this alternative as the recommended projects meet the greenhouse gas reduction and disadvantaged community benefit goals of the LCTOP program, the evaluation criteria in the guidelines, and were selected with Metro's financial requirements and Board-adopted priorities in mind.

The Board could elect to not request LCTOP funds in the current fiscal year, and instead hold these over to accrue enough funds for a more substantial project. However, all funds must be applied to a project within two years, and expended within the subsequent two years. Staff does not recommend holding over the funds, as they can be utilized within the immediate time frame.

### **NEXT STEPS**

- November 1, 2015: The expenditure proposal will be submitted to Caltrans. Staff will request signed letters from Contributing Sponsors to be included in the expenditure proposal and identified in the project Board Resolution.
- February 1, 2016: Caltrans and the California Air Resources Board will finalize a list of approved projects and submit the list to the State Controller's Office (SCO).
- March 1, 2016: SCO will remit the approved funds to Metro.

### **ATTACHMENTS**

Attachment A - Certifying Resolution

Attachment B - Authorized Agent Form

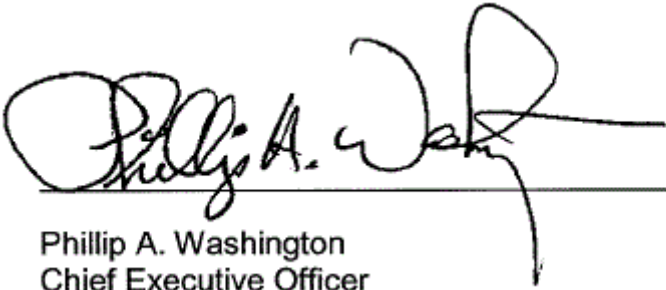
Attachment C - Certification and Assurances Document

Attachment D - Projects Identified for LCTOP Funding - Descriptions

Attachment E - Disadvantaged Communities Map

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Wil Ridder, Executive Officer, (213) 922-2887

Reviewed by: Martha Welborne, FAIA, Chief Planning Officer, (213) 922-7267



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Phillip A. Washington  
Chief Executive Officer

**Los Angeles County Metropolitan Transportation Authority**

**Board Resolution**

**WHEREAS**, the Low Carbon Transit Operations Program (LCTOP) was established by Senate Bill 862, passed by the California Legislature in 2014, to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities;

**WHEREAS**, \$100,000,000 was appropriated for the LCTOP for Fiscal Year 2016 and the Los Angeles County Metropolitan Transportation Authority (Metro) may claim up to \$28,000,000 of the \$100,000,000;

**WHEREAS**, the \$28,000,000 consists of \$24,000,000 in funding directly earmarked for Metro through the population and revenue share formulas applied to LCTOP by the State Controller's Office and the remaining amount of up to \$4,000,000 represents funding earmarked for other eligible recipients in Los Angeles County, which have the option to relinquish all or a part of their FY 2015-16 LCTOP funds to Metro or another eligible recipient;

**WHEREAS**, Metro as a recipient agency must submit its FY 2015-16 LCTOP expenditure proposals by November 1, 2015;

**WHEREAS**, the LCTOP guidelines provide that if a project in the expenditure proposal is not included in an adopted plan, a certified Board Resolution authorizing the expenditure proposal will be required;

**WHEREAS**, the following projects are included in the expenditure proposal for \$28,000,000 and have been determined by staff to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities:

- Gold Line Foothill Extension Phase 2A Operations; and/or
- Expo Light Rail Line Phase 2 Operations;

**WHEREAS**, not all of the above projects are in an adopted plan; and

**WHEREAS**, Metro desires to delegate authority to execute any documents and any amendments thereto necessary to apply for and receive any funds under the LCTOP to the Chief Executive Officer or his designee.



**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that:

1. The Chief Executive Officer (CEO) or his designee is authorized to claim up to \$28,000,000 in FY 2015-16 Low Carbon Transit Operations Program (LCTOP) funds from California's Cap-and-Trade Program's Greenhouse Gas Reduction Fund for the:
  - Gold Line Foothill Extension Phase 2A Operations; and/or
  - Expo Light Rail Line Phase 2 Operations.

**NOW THEREFORE, BE IT FURTHER RESOLVED** that the Chief Executive Officer or his designee be authorized to execute all required documents of the LCTOP program, including any amendments thereto in order to obtain LCTOP funds.

