

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/11/2025

Staff Report No. 25-290

TO: AC Transit Board of Directors
FROM: Kathleen Kelly, Interim General Manager/Chief Executive Officer
SUBJECT: AHSC Subrecipient Agreement

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider authorizing the General Manager or their designee to execute a subrecipient agreement with the City of Oakland Department of Transportation (OakDOT) to fund the purchase of zero emission buses through the Affordable Housing and Sustainable Communities (AHSC) grant program.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

The execution of this subrecipient agreement allows AC Transit to receive \$783,000 for Zero Emission Buses.

BUDGETARY/FISCAL IMPACT:

This item allows AC Transit to enter into a subrecipient agreement with the City of Oakland to receive \$783,000 to be used for an upcoming purchase of zero emission transit fleet vehicles from the AHSC program. These funds support planned bus purchases and do not commit or adversely impact District funds. AC Transit is a subrecipient in a 2016 AHSC grant award and currently provides transit service benefiting the grant recipients OakDOT and East Bay Asian Local Development Corporation (EBALDC).

BACKGROUND/RATIONALE:

Senate Bill 862 established a long-term funding framework and programmatic categories for California's Cap and Trade funding, including the AHSC program. The AHSC program is administered by the California Strategic Growth Council (SGC) and allocated by the California Department of Housing and Community Development (HCD) through their funding agreements.

The AHSC program was created to reduce greenhouse gas emissions by creating more compact infill development patterns, integrating affordable housing with sustainable transportation, and encouraging active

transportation and transit usage. Statutory requirements mandate that 50% of the entire program must be used for affordable housing, and 50% must be spent in disadvantaged communities.

In Round 2 of the AHSC program, AC Transit participated as a subrecipient of an awarded grant for development of the East 12th Street affordable housing project formerly known as Lakehouse. The project is a 91-unit housing development led by EBALDC at E 12th Street and Lake Merrit Boulevard in Oakland, CA. This grant was submitted and awarded in 2016 and the housing development process suffered from many subsequent delays.

The current deadline for the disbursement of these grant funds is September 30, 2028. This item, enabling AC Transit to enter into a funding agreement with the City of Oakland, will allow AC Transit to receive these grant funds and utilize them for upcoming planned zero emission bus procurements ahead of this deadline. As a partner, the subrecipient agreement will facilitate the transfer of the grant awards listed in the 2016 AHSC grant application for its included project of procuring and deploying a zero-emission bus to support service for the project area. Upcoming and planned AC Transit bus procurements would benefit from these funds.

ADVANTAGES/DISADVANTAGES:

Executing this funding agreement will allow AC Transit to more easily fund upcoming planned zero emission bus procurements. This aligns with AC Transit's goals of transitioning to zero emission bus service and maintaining its vehicles in a state of good repair.

There are no significant disadvantages to this action. AC Transit already serves the affordable housing project at E 12th Street and Lake Merrit Boulevard associated with this grant application with multiple bus lines. Not executing would cause the District to forgo \$783,000 that could be imminently used for a planned bus purchase.

ALTERNATIVES ANALYSIS:

The Board can choose not to execute the funding agreement and not accept this funding for planned revenue vehicle purchases.

PRIOR RELEVANT BOARD ACTION/POLICIES:

16-137a - Affordable Housing and Sustainable Communities Grant Award

16-137 - FY2015-16 Affordable Housing & Sustainable Communities Grant Application

ATTACHMENTS:

None

Prepared by:

Jesse Rosemoore, Senior Capital Planning Specialist

In Collaboration with:

Emily Heard, Capital Planning and Grants Manager

Approved/Reviewed by:

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer