

Long Range Financial Plan

Required Pursuant to SB 125 Guidelines

June 2026

Purpose

Submitted by HCAOG to CalSTA in fulfillment of Gov. Code §13987(d) and (g). The statute requires two elements: (1) demonstration of ridership retention and recovery strategies already underway, and (2) a five-year forecast of operating funding requirements with detail on all sources, including new sources being pursued and progress since the last short-term financial plan.

Government Code §13987(g)(1) requires demonstration of the implementation of ridership retention and recovery strategies, including policies that prioritize safety and cleanliness and streamlined coordination between transit operators - specifically schedule coordination, operational management, and site sharing - to improve rider experience.

All financial data in this plan is drawn directly from the HTA 2025-26 Operating Budget and Forecast.

1. Ridership Retention and Recovery Strategies

1.1 System Performance - Ridership and Fare Revenue

Year-to-date ridership in Fiscal Year 25-26 across all HTA services has increased 34 percent compared to the prior year (HTA December 2025 Comparative Performance Activity Report). The gain reflects the full-year effect of the November 2024 fare consolidation across all systems as well as sustained growth in Jack Pass use. Jack Pass participation on the RTS is up twelve percent year-to-date, generating a ridership increase across connecting services including the H&M shuttle. Bike boardings have increased 26 percent and wheelchair boardings 14 percent, indicating that HTA's multimodal infrastructure - bike racks and accessible ramps - is actively converting multimodal trip-makers into regular transit users.

The RTS farebox recovery ratio is 14.81 percent for FY 2024-25, exceeding the 10 percent TDA minimum. Total system ridership reached 493,395 in FY 2024-25, with RTS accounting for 329,303 trips. These figures represent the measurable ridership baseline against which the strategies documented in this section are assessed.

The 30 percent year to date ridership increase reflects the first full year of unified fares along with other variables including post-COVID ridership recovery, enrollment increases at Cal Poly Humboldt, and expanded microtransit availability. HTA's future year farebox projections model a 5 percent annual growth rate in Fares & Passes.

1.2 Safety and Cleanliness Policies

HTA has implemented or initiated the following actions in the current planning period:

- **Paratransit (DAR) brought in-house (July 2025):** HTA assumed direct operation of Dial-a-Ride to address duplicate costs and efficiency concerns. Over the first six months of direct operation, key performance indicators show maintained or improved on-time performance for pickups and

drop-offs, increased rides per vehicle hour and per revenue hour, and a reduction in average shared ride duration from 23 minutes to 18 minutes in direct operation. (DGM report, February 2026 Board Meeting).

- **Maintenance bay retrofits for HFCB fleet (FY 2025-26 construction):** Maintenance bays are being upgraded to accommodate hydrogen fuel cell buses and achieve fire code compliance. Hydrogen fueling station groundbreaking is scheduled June/July 2026. Safe and code-compliant maintenance facilities are a prerequisite for state-of-good-repair vehicle conditions.
- **RTS Streamlining - safety as an explicit operational benefit:** A streamlined RTS service makes a consistent route with fewer variations reduces driver cognitive load, shortens travel times, increases frequency, and removes operational complexity that contributes to incidents (RTS Streamlining presentation, March 2026 Board Meeting). The Board unanimously approved moving forward with the redesign in March 2026.
- **Pre-deployment seat belt standards for microtransit vehicles:** Board discussion at the March 2026 meeting addressed seat belt requirements for smaller microtransit vehicles entering service under the RTS hybrid redesign. Safety standards for the new vehicle class are being established before service launch, not retrofitted after.

1.3 RTS Streamlining and Frequency Increase

The most significant ridership retention strategy approved in this planning period is the redesign of the Redwood Transit System. The HTA Board voted unanimously at the March 2026 meeting to approve moving forward with the redesigned RTS, directing staff to proceed with preliminary budgeting and public engagement for FY 2026-27 implementation. Streamlining RTS will advance the Transit Development Plan 2023 – 2028 strategy for an RTS Express Route with travel times between major population centers and destinations that is more competitive with driving times.

