


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: October 31, 2014

TO: Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: **Honorable Mike Bonin, Chair**, Transportation Committee

FROM: Seleta J. Reynolds,  General Manager
Department of Transportation

SUBJECT: **FISCAL YEAR 2013-2014 REPORT TO CITY COUNCIL ON THE STATUS OF THE MOBILE SOURCE AIR POLLUTION REDUCTION TRUST FUND**

SUMMARY

The Los Angeles Department of Transportation (LADOT) is required to report all revenues and expenditures of the Mobile Source Air Pollution Reduction Trust Fund, Fund 528, (MSAPRTF or "Trust Fund") on an annual basis, as directed by Ordinance No. 181196.

RECOMMENDATION

LADOT recommends that City Council receive and file this report of revenues and expenditures of the Trust Fund.

KEY FINDINGS

No unusual findings were made regarding the programs or expenditures from this fund.

DISCUSSION

In accordance with Ordinance No. 181196, the administration of the Trust Fund was transferred to LADOT on July 1, 2010 and therefore, as the Trust Fund Administrator, LADOT is required to provide an annual report to the City Council following the end of each fiscal year. The report describes the amount and purpose of all receipts into and all transfers and expenditures out of the Trust Fund, Fund 528. This report details the Fund revenues and expenditures for the period from July 1, 2013 to June 30, 2014 (FY 14).

As Trust Fund Administrator, LADOT also reports on the emission reductions achieved from programs funded through AB 2766 Subvention Funds to the South Coast Air Quality Management District (SCAQMD). LADOT will submit the emission reduction report for FY 14 to the SCAQMD by February 3, 2015.

BACKGROUND

Los Angeles City Ordinance No. 167129 established the trust fund to receive and expend State fees

allocated to the City by Assembly Bill 2766 (AB 2766, Sher, Chapter 1705 of the Statutes of 1990). Per AB 2766, air pollution districts may impose fees on motor vehicle registrations to raise revenues for programs to reduce air pollution from vehicles.

The State of California Department of Motor Vehicles (DMV) collects the fees by assessing an additional \$4.00 on each vehicle registered. The breakdown of each dollar is as follows:

- Participating cities and counties located within the Basin receive forty cents of every dollar collected in the South Coast Air Basin on a prorated population share basis. In order to receive these funds, the City enacted an ordinance expressing support for AB 2766 and codifying City compliance with terms set forth in AB 2766. The SCAQMD transmitted funds during FY 14 to the City of Los Angeles in the form of quarterly automatic clearing house (ACH) transfers. The amounts varied according to the number of vehicles registered during each quarter.
- An additional thirty cents of each dollar collected goes into a Discretionary Fund administered by the Mobile Source Air Pollution Reduction Review Committee (MSRC). The legislation identified this multi-agency committee to program and distribute these discretionary funds in the South Coast Air Basin. The MSRC was formed in 1990, when AB 2766 was signed into law. All programs implemented by the MSRC must fund work to reduce air pollution from mobile sources pursuant to the California Clean Air Act and the local Air Quality Management Plan. Government agencies, non-profit entities, businesses, and individuals all compete for discretionary funds through an annual Request for Proposal process.
- SCAQMD retains the remaining thirty cents of each dollar collected for use in their mobile source air pollution reduction efforts.

Revenues and Interest

SCAQMD deposited a total of \$4.66M in AB 2766 revenues and \$42,493 in interest, as reported on a cash basis, to the Trust Fund. Note that the fiscal year revenues were \$4,697,474, which include receipts received in the first quarter of FY 14, but reported as receipts for the last quarter of FY 14.

The Ordinance specifies that all interest attributable to money in the Trust Fund be credited to the Trust Fund, and that any funds remaining unexpended or uncommitted at the end of each fiscal year be reverted back to the Trust Fund for reprogramming to other mobile source air pollution reduction efforts.

