



Santa Cruz County Regional Transportation Commission's  
**Elderly & Disabled Transportation Advisory Committee**  
(Also serves as the Social Service Transportation Advisory Council)

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**AGENDA**

**1:30pm - 3:30pm**

**Tuesday, October 11, 2022**

**NOTE: TELECONFERENCE**

Join the online meeting to see presentations:

<https://us02web.zoom.us/j/86428958557>

Meeting ID: 864 2895 8557

Dial by your location: +1 669 900 9128

Members of the public may not attend this meeting in person. Comments and questions may be shared with the Committee through teleconference audio in real time, or by prior written submission to [amarino@sccrtc.org](mailto:amarino@sccrtc.org).

Due to precautions associated with COVID-19, and following current state law (AB 361) regarding the Brown Act, all RTC and committee meetings until further notice will be held by teleconference only. Members of the public can listen and participate in meetings over the phone and through the internet.

**1:35 called to order**

- 1. 1:30pm — Call to Order**
- 2. 1:30pm — Introductions**
- 3. 1:35pm — Oral communications**
- 4. 1:40pm — Additions or deletions to the consent or regular agenda**

**1:42pm- CONSENT AGENDA**

*All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the E&D TAC or public wishes an item be removed and discussed on the regular agenda. Members of the E&D TAC may raise questions, seek clarification or add directions to Consent Agenda items without removing*

*the item from the Consent Agenda as long as no other E&D TAC member objects to the change.*

**5. Approve Minutes from August 9, 2022 — pg. 4**

**6. Receive RTC Meeting Highlights — pg. 9**

**7. Receive Information Items — pg. 15**

- a. Transportation Development Act (TDA) Fiscal Years 2019-2021 Triennial Performance Audit

### **REGULAR AGENDA**

**8. 1:55 pm — Receive Program Updates — pg. 142**

- a. Volunteer Center
- b. Community Bridges
- c. Santa Cruz Metro
- d. SCCRTC
- e. Pedestrian Ad-hoc Subcommittee
  - i. Pedestrian Hazard Report

**9. Measure D: Five-Year Programs of Projects for Regional Projects — pg. 146**

**10. Draft 2022 Coordinated Public Transit-Human Services Transportation Plan — pg. 158**

**11. Regional Early Action Planning Grants 2.0 Program — pg. 162**

**12. Ocean Street Pavement Rehab & Bike/Ped Upgrades Review — pg. 167**

**13. 3:30 pm — Adjourn**

**Next meeting: 1:30 pm, December 13, 2022. Location is to be determined.**

### **HOW TO REACH US**

*Santa Cruz County Regional Transportation Commission*

1101 Pacific Avenue. Suite 250,  
Santa Cruz, CA 95060  
Phone: (831) 460-3200 / fax (831) 460-3215  
Email: [info@sccrtc.org](mailto:info@sccrtc.org) / website: [www.sccrtc.org](http://www.sccrtc.org)

## **ACCOMMODATIONS FOR PEOPLE WITH DISABILITIES**

*The Santa Cruz County Regional Transportation Commission does not discriminate on the basis of disability and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. This meeting location is an accessible facility. If you wish to attend this meeting and require special assistance in order to participate, please contact RTC staff at 460-3200 (CRS 800/735-2929) at least three working days in advance of this meeting to make arrangements. People with disabilities may request a copy of the agenda in an alternative format. As a courtesy to those person affected, please attend the meeting smoke and scent-free.*

## **SERVICIOS DE TRADUCCIÓN/TRANSLATION SERVICES**

*Si gusta estar presente o participar en esta junta de la Comisión Regional de Transporte del condado de Santa Cruz y necesita información o servicios de traducción al español por favor llame por lo menos con tres días laborables de anticipo al (831) 460-3200 para hacer los arreglos necesarios. (Spanish language translation is available on an as needed basis. Please make advance arrangements (at least three days in advance by calling (831) 460-3200.*

## **TITLE VI NOTICE**

*The RTC operates its programs and services without regard to race, color and national origin in accordance with Title VI of the Civil Rights Act. Any person believing to have been aggrieved by the RTC under Title VI may file a complaint with RTC by contacting the RTC at (831) 460-3212 or 1523 Pacific Avenue, Santa Cruz, CA, 95060 or online at [www.sccrtc.org](http://www.sccrtc.org). A complaint may also be filed directly with the Federal Transit Administration to the Office of Civil Rights, Attention: Title VI Program Coordinator, East Building, 5th Floor-TCR, 1200 New Jersey Ave., SE, Washington, DC 20590.*

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Santa Cruz County Regional Transportation Commission's  
**Elderly & Disabled Transportation Advisory Committee**  
(Also serves as the Social Service Transportation Advisory Council)

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**DRAFT MINUTES**

**1:30pm - 3:30pm**

**Tuesday, August 9<sup>th</sup>, 2022**

**NOTE: Meeting was held via Zoom.**

1. Roll call

The meeting was called to order at 1:35 p.m.

***Members present:***

Tara Ireland, Social Service Provider-Persons of Limited Means  
Lisa Berkowitz, CTSA (Community Bridges)  
Jesus Bojorquez, CTSA (Lift Line)  
Daniel Zaragoza, SCMTD (Metro)  
Michael Pisano, Potential transit User (60+)  
Caroline Lamb, Potential Transit User (Disabled)  
Janet Edwards, 1st District  
Veronica Elsea, 3rd District  
Nadia Noriega, CTSA (Lift Line)  
Alicia Morales, Social Service Provider-Seniors (County)  
Patty Talbott, Social Service Provider-Seniors

***Unexcused absences:***

Alex Weske, Social Service Provider – Disabled  
Paul Elerick, 2<sup>nd</sup> District  
Ed Hutton, 5<sup>th</sup> District

***RTC staff present:***

Amanda Marino, Transportation Planner

***Others present:***

Wondimu Mengistu, Santa Cruz METRO  
Kira Ticus, Ecology Action  
Chris Lamm, City of Scotts Valley Public Works Director  
Angela Hershberger, MME Civil + Structural Engineering  
Dena Taylor, Member of the Public

2. Introductions
3. Oral communications
4. Additions or deletions to consent and regular agendas

*A motion (Pisano/Edwards) was made to move Item 9. FY 22-23 State of Good Repair (SGR) Project List to present after Item 11. Ecology Action Safe Routes to School Youth Education Program due to time conflicts with presenters. The motion passed with members Tara Ireland, Lisa Berkowitz, Jesus Bojorquez, Daniel Zaragoza, Michael Pisano, Caroline Lamb, Janet Edwards, Veronica Elsea, Nadia Noriega, Alicia Morales, and Patty Talbott voting in favor.*

### **CONSENT AGENDA**

5. Approved minutes from May 10, 2022

*A motion (Edwards/Lamb) was made to approve the minutes. The motion passed with members Tara Ireland, Lisa Berkowitz, Jesus Bojorquez, Daniel Zaragoza, Michael Pisano, Caroline Lamb, Janet Edwards, Veronica Elsea, Nadia Noriega, Alicia Morales, and Patty Talbott voting in favor.*

6. Received RTC Meeting Highlights
7. Received Information Items

- a. Coastal Rail Trail Segment 7 - Phase II Groundbreaking flyer

*A motion (Pisano/ Bojorquez) was made to approve the consent agenda. The motion passed with members Tara Ireland, Lisa Berkowitz, Jesus Bojorquez, Daniel Zaragoza, Michael Pisano, Caroline Lamb, Janet Edwards, Veronica Elsea, Nadia Noriega, Alicia Morales, and Patty Talbott voting in favor.*

### **REGULAR AGENDA**

8. Received Program Updates
  - a. Volunteer Center

Tara Ireland communicated that the Volunteer Center is continuing to recruit new volunteers and hiring a coordinator position.

- b. Community Bridges – TDA Second Quarter Summary Report

Jesus Bojorquez presented the TDA Second Quarter Summary Report. Community Bridges Lift Line is in the process of hiring a new scheduler/dispatcher and Nadia Noriega is now the Operations Manager.

Lisa Berkowitz updated the committee that Community Bridges is negotiating with the Live Oak School District to continue to have the same Meals on Wheels location. Community Bridges is additionally working on re-opening the Live Oak Senior Center Meals on Wheels dining site. Last year 225,000 meals were delivered through the Meals on Wheels program.

c. Santa Cruz METRO

Daniel Zaragoza announced that METRO ParaCruz provided 62,006 rides in FY 21-22. METRO is in the process of hiring 7 new ParaCruz Operators and conducting interviews for a new Mobility Coordinator.

d. SCCRTC

Amanda Marino, Transportation Planner, informed the committee that the conference room at the RTC office is in the process of setting up the capability to have hybrid meetings.

Ms. Marino announced that the RTC was accepted to be the Access Fund Administrator for TNC access for All Program to fund on-demand paratransit services in Santa Cruz County.

e. Pedestrian Ad-Hoc Subcommittee  
i. Pedestrian Hazard Report

Chair Veronica Elsea informed the committee that the subcommittee is continuing to monitor the Pedestrian Hazard Reports and responses.

The subcommittee is additionally monitoring the public meetings and projects of local jurisdictions throughout Santa Cruz County. Ms. Elsea provided an update on the projects they are monitoring. She also identified the grant funding opportunities to support increased safe pedestrian infrastructure.

