



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Stephanie Sirls, Transit Manager
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MEETING DATE: June 11, 2024

SUBJECT: Consideration of Resolution 2024-84, Approving the Short Range Transit Plan for Fiscal Year 2024/2025 – 2026/2027 and Authorizing the Submittal of the FY 2024/2025 Funding Claims

RECOMMENDATION:

Adopt Resolution 2024-84.

BACKGROUND:

The Riverside County Transportation Commission (RCTC) is responsible by statute for developing and approving a SRTP for Riverside County (PUC 130303). The SRTP is intended to serve three purposes:

- Identify the transit operation services and capital improvements required to meet the transit needs of Riverside County over a three-year period and the proposed sources of funding to carry out the plan.
- Serve as a management tool for the operators to guide their activities over the next year.
- Provide justification for operating and capital assistance funds.

RCTC is tasked with allocating two primary funding sources to transit agencies: Local Transportation Fund (LTF) and State Transit Assistance (STA). RCTC also allocates State of Good Repair (SGR) and Low Carbon Transit Operations Program (LCTOP) funds.

Local Transportation Fund (LTF)

LTF is derived from a quarter-cent of the statewide general sales tax and is returned to the source from which it was generated. The three areas of apportionment within Riverside County are the Western County, Coachella Valley, and Palo Verde Valley. LTF revenues received from the California Department of Tax and Fee Administration are allocated by RCTC for program administration, regional and local transportation planning, bicycle and pedestrian facilities projects, and transit services. LTF provides a dependable revenue stream for Riverside County public transportation operations.

State Transit Assistance (STA)

STA is derived from the statewide sales tax on diesel fuel. STA is allocated by the State to Riverside County based on population and as a percentage of transit fare revenue. STA revenues received from the State Controller are allocated by RCTC for capital projects related to Riverside County's public transit operators.

State of Good Repair (SGR)

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the SGR Program. This program receives funding of approximately \$105 million annually. SGR funds are to be made available for eligible transit maintenance, rehabilitation and capital projects.

Low Carbon Transit Operations Program (LCTOP)

LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP are intended to support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

Every year the City of Banning is required to prepare a SRTP and submit it to RCTC to receive LTF and STA funds. The City's SRTP identifies its operational and capital funding needs to continue to provide transit service to the community.

JUSTIFICATION:

The City's transit operations depend on LTF, STA and SGR funds to cover its operational and capital expenses. In order to receive these funds the City must submit its formally approved SRTP. The 2024/2025 – 2026/2027 SRTP has been developed by Public Works Department, Transit Division and reviewed by RCTC staff, who has deemed the SRTP ready for approval.

FISCAL IMPACT:

As proposed in the SRTP, the City will request the following funds:

Operations:

LTF: \$2,381,460

LCTOP: \$75,000

SGR: \$60,000

Total: \$2,516,460

Capital

STA: \$7,119,413

Table 4 and the Capital Justification Tables, attached to this staff report, provide additional details of the funding breakdown.

As an obligation of receiving the LTF funds, the City is obligated to provide a 10% farebox recovery match. Based on FY 2023/2024 projections, staff estimates that FY 2024/2025 farebox revenue will be approximately \$9,081 (due to the Free Fare Program), which is less than the expected 10% of LTF, even when supplemented by LCTOP funds of \$75,000. Additional measures are being taken in an effort to meet the 10% farebox recovery requirement including the implementation of the City's first Transit Advertising Program as well as the progress being made on the new CNG Station project which once completed, is expected to generate additional revenue for the Transit Department.

ALTERNATIVES:

Do not approve Resolution 2024-84 and provide alternate direction to staff.

ATTACHMENTS:

1. [Resolution 2024-84, Short Range Transit Plan.docx](#)
2. [Banning SRTP FY25 FINAL.pdf](#)
3. [Table4.0A-CapitalProjectJustification.pdf](#)
4. [Table4.0-SummaryofFundingRequests.pdf](#)