STAFF REPORT

MEETING DATE:	**June 20, 2024**
SUBJECT:	**Approve Fiscal Year 2024/25 Annual Transit Needs Assessment, Transportation Development Act Budget, and Unmet Transit Needs Findings in Resolution 24-06**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Jennifer Pollom, AICP, Senior Transportation Planner Jessica Carlson, Chief Fiscal Officer**

SUMMARY:

The Fiscal Year (FY) 2024/25 Transit Needs Assessment is complete. The Social Services Transportation Advisory Council (SSTAC) reviewed the findings and provided their recommendation (Attachment A). The final report is available on SRTA's website (see hyperlink in Attachment B).

As regional administrator for TDA funds, SRTA determines the appropriate use of funds in accordance with statutorily defined priorities. Funding is apportioned to each jurisdiction via the annual claims process. The FY 2024/25 TDA budget – excluding state and federal transit grants – is over $##.# million of which $#,###,### is apportioned to RABA, $###,### to Dignity Health Connected Living (DHCL) for CTSA services, and $#,###,### is available for streets and roads.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Consider the Social Services Transportation Advisory Council's (SSTAC) FY 2024/25 Unmet Transit Needs recommendations (Attachment A);
2. Approve the FY 2024/25 Transit Needs Assessment and Unmet Transit Needs recommendations;
3. Authorize the Chair to sign Resolution 24-06, finding that all current services with anticipated changes to the RABA delivery models (e.g., adding micro-transit zones), incorporating Sunday transit into RABA's system, and to add a rural bus service to Shingletown (Attachment C) are reasonable to meet;
4. Approve the FY 2024/25 TDA Budget of Apportionments and Transit Obligations (Attachment D);
5. Approve payment instructions to the Shasta County Auditor-Controller (Attachment E); and
6. Authorize the executive director to make minor administrative amendments to the TDA Budget and payment instructions as appropriate.

BACKGROUND:

TDA provides two major sources of funding for public transportation: State Transit Assistance (STA) and Local Transportation Funds (LTF). Funding may be utilized for the following statutorily defined priorities:

1. SRTA expenses to manage TDA and perform other regional transportation agency mandates;
2. Two percent of the remaining LTF balance for pedestrian and bicycle facilities;

3. Five percent of the remaining LTF balance for transit services provided by the CTSA (Dignity Health Connected Living);
4. Public transit services managed by the city of Redding for administration of RABA;
5. Other eligible transportation uses of LTF not required for public transportation, including improvements to local streets; and
6. Excess transit-only funds are held in an STA reserve and may be used for future transit needs or to create additional funds for support of non-motorized projects.

As the designated recipient and administrator of LTF for the Shasta Region, SRTA is responsible for carrying out the annual transit needs assessment process and certifying that all reasonable-to-meet needs have been met before allocating remaining funds to other eligible uses, such as streets and roads. (See Attachment B, Appendix 2 for the region's adopted "reasonable to meet" definition).

DISCUSSION:

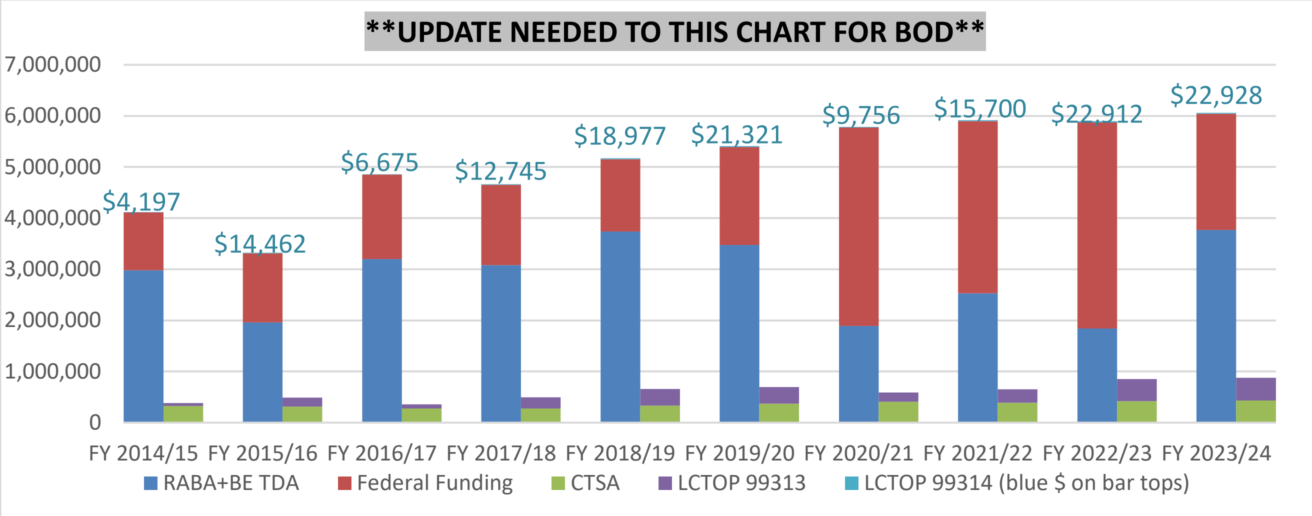
This agenda item serves two purposes. First, it brings the annual transit needs assessment to a close with approval of the final report and unmet transit needs recommendations. Second, the TDA budget for the upcoming fiscal year, consistent with the transit needs assessment and unmet transit needs findings, is presented for approval. A summary of both is provided below. Complete details are provided by attachment.