## **CERTIFICATION**

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, October 22, 2015.

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Michelle Jackson  
LACMTA Secretary

Dated:

(SEAL)



Los Angeles County  
Metropolitan Transportation Authority

**Metro**





## Authorized Agent

AS THE \_\_\_\_\_  
 (Chief Executive Officer / Director / President / Secretary)

OF THE \_\_\_\_\_  
 (Name of County/City Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. This form is valid for Fiscal Year 2014-2015 funds. If there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

\_\_\_\_\_  
 (Name and Title of Authorized Agent) OR

\_\_\_\_\_  
 (Name and Title of Authorized Agent) OR

\_\_\_\_\_  
 (Name and Title of Authorized Agent)

\_\_\_\_\_  
 (Print Name) (Title)

\_\_\_\_\_  
 (Signature)

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Attachment: Board Resolution approving Authorized Agent



## Low Carbon Transit Operations Program (LCTOP)

### Certifications and Assurances

**Project Sponsor:** \_\_\_\_\_  
**Agency Name:** \_\_\_\_\_

**Effective Date of this Document:** \_\_\_\_\_

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Low Carbon Transit Operations Program. As a condition of the receipt of LCTOP funds, project sponsors (both Project Lead and Contributing Sponsors) must comply with these terms and conditions.

#### A. General

- (1) The project sponsor agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
- (2) The project sponsor must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

#### B. Project Administration

- (1) The project lead certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The project lead assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project lead certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
- (3) The project lead certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
- (4) The project lead certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (5) The project lead must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (6) Any interest the project lead earns on LCTOP funds must be used only on approved LCTOP projects.

- (7) The project lead must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (8) Under extraordinary circumstances, a project lead may terminate a project prior to completion. In the event the project lead terminates a project prior to completion, the project lead must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
- (9) Funds must be encumbered and liquidated within the time allowed.

### **C. Reporting**

- (1) The project lead must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by February 15<sup>th</sup> and August 15<sup>th</sup> each year.
  - b. A Final Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
- (2) Other Reporting Requirements: ARAB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARAB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

### **D. Cost Principles**

- (1) The project lead agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The project lead agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
  - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and
  - b. those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49

- (7) The project lead must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
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  - b. those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49

CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the project lead has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project lead to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the project lead to the State. Should the project lead fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project lead from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

#### **E. Record Retention**

- (1) The project lead agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project lead, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the project lead, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project lead, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the project lead pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project lead's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project lead's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project lead shall furnish copies thereof if requested.
- (3) The project lead, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other

agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

**F. Special Situations**

The Department may perform an audit and/or request detailed project information of the project sponsor's LCTOP funded projects at the Department's discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

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AUTHORIZING OFFICER, Title  
Unit/Department/Agency

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AUTHORIZING OFFICER, Title  
Unit/Department/Agency



## ATTACHMENT D

### Projects Identified for FY 2014-15 LCTOP Funding

Gold Line Foothill Extension Phase 2A Operations. This project, with annual operating costs of approximately \$26,926,000, is designed to increase transit ridership and mode share, improve passenger travel times, and reduce greenhouse gas emissions by shifting passengers from single occupant vehicles and on-street travel to a transit service featuring a dedicated, high-speed right-of way and zero emission electric light rail vehicles. The Project alignment is an extension of the existing Metro Gold Line. The extension traverses and serves several areas within the San Gabriel Valley which are identified by the Air Resources Board as disadvantaged communities as shown on Attachment E. The extended light rail line will connect patrons boarding in these communities to employment and other activities and opportunities in Downtown Los Angeles. The project is scheduled to open in early 2016, within the period for which FY 2014-15 funds are available for expenditure. Funding is needed for startup operations of this expanded light rail service. These improvements would meet the Guidelines' primary criteria of supporting new or expanded bus or rail services, directly enhancing or expanding transit service to increase mode share, and reducing greenhouse gas emissions.

