



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 17, 2026 **AGENDA ITEM #: 8**

TYPE: ACTION ITEM

PREPARED BY: DIRECTOR OF FINANCE & ADMINISTRATION NANCY TILLIE

REVIEWED BY: GENERAL MANAGER JERRY ESTRADA

SUBJECT: LOW CARBON TRANSIT OPERATIONS PROGRAM

RECOMMENDATION:

Staff recommends that the Board adopt Resolution 2026-02 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2025/26 California Cap-and-Invest funds from the Low Carbon Transit Operations Program (LCTOP), agreeing to comply with all conditions and requirements set forth in the Certification and Assurances, authorizing the allocation request, and authorizing the submittal to Caltrans of the project “SBMTD Microtransit Pilot Extension.”

DISCUSSION:

California Cap-and-Invest auction proceeds are appropriated to several programs, including the LCTOP, which is administered by Caltrans and the California Air Resources Board. All projects funded with auction proceeds must demonstrate greenhouse gas reduction. LCTOP provides formula funds to transit agencies such as MTD based on the agency’s percentage of statewide fare revenue, and to regional transportation planning agencies such as the Santa Barbara County Association of Governments (SBCAG) based on the area’s percentage of statewide population.

Staff proposes to submit an application to apply the available FY 2025/26 LCTOP funds towards MTD’s project “SBMTD Microtransit Pilot Extension.” The SBCAG population-based FY 2025/26 LCTOP funds total \$738,567, and SBCAG staff has recommended that MTD receive \$154,252, of that amount. The SBCAG Board is expected to approve the allocation of these funds to MTD at their meeting of April 16. MTD will also apply the \$317,584 in MTD farebox revenue share of LCTOP funds to the project, for a total of \$471,836, for this first round of FY 2025/26 LCTOP funds. There will be a second round of allocations in or around July 2026 of which the District intends to apply for.

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ATTACHMENTS:

- LCTOP Authorized Agent Form
- LCTOP Certifications and Assurances
- MTD Board Resolution 2026-02