

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 2/25/2026

Staff Report No. 26-103

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Monthly Legislative Report

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the Monthly Legislative Report and adoption of proposed legislative positions.

Staff Contact:
Claudia Burgos, Executive Director of External Affairs & Customer Experience

STRATEGIC IMPORTANCE:

Goal - Strong Public and Policymaker Support
Initiative - Financial Efficiency and Revenue Maximization

The Monthly Legislative Report tracks state, regional, and federal policymaking to ensure alignment with the District's Strategic Plan and its goal of building strong public and policymaker support. Decisions at every level of government can positively or negatively impact District operations and revenues, making it essential to monitor and influence policy as needed.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Federal Update

Late last month, at the District's request, Senators Padila and Schiff signed on to a letter urging Banking Committee & Appropriations Committee leaders to ensure robust public transit funding in the next Surface Transportation Authorization bill. Specifically, the letter urged Committee leaders to maintain current advanced appropriations for public transit and ensure that at least 20 percent of new revenues in the Highway Trust Fund support public transportation. Without guaranteed transit funding, agencies could face severe budget cuts, leading to crumbling infrastructure, stalled service expansion, and real impacts to riders and the economy.

On February 3, the House voted 217-214 to approve the final FY2026 Transportation, Housing and Urban Development (THUD) Appropriations Bill. Shortly thereafter, the President signed it into law, ending a four-day partial government shutdown and securing needed funding for public transportation.

State Update

On January 30, Governor Newsom's Office, the California Department of Finance, and the Metropolitan Transportation Commission reached agreement on a \$590 million state loan. The District deeply appreciates the leadership of Governor Newsom and Senators Wiener and Arreguin to help deliver this funding.

The loan will support AC Transit, BART, Caltrain, and Muni. AC Transit will receive \$55 million. The loan will be funded using Transit Intercity Rail Capital Program (TIRCP) dollars awarded to Bay Area projects but not yet allocated. MTC will re-loan funds to AC Transit and other agencies for operating needs. Funding is only for operating purposes, not for capital projects or construction.

The loan must be issued no later than July 1, 2026. The agreement includes:

A 12-year repayment term, with interest-only payments for the first two years.

Loans are secured by State Transit Assistance (STA) revenues that AC Transit normally receives. If AC Transit fails to pay, MTC can redirect STA funds to cover the loan.

A variable interest rate tied to the state's Surplus Money Investment Fund, ensuring the state earns the same return as if the funds remained in state accounts.

This agreement provides short-term stability, but it is not a permanent solution. Staff will continue working with regional partners and the state to identify sustainable funding sources for the future.

Staff recommends the Board **SUPPORT Assembly Bill XX (González): Parking Violation Enforcement**. This bill would extend the authorization for public transit operators to use camera enforcement technology to enforce parking violations in transit-only lanes and at transit stops, helping to ensure safe and efficient transit service. This bill also expands the use of the cameras and gives operators the option to enforce illegal parking in bike lanes and double-parking. Extending this authority will help the District further improve safety, accessibility, and reliability - key factors that attract new riders and support ridership growth.

The Board-approved 2026 State Advocacy Program (Att. 5) prioritizes sponsoring "legislation that extends indefinitely transit agencies' existing authority to enforce parking violations in transit-only zones using automated, forward-facing camera technology." With the Board's endorsement, staff will ask to be listed as a co-sponsor and actively work to pass this bill.

ADVANTAGES/DISADVANTAGES:

Monthly updates to the Board ensure that Directors are thoroughly informed regarding pending legislation and related policy initiatives, along with their potential implications for the District. The adoption of favorable policies helps further the District's strategic goal of generating strong public and policymaker support.

ALTERNATIVES ANALYSIS:

No alternatives were considered as this report provides an update of monthly legislative activities.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 25-411a: Adopted 2026 Federal and State Advocacy Programs

ATTACHMENTS:

1. Federal Update
2. State Update
3. State Matrix of Legislative Positions
4. 2026 Federal Advocacy Program
5. 2026 State Advocacy Program

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Approved/Reviewed by:

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Aimee L. Steele, General Counsel/Chief Legal Officer