

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 12/11/2024

Staff Report No. 24-537

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Resolution of Local Support for MTC Transit Capital Priorities Program Funds

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 24-036 authorizing the General Manager or his designee to file and execute an amended application with the Metropolitan Transportation Commission (MTC) for MTC's Transit Capital Priorities (TCP) Program for Federal Fiscal Years (FFY) 2024-25 and 2025-26, including Federal Transit Administration (FTA) Sections 5307, 5337, 5339 and Surface Transportation Program (STP) funds.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

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

The TCP Program provides the District with multi-year funding for capital vehicle replacements and paratransit operating support.

BUDGETARY/FISCAL IMPACT:

The District is requesting \$178.6 million in federal funding for FFY 2024-25 through 2025-26 to fund various fleet replacement projects and paratransit operating support. Over the lifespan of the projects in Attachment A, the District will have to provide local matching funds of approximately \$58 million.

The request includes approximately \$15.3 million for paratransit operating support and \$3.2 million towards paratransit capital costs. This funding requires a 20% match of approximately \$4.6 million, which will be satisfied by the District's existing operating funds that are earmarked for the paratransit expenses in each year. The remaining \$53.3 million in matching funds for vehicles will need to be funded by other state and local grants or by District Capital. If the required local match for a capital purchase cannot be fulfilled, or if the District decides to purchase vehicles of a different fueling technology, the District has some flexibility to defer a purchase until the matching or additional funds are identified.

BACKGROUND/RATIONALE:

On May 26th, MTC released a call for projects for the Transit Capital Priorities Program (TCP). The TCP applies to the programming of the region's funds for FTA Sections 5307 Urbanized Area Formula, 5337 State of Good Repair, and 5339 Bus & Bus Facilities formula funds; Federal Highway Administration STP and CMAQ funds dedicated to Transit Capital Rehabilitation and Transit Priorities projects by the One Bay Area Grant Program; Bridge tolls and other regional revenues dedicated to transit capital projects by the Core Capacity Challenge Grant Program (MTC Resolution 4123); and proceeds of financing required to advance future FTA or STP/CMAQ revenues to fund annual TCP or CCCGP programs of projects.

The goal of the TCP program is to fund transit projects that are most essential to the region and consistent with the Regional Transportation Plan (Plan Bay Area 2050). Through the TCP, MTC prioritizes funding for core transit assets, such as fleet replacements, ADA paratransit operating, and zero emission bus transition.

Funds programmed via the TCP Program represent the largest sources of capital funding received by the District and are a critical funding source for replacing revenue fleets and other core assets. MTC also sets aside Section 5307 funds for ADA operating purposes in each urbanized area.

In July 2024, with Board Approval, staff submitted an initial application to MTC for FFY 2025-26 through FFY 2028-29. Following this initial submittal, MTC staff made subsequent policy recommendations and presented draft programming. This amended application covers the two years of FFY 2024-25 and FFY 2025-26. Based on MTC proposed programming, this amended application and corresponding resolution of local support removes funding for ZEB facilities and increases funding for ZEB fleet, including providing additional funding on three previously funded procurements. In 2026, MTC will open a new call for projects to program subsequent projects.

ADVANTAGES/DISADVANTAGES:

These funds are a critical part of the District's funding for revenue vehicles and paratransit operating costs. Staff cannot identify any disadvantages to applying for these funds, other than the required commitment of matching funds for each project.

ALTERNATIVES ANALYSIS:

There are no viable alternatives to applying for these funds, which will constitute a significant portion of the District's capital funding for FFY 2024-25 to FFY 2025-26. These funds are programmed funds for the District under the TCP Program.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 24-382 Consider authorizing the General Manager or his designee to file and execute applications with the Metropolitan Transportation Commission (MTC) for MTC's Transit Capital Priorities (TCP) Program for the Federal Fiscal Years (FFY) 2024-25, 2025-26, 2027-28, and 2028-29.

ATTACHMENTS:

1. Resolution 24-036 with related Exhibit A

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