# STAFF REPORT

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| **MEETING DATE:** | **April 28, 2022** |
| **SUBJECT:** | **Approve Fiscal Year 2022/23 Annual Transit Needs Assessment, Unmet Transit Needs Recommendations, and Transportation Development Act (TDA) Budget** |
| **AGENDA ITEM:** | **10** |
| **STAFF CONTACT:** | **Jennifer Pollom, Senior Transportation Planner** |


**SUMMARY:**

The Fiscal Year (FY) 2022/23 Transit Needs Assessment is complete and documented in the final report (Attachment A). The Social Services Transportation Advisory Council (SSTAC) reviewed the findings and provided their recommendation (Attachment B). In recent years, funding exclusively for public transportation has been greater than what is needed for current services in all areas except the city of Redding. Despite this trend, no new or expanded Transportation Development Act (TDA) funded services are recommended given the: 1) drop in transit performance in the region for FY 2020/21; 2) downward performance over consecutive multiple years; and 3) recovering from the COVID-19 pandemic. SRTA will explore key strategies from the 2040 Long-Range Transit Plan to address the region's transit performance and efficient use of transit specific funding. It is recommended that all existing TDA- and grant-funded services be maintained at current levels and that Redding Area Bus Authority's (RABA) Short Range Transit Plan employ strategies found in the 2040 Long-Range Transit Plan.


As the regional administrator for TDA funds, SRTA is responsible for determining the appropriate use of funds in accordance with statutorily defined priorities. Funding is apportioned to each jurisdiction via the annual claims process. The FY 2022/23 TDA budget, excluding state and federal transit grants, is $15,169,914 of which $2,612,547 is apportioned to the RABA, $501,208 to Dignity Health Connected Living (DHCL) for Consolidated Transportation Service Agency (CTSA) services, and $10,289,479 available for streets and roads.

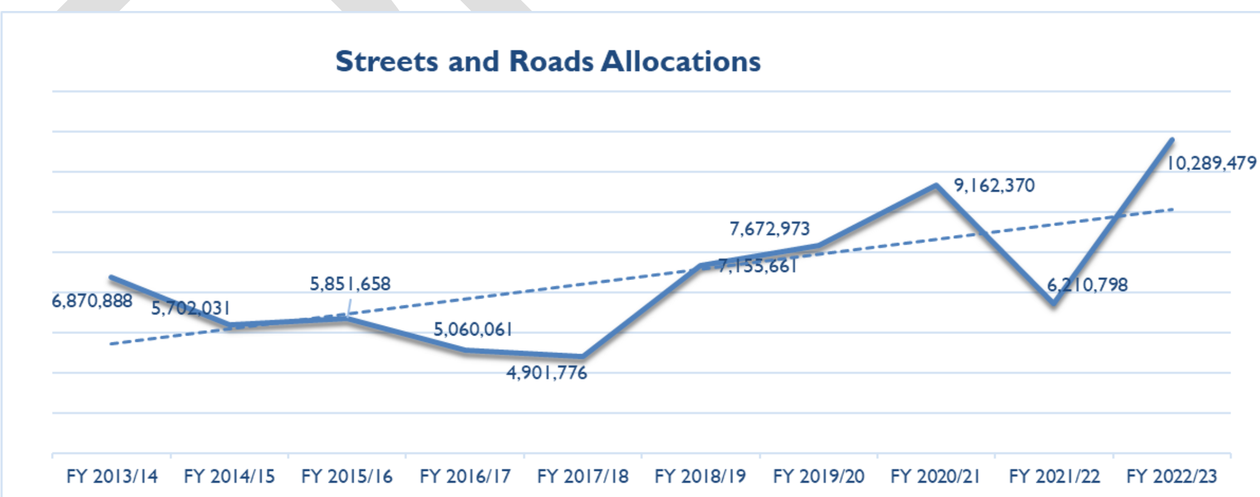


*Figure 1 Ten Year Trend of TDA Funding Available for Streets and Roads*

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**STAFF RECOMMENDATION:**

It is recommended that the board of directors:

1. Approve the FY 2022/23 Transit Needs Assessment and Unmet Transit Needs recommendations;
2. Authorize the Chair to sign Resolution 22-03, finding that all current TDA-funded services and all grant-funded services, including Sunday On-Demand service and the Whiskeytown Beach Bus, are reasonable to meet (Attachment C);
3. Approve the FY 2022/23 TDA Budget of Apportionments and Transit Obligations (Attachment D); and
4. Approve payment instructions to the Shasta County Auditor-Controller (Attachment E).

