



HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS
Regional Transportation Planning Agency
Humboldt County Local Transportation Authority
Service Authority for Freeway Emergencies
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AGENDA ITEM 5c
HCAOG Board Meeting
June 18, 2026

DATE: June 10, 2026
TO: HCAOG Policy Advisory Committee (PAC)
FROM: Stephen Luther, Associate Regional Planner
SUBJECT: **Fiscal Year (FY) 2026-27 State Transit Assistance (STA) and State of Good Repair (SGR) Allocations**

STAFF REPORT

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- Resolution 26-15 (STA)
- Resolution 26-16 (SGR)

Staff's Recommended Action:

Motion to be approved by consent:

“The PAC recommends the HCAOG Board adopt Resolution 26-15 approving the FY 2026-27 State Transit Assistance and Resolution 26-16 approving the FY 2026-27 State of Good Repair Allocations.”

Staff Summary:

STA Program:

State Transit Assistance (STA) Funds may be used by transit agencies for both capital projects and transit operations. For most smaller transit agencies, such as those locally, STA along with Local Transportation Funds are their main sources of operating funds. STA funds are derived from the statewide sales tax on gasoline and diesel fuel. Statute requires that 50% of STA funds be allocated based on population (PUC Section 99313), with the other 50% being performance driven (PUC Section 99314), based upon revenues from the prior year. HCAOG distributes STA funds on a reimbursement basis.

HCAOG's Transportation Development Act (TDA) Rules designate as the first priority an off-the-top STA \$200,000 contingency to fund projects when the State Controller's estimate is more than the actual funds received. This contingency is fully funded, and no additional amounts will be held

for contingency this year. STA allowable uses, claimant eligibility and funding priority for the remaining STA funds are detailed in HCAOG's TDA Rules and Regulations available on HCAOG's website.

The California State Controller has provided preliminary estimates in the amount of \$1,216,333 for the region's FY 2026-27 STA allocation, with an additional \$206,458 of Section 99314 funds allocated to operators. Claimants who are allocated STA funds must submit supporting documentation not limited to invoices, reporting, and budget information for reimbursement. HTA has taken over operations for Arcata & Mad River Transit System (A&MRTS) therefore they will be claiming 99314 funds on behalf of City of Arcata.

The City of Fortuna plans to open the Fortuna Transit system, previously available only to seniors and people with disabilities, to the general public in 2026. As a general public operator, Fortuna Transit is now an eligible claimant for STA funds. The revenue basis formula used by the SCO to calculate 99314 allocation is based on prior year's financial statements, and the switch to general public operations is recent enough that the SCO allocations do not reflect the ridership that Fortuna is anticipating as a general public operator. A major contributing factor of the expected increase in ridership is because HTA plans to adjust the RTS route through Fortuna, which will reduce a number of stops. It is anticipated that riders at the stops that will no longer be in service will transition to using Fortuna's microtransit system, either for trips within Fortuna, or to the nearest remaining RTS stop. Based on RTS ridership numbers from late 2025, the number of annual rides on Fortuna transit could increase by approximately 7,000 just from the RTS streamlining, which would be a 70% increase above the existing annual ridership load.

Based on FY 2024-25 revenues, staff estimate Fortuna's revenue basis proportion is approximately 2% of the regional apportionment. In the current year that translates to approximately \$48,000. For this year, staff proposes an additional \$22,000 of regional funds be allocated to which will cover the remainder of the anticipated additional costs incurred by opening to the general public. It is anticipated that increased ridership in future years would adjust the revenue basis upwards and the approximately 3-4% revenue basis proportion of regional funds would be sufficient to meet Fortuna Transit budget needs. Lastly, staff will note that this item was discussed at the June 3rd HTA Board meeting, who spoke favorably of the allocation and change to services, and this item was reviewed and recommended for approval at the June 3rd SSTAC meeting.

The TDA Guidelines California Code of Regulations, Title 21, Section 6664.5 states that the transportation planning agency is required to have performance audits conducted triennially for each public transit system. In FY 2025-26 HCAOG requested \$100,000 of the STA funds off the top to be allocated for the Triennial Performance Audits for fiscal years ending 2023 through 2025. The actual costs for this project were significantly less than anticipated, therefore \$50,000 will be carried over from FY 2025-26 to be available for allocation in FY 2026-27.

SGR Program:

On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 known as the Road Repair and Accountability Act of 2017. SB 1 directed \$105 million to the new State of Good Repair (SGR) Program annually. The PUC Section 99313 allocation is based on the latest available annual population estimates from the Department of Finance. PUC Section 99314 allocations are based on the revenue amount for each operator, determined from annual reports submitted to the State Controller.

The SGR Program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new vehicles, and maintenance and rehabilitation of transit facilities and vehicles.

The California State Controller’s office has provided preliminary estimates in the amount of \$278,815 for the region’s total FY 2026-27 SGR allocation. HTA has taken over operations for A&MRTS therefore they will claim the 99314 funds that were allocated to City of Arcata.

HCAOG solicited requests from eligible transit agencies and received requests from Humboldt Transit Authority and the City of Fortuna. The following table summarizes the recommended allocations:

STA allocation detail:

Project Sponsor	Project Description	99313	99314	Total 99313 Allocation
City of Fortuna	RideCo, Operations, Fuel -transition to general public	70,000		70,000
Humboldt Transit Authority	Match for 5339(c) BEB Application	79,000		1,402,791
	Match for 5310 DAR Application	101,400		
	1 Bus as match for 2 from 5339(b)	300,000		
	Farebox system upgrade	180,000		
	Facility Upgrades and Redesign	150,000		
	Facility Maintenance	70,000		
	Passenger Information Systems	125,000		
	Operating Assistance	190,933	206,458	
Total		\$ 1,266,333	\$ 206,458	\$ 1,472,791

Recommended STA and SGR Allocation:

Program of Projects	STA		Program of Projects	SGR	
	99313	99314		99313	99314
City of Fortuna					
RideCo Software, Operating	70,000				
City of Fortuna Total	\$ 70,000.00	\$ -			
Humboldt Transit Authority					
Various Capital, Equipment, Operating	1,196,333		Vehicle Maintenance & Repairs		40,458
Operating		206,458	Fleet Tires; Maintenance & Repairs	278,815	
HTA Total	\$ 1,196,333.00	\$ 206,458.00	HTA Total	\$ 278,815.00	\$ 40,458.00
Regional Estimate FY 2026-27 Available:	\$ 1,266,333.00	\$ 206,458.00	Regional Estimate FY 2025-26:	\$ 278,815.00	\$ 40,458.00

The PAC is being asked to recommend that the HCAOG Board approve the allocation requests as stated above.