

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 7/10/2024

**Staff Report No. 24-382**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Application for MTC's Transit Capital Priorities Program

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager or his designee to file and execute applications for funding from the Metropolitan Transportation Commission (MTC) through MTC's Transit Capital Priorities (TCP) Program for Federal Fiscal Years (FFY) 2024-25, 2025-26, 2026-27, 2027-28, and 2028-29.

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 vehicle replacements, zero emission bus (ZEB) infrastructure, and paratransit operating support.

**BUDGETARY/FISCAL IMPACT:**

The District is requesting approximately \$480 million in federal funding for FFYs 2024-25 through 2028-29 to fund fleet replacements, various ZEB infrastructure capital projects and paratransit operating support. Over the five-year span, the District will have to provide local matching funds of approximately \$153 million.

The request includes nearly \$40 million for paratransit operating support. This funding requires a 20% match of approximately \$10 million, which will be satisfied by the District's existing operating funds that are earmarked for the paratransit expenses in each year. The remaining \$113 million in matching funds for vehicles and ZEB facilities will need to be funded by other state and local grants or by District capital funds. 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 required matching or additional funds are identified.

**BACKGROUND/RATIONALE:**

On May 26, MTC released a call for projects for the TCP Program. The TCP process applies to the programming

of the region's federal formula funds (including funds provided under the Urbanized Area Formula Funding Program (49 U.S.C. section 5307), State of Good Repair Grants Program (49 U.S.C section 5337), Grants for Buses and Bus Facilities Formula Program (49 U.S.C. section 5339(a)), Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Management (CMAQ) Program), regional bridge tolls and other regional revenues.

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, paratransit operating needs, and ZEB transition projects.

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 paratransit operating needs in each urbanized area, as well as setting aside funds for ZEB infrastructure.

Staff took this opportunity to review the District's Transit Asset Management Plan and Zero Emission Rollout Plan, as well as the current fleet replacement schedule, and recommends submitting applications to support the upcoming revenue fleet procurements through FY2029, as well as funds that MTC has set aside for paratransit operations and ZEB Infrastructure. These set-asides are largely dictated via formula and do not require a project to be identified until the year of programming.

MTC staff have indicated they will use the current call for projects to develop a draft program of projects as well as continue staff-level discussions of potential policy changes. District staff will return with a resolution of local support before MTC finalizes its program of projects this fall.

**ADVANTAGES/DISADVANTAGES:**

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 FY2024-25 through FY2028-29. These funds are programmed for the District under the TCP Program.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

None

**ATTACHMENTS:**

None

**Prepared by:**

Emily Heard, Capital Planning and Grants Manager

**Approved/Reviewed by:**

Richard Oslund, Director of Management & Budget

Cecil Blandon, Director of Maintenance

Joe Callaway, Director of Capital Projects

Salvador Llamas, Chief Operating Officer

William Tonis, Director of Business Sciences

Shayna van Hoften, Interim General Counsel/Chief Legal Officer

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Chris Andrichak, Chief Financial Officer