The approved strategy has three components that directly serve the SB 125 guidance for schedule coordination and operational management to improve rider experience:

- **30-minute headways as Phase 1 toward 15-minute frequency:** The current RTS trunk line operates at 60-minute headways. The Board-approved concept moves immediately to 30-minute headways, establishing a pathway to 15-minute headways as ridership and budget support it. Frequency is the primary determinant of transit utility for discretionary riders: it removes the penalty of a missed bus and makes transit viable for time-sensitive trips, including work commutes, medical appointments, and transfers.
- **Stop consolidation to reduce travel time:** Low-ridership stops imposing excessive diversion time - specifically identified in the Fortuna area and northern corridor - are proposed for removal from the commuter service route. Coverage for affected areas will be maintained through microtransit deviation. This retains coverage while reducing travel time for the majority of riders.
- **Hybrid fixed-route/microtransit model:** Smaller vehicles will serve lower-density segments, such as Trinidad, with on-demand microtransit filling gaps between fixed-route trips. This first-and-last-mile structure addresses the geographic constraints of Humboldt County without abandoning coverage in less-dense areas.

FY 2026-27 MEASURE O ALLOCATION

The FY 2026-27 Measure O Workplan (Board Resolution 26-02) allocates \$1,385,319 to RTS streamlining, frequency, and service maintenance - the largest single line item in the \$3.6M annual allocation. This represents a \$547,911 increase over the FY 2025-26 RTS allocation of \$837,408, reflecting the Board's commitment to frequency and network quality as the primary ridership retention investment. The full \$3.6M workplan totals: Bus Purchase \$780,000 | RTS \$1,385,319 | DAR \$368,550 | NSE 101 \$445,536 | NSE 299 \$189,353 | ETS \$234,000 | SHI \$197,242.

1.4 Coordination Between Transit Operators

- **Arcata and Mad River Transit System Consolidation:** The Arcata and Mad River Transit System (A&MRTS) was previously operated by the City of Arcata. Effective May 1, 2025, the City of Arcata transferred ownership of all assets (twelve vehicles, including eight buses) to HTA. All federal, state and local transportation funds that previously went to the City of Arcata now go to HTA. This consolidation was done to maximize the efficiency of regional transit services
- **Trinity Transit coordination - NSE 299 (implemented):** Collaboration with Trinity Transit has reduced standby time on the Arcata–Redding corridor. This is a documented, implemented schedule coordination outcome improving efficiency for interregional riders. A Councilmember reported at the February 2026 Board Meeting that a local performance troupe used NSE 101 to travel to Ukiah for a show - an anecdotal but concrete indicator of interregional ridership (Board Communications, February 2026).
- **North State Express (NSE 101):** HTA has been operating the NSE101 route connecting riders from Eureka to Ukiah in Mendocino County. In coordination with the Redwood Coast Transit in Del Norte County and the Mendocino Transit Authority, riders are able to connect from the Smith River to Santa Rosa.
- **Fortuna Transit - site sharing and operational integration:** The City of Fortuna voted February 2, 2026 to open its paratransit system to the public. While the details are still actively being ironed out, by using the RideCo dispatch software, utilizing a dispatch service, and opening to the general public, the City of Fortuna will be able to provide on-demand service within City limits. This will allow HTA to eliminate stops in Fortuna that are underutilized and add significant commute time. In turn, Fortuna's public-facing operation will allow the City to access STA funds to purchase vehicles. Conversations are ongoing about whether SB 125 funds currently allocated to HTA could be best utilized for the regional transit system by assisting Fortuna with start-up costs. However,
- **PAACT Comprehensive Network Planning (HCAOG-led):** The Partnering Assets and Authorities for Comprehensive Transit project kicked off in March 2026. It aims to improve coordination between transit operators and land use authorities.

1.5 Fare Integration and Ease of Payment

HTA completed fare consolidation across all systems in November 2024. The initiative is designed to streamline fare structures, simplify payments, and provide more consistent pricing across all regions. A single ride costs a flat \$2.00. Using Tap to Pay costs \$2 and is active for 2 hours. Stored value and daily, weekly and monthly cards offer various ways for riders to pay and save. In addition, cash fares continue to be a popular way to pay. The system offers savings and simplicity for customers, while also allowing for faster service through reduced boarding times that make the system more efficient. FY 2025-26 is the first full year of operation under the unified structure. Additional tools that have been implemented or improved upon.

