

ANALYSIS

Department of Transportation Low or No Emissions Vehicles

Analyst: Michelle Deister

Request: Approve the submission of a federal grant application to the Federal Transit Administration in the amount of \$9,077,325 for acquisition of low or no emissions vehicles on behalf of local transit providers.

Analysis: The Low or No Emission Grant Program makes federal resources available for the replacement, rehabilitation, and purchase of low-or-no emission busses and related equipment, with a goal of emission reductions that result in cleaner and greener local transit. Construction of facilities for this equipment is also an eligible use of grant funds.

ODOT is applying on behalf of five local transit providers, who are responsible for any matching funds requirements, should awards be made for the project proposal. The match requirement is 10-20%, depending on the type of project. If each entity's request is successful, the total collective matching fund required of the localities would be \$1.6 million. Proposals being submitted include the purchase of new greener vehicles to expand local fleets, as well as replacement of existing low-or-no emission vehicles which are nearing or beyond the federal standard for useful life. A summary of each localities project is below:

Local Transit Agency	Project Description	Funds Requested	Match Amount
City of Lebanon (Linx Transit)	One additional vehicle	\$225,000	\$39,706
Hood River County Transportation District	7 replacement vehicles	\$5,525,000	\$975,000
Central Oregon Intergovernmental Council	7 additional vehicles	\$241,825	\$42,675
South Clackamas Transportation District	One additional vehicle	\$280,500	\$49,500
Umpqua Public Transportation District	3 replacement vehicles	\$2,805,000	\$495,000
Total		\$9,077,325	\$1,601,881

The grant application is due April 13, 2023.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval.

Oregon Department of Transportation Lisper

Request: Authorization to apply for a \$9,077,325 grant to assist in financing the Low or No Emission grant program on behalf of local transit providers from the Federal Transit Administration.

Recommendation: Approve the request.

Discussion: The Oregon Department of Transportation (ODOT) is requesting authorization to apply for a federal grant from the Federal Transit Administration for the Low or No Emission Grant Program, which includes both a formula-based allocation and a competitive grant process. ODOT applies for this grant on behalf of local transit providers. If the grant is fully awarded, the \$1,601,881 in matching funds would be provided by the local transit providers. The grant notification was posted on January 27, 2023, with an application due date of April 13, 2023. If awarded, the funds need to be obligated by September 30, 2026. The award date for this grant has not been determined.

If awarded, the plan includes the following projects:

Local Transit Provider	Transit Improvement Items
City of Lebanon	One new transit vehicle to expand existing fleet
Hood River County Transportation District	Seven replacement transit vehicles
Central Oregon Intergovernmental Council	Seven new transit vehicles to expand existing fleet
South Clackamas Transportation District	One new transit vehicle to expand existing fleet
Umpqua Public Transportation District	Three replacement transit vehicles



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

March 8, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Public Transportation Division requests permission to apply for the Low or No Emission Grant Program for \$9,077,325 from the Federal Transit Administration (FTA) on behalf of local transit agencies.

BACKGROUND

The Low or No Emission Grant Program makes federal resources available to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. Funding is provided through formula allocation and competitive grants. The national notice of funding opportunity for the federal fiscal year 2023 competitive program was announced on January 27, 2023 for the amount of \$1,221,350,117 under 5339(c) Low or No Emissions Grant Program. States are eligible to apply on behalf of public transit providers including rural and small urban transit districts, cities, counties, and non-profit transit providers. Local match required for applications is 10 percent to 20 percent depending on project eligibility. The grant application is due April 13, 2023. It is not known when awards will be announced, but it will likely occur this summer.

ODOT solicited potential applications from transit providers on whose behalf we may apply and received a number of proposals. Based on this solicitation, ODOT intends to apply for \$10,679,206 for purchase of ten replacement buses, and nine expansion buses for the following rural transit providers:

- City of Lebanon (one expansion vehicle)
- Hood River County Transportation District (seven replacement vehicles)
- Central Oregon Intergovernmental Council (seven expansion vehicles)
- South Clackamas Transportation District (one expansion vehicle)
- Umpqua Public Transportation District (three replacement vehicles)

The replacement of older buses would decrease the proportion of the statewide transit fleet that exceeds the federal standard for useful life, an ODOT Key Performance Measure. Decreasing the proportion of the statewide transit fleet that exceeds federal useful life standards will also aid in meeting FTA Transit Asset Management goals for Oregon. Additionally, projects in this grant application would help to further ODOT's Strategic Action Plan outcomes of improving access to active and public transportation, electrifying Oregon's public transportation system, and achieving sufficient funding for public transportation.

March 8, 2023

Page 2

AGENCY ACTION

ODOT is preparing an application for \$9,077,325 in FTA Section 5339(c) Low or No Emissions Grant Program funds and local matching funds.

Grant Request: \$ 9,077,325
Matching Funds: \$ 1,601,881
Total Project Cost: \$ 10,679,206

Local agencies on whose behalf ODOT is applying will provide matching funds. Grant administration will be supported by existing ODOT staff and resources. Funds must be obligated by September 30, 2026, and there is no expenditure deadline.

ACTION REQUESTED

ODOT requests approval to submit a grant application to the FTA for \$9,077,325 in Low or No Emissions Grant Program incentive funds and matching funds.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director