

## REPORT FROM

# OFFICE OF THE CITY ADMINISTRATIVE OFFICER

---

Date: April 3, 2023

CAO File No. 0220-06086-0000

Council File No. None

Council District: All

To: The City Council

From: *Yolanda Chavez*  
for Matthew W. Szabo, City Administrative Officer

Subject: **AUTHORITY FOR THE DEPARTMENT OF TRANSPORTATION TO APPLY FOR THE LOW OR NO EMISSION GRANT PROGRAM**

---

## RECOMMENDATIONS

That the Council, subject to approval of the Mayor:

1. Authorize the General Manager of the Department of Transportation (DOT), or designee, to prepare grant applications for the proposal outlined in the Attachment 1; and,
2. Instruct the General Manager of the DOT, or designee, to report back if the City is awarded the grants, to request authority to accept the grant awards, and confirm any additional required match and/or front funding.

## SUMMARY

The Low or No Emission competitive program, administered by the Federal Transit Administration (FTA), provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. Federal public transportation law authorizes \$73,056,178 in FY 2023 for the Low-No Program. FTA may cap the amount a single recipient or State may receive as part of the selection process for the program. A minimum of 25 percent of the amount awarded will be awarded to low emission projects other than zero emission vehicles and related facilities. The application due date is April 13, 2023.

Eligible applicants include direct or designated recipients of FTA grants; States; local governmental authorities; and Indian Tribes. Except for projects proposed by Indian Tribes, proposals for funding eligible projects in rural (non-urbanized) areas must be submitted as part of a consolidated state proposal. States and other eligible applicants also may submit consolidated proposals for projects in urbanized areas.

This Office has received one project proposal from DOT - Electrification of Sylmar Bus Yard, and Electric Commuter Van Replacement.

### Eligible Activities

Eligible projects include:

- purchasing or leasing low- or no-emission buses;
- acquiring low- or no-emission buses with a leased power source;
- constructing or leasing facilities and related equipment (including intelligent technology and software) for low- or no-emission buses;
- constructing new public transportation facilities to accommodate low- or no-emission buses;
- rehabilitating or improving existing public transportation facilities to accommodate low- or no-emission buses; and,
- Additionally, 0.5 percent of a request may be for workforce development training and an additional 0.5 percent may be for training at the National Transit Institute (NTI). Applicants proposing any project related to zero-emission vehicles must also spend 5 percent of their award on workforce development and training as outlined in their Zero-Emission Transition Plan, unless the applicant certifies that their financial need is less.

### Cost Sharing or Matching Fund Requirements

All eligible expenses under the Low-No Program are attributable to compliance with the Clean Air Act and/or the Americans with Disabilities Act. The table below shows the maximum percentage of federal cost sharing:

Federal Match Maximum Percent	Types of Projects
85%	Vehicles compliant with the Clean Air Act (CAA) or Americans with Disabilities Act (ADA)
90%	Equipment or facilities that are compliant with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA). Costs associated with related equipment and facilities must be itemized in application to receive maximum federal share.
80%	All other projects, including workforce development/NTI training

For the DOT's proposed project, the City fund matching requirement is 20 percent. The DOT already has a portion of the funding committed for the project, which provides the funding match requirement under the grant.

### Evaluation Criteria

The evaluation criteria for this grant are:

- Demonstration of Need;
- Demonstration of Benefits;

- Planning & Local or Regional Prioritization;
- Local Financial Commitment;
- Project Implementation Strategy; and
- Technical, Legal & Financial Capacity.

This Office met with the DOT to discuss and evaluate if the grant proposal met the evaluation criteria of the grant. The project submitted by the DOT meets the grant's purposes, eligibility, technical and financial capacity. This Office has determined that the project evaluation criteria listed in Attachment 2 are substantively and comprehensively responsive to the grant's requirements and the proposed project is likely to score high.

### **FISCAL IMPACT STATEMENT**

Approval of the report recommendations will not result in a General Fund impact.

### **FINANCIAL POLICIES STATEMENT**

The recommendation in this report complies with the City's Financial Policies.

#### **Attachments**

*MWS:JSL:06230081*

# ATTACHMENT 1 - PROPOSED GRANT PROJECT

The Federal Transit Administration (FTA)

NOFO Release Date: January 27, 2023

Due date: April 13, 2023

Maximum Award per grant: FTA may cap the amount a single recipient or State may receive as part of the selection process for the program.

Award Announcement: No later than June 28, 2023

Performance Period: Up to September 30, 2026

Lead Department	Project Name	Project Description	Total Project (Budget)	Total Grant Request	Planned Completion Date
Los Angeles Department of Transportation (DOT)	Electrification of Sylmar Bus Yard and Electric Commuter Van Replacement	This project will install thirty (30) chargers with sixty (60) dispensers in DOT's North Bus Yard in Sylmar, enabling up to sixty (60) buses to charge at the existing facility. Funds for this project will also go towards purchasing thirty (30) electric vehicles to be charged and maintained at the North Bus Yard. Thirty other vehicles will be funded by the Transit and Intercity Rail Capital Program (TIRCP), but DOT needs the charging infrastructure and half of the electric vehicles funded by the FTA Low-No Emission Grant Program in order to operate and capture the GHG (greenhouse gases) reductions.	\$ 25,000,000	\$ 20,000,000	June 2026

## ATTACHMENT 2 - PROJECTS EVALUATION CTIERIA

Evaluation Criteria	Name of Project
	Electrification of Sylmar Bus Yard and Electric Commuter Van Replacement
<p>Demonstration of Need: How will the proposed project address an unmet need for capital investment? What substantiating evidence can be provided to support these statements?</p>	<p>By addressing the unmet need for capital investment, this project will electrify the Sylmar Yard. The charging infrastructure is needed to charge a portion of the 130 battery electric buses currently being delivered and transit to a fully electric transit fleet as required by the California Air Resource Board's Innovative Clean Transportation regulation (ICT) and the City's 2028 electrification goals.</p> <p>In addition, the Los Angeles Department of Transportation (LADOT) has an aging fleet of vehicles. The current fleet of vehicles proposed for replacement are coming to the end of their useful life, as determined by the Federal Transit Administration. In order to procure new vehicles to replace the existing fleet, LADOT must secure grant funding to support the procurement.</p> <p>LADOT has a Zero-Emission Bus Roll Out Plan that serves as the CARB-required plan to transit its bus fleet to 100 percent zero-emission buses (ZEB) by 2030. The electrification needs are detailed in the Plan and the Plan serves as the substantiating evidence to address low/no emission.</p> <p>LADOT maintains a federally required Transit Asset Management (TAM) Plan. The TAM plan is intended to assist agencies with the proper maintenance and upkeep of transit facilities and fleet vehicles. Vehicles are tracked in a spreadsheet to ensure replacements are procured when vehicles are nearing the end of their useful life</p>
<p>Demonstration of Benefits: How will the proposed project support the program objectives to reduce energy consumption and harmful emissions?</p>	<p>Commuter Express and City Ride services currently utilize compressed natural gas (CNG) 40' Coach and Cutaway vans for operations. The proposed project intends to replace the larger CNG vehicles with zero-emission, electric cargo-style passenger vans. Transitioning to smaller and cleaner vehicles that appropriately address current ridership demands will improve air quality and reduce the total energy required to operate the services. The installation of charging infrastructure will support and make possible the operation of electric vehicles.</p>
<p>Planning and Local/Regional Prioritization: How is the proposed project consistent with local and regional long range planning documents? How is the proposed project consistent with local government priorities? Applicants are encouraged to also consult DOT's Promising Practices for Meaningful Public Involvement in Transportation Decision-Making at: <a href="https://www.transportation.gov/priorities/equity/promising-practicesmeaningful-public-involvement-transportation-decision-making">https://www.transportation.gov/priorities/equity/promising-practicesmeaningful-public-involvement-transportation-decision-making</a>. Zero-Emission applicants: Did the applicant include a zero-emission fleet transition plan that includes all 6 required elements?</p>	<p>The electrification of the Sylmar yard and electric fleet transition is consistent with LADOT's Short Range Transit Plan (SRTP) and L.A.'s Green New Deal. The installation of electric charging infrastructure will allow our Commuter Express and Cityride service to continue without interruption.</p> <p>To combat climate change by reducing greenhouse gasses, the Los Angeles City Council mandated LADOT Transit to electrify its entire transit fleet by 2030 (Mayoral Goal was moved up to 2028), also satisfying the California Air Resources Board Innovative Clean Transit (ICT) mandate. This project will bring the Department one step closer to meeting the goal of a fully electric transit fleet.</p> <p>The application will include a zero-emission fleet transition plan that includes all 6 required elements. The plan is LADOT's Zero-Emission Bus Roll Out Plan.</p>