- **Jack Pass:** Electronic validation at boarding for Cal Poly Humboldt students and Continuing Education participants. No cash exchange, no driver delay, no hardware cost to HTA. Participation is up 12% YTD on RTS corresponding with increase in CPH enrollment, the opening of the HHM complex, and increased awareness through marketing. Students pay a fee as part of their enrollment cost, and the University contracts directly with HTA for the service.
- **Technology:** The Token Transit smartphone app is available across all fixed-route HTA services. This tool helps passengers track buses in real time and plan trips. Additionally, the tap-to-pay credit card validators are installed on all buses and make it easier for people who do not use cash to pay fares.
- **GTFS integration (Google Maps, Apple Maps, Mobility Database):** HTA publishes a GTFS-static feed consumed by all major navigation platforms. GTFS-RT (real-time vehicle positions) is an identified next step pending AVL hardware completion. Cal-ITP Master Service Agreements are available for contactless payment procurement without competitive bidding, a cost-reduction strategy worth formalizing in FY 2026-27 (TDP, pp. 135-136).

1.6 Microtransit Development

Two dedicated Flex Humboldt microtransit vehicles are operating with new and virtual stops added in underserved areas. Early results show an increase in new users. The Fortuna microtransit approach - opening paratransit to the public using app-based dispatching - is being coordinated with HTA's microtransit model to provide a seamless rider experience across the southern Humboldt Bay Area service area. Further north, Trinidad will be served with a shuttle / on-demand microtransit system so the RTS trunk line can terminate at the Airport. Coordinating the microtransit expansion with the RTS streamlining redesign is operationally critical: the hybrid model's success depends on microtransit being available and reliable at the points where fixed-route service is reduced.

1.7 Regional Branding and Marketing

The region made significant progress in executing regional transit branding under the umbrella of Ride Humboldt. HTA took the lead in creating new branding assets for the Ride Humboldt brand. The routes operated by HTA retain their existing route descriptions but all buses now have the Ride Humboldt logo to indicate to riders it is part of a comprehensive network. Newer buses are fully branded with Ride Humboldt, while the older fleet vehicles have the logo added but didn't get fully redone due to high costs. The brand update corresponded with the implementation of fare simplification and the rollout of new services such as the microtransit and NSE: 101. With a TIRCP grant, HTA and HCAOG partnered to hire Studio Six consultants who created new media assets including a "Busquatch" character – a charismatic sasquatch figure shown using the bus around town. Local actors were also organized to be photographed which has significantly aided in the professionalism and quality of media assets used to promote riding the bus. Other assets recently produced are a video on how to become a driver and a video on how to ride. Schedules have also been updated. HTA has also been able to add a marketing professional to their administrative staff.

1.8 Progress Since the Regional Short-Term Financial Plan

The statute requires documentation of progress and improvements implemented since the last submitted regional short-term financial plan. HCAOG's short-term financial plan was submitted to CalSTA in connection with the FY 2023-24 Allocation Package. The following actions have been implemented or initiated since that submission:

Action	Status	Operational Impact
Fare consolidation - all HTA services unified	Implemented Oct 2024	30% YTD ridership increase; Jack Pass +12% on RTS
Arcata and Mad River Transit transferred all assets, vehicles and operations to HTA	Implemented July 2025	
DAR brought in-house under direct HTA operation	Implemented Jul 2025	Avg shared ride time: 23 min → 18 min; on-time performance maintained or improved
DAR funding revisions	In progress	HCAOG initiated Board-level discussions to evaluate DAR funding sustainability. Ongoing
Hydrogen fueling station - construction	Groundbreaking Jun/Jul 2026	Reduces diesel dependency for RTS fleet; locks in long-term fuel cost control
RTS Streamlining and Frequency Increase - Board approved	Approved unanimously Mar 2026; FY 26-27 implementation	30-min headways phase 1; stop consolidation reduces travel time; hybrid microtransit fills coverage gaps
Flex Humboldt microtransit - new/virtual stops added	Active FY 2025-26	Two dedicated vehicles operating; new users increasing; underserved areas served
PAACT regional network planning launched	Workshops Apr 28-30, 2026	Produces ridership/coverage network concepts for public input summer 2026
Fortuna Transit - opening to general public	Feb 2, 2026 City Council decision	Unlocks STA/SB 125 access; integrates southern Humboldt into regional network
Local Tax (Measure O)		
NSE 299 schedule coordination with Trinity Transit	Active FY 2025-26	Reduced standby time Arcata–Redding; improved interregional schedule reliability
GTFS feed - Google/Apple Maps/Mobility Database	Active/ongoing	Reduces trip-planning barrier for new riders
Non-transit revenues	Active/ongoing	Feasibility study for park-and-ride parking structure to generate revenue through paid parking

2. FIVE-YEAR OPERATING FUNDING FORECAST

As required by Government Code §13987(g)(2), this section details the five-year forecast of operating funding requirements. Detail is provided on all sources of funding proposed for operations, including any new local and regional funding sources being pursued and the progress and improvements implemented since the last submitted regional short-term financial plan.

