

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 4/22/2026

**Staff Report No. 26-155**

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**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** Fiscal Year 2026-27 State of Good Repair Program

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider adoption of Resolution No. 26-007 authorizing the General Manager, or designee, to file and execute applications and funding agreements with the California Department of Transportation for allocation of the California State of Good Repair (SGR) Program; to provide certifications and assurances to the California Department of Transportation; and to assign the General Manager or designee as the authorized agent for the California State of Good Repair (SGR) Program.

Staff Contact:  
Chris Andrichak, Chief Financial Officer

**STRATEGIC IMPORTANCE:**

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

These funds support the District's Transit Asset Management (TAM) policy and plan, by providing key funding for important state of good repair projects that are unlikely to attract competitive grants. Additionally, they can be used to match federal grants, reducing the need for District Capital to fund state of good repair projects

**BUDGETARY/FISCAL IMPACT:**

The Fiscal Year (FY) 2026-27 SGR program will provide approximately \$4.8 million for AC Transit. Matching funds are not required.

**BACKGROUND/RATIONALE:**

Senate Bill 1 (SB1), The Road Repair and Accountability Act of 2017, provides funds for the State of Good Repair (SGR) Program to provide approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects.

The SGR program follows the State Transit Assistance (STA) Formula, apportioning funds to regions by population and apportioning funds to transit operators by respective revenues. Under the STA formula, the District's share of FY2026-27 SGR funds is \$4.8 million.

For AC Transit's share, the District must submit an eligible project to Metropolitan Transportation Commission (MTC) for approval, followed by a direct application to Caltrans for allocation of the funds.

This year, the District proposes to use the funds to repair, upgrade, and rehabilitate or make improvements to the District's existing transit services and infrastructure. This includes but is not limited to maintenance and rehabilitation of existing vehicles, transit facilities and the purchase of new, energy efficient transit vehicles.

These investments will lead to cleaner transit vehicle fleet, increased reliability and safety and reduced greenhouse gas emissions.

**ADVANTAGES/DISADVANTAGES:**

Applying for these funds allows the District to receive additional capital funds that can be used to maintain and improve its capital assets. There are no disadvantages to applying for these funds.

**ALTERNATIVES ANALYSIS:**

The alternatives are to forego applying for the funds or use District funding instead, neither of which are recommended. The eligibility criteria for the program are very broad for capital projects and assets. Staff identified the project categories mentioned as the most critical for this funding as there are not many funding avenues to maintain and improve capital assets.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 25-231- Fiscal Year 2025-2026 State of Good Repair Program

**ATTACHMENTS:**

1. Resolution 26-007
2. Recipient Certifications and Assurances
3. Authorized Agent Form

**Prepared by:**

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**In Collaboration with:**

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**Approved/Reviewed by:**

Aimee L. Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer

Richard Oslund, Director of Management & Budget