

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/26/2023

Staff Report No. 23-212

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Application for Fiscal Year 2022-23 LCTOP Funds

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 23-014 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 FY 2022-23 Low Carbon Transit Operations Program (LCTOP) funds for Tempo operating assistance and the MacDonald Avenue Transit Signal Priority Phase 1 project to provide Certifications and Assurances, and assign the General Manager, or his designee, as the Authorized Agent for the LCTOP.

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 operating and capital budgets

BUDGETARY/FISCAL IMPACT:

The District's revenue-based allocation is \$6,551,410 and the Transit Performance Initiative-Investment (TPI-Investment) allocation is \$1,262,566 for a total of \$7,813,976.

Staff anticipates receiving the LCTOP allocations by July 2023. There is no matching requirement for these funds. The funding will be included in the FY2023-24 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 three years and the TPI-Investment funds for the MacDonald Avenue Transit Signal Priority Phase 1.

The MacDonald Avenue Transit Signal Priority Phase 1 project will install transit signal priority (TSP) equipment along MacDonald Avenue in Richmond including traffic signal upgrades, signal communication and signal timing coordination. In addition, bus stops along the corridor will be improved through relocation, consolidation, installation of bus bulbs/islands and other improvements. The project will reduce delays, improve reliability, and achieve approximately 10% travel savings along the corridor.

ADVANTAGES/DISADVANTAGES:

Staff cannot identify any major disadvantages to approving this report.

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 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 upfront 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 MacDonald Avenue Transit Signal Priority Phase 1 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 and potentially for one more fiscal year.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 22-208 / Resolution 22-010 - FY2021-22 Low Carbon Transit Operations Program Application

ATTACHMENTS:

1. Resolution 23-014
2. Authorized Agent(s) and Certifications & Assurances

Prepared by:

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In Collaboration with:

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Approved/Reviewed by:

Jill A. Sprague, General Counsel/Chief Legal Officer

Evelyn Ng, Capital Planning and Grants Manager

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer