Agenda Item #13.3
For Council Meeting of: May 6, 2025

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR – TRANSIT DIVISION
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: CALIFORNIA HYBRID AND ZERO-EMISSION TRUCK AND BUS VOUCHER INCENTIVE PROJECT APPLICATIONS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution: 1) authorize the Director of Transportation and Public Works or designee to execute and file required assurances and any other documents necessary enabling bus manufacturers to submit funding voucher applications for the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) for transit bus vouchers to be applied towards the City of Santa Rosa's battery electric transit bus purchases; and 2) authorize the Chief Financial Officer to increase appropriations equal to the portion of any issued vouchers.

EXECUTIVE SUMMARY

This action authorizes the Director of Transportation and Public Works to complete required documents to allow a bus manufacturer (Dealer) to file a funding voucher application with the HVIP for funding vouchers to be applied towards the City of Santa Rosa's (CityBus) battery electric transit bus (BEB) purchases.

BACKGROUND

1. HVIP was launched in 2009 by the California Air Resources Board (CARB) as part of the California Climate Investments Program (CCI).

2. The intent is to accelerate the deployment of zero-emission and plug-in hybrid trucks and buses in California.

3. CARB retains the sole discretion to determine eligibility for HVIP funding, including the right to require additional relevant information and documentation from an applicant (Dealers) or participant (CityBus) in evaluating a voucher request.

4. In 2018 CARB enacted the Innovative Clean Transit (ICT) Regulation and requires participants to be in compliance with the ICT to be eligible for HVIP.

5. HVIP operates as a first-come first-served program for eligible participants. Due in part to oversubscription of the program, changes have been made to create funding set-asides, including for Public Transit Buses. Currently a $14.6M Public Transit set-aside is available statewide comprised of FY22, FY23 and FY24 allocations.

6. Dealers complete and administer the voucher requests, but as the Purchaser, CityBus must assist in providing information regarding the purchase, and complete certain certifications and assurances stating ability to participate in the program.

PRIOR CITY COUNCIL REVIEW

On May 7, 2024, the City Council, by Resolution Nos. RES-2024-065 and RES-2024-066 authorized the purchase of 12 battery electric buses (six buses from New Flyer of America and six buses from Gillig LLC).

ANALYSIS

1. CityBus relies on external grants and funding sources to purchase replacement transit buses for the fixed-route network.

2. The HVIP voucher funding can be stacked with other State funding and may be combined with federal funding.

3. The Base Voucher Amount available at this time is estimated at $120,000 per bus. An additional 15% modifier ($18,000) may be approved for buses serving Disadvantaged Communities (DACs).

4. These vouchers may assist CityBus in reducing the overall bus purchase cost by up to $138,000 per bus. If HVIP vouchers are approved for the 12 buses currently on order, the Transit Fund will save up to $1,656,000.

5. CityBus also has grant awards for an additional 6 buses, for an estimated HVIP voucher savings of $828,000 on the next bus order.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.
HVIP vouchers would reduce the cost impact to the Transit Capital Fund related to upcoming bus purchases.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Rachel Ede, Deputy Director - Transit