



STAFF REPORT

DATE: April 8, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning, Grants and Procurement
SUBJ: AMENDING THE FISCAL YEAR 2024 CAPITAL BUDGET TO ADD FUNDING TO INITIATE AND FUND A COMPREHENSIVE OPERATIONAL ANALYSIS PROJECT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Amends SacRT's Capital Improvement Plan and Fiscal Year 2023-2024 (FY24) Capital Budget to include a Comprehensive Operational Analysis (COA) planning study.

FISCAL IMPACT

The budget for the COA is \$1.0 million and it would be fully funded with previously awarded SB 125 funds. The second amendment to the FY24 Capital Budget would increase the total Capital Budget by \$1.0 million to \$1,989,756,664.

DISCUSSION

A Comprehensive Operational Analysis (COA) is an in-depth examination of a transit system to identify strengths and opportunities for improvement. SacRT's proposed COA will evaluate all aspects of its service, including updating SacRT's Service Standards, Short Range Transit Plan (SRTP), and Long-Range Transit Plan (LRTP).

In addition to the SacRT Forward route optimization project completed in 2019, the most recent SRTP was adopted in 2022 and covers the period through 2027. The last LRTP was SacRT's 2009 Transit Action Plan.

Key objectives of this project include:

- Identifying service efficiencies and service delivery models to ensure fiscal sustainability
- Evaluating and creating service standards for the Smart Ride on-demand microtransit service

- Updating service standards across all modes to ensure an optimal mix of service in relation to population/jobs density (i.e., where and when SacRT should run bus, light rail, bus rapid transit, microtransit, etc.)
- Update expansion plans to reflect recent annexations of suburban transit systems in Folsom and Elk Grove, and to reflect major changes in demand (e.g., COVID-19 pandemic and changes in land use)
- Preparation of potential expansion scenarios to meet regional climate goals and potential new funding measure
- Develop service strategies to keep SacRT riders coming back and to gain new riders

SacRT's LRTP is now fifteen years old and no longer consistent with or useful for SACOG's regional transportation planning activities embodied in the Blueprint (formerly the Metropolitan Transportation Plan/Sustainable Communities Strategy).

As part of the California State Budget for the 2023-24 Fiscal Year, the Legislature set aside \$5.1 billion (SB125) over four years to help transit agencies that have been hard hit by the pandemic and associated loss of ridership. SB125 provides one-time, multi-year bridge funding for transit operators to address operation costs until long-term sustainability solutions are identified. As discussed further in the staff report releasing the preliminary FY 2024-25 Operating and Capital Budget, SacRT is expected to be awarded operating and capital funds through SB125 to address pandemic-induced operating deficits and critical capital projects. Included in the initial allocation plan approved by the SACOG Board of Directors in December 2023, SacRT was awarded \$1.0 million in SB125 funds to perform a COA and LRTP update. A key goal of the COA is to identify service efficiencies and service delivery models to ensure fiscal sustainability. As noted above, the COA will include scenarios not only for expansion of SacRT's network if a new source of revenue is secured, such as new statewide legislation or a local/regional ballot measure, but will also take a fiscally constrained approach to service plans in a scenario where such funding is not secured after the SB125 relief funds are fully expended. Moving forward a permanent and stable source of revenue will be critical to support transit agencies throughout the state of California and as described in the SB125 legislation.

As required by the SB125 guidelines, regional transportation planning agencies must also submit a long-term financial plan to California State Transportation Agency (CalSTA) by June 26, 2026. The regional long-term financial plan will be completed separately by SACOG utilizing SB125 funds, but SacRT's COA will help inform that effort. In addition, SB 125 establishes a statewide Transit Transformation Task Force led by CalSTA to develop policy recommendations to grow transit ridership, improve the transit experience and address long-term operational needs.

The COA will include a review of service standards for all modes (i.e., bus, light rail, Smart Ride) to ensure an optimal mix of services that is cost-effective, fiscally sustainable, and consistent with other goals such as ridership maximization, coverage and accessibility, equity, air quality, etc. and to make sure that level of service

expectations match industry norms for communities of various sizes and densities (i.e., that high-frequency service is planned and provided only in areas with the jobs and population density to support such service). Of particular note is the SmaRT Ride microtransit service that was initially funded by one-time Measure A funds which have now been mostly expended. SmaRT Ride is also deployed in locations where it is partially or largely redundant with fixed-route. One of the key tasks of the COA would be an independent review of SmaRT Ride performance and service standards compared to industry norms and emerging best practices, as well as potential alternative service delivery models.

Over the past five years, SacRT has annexed transit systems in Folsom and Elk Grove with very different levels of service. ADA paratransit service has been brought in-house under the SacRT GO brand name, creating new job classifications, software platforms, and training needs. Although SacRT bus ridership has rebounded to nearly 100 percent of pre-pandemic levels, travel patterns have changed post-pandemic; for example, demand for commuter service decreased significantly and may not return to prior levels. Major changes have also occurred in land use and development plans, especially since the last LRTP in 2009.

Accordingly, the project scope would also include expansion plans, in the event of a new local funding measure, or another major increase in transit funding. SacRT must have sound, achievable, publicly-supported expansion plans developed and ready, if voters opt to increase transit funding.

Staff has been meeting with SACOG to review the scope of work for the project, which would have a consultant budget of \$900,000 for approximately 18 months of work. Staff would like to procure a consultant this spring, begin work this summer, and complete work by December 31, 2025. Staff recommends that the Board adopt the attached resolution, which will allow procurement to begin.

RESOLUTION NO. 2024-04-035

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 8, 2024

AMENDING THE FISCAL YEAR 2024 CAPITAL BUDGET TO ADD FUNDING TO INITIATE AND FUND A COMPREHENSIVE OPERATIONAL ANALYSIS PROJECT

WHEREAS, the Sacramento Area Council of Governments (SACOG) has approved \$1.0 million of Senate Bill 125 funds for SacRT to perform a Comprehensive Operational Analysis (COA); and

WHEREAS, SacRT desires to execute a detailed examination of its public transit services, and make recommendations for changes in short and long term transit plans as well as provide insights for long term new services or adjustments to existing services and operational functions for SacRT's entire package of services

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the Second Amendment to the Fiscal Year 2024 Capital Budget, increasing the total Capital Budget by \$1,000,000 to include a Comprehensive Operational Analysis study, increasing the total Capital Budget to \$1,989,756,664.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary