

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SHAWN SOSA, ADMINISTRATIVE ANALYST
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST FUND
APPLICATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, authorizes the Director of Transportation and Public Works, or his designee, to submit application(s) for funding from the Volkswagen Environmental Mitigation Trust Funds program, to sign required assurances, and to administer any awarded funding.

EXECUTIVE SUMMARY

The Volkswagen (VW) Environmental Mitigation Trust Funds program provides funding for new zero-emission replacement buses for owners of transit buses. This project mitigates excess NOx emissions, reduces pollution in disadvantaged and low-income communities, supports advanced technology vehicle and equipment deployments and accelerates the zero-emission transformation of the heavy-duty fleet. The resolution before Council is to authorize the application(s) for the program to assist in the funding of battery electric buses for CityBus.

BACKGROUND

Beginning in model year 2008 VW sold about 600,000 2.0 liter and 3.0-liter diesel passenger vehicles with illegal software in the United States. 87,000 of those cars were sold in California.

The California Air Resources Board (CARB) engineers uncovered the defeat device and VW eventually confessed to violating U.S. and California air quality regulations.

In May 2018, CARB approved a plan, the Volkswagen (VW) Environmental Mitigation Trust, that provides about \$423 million for California to mitigate the excess nitrogen oxide (NOX) emissions caused by VW's use of illegal emissions testing defeat devices

in certain VW diesel vehicles. Of this amount, \$130 million is set aside to replace older high polluting transit, school, and shuttle buses with new zero emission shuttle buses, school buses and transit buses.

PRIOR CITY COUNCIL REVIEW

On May 23, 2017, the City Council, by Resolution No. RES-2017-077 authorized the filing for federal funding from the Federal Transit Administration (FTA) to replace aging diesel buses with battery electric buses.

On June 5, 2018, the City Council, by Resolution No. RES-2018-086 authorized the filing for federal funding from the Federal Transit Administration (FTA) to replace aging diesel buses with battery electric buses.

ANALYSIS

The City of Santa Rosa was selected to receive two federal FTA Section 5339(b) Bus and Bus Facilities Grant Program awards for a total of \$2,986,651. This federal funding requires a 15% local match which is currently planned to come from the Transit Division's annual allocation of Transportation Development Act Article IV funds.

The VW Environmental Mitigation Trust program is a qualifying local match source to the federal FTA funding and can provide up to \$180,000 per new Battery Electric Bus purchased.

The Transit Division seeks to apply for this funding to minimize the use of the Transportation Development Act Article IV funds for the local match requirement, so that the Transportation Development Act Article IV funds may be used for other capital and operating needs in the CityBus system.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

The \$2,986,651 in grant funds from the FTA Section 5339(b) program for the City's upcoming battery electric bus purchase requires a 15% local match of at least \$527,056. Funds from the VW Environmental Mitigation Trust Funds program can be used as local match to minimize the use of the Transit Division's annual allocation of Transportation Development Act Article IV funds. Transportation Development Act Article IV funds will provide any remaining local match following application of any funding from the VW Environmental Mitigation Trust Funds program towards the bus purchase.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it

is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution

CONTACT

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