10. 2022 Guide to Specialized Transportation Services Update

Amanda Marino, Transportation Planner, communicated that the Guide to

Specialized Transportation Services for Seniors and People with Disabilities in Santa Cruz County is published by the RTC and Copies are available in English and Spanish. The Guide lists all known accessible transportation services available in Santa Cruz County.

Chair Veronica Elsea suggested to consider adding the Vista Center to the guide that provides services to people who are blind or visually impaired.

*No action taken.*

#### 11. Ecology Action Safe Routes to School Youth Education Program

Kira Ticus, Ecology Action Staff, presented an overview of the Youth Safe Routes to School Education Program that includes the Walk Smart Program and Bike Smart Program teaching pedestrian and bike safety techniques to elementary school students. Committee members encouraged Ecology Action staff to prioritize teaching students how to navigate walking and cycling when in contact with a person with disabilities.

*No action taken.*

#### 9. (Moved after Item 11) FY 22-23 State of Good Repair (SGR) Project List

Amanda Marino, Transportation Planner, presented the staff recommendation for the FY 22-23 State of Good Repair (SGR) Project List. Wondimu Mengistu, METRO staff, provided an overview of the bus replacement project.

*A motion (Lamb/Pisano) was made to recommend that the Regional Transportation Commission approve FY 22-23 State of Good Repair (SGR) Project List. The motion passed with members Tara Ireland, Jesus Bojorquez, Daniel Zaragoza, Michael Pisano, Caroline Lamb, Janet Edwards, Veronica Elsea, Nadia Noriega, Alicia Morales, and Patty Talbott voting in favor. Lisa Berkowitz was not present for the vote.*

#### 12. The Scotts Valley – Bean Creak Road Rehabilitation Project

Chris Lamm, City of Scotts Valley Public Works Director, and Angela Hershberger, MME Civil + Structural Engineering, presented an overview of the Bean Creak Road Rehabilitation Project highlighting new pedestrian safety and accessibility features.

*No action taken.*

Meeting adjourned at approximately 3:15 pm.

The next E&D TAC meeting is scheduled for Tuesday, October 11, 2022 at 1:30 p.m. NOTE: Teleconference may be necessary due to COVID-19.

Respectfully submitted, Amanda Marino, Staff





*Santa Cruz County Regional Transportation Commission  
1101 Pacific Avenue, Suite 250, Santa Cruz, CA 95060  
phone: (831) 460-3200  
email: [info@sccrtc.org](mailto:info@sccrtc.org); website: [www.sccrtc.org](http://www.sccrtc.org)*

*CONTACTS: Shannon Munz, Communications Specialist ([smunz@sccrtc.org](mailto:smunz@sccrtc.org))  
Guy Preston, Executive Director  
Luis Pavel Mendez, Deputy Director*

## **Santa Cruz County Regional Transportation Commission (RTC) Aug. 4, 2022 Meeting Highlights**

### **RTC Allocates Funds for Work of the Community Traffic Safety Coalition (CTSC)**

The Commission approved \$156,000 in Transportation Development Act (TDA) funds to the CTSC, a community-based coalition operated by the Santa Cruz County Health Services Agency (HAS) which brings together various agencies, including police departments. The CTSC works to address road safety, to provide bicycle and pedestrian safety education to elementary school children through its Ride and Stride Program, and to eliminate traffic related injuries and fatalities through Vision Zero programs and efforts.

### **Deferred Maintenance on the Santa Cruz Branch Rail Line**

The Commission authorized RTC Executive Director Guy Preston to enter into an agreement to correct deferred maintenance along the Santa Cruz Branch Rail Line between Milepost 3 (Lee Road) and Milepost 7 (Buena Vista Drive). In April 2022, RTC staff performed a preventative maintenance inspection of the area and observed overgrown vegetation and clogged ditches and culverts. The work is anticipated to be completed before the rainy season starts, which would help prevent future damage to the rail line. RTC staff will pursue reimbursement of the maintenance costs from St. Paul and Pacific Railroad, the freight easement owner and common carrier on the line.

### **Request for Proposals for Professional Engineering and Environmental Services – Electric Passenger Rail Transit & Coastal Rail Trail Project**

The Commission approved releasing a Request for Proposals (RFP) for a professional engineering services contract for preliminary engineering and environmental documentation for an Electric Rail Transit & Coastal Rail Trail project between the Pajaro Junction and Santa Cruz on the Santa Cruz Branch Rail Line. The initial scope of work for the contract includes the development of an Electric Rail Transit project concept report to clearly define the project for further evaluation. The full scope would include preliminary engineering and environmental documentation work, including an Environmental Impact Report for Electric Passenger Rail and for the remaining Coastal Rail Trail segments within the rail transit corridor limits including Segments 13-17 from Rio del Mar Boulevard to Lee Road, and Segments 19 and 20 between Beach Street and the Pajaro Junction. Staff plans to release the RFP this month and anticipates returning to the Commission in November with a contract award recommendation.

## **Response to Court Ruling on CEQA Challenge of Highway 1 Tier I High Occupancy Vehicle (HOV) Lanes Project**

The Commission adopted a resolution for RTC Executive Director Guy Preston to negotiate and execute a contract to provide technical support to address the Superior Court of California ruling on the California Environmental Quality Act (CEQA) challenge for the Highway 1 Tier I High Occupancy Vehicle (HOV) Lanes Environmental Impact Report (EIR). Although the court rejected the majority of the plaintiff's claims, the ruling orders Caltrans to recirculate a focused draft EIR for public review and comment. Caltrans and RTC will be taking steps toward addressing the court's order and plan to recirculate the analysis for three focused topics in the coming months. Staff anticipates the work taking place over the next six to nine months.

## **Upcoming RTC and Committee Meetings**

Due to precautions associated with COVID-19 (coronavirus), **all RTC and committee meetings have been held by video conference.** On September 16, 2021, Governor Newsom signed AB 361 which continues the Brown Act waivers and allows the RTC to continue Commission and committee meetings in a virtual format. The RTC is now holding its commission meetings in a hybrid (virtual and in-person) format. Please check the RTC website [<https://sccrtc.org/meetings/calendar/>] or call 460-3200 to confirm meeting and video conference information for future meetings. Agendas are posted to the website at least 3 days before the meeting and will also include attendance information. Meetings may be canceled if there are no action items to be considered by the committee.

The RTC is committed to its compliance with the Americans with Disabilities Act (ADA) during this time of national emergency. Please contact the RTC at least 3 days in advance of a meeting if special accommodations are needed. If any document, webpage, meeting, or recording is inaccessible to you, kindly notify us at [info@sccrtc.org](mailto:info@sccrtc.org) or by calling 831-460-3200.

## **Regional Transportation Commission Meeting**

Thursday, Sept. 1, 2022, 9:00 a.m.

## **Bicycle Advisory Committee**

Monday, Aug. 8, 2022, 6:00 p.m.

## **Elderly & Disabled Transportation Advisory Committee – Special Meeting**

Tuesday, Aug. 9, 2022, 1:30 p.m.

## **Transportation Policy Workshop**

Thursday, Aug. 18, 2022, 9:00 a.m.

## **Interagency Technical Advisory Committee**

Thursday, Aug. 18, 2022, 1:30 p.m.

## **Budget & Admin/Personnel Committee**

Thursday, Sept. 8, 2022, 1:30 p.m.

*Public input on transportation issues is welcomed and encouraged. For more information, visit the SCCRTC website at [www.sccrtc.org](http://www.sccrtc.org) or call 460-3200. Some Regional Transportation Commission meetings are televised countywide by Community TV of Santa Cruz. Consult [www.communitytv.org](http://www.communitytv.org) or call 831-425-8848 for schedule and station information.*



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Guy Preston, Executive Director  
Luis Pavel Mendez, Deputy Director*

## **Santa Cruz County Regional Transportation Commission (RTC) Sept. 1, 2022 Meeting Highlights**

### **Highway 1 Bay/Porter Ave to State Park Drive Auxiliary Lanes and Bus-on-Shoulder Project**

The Commission authorized a Cooperative Agreement with Caltrans for the construction component of the Highway 1 Bay/Porter Avenue to State Park Drive Auxiliary Lanes and Bus-on-Shoulder Project which includes replacement of the Capitola Avenue overcrossing and a new bicycle/pedestrian overcrossing at Mar Vista Drive. Final design and right-of-way components for this project are nearing completion. The Cooperative Agreement for the construction component is one of the last items remaining before the project is able to be advertised for construction bids. The Commission also approved a resolution authorizing the executive director to amend the professional engineering services contract with the current consultant for design support services during construction.

### **Highway 1 41st Avenue to Soquel Drive Auxiliary Lanes and Bus-on-Shoulder Project**

The Commission approved programming additional Measure D-Highway funds and an amendment to the Cooperative Agreement with Caltrans for the construction component of the Highway 1 Auxiliary Lanes and Bus-on-Shoulder Project between the 41st Avenue to Soquel Drive interchanges which includes a new bicycle/ pedestrian overcrossing at Chanticleer Avenue. Construction bids were opened in August 2022. Caltrans is recommending award of the construction contract, which is 13.6% higher than the engineer's estimate, given that labor and material costs have increased due to unusually high inflation caused by supply chain issues and other external factors. This \$29 Million construction project will start construction in a couple of months, dependent upon weather.