Transfers and Expenditures

All City of Los Angeles programs and projects funded under the AB 2766 program aim to reduce air pollution from motor vehicles. They are consistent with provisions of the California Clean Air Act and the 1990 Federal Clean Air Act Amendments and further the City's efforts to comply with these laws. In addition, the funds contribute to the implementation of the City's air quality programs, designed to assist in achieving Federal, State, and local air quality goals and mandates, including the SCAQMD's Air Quality Management Plan (AQMP). The following section describes City programs and projects funded by the Trust Fund and the related fund transfers and expenditures. **Attachment 1 summarizes the Trust Fund expenditures for FY 14 in real dollars.**

RECEIVED
 CITY CLERK'S OFFICE
 30 NOV -5 AM 10:18
 CITY CLERK
 DEPUTY

AB 2766 Funded Programs and Projects

The following is a synopsis of the Trust Fund programs:

1) Electric Vehicles, Bike Share, Car Share and CicLAvia Programs

Per the FY 14 Schedule 10's adopted budget, the Trust Fund contributed to three salaries for staff in the Office of Sustainability, housed in the Mayor's Office of Budget and Innovation. This represents \$30,045 for direct costs and \$11,811 for related costs. Work performed by these staff supported the reduction of vehicle miles traveled (VMT) and the associated mobile sources of air pollution.

The Office of Sustainability is headed by the Chief Sustainability Officer (CSO). The Sustainability team is composed of a Deputy Sustainability Officer, a Senior Analyst, and an Analyst. The team works in concert with City Departments and external stakeholders on various sustainability programs to reduce energy use and advance the market for fuel efficient cars. The Mayor's office is involved in the promotion of increased usage of Electric Vehicles, Bike Share, Car Share and the CicLAvia Programs.

2) LADOT's Automated Traffic Surveillance and Control (ATSAC) System

LADOT administers and oversees the expenditures of the Trust Fund citywide in various air quality programs within other departments. Within LADOT, the funds in support ATSAC, the transportation planning and land use program, and air quality demonstration programs. A total of \$1,791,161 was expended from the Trust Fund in direct salaries and \$847,838 in reimbursements to the general fund for fringe benefits and central services for LADOT during FY 14.

In FY 14, \$629,328 in AB 2766 funds were expended for ATSAC System staff direct salaries and \$410,104 in related costs to help support ATSAC operations for a total of \$1,039,432.

The ATSAC system includes 4,398 signalized intersections that control over 6,000 centerline miles of city streets. LADOT operates and maintains the system on city streets/state highways within the city's geographic boundaries and certain intersections in other municipalities and the incorporated part of Los Angeles County. The system includes over 25,000 vehicle detectors and over 450 cameras.

The ATSAC advanced system enables traffic engineers to monitor traffic conditions and make real-time signal timing adjustments to handle emergencies and special events. The most advanced part of the system is "adaptive", meaning that traffic signals automatically change timing in response to different travel volumes and patterns at different times of the day. LADOT also is using ATSAC to prioritize light rail and Rapid Bus services operated by Metro.

The ATSAC System is consistent with the transportation control measures of the SCAQMD's Air Quality Management Plan. Analysis by LADOT and independent third parties showed that signal synchronization on major corridors reduces congestion (i.e. time delay experienced by vehicles versus free flow conditions). Using the Modified Winfrey Method (as described in An Emission Model for Arterial Streets in 1992 by Kenneth Vaughn) to provide estimates of air emissions on

arterial streets, the operation of the ATSAC System, exclusive of the pedestrian warning devices, reduced emissions for a total of 9,364 tons of carbon monoxide, 1,552 tons of reactive organic gases, 2,188 tons of nitrogen oxides, and 1,088,544 tons of carbon dioxides for FY 14.

ATSAC represents the current state-of-the-art in computer control of traffic signals that improves the overall congestion on arterial streets. The advantages of computer-controlled traffic signals are substantial. The system enables LADOT to remotely monitor traffic conditions from its control center. Engineers see graphical representations of traffic conditions, are automatically notified when traffic conditions are abnormal (which could be the result of a crash, police or fire emergency, etc.) and can visually observe conditions using cameras installed at major intersections. The system enables LADOT to remotely change signal timing at any signalized intersection in response to planned events and unplanned situations that may arise. This can include police and fire operations where the exact timetable is unknown or during special events. The system allows the operation of light rail transit in street running mode, bus rapid transit, and rapid bus while still efficiently moving people driving, biking, and walking. LADOT continues to expand its Traffic Priority System (TPS) to support Metro's rapid bus operations.

ATSAC staff designed a total of 337 intersections during FY 14 and constructed 124 intersections, which were connected to the ATSAC System on July 25, 2014 for the Santa Monica Freeway Corridor, Phase 1 Adaptive Traffic Control System (ATCS) and the Westwood/West Los Angeles ATCS. Of the remaining 213 intersections, 120 were in the bid and award process and 93 were pending construction on the Santa Monica Freeway Corridor Phase 2 and the Wilshire East ATCS.

