Metropolitan Transportation Commission
Programming and Allocations Committee

September 10, 2025 **Agenda Item 2c-25-1073**

MTC Resolution Nos. 4709, Revised; 4710, Revised; 4711, Revised; 4712, Revised; 4717, Revised; and 4727

Subject:

The proposed action allocates $95.9 million in FY2025-26 Transportation Development Act (TDA), State Transit Assistance (STA), Regional Measure 2 (RM2), Regional Measure 3 (RM3), and Senate Bill (SB) 125 funds to five transit operators to support transit operations and capital projects in the region and adopts a revised MTC policy for distribution of TDA funds in Sonoma County in line with recommendations from the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS).

Background:

FY 2025-26 Allocation of TDA, STA, RM2, RM3, and SB125 Funds

This month's proposed actions continue the annual allocation process of these funds for FY2025-26. Five entities are requesting TDA, STA, RM2, RM3, and SB125 allocations this month 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. These funds comprise a significant share of the revenue for agencies' operating budgets.

The proposed allocation amounts are based on the programming levels identified in the FY2025-26 Fund Estimate (MTC Resolution 4688), the RM2 Operating Program (MTC Resolution 4705), and the RM3 Operating Program (MTC Resolution 4706). The proposed allocations are summarized in the following table:

Allocation Amounts by Entity[1]

Entity	TDA (Res. 4709)	STA (Res. 4710)	RM2 (Res. 4711)	RM3 (Res. 4712)	SB 125 (Res. 4717)	Grand Total
GGBHTD	$11.2	$25.3	$2.1	$2.5	$20.8	$61.9
Marin Transit	$9.4	$4.0				$13.4
Solano TA	$3.2	$5.4				$8.6
WestCAT		$2.5				$2.5
AC Transit				$9.4		$9.4
Total	**$23.9**	**$37.2**	**$2.1**	**$11.9**	**$20.8**	**$95.9**

Note that amounts may not sum due to rounding

This month's $9.4 million allocation of RM3 Operating funds to AC Transit is in addition to $11.7 million in RM3 Operating funds already allocated to AC Transit for FY 2025-26. The additional funds draw from the roughly $24 million in RM3 funding for express bus operations that was accrued but not disbursed while RM3 was under legal challenge from 2018 to 2022. In accordance with MTC Resolution Nos. 4619, Revised, and 4706, Revised, this $9.4 million allocation completes MTC's regional funding commitment to help offset AC Transit's near-term operating shortfalls.

MTC Policy for Distributing TDA in Sonoma County

Beginning in June 2024, the MASCOTS effort has brought together representatives from MTC; Golden Gate Bridge, Highway and Transportation District (GGBHTD); Santa Rosa CityBus; Sonoma County Transit; Sonoma-Marin Area Rapid Transit (SMART); Petaluma Transit; and the County Transportation Agencies of Marin and Sonoma counties to assess transit conditions and propose refinements to improve the efficiency, effectiveness, and legibility of transit service along the Highway 101 corridor in the North Bay. This work has been timely, as transit demand and service offerings in the North Bay have shifted in response to changing travel patterns following the COVID-19 pandemic and the introduction of SMART service. Stakeholders have identified and assessed various transit service alternatives, with public outreach scheduled for summer 2025 and implementation envisioned for early 2026.

One recommendation stemming from the MASCOTS plan is to distribute TDA funding from Sonoma County based on performance statistics specifically, ridership and service provision – in line with existing practice in Marin County. To implement this recommendation, the proposed MTC Resolution No. 4727 would supersede the existing MTC Resolution No. 2858, which specifies that GGBHTD is to receive 25% of TDA revenue in Sonoma County regardless of performance statistics. Under the proposed MTC Resolution No. 4727, TDA funding in Sonoma County will now be programmed through the annual MTC Fund Estimate using a performance-driven methodology adjusted for countywide service agreements provided by Sonoma County Transportation Authority. Fiscal Year 2025-26 will be the first year in which funds are distributed using this methodology.

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Issues

None.

Recommendations:

Refer MTC Resolution Nos. 4709, Revised; 4710, Revised; 4711, Revised; 4712, Revised; 4717, Revised; and 4727 to the Commission for approval.

Attachments:

- Attachment A - Transit Operator Budget Summary
- Attachment B - Senate Bill 125 Regional Accountability Measure Progress Update for Claimant(s)
- MTC Resolution No. 4709, Revised
  - Attachment A
- MTC Resolution No. 4710, Revised
  - Attachment A
- MTC Resolution No. 4711, Revised
  - Attachment A
- MTC Resolution No. 4712, Revised
  - Attachment A
- MTC Resolution No. 4717, Revised
  - Attachment A
- MTC Resolution No. 4727

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Attachment A – Transit Operator Budget Summary

Golden Gate Bridge Highway Transit District/ GGBHTD

FY 2025-26 Operating Budget	$174.1 million
FY2024-25 Operating Budget	$159.3 million
Increase in Budget compared to FY2024-25	9.0%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)	53.0%
Total Proposed FY 2025-26 Operating Allocation[1]	$64.0 million
Proportion of Operating Budget Funded with Allocations	37%

Budget and Operating Highlights

The Golden Gate Bridge, Highway, and Transportation District (GGBHTD) is a special district of the State of California that maintains the Golden Gate Bridge and operates a public transit system that includes regional bus and ferry service. The district has a wide service area with a north-south span of 60 miles between the city of Santa Rosa and San Francisco. Serving a population of 800,000 residents, the district provides connection to riders within the Contra Costa, Marin, San Francisco, and Sonoma counties by way of approximately 250 bus stops and seven ferry terminals or landings.

