




**DATE** September 4, 2019

**TO** GCTD Board of Directors

**FROM** Daniel Amaro, Acting Director of Finance and Administration 

**SUBJECT:** Consider Adoption of Resolution 2019-09 Authorizing Staff to File a Claim for reapportionment of Transportation Development Act (TDA) Funds

---

## SUMMARY

In Fiscal Year 2016/2017 and 2017/2018 the City of Simi Valley, did not meet the farebox recovery ratio requirements for regular nor specialized services triggering the TDA penalty cycle. Fiscal Year 2019/2020 is considered the “penalty year” for the City of Simi Valley and the apportionment in Fiscal Year 2019/2020 includes a permanent withholding adjustment of \$691,004. TDA regulations allow Simi Valley to claim LTF Article 4 funds where the funds can only be used for Public Transportation. Resolution 2019-09 is recommending the funds be reapportioned to other Article 4 claimants. At this time, there is only one other claimant, Gold Coast Transit District (GCTD), in the County who can only claim Article 4; therefore, the recommendation is for the full amount is reapportioned to GCTD. This reapportionment is a one-time apportionment because of the Fiscal Year 2017/2018 noncompliance.

## BACKGROUND

TDA claimants are required to comply with the Transportation Development Act Statutes and California Code of Regulations (CCR) sections defined within the TDA guidelines. One of the requirements for Article 4 and 8(c) public transportation fund claimants is the claimant must maintain or exceed a specific farebox recovery ratio as defined in Public Utilities Code (PUC) § 99268.5 and CCR § 6633.2. The required ratio for non-urban areas and specialized senior/disabled transit is 10% and for urban areas is 20%. In other words, the “fare revenue” received during the fiscal year must provide 10 or 20 percent of the funds, as applicable, to operate the transit system after allowable exclusions. If this ratio is not met and the operator is out of compliance, a non-compliance penalty cycle will begin (CCR § 6633.9).

In the penalty cycle, the first year the farebox recovery ratio is no met is usually considered a “grace year” and is meant to allow the operator time to make changes to bring the farebox revenue ratio back in to compliance. If in the next consecutive year, the transit operator meets or exceeds the require farebox ratio, the penalty cycle will stop. However, if in the next consecutive year, the farebox ratio is not met, the year will

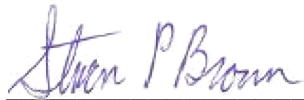
## GOLD COAST TRANSIT DISTRICT

be deemed a “non-compliant year” and a penalty will be required in a future year. The penalty is calculated as the difference between the required farebox revenues and the actual farebox revenues from the “non-compliant year” and is permanently withheld from the claimant in the “penalty year” or two years after the “non-compliant year”. Although there is only one penalty assessed, the cycle could continue as long as the operator does not meet the farebox requirement.

## **RECOMMENDATIONS**

**It is recommended that the GCTD Board Adopt Resolution 2019-09, Authorizing Staff to File a Claim for reapportionment of Transportation Development Act (TDA) Funds.**

## **GENERAL MANAGER’S CONCURRENCE**

A handwritten signature in blue ink that reads "Steven P. Brown". The signature is written in a cursive style and is positioned above a horizontal line.

Steven P. Brown  
General Manager

**RESOLUTION NO. 2019-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF GOLD COAST TRANSIT DISTRICT AUTHORIZING THE FILING OF A REAPPORTIONMENT CLAIM WITH THE VENTURA COUNTY TRANSPORTATION COMMISSION FOR ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT FUNDS FOR FISCAL YEAR 2019-20**

WHEREAS, the Transportation Development Act (TDA), as amended (Public Utilities Code Section 99200 et seq.), provides for the allocation of funds from the Local Transportation Fund (LTF) and the State Transit Assistance Fund for use by eligible claimants for various transportation and transit purposes as allowed by TDA; and,

WHEREAS, pursuant to the provisions of the TDA, as amended, and pursuant to the applicable rules and regulations hereunder (California Code of Regulations Sections 6600 et seq.), a prospective claimant wishing to receive an allocation from the Local Transportation Fund and the State Transit Assistance fund shall file its claim with the Ventura County Transportation Commission (VCTC).

NOW, THEREFORE LET IT BE RESOLVED, that Gold Coast Transit District is authorized to execute and file an appropriate claim pursuant to the applicable rules and regulations promulgated hereunder, together with all necessary supporting documents, with the Ventura County Transportation Commission for an allocation of TDA funds in Fiscal Year FY 2019-20.

BE IT FURTHER RESOLVED that the authorized claim includes reapportionment of \$691,004 for Article 4 for transportation purposes for public transit expenditures. (PUC 99260).

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the Ventura County Transportation Commission in conjunction with the filing of the claim.

PASSED AND ADOPTED THIS 4<sup>th</sup> DAY OF SEPTEMBER 2019.

---

Cheryl Heitmann  
Board Chair

ATTEST:

I HEREBY CERTIFY that the foregoing Resolution 2019-09 was duly adopted by the Board of Directors of Gold Coast Transit at a regular meeting thereof held on the 4<sup>th</sup> day of September 2019.

---

Steven P. Brown  
Secretary of the Board