



HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS
Regional Transportation Planning Agency
Humboldt County Local Transportation Authority
Service Authority for Freeway Emergencies
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AGENDA ITEM 5a
SCC Meeting
February 20, 2018

DATE: February 7, 2018
TO: Service Coordination Committee (SCC)
FROM: Debra Dees, Associate Planner
SUBJECT: **Draft FY 2018-19 Unmet Transit Needs (UTN) Report of Findings**

STAFF REPORT

Contents:

- Staff's Recommended Action
- Staff Summary
- Draft FY 2018-19 UTN Report of Findings

Staff's Recommended Action:

1. Introduce the item as an action item;
2. Allow staff to present the item;
3. Receive public comment;
4. After receiving public comment and discussing, consider making the following motion:

“I move to support the SSTAC’s recommendation that the HCAOG Board approve the FY 2018-19 Unmet Transit Needs Report of Findings, determining that there is an unmet transit need for late-night weekday service on Redwood Transit System (RTS) that is reasonable to meet, but cannot be funded. The SCC also supports the SSTAC’s recommendation that HCAOG Board direct staff to explore all regional funding and return to the Board with recommendations at a future meeting.”

Staff Summary:

As the Regional Transportation Planning Agency (RTPA) for Humboldt County, HCAOG is responsible for the administration of the Transportation Development Act (TDA) funds. TDA funds, which are funded through ¼ percent of the statewide sales tax, are the primary funding source for most transit systems.

As part of its duties, HCAOG is required to implement an annual unmet transit needs process, which has three key components: soliciting testimony on unmet transit needs; analyzing needs in

accordance to adopted definitions of unmet transit needs and reasonable to meet; adoption of a finding regarding unmet transit needs that may exist for the upcoming fiscal year. Unmet transit needs findings are necessary in ensuring that TDA funds are expended on transit needs that are found reasonable to meet prior to non-transit uses.

The SSTAC is required by TDA law to participate in the process and provide the HCAOG Board a recommendation for one of the following findings:

- (A) there are no unmet transit needs;
- (B) there are no unmet transit needs that are reasonable to meet, or;
- (C) there are unmet transit needs including needs that are reasonable to meet.

In November 2017, HCAOG adopted the 2017-2022 Transit Development Plan (TDP) which recommended changes to the definition of an unmet need and the criteria used to determine if an unmet need is reasonable to meet. These recommendations were formally incorporated into HCAOG's TDA Rules and Regulations in December 2017:

Unmet Transit Needs shall be defined as:

- 1) Trips requested from residents who do not have access to public transportation, specialized transportation, or private transport services or resources for the purpose of traveling to medical care, shopping, social/recreational activities, education/training, and employment; or
- 2) Proposed public transportation, specialized transportation, or private transport services that are identified in the following, but is not limited to a Transportation Development Plan, Regional Transportation Plan, Coordinated Public Transit-Human Services Transportation Plan.

Additionally, the HCAOG TDA Rules stipulate that for this process, unmet transit needs do not include the following:

- Improvements funded or scheduled for implementation in the next fiscal year.
- Minor operational improvements or changes such as bus stops, schedules, and minor route changes. Minor operational improvements are changes to service which do not affect the operating cost of the transit service either by requiring additional staff and/or additional vehicle hours of service or miles of service.
- Trips for primary or secondary school transportation.
- Sidewalk improvements or street and road needs.

Unmet transit needs may be found to be reasonable to meet by means of the following criteria:

- 1) To be considered reasonable to meet, a service must be operationally feasible and financially sustainable, as defined below:
 - a. To be considered operationally feasible, the service must have adequate running time, adequate roadways, and must be safe to operate.
 - b. To be considered financially sustainable, enough money should be available from identified sources of funding to pay for the marginal operating cost of the service continuously for three years.
- 2) Additionally, to be considered "reasonable to meet" the service must be projected to meet a minimum "marginal farebox return ratio" of 10 percent within two years. If multiple

competing services are requested, other factors such as estimated subsidy per passenger trip and passengers per vehicle hour of service may also be considered. Ridership and farebox return ratio thresholds will also be considered for continuing newly-introduced services.

- 3) Pursuant to the requirements of Transportation Development Act (TDA) Statutes (Public Utilities Code Section 99401.5 (c)), a determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads, for the allocation of TDA funds.
- 4) Once a service is determined to be “reasonable to meet” and is implemented, it can be expected that the ridership in the first 1-2 years of the new service will be less than the projected optimal ridership. Ridership should be evaluated at 6-month intervals to determine if service is meeting performance standards adopted by the transit provider, and specifically, whether the service meets a minimum 10 percent marginal farebox ratio. If the service is being adequately promoted and fails to be within 60 percent of the identified standards after six months, 90 percent within the first year, or 100 percent within two years, the service may be cancelled and deemed “no longer reasonable to meet.” An exception to this rule is when a community or group is willing to participate in sharing the ongoing cost of the new service.

Multiple requests were received for the following services:

- Expansion of Dial-A-Ride service area and hours
- Request for Saturday and Sunday service to Southern Humboldt
- Request for late weeknight and Saturday service on RTS

The request for a new RTS weekday late night service (pages 16 and 17) meets the criteria to be found reasonable to meet, but cannot be funded as the Cities of Eureka and Arcata, as of 2016-17, used all of their Local Transportation Funding on existing transit uses. The current financial situation for these two jurisdictions is unknown as the City of Eureka has not submitted a claim since 2015-16. The City of Arcata has not yet submitted a current year claim. All other jurisdictions annually claim funds for non-transit uses. The funding share for each jurisdiction, based on the \$105,157 in estimated operating cost is as follows:

Jurisdiction	RTS Share %`	Estimated Cost for Late Weeknight Service
Arcata	14.4 %	\$ 15,143
Eureka	22.6 %	\$ 23,765
Fortuna	9.9 %	\$ 10,411
Rio Dell	2.8 %	\$ 2,944
Trinidad	0.3 %	\$ 315
County	50.0 %	\$ 52,579
Total	100 %	\$ 105,157

The outstanding need for the estimated \$38,908 does not mean that the service request cannot be implemented. There are other regional transit funds, State Transit Assistance funds, Formula Grants for Rural Areas, and Low Carbon Transit Operations Program funding, that come directly to HCAOG that could be allocated to cover the cost share for Eureka and Arcata. The setting aside of regional funds would require HCAOG Board action.

The SSTAC reviewed the Draft UTN Report of Findings at their January 3 and February 7, 2018 meetings. They recommended that the HCAOG Board approve the report determining that the request for late-night weekday service on RTS is reasonable to meet, but cannot be funded. The SSTAC also recommended that the HCAOG Board direct staff to explore all regional funding and return to the Board with recommendations at a future meeting.”

Contingent on HCAOG’s Board direction to explore a regional funding set-aside, the next scheduled meeting for the SSTAC is April 16, 2018. The SCC are welcome to attend the meeting.

The Draft UTN Report of Findings is presented to the SCC for review using HCAOG’s adopted UTN definitions, criteria, and flowchart (Figure 2, page 12). Appendix A includes a summary of all comments received and responses based on assessment of the request. Information and assessment on the above requests are provided on pages 13-17 of the report. Table 6, “*LTF Funds Allocated by Jurisdiction*” was corrected after the SSTAC meetings to reflect accurate prior allocations consistent with HCAOG resolution 16-01 and approved claims.