**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 and Shasta County for administration of RABA and Burney Express;
5. Other eligible transportation uses of LTF not required for public transportation, including improvements to local streets; and
6. Excess transit 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 Local Transportation Funds (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 A, Appendix 1 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 2022/23 Transit Needs Assessment and Unmet Transit Needs Recommendations** – The Draft FY 2022/23 Transit Needs Assessment and preliminary unmet transit needs findings were made available for public comment February 16 through March 31, 2022. A public hearing was held on February 24, 2022. In accordance with TDA law, the Social Services Transportation Advisory Council (SSTAC) has reviewed the findings and provided an independent recommendation (see Attachment B). In summary, the SSTAC and staff make the following recommendations.

<u>**Analysis recommendations**</u> – In the coming year, SRTA will explore key strategies from the 2040 Long-Range Transit Plan and RABA's short range transit plan (in development) to address the region's transit performance. SRTA will consider plans to:

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- Continue on-demand Sunday Service beyond October 2022;
- Continue expanded CTSA, including consideration of adding services on Saturdays;
- Explore on-demand service as an alternative to fixed route Saturday service and/or low performing routes and times;
- Explore consolidating Burney Express with ShastaConnect on-demand intermountain service and Modoc Sage Stage;
- Find efficiencies and reduce overlap between RABA demand response service (complimentary paratransit) and ShastaConnect;
- Implement low-income strategy from Long-Range Transit Plan (i.e., free fares); and
- Re-establish Airport Road/Knighton Road fixed route service to the Veteran's Administration (VA) Clinic and Home on Knighton Road.

**New or expanded services** – No new TDA-funded services are recommended at this time in light of: 1) drop in transit performance in the region for FY 2020/21; 2) downward performance over consecutive multiple years; and 3) impacts from the COVID-19 pandemic on transit ridership and the cost of providing services. ShastaConnect service area could be expanded to include Shingletown and other areas using grant funds. Over the year, expand ShastaConnect On-Demand services where conventional fixed-route service is not sustainable based on results from Analysis Recommendations listed above, using grant funds, CTSA reserve funds or STA reserve funds.

**Short-term recommendations** – It is recommended that all current TDA-funded services be maintained, as well as all grant-funded services, including ShastaConnect On-Demand and Whiskeytown Beach Bus services. Implement results from Analysis Recommendations listed above.

**Long-term recommendations** – As part of RABA's Short Range Transit Plan process, it is recommended that strategies from the 2040 Long-Range Transit Plan be prepared for implementation. Examples of transit improvement strategies include: enhancing multi-modal access to transit; realigning fixed-route service to reflect changing travel patterns; establishing an income-based fare structure; and expanding ShastaConnect On-Demand services where conventional fixed-route service is not sustainable.

Federal stimulus funds are helping offset RABA's reduced transit revenues and rising operating costs, however, DHCL is not similarly compensated for these impacts. These additional services are a relatively good bargain when compared with other conventional transit services, like those RABA provides (Figure 2). Reserve funds that have been building in the TDA budget will be considered to address these transit needs not included in federal funding opportunities. Furthermore, the non-motorized program might be seeing more favorable consideration from federal funding sources and may need an increase in matching fund sources, which could be derived from regional reserves.

