

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 9/28/2022

Staff Report No. 22-501

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Monthly Legislative Report

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the Monthly Legislative Report.

Staff Contact:

Beverly Greene, Executive Director of External Affairs, Marketing & Communications

STRATEGIC IMPORTANCE:

Goal - Strong Public and Policymaker Support

Initiative - Financial Efficiency and Revenue Maximization

The Monthly Legislative Report helps the District track state, regional and federal legislation to ensure alignment with the District's Strategic Plan and the specific goal of having strong public and policy maker support. Policy decisions at all levels of government can positively or negatively affect District operations and revenues and as such, are important to track and influence as needed.

BUDGETARY/FISCAL IMPACT:

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

BACKGROUND/RATIONALE:

Federal Update

President Joe Biden signed the Inflation Reduction Act (IRA) of 2022 into law on August 8, which includes numerous provisions that will benefit public transportation. The Act:

- Extends through 2032 and substantially restructures the alternative fuel vehicle property credit;
- Establishes a new, 10-year commercial clean vehicle tax credit, which includes a credit of up to \$40,000 on the purchase of zero emissions buses; and
- Extends through 2024 the excise tax credits for alternative fuels, biodiesel, and renewable diesel.

The IRA also includes several new grant programs that address air pollution and greenhouse gas emissions. The two below may be of particular interest to the District:

- The Clean Heavy-Duty Vehicles Program, funded at \$1 billion, covers the incremental cost of zero-emission school buses, garbage trucks, and transit buses with a specific focus on vehicles serving communities located in areas designated as nonattainment for air pollution.
- Neighborhood Access & Equity Grants, funded at \$3 billion, support neighborhood equity, safety, and affordable transportation access with competitive grants to reconnect communities divided by existing infrastructure barriers, mitigate negative impacts of transportation facilities or construction projects on disadvantaged or underserved communities, and support equitable transportation planning and community engagement activities.

State Update

The last day of the 2021-2022 Legislative Session was Wednesday, August 31. Several bills that staff worked on during this session have advanced to the Governor's desk, including:

- AB 2622 (Mullin), which will extend until January 1, 2026, the partial sales and use tax exemption for zero-emission buses (ZEBs) purchased by California transit agencies. AC Transit successfully advocated for the California Transit Association to sponsor this bill. AB 2622 will save the District approximately \$34,000 in taxes on the purchase of each new battery electric bus and \$43,000 on each new fuel cell electric bus.
- AB 1919 (Holden), which creates a five-year Youth Transit Pass Pilot Program to provide grants to transit agencies to create or expand free fare transit programs for college and k-12 students.
- SB 922 (Wiener) will extend CEQA exemptions for certain clean transportation projects, expand on certain project categories, and make numerous definitional changes to the law.
- SB 942 (Newman) will allow public transit agencies to use funds from the Low Carbon Transit Operations Program to subsidize an ongoing free or reduced fare transit program.
- SB 1161 (Min) requires the Mineta Transportation Institute to develop a survey instrument that may be used by transit agencies for assessing the incidence of street harassment on their systems.

In addition, the Legislature introduced several budget and budget trailer bills in the final days of the session to implement, among other things, \$3.2 billion in funding for zero-emission vehicles and infrastructure. This includes \$99 million to support charging and hydrogen refueling infrastructure for the deployment of zero-emission buses and other vehicles, and a commitment of \$2.415 billion for currently undefined zero-emission vehicle investments in budget outyears.

The Governor has until September 30 to act on all bills.

Governor Newsom has appointed Antonio Villaraigosa, former Mayor of Los Angeles, "Infrastructure Advisor to the State of California." Villaraigosa will serve as the key state liaison for local elected officials on infrastructure needs, conducting meetings with regional leaders and with federal leaders in Washington, D.C., in coordination with the Governor's Office. The goal of the role is to ensure California captures as much federal infrastructure-related funding as possible to help deliver on the state's priorities.

Lastly, Therese McMillan, Executive Director of the Metropolitan Transportation Commission, has announced that she will retire at the end of January 2023.. Her successor will be selected before her departure. Staff wishes to thank Ms. McMillan for her leadership and wishes her well.

Updates on priority legislation:

1. Reimbursement to transit agencies for non-medical transportation was not included in the state's FY 22 -23 budget. Staff will revisit this item for next year.
2. AB 455 (Wicks): Dedicated transit lanes on the Bay Bridge. AB 455 was placed on the Senate Appropriations' Suspense File on June 27.

ADVANTAGES/DISADVANTAGES:

This report is provided to inform the Board of monthly legislative activities. Ensuring favorable legislation is adopted by policymakers helps further the District's goal of having strong public and policymaker support.

ALTERNATIVES ANALYSIS:

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

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 21-541: 2022 Federal and State Advocacy Programs

ATTACHMENTS:

1. Federal Update
2. State Update
3. State Matrix
4. 2022 Federal Advocacy Program
5. 2022 State Advocacy Program

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