FY 2024/25 Transit Needs Assessment and Unmet Transit Needs Recommendations – At the April 25, 2024, Board of Directors meeting a public transit funding workshop was held along with a presentation on the Unmet Transit Needs Process. The Draft FY 2024/25 Transit Needs Assessment and preliminary unmet transit needs findings were presented. At the same meeting a public hearing was conducted to receive public comments on unmet transit needs (see Attachment B, Appendix 8 for public comments and responses). In accordance with TDA law, the Social Services Transportation Advisory Council (SSTAC) reviewed the findings at their April 30, 2024, meeting and provided an independent recommendation (Attachment A).

Unmet Transit Needs Recommendations and Findings – In summary, staff recommends that the Board of Directors finds that all current services with anticipated changes to the RABA delivery models (e.g., adding micro-transit zones), incorporating Sunday transit into RABA's system, and to add a rural bus service to Shingletown (Attachment C) are reasonable to meet.

SSTAC Recommendations – In addition to staff recommendations, the SSTAC asked that staff find ways to communicate anticipated changes more clearly regarding the RABA system, consolidation of transit services, and the use of smart phone applications and website updates.

Transit Funding in the Region – RABA's transit revenues and operating costs are bolstered by formula federal transit funds and TDA funds; however, Dignity Health Connected Living (DHCL) is not similarly compensated for similar impacts. DHCL services are relatively low cost when compared with the fixed-route system (Chart 1).



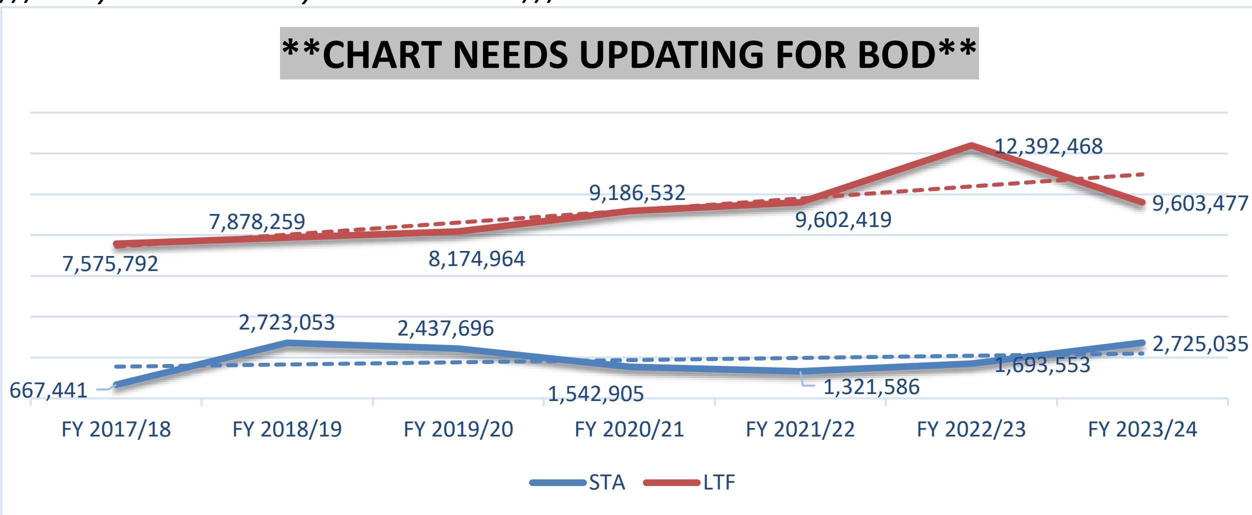
FY 2024/25 TDA Budget – The FY 2024/25 TDA budget (Attachment D) includes transit claims from each jurisdiction based on the '80/20' transit service hour and population distribution formula. The remaining balance is allocated to local streets and roads or other eligible uses. Table 1 below provides recommended TDA funding apportionments for FY 2024/25. Note that this table includes TDA funds and excludes state and federal transit grants. The full TDA Budget of Apportionments and Transit Obligations report is detailed in Attachment X.

