

# Agenda Report

September 23, 2024

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Transportation

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH CALTRANS TO RECEIVE \$2.5 MILLION IN CARBON REDUCTION PROGRAM FUNDING FOR ZERO-EMISSION BUS PURCHASES AND AMEND THE CAPITAL IMPROVEMENT PROGRAM BUDGET**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is covered by the common sense exemption set forth in State CEQA Guidelines Section 15061(b)(3) that CEQA only applies to projects which have the potential for causing a significant effect on the environment;
2. Authorize the City Manager or his designee to enter into an agreement with Caltrans to receive grant funding from the Carbon Reduction Program in the amount of \$2,500,000 for zero-emission bus purchases and execute any subsequent agreements regarding this grant award;
3. Appoint the Director of Transportation as the City's designated agent for the on-going administration and management of all documentation required by Caltrans pursuant to the grant; and
4. Amend the City's FY2025 Capital Improvement Program Budget to recognize and appropriate \$2,500,000 in grant funding for the Purchase of Replacement Transit Vehicles and Expansion Fixed-Route Transit Vehicles project (75085).

## **BACKGROUND:**

On June 6th, 2024, the Department of Transportation was awarded \$2,500,000 by Southern California Association of Governments in grant funding through the Carbon Reduction Program (CRP) towards the purchase of 17 zero-emission buses. This funding, derived from federal sources through the Federal Highway Administration (FHWA), is part of a broader effort to reduce transportation-related carbon emissions. The CRP was established under the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), which prioritizes the development and implementation of projects aimed at reducing the environmental impact of transportation. These federal CRP funds are administered through the Caltrans Office of Local Assistance, similar to other FHWA funds received by the City.

The CRP supports projects that directly contribute to the reduction of transportation emissions, including those that enhance public transportation, promote nonmotorized travel, and integrate advanced technologies. A key feature of this program is the flexibility it offers for funds to be allocated towards transit-related projects, with an emphasis on promoting safety, mobility, and accessibility for all users of the transportation network. This aligns with local, state, and federal objectives to create a more equitable and sustainable transportation infrastructure.

The Department of Transportation's project to purchase zero-emission buses qualifies for this funding as it directly aligns with the CRP's objectives. In addition, the purchase of zero-emission buses will significantly reduce the City's transit fleet's carbon footprint, thereby advancing local, state, and federal goals of reducing greenhouse gas emissions. The funds support Pasadena's Zero Emission Rollout Plan for its transit fleet, aligning with the City's climate goals and ensuring compliance with the California Air Resources Board's Innovative Clean Transit regulation that requires transit agencies reduce fleet tailpipe emissions. These funds are anticipated to support zero-emission bus purchases in Fiscal Year 2025, with delivery in Fiscal Year 2026.

## **COUNCIL POLICY CONSIDERATION:**

The acceptance of CRP funding that will support the purchase of zero-emission buses is directly aligned with the Council-adopted Zero-Emission Bus Rollout Plan, reinforcing the City's commitment to transitioning its public transportation fleet to zero-emission vehicles. This initiative not only supports the City's sustainability objectives but also aligns with the broader goals, particularly in the areas of reducing greenhouse gas emissions, enhancing public transportation, and promoting equity.

## **ENVIRONMENTAL ANALYSIS:**

The proposed action has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption that CEQA applies only to projects which 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. Such is the case with the proposed approvals, authorizations, and agreements related to receiving grant funding for the purchase of zero-emission buses. No direct physical changes to the environment are proposed. The proposed zero-emission buses would replace existing City buses powered by fossil fuels and, as a result, would reduce air pollutant and greenhouse gas emissions from the City's bus fleet. Thus, this action does not have the potential for causing an adverse significant effect on the environment and is therefore exempt from CEQA per Section 15061(b)(3) (Common Sense Exemption).

**FISCAL IMPACT:**

Approval of the recommended action will amend the FY 2025 Capital Improvement Program (CIP) Budget by recognizing and appropriating \$2,500,000 in Caltrans CRP grant funds to the Purchase of Replacement Transit Vehicles and Expansion Fixed-Route Transit Vehicles CIP project (75085), which will support the purchase of 17 zero-emission buses. There is no impact to the General Fund.


This funding is part of a larger initiative to reduce greenhouse gas emissions by transitioning Pasadena Transit's fleet to zero-emission vehicles, including the anticipated near-term purchase of zero-emission buses. The CRP funding will provide a significant contribution to this effort.

Respectfully submitted,



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