STAFF REPORT

MEETING DATE:	**December 13, 2016**
SUBJECT:	**Amend Reasonable to Meet Definition for Which Transit Services to Fund**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Keith Williams, Associate Transportation Planner, AICP**

SUMMARY:

The board of directors' decision to fund new and existing transit services is based on SRTA's reasonable to meet definition which is due for an update since its last revision in December 2000. In order to comply with the Transportation Development Act (TDA), SRTA must also approve a method for determining a blended farebox recovery ratio minimum for transit serving both urban and non-urban areas.

STAFF RECOMMENDATION:

It is recommended that the board of directors amend the agency's "reasonable to meet" definition pursuant to Resolution 16-14.

DISCUSSION:

SRTA's reasonable to meet definition – last updated in December of 2000 – states that in order for new or existing transit service to be funded, it must meet a minimum farebox recovery ratio of 20% in urban areas and 10% in non-urban areas. The primary issue is that new or important existing RABA services sometimes do not meet these standards. SRTA staff, in consultation with the Social Services Transportation Advisory Council (SSTAC), is recommending an update to the definition that better reflects current practice and gives the board of directors greater latitude when choosing to fund transit services. The updated definition adds the following exceptions to the 20% and 10% farebox recovery ratio standards:

a) Transit services that are funded entirely with grants.
b) Transit services that are funded entirely by a local agency at that agency's discretion.
c) Urban transit services that represent a critical or essential service, as determined by the SRTA board of directors, which will not result in farebox penalties for the transit system as a whole.
d) Pilot projects for up to two years.
e) When a transit service primarily serves urban areas but also includes non-urban areas, a pro-rated farebox recovery standard based on the ratio of urban and non-urban in-service transit vehicle miles may be used.

Regarding the pro-rated farebox recovery ratio in the final exception above, TDA Section 6645 requires that the SRTA board of directors establish a methodology to determine farebox recovery ratio minimums for services encompassing both urban and non-urban areas. SRTA staff recommends a pro-rated formula based on the number of in-service transit vehicle miles occurring inside and outside the urban area, as an exception to the urban minimum farebox recovery ratio. The minimum farebox recovery ratio is 20% in urban areas and 10% in non-urban areas, so if a transit service travels 50 miles in an urban area and 50 miles in a non-urban area, the board of directors may choose a pro-rated ratio of 15%.

If approved, these limited exceptions would not require any change in current practice, but it would allow for a wider range of options to be exercised at the board of directors' discretion. In no case could a service be required that would result in a farebox penalty under TDA law. Farebox penalties reduce SRTA funds allowed to RABA and occur when the recovery ratio for the transit system as a whole falls below 15%.

SSTAC recommended approval of the staff recommendation at its November meeting. Since that meeting, staff has made some non-substantive, technical changes to the attached resolution.

ALTERNATIVES:
The board may choose to modify or decline the proposed exceptions to the minimum farebox recovery ratio when considering new transit service requests. The board of directors may modify the proposed method for determining a blended minimum farebox recovery ratio standard for services in urban areas that also serve non-urban areas.

OTHER AGENCY INVOLVEMENT:
SRTA's methodology for determining a blended minimum farebox recovery ratio must be submitted to Caltrans for approval. RABA and the county of Shasta are the only transit operators subject to farebox recovery requirements. Their staffs concur with the recommendation. The Technical Advisory Committee (TAC) concurs with the staff recommendation.

FINANCING:
The exceptions to farebox recovery standards reflect and clarify current SRTA practices. There is no fiscal impact associated with the recommended board action.

Daniel S. Little, AICP, Executive Director

Attachment:

Resolution 16-14, Amendment to Reasonable to Meet Definition

RESOLUTION NO. ~~00~~16-~~21~~14

DEFINITION OF UNMET TRANSIT NEEDS
AND REASONABLE TO MEET

WHEREAS, the Transportation Development Act (TDA) requires each transportation planning agency to find, prior to any allocation of Local Transportation Fund (LTF) monies for streets and roads, (1) that there are no unmet transit needs, or (2) that there are no unmet transit needs which can reasonably be met, or (3) if there are unmet transit needs, including some such needs that are reasonable to meet, that those needs determined reasonable to meet have been funded (California Public Utilities Code (PUC) Section 99401.5); and

WHEREAS, the TDA further permits the agency to define the terms "unmet transit needs" and "reasonable to meet" as it determines appropriate, consistent with PUC Section 99401.5(c); and

WHEREAS, Shasta ~~County~~ Regional Transportation ~~Planning~~ Agency (SRTA) staff, having consulted with claimant
jurisdiction representatives and the ~~Citizens~~ Social Services Transportation Advisory ~~Committee~~ Council and have
concluded that minor technical changes consistent with the TDA and prior RTPA practice are appropriate, and have therefore recommended the following revised definitions:

Unmet Transit Needs. An "unmet transit need" under the Transportation Development Act shall be found to exist only under the following conditions:

1. A population group in the proposed transit service area has been defined and located which has no reliable, affordable, or accessible transportation for necessary trips. The size and location of the group must be such that a service to meet their needs is feasible within the definition of "reasonable to meet" as set forth below.