All figures below are drawn directly from the HTA 2025-26 Operating Budget and Forecast. The forecast horizon runs FY 2023-24 (actual) through FY 2029-30 (forecast). Actuals for the FY 25-26 are not yet available. The SB 125 Formula funds and REAP 2.0 funds are separated from the structural recurring baseline in order to demonstrate sustainability absent nonrecurring state funding as specified in §13987(d).

2.1 Budget Escalation Rates

The following escalation rates are embedded in the HTA forecasted budget. They are stated here for transparency; they are not independent assumptions added by HCAOG but reflect HTA's own adopted methodology:

Cost / Revenue Category	FY 25-26→26-27	FY 26-27→27-28	FY 27-28→28-29	Notes
Payroll	5.0%	5.0%	5.0%	Uniform 5%/yr; reflects labor contract escalators and recruitment for RTS frequency increase
Employee Costs	5.0%	5.0%	5.0%	Benefits and health costs
Retirement	5.0%	5.0%	5.0%	Pension obligations
Insurance	8.0%	8.0%	8.0%	Fleet insurance market escalating faster than CPI; modeled separately
General Operating	4.0%	4.0%	4.0%	Slightly below system average
Facilities	5.0%	5.0%	5.0%	
Technology	5.0%	5.0%	5.0%	GTFIS-RT, AVL, fare system investments
Vehicles (fuel/maint)	10.0%	10.0%	10.0%	Hydrogen fleet transition; parts cost escalation
Vehicle Replacement	-46.9%	5.0%	5.0%	FY 25-26 spike (\$2.89M) driven by capital replacement cycle; normalizes FY 26-27
Fares & Passes (revenue)	5.0%	5.0%	5.0%	Normalized from 30% YTD; Jack Pass and fare consolidation durable effect
JPA Member Assessment	3.0%	3.0%	3.0%	Member LTF transit allocations
Federal Formula 5311	2.0%	2.0%	2.0%	IIJA formula; conservative growth
STA	2.0%	2.0%	2.0%	Formula-driven; held conservative given post-diesel-tax volatility
SB 125 Formula	31.1%	40.5%	31.1%	GROWS each year - not a declining bridge but an expanding dependency

Source: HTA 2025-26 Operating Budget and Forecast - rates derived from year-over-year changes in each line item.

2.2 Operating Resources - Full Budget History and Forecast

Table 2A presents all resource categories from the HTA forecasted budget. Structural recurring revenues are separated from nonrecurring SB 125 and REAP 2.0 funds in the subtotal structure.

