

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/24/2024

Staff Report No. 24-227

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Application for Fiscal Year 2023-24 LCTOP Funds

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 24-012 authorizing the General Manager or his designee to file and execute applications and funding agreements with the California Department of Transportation (Caltrans) for allocations of the Fiscal Year 2023-24 Low Carbon Transit Operations Program (LCTOP) funds for Tempo operating assistance and the Cutting Boulevard Project, authorizing execution of related Certifications and Assurances, and assigning the General Manager, or his designee, to be the Authorized Agent for resulting LCTOP grants.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

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

These LCTOP funds will support the District's FY 2024-25 Operating and Capital Budgets.

BUDGETARY/FISCAL IMPACT:

The District's revenue-based allocation is \$7,025,347 and the Transit Performance Initiative (TPI) Investment allocation is \$1,739,064 for a total of \$8,764,411.

Staff anticipates receiving the LCTOP allocations by July 2024. There is no matching requirement for these funds. The funding will be included in the FY 2024-25 Operating Budget and Capital Budget.

BACKGROUND/RATIONALE:

The LCTOP program is administered by Caltrans and is funded by auction proceeds from the California Air Resource Board's (CARB) Cap and Trade Program, with proceeds distributed to transit operators on an annual basis using the State Transit Assistance (STA) formula.

The District is eligible to receive two allocations this fiscal year: one that comes directly to the District based

on eligible revenues; and another that is programmed to the District by the Metropolitan Transportation Commission (MTC) as part of the TPI Investment Program. These are not competitive applications; in both cases the District only needs to submit eligible projects to receive the allocations.

Staff proposes to request the revenue-based funds to support operating assistance for Tempo service as in the previous four years and the TPI Investment funds for the Cutting Boulevard Project. The Cutting Boulevard Project will include bus stop relocations, bus bulbs, bus shelters and benches, longer bus stops and other accessibility improvements such as ADA curb ramps and sidewalk repairs. The project will improve rider experiences, transit operations and pedestrian safety.

ADVANTAGES/DISADVANTAGES:

Staff cannot identify any major disadvantages to approving this report.

The advantages of funding the two recommended projects are the provision of operating and capital funds. The availability of operating funds for the Tempo service helps the District to save some District operating funds. The availability of capital funds helps the District to deliver a capital project that will enhance rider benefits and improve safety.

ALTERNATIVES ANALYSIS:

Project eligibility for LCTOP funds is limited by the complex requirements of using Cap and Trade funds. Projects generally must reduce greenhouse gas emissions, benefit Disadvantaged Communities, and increase public transit mode share, with a general exception that zero-emission bus purchases are generally eligible. Staff must also plan for future allocations from three separate Cap and Trade grant programs up-front so that greenhouse gas emission reductions are only captured once.

The most likely eligible capital projects are corridor improvements and zero emission bus purchases, whereas basic infrastructure rehabilitation is generally not eligible. The Cutting Boulevard Project meets the eligibility requirements MTC places on the TPI Investment funds. Staff reviewed other potential corridor improvement projects, but this one is recommended as it is the most advanced in terms of project readiness.

The LCTOP is one of the few programs that can fund operating expenses but will only fund operating expenses arising from new service implemented within the last five years; therefore, LCTOP funds can be used to help support and sustain the Tempo service in the coming fiscal year.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 23-212 / Resolution 23-014 - FY2022-23 Low Carbon Transit Operations Program Application

ATTACHMENTS:

1. Resolution 24-012
2. Authorized Agent(s) and Certifications & Assurances

Prepared by:

Seema Prasad, Senior Capital Planning Specialist

Approved/Reviewed by:

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer

Shayna van Hoften, Interim General Counsel/Chief Legal Officer

Emily Heard, Capital Planning and Grants Manager