The Adaptive Traffic Control System (ATCS) projects provide a fully responsive signal control system based on real-time traffic conditions in the Los Angeles area. These ATCS projects installed new software, vehicle detectors, Closed Circuit Television Cameras (CCTV), interconnected fiber optic cables and provided hub replacements at intersections currently part of the City's ATSAC system. This is a citywide Los Angeles program to reconstruct existing traffic control systems that had limited flexibility to respond to changing traffic conditions.

3) Transportation Planning and Land Use Review

During FY 14, \$660,062 in Trust Funds were expended by LADOT in direct salaries to fund six positions and \$429,965 in related costs to support transportation planning and land use review activities performed by the Development Services Division with a total expenditure of \$1,090,027.

Overall, during FY 14, the Development Services Division processed 79 traffic impact studies, 516 building permits and 233 site plan/driveway approvals. Of these various projects, the six staff funded are directly involved in the review and coordination of larger projects that require environmental impact reports and transportation mitigation plans. Additionally, these staff are also directly involved in other work efforts within the Division relative to grant applications, community planning and long range transportation planning programs and initiatives.

4) Green Taxi Program

LADOT staff worked with taxi operators to develop the City's green taxi program and establish standards of compliance to encourage taxi operators to exchange their higher emissions vehicles to green taxis, either hybrids or those that use alternative fuels.

The accomplishments to date include the following:

- 99.5% of greening goal completed thus far, with 1,695 total green vehicles in service as of 8/31/14 (1,695 out of 1,703 total minimum program vehicle requirement)
- Total taxicab fleet count is 2,361 vehicles, with 71.8% of fleet as green cabs (hybrid or alternative fuel)
- Total minimum completion requirement for calendar year 2014 (program year 4) is 79% (or 1,346 total green taxis) - with 99.5% and 1,695 cabs achieved as green thus far
- At the current vehicle addition rate, the City should be able to attain approximately 100% of the total taxi greening goal by December 2014 - more than one year ahead of the December 31, 2015 five year program goal

5) Project Management

A total of \$46,657 in Trust Funds were expended by LADOT staff in direct salaries and \$31,238 in related costs to support various sustainable transportation and air quality programs, including the green taxi, car share, bike share, carpool and bicycle programs, transit and light rail activities mentioned above.

6) Car Share

A total of \$25,295 in Trust Funds were expended by LADOT staff in direct salaries and \$16,477 in related costs to support of the pilot car share program and included project planning and control, coordination, attending meetings, preparing contracts, coordination, design and review and other related work. These totaled \$41,773 in AB 2766 eligible activities.

7) Bicycle Patrol Program

LADOT purchased a total of 60 Safariland/Kona 29" police bicycles at an average cost of \$812.05 each, for a total expenditure of \$48,723 in support of the AB 2766 funded bicycle patrol program in conducting enforcement activities. The current bicycle patrol program has an average of 68 bicycle patrol officers, on patrol an average of 21 days per month, with an average daily 35 miles traveled for a total of 811,440 average bicycles miles per year.

Approximately one bicycle replaces one light duty passenger patrol vehicle at an average age of 6 to 10 years; the bicycle patrol program functions year round including all special events, demonstrations, marches, marathons, and CicLAvia, with an average mileage per shift of around 35 miles per shift.

Using Table 3 Average Emission Factors from the South Coast Air Quality Management District's "Methods to Find the Cost-Effectiveness of Funding Air Quality Projects-Emission Factor Tables May 2013," the auto emission factors were:

- 0.172 for NOx

- 0.15 for Reactive Organic Gases (ROG)
- 0.087 for PM2.5
- 1.78 for carbon monoxide (CO)

Assuming that the bicycles replaced sixty (60) 20.5 liter gasoline patrol cars, the emissions reductions achieved were the following:

- 268 pounds (0.338 kg per day) reduced in reactive organic gases (ROG),
- 304 pounds (0.37838 kg per day) reduced in nitrogen oxides (NOx)
- 16 pounds reduced in particulates (2.5) (0.19399 kg per day)
- 454 pounds (0.56598 kg per day) reduced in carbon monoxides

Total pounds of criteria pollutants reduced per day are 1042 pounds, about ½ ton daily, or 1 ton for every two days.