### **Highway 1 Auxiliary Lanes and Bus-on-Shoulder from State Park Drive to Freedom Boulevard and Coastal Rail Trail Segment 12 Project**

The Commission approved an amendment to the professional engineering services contract for the final design component of the Highway 1 Auxiliary Lanes and Bus-on-Shoulder from State Park Drive to Freedom Boulevard and Coastal Rail Trail Segment 12 Project. The amendment authorizes the consultant already working on the environmental component of the project to begin the final design work. Staff recommends advancing the final design work of this project concurrent with the environmental work to save 6 to 8 months on the overall schedule.

## **Highway 9 Boulder Creek Complete Streets Improvements – Federal Grant Opportunities Update**

The Commission received an update on the Highway 9/San Lorenzo Valley (SLV) Complete Streets program and on staff efforts to fund the Boulder Creek Complete Streets Improvements via competitive federal grants. The RTC previously worked with residents, businesses, schools, Caltrans, County of Santa Cruz, METRO, and other stakeholders to prepare the Highway 9 San Lorenzo Valley Complete Streets Corridor Plan (SLV Plan). RTC has developed a delivery strategy for the Highway 9/SLV Complete Streets program that includes leveraging Measure D and other discretionary funds as the local match for state and federal competitive grants. Staff identified two potential competitive federal funding opportunities for the Boulder Creek Complete Streets Improvements and will submit applications later this month.

## **Upcoming RTC and Committee Meetings**

Due to precautions associated with COVID-19 (coronavirus), **all RTC and committee meetings have been held by video conference**. On September 16, 2021, Governor Newsom signed AB 361 which continues the Brown Act waivers and allows the RTC to continue Commission and committee meetings in a virtual format. The RTC is now holding its commission meetings in a hybrid (virtual and in-person) format. Please check the RTC website [<https://sccrtc.org/meetings/calendar/>] or call 460-3200 to confirm meeting and video conference information for future meetings. Agendas are posted to the website at least 3 days before the meeting and will also include attendance information. Meetings may be canceled if there are no action items to be considered by the committee.

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## **Regional Transportation Commission Meeting**

Thursday, Oct. 6, 2022, 9:00 a.m.

## **Transportation Policy Workshop**

Thursday, Sept. 15, 2022, 9:00 a.m.

## **Interagency Technical Advisory Committee**

Thursday, Sept. 15, 2022, 1:30 p.m.

## **Bicycle Advisory Committee**

Monday, Oct. 3, 2022, 6:00 p.m.

## **Elderly & Disabled Transportation Advisory Committee**

Tuesday, Oct. 11, 2022, 1:30 p.m.

## **Budget & Admin/Personnel Committee**

Thursday, Oct. 13, 2022, 1:30 p.m.

*Public input on transportation issues is welcomed and encouraged. For more information, visit the SCCRTC website at [www.sccrtc.org](http://www.sccrtc.org) or call 460-3200. Some Regional Transportation Commission meetings are televised countywide by Community TV of Santa Cruz. Consult [www.communitytv.org](http://www.communitytv.org) or call 831-425-8848 for schedule and station information*

**AGENDA:** August 4, 2022

**TO:** Regional Transportation Commission (RTC)

**FROM:** Tracy New, Director of Finance

**RE:** Transportation Development Act (TDA) Fiscal Years 2019-2021  
Triennial Performance Audit

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## **RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC) accept the fiscal years (FY) 2018-19 to 2020-21 triennial performance audit report of the RTC (Attachment 1) and Santa Cruz County transit operators (Attachment 2), available on the RTC website ([Performance Audit](#)); and direct staff to implement the recommendations of the RTC audit.

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## **BACKGROUND**

State law requires triennial performance audits of local transportation planning agencies and transit operators who receive Transportation Development Act (TDA) funds. The audit determines compliance with state requirements and evaluates the efficiency, effectiveness and economy of operations. The performance audit guidebook produced by Caltrans states:

“While meeting the legal requirements for conducting a performance audit is important, a performance audit also provides an opportunity for an independent, objective and comprehensive review of the economy, efficiency, and effectiveness of the entity being audited. The audit has other benefits, including:

- Provides management with useful information to assess past activities and provides insight for future planning efforts;
- Provides management with a review and evaluation of an agency’s organization and operations;
- Presents an opportunity to utilize auditor expertise which can supplement staff work; and
- Assures public accountability for the use of public funds.”

The FY 2019-2021 triennial performance audits of the RTC and the transit operators were conducted by Michael Baker International in accordance with Section 99246 of California’s Public Utilities Code (PUC). The final audit reports for the audit of the RTC and operators will be submitted to the State Controller as required by state law.

## **DISCUSSION**

To conduct the triennial performance audit and prepare the audit reports, Derek Wong of Michael Baker International interviewed board members and staff and visited facilities of the entities being audited. Although not required by state law, the triennial performance audit of the Santa Cruz County operators includes Community Bridges and the Volunteer Center.

### **RTC Triennial Performance Audit**

The RTC FYs 2019-2021 triennial performance audit ([Attachment 1](#)) lists 14 findings, including the following:

- The RTC has satisfactorily complied with applicable state legislative mandates for RTPAs.
- The RTC implemented two of the four prior performance audit recommendations.
- Interviews with RTC commissioners provided overall high ratings for staff and activities undertaken during the audit period.
- Despite no TDA funds being allocated to streets and roads, the RTC continues with an unmet needs process that involves obtaining public input and coordinating with the E&D TAC and Santa Cruz METRO to update the Unmet Specializes Transportation/Transit Needs List.
- RTC's public outreach focus has been to communicate its mission more effectively while working in close coordination with local jurisdictions and stakeholders.

The RTC FYs 2019-2021 triennial performance audit includes the following four recommendations:

1. Continue to ensure that the transit operator TDA process is consistent with the updated RTC rules and regulations.
2. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds.
3. Consider the development of a strategic plan.
4. Hold an annual Board retreat to foster better communication and cohesion among commissioners.

### **Transit Operators Triennial Performance Audit**

The FYs 2019-2021 triennial performance audit of the Santa Cruz County transit operators ([Attachment 2](#)) lists 16 findings, including the following:



- The Santa Cruz County transit operators complied with each of the 11 compliance requirements.
- Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard.
- The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim and received satisfactory ratings.
- Of the prior six performance audit recommendations, the Santa Cruz County operators implemented three recommendations and partially implemented one.
- Significant ridership experienced were experienced by Santa Cruz METRO (81.5%), ParaCruz (46%), Lift Line (61.4%) and the Volunteer Center (15%) due to the COVID-19 pandemic.

The transit operators FYs 2019-2021 triennial performance audit includes the following six new recommendations:

1. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds. (Santa Cruz METRO)
2. Update aging website infrastructure. (Santa Cruz METRO)
3. Continue to ensure the alignment of data analytics training for staff with the deployment of new technology. (Santa Cruz METRO)
4. Consider development of Mobility as a Service (MaaS) option that would complement existing service modes. (Community Bridges – Lift Line)
5. Integrate the Transportation Program goals with those of the Grocery Shopper Program. (City of Santa Cruz – Volunteer Center)

Details for each of the findings and auditor recommendations are available in the triennial performance audit reports on the RTC website ([SCCRTC Audit](#) and [Operators Audit](#)). **Staff recommends that the RTC accept the FY 2019-2021 triennial performance audit of the RTC and transit operators produced by Michael Baker International, and direct staff to implement the recommendations of the audit.**

## FISCAL IMPACT

There are no fiscal impacts associated with accepting the triennial performance audits. The approved RTC budget already includes funds for all required RTC work. If

implementation of the recommendations in the triennial performance audit will result in additional fiscal impacts, staff will return to the RTC with appropriate staff recommendations.

## **SUMMARY**

The required FYs 2019-2021 triennial performance audit of the RTC and transit operators has been completed. The audit includes findings of compliance and recommendations. Staff recommends that the RTC accept the audits, and direct staff to implement the recommendations of the audit.

### Attachments:

1. FY 2019-2021 Triennial Performance Audit of the RTC (enclosed separately for Commissioners and available on the [RTC website](#))
2. FY 2019-2021 Triennial Performance Audit of the Santa Cruz County Transit Operators (enclosed separately for Commissioners and available on the [RTC website](#))

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**FY 2019-2021  
Triennial Performance Audit of  
Santa Cruz County  
Regional Transportation Commission**

***Final Draft***

**Submitted to  
Santa Cruz County  
Regional Transportation Commission**

***July 2022***

**Michael Baker**  
INTERNATIONAL

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## Executive Summary

The Santa Cruz County Regional Transportation Commission (RTC, Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit for fiscal years (FY) 2018–19, 2019–20, and 2020–21. As a Regional Transportation Planning Agency (RTPA), the RTC is required by California Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) to continue receiving TDA funding. TDA funds are used primarily for RTC administration, planning, and implementation of public transportation and nonmotorized projects and programs.

This performance audit is intended to describe how well the RTC is meeting its obligations under the TDA, as well as its organizational management and efficiency. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, September 2008 (third edition), published by Caltrans was used to guide the development and conduct of the audit. To gather information for the TDA performance audit, Michael Baker conducted interviews with agency staff and commissioners as well as with the public transit operators, reviewed various documents, and evaluated the RTC's responsibilities, functions, and performance of the TDA guidelines and regulations. Michael Baker interviewed several members of the Commission, management, and technical staff.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

### Compliance with TDA Requirements

The RTC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to the RTC pertains to adopting rules and regulations for TDA claims under Article 4.5. The agency does not disburse any TDA funds under this article section. Rather, the Consolidated Transportation Services Agency (CTSA) in the county receives TDA Article 8 funds through the City of Santa Cruz acting as the claimant on behalf of the paratransit/community transportation system.