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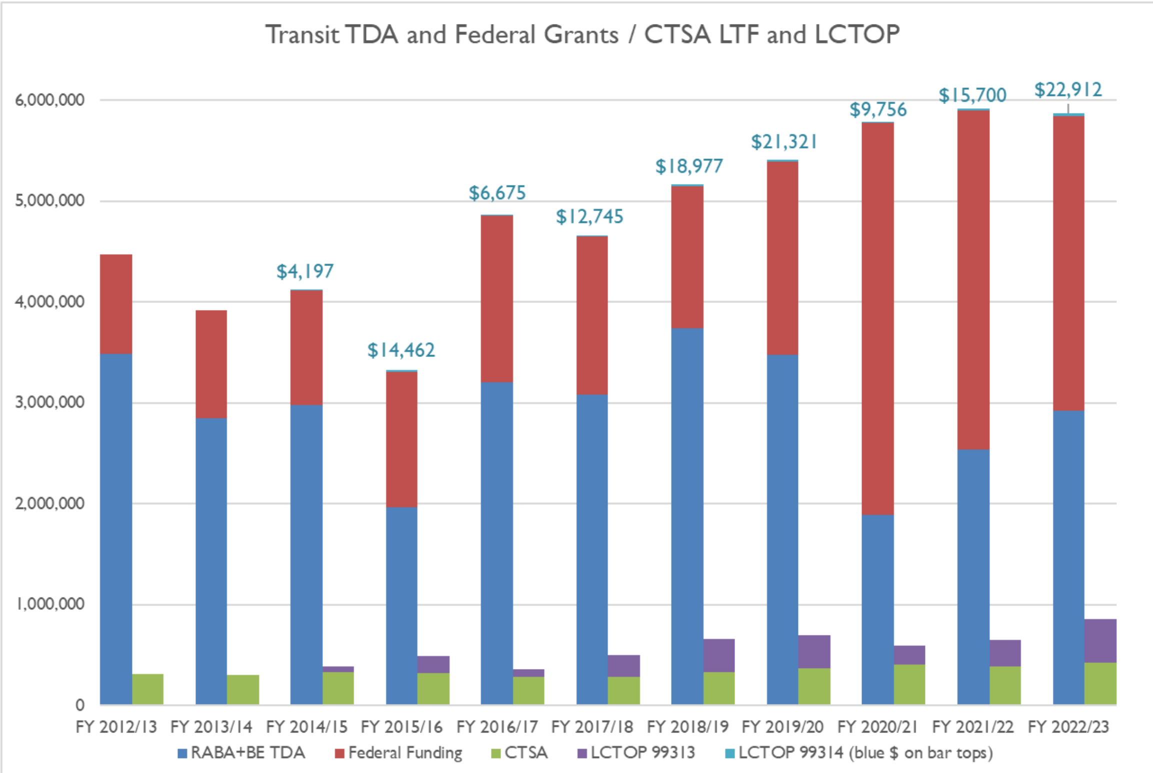


*Figure 2 Transit TDA and Federal Grants / CTSA LTF and LCTOP*

**FY 2022/23 TDA Budget** – The FY 2022/23 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 provides recommended TDA funding apportionments for FY 2022/23. 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 D.

*Table 1: FY 2022/23 Distribution of TDA Funds*

| TDA Funding Claim | SRTA | Non-Motorized | Regional Reserves | CTSA (DHCL) | Anderson | Redding | Shasta Lake | County | Regional Total |
|---|---|---|---|---|---|---|---|---|---|
| **SRTA Admin** | $1,034,364 | | | | | | | | **$1,034,364** |
| **5% CTSA** | | | | $501,208 | | | | | **$501,208** |
| **2% Non-Motorized** | | $471,078 | | | | | | | **$471,078** |
| **Public Transit (RABA)** | | | | | $43,564 | $1,772,329 | $2,743 | $0 | **$1,818,637** |
| **RABA Admin** | | | | | | $793,910 | | | **$793,910** |
| **STA Reserve** | | | $261,239 | | | | | | **$261,239** |
| **Local Streets & Roads** | | | | | $628,537 | $5,296,796 | $654,888 | $3,709,257 | **$10,289,479** |
| TOTAL | **$1,034,364** | **$471,078** | **$261,239** | **$501,208** | **$672,101** | **$7,863,036** | **$657,630** | **$3,709,258** | **$15,169,914** |

Key considerations and takeaways for the FY 2022/23 TDA budget include the following:

- Revenue projections rebound in the coming year. The FY 21/22 were conservative in anticipation of the economic effects from the COVID-19 pandemic. LTF allocations are increasing 20%, and STA allocations increasing a significant 30% for FY 2022/23 (See Figure 3 below for historical trends of these two funding sources, including the true-ups).

