

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 11/9/2022

**Staff Report No. 22-589**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Application for SB1 Local Partnership Program (Competitive)

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager, or his designee, to file and execute applications and funding agreements, and certifications and assurances with the California Transportation Commission for the Senate Bill 1 Local Partnership Program (Competitive) to secure funding for bus purchases.

Staff Contact:  
Chris Andrichak, Chief Financial Officer

**STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Zero Emission Programs

If successful, this application would allow the District to advance our Zero Emission Bus Transition Plan while replacing buses per the District's Transit Asset Management (TAM) performance targets. The District's federal formula grants can be used as match and leverage for large bus purchases.

**BUDGETARY/FISCAL IMPACT:**

Currently, under the Transit Capital Priorities (TCP) Program, the District has approximately \$38 million in federal formula and bridge toll funds for the purchase of 25 fuel cell electric buses and 17 battery electric buses. Given the availability of these funds, and the required match, staff plans to apply for approximately \$10 million in Local Partnership Program (LPP) Competitive grant funds to be applied towards these bus purchase projects.

**BACKGROUND/RATIONALE:**

The Road Repair and Accountability Act of 2017 (Senate Bill 1 or SB1) created the LPP and continuously appropriates two hundred million dollars (\$200,000,000) annually statewide to be allocated by the California Transportation Commission (CTC) to local or regional transportation agencies. The LPP helps finance priority transportation projects only in jurisdictions that have sought and received voter approval of taxes or that have imposed fees dedicated solely for transportation improvements.

Projects funded by the Local Partnership Program will require a minimum one-to-one match with priority given to projects that have committed discretionary federal funds at the time of application. Included in the types of eligible projects is the acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment, including, but not limited to maintenance facilities, transit stations, transit guideways, passenger shelters, and fare collection equipment with a useful life of at least 10 years.

The District has approximately 113 forty-foot diesel buses that are well past or are approaching the end of useful life. For this round of LPP Competitive funds, staff recommends applying for funds to purchase approximately 42 zero-emission vehicles to replace some of these diesel buses. Replacing older buses reduces the fleet cost per mile, improves fleet performance, and moves the District closer to achieve its Transit Asset Management (TAM) performance targets mandated by the Federal Transit Administration (FTA).

**ADVANTAGES/DISADVANTAGES:**

Applying for the SB1 LPP Competitive program funds would allow the District to expand its zero-emission program by continuing to convert the fleet into a zero-emission fleet. Staff cannot identify any disadvantages to applying for this grant.

**ALTERNATIVES ANALYSIS:**

Staff also considered the facilities maintenance projects. However, the purchase of 42 zero-emission buses more closely fulfills the greater need to replace retiring buses. In addition, the District has already secured the very large match required for this grant, which increases our competitiveness in winning the grant.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR 20-353a Revised Application for MTC Transit Capital Priorities Program Funds  
SR 22-319 AC Transit Zero Emissions Bus Transition Plan

**ATTACHMENTS:**

None

**Prepared by:**

Eve Ng, Capital Planning and Grants Manager

**Approved/Reviewed by:**

Salvador Llamas, Chief Operating Officer

Chris Andrichak, Chief Financial Officer

Cecil Blandon, Director of Maintenance

Jill A. Sprague, General Counsel/Chief Legal Officer