8) Administration

A total of \$44,475 in Trust Funds were expended in direct salaries and \$28,971 in related costs for LADOT staff to perform AB 2766 program administration, reporting, accounting, coordination and communications with other offices regarding citywide Mobile Source funded programs, funding and payments of invoices. Total expenditures for this effort were \$73,446.

9) Commute Options and Parking Section

In FY 14, the Commute Options and Parking Program, administered by the Personnel Department, provided services that reduced vehicle mileage and emissions generated by City employees commuting to and from work. Program services included providing information on carpooling, vanpooling, and transit buses; administering the City's transit incentive program and conducting the annual employee ridership survey. A total of 6,603 hours at a cost of \$250,606 were expended in Trust Funds for direct staff salaries in support of the vanpool program, a total of 5,662.5 hours at a cost of \$145,299 were expended in Trust Funds to provide transit reimbursements, and 818 hours at a cost of \$35,828 of Trust Funds were expended to provide carpool services.

The City provides incentives to employees who take transit, bike or walk to work, or who participate in carpools and vanpools. Staff support for these incentive programs is partially funded through the Trust Fund. Commute Options and Parking Services also are responsible for preparing the City's Employee Rideshare Plan in compliance with the SCAQMD's Rule 2202. Carpool participants receive free parking at City offices, while vanpool participants receive free parking and a reduced vanpool membership fee. The City's transit incentive for FY 14 was \$50 per month.

10) Vanpool Program

In FY 14, a total of 782 participants used the City's Commute Options vanpool program, with a one-way average daily trip length of 48 miles per day for 8 and 12 passenger vans for a total of

2.5 million vehicles miles traveled. There were a total of twenty-seven (27) 12-passenger vans, a total of sixty-eight (68) 8-passenger vans, operating at an 86% average capacity for all vans.

11) Carpool Program

During FY 14, a total of 702 carpool parking permits were issued, with an average of two persons per vehicle, driving an average of five days per week, for a total of 50 weeks per year.

12) Transit Subsidy and Bicycle/Walk Subsidy Programs

For the transit and bike/walk subsidy programs, a transit subsidy of \$50 per person was extended for FY 14 for a total of 3,388 transit subsidy program participants participating, a total of 74 bicyclists and a total of 28 walk subsidy program participants.

In FY 14, the Personnel Department expended Trust Funds in the amount of \$519,155 for Commute Options staff salaries and \$349,443 in related costs to run the Rideshare Program. Co-funding provided by the Rideshare Trust Fund for the transit subsidy program was \$1,387,761 plus a total of \$687,724 for van leases. Therefore, total co-funding provided by the Rideshare Trust Fund was \$2,075,485. In a typical year, City employees participating in the City's Carpool and Vanpool Rideshare Program conserve over 24 million vehicle miles per year. City employees receiving a subsidy for using public transit or bicycling or walking to work and conserve almost 26 million vehicle miles per year.

13) Alternative Fuel Infrastructure Program

The Public Works Department's Bureau of Engineering (BOE) was involved in providing engineering services for the conversion and development of alternative fuel infrastructure (fuel storage and dispensing stations) and facilities where those vehicles are serviced and maintained. During FY 14, BOE staff helped to design and/or obtain approvals for the natural gas detection systems as well as electrical distribution and/or controls for new ventilation systems. Other BOE activities included the following:

- Provided technical support for the construction of the electrical system of the new CNG fueling station at the West LA Bureau of Sanitation Yard at 2027 Stoner Avenue.
- Continued the design of the upgrade of the Bureau of Sanitation West LA Truck Maintenance Facility for the safe maintenance of the LNG-CNG fueled vehicles (2027 Stoner Avenue).
- Continued the design to upgrade the Bureau of Street Services Sweeper Shop for LNG/ CNG vehicles maintenance (2027 Stoner Avenue).
- Provided engineering support during the construction phase of the Bel Air CNG fueling station located at 11165 Missouri Road.
- Provided support to Bid and Award of upgrade of the 50,000 square foot heavy duty shop located at 12201 Sherman Way, to accommodate the repairs of the

newly-acquired LNG fueled vehicles.

- Provided training and technical guidance to other engineers on the design of the LNG-CNG fueling stations and the upgrade of existing maintenance yards.

