



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of October 22, 2026

From: Philip Kamhi, Principal Analyst, Capital and Grant Programs
Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATED TO GRANT PROGRAMS**
(a) APPROVE ACTIONS RELATIVE TO THE LOW CARBON
TRANSIT OPERATIONS PROGRAM (LCTOP)

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve the following actions necessary to secure FY 25/26 Low Carbon Transit Operations Program (LCTOP) grant funds, reflecting the final Cycle A and Cycle B allocation amounts, to support transit capital and operating projects for the Golden Gate Bridge, Highway and Transportation District (District):

1. Authorize submission of the LCTOP grant application in FY 25/26 for the *M.V. Mendocino Replacement* (Project);
2. Adopt a Resolution (attachment), certifying that the District will comply with all conditions and requirements set forth in the LCTOP certification and assurances, authorized agent documents, applicable statutes, regulations, and guidelines for all LCTOP-funded transit projects; and,
3. Authorize the General Manager, or his designee, to execute for and on behalf of the District any documents necessary to apply for and receive LCTOP funding, including certifications and assurances, authorized agent forms, and agreements relative to Cycles A and B of the FY 25/26 LCTOP program.

This matter will be presented to the Board of Directors at its October 23, 2026, meeting for appropriate action.

Summary

LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program, which was established by the California Legislature in 2014 by Senate Bill (SB) 862. LCTOP is a formula program that was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility. Approved projects in LCTOP will support new or expanded bus, ferry, or rail services, expanding

intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities with each project reducing greenhouse gas emissions. SB 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP beginning in FY 15/16.

This program is administered by the California Department of Transportation (Caltrans) in coordination with the California Air Resources Board (CARB) and the State Controller's Office (SCO). Caltrans is responsible for ensuring that the statutory requirements of the program are met: project eligibility, greenhouse gas reductions, disadvantaged community benefits, and other requirements of the law. Caltrans requires agencies to report on their compliance with the statutory requirements. Local agency recipients are responsible for ensuring that the projects selected provide maximum public benefits. As such, recipients are strongly encouraged to select projects that maximize public benefits for transit ridership, greenhouse gas reductions, disadvantaged community benefits, and other co-benefits.

Due to changes to the Program this year, there are two FY 25/26 Allocation Request cycles: Cycle A (February 2026 through October 2026) and Cycle B (July 2026 through March 2027). In April 2026, following Board approval of actions relating to LCTOP grant funds, the District submitted its Cycle A Allocation Request package to Caltrans, and the Cycle A allocation amounts are now final. MTC and the State Controller's Office have since finalized the Cycle B allocation amounts, and the District will submit its Cycle B Allocation Request package by Friday, October 30, 2026.

Per the FY 2025-2026 LCTOP Guidelines, Cycle A and Cycle B use the same Allocation Request Form and require only one signed Certifications and Assurances document and one approved Board Resolution. Because of the two cycles, Caltrans accepted a draft resolution for Cycle A and an approved Board Resolution for Cycle B. The Certifications and Assurances and Authorized Agent forms executed after the April 2026 Board action remain in effect for both cycles. Accordingly, this action adopts the final Board Resolution reflecting the final allocation amounts for Cycle A and Cycle B.

Per Section 39719 of the Health and Safety Code, LCTOP funds are distributed by a formula based on prior use of State Transit Assistance (STA) funds and are divided into two equal parts.

1. Population-based LCTOP funds: One-half of LCTOP funds are available to regional entities and are allocated based on the ratio of the population in the area under its jurisdiction to the total population of the State. The Metropolitan Transportation Commission (MTC) receives these funds and distributes them to Bay Area transit operators.

A. Public Transit Operators in Marin County

1. For Cycle A, MTC adopted a framework that allocated \$459,631 to be shared among public transit operators in Marin County, i.e., Marin Transit, SMART, and the District (MTC Resolution No. 4130). Based on revenue-sharing formulas for STA funds in Marin County, the District's final Cycle A allocation is \$186,146 in population-based LCTOP funds for FY 25/26.

2. For Cycle B, MTC has finalized the distribution of \$294,482 to be shared among public transit operators in Marin County (MTC Resolution No. 4273, Revised). Based on revenue-sharing formulas for STA funds in Marin County, the District will receive \$119,265 in population-based LCTOP funds for Cycle B for FY 25/26.

B. Public Transit Operators in Sonoma County

1. For Cycle A, MTC adopted a framework that allocated \$879,369 to be shared among public transit operators in Sonoma County, i.e., Sonoma County Transit, Santa Rosa CityBus, and the District (MTC Resolution No. 4130). Based on revenue-sharing formulas for STA funds in Sonoma County, the District's final Cycle A allocation is \$35,905 in population-based LCTOP funds for FY 25/26.
2. For Cycle B, MTC has finalized the distribution of \$563,406 to be shared among public transit operators in Sonoma County (MTC Resolution No. 4273, Revised). Based on revenue-sharing formulas for STA funds in Sonoma County, the District will receive \$23,004 in population-based LCTOP funds for Cycle B FY 25/26.

