

**Metropolitan Transportation Commission
Programming and Allocations Committee**

May 8, 2024 Agenda Item 2b-24-0469

MTC Resolution Nos. 4570, Revised and 4571, Revised

Subject:

Allocation of \$92.4 million in FY2023-24 Transportation Development Act (TDA) and State Transit Assistance (STA) funds to Petaluma Transit, the San Mateo County Transit District (SamTrans), Sonoma-Marín Area Rail Transit (SMART), and Western Contra Costa Transit Authority (WestCAT) to support transit operations and capital projects in the region.

Background:

This month’s proposed action continues the allocation process of these funds for FY2023-24. Four entities are requesting TDA and STA allocations that exceed the \$1 million Delegated Authority limit. Allocation requests that are less than \$1 million are approved separately through the Executive Director’s Delegated Authority process.

The proposed allocation amount is based on the programming levels identified in the FY2023-24 Fund Estimate (MTC Resolution 4556). The proposed allocations are summarized in the following table:

Allocation Amounts by Entity¹ (amounts in millions)

Entity	TDA (Res. 4570)	STA (Res. 4571)	Grand Total
Petaluma Transit	\$3.5	\$1.0	\$4.5
SamTrans	\$56.4	\$25.2	\$81.6
SMART		\$3.2	\$3.2
WestCAT	\$3.1		\$3.1
Total	\$63.0	\$29.4	\$92.4

Note that amounts may not sum due to rounding

Please see the Summary Sheet dated October 11, 2023 for information regarding WestCAT’s FY2023-24 budget and operating highlights.

¹Includes all allocations to be approved in the resolutions listed above, the details of which are provided in Attachment A, including allocations for transit capital or planning and administration. Not inclusive of allocations approved by Executive Director’s Delegated Authority as allowed by MTC Resolution No. 3620, Revised.

Issues:

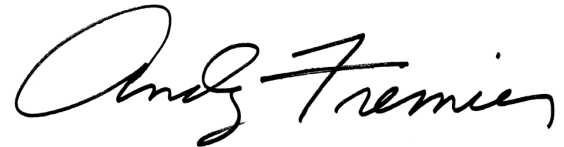
None identified.

Recommendations:

Refer MTC Resolution Nos. 4570, Revised and 4571, Revised to the Commission for approval.

Attachments:

- Attachment A –Transit Operator Budget Summary
- MTC Resolution No. 4570, Revised
 - Attachment A
- MTC Resolution No. 4571, Revised
 - Attachment A



Andrew B. Fremier

Attachment A - Transit Operator Budget Summary

Petaluma Transit

Adopted Operating Budget	\$4.2 million
FY2022-23 Operating Budget	\$3.8 million
Increase in Budget Compared to FY2022-23	10%
Projected Ridership (Estimated FY2023-24 as a Percentage of FY 2018-19 actual)	80%
Total Proposed FY2023-24 Operating Allocation ¹	\$3.4 million
Proportion of Operating Budget Funded with Allocations	73%

Budget and Operating Highlights

Petaluma Transit provides fixed-route and paratransit bus service for the city of Petaluma. Fixed-route service is comprised of six alignments supported by a fleet of 14 low-floor transit motorbuses. On-demand paratransit service is supported by a fleet of 11 cut-a-way buses. Petaluma Transit serves a market of suburban citywide travel, and coordinates with regional services provided by Golden Gate Transit, Santa Rosa City Bus, Sonoma County Transportation Authority (SCTA), and Sonoma Marin Area Rail Transit (SMART). The service area covers the 14 square miles that make up the city limits of Petaluma. Of the 140 Petaluma Transit bus stops, over 40% are shared with the aforementioned operators, promoting greater regional connectivity. Aside from service adjustments to accommodate student riders returning to the classroom, no major service changes were made nor are anticipated for FY2023-24. All services are contracted to MV Transportation, a third-party contractor.

Petaluma Transit’s projected ridership recovery is strong in the region at 80% of pre-Covid ridership in FY2023-24. TDA and STA funds make up a large portion of operating revenue at

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over 75%. Another significant source of revenue is the Measure M ¼ cent sales tax which contributes over 10% of operating revenue. Overall, the operating budget has increased by 7% due to cost escalation and inflationary impacts. As a result, Petaluma Transit will continue to explore cost-efficiency measures to reduce operations costs for the remainder of FY2023-24.