In FY 14, BOE staff expended \$106,567 for direct costs and \$64,615 for related costs in Trust Funds, or a total of \$171,182 for a total of 1,777 hours expended in support of these activities.

14) Alternate Fuel Fleet Vehicles, Trucks and Infrastructure

During FY 14, the Department of General Services (DGS) was budgeted a total of \$1,518,247 for the North Hollywood Maintenance Facility Upgrade. The expenditures from the Trust Fund will not occur until FY15, as other funds were being used first.

During FY 14, LADOT reimbursed Department of General Services (DGS) using the Trust Fund for the incremental cost of purchasing 24 new clean natural gas (CNG) alternative fleet fuel vehicles, including four Elgin CNG Broom Bear street sweepers, four Peterbilt CNG super dump trucks, three Freightliners/truck tractors, and 13 Kenworth T800 15L GX LNG tractor trailer trucks.

The total expended in FY 14 from the Trust Fund for the GSD's Alternate Fuel Fleet Vehicles program was \$600,000. Delivery of these vehicles occurred during FY 14. Reimbursement was applied in accordance with the contract after delivery, and the vehicles had been placed into service.

15) Annual Audit of the Trust Fund

AB 2766 Regulations require all jurisdictions receiving funds pursuant to its provisions to undergo an annual audit by an independent auditor. To meet this requirement, the City budgets \$15,000 annually in the Trust Fund for the audit. LADOT's Trust Fund Program Administrator and a portion of the LADOT Accounting and Administrative staff annually coordinate the audit response and prepare the requested audit information and keeping the appropriate records for this purpose.

Allocated funds for the FY 14 Trust Fund audit will not be expended until FY 15, after the auditors have reviewed the Trust Fund receipts and expenditures.

The Controller's Office invoiced LADOT for the prior fiscal year's unpaid audit expenses of \$14,700, which were reimbursed during FY 14 from the Trust Fund.

16) Citywide-Related Costs

AB 2766 funds were appropriated for citywide indirect costs associated with AB 2766-funded salary expenditures for the Mayor's Office, Personnel Department's Commute Options, LADOT, and BOE staff. Total related costs for City staff performing eligible AB 2766 activities during FY 14 totaled \$1,261,896.

FISCAL IMPACT

All revenues were expended in accordance with AB2766 guidelines and there were no impacts to the general fund.

SJR:DBA:mo

Attachment

cc: Doane Liu, Deputy Mayor for City Service
Miguel Santana, Chief Administrative Officer
Sharon Tso, Chief Legislative Analyst

ATTACHMENT 1
MOBILE SOURCE AIR POLLUTION REDUCTION TRUST FUND - FUND 528 (AB2766)
SUMMARY OF EXPENDITURES FY 2013-2014 FROM 7/1/2013 THROUGH 6/30/2014

DEPARTMENT	APPR ACCOUNT	BUDGET	EXPENDITURES
MAYOR	94146K	\$ 30,045.00	
PERSONNEL	94166K	\$ 591,783.00	\$ 519,154.75
PUBLIC WORKS-BUREAU OF ENGINEERING	94178K	\$ 106,567.00	\$ 106,567.00
TRANSPORTATION	94194K	\$ 1,406,818.00	\$ 1,406,818.00
AIR QUALITY DEMONSTRATION PROGRAM	94260K		
AIR QUALITY EDUCATION AND OUTREACH	94267K	\$ 250,000.00	
ALTERNATE FUEL FLEET VEHICLES*	94207K	\$ 1,518,247.00	
BICYCLE PATROL PROGRAM	94262K	\$ 70,000.00	\$ 48,723.00
GREEN TAXIS	94263K		
REIMBURSEMENT TO GENERAL FUND COST (RELATED COST)	94299K	\$ 1,650,164.00	\$ 1,225,213.75
SINGLE AUDIT CONTRACT	94264K	\$ 15,000.00	
CONTINGENCY FOR OBLIGATIONS	94268K	\$ 13,079.00	
TECHNICAL SERVICES CONTRACT	94265K	\$ 50,000.00	\$ -
TOTAL		\$ 5,701,703.00	\$ 3,306,476.50

*Invoices for the North Hollywood Alternate Fuel Maintenance Facility will occur in FY15. No invoices were paid by this fund in FY 14.

Prepared by : Miranda Ow
(213) 972-4909