

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 12/8/2021

Staff Report No. 21-125

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

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the Monthly Legislative Report.

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

On November 5, the House approved the bipartisan *Infrastructure Investment & Jobs Act* (IIJA) which was subsequently signed into law by the President on November 15. The roughly \$1.2 trillion package includes \$550 billion in new spending for roads, bridges, transit, water, and other "hard" infrastructure. The five-year spending package will be paid for by tapping \$210 billion in unspent COVID-19 relief aid and \$53 billion in unemployment insurance aid that some states have halted, along with funding from various other smaller pots of money.

AC Transit stands to benefit from:

- A 30% increase in Urbanized Area Formula Funding for transit capital and operating assistance which will make \$1.5 billion available to Bay Area transit.
- An increase in the Low/No Emission Vehicle grant program from \$55 million per year to \$1.12 billion per year - an astonishing 1,936% annual increase. This competitive program provides funding for the

purchase of zero-emission buses as well as acquisition, construction, and leasing of the facilities that support them.

- An expanded Bus & Bus Facility Grants Program that sees a historic 172% increase over 5 years, from \$808 million in 2021 to \$2.2 billion in FY26. This program funds capital projects to replace, rehabilitate and purchase buses and to construct bus-related facilities.
- And a new grant program, *Strengthening Mobility & Revolutionizing Transportation (SMART)*, funded at \$100 million per year to support technology-related transportation system improvements, like automated and connected vehicles and transit signal priority investments.

The biggest piece of the new infrastructure bill, however, is a roughly \$475 billion reauthorization of the core federal transportation program, formerly known as the FAST Act. This marks a 56% increase over the previous iteration of the surface transportation bill that was signed into law in 2015. The new five-year federal program is expected to deliver about \$4.5 billion to the Bay Area through established formulas.

It will take several months for the funds from the IIJA to be made available. Funds for existing grant programs will be made available sooner, while it will take time for the US Department of Transportation (DOT) and other federal agencies to draft the program guidelines for the new programs.

The House is next expected to vote on the \$1.75 trillion “human infrastructure” and climate change reconciliation bill. Once approved, it will head to the Senate for a vote.

The District’s federal legislative advocate, Steve Palmer, will offer an update on the recent legislation and other developments in Washington, DC when he presents to the Board on January 12, 2022.

State Update

With about 12 months before the next general election, the number of potential initiatives on the ballot is increasing. There are currently 21 proposals pending at the Attorney General’s Office, and an additional 16 have been cleared for signature gathering. Among the pending initiatives is a local land use measure filed to subvert SB 9 and SB 10, which were approved this year. SB 9 makes it a ministerial act to build a duplex in an area zoned for single family housing, and it would make it a ministerial act to split a parcel zoned for residential use. SB 10 allows cities and counties to adopt an ordinance to rezone any parcel to include up to 10 units if the parcel is near high quality transit or within an urban in-fill site. The 2022 ballot initiative on local land use would allow charter and general law cities and, counties to retain local affairs over state laws related to zoning. This would mean that if voters were to enact a local law conflicting with state law, the local law would prevail.

On November 10, staff submitted comments to the California State Transportation Agency (CalSTA) on its Draft Guidelines for the 2022 Transit & Intercity Rail Capital Program (TIRCP). The comments offered recommendations on how the state can invest in the transportation sector to combat climate change through the reduction of greenhouse gases emissions, vehicle miles traveled, traffic congestion and more.

The District’s state legislative advocate, Steve Wallauch, will offer a review of the 2021 session and related developments in Sacramento, and a preview of the 2022 legislative session, at the January 26, 2022 meeting of the Board of Directors.

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. 20-412a: 2021 Federal and State Legislative Advocacy Programs

Staff Report No. 20-048a: Proposed Amendments to Transit District Law

ATTACHMENTS:

1. Att. 1 - Federal Update
2. Att. 2 - State Update
3. Att. 3 - State Matrix
4. Att. 4 - Federal Advocacy Program
5. Att. 5 - State Advocacy Program
6. Att. 6 - Infrastructure Investment & Jobs Act Program Matrix

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