

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 6/10/2020

**Staff Report No.** 18-316b

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Execute AHSC Grant Agreements and Bus Purchase for Berkeley Way

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider authorizing the General Manager or his designee to execute standard agreements and related documents in substantially similar form under the State of California's Affordable Housing and Sustainable Communities Program (AHSC) as a joint applicant and joint grantee with Bridge Housing Corporation (BRIDGE) and the Berkeley Food and Housing Project (BFHP) in connection with the project located at 2012 Berkeley Way in Berkeley, California, and authorize the purchase of one zero emission bus with project grant funds.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Signing these documents is critical to the District being able to receive much needed grant funding.

#### **BUDGETARY/FISCAL IMPACT:**

The grant award will provide the District with \$1.3 million for the purchase of one zero emission bus and necessary infrastructure. No District matching funds are required. The developer is also directly receiving \$73,968 in AHSC grant funds to purchase EasyPass for residents for three years.

#### **BACKGROUND/RATIONALE:**

With the approval of Staff Report 18-316 the Board authorized joining an application for funding under the AHSC program that includes funding for purchase of one zero emission bus and associated infrastructure. The application is based on an affordable housing development in the City of Berkeley. The project is planned to be a 142-unit affordable housing development with 89 units of affordable housing and 53 units of permanent supportive housing. AC Transit is a co-applicant along with BRIDGE and BFHP. BFHP is a partner to BRIDGE in the supportive housing portion of the development.

The grant application was awarded, and staff is now returning to the Board to seek approval to enter into the necessary agreements for the funding award. Specifically, under this award the District will receive \$1.3 million for the purchase of one zero emission bus and necessary infrastructure.

Staff is also requesting approval to purchase the one zero emission bus that is identified in the project scope. Staff plans to purchase a 40-foot battery bus with this funding, and to purchase it in conjunction with the 40 zero emission bus purchase approved by the Board on February 26, 2020.

The grant application specifies that the bus will run on the Transbay F line that serves the building. Due to the extended mileage of the service blocks (a majority are 250+ miles) on the F line a battery bus (of the current models available to the District to purchase) will not be able to fulfill the distance requirement. To solve this issue, staff plans to utilize one of the District's recently purchased fuel cell buses in F line service to fulfill the grant requirements in lieu of the battery bus.

#### **ADVANTAGES/DISADVANTAGES:**

The main advantage to approving the signing of these documents is for AC Transit to receive the grant funds and be able to purchase the planned zero emission bus. The main disadvantage is that AHSC funding links AC Transit to the completion of the housing development, so if the housing development is not completed then the District could have to return the grant funds. This situation is not unique to this agreement and has been discussed in prior AHSC grant staff reports. The District has a mutual indemnification agreement with the developer to help protect the District from bearing any responsibility for completion of the housing development.

#### **ALTERNATIVES ANALYSIS:**

One alternative is to disallow signing of the documents. This would cause the District to lose the grant funds and not be able to purchase the zero emission bus. It would also jeopardize the funding agreements for the housing developer.

There are two possible alternatives for the bus purchase. One is to purchase a fuel cell zero emission bus instead of a battery bus, which would allow the purchased bus to be used directly in on the F line. This is not recommended due to prior Board request that the fuel cell fleet not be expanded beyond what has been already authorized. A second approach would be to purchase an in-route charged battery bus and the associated in-route charging infrastructure. This approach will add significant cost not funded by the grant. The District can elect to fund the in-route chargers although this is not cost effective for one bus and it will delay deployment of the bus since the infrastructure design, permitting and construction would take longer than manufacturing of the bus.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR 18-316 - FY 2017-18 Affordable Housing & Sustainable Communities Grant Application for the Berkeley Way Project  
SR 18-316a - Adopt Updated Resolution for AHSC Berkeley Way Project

#### **ATTACHMENTS:**

1. Standard Agreement for AHSC Program Grants
2. Standard Agreement for Berkeley Way Affordable Housing Component
3. Standard Agreement for Hope Center Permanent Supportive Housing
4. AHSC Grant Disbursement Agreement

**Prepared by:**

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**Approved/Reviewed by:**

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