## ATTACHMENT 2 - PROJECTS EVALUTION CTIERIA

Evaluation Criteria	Name of Project
	Electrification of Sylmar Bus Yard and Electric Commuter Van Replacement
<p>Local Financial Commitment: When will the funds be fully secured? What is the source of the local share?</p>	<p>The funding for the project will be secured in the following years: FY 23-24 - \$650,000 FY 24-25 - \$22,700,000 FY 25-26 - \$1,650,000</p> <p>The sources of the local share are as follows: Prop A - \$ 4,290,000 Low Carbon Transit Operations Program (LCTOP) - \$ 709,857</p>
<p>Project Implementation Strategy: How soon can the proposed project be obligated (within 12 months)? How will the project be implemented?</p>	<p>LADOT intends to apply for the FTA Low/No grant with named partners, cutting down the obligation period significantly and can obligate the proposed project within 12 months.</p> <p>The proposed project has named partners as part of the grant application. The partners include vehicle sales, charging infrastructure, design, installation, and labor partners on workforce development. If LADOT is to be awarded the grant, we will work to execute agreements with the named partners to begin the charger installation and vehicle ordering process.</p>
<p>Technical, Legal, &amp; Financial Capacity: Does the applicant have the know-how to carry out the proposed project? What technical, legal, or financial capacity issues exist, if any?</p>	<p>LADOT has the knowledge to carry out the proposed project. LADOT's Transit Bureau leads bus procurements and manages other electrification projects at our four maintenance yards, some involving the named project partners.</p> <p>There are no technical, legal, or financial capacity issues for this project. LADOT placed an order for 155 electric buses in 2020, that was funded through State, Local, and Federal funds. In addition, LADOT completed the construction of the Downtown Yard in 2019, which currently has 13 electric charging stations.</p>
<p>Additional Selection Considerations: • Geographic diversity • Diversity in size of the population of the service area • Small Urban, Rural or Tribal • For Zero-Emission projects, prioritize projects with a plan for full fleet transition. • Receipt of other competitive awards • Administration Priorities • Climate Change • Workforce Development/Good Paying Jobs • Procurement methods that reduce customization • Workforce Development Component of Zero-Emission Transition Plan • Justice 40</p>	<p>The following additional selection considerations apply to this project:</p> <ul style="list-style-type: none"> <li>• Geographic diversity</li> <li>• Diversity in size of the population of the service area</li> <li>• For Zero-Emission projects, prioritize projects with a plan for full fleet transition.</li> <li>• Receipt of other competitive awards</li> <li>• Administration Priorities</li> <li>• Climate Change</li> <li>• Workforce Development/Good Paying Jobs</li> <li>• Procurement methods that reduce customization</li> <li>• Workforce Development Component of Zero-Emission Transition Plan</li> <li>• Justice 40</li> </ul>