### Status of Prior Audit Recommendations

The RTC has implemented two of the four prior performance audit recommendations. The recommendations implemented pertained to the inclusion of a standard assurances form with the TDA claim submittal and the development of an alternative performance measure for TDA-Local Transportation Fund eligibility. The recommendation to update the transit operator TDA process for consistency with the updated RTC rules and regulations was partially implemented.

The recommendation that Santa Cruz METRO should clarify the performance eligibility criteria for TDA-Local Transportation Funds was not implemented. Both of these recommendations are being forward in this audit for full implementation.

## **Functional Review**

1. The Commission experienced changes in both its executive and professional staffing during and after the audit period. The Commission's long-time executive director retired from the agency in December 2018. A new executive director was appointed and has led the agency since December 2018. Historically, the longevity of personnel at both the executive and professional staff levels has brought remarkable stability to the agency in addressing various technical and policy issues.
2. Measure D, a 30-year, countywide transportation one-half-cent transactions and use tax, gives the RTC leverage in applying for other transportation-related funding from state and federal grant programs as well as providing funding for transit services and maintaining and expanding transportation for seniors and people with disabilities. In late 2019, the RTC initiated development of a strategic implementation plan for the measure that would also assess potential bonding opportunities. The 2020 Measure D Strategic Implementation Plan is intended to serve as the guiding policy and programming document for the implementation of regional Measure D projects. Santa Cruz County is one of 25 self-help counties in California.
3. Several large projects were accomplished during the audit period, including the adoption of the Final Unified Corridor Investment Study in January 2019, which would involve collaboration with Santa Cruz METRO on an alternatives analysis for high-capacity transit options along the Santa Cruz Branch Rail Line right-of-way. The Highway 9/San Lorenzo Valley Complete Streets Corridor Plan was completed in June 2019. Designations as a Rail/Trail Authority and construction management authority place the RTC in a unique role of evolving from a purely transportation planning agency to a project implementation agency offering multimodal transportation options.
4. Interviews with RTC commissioners provided overall high ratings for staff and activities undertaken during the audit period. Management and staff are professional, focused, and responsive. The new executive director is seen as providing greater transparency and objectivity with Commission functions.
5. RTC initiated the development of the 2045 Regional Transportation Plan (RTP). Addressing all required elements including policy, action, and financial, the RTP is a comprehensive planning document that identifies the goals, projects, and programs that will maintain and improve the transportation system over the next 20 years. The work plan for the RTP update was presented in May 2019. New project ideas for the 2045 RTP were solicited through March 2020. The cost of implementation is approximately \$9.7 billion, whereas the estimated funds available through 2045 is approximately \$5 billion.

6. Despite no TDA funds being allocated for streets and roads, the RTC continues with an unmet transit needs process that involves obtaining public input and coordinating with the Elderly & Disabled Transportation Advisory Committee (E&D TAC) and Santa Cruz METRO to update the Unmet Specialized Transportation/Transit Needs List. The Commission also formally adopts the list in a sign of agreement. A public hearing is held annually in compliance with the law.
7. TDA claims submitted to the RTC are required to include detailed past and budgeted information to support the claims. The claims forms are reviewed by different Commission staff versed in their respective transportation expertise. Claims for transit and specialized transportation services, and claims for pedestrian improvements, are also reviewed by the E&D TAC. TDA claims for bicycle projects are reviewed by the Bicycle Advisory Committee.
8. The Commission's *Rules & Regulations* serves as an in-house TDA manual documenting the claims administration process by the RTC. In addition to the checklist of items to submit with the claim, RTC began requiring transit claimants to sign off on a standard assurances form to confirm compliance with different TDA measures.
9. RTC's public outreach focus has been to communicate its mission more effectively while working in close coordination with local jurisdictions and stakeholders. The Commission supports efforts that increase walking, biking, ride sharing, telecommuting, and taking public transit. The RTC offers transportation demand management (TDM) services under the Cruz511 program and encourages travelers to maximize the efficiency of the existing transportation system by providing information and resources to choose sustainable modes of transportation. Cruz511 also partnered with Ecology Action to provide virtual commute workshops to employers and their employees.
10. In 2019, the RTC entered into an agreement with RideAmigos which is a private third-party vendor that manages commuter programs for organizations across the United States. This agreement allows the use of their commute management platform to provide carpool and vanpool matching, multi-modal trip planning, and employer tools to setup commuter challenges and rewards programs. The program has a dedicated website (<https://rideamigos.com/>). The program has 2,200 participants, of which 30 percent of commuters are cyclists.
11. RTC first partnered with the City of Santa Cruz to lead a small-scale implementation with downtown employees, and in October 2019 the city launched "GO Santa Cruz". In April 2021, the RTC expanded GO Santa Cruz to employers and commuters countywide and renamed the platform GO Santa Cruz County. Staff also partnered with regional employers to help establish and expand worksite commuter programs using the GO Santa Cruz County platform.



Four recommendations are provided to improve the RTC's administration and management relating to the TDA:

**1. Continue to ensure that the transit operator TDA process is consistent with the updated RTC rules and regulations.**

This recommendation is being forwarded in this audit for full implementation. RTC's revised *Rules and Regulations* manual outlines the changes made to the TDA process enacted by state legislation such as SB 508. Some of the changes also directly impact the content of the TDA claim form for transit, which should be revised concurrently with the manual. The resolution accompanying the FY 2020–21 TDA claim for Santa Cruz METRO cites that “the level of passenger fares and charges is sufficient to enable METRO to meet the fare revenue requirements of PUC sections 99268.1 or 99268.2b as an older operator.” On the claim form itself, #24 displays a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, included in the footnotes section is a reference to the additional exclusions from operating cost above the consumer price index for fuel, alternative fuel programs, power, insurance premiums and payments in settlement of claims, and state and federal mandates in calculating urban/rural farebox recovery.

This is an indication of some changes made to the Santa Cruz METRO TDA claim submittal. However, further clarification is warranted regarding the performance eligibility for Santa Cruz METRO. It is also noted that #23 of the Santa Cruz METRO FY 2020–21 TDA claim addresses the progress made towards implementation of prior audit recommendations. The recommendations cited do not reflect the most recent prior triennial performance audit for FYs 2016–2018 but those of the one prior (FY 2013–2015). It is suggested that the RTC and the operator ensure the accuracy of the recommendations being addressed. Nevertheless, it is acknowledged that the TDA claim form was updated to link the claim to the annual unmet needs list in 2022.

**2. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds.**

This recommendation is being forwarded in this audit for full implementation. Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, Santa Cruz METRO meets both requirements but the documentation stating eligibility is not consistent. For example, the TDA claims submitted to the RTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date.

The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and RTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation. This recommendation has been implemented with the submittal of the ensuing TDA claims; however, it is suggested that subsequent TDA claim guidelines clarify the proper criteria. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

### **3. Consider the development of a strategic plan.**

During the audit period, the RTC underwent a change in executive leadership and technical and administrative personnel. Stakeholder feedback from the commissioners expressed confidence in the new executive director, citing the higher level of transparency and objectivity with Commission functions. With the adoption of the 2020 Measure D Strategic Implementation Plan and the Final Unified Corridor Investment Study concerning the Santa Cruz Branch Rail Line and other transportation corridors, RTC has expanded its role from being a planning and programming agency to an implementation agency. The preparation of a strategic plan would examine RTC's internal organizational processes as well as contain metrics gauging the amount of staff time expended on each project or program. A 5- or 10-year strategic plan would also establish guiding principles of how the RTC can build upon its 50-year legacy as an RTPA, transportation authority and mobility facilitator by setting goals, objectives, and strategies for attaining its vision.

**4. Hold an annual Board retreat to foster better communication and cohesion among commissioners.**

Stakeholder interviews with commissioners revealed concerns about meeting and interpersonal dynamics. The Santa Cruz Branch Rail has become a contentious issue resulting in deadlock. There is a perception that the balance of representation has moved away from the incorporated cities to the county. One commissioner suggested that more contentious issues undergo more vetting through the Transportation Policy Workshop prior to being presented to the Commission. Meeting locations have generally alternated between the four cities to encourage participation by the communities and enhance the visibility of the RTC to the community. With the onset of the COVID-19 pandemic in 2020, meetings were moved to a virtual format through Community TV. As the RTC resumes in-person Commission meetings in a hybrid format, there is an opportunity to create a more collaborative environment. Scheduling an annual Board retreat would serve to foster better communication and cohesion among the commissioners.

## Section I

### Introduction – Initial Review of RTPA Functions

The Santa Cruz County Regional Transportation Commission (RTC, Commission) retained the firm Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2018–19, 2019–20, and 2020–21. As a Regional Transportation Planning Agency (RTPA), the RTC is required by California Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) in order to continue to receive TDA funding.

This performance audit, as required by the TDA, is intended to describe how well the RTC is meeting its obligations under the TDA.

### Overview of RTC

The RTC is responsible for delivering a full range of safe, convenient, reliable, and efficient transportation choices for the community. With a focus on long-term sustainability, the RTC plans, funds, and implements transportation projects and services. Working together with transportation partners, the RTC secures funding to maintain the existing transportation network as well as prepare for the transportation needs of the next generation. The RTC keeps residents, visitors, and businesses moving wherever they want to go and however they choose to get there.

The RTC was originally created in 1972 by statute establishing RTPAs. The agency later became a State-designated transportation planning agency under State Government Code Sections 67940 and 67941. The RTC comprises 12 voting members plus an ex officio member. Consistent with law, the governing body is composed of all five members of the Santa Cruz County Board of Supervisors, one member for each of the cities in the county (Capitola, Santa Cruz, Scotts Valley, and Watsonville), and three members appointed by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO). An alternate member may serve in the place of the regular member when the regular member is absent or disqualified from participating in a meeting of the governing body. A representative from Caltrans serves as an ex officio, non-voting member of the Commission.

State legislative approval of Senate Bill 465 in 2002 provided additional powers to the RTC to act as a Rail/Trail Authority. Government Code Section 67941 added powers of eminent domain and the power to preserve, acquire, construct, improve, and oversee multimodal transportation projects and services on rail rights-of-ways within Santa Cruz County in any manner that facilitates recreational, commuter, intercity, and intercounty travel. It also provides authority to the RTC to contract for any services to accomplish its purpose.

The RTC is guided by its published *Rules & Regulations*, updated in August 2017, which specifies its membership requirements and procedures for administering various funding sources. Among them are the procedures for establishing and processing TDA apportionments, which are a major funding source for RTC operations and multimodal transportation, including transit operations and pedestrian and bicycle projects. Funds are established to account for funds that are restricted for a specific project or use. Separate funds are established for programs including Administration, Planning & Rideshare; Rail/Trail Authority; Highway 1 Project Approval/Environmental Documentation; Service Authority for Freeway Emergency (SAFE); Freeway Service Patrol; RSTP Exchange; State Transit Assistance; and the TDA.

Santa Cruz County is located in the Central Coast region of California and forms the northern portion of Monterey Bay. The county is bordered by Santa Clara County to the east and northeast, Monterey County to the south, San Benito County to the southeast, and San Mateo County to the north. Established in 1850, the county was one of the original counties in California; the county's name means "holy cross" in Spanish. It has the second smallest geographic area of any county in California after the City and County of San Francisco. A demographic snapshot of key cities and the county is presented in Table I-1.

**Table I-1  
Santa Cruz County Demographics**

<b>City/Jurisdiction</b>	<b>2020 US Census Population</b>	<b>Change from 2010 US Census (percentage)</b>	<b>Population 65 Years &amp; Older (percentage)</b>	<b>2022 California DOF Estimates</b>	<b>Land Area (in square miles)</b>
Capitola	9,938	+0.2%	23.9%	9,794	1.59
Santa Cruz	62,956	+5.0%	12.3%	64,075	12.74
Scotts Valley	12,224	+5.6%	17.0%	12,049	4.60
Watsonville	52,590	+2.7%	10.2%	50,669	6.69
Unincorporated Area	133,153	+2.6%	22.0%	129,977	419.55
<b>Total Santa Cruz County</b>	<b>270,861</b>	<b>+3.2%</b>	<b>17.3%</b>	<b>266,564</b>	<b>445.17</b>

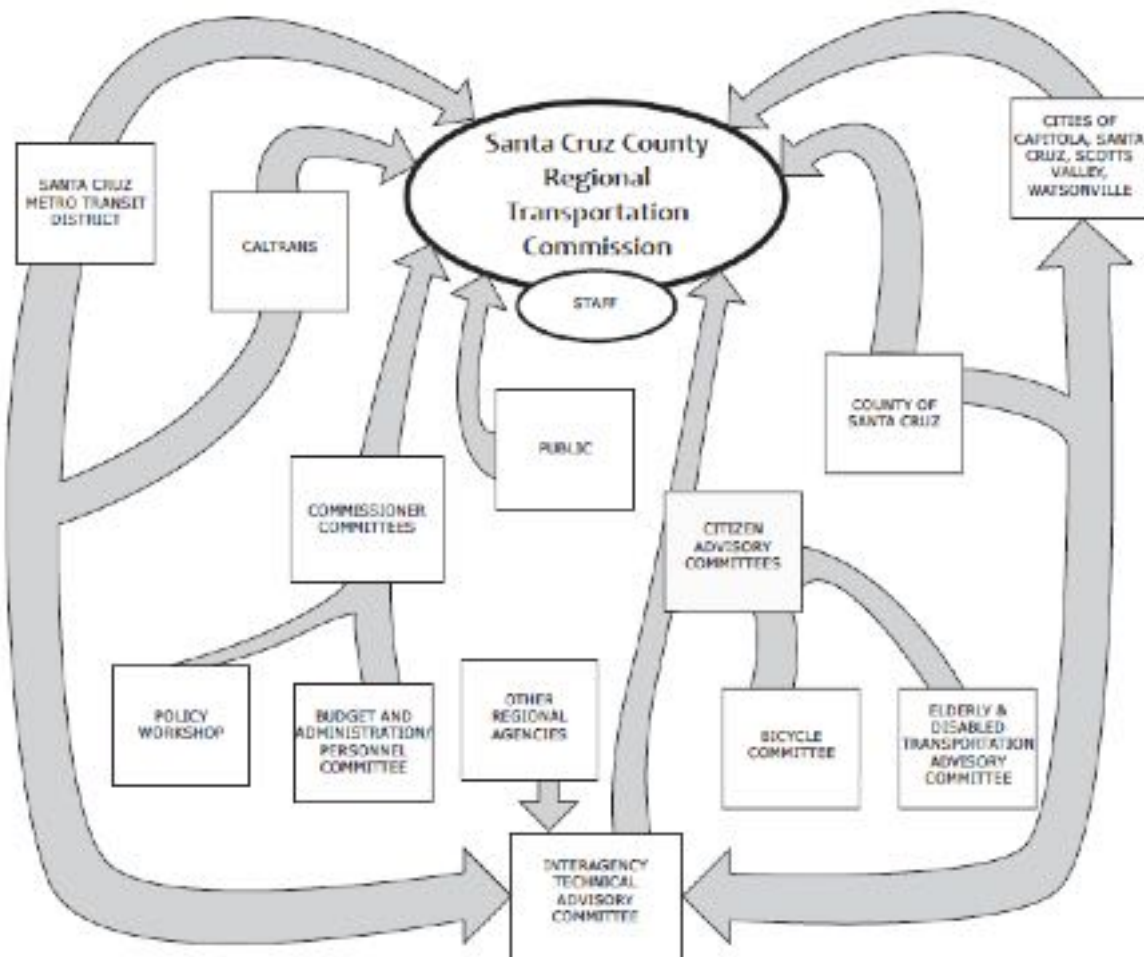
*Source: 2020 US Census; California Department of Finance 2022 Population Estimates*

The City of Santa Cruz is the county seat and the largest city in the county. The county and its four incorporated cities saw modest growth between 2010 and 2020, as recorded in the US Census for each of those years. Scotts Valley had the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 17.3 percent countywide. The 2022 population for Santa Cruz County is estimated to be 266,564, as reported by the California Department of Finance.

## **Organizational Structure**

RTC staff offer administrative, technical, and policy recommendations to the Commission on decisions affecting transportation. Figure I-1 shows the current organization chart.

Figure I-1 RTC Organization Chart



Source: SCCRTC

As mentioned above, the Commission's governing board consists of five members of the Santa Cruz County Board of Supervisors, one member of the Watsonville, Santa Cruz, Scotts Valley and Capitola City Councils and three members appointed by Santa Cruz METRO. The Caltrans District 5 Director serves as an ex-officio member of the Commission. Regular meetings of the Commission are held the first and third Thursdays of the month at 9:00 a.m. Meetings are not convened in July. RTC meetings are generally televised on Community TV and include a full agenda on a wide range of topics. The RTC convenes on the first Thursday of the month and covers a full agenda on the scope of the RTC's work. The Transportation Policy Workshop meetings offer a forum for more informal and in-depth discussion on a limited set of agenda topics. The workshop meets on the third Thursday at 9:00 a.m. as needed.

In addition to the governing board, there are a number of committees and a task force. Each is briefly described below:

- Budget, Administration & Personnel Committee

- Elderly & Disabled Transportation Advisory Committee
- Bicycle Advisory Committee
- Interagency Technical Advisory Committee
- Measure D Taxpayer Oversight Committee
- Traffic Operations System Oversight and SAFE on 17 Task Force

*Budget, Administration & Personnel Committee:* This committee provides oversight with respect to Commission administration, budget, policy, finance, audit, and personnel issues and makes recommendations to the RTC on these matters. The committee consists of six commissioners elected annually by the RTC. The committee elects a chair each year and meets at least once a quarter.