****CHART NEEDS UPDATING FOR BOD****

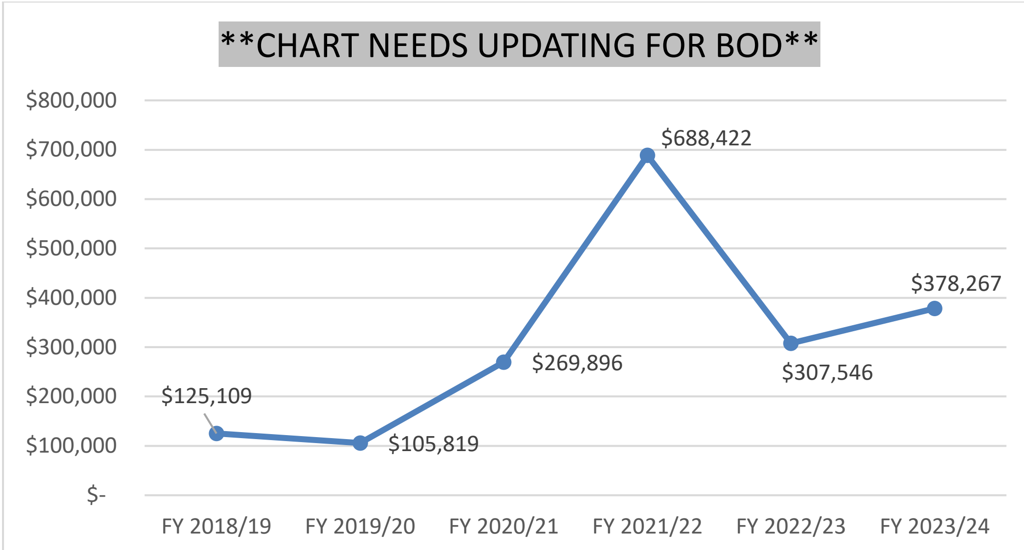
TDA Claimant	SRTA	Non-Motorized	Regional Reserves	CTSA (DHCL)	Anderson	Redding	Shasta Lake	County	Regional Total
SRTA Admin	$974,563								**$974,563**
5% CTSA				$475,384					**$475,384**
Non-Motorized		$536,796							**$536,796**
Public Transit (RABA)					$158,108	$2,965,006	$145,122	$0	**$3,268,236**
RABA Admin						$828,905			**$828,905**
STA Reserve			$409,960						**$409,960**
Local Streets & Roads					$431,107	$2,145,191	$275,618	$2,982,751	**$5,834,668**
TOTAL	**$974,563**	**$536,796**	**$409,960**	**$475,384**	**$589,215**	**$5,939,102**	**$420,739**	**$2,982,752**	**$12,328,512**