	FY 23-24 Actual	FY 24-25 Budget	FY 25-26 Budget	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Resources							
Service Revenue							
Fares & Passes	\$ 1,014,981	\$ 1,097,800	\$ 1,179,500	\$ 1,238,475	\$ 1,300,399	\$ 1,365,419	\$ 1,433,690
Contract Transportation	\$ 1,833,664	\$ 1,905,489	\$ 1,431,906	\$ 1,474,883	\$ 1,519,109	\$ 1,564,682	\$ 1,611,622
Service Total	\$ 2,848,645	\$ 3,003,269	\$ 2,611,406	\$ 2,713,338	\$ 2,819,508	\$ 2,930,101	\$ 3,045,312
Supplementary Resources							
Advertising	\$ 161,349	\$ 185,000	\$ 190,000	\$ 195,700	\$ 201,571	\$ 207,618	\$ 213,847
Interest/Miscellaneous	\$ 302,969	\$ 39,500	\$ 45,000	\$ 22,000	\$ 22,440	\$ 22,889	\$ 23,347
Federal Formula 5311	\$ 1,666,341	\$ 1,752,270	\$ 1,782,857	\$ 1,818,514	\$ 1,854,884	\$ 1,891,982	\$ 1,929,822
JPA Member Assessment	\$ 2,962,417	\$ 3,248,551	\$ 3,639,095	\$ 3,748,268	\$ 3,860,716	\$ 3,976,537	\$ 4,095,833
State Transit Assistance	\$ 1,631,783	\$ 325,573	\$ 1,581,673	\$ 1,613,306	\$ 1,645,572	\$ 1,678,483	\$ 1,712,053
State of Good Repair	\$ 222,784	\$ 250,435	\$ 274,308	\$ 279,794	\$ 285,380	\$ 291,098	\$ 296,920
Low Carbon Transit Ops Prgm	\$ 375,914	\$ 385,676	\$ 402,198	\$ 410,242	\$ 418,447	\$ 426,816	\$ 435,352
Transit Intercity Rail Capital Prgm	\$ 1,488,227	\$ 325,000	\$ 325,000	\$ 341,250	\$ 358,313	\$ 376,229	\$ 395,040
Measure O	\$ -	\$ -	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
Supplementary Total	\$ 8,831,784	\$ 6,512,005	\$ 11,840,131	\$ 12,029,074	\$ 12,247,333	\$ 12,471,652	\$ 12,702,214
TOTAL STRUCTURAL RESOURCES	\$ 11,680,429	\$ 9,515,274	\$ 14,451,537	\$ 14,742,412	\$ 15,066,841	\$ 15,401,753	\$ 15,747,526
Non-Recurring Bridge Funds							
SB125 Formula Transit Intercity	\$ -	\$ 1,358,307	\$ 1,194,413	\$ 1,567,408	\$ 2,203,129	\$ 2,890,465	\$ 3,633,506
Regional Early Action Planning 2.0	\$ -	\$ -	\$ 1,190,250	\$ -	\$ -	\$ -	\$ -
TOTAL NON-RECURRING FUNDS	\$ -	\$ 1,358,307	\$ 2,384,663	\$ 1,567,408	\$ 2,203,129	\$ 2,890,465	\$ 3,633,506
TOTAL ALL FUNDING	\$ 2,982,417	\$ 10,873,581	\$ 16,836,200	\$ 16,309,820	\$ 17,269,970	\$ 18,292,218	\$ 19,381,032

△ SB 125 bridge funds are one-time nonrecurring allocations. Per §13987(d), sustainability is demonstrated absent these funds. Note that SB 125 draw grows each year (\$0 FY23-24 → \$3.63M FY29-30), indicating increasing structural dependency, not a declining bridge.

2.3 Operating Requirements - Full Budget History and Forecast

Requirements								
Service Requirements								
Payroll	\$ 3,818,216	\$ 4,629,300	\$ 5,967,000	\$ 6,265,350	\$ 6,578,618	\$ 6,907,549	\$ 7,252,926	
Employee Costs	\$ 1,031,655	\$ 1,123,394	\$ 1,526,000	\$ 1,602,300	\$ 1,682,415	\$ 1,766,536	\$ 1,854,863	
Retirement	\$ 986,513	\$ 832,000	\$ 974,000	\$ 1,022,700	\$ 1,073,835	\$ 1,127,527	\$ 1,183,903	
Contract Transportation	\$ 955,939	\$ 852,078	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 763,688	\$ 930,700	\$ 1,188,000	\$ 1,283,040	\$ 1,385,683	\$ 1,496,538	\$ 1,616,261	
General Operating	\$ 446,328	\$ 372,361	\$ 633,000	\$ 658,320	\$ 684,653	\$ 712,039	\$ 740,521	
Facilities	\$ 273,349	\$ 277,099	\$ 315,000	\$ 330,750	\$ 347,288	\$ 364,652	\$ 382,885	
Technology	\$ 327,414	\$ 354,500	\$ 440,000	\$ 462,000	\$ 485,100	\$ 509,355	\$ 534,823	
Vehicles	\$ 1,117,270	\$ 1,502,149	\$ 2,050,000	\$ 2,255,000	\$ 2,480,500	\$ 2,728,550	\$ 3,001,405	
Service Total	\$ 9,720,371	\$ 10,873,581	\$ 13,093,000	\$ 13,879,460	\$ 14,718,092	\$ 15,612,746	\$ 16,567,587	
Asset Management								
Equipment Purchases	\$ 87,953	\$ -	\$ 270,000	\$ 283,500	\$ 297,675	\$ 312,559	\$ 328,187	
Facility Maintenance	\$ 1,262,819	\$ -	\$ 583,200	\$ 612,360	\$ 642,978	\$ 675,127	\$ 708,883	
Vehicle Replacement	\$ 780,997	\$ -	\$ 2,890,000	\$ 1,534,500	\$ 1,611,225	\$ 1,691,786	\$ 1,776,375	
Asset Total	\$ 2,131,769	\$ -	\$ 3,743,200	\$ 2,430,360	\$ 2,551,878	\$ 2,679,472	\$ 2,813,445	
TOTAL REQUIREMENTS	\$ 11,852,140	\$ 10,873,581	\$ 16,836,200	\$ 16,309,820	\$ 17,269,970	\$ 18,292,218	\$ 19,381,032	
Resources Less Requirements	\$ (171,711)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Note: Special projects and associated funding not eligible for operating use on Grant Funded Projects sheet								