GGBHTD's FY2025-26 operating budget (bus and ferry division only) proposes $174.1 million in total operating costs. This represents a 9% increase from the previous fiscal year, driven mainly by professional services related to maintenance projects for increased number of vessels, increased legals costs, and security costs. Part of this increase is attributed as well to greater costs of labor and fringe, however the district's budgeted figures for these costs reflect full staffing

[1]Includes allocations made through Executive Director's Delegated Authority as allowed by MTC Resolution No. 3620, Revised. Any allocations made by Delegated Authority will be reported as part of the quarterly Delegated Authority update to the Commission. Excludes allocations made for transit capital or planning and administration purposes

(inclusive of vacant positions) and will be lower at year end. The budget allows for continuation of service at existing levels with no anticipated service changes for this fiscal year. The district anticipates $21.4 million in fare revenue which will account for roughly 14% of total revenues. This fiscal year the district will have less toll revenue available due to increasing costs related to bridge operations and maintenance, which must be satisfied before toll revenue can be applied to transit. The resulting gap in transit funding will be filled by Senate Bill 125 funds and District reserves. While the recently implemented toll increase plan, use of reserves, and regional contributions have offset the operating fiscal cliff for the current fiscal year, this approach is not sustainable, and the GGBHTD will need to seek other streams of revenue in the coming fiscal years to maintain service at existing levels.

Overall ridership across the GGBHTD's bus and ferry service has lagged other operators in the region. FY2024-25 ridership saw 2.95 million passengers, 53% of 2018-19 actuals. Additionally, the district anticipates that ridership will stay consistent this fiscal year as rate of increase in ridership has slowed each successive year since FY2020-21.

GGBHTD's FY2025-26 capital budget proposes $69.9 million in expenditures with $35.4 million funded with district reserves and the residual funded by federal, state and local fund sources. About 29% of the budget is apportioned to the transit divisions and is necessary to maintain and modernize existing facilities. Within the bus division, the capital program outlines $6.3 million for various facility upgrades and Zero Emission Bus infrastructure, while the ferry division outlines $14.4 million for terminal upgrades and landing and vessel rehabilitation.

Marin County Transit District/ Marin Transit

FY 2025-26 Operating Budget	$41.5 million
FY 2024-25 Operating Budget	$40.3 million
Increase in Budget compared to FY2024-25	3.0%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)	117.3%
Total Proposed FY 2025-26 Operating Allocation[1]	$13.5 million
Proportion of Operating Budget Funded with Allocations	32.5%

Budget and Operating Highlights

The Marin County Transit District is the main provider of local fixed route service in Marin County, delivering service to cities along the Route 101 corridor, in addition to two east-west routes that connect downtown San Rafael to rural communities. These two additional routes contribute significantly to the total service area of 520 square miles, in which Marin Transit serves a market of suburban travel and provides regional connection to San Francisco and Sonoma County via Golden Gate Ferry and the Sonoma Marin Area Rail Transit (SMART) respectively. Marin Transit operates 19 fixed routes, 5 demand response routes, and 1 seasonal route.

Marin Transit's FY2025-26 Operating Budget outlines $41.5 million in total operating costs. This represents a 3% increase from the previous fiscal year due to the escalating costs of service, comprised mainly of greater labor and fringe costs. This budget allows for the continuation of fixed route service at existing levels and a 1.6% increase in paratransit service. Fare revenue is projected to be $2.6 million, or 5.5% of total revenues. A significant portion of revenue for Marin Transit is derived from Measure AA funds, a local ½ cent sales tax renewed by the Marin

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County voters in 2018 for another 30 years. This sales tax measure allows the operator to be less dependent on fares and provides a share of capital funds needed to match federal and state grants for capital projects.

Marin Transit has surpassed pre-pandemic ridership levels with a projected ridership of 117.3% of FY2018-19 actuals or 3.6 million annually. Marin Transit has seen year over year growth in paratransit ridership, and as a response to this greater paratransit service demand the operator will be expanding the Marin Access shuttle program to more rural areas of West Marin.

Marin Transit's FY2025-26 capital expenditure budget is $10 million which will fund transit vehicle replacements, bus stop improvements, and facility improvement projects. Facility projects are a growing share of the capital budget as the operator has invested in securing agency-owned facilities required for electrification and future sustainability of operations. Marin Transit's largest capital project to date is a major fixed route facility project at 1075 Francisco Blvd. E in San Rafael. The team is working to complete the environmental phase in early FY 2025/26. Marin Transit is also in the construction phase for a parking facility, solar canopy and initial electrification project at the 3010/3020 Kerner Blvd lot in San Rafael.