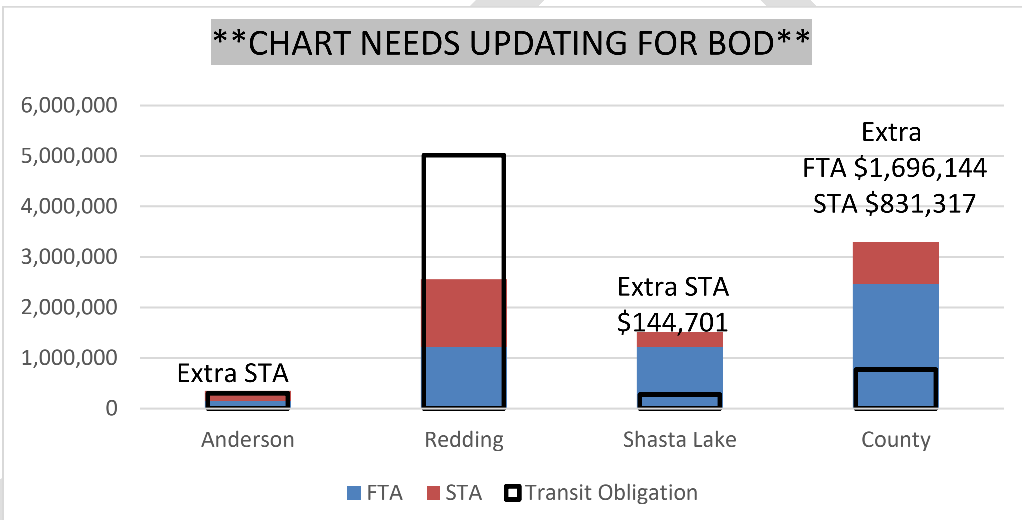
Key considerations and takeaways for the FY 2024/25 TDA budget include the following:

- This budget cycle includes the budget-to-actual true up of fiscal year 2022/23. These true-up amounts were deducted from the respective jurisdictions' FY 2024/25 transit obligations to credit the unused federal allocation from the 2022/23 fiscal year.
- *///Analysis commentary on actuals TBD.///*