2. Necessary trips are defined as those trips which are required for the maintenance of life, education, access to social service programs, health, and physical and mental well-being, including trips which serve employment purposes.

3. Unmet transit needs specifically include:
    (a) Transit or specialized transportation needs identified in the transit system's Americans with Disabilities Act Paratransit Plan or short-range Transit Plan which are not yet implemented or funded.

(b) Transit or specialized transportation needs identified by the Social Services Transportation Advisory Council and confirmed by the RTPA through testimony or reports which are not yet implemented or funded.

4. Unmet transit needs specifically exclude:

(a) Minor operational improvements or changes, involving issues such as bus stops, schedules and minor route changes.

(b) Improvements funded or scheduled for implementation in the following fiscal year.

(c) Trips for any purpose outside of Shasta County, in accordance with PUC Section 99220(b).

(d) Primary and secondary school transportation.

Reasonable to Meet. An identified unmet transit need shall be found "reasonable to meet" only under the following conditions:

1. It has been demonstrated to the satisfaction of the Agency that transit service adequate to meet the unmet need can be operated with a minimum farebox recovery of 20% in urbanized areas and 10% in non-urbanized areas. Where anticipated farebox revenue from proposed services do not meet these minimum requirements, the following exceptions may apply as determined by the SRTA Board of Directors:

a) Transit services that are funded entirely with grants.
b) Transit services that are funded entirely by a local agency at that agency's discretion.
c) Urban transit services that represent a critical or essential service, as determined by the SRTA Board of Directors, providing such services do not result in farebox penalties for the transit system as a whole.
d) Pilot projects and new services for up to two years.
e) When a transit service primarily serves urban areas but also includes non-urban areas, a pro-rated farebox recovery standard based on the ratio of urban and non-urban in-service transit vehicle miles may be used.

It must also have been demonstrated that the unsubsidized portion of operating costs can be recovered by fare revenues as defined in the State Controller's Uniform System of Accounts and Records. The "Cost Allocation Method" as shown in Exhibit (A) is the method to be used for determining fare box ratio.

(A) Transit service farebox recovery minimums may be determined on an individual route or service area basis.

~~1. It has been demonstrated to the satisfaction of the Agency that transit service adequate to meet the unmet need can be operated with a subsidy not to exceed 80% of operating cost in urbanized areas and 90% in nonurbanized areas. It must also have been~~

~~demonstrated that the unsubsidized portion of operating costs can be recovered by fare revenues as defined in the State Controller's Uniform System of Accounts and Records. The "Cost Allocation Method" as shown in Exhibit (A) is the method to be used for determining fare box ratio.~~

~~(a) Transit service subsidy maximums may be determined on an individual route or service area, or an individual proposed route or service area, basis.~~

2. The proposed expenditure of Transportation Development Act funds required to support the transit service does not exceed the authorized allocation of the claimant, consistent with Public Utilities Code Sections 99230-99231.2 and TDA Regulations Sections 6649 and 6655.

The fact that an identified need cannot fully be met based on available resources, however, shall not be the sole reason for finding that a transit need is not Reasonable to Meet.

3. The proposed expenditure shall not be used to support or establish a service in direct competition with an existing private service, nor to provide 24-hour service.

4. Where transit service is to be jointly funded by two or more of the local claimant jurisdictions, it shall be demonstrated to the satisfaction of the ~~Commission~~ SRTA Board of Directors that the resulting inter-agency cost sharing is equitable. In determining if the required funding equity has been achieved the SRTA Board of Directors~~Commission~~ may consider, but is not limited to considering whether or not the proposed cost sharing formula is acceptable to the affected claimants.

5. Transit services designed or intended to address an unmet transit need shall in all cases make coordinated efforts with transit services currently provided, either publicly or privately.

NOW, THEREFORE, BE IT RESOLVED that the definitions set forth above shall govern ~~the RTPA~~SRTA's determinations of unmet transit needs that are reasonable to meet pursuant to applicable TDA statutes and regulations, and the resulting allocation of TDA funds by ~~this Commission~~the SRTA Board of Directors;

BE IT FURTHER RESOLVED that Resolution ~~10~~16-~~97~~ 14 of the Shasta ~~County~~ Regional Transportation ~~Planning~~ Agency dated December ~~16~~12, ~~1997~~2000, is hereby rescinded and superseded.

PASSED AND ADOPTED this ~~12th~~ 13th day of December, ~~2000~~2016, by the Shasta ~~County~~ Regional Transportation ~~Planning~~ Agency.

Leonard Moty, Chair
Shasta Regional Transportation Agency