STAFF REPORT

MEETING DATE:	**February 26, 2019**
SUBJECT:	**Review FY 2019/20 Annual Transit Needs Assessment and Preliminary Recommendations (Public Hearing)**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Kathy Urlie, Senior Transportation Planner**

SUMMARY:

Each year, SRTA assesses and makes determinations regarding unmet transit needs in the Shasta Region. The Draft Transit Needs Assessment for Fiscal Year (FY) 2019/20 was posted to SRTA's website on January 25, 2019. A public hearing is required. Final unmet transit needs recommendations will be presented in April alongside the FY 2019/20 Transportation Development Act (TDA) budget for consideration by the board of directors.

Staff recommends implementing the Sunday transit service as an on-demand, grant-funded project beginning this summer. This effort has been under development by the board of directors for over two years.

TDA law requires a minimum 15% farebox ratio recovery to operating cost. Based on SRTA staff's review of ridership and operating costs over the past five years, the Redding Area Bus Authority (RABA) fixed route services are likely to fall below the minimum 15% farebox recovery standard within the next two to three years. An independent review by RABA's auditor draws similar conclusions. In this event, SRTA and RABA will face some difficult decisions such as service cuts or fare increases. Alternatively, staff is proactively exploring different means of achieving system efficiencies to stay above the 15% standard, such as on-demand service, to avoid forced cuts in service. In the interim, no further expansion to RABA services are recommended using TDA funds at this time.

STAFF RECOMMENDATION:

It is recommended that the SRTA Board of Directors:

1. Hold a public hearing to receive public comments on unmet transit needs;
2. Provide any further direction to staff regarding preliminary FY 2019/20 Unmet Transit Needs recommendations; and
3. Direct staff to prepare responses to public comments received.

DISCUSSION:

Background – As a recipient of Local Transportation Funds (LTF), SRTA is required to administer the annual unmet transit needs process. The purpose of this process is to:

1. Identify potential unmet transit needs in each jurisdiction; and
2. Certify that all reasonable-to-meet transit needs have been met in each jurisdiction, prior to allocating any residual LTF funds for other eligible uses, including local streets and roads.

Transit Needs Assessment – The Draft Transit Needs Assessment (Attachment A) is developed as part of the annual unmet transit needs cycle (Attachment B). Needs identified through this process are evaluated against the agency's adopted "reasonable to meet" definition (Attachment C). The Draft FY 2019/20 Transit Needs Assessment's key aspects include:

- Identification of transit dependent and transit need populations;
- Community outreach strategies (e.g. social media, SRTA website, mail, brochures, posters, and in-person interviews);
- Preliminary findings regarding requested services (e.g. Sunday service, extended service hours, more frequent service, e.g. shorter headways, and service to outlying areas).

Farebox Recovery and Reasonable to Meet Standards – RABA's farebox recovery ratio increased from 16.85% in FY 2016/17 to 18.50% in FY 2017/18. Although the figure is above RABA's weighted farebox recovery ratio goal of 18.0%, it is inflated due to the use of state grant funds to provide free rides on the Crosstown Express. Without use of the grant funds, annual farebox recovery ratio would have been 16.21%. As the estimated 16.21% farebox is close to the minimum 15% standard, and since RABA operating costs are increasing about 4 to 5% per year, SRTA staff does not recommend providing any additional services at this time, that are not already underway.

Service Recommendations – As part of this year's cycle, transit service options will continue to be evaluated through April. Five ongoing service requests are described below:

FY 2019/20 Transit Requests and Recommendations

Transit Service Request	Unmet Transit Need?	Reasonable to Meet?	Response
Sunday Service	Yes	Yes, grant-funded service anticipated Summer 2019.	SRTA is developing an on-demand, Sunday transit service in association with Dignity Health Connected Living (DHCL). Anticipated to use DHCL human and capital resources, SRTA's service (part of the ShastaConnect brand of transit services) is anticipated to begin this summer. This initial program will be entirely grant-funded, with no TDA monies.
Whiskeytown Summer Service	Yes	Yes, at the discretion of the SRTA Board of Directors.	A pilot program began June 2017. For Summer 2018, the SRTA Board of Directors approved continuing it since it was a low operating cost. Unfortunately, the National Park Service (NPS) proposed a fee for each bus passenger, making the service infeasible and service was not re-instituted. While staff was working with the NPS on alternatives, the Carr Fire occurred. If the board of directors approves continuation, staff will work with the NPS; however, service this summer appears unlikely unless it is a priority for the NPS.
Extended Service Hours More Frequent Service	Yes	Not at this time.	SRTA calculates that the RABA farebox ratio is at risk to fall below the state-mandated 15% within the next two to three years. No expansion of RABA services using TDA funds are recommended at this time. The grant-funded Sunday service

Extended Service Areas			discussed above will seek to demonstrate a new on-demand service delivery model that **may** have applications to improve or expand some RABA services in the future while still achieving the necessary farebox ratio.

