

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 9/22/2021

Staff Report No. 20-353a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Revised Application for MTC Transit Capital Priorities Program Funds

ACTION ITEM

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 21-034 authorizing the General Manager or his designee to file and execute revised applications with the Metropolitan Transportation Commission (MTC) for MTC's Transit Capital Priorities (TCP) Program for Federal Fiscal Year (FY) 2021-22, FY 2022-23, FY 2023-24, and FY 2024-25, including Federal Transit Administration (FTA) Sections 5307, 5337, 5339 and Surface Transportation Program (STP) funds.

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

The TCP Program provides the District with multi-year funding for capital vehicle replacements and paratransit operating costs.

BUDGETARY/FISCAL IMPACT:

The District is requesting approximately \$159 million in federal funding for Federal Fiscal Years 2021-22 through 2024-25 to fund various capital projects and paratransit operating support. Over the four-year span, the District will have to provide local matching funds of approximately \$50.5 million.

The request includes nearly \$30 million for paratransit operating support. This funding requires a 20% match of approximately \$7.5 million, which will be satisfied by the District's existing operating funds that are earmarked for paratransit expenses in each year. The remaining \$43 million in matching funds for vehicles will need to be funded by other state and local grants or by District Capital. If the required local match for a capital purchase cannot be fulfilled, or if the District decides to purchase vehicles of a different fueling technology, the District has some flexibility to defer a purchase until the matching or additional funds are identified.

BACKGROUND/RATIONALE:

MTC is the federally designated recipient of the FTA Section 5307, 5337, and 5339 funds for the Bay Area's 12 urbanized areas. The goal of MTC's TCP program is to fund transit projects that are essential to the region and consistent with the Regional Transportation Plan, such as the current PlanBayArea 2040. Section 5307 funding

is one of the largest sources of capital funding received by the District and is a critical source for replacing revenue fleets and other core assets. MTC also sets aside Section 5307 funds for ADA operating purposes in each urbanized area.

The District responded when MTC issued a call for projects in July 2020 soliciting eligible projects for FY 2020-21 through FY 2024-25. Due to the uncertainty of funding levels, MTC only approved and programmed the first year of requests. In August 2021, MTC issued a call for a revised list of projects for the next four years, FY 2021-22 to FY 2024-25.

Staff took this opportunity to review the Transit Asset Management Plan and Zero Emission Bus Rollout Plan, as well as the current fleet replacement schedule, and recommends submitting the projects listed in Attachment 1 Exhibit A. To achieve the Transit Asset Management Plan performance targets, the District will need to continue replacing buses that have exceeded the Federal Transit Administration's (FTA) useful life. The list of proposed projects includes diesel buses that will still be needed to meet the FTA TAM Targets and zero-emission buses that can be purchased and placed in divisions that will have capacity for fueling and charging these types of buses.

By 2023, the District anticipates having 28 battery electric and 44 fuel cell electric buses in service or on order. Based on current infrastructure capital projects that are planned or underway, the District will have spare capacity for 19 more battery electric buses and 151 more fuel cell electric buses beyond 2023 without having to add further fueling or charging infrastructure investments. Staff therefore recommends requesting TCP funding to purchase 17 battery electric buses (leaving two chargers for spare capacity), 73 fuel cell electric buses and 90 diesel buses for the remaining fleet replacement needs up to 2025. Attachment 2 is a table that summarizes the fueling and charging capacity and the number of zero-emission buses that will be in the fleet as the fleet replacement purchases are rolled out between now and 2025.

While the need for diesel buses continues through 2025, the inclusion of a significant number of zero-emission buses in the project selections strongly reflects the District's commitment to reducing greenhouse gases and sustainability as well as adherence to the California Air Resources Board Innovative Clean Transit rule.

ADVANTAGES/DISADVANTAGES:

Staff cannot identify any disadvantages to applying for these funds, other than the required commitment of matching funds for each project.

ALTERNATIVES ANALYSIS:

There are no viable alternatives to applying for these funds, which will constitute a significant portion of the District's capital funding for FY2021-22 to FY2024-25. These funds are programmed funds for the District under the TCP Program.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR20-353 Application for MTC Transit Capital Priorities Program Funds

ATTACHMENTS:

1. Resolution 21-034 with Exhibit A
2. Summary of Charging and Fueling Infrastructure Capacity

Prepared by:

Evelyn Ng, Capital Planning and Grants Manager

In Collaboration with:

Michelle Ruan, Senior Capital Planning Specialist

Michael Eshleman, Service Planning Manager

Approved/Reviewed by:

Salvador Llamas, Chief Operating Officer

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Cecil Blandon, Director of Maintenance

Joe Callaway, Director of Capital Projects

Jill A. Sprague, General Counsel

Chris Andrichak, Chief Financial Officer