*Elderly & Disabled Transportation Advisory Committee (E&D TAC):* The E&D TAC serves as the Paratransit Advisory Council and the Social Services Transportation Advisory Council (SSTAC) required by TDA statute. The E&D TAC advises the RTC and other transportation agencies on the network of specialized transportation services for seniors and people with disabilities in Santa Cruz County, as well as about the transportation needs of these members of the community. In its capacity as the local SSTAC, the State-required entity seeks input from transit-dependent and transit-disadvantaged persons, including seniors, people with disabilities, low-income persons, and youth regarding transit needs in Santa Cruz County. The E&D TAC has 15 members comprising citizen, service provider, and agency representatives. The minimum membership for the SSTAC is nine; however, the Commission exceeds this participatory amount by including individuals representing elderly and/or disabled interests from each of the five supervisory districts, and a representative from Santa Cruz METRO. The E&D TAC meets the second Tuesday of every even-numbered month at 1:30 p.m. One meeting annually is scheduled at an appropriate location outside of the City of Santa Cruz and in proximity to a major transit route.

*Bicycle Advisory Committee (BAC):* The BAC serves in an advisory capacity to the RTC and its member agencies on bicycle-related issues, policies, plans, programs, and projects. Its responsibilities include advising on bicycle-related issues; reviewing proposed bicycle-related policies, programs, projects, plans, funding applications, and legislation; providing input on existing roadway/bikeway conditions that affect cycling; reviewing and approving Bikes Secure (bike parking subsidy) applications; developing bike projects for future implementation; and coordinating with local jurisdictions and bicycle-related organizations to promote cycling projects and programs. The 11-member committee comprises volunteers representing each of the five supervisorial districts, each of the four cities, Bike to Work, and the Community Traffic Safety Coalition. The committee meets the second Monday of every other month, or as needed, from 6:00 p.m. to 8:30 p.m. The time may be changed by the committee with a majority vote.

Interagency Technical Advisory Committee (ITAC): The ITAC comprises staff from a variety of jurisdictions and agencies. The ITAC reviews and provides technical advice on transportation projects and programs in the region; coordinates and provides recommendations to the RTC on the use of transportation funds; and serves as a forum for sharing information on transportation projects and federal and state requirements for project implementation. There are 16 voting members and ex officio members drawing from agencies including City and County Public Works staffs; City and County Planning staffs; Santa Cruz METRO; Caltrans District 5; the Association of Monterey Bay Area Governments; the Monterey Bay Air Resources District (ex officio member); transportation management associations; the University of California, Santa Cruz; Cabrillo College (ex officio member); and the California Highway Patrol (CHP; ex officio member). The ITAC meets on the third Thursday of the month at 1:30 p.m., or as needed.

Measure D Taxpayer Oversight Committee: The oversight committee reviews the annual independent fiscal audits of the expenditures of local Measure D, the 30-year countywide one-half-cent transportation sales tax that was approved by Santa Cruz County voters in November 2016. The committee is tasked with releasing an annual report on its findings regarding compliance with the requirements of the Measure D Expenditure Plan and the Ordinance. Per the voter-approved ordinance, the total membership of the committee shall not exceed five members, each one a non-elected official selected that represents the geographical, social, cultural, and economic diversity of Santa Cruz County to ensure maximum benefit for transportation users. The committee's membership includes at least one person with an accounting or fiscal management background. The committee meets at least once but no more than four times per year.

The responsibilities of the committee include:

- Reviewing Measure D Expenditure Plan expenditures on an annual basis to ensure they conform to the Ordinance;
- Reviewing the Measure D annual audit and report prepared by an independent auditor, describing how funds were spent; and
- Produce a publicly available Annual Report of Oversight Activities.

Traffic Operations System Oversight and SAFE on 17 Task Force: The task force meets jointly and regularly to share information about traffic operation systems in Santa Cruz County and about transportation projects and collisions on Highway 17. The task force is composed of staff from various entities across jurisdictional lines to help ensure coordination and collaboration and improved safety and also to help improve communication among the participating entities and with the public. The Highway 17 corridor was identified as a high collision corridor in 1998 as a result of collision data analysis and recommendations of local, regional, county, and state agencies. A task force was formed to develop collision-reducing strategies. Also, Santa Cruz County's transportation system runs more efficiently and safely due to several Traffic



Operations System components that provide the public with important information. Members represent the RTC, the San Francisco Bay Area's Metropolitan Transportation Commission, CHP, Caltrans, local law enforcement and fire departments, legislators' offices, and the media.

#### *Santa Cruz County Transit Operators*

Among its duties, RTC administers TDA funds for and monitors public transportation services in the county. Santa Cruz METRO is the public transit operator in Santa Cruz County and receives a majority of the jurisdictional Local Transportation Fund (LTF) allocation for transit services. Santa Cruz METRO was created in 1968 by the Santa Cruz Metropolitan District Act of 1967, a special district with taxing authority pursuant to Part 5 of the California PUC.

Community Bridges, the designated Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, operates several specialized transportation services under the Lift Line program. The organization was founded in 1977 and offers a variety of human services programs. Since 1982, Community Bridges has been offering transportation services through Lift Line as well as from taxi vehicles through the taxi scrip program.

The Santa Cruz Volunteer Center offers a variety of community-based programs targeted to the senior, disabled, family, and youth populations. The Volunteer Center Transportation Program provides free rides to ambulatory seniors and disabled people throughout the county. The program matches drivers with seniors aged 60 and older and persons with disabilities for essential trips to access medical appointments, banking, pharmacies, and grocery shopping.

As required by the TDA, a triennial performance audit of the Santa Cruz County transit operators was also conducted and is provided under separate cover.

## Audit Methodology

To gather information for this performance audit, Michael Baker accomplished the following activities:

- Document Review: Conducted an extensive review of documents, including various RTC files and internal reports, committee agendas, and public documents.
- Interviews: Conducted in-person interviews with RTC staff and telephone interviews with commissioners. In-person interviews were also held with the transit operators, including Santa Cruz METRO, to gain their perspectives about the agency's efficiency and economy.
- Analysis: Evaluated the responses from the interviews as well as the documents reviewed about the RTC's responsibilities, functions, and performance to TDA guidelines and regulations.

All the activities described above were intended to provide information necessary to assess RTC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four sections. In Section II, Michael Baker reviews the compliance requirements of the TDA administrative process. Section III describes the RTC's responses to the recommendations in the previous performance audit. In Section IV, Michael Baker reviews the RTC's functions in detail, while Section V summarizes our findings and recommendations.

## Section II

### Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, which was developed by Caltrans to assess transit operators' conformance with the TDA. Our findings concerning the RTC's compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	The <i>RTC Rules &amp; Regulations</i> manual, which was revised in August 2017, specifies the requirements for apportionments. The primary claimant of the funds is Santa Cruz METRO. Other transit allocations are made to the City of Santa Cruz acting on behalf of Community Bridges and Volunteer Center for transit services. Allocations are also made to local jurisdictions for other uses, including pedestrian and bicycle projects.  <b>Conclusion: Complied.</b>
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Sections 99233.3 and 99234	The <i>RTC Rules &amp; Regulations</i> specifies the requirements for uses of LTF for pedestrian and bicycle projects. According to the document, rather than allocating under Article 3 (PUC Section 99233.3) which has funding allocation limitations for these uses (2 percent of the County's allocation), the RTC allocates funds under Article 8 of the TDA. An eligible claim for Article 8 includes planning and investment in pedestrian and bicycle facilities.  <b>Conclusion: Complied.</b>
The RTPA has established a social	Public Utilities Code,	The RTC has established an SSTAC as

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
services transportation advisory council. The RTPA must ensure that there is a citizen participation process which includes at least an annual public hearing.	Sections 99238 and 99238.5	<p>required under PUC Section 99238. The roles and responsibilities of the 15-member E&amp;D TAC, which serves as the SSTAC, are based on TDA guidelines. Additional members beyond the required positions include a member from Santa Cruz METRO and a representative from each county supervisorial district.</p> <p>Based on the member list on the RTC website, the committee has one vacancy (social service provider for the disabled-County) of the required positions. This is an improvement from the prior audit period in which there were two vacancies. The RTC has an application form available on its website to help fill the vacancies. A quorum is seven members, if all positions are full. Quorum is determined by the number of filled positions.</p> <p><b>Conclusion: Complied.</b></p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> <li>A committee for the purpose of providing advice on productivity improvements may be formed.</li> </ul>	Public Utilities Code, Section 99244	<p>The RTC actively monitors the activities of the transit systems in the county through various methods, including reviewing quarterly and annual performance reports that are submitted by the operators. While a committee for the purpose of advising on productivity improvements is not formed, the E&amp;D TAC, which includes Santa Cruz METRO as a member, also provides a venue for RTC discussion on transit activities and improvements.</p> <p>Through the commission of the triennial performance audit by the RTC, recommendations are made to improve the efficiency and economy</p>

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
<ul style="list-style-type: none"> <li>The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation.</li> </ul>		<p>of the transit systems. Santa Cruz METRO's Short-Range Transit Plan and Comprehensive Operations Analysis provide further areas for productivity improvements. Also, the annual TDA claims administered by the RTC present areas of improvement by transit, including progress in meeting performance goals and measures.</p> <p>Furthermore, each of the transit systems provides performance measures to the RTC on a quarterly and annual basis.</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).	Public Utilities Code, Section 99245	<p>Annual certified fiscal and compliance audits were completed for the transit claimants, including for Santa Cruz METRO and for City of Santa Cruz acting as the claimant for Community Bridges and Volunteer Center. For FYs 2019, 2020, and 2021, the annual financial audits were submitted within the 180-day period, in December each year.</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an	Public Utilities Code, Sections 99246 and 99248	<p>For the current three-year period, the RTC retained Michael Baker International to conduct the audit of the RTPA and the Santa Cruz County transit operators. Michael Baker International was retained to conduct the previous audit for the three fiscal years that ended June 30, 2018. Caltrans and RTC have granted extensions for submittal of the audits.</p> <p><b>Conclusion: Complied.</b></p>

