

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/23/2025

Staff Report No. 25-231

TO: AC Transit Board of Directors
FROM: Kathleen Kelly, Interim General Manager/Chief Executive Officer
SUBJECT: Fiscal Year 2025-26 State of Good Repair Program

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 25-016 authorizing the Interim General Manager, or her 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 Interim General Manager or her 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 "boring but very 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) 2025-26 SGR program will provide approximately \$4.7 million for capital projects for AC Transit. Matching funds are not required.

BACKGROUND/RATIONALE:

Senate Bill 1 (SB1), The Road Repair and Accountability Act of 2017, established the State of Good Repair (SGR) Program. This program provides 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 FY25-26 SGR funds is \$4.7 million.

For AC Transit's share, the District must submit an eligible project to 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, rehabilitate or to make improvements of 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 fleets, 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 only alternative is to forego applying for the funds.

There is no advantage to not applying for the funds, and there is significant benefit to applying for these funds.

The eligibility criteria for the program are very broad for capital projects and assets. Staff identified the mentioned project categories 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 24-228 - Fiscal Year 2024-2025 State of Good Repair Program

ATTACHMENTS:

1. Resolution 25-016
2. Recipient Certifications and Assurances
3. Authorized Agent Form

Prepared by:

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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

Emily Heard, Capital Planning and Grants Manager