2.4 Structural Revenue-Expenditure Gap Analysis

Table 2C measures sustainability as required by §13987(d): structural recurring revenues versus total requirements, excluding nonrecurring SB 125 and REAP funds. The HTA forecasted budget balances to zero in each forecast year (FY 26-27 through FY 29-30) because SB 125 funds serve as the balancing mechanism. Removing SB 125 exposes the structural gap that must be closed through new recurring revenue or service reduction.

STRUCTURAL GAP ANALYSIS (FY 25-26 through FY 29-30)	FY 25-26 Budget	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Total Structural Recurring Revenue	\$14,451,537	\$14,742,412	\$15,066,841	\$15,401,753	\$15,747,526
SB 125 + REAP (nonrecurring - reference only)	\$2,384,663	\$1,567,408	\$2,203,129	\$2,890,465	\$3,633,506
GRAND TOTAL RESOURCES	\$16,836,200	\$16,309,820	\$17,269,970	\$18,292,218	\$19,381,032
TOTAL REQUIREMENTS	\$16,836,200	\$16,309,820	\$17,269,970	\$18,292,218	\$19,381,032
STRUCTURAL SURPLUS / (DEFICIT) - excl. SB 125 & REAP	(\$2,384,663)	(\$1,567,408)	(\$2,203,129)	(\$2,890,465)	(\$3,633,506)

2.5 New Local and Regional Funding Sources Being Pursued (§13987(g)(2))

- Measure O Contract Renewal (pre-negotiation required by FY 2028-29):** The Measure O contract (currently in final review) with Humboldt County is set to expire June 30, 2030. The \$3.6M annual HTA allocation was established by County Board of Supervisors administrative action in April 2025 - not by voter mandate - meaning renewal requires new Board action and a new contract. HCAOG and HTA must initiate pre-negotiation no later than FY 2028-29 to avoid a lapse at the contract end date. The contract provision requiring return of unspent funds to the County unless a new contract is established creates a hard administrative deadline.
- Jack Pass Expansion - College of the Redwoods and Employers:** Expanding the Jack Pass model to CR and major corridor employers is in development. HTA is signing a contract with CR to provide service next calendar year. No implementation timeline has been committed.
- TIRCP Cycle 8 and Federal Competitive Grants:** HTA continues to seek funding for capital projects through TIRCP. The hydrogen station, bus replacements, and Eureka Intermodal Center are TIRCP Cycle 6 projects. These are capital sources but offset capital costs that would otherwise displace operating revenue.

- **Affordable Housing and Sustainable Communities:** The City of Eureka partnered with HTA on an application for the AHSC program funded through the California Strategic Growth Council. The Linc Housing scattered site project is under construction and will build 90 homes on three city-owned parking lots. The funding includes \$4.7 million for public transportation amenities and on demand services for ten years. Another housing project in the City of Eureka, Sunset Heights, is seeking AHSC funding that would contribute up to \$9 million to HTA for transit service over six years.
- **Non-transit revenue:** HTA is currently working with the City of Eureka to study the feasibility of constructing a park and ride on a City-owned lot adjacent to the planned Eureka Intermodal Center. The intention of the park and ride would be to reduce vehicle miles travelled through on-site bike lockers and rideshare vehicles, and the study is looking at whether the parking structure would be able to generate revenue for the transit agency.