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.		
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director, that the performance audits of the operators located in the area under its jurisdiction have been completed.	Public Utilities Code, Section 99246(c)	The RTC submitted a written letter dated July 26, 2018, to Caltrans certifying the preparation of its performance audit. The performance audit was submitted to Caltrans following its completion.  <b>Conclusion: Complied.</b>
The performance audit of the operator providing public transportation service shall include a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2	Public Utilities Code, Section 99246(d)	The performance audit of the Santa Cruz County transit operators includes all required elements.  <b>Conclusion: Complied.</b>
The RTPA has established rules	Public Utilities Code,	According to the SCCRTC 2017 <i>Rules &amp;</i>

TABLE II-1 RTC Compliance Requirements Matrix														
RTC Compliance Requirements	Reference	Compliance Efforts												
and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Section 99270.1 and 99270.2	<p><i>Regulations</i>, Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016–17, state law sets urban farebox at 20 percent and rural farebox at 10 percent. SCCRTC local policy continues to require Santa Cruz METRO to show different ratios for urban and rural service.</p> <p>In the annual claim forms, Santa Cruz METRO separately reports its urban and rural farebox recovery ratios and has complied with meeting the respective ratios:</p> <table border="1"> <tr> <th></th><th>Urban</th><th>Rural</th></tr> <tr> <td>FY 2019</td><td>20.7%</td><td>20.7%</td></tr> <tr> <td>FY 2020</td><td>20.3%</td><td>20.3%</td></tr> <tr> <td>FY 2021</td><td>18.8%</td><td>21.0%</td></tr> </table> <p>In addition to farebox recovery, the annual financial audit for Santa Cruz METRO indicates that the agency meets the 50 percent expenditure limitation under the TDA (PUC 99268) in lieu of meeting the farebox recovery requirement.</p> <p>Whichever requirement applies to Santa Cruz METRO, either farebox recovery or 50 percent expenditure limitation, LTF eligibility should be clarified between Santa Cruz METRO and the RTC. TDA law indicates only one of these two requirements applies (PUC 99268.2) if Santa Cruz METRO's claim for LTF remains below 50 percent of its operating costs.</p> <p><b>Conclusion: Complied.</b></p>		Urban	Rural	FY 2019	20.7%	20.7%	FY 2020	20.3%	20.3%	FY 2021	18.8%	21.0%
	Urban	Rural												
FY 2019	20.7%	20.7%												
FY 2020	20.3%	20.3%												
FY 2021	18.8%	21.0%												
The RTPA has adopted criteria,	Public Utilities Code,	The RTC has not adopted rules and												

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
rules and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.	Section 99275.5	regulations for Article 4.5 claims, as the agency does not disburse any TDA funds under this article section. The CTSA in the county is Community Bridges, which receives TDA Article 8 funds through the City of Santa Cruz acting as the claimant on behalf of the transit system. Likewise, Volunteer Center also receives Article 8 transit funds through the City of Santa Cruz.  <b>Conclusion: Not Applicable.</b>
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3 and Proposition 116	The RTC allocates State Transit Assistance (STA) funds to Santa Cruz METRO for transit purposes. The RTC may also allocate this portion of STA funding for community transportation services, which has been allocated to Community Bridges for that purpose in its FY 2020–21 claim.  <b>Conclusion: Complied.</b>
The amount received pursuant to Public Utilities Code, Section 99314.3; by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	Public Utilities Code, Section 99314.3	The RTC allocates operator revenue-based STA funds to Santa Cruz METRO in accordance with the amounts published by the State Controller's Office.  <b>Conclusion: Complied.</b>
If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually: <ul style="list-style-type: none"> <li>Consulted with the Social Services Transportation Advisory Council (SSTAC)</li> </ul>	Public Utilities Code, Section 99401.5	As no TDA funding is used for streets and roads, the RTC is not required to hold a formal unmet transit needs process under PUC Section 99401.5. However, the RTC continues to obtain input on potential transit needs from the community. The RTC works through the E&D TAC and cooperatively with Santa Cruz METRO for this process in which an Unmet Specialized Transportation/Transit Needs List is developed by staff.



TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
<p>established pursuant to Public Utilities Code, Section 99238;</p> <ul style="list-style-type: none"> <li>Identified transit needs, including: <ul style="list-style-type: none"> <li>Groups that are transit-dependent or transit disadvantaged,</li> <li>Adequacy of existing transit services to meet the needs of groups identified, and</li> <li>Analysis of potential alternatives to provide transportation services;</li> </ul> </li> <li>Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet;”</li> <li>Identified the unmet transit needs and those needs that are reasonable to meet; Adopted a finding that there are no unmet transit needs that are reasonable to meet; or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>		<p>During the annual public hearing, staff reports that the unmet needs list helps determine projects for funding when funding becomes available. The list is organized under general needs, paratransit needs, and transit needs and is prioritized within those categories. The transit needs process is addressed by the E&amp;D TAC through development and review of a draft and final list. The Commission adopts the Unmet Specialized Transportation/Transit Needs List each spring following a public hearing.</p> <p><b>Conclusion: Complied.</b></p>
<p>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year and must be</p>	<p>California Administrative Code, Section 6662</p>	<p>The accounting firm of Moss, Levy &amp; Hartzheim, LLP conducted the financial audit of the RTC on the following completion/submittal dates:</p> <p>FY 2019: June 24, 2020 FY 2020: April 22, 2021 FY 2021: March 9, 2022</p>

TABLE II-1 RTC Compliance Requirements Matrix		
RTC Compliance Requirements	Reference	Compliance Efforts
performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the transportation development act and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following the fiscal year close.		<p>The Audited Financial Statements and Compliance Reports were submitted to the State Controller within 12 months of the end of each fiscal year.</p> <p>The RTC also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close.</p> <p><b>Conclusion: Complied.</b></p>

### Findings from RTPA Compliance Requirements Matrix

The RTC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to the RTC pertains to adopting rules and regulations for TDA claims under Article 4.5. The RTC does not use this article section to disburse TDA funds. Rather, the CTSA (Community Bridges) receives TDA funds through the City of Santa Cruz as the claimant for Article 8.

Despite no TDA funds being allocated for streets and roads, the RTC continues with an unmet transit needs process that involves obtaining public input and coordinating with the E&D TAC and Santa Cruz METRO to annually update the Unmet Specialized Transportation/Transit Needs List. The annual update process serves as a tool to identify and prioritize potential transit service and facility improvements throughout the county.

The *RTC Rules & Regulations* manual was updated in August 2017 and provides the documented guidance for TDA fund administration and distribution. The rules describe the processes necessary to ensure the proper sequence of actions that are taken and the eligibility requirements for the claimants. Other components of the rules and regulations stipulate the flow of TDA apportionments that directly affect the budgeting for the RTC and its members.

The *Rules and Regulations* and TDA claims form show the qualifying criteria for the transit operators. One is for Santa Cruz METRO to meet the farebox recovery ratio or the 50 percent expenditure limitation. A prior audit recommendation suggested that Santa Cruz METRO and RTC discuss the applicability of each criterion and agree on which of the two should be used for compliance and eligibility for LTF. The TDA claims submitted to the RTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds.

In addition, Santa Cruz Volunteer Center has been subject to local match requirements for the TDA. Budgets for the volunteer driver program show generally include a 10 percent local match that would be provided through rider donations. However, based on the changes in service demand, rider donations have not been sufficient enough maintain the 10 percent match requirement. In lieu of a local match, Volunteer Center, in concert with the RTC, came up with a minimum number of riders—1,000—per quarter metric during the audit period.

Under PUC Section 99313, Community Bridges was apportioned \$100,000 in STA funding under the population-based formula in FY 2020–21. The STA funds are designated toward the expanded FTA Section 5310 Same Day and Out of County program helping to connect seniors, veterans, and children with complex health conditions with medical facilities.

TDA funds for bicycle and pedestrian projects are allocated under Article 8. Pedestrian and bicycle allocations under Article 3 are limited by state law to two percent of a County's apportionment. Pedestrian and bicycle allocations under Article 8 are not subject to this limitation and are therefore used by the SCCRTC instead of Article 3 monies to fund bicycle and pedestrian projects under the TDA. The allocations are made to support community programs such as the Community Traffic Safety Coalition, and Ride 'n Stride/Ecology Action's Walk Smart Program. Allocations are also made to the County and the cities for bicycle and pedestrian projects using a population formula after allocations are made to all other recipients of TDA funds.

## Section III

### Prior Triennial Performance Audit Recommendations

This chapter describes the RTC's responses to the recommendations included in the prior triennial performance audit. Each prior recommendation is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Include standard assurances form in TDA claims for transit.

*Background:* TDA claims submitted for transit funding must ensure compliance with a series of provisions in the TDA statute. These standard assurances are typically in a checklist format in the TDA claims and should be reviewed and signed off by the transit claimant prior to submittal of the claim. The RTC, in turn, would verify compliance for each applicable measure prior to approving the claim for funding. Standard assurances include completion of the annual fiscal and compliance audit and State Controller's Reports, and compliance with the farebox recovery ratio/50 percent eligibility requirement.

