

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR – TRANSIT DIVISION
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: TRANSPORTATION DEVELOPMENT ACT ARTICLE IV AND
STATE TRANSIT ASSISTANCE ANNUAL FORMULA
ALLOCATION APPLICATION SUBMITTAL

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Transportation and Public Works Department recommends that the Council, by resolution: 1) approve a grant application to the Metropolitan Transportation Commission for the Transit Division's annual request of Transportation Development Act Article IV and State Transit Assistance funds in the amount of \$16,600,000; 2) authorize the Director of Transportation and Public Works or designee to submit a grant application on behalf of the Transit Division; 3) authorize the Director of Transportation and Public Works to accept the grant and execute any and all Grant Agreements and amendments thereto, and all other agreements or documents necessary for the completion of the project, subject to approval by the City Attorney; and 4) authorize the Chief Financial Officer to increase appropriations by the approved grant award amount.

EXECUTIVE SUMMARY

This action authorizes the Director of Transportation and Public Works to file a funding application with the Metropolitan Transportation Commission (MTC) for the City of Santa Rosa's (CityBus) annual request for formula Transportation Development Act Article IV (TDA) and State Transit Assistance (STA) funds. These funds are used to support the ongoing operation of CityBus fixed-route transit and paratransit services and provide funding for regular capital improvements.

GOAL

This item relates to Council Strategic Priorities to Invest in Development and Maintenance of the City's Infrastructure; Promote Citywide Economic Development; and Foster a Safe, Health, and Inclusive Community by supporting the ongoing operation of CityBus transit and paratransit services.

TRANSPORTATION DEVELOPMENT ACT ARTICLE IV AND STATE TRANSIT
ASSISTANCE ANNUAL FORMULA ALLOCATION CLAIM SUBMITTAL
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BACKGROUND/PRIOR COUNCIL REVIEW

1. TDA funds are derived from a ¼ cent State sales tax returned to the County of origin on a per-capita basis and distributed among the cities and the County based on population figures from the California Department of Finance (CDOF).
2. STA funds are derived through an excise tax on each gallon of diesel sold in the state and distributed to the various transit operators in the Bay Area through the MTC based on population data from the CDOF, the proportion of revenues collected compared to all other state transit operators, and the support of paratransit services in the North Bay.
3. The MTC administers and acts as the depository of the TDA and STA funds for the San Francisco Bay Area.
4. CityBus must submit an annual application for funding to support transit operations and capital improvements, based on a fund estimate provided by MTC showing the available balance plus any estimated upcoming fiscal year revenues.
5. Funding that is applied for but not ultimately required to cover fiscal year operational expenses, as well as any capital funding not used within 3 years, is returned to MTC to hold in CityBus' balance for future application requests.
6. On April 15, 2025, the City Council, by Resolution No. RES-2025-055, authorized an application to the MTC for \$12,530,000 in TDA and STA funds for use during FY 2025-26.

ANALYSIS

1. To support 67% of its FY27 operating budget, and provide local match toward federal operating grants, CityBus is requesting \$13,600,000 in TDA and STA funds.
2. An additional \$3,000,000 in TDA funds will be requested to support transit capital projects and act as matching funds for federal and state grants.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

The requested operating funds are included in the Transit Division budget for FY 2026-2027.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER(S)

Shawn Sosa, Administrative Analyst