3. STRUCTURAL SUSTAINABILITY - RISKS AND REQUIRED ACTIONS

Measure O provides \$3.6M per year to HTA. The contract was established by County Board of Supervisors action, not by the ballot measure itself. Any continuation requires a new contract and new Board action. The Measure O funding provides a significant source of local transit revenue and is expected to contribute to the long-term sustainability of transit.

SB 125 is not functioning as a declining bridge in the HTA forecast. The draw grows from \$1,194,413 in FY 2025-26 to \$3,633,506 in FY 2029-30 - an increase of \$2,439,093 over four years. As a percentage of total requirements, SB 125 dependency rises from 7.1 percent to 18.7 percent. However, the increase in operating funds afforded by SB 125 has allowed HTA to pursue new initiatives to build the ridership base, implement alternative fuel solutions, and improving comfort and convenience of transit. The increase in ridership associated with the investment will add to the fares collected.

Long term sustainability requires HTA and HCAOG to closely monitor service delivery against performance metrics such as cost per vehicle hour and ridership per vehicle revenue hour. Routes will be restructured to the extent necessary to reduce underperforming runs. The steps taken to streamline the RTS trunk line and implement microtransit to replace the commuter service in less population dense areas will lower costs and increase efficiency. Low ridership, high subsidy services such as the supplemental Dial-a-Ride may need to be revisited. Although it is a lifeline for people in the areas it serves, the NSE 299 (Willow Creek Intercity), NSE101 to Ukiah, and Southern Humboldt Intercity are all costly and have low ridership. Looking at driver needs, routes requiring split shifts may need to have times reduced to improve retention and safety and lower costs.

HTA's Dial-a-Ride program was fiscally unsustainable under the prior contractor structure. HTA assumed direct operation in July 2025 and has achieved operational improvements (shared ride time 23→18 minutes). However, the cost of providing premium service outside the mandated paratransit zones continues to be an issue. HTA staff is currently working to implement limitations for specific customers that use DAR as a subscription service for long trips. By reducing or eliminating these daily trips that cross multiple zones, DAR costs will be reduced to result in savings.

The primary long-term strategy is to continue improving the frequency, reliability and convenience of riding transit with a focus on the trunk commuter line serving the highest population and jobs density in

the region (the Humboldt Bay area). The goal is to continue to attract more riders and increase fare revenue as a percentage of operational cost. In addition, HTA aggressively seeks out federal funding and HCAOG seeks to maximize the regional funding going toward transit.

CERTIFICATION

This Long-Range Financial Plan is submitted by the Humboldt County Association of Governments in fulfillment of Government Code §13987(d), requiring submission to CalSTA by June 30, 2026. The plan addresses the two required elements of §13987(g): (1) demonstration of ridership retention and recovery strategies being implemented, and (2) a five-year forecast of operating funding requirements with detail on all sources, new sources being pursued, and progress since the short-term financial plan.

HCAOG certifies that all financial data in this plan is drawn directly from the HTA Draft 2025-26 Operating Budget and Forecast, and that ridership retention strategies documented herein are sourced to actions and decisions documented in the public record of the HTA Board of Directors.

Authorized Signature	Title	Agency	Date
	Executive Director	Humboldt County Association of Governments	June 2026

Sources

All data in this plan is drawn from the following documents, all available in the public record:

- Government Code §13987, as enacted by AB 102 and SB 125 (Chapter 54, Statutes of 2023)
- CalSTA SB 125 Final Guidelines, September 29, 2023
- HTA Draft 2025-26 Operating Budget and Forecast (all financial tables)
- HCAOG Unmet Transit Needs Report of Findings, FY 2025-26 (March 2025)
- Humboldt County Transit Development Plan Final Report, 2023 (LSC Transportation Consultants)
- VROOM 2026-2046 Regional Transportation Plan, Chapter 9: Public Transportation Element
- HTA Board Meeting Minutes and Staff Reports, February 4 and March 4, 2026
- HTA FY 2026-27 Measure O Draft Work Plan (Resolution 26-02)
- HTA FY 2025-26 Measure O Work Plan
- HCAOG PAACT Project Stakeholder Workshop Memo, March 4, 2026
- Western Transportation Institute DAR Analysis, November 2024