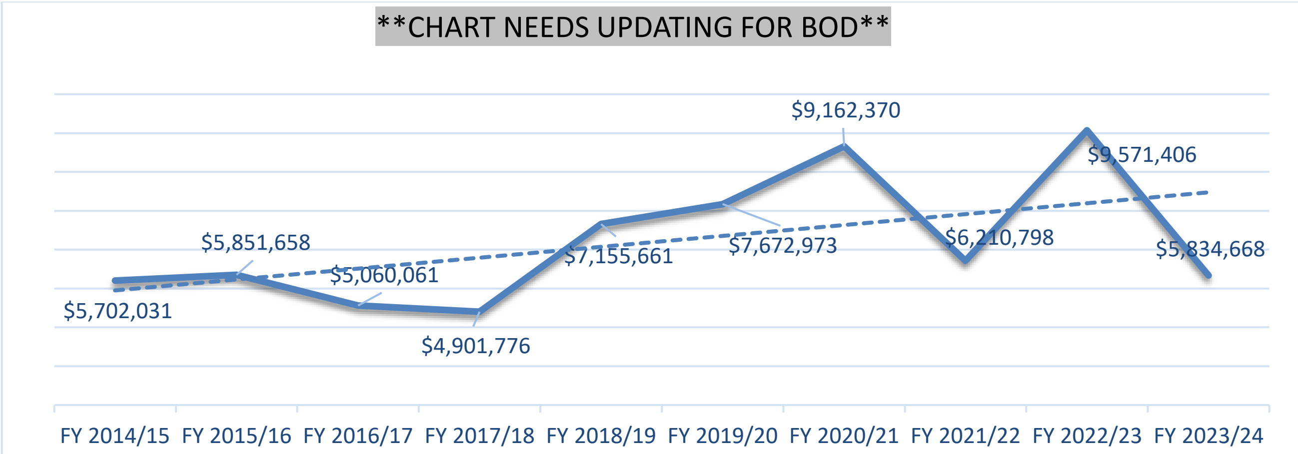


- The Federal Transit Administration (FTA) Section 5311 Program no longer allows carryover funds. Each Standard Agreement contract has a performance period. If the contract is not amended, and the contract period ends, then the funds become unencumbered. Funds had previously been allowed to "carryover" for future FTA 5311 projects, but that is no longer permitted. The funds will go back to the state, be deobligated, and lost to the region. FTA 5311 funds have been deobligated in previous fiscal years, including FY 15/16, FY 16/17, and FY 17/18.
- In addition to regularly formulated and competitive FTA 5311 funding, Shasta County has also been obligated three one-time grants for the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) and the American Rescue Plan Act (ARPA) for transit-only projects in rural areas of the region. These grants have a combined budget of $1,698,803 in rural area operating funds through June 30, 2028. With the average annual operating costs of $311,337 for Shasta County transit obligations (e.g., 299x, formerly Burney Express), strategic planning discussions on how best to use these funds for current or requested public transportation services in rural areas of the region will need to take place.
- In all jurisdictions except the city of Redding, there continues to be excess annual TDA funding that can only be used for public transportation services, totaling $###,### in this 2024/25 budget after the true-up from FY 2022/23. These funds are accumulating in a STA reserve account. They will stay in the reserve to offset the impacts to the DHCL services and the Whiskeytown Beach Bus, as well as any other anticipated transit needs that SRTA identifies (see Charts 3 and 4).





- In this FY 2024/25 budget cycle, and historically, the city of Redding has been the only jurisdiction with remaining transit obligation after STA funds are applied. Their LTF allocation first covers these remaining obligations, prior to being released for other uses.
- Total available TDA money for streets and roads ($X,XXX,XXX) decreased XX percent in FY 2024/25 over the 2023/24 budget ($5,834,668) as well as decreased XX percent over a ten-year average of streets and roads allocations ($X,XXX,XXX). This is primarily due to one-time COVID federal funds being expended that offset amounts RABA would have normally requested the last couple of years to cover transit needs.



- TDA Administration costs for SRTA decreased X percent to $XXX,XXX from FY 2023/24. SRTA continues to receive grant awards for planning projects that need matching local funds. OWP planning budgets have decreased XX percent from fiscal year 2023/24. Additionally, SRTA has deferred payments to its reserve funds in previous fiscal years, including the TDA planning and building reserves, to soften the corresponding impact of the pandemic and emergency building improvements. Those payments have been increased to true-up these deferred payments and are included in this budget cycle.

Next steps – In accordance with TDA law, the FY 2024/25 TDA budget funds all reasonable-to-meet transit services, as identified through the FY 2024/25 Unmet Transit Needs Findings. It is recommended that the board of directors certify by resolution (Attachment C) that finds that all current services with anticipated changes to the RABA delivery models (e.g., adding micro-transit zones), incorporating Sunday transit into RABA's system, and to add a rural bus service to Shingletown (Attachment C) are reasonable to meet and direct the Shasta County Auditor-Controller to disburse funds in accordance with FY 2024/25 Payment Instructions (Attachment X).

ALTERNATIVES:
The board of directors may choose to fund other unmet transit needs and direct staff to include these services in the TDA budget.

OTHER AGENCY INVOLVEMENT:
The unmet transit needs process is developed in consultation with the SSTAC, county of Shasta, the cities of Anderson, Shasta Lake, and Redding, DHCL, and RABA. The SSTAC provides an independent recommendation (Attachment X). Documentation of the unmet transit needs process is approved by Caltrans. *///The Technical Advisory Committee (TAC) met on June 5, 2024, to review and discuss the 2024/25 Transit Needs Assessment, the Unmet Transit Needs findings and the FY 2024/25 TDA budget and to vote on the matter.///*

FISCAL & POLICY COMMITTEE REVIEW:
/// The Fiscal & Policy Committee met on June 10, 2024, to review and discuss the 2024/25 Transit Needs Assessment, the Unmet Transit Needs findings, and the FY 2024/25 TDA budget, and to vote on the matter.///

FISCAL IMPACT:

By approval of the FY 2024/25 TDA Apportionments and Transit Obligations, the Shasta County Auditor-Controller is authorized to distribute $XX,XXX,XXX in TDA funds to SRTA, DHCL, RABA, the cities of Anderson, Redding, and Shasta Lake, and Shasta County, as provided by Attachment X. All expenditures are consistent with anticipated revenues.

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Sean Tiedgen, AICP, Executive Director

Attachments:

A: Social Services Transportation Advisory Council Recommendation - *Not Available for TAC*
B: FY 2024/25 Transit Needs Assessment Final Report: - *available at TAC meeting*
C: Resolution 24-06, FY 2024/25 Unmet Transit Needs Findings - *Not Available for TAC*
D: FY 2024/25 TDA Budget of Apportionments and Transit Obligations - *available at TAC meeting*
E: FY 2024/25 Shasta County Auditor-Controller Payment Instructions - *available at TAC meeting*