Solano Transportation Authority/ Solano TA

FY 2025-26 Operating Budget	$16.0 million
FY 2024-25 Operating Budget	$15.4 million
Increase in Budget compared to FY2024-25	3.7%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)[1]	383%
Total Proposed FY 2025-26 Operating Allocation[2]	$7.9 million
Proportion of Operating Budget Funded with Allocations	49.5%

Budget and Operating Highlights

The Solano Transportation Authority (STA) is the Solano County area's joint powers authority and County Transportation Agency. STA's mobility programs serve a wide market of commuter, suburban, and paratransit customers within Solano County and have services that expand throughout the counties of Contra Costa, Sacramento, San Francisco, and Yolo. STA handled over 48,000 trips in FY 2024-25 and expects over 49,000 in FY 2025-26.

STA's high ridership in proportion to pre-pandemic levels is a result of the Authority's introduction of new programs such as the Equitable Access to Justice Pilot Program, Suisun Micro Transit, the Solano Intercity Taxi Program, and the Older Adult Medical Trip Concierge Program. Participation in these programs has consistently grown annually since their inception, in particular the Micro Transit Program which is a "dial-a-ride" service. Usage doubled in FY 2024-25, demonstrating the popularity of demand responsive service throughout the county.

[1] Significant ridership growth since pre-pandemic service is due to new service products that were not offered in FY2018-19, such as Suisun Micro Transit, Solano Mobility Express Pilot Program, as well as higher ridership on the Medical Concierge Program. Projected ridership change from FY2022-23, shows an increase of 48%.
[2] Includes allocations made through Executive Director's Delegated Authority as allowed by MTC Resolution No. 3620, Revised. Any allocations made by Delegated Authority will be reported as part of the quarterly Delegated Authority update to the Commission. Excludes allocations made for transit capital or planning and administration purposes.

The Authority's FY 2025-26 budget reflects the many new programs introduced in the last two fiscal years. The overall increase of 3.7% is primarily due to increased usage of Transit and Mobility Programs.

As a part of the region's Transit Transformation Action Plan, Solano Transportation Authority provided $500,000 of State Transit Assistance funds as matching funds to initiate the Mapping and Wayfinding Pilot Program in Solano County. The MTC Regional Mapping and Wayfinding project will make it easier for travelers to navigate and explore the Bay Area using public transit and connecting services.

Western Contra Costa Transit Authority/WestCAT

FY 2025-26 Operating Budget	$16.2 million
FY2024-25 Operating Budget	$14.9 million
Increase in Budget compared to FY2024-25	8.5%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)	57.8%
Total Proposed FY 2025-26 Operating Allocation[1]	$9.3 million
Proportion of Operating Budget Funded with Allocations	58.3%

Budget and Operating Highlights

The Western Contra Costa Transit Authority, or WestCAT, provides service in the 20 square mile area along the Interstate 80 corridor that includes the cities of Richmond, San Pablo, El Sobrante, Pinole, Hercules, Rodeo, and Crockett. WestCAT operates 7 local fixed routes, 4 express routes, one commuter route to San Francisco (Lynx), 5 demand response routes and 2 regional routes that provide connection to Alameda and Solano counties via Capitol Corridor and BART. The operator's fleet is comprised of 46 diesel low floor buses, 3 double decker buses used for transbay service, and 12 paratransit vehicles (10 standard conversion vans and 2 sedans).

WestCAT's FY2025-26 operating budget proposes $16.2 million in total operating costs, representing an 8.5% increase from the previous fiscal year. This increase is derived mainly from vehicle operations contracted with MV Transportation Inc., who operate and maintain the fixed route and paratransit services. The budget allows for continuation of service at existing levels with no service level changes.

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Fare revenue projections for the fiscal year are $1.4 million or 9% of total revenues. WestCAT's primary revenue sources are TDA, STA, and Measure J funds, a half percent sales tax approved by voters in Contra Costa in 2004 and extended for another 25 years after the original expiration year of 2009. This sales tax measure allows for WestCAT to be less dependent on fare revenues and maintain the same fare price since November 2008.

Changing travel demands and work-from-home trends have impacted how transit is utilized in WestCAT's service area resulting in slower ridership recovery than peer transit operators in Contra Costa. Federal stimulus funds and a conservative budgeting process have allowed WestCAT to build a reserve of TDA and have provided relief from the initial financial impacts of the pandemic, but WestCAT will need to determine service level changes if current projected revenues do not keep pace with operating expense growth.

WestCAT's FY2025-26 capital budget totals $1.3 million which will fund maintenance and technology modernization, Zero Emission Bus transition, and preliminary work on the hydrogen retrofit of the maintenance facility. As part of the ongoing work to electrify the fleet, WestCAT has identified Regional Measure 3 and Low Carbon Transit Operations Program capital funds that will play a significant role in providing the local match requirements to match federal funds.