Public Involvement – The Draft FY 2019/20 Transit Needs Assessment (Attachment A) was posted to the SRTA website on January 25, 2019, and circulated to interested individuals and organizations. A legal notice was run in the three newspapers of general circulation within the Shasta region. The 66 comments received to date may be reviewed in Appendix 8 of the Draft FY 2019/20 Transit Needs Assessment. Comments may be submitted during today's public hearing or delivered to SRTA through March 4, 2019.

Next Steps – Unmet transit needs findings, including all public comments received, the Social Services Transportation Advisory Council (SSTAC) recommendations and final staff recommendations, will be presented along with the proposed FY 2019/20 TDA budget at the April 23, 2019, SRTA Board of Directors meeting.

It is recommended that the board of directors conduct a public hearing, provide staff any further direction regarding the FY 2019/20 Transit Needs Assessment preliminary recommendations, and direct staff to prepare responses to public comments received.

ALTERNATIVES:
The board of directors may suggest modifications to the preliminary unmet transit needs recommendations or the transit needs assessment document.

OTHER AGENCY INVOLVEMENT:
The unmet transit needs process is developed in consultation with the county of Shasta, the three cities, the SSTAC, DHCL, and RABA. Documentation of the unmet transit needs process is approved by Caltrans. The Technical Advisory Committee (TAC) reviewed the Draft FY 2019/20 Transit Needs Assessment and provided concurrence.

FISCAL IMPACT :
The unmet transit needs findings govern the use of Local Transportation Funds for public transportation, or for local streets and roads. For FY 2018/19, approximately $2,600,000 in Local Transportation Funds are budgeted for transit and $4,000,000 for non-transit purposes, e.g. streets and roads.

____
Daniel S. Little, AICP, Executive Director

Attachments:

A – Draft 2018/19 Transit Needs Assessment. Also available at: https://www.srta.ca.gov/DocumentCenter/View/4397/Draft_19-20_TNA_1-25-2019_Reduced

B – Overview of the Annual Unmet Transit Needs Cycle

C – Reasonable to Meet Definition

Attachment B

Overview of the Annual Unmet Transit Needs Cycle

Activity	Schedule			
	Sep-Dec	Jan-March	April-Jun	Beyond
1. Assess current conditions and gather input				
Consult with Social Services Transportation Advisory Committee (SSTAC).	☑			
Review most recent transit plans and prior year Unmet Transit Needs findings. Revise (as needed) analysis on size and location of likely transit dependent populations. Solicit public comments (social media, interviews, etc.) via 'Shasta Transit Brainstorm'.	☑			
Based on earlier findings, develop transit service priorities survey to distribute via SRTA website, social media, and other methods.	☑			
2. Draft Transit Needs Assessment				
Prepare and publish draft Transit Needs Assessment for a minimum 30-day public comment period.		☑		
Hold a public hearing to receive comments on the draft Transit Needs Assessment.		☐		
3. Unmet Transit Needs Findings				
Work with appropriate transit provider(s) to develop options for meeting identified unmet transit needs and testing against adopted reasonable to meet criteria.		→	→	
Present Unmet Transit Needs Findings for the upcoming fiscal year (requests requiring additional analysis are continued to the next fiscal year).			☐	
Allocate TDA funds for transit and non-transit purposes for the upcoming fiscal year.			☐	
4. Follow-Up				
Administer claims, transfer funds, implement and monitor services.				☐

Attachment C

RESOLUTION NO. 16-14

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 Regional Transportation Agency (SRTA) staff, having consulted with claimant jurisdiction representatives and the Social Services Transportation Advisory 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.

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 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 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 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 the SRTA Board of Directors;

BE IT FURTHER RESOLVED that Resolution 00-21 of the Shasta Regional Transportation Agency dated December 12, 2000, is hereby rescinded and superseded.

PASSED AND ADOPTED this 13th day of December, 2016, by the Shasta Regional Transportation Agency.

Leonard Moty, Chair
Shasta Regional Transportation Agency