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- 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 get unencumbered. Funds had previously been allowed to "carryover" into other open FTA 5311 projects, but that is no longer be permitted. The funds will go back to the State and be deobligated from the agency. FTA 5311 funds have been deobligated from Shasta County in previous fiscal years 15/16, 16/17, and 17/18.
- This budget cycle includes the budget to actual true up of fiscal year 2020/21. The injection of COVID stimulus funding through the CARES Act resulted in an excess of 5307 funds for the cities of Anderson and Shasta Lake. These true up amounts were deducted from the respective jurisdictions' transit obligations to credit the unused federal allocation from the 2020/21 fiscal year.
- The true up for fiscal year 2020/21 also shows the previous distribution of LTF funds to RABA were more than their transit obligation needs after federal funding. City of Redding was credited back these funds as a reduction to their transit obligation in this budget cycle. In this case, 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 increased 37% in FY 2022/23. This is a return to the historical trendline (Figure 1).
- TDA Administration costs for SRTA have increased 29% to $1,034,364. SRTA continues to receive grant awards for planning projects that need matching local funds. OWP planning budgets have increased 46% from fiscal year 2021/22, and nearly doubled since FY 2020/21. In addition, SRTA has deferred payments to its management reserve funds the last three fiscal years, including the TDA planning and building reserves, to soften the corresponding impact of the pandemic and emergency building improvements. Those payments are being reestablished in this budget cycle.
- 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. These funds are accumulating in a STA reserve account. These funds will stay in the reserve to offset the aforementioned impacts to the DHCL services, Beach Bus, as well as any other anticipated transit needs, serve as match for ATP grant awards, or other non-motorized needs.

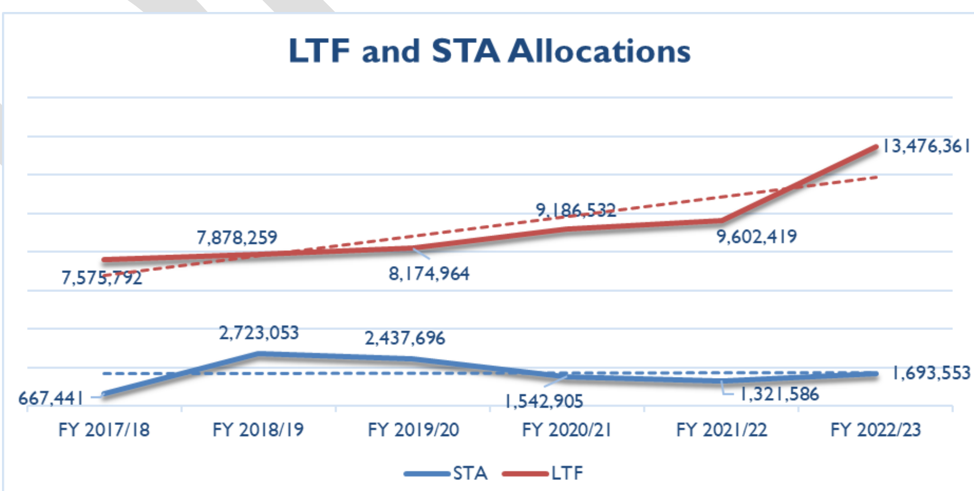


*Figure 3 LTF and STA Trends*

**Next steps** – In accordance with TDA law, the FY 2022/23 TDA budget funds all reasonable to meet transit services, as identified through the FY 2022/23 Unmet Transit Needs Findings. It is recommended that the board of directors certify by resolution (Attachment C) that all existing transit services are reasonable to meet and direct the Shasta County Auditor-Controller to disburse funds in accordance with FY 2022/23 Payment Instructions (Attachment E).

**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 B). Documentation of the unmet transit needs process is approved by Caltrans.

**FISCAL IMPACT:**

By approval of the FY 2022/23 TDA Apportionments and Transit Obligations, the Shasta County Auditor-Controller is authorized to distribute $15,169,914 in TDA funds to SRTA, DHCL, RABA, the cities of Anderson, Redding, and Shasta Lake, and Shasta County, as provided by Attachment E. All expenditures are consistent with anticipated revenues.

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**Daniel S. Little, AICP, Executive Director**

**Attachments:**

A: FY 2022/23 Transit Needs Assessment Final Report: https://www.srta.ca.gov/146/Unmet-Transit-Needs-Process

B: Social Services Transportation Advisory Council Recommendation-*Not Available for TAC*

C: Resolution 22-03, FY 2022/23 Unmet Transit Needs Findings-*Not Available for TAC*

D: FY 2022/23 TDA Budget of Apportionments and Transit Obligations-*Not Available for TAC*

E: FY 2022/23 Shasta County Auditor-Controller Payment Instructions-*Not Available for TAC*

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