

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

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, authorize the Director of Transportation and Public Works or designee to file an application for the Transit Division's annual request of Transportation Development Act Article IV and State Transit Assistance funds with the Metropolitan Transportation Commission for FY 2025-26 in the estimated amount of \$12,530,000 for ongoing Transit Operations and Capital budgetary needs.

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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 of formula Transportation Development Act Article IV (TDA) and State Transit Assistance (STA) funds. These state funds are used to support the ongoing operation of CityBus fixed-route and paratransit and provide funding for regular capital improvements.

BACKGROUND

1. TDA funds are derived from a ¼ cent State sales tax returned to the County of origin on a per-capita basis and are distributed as TDA funds divided locally 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. The amounts distributed to transit operators are based on population data

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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. To obtain CityBus' TDA and STA funding needs, CityBus must submit an annual application to the MTC for funding that is based on the fund estimates provided by MTC showing the available balance plus any estimated upcoming fiscal year revenues.
5. The annual TDA /STA application includes requests for funding for transit operations, paratransit operations and capital improvements.
6. Annual funding that is applied for but not ultimately required to cover fiscal year operational expenses, as well as any funding applied for capital use that is not utilized by the end of the 3-year capital allocation cycle, is returned to MTC to hold in CityBus' balance for future application requests.
7. A new methodology has been used for distribution of FY25-26 TDA & STA funding. Through a year-long process involving the transit providers in and serving Sonoma County, MTC, the Sonoma County Transportation Authority (SCTA) Transit Ad Hoc, and the SCTA Board of Directors, the parties have agreed on a new one-year funding distribution formula for FY25-26. This new one-year distribution formula includes three fund sources with discretionary distribution—TDA, STA County Block Grant, and Low Carbon Transit Operations Program (LCTOP) funds—and uses performance-based metrics to determine distribution between regional and local transit. This methodology replaces a distribution formula that has been in place since the 1990s which allocated 25% of Sonoma County TDA revenues to Golden Gate Transit off-the-top. The new methodology shifts approximately \$1.1 million in funding to the local bus operators in Sonoma County, which will offset a portion of the lost revenue from operational funding sources in FY25-26 due to reductions in sales and diesel tax revenues. Agency partners continue to evaluate an ongoing distribution formula with a target for all parties to come to an agreement by early 2026. The ongoing formula may be informed by the Marin and Sonoma Coordinated Transit Service (MASCOTS) plan and potential changes to resources available.

PRIOR CITY COUNCIL REVIEW

On May 7, 2024, the City Council, by Resolution No. RES-2024-068, authorized the Director of Transportation and Public Works to submit an application for TDA and STA funds for the MTC to use during FY 2024-25 in the estimated amount of \$17,200,000.

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ANALYSIS

1. CityBus relies on TDA and STA funding to provide fixed-route service within the City, and paratransit service in areas within  $\frac{3}{4}$  mile of the fixed-route network.
2. CityBus also uses TDA funds as local match for federal operating and capital improvement grants.
3. An estimated amount of \$12,530,000 will be requested for operating needs.
4. No funding is anticipated to be requested to support capital projects.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. These funds are included in the Transit Division budget for FY 2025-26.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed 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 proposed 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 project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Rachel Ede, Deputy Director - Transit