New developments in service include the K-12 Free Fare Program. In June 2023, Petaluma Transit in conjunction with Sonoma County Transit and Santa Rosa City launched K-12 Free Fare program in partnership with SCTA via funding provided by the Sonoma County Climate Resiliency Fund. This program will run for a two-year period and started on June 1, 2023. Petaluma Transit will explore a potential fare-free pilot program in FY2024-25. If the pilot program is approved by the board, the operator intends to recover fare collection revenue with funding from Sonoma County’s Measure M sales tax and the City of Petaluma’s general fund.

Lastly, the procurement of four electric buses was approved by Petaluma City Council in February 2024 using TDA capital and LCTOP funds. These buses represent the first electric buses in operation for Petaluma Transit and are anticipated to begin service in March 2025, replacing existing diesel buses.

San Mateo County Transit District (SamTrans)

Adopted Operating Budget	\$240.7 million
FY2022-23 Operating Budget	\$209.5 million
Increase in Budget Compared to FY2022-23	15%
Projected Ridership (Estimated FY2023-24 as a Percentage of FY 2018-19 actual)	87%
Total Proposed FY2023-24 Operating Allocation ¹	\$81.6 million ²

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² Includes passthrough allocation to Caltrain

Proportion of Operating Budget Funded with Allocations	34%
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Budget and Operating Highlights

SamTrans offers mobility services to the residents of San Mateo County select areas of San Francisco and Palo Alto through three operating modes: Motor Bus Operations, Paratransit Services, and Multi Modal Programs. Paratransit Services provides accessible transportation with fixed routes through Redi-Wheels and RediCoast services. Multi-Modal provides local transportation services and includes SamTrans’ shuttle services and the Dumbarton Inter-County Corridor.

SamTrans has been focused on delivering “Reimagine SamTrans”. In support of this project the operating budget for FY2024-25 calls for more bus service, more service on weekends and evenings, new routes to community colleges, and the implementation of the new on-demand Microtransit service that will use app-based technology or simply calling-in to request rides.

This fiscal year SamTrans adopted its first biennial budget covering FY2023-24, and FY2024-25. The operating budget for this fiscal year assumes a 4.5% growth in TDA and STA revenues and assumes a 9.6% increase in fare revenue from the “Reimagine SamTrans” project which will address post-COVID-19 ridership changes and is anticipated to spur ridership recovery quickly. The operating budget also shows an increase in Motor Bus operations of 18.5% (\$28.4 million) and includes promotion and training classes for new Bus Operators and the cost to launch the new Microtransit service. SamTrans also anticipates operating cost increases of 7.9% (\$1.5 million) for Paratransit and a 12.8% (\$0.7 million) in Multi-Modal service.

Given changes in federal pandemic relief, SamTrans will continue to seek new funding opportunities for the new operating activities under “Reimagine SamTrans”.

Sonoma Marin Area Rail Transit (SMART)

Adopted Operating Budget	\$44.9 million
FY2022-23 Operating Budget	\$32.3 million

Increase in Budget Compared to FY2022-23	39%
Projected Ridership (Estimated FY2023-24 as a Percentage of FY 2018-19 actual)	141%
Total Proposed FY2023-24 Operating Allocation ¹	\$3.1 million
Proportion of Operating Budget Funded with Allocations	7%

Budget and Operating Highlights

Sonoma-Marin-Area Rail Transit (SMART) is a two-way passenger and freight rail system that services Marin and Sonoma County. SMART serves a market of regional rail between North Bay cities and inter-county level travel as well as providing connection to ferry service at Larkspur Station, within walking distance of the Larkspur Ferry Terminal. The service is comprised of 45 miles of rail and 12 passenger stations beginning at the Sonoma County Airport and ending in Larkspur.

SMART is continuing service expansion with construction on an infill station for a Petaluma North Station and a 3-mile northern rail and pathway extension for a Windsor station that are underway. Both the Petaluma North Station and the new pathway extension to Windsor are expected to be open to the public by December 2024. SMART's extension to Windsor has secured \$106 million to date allowing for the project to complete project development and begin constructions next fiscal year with an anticipated opening for passenger rail service by March 2025.

Fare revenue and STA funding make up a small portion of total revenue for SMART at 4% and 8.5% respectively. A significant portion of SMART's revenue comes from Measure Q, a sales and use tax of ¼ cent that makes up 60% of estimated revenue for service. Measure Q will expire at the close of FY2028-29, presenting a significant risk to SMART's solvency should

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replacement funds not be identified either through a voter-approved reauthorization or other funding source.

Overall, SMART's budget shows an increase of 39% which is attributed to service hour increases, increase in full time staff, and costs related to the 3-mile rail and pathway extension to the new station in Windsor.

Despite challenges in recent years such as forest fires and the COVID-19 pandemic, SMART shows growth in pre-pandemic ridership and is operating more rail service than prior to the pandemic.