Expo Light Rail Line Phase 2 Operations. This project, with annual operating costs of approximately \$43,406,000, is designed to increase transit ridership and mode share, improve passenger travel times, and reduce greenhouse gas emissions by shifting passengers from single occupant vehicles and on-street travel to a transit service featuring a dedicated, high-speed right-of way and zero emission electric light rail vehicles. The Project alignment is an extension of the existing Exposition Light Rail Transit facility, which traverses and serves several areas identified by the Air Resources Board as disadvantaged communities as shown on Attachment E. The extended light rail line will connect patrons boarding in these communities to employment and other activities and opportunities in West Los Angeles and the City of Santa Monica. The project is scheduled to open in early 2016, within the period for which FY 2014-15 funds are available for expenditure. Funding is needed for startup operations of this expanded light rail service. These improvements would meet the Guidelines' primary criteria of supporting new or expanded bus or rail services, directly enhancing or expanding transit service to increase mode share, and reducing greenhouse gas emissions.

Line 788 (San Fernando Valley-Westside Express) add midday, night, and/or weekend service; extend to Expo LRT Line; and/or capital for extension to Expo LRT Line. This project has several options designed to increase transit ridership and mode share, improve passenger travel times, and reduce greenhouse gas emissions by shifting passengers from single occupant vehicles traveling over the Sepulveda pass in mixed flow lanes on the Interstate (I)-405 to an express transit service featuring a High Occupancy Vehicle Lane right-of way and compressed natural gas vehicles, which



produce less greenhouse gases than conventional automobile engines. The Project alignment provides an early opportunity for improved transit access via the Sepulveda Pass, as Metro is in the process of exploring options for implementing a high speed premium transit service on the alignment. An express service was implemented beginning December 14, 2014, providing service between Van Nuys Boulevard in San Fernando Valley, Wilshire/Veteran, and Wilshire/Westwood. There are several options to enhance this service:

**Service enhancements on existing alignment.** This option can be further broken down into midday, night, and/or weekend service expansion. All of these alternatives, combined, have annual costs of up to approximately \$5,770,000. These proposed expansions would allow increased modeshare as additional commuters and travelers have expanded options and greater ability to rely on the service schedule to meet their mobility needs. All of these service enhancements would use existing buses running on the current alignment, and could be implemented as soon as December 2015, within the period for which FY 2014-15 funds are available for expenditure. Funding is needed for operations of these service expansions.

**Extension to Expo LRT Line.** This option, with annual costs of \$924,000, is another opportunity for service expansion but which requires additional buses and the identification of an extended alignment. With the opening of the Expo Light Rail Line Phase 2, anticipated early 2016, the service could be extended south from its current terminus at Wilshire and Veteran to the Expo LRT Line. This extension would greater serve riders from several bus lines in the San Fernando Valley which traverse and serve areas that are identified by the Air Resources Board as disadvantaged communities as shown on Attachment E. The service would increase connections for patrons boarding in these communities to educational, employment, and other activities and opportunities in West Los Angeles.

**Capital needs for extension to Expo LRT Line.** This option, with total cost of \$1,000,000, would support the extension of service to the Expo LRT Line. Funding is needed for two additional clean fuel buses to accommodate the expanded service.

All of the improvements described would meet the Guidelines' primary criteria of supporting new or expanded bus or rail services, directly enhancing or expanding transit service to increase mode share, and reducing greenhouse gas emissions.

Silver Line Service Enhancement – add midday service. This project is designed to increase transit ridership and mode share, improve passenger travel times, and reduce greenhouse gas emissions by shifting passengers from single occupant vehicles traveling in mixed flow lanes on the I-110 and I-10 and city streets in Downtown Los Angeles to a Bus Rapid Transit service featuring a High Occupancy Vehicle Lane right-of way and compressed natural gas vehicles, which produce less greenhouse gases than conventional automobile engines. This popular service has been in place since December 13, 2009. This service enhancement would require funds for operations and/or capital needs.

**Add midday service.** This service enhancement, with annual operating costs of \$330,000, will allow increased modes share as additional commuters and travelers have expanded options and increased ability to rely on the service schedule to meet their mobility needs. The service to be expanded traverses and serves South and Downtown Los Angeles, East Los Angeles, and the San Gabriel Valley. The vast majority of the communities served by the project are identified by the Air Resources Board as disadvantaged communities as shown in Attachment E. The service could be expanded as soon as December 2015, within the period for which FY 2014-15 funds are available for expenditure.

**Capital needs for Midday Service.** The purchase of three clean fuel buses, with total cost of \$1,500,000, would support the expansion of midday service.

This service enhancement would meet the Guidelines' primary criteria of supporting new or expanded bus or rail services, directly enhancing or expanding transit service to increase mode share, and reducing greenhouse gas emissions.