2. Revenue-based LCTOP funds: The other half of LCTOP funds are based on the total revenue of each jurisdiction during the prior fiscal year to the total revenue of all the operators of the state. This portion is disbursed directly to operators by the SCO. The State Controller allocation for the District is \$1,618,304 for Cycle A for FY 25/26 and \$1,036,837 for Cycle B for FY 25/26.

The total amount of the District's FY 25/26 LCTOP population- and revenue-based allocations is \$3,019,461 (\$1,840,355 for Cycle A and \$1,179,106 for Cycle B).

Caltrans has adopted certifications and assurances for the LCTOP. As a condition of the receipt of LCTOP funds, project sponsors must comply with these terms and conditions. Project Sponsors are required to sign the Certifications and Assurances document (see Attachment) prior to receiving an allocation of FY 25/26 LCTOP funds. The Certifications and Assurances document contains general conditions of the LCTOP, as well as Cost Principles, Record Retention, and Special Situations requirements that are standard for other State-funded projects. Project applicants are required to:

1. Adopt a resolution appointing individuals or positions to act on behalf of the applicant and its governing body;
2. Provide the related certifications and assurances; and,
3. Approve project(s) that will receive LCTOP funds.

As a covered program under Assembly Bill 680 (AB 680), LCTOP requires the District to implement six workforce standards across applicable projects. These standards establish baseline job quality and project selection requirements aligned with the State's workforce development

goals, which include providing compensation at or above the regional median wage and offering benefits and access to training opportunities. The District will comply with all applicable AB 680 workforce standards in connection with this Project.

In addition, as part of its FY 25/26 LCTOP Allocation Request package, the District is required to submit its approved procurement manual, as required by the FY 2025-2026 LCTOP Guidelines.

Fiscal Impact

In April 2026, when staff brought this item to the Board, the District was estimated to receive \$2,760,023 in LCTOP funds. With the finalized allocation amounts for Cycles A and B, the District will receive a total amount of \$3,019,461 in LCTOP funds, which will be applied to *M.V. Mendocino Replacement* Project in the Ferry Division Capital Plan. The total budget for the Project, including design, construction, and delivery, is currently estimated at \$62,073,516.

The anticipated funding for this Project is \$49,658,813 (80%) Federal Transit Administration formula funds, \$11,322,475 (18%) state LCTOP funds, and \$1,092,228 (2%) in District match. This is the second of four years of LCTOP funding, and the planned funding for the Project assumes four years of LCTOP funding.

Attachment: Draft FY 2025-2026 LCTOP Board Resolution

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2026-XXX

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS
FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
FOR THE FOLLOWING PROJECT:
M.V. MENDOCINO REPLACEMENT PROJECT, \$3,019,461**

October 23, 2026

WHEREAS, the Golden Gate Bridge, Highway & Transportation District (District) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the District wishes to delegate authorization to execute required LCTOP program documents and any amendments thereto to Denis J. Mulligan, General Manager; and

WHEREAS, the District wishes to implement the following LCTOP project(s) as further described herein; now, therefore, be it

RESOLVED by the Board of Directors of the Golden Gate Bridge, Highway & Transportation District that the District agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and be it further

RESOLVED that Denis J. Mulligan, General Manager, or his designee, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation; and be it further

RESOLVED by the Board of Directors of the Golden Gate Bridge, Highway & Transportation District that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY2025-26 LCTOP funds:

Project Name: MV Mendocino Replacement Project

Amount of LCTOP funds requested: \$3,019,461 (\$1,840,355 for Cycle A and \$1,179,106 for Cycle B)

Description of Project: The MV Mendocino Replacement Project includes the design, construction, and delivery of a replacement vessel for the District's ferry fleet.

This is the second of four years of LCTOP funding planned for the Project. The total LCTOP funding across all four years is estimated at \$11,322,475, broken out as follows:

- Year 1 (FY 24/25): \$2,903,014;
- Year 2 (FY 25/26): \$3,019,461;
- Year 3 (FY 26/27): \$2,700,000 (estimated);
- Year 4 (FY 27/28): \$2,700,000 (estimated).

Benefit to a Priority Populations: Golden Gate Ferry service connects to Golden Gate Transit bus routes that serve three San Francisco Disadvantaged Communities, bringing new riders to transit and creating greater multi-modal connectivity for transit riders. Due to the decrease in vehicle trips, greenhouse gas emissions will be reduced throughout the service area. Primary Disadvantaged Community: South of Market Census Tract 6075017801. Secondary Disadvantaged Community: Tenderloin: 6075012502.

Amount to benefit Priority Populations: \$3,019,461

Contributing Sponsor: Metropolitan Transportation Commission

ADOPTED this 23rd day of October 2026, by the following vote of the Board of Directors:

AYES ():

NOES ():

ABSENT ():

David A. Rabbitt
President, Board of Directors

ATTEST:

Amorette M. Ko-Wong
Secretary of the District