TDA requirements are currently covered by the RTC's claim form and claim review process, but the standard assurances forms add a tool in the process to provide a useful summary and checklist. Many of these standard assurances are featured in the compliance matrix section of the performance audit of the transit operators. In addition, a sample standard assurance checklist was included in the appendix of the prior performance audit for reference.

#### Actions taken by the RTC

Commission staff reviewed the sample assurance form included in the appendix of the prior audit and made the necessary adjustments in alignment with the existing TDA claim for transit. Standard assurances are intended as an easy checklist for both the operator and RTC to confirm and sign off that major TDA provisions are met as a condition of receiving the funds, such as completion of the annual fiscal and compliance audit and State Controller's Reports, and compliance with the farebox recovery ratio. RTC requested that the transit claimants use the form starting in FY 2020–21.

#### Conclusion

This recommendation has been implemented.

## Prior Recommendation 2

Make additional updates to the transit operator TDA process for consistency with the updated RTC rules and regulations.

*Background:* The prior audit noted that RTC’s revised *Rules & Regulations* manual outlined the changes made to the TDA process enacted by state legislation such as SB 508. Some of the changes also directly impact the content of the TDA claim form for transit, which should be revised concurrently with the manual. For example, using the FY 2018 TDA claim form, Items #23 (Farebox Recovery Ratio) and #24 (FY 1978-79 ratios) applicable to Santa Cruz METRO should be consistent with the RTC rules and regulations and new state law. Specifically, for #23, additional exclusions from operating cost above the consumer price index for fuel, alternative fuel programs, power, insurance premiums and payments in settlement of claims, and state and federal mandates should be added in the footnotes in calculating urban/rural farebox recovery. For #24, the language should be deleted all together as the law eliminates the requirement for a separate ratio for FY 1978–79.

As an added measure, it was recommended that the quarterly TDA reports submitted by Community Bridges for Lift Line as described in the TDA claim form include on-time performance of the service. Vehicle on-time arrival to pick up a passenger at the scheduled time is an important measure of operational effectiveness and customer service. The TDA claims submitted by Community Bridges describe the investment in automatic vehicle locator technology and mobile data computers, which enable more automation in the tracking of vehicle movement. The technology allows the collection of accurate data such as on-time performance, which should be on the list of performance metrics to include in the TDA quarterly report.

## Actions taken by the RTC

A review of the TDA claim forms submitted by the transit operators during the audit period found that some updates were made. The resolution accompanying the FY 2020–21 TDA claim for Santa Cruz METRO cites that “the level of passenger fares and charges is sufficient to enable METRO to meet the fare revenue requirements of PUC sections 99268.1 or 99268.2b as an older operator.” On the claim form itself, #24 displays a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, included in the footnotes section is a reference to the additional exclusions from operating cost above the consumer price index for fuel, alternative fuel programs, power, insurance premiums and payments in settlement of claims, and state and federal mandates in calculating urban/rural farebox recovery.

The FY 2020-21 TDA claim submitted by Community Bridges still references the utilization of automatic vehicle locator technology that integrates with its Trapeze dispatching software program as a means to gauge on-time performance. In response to a prior audit

recommendation discussed in the Santa Cruz Operators audit, Community Bridges contends that Lift Line has instituted a 30-minute pickup window in accordance with Americans with Disabilities Act guidelines. In addition, Lift Line has been in talks with the RTC as how to proceed and has been informed by the RTC that Lift Line will no longer be required to report on-time performance starting in FY 2020–21.

### Conclusion

This recommendation has been partially implemented with regard to some of the changes made to the Santa Cruz METRO TDA claim submittal. However, further clarification is warranted regarding the performance eligibility for Santa Cruz METRO. It is also noted that #23 of the Santa Cruz METRO FY 2020–21 TDA claim addresses the progress made toward implementation of prior audit recommendations. The recommendations cited do not reflect the most recent prior triennial performance audit for FYs 2016–18 but those of the one prior (FY 2013–2015). It is suggested that the RTC and the operator ensure the accuracy of the recommendations being addressed.

### Prior Recommendation 3

RTC and Santa Cruz METRO should clarify the performance eligibility criteria for TDA-Local Transportation Funds.

*Background:* Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-LTF. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Santa Cruz METRO met both requirements but the documentation stating eligibility was not consistent. For example, the TDA claims form and resolution stated that Santa Cruz METRO’s eligibility to receive LTF is from farebox compliance. However, its audited financial statements state that Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative farebox recovery ratio. Historically, the amount of LTF allocated to Santa Cruz METRO has not exceeded 50 percent of operating expenditures; hence, either criterion applies. Farebox recovery is an important performance measure that gauges transit operational efficiency and effectiveness.

It was suggested that Santa Cruz METRO and RTC discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF. The adopting resolution allocating LTF from RTC to Santa Cruz METRO showed farebox recovery. Should the 50 percent expenditure criteria be applied instead, the TDA claims form and resolution should be adjusted. Should farebox recovery remain the criteria, the Santa Cruz METRO audited financial statements should be modified to show audited farebox recovery rather than the 50 percent expenditure rule. This clarity would provide consistency in reporting of performance measures for LTF eligibility.

### Actions taken by the RTC

The TDA claims submitted to the RTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date. The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation.

### Conclusion

This recommendation is in the process of implementation with the submittal of the ensuing TDA claims and is being forward in this audit for full implementation. However, it is suggested that subsequent TDA claim guidelines continue to clarify the proper eligibility criteria.

### Prior Recommendation 4

The City of Santa Cruz, Volunteer Center, and RTC should discuss an alternative performance measure for TDA-Local Transportation Fund eligibility.

*Background:* LTF are allocated to Volunteer Center under a performance standard that a 10 percent local match be provided by Volunteer Center. However, based on the changes in service demand, rider donations have not been sufficient enough maintain the 10 percent match requirement. As the LTF revenue is claimed by the City of Santa Cruz on behalf of Volunteer Center through the TDA Article 8 program, the law provides latitude on the performance standard. In lieu of a local match, RTC, the City, and Volunteer Center should

discuss an alternative measure for LTF eligibility. The possibilities include using goals set in the TDA claim form, such as minimum ridership levels and number of unduplicated clients. Other data that is reported by Volunteer Center to the RTC for which a performance standard could be created include minimum number of ride requests unable to fill, and maintenance of driver availability for clients in each of the three travel areas of Santa Cruz, San Lorenzo Valley/Scotts Valley, and Watsonville. Given that the current standard for a local match cannot be met, another performance standard that is attainable yet provides a measure of service efficiency and effectiveness should be considered by the involved agencies.

#### Actions taken by the RTC

In response to this recommendation, the RTC, in concert with the City of Santa Cruz Volunteer Center, came up with a minimum number of riders—1,000—per quarter metric. In addition, it was recommended that volunteer drivers track actual time spent on trips with participants. Volunteer Center continues to encourage volunteers to track time in addition to mileage each month. In addition, the RTC has allowed Volunteer Center a certain degree of flexibility during the COVID-19 pandemic and wildfire response.

#### Conclusion

This recommendation has been implemented.



## Section IV

### Detailed Review of RTPA Functions

This section assesses in detail the RTC's functions and performance as an RTPA during this audit period. Using Caltrans's *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, the RTC's activities can be divided into the following activities:

- Administration and Management
- Transportation Planning and Regional Coordination
- TDA Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

#### Administration and Management

RTC staff is led by the executive director responsible for reporting to the Commission and facilitating the coordination of the transportation system in Santa Cruz County. Historically, the longevity of personnel at both the executive and professional staff levels has brought remarkable stability to the agency to address the various technical and policy issues. However, the Commission saw turnover in both its executive and professional staffing during the audit period. The Commission's long-time executive director retired in December 2018. A new executive director was appointed and has led the agency since December 2018.

There were seven staff departures during the audit period, including one senior-level planner, planning tech, an engineering intern, and several accounting staff. Six employees joined the agency during the period, including a senior engineer and two engineering interns. The RTC's long-tenured fiscal officer left the agency at the end of March 2019 and a new director of finance and budget was hired. At the end of FY 2020–21, there were 18 full- and part-time employees as well as one vacant administrative assistant position, which has since been filled. There are currently 20 full-time equivalent positions.

The RTC retains a contract with the County for certain functions like real estate and treasury. As of 2019, the RTC no longer uses County Counsel as its main legal counsel. The RTC has retained the law firm of Meyers Nave for legal services but continues to use County Counsel minimally for shared projects. Although the RTC does not employ a human resources officer, personnel management and other administrative functions are the responsibility of the administrative services officer. The agency contracts with vendors to offer health benefits and other coverage.

Retirement benefits are provided through California Public Employees' Retirement System, including voluntary contributions to a 457 Deferred Compensation Plan. Also, the RTC manages its own payroll using a web-based program. Staff evaluations are conducted for pay step increases until the employee reaches the maximum step.

Two employee unions are recognized: the RTC Association of Middle Managers (RAMM) representing four managers, and Service Employees International Union (SEIU) Local 521 representing planners, an accounting technician, and administrative employees. Both the RAMM and the SEIU memorandums of understanding (MOU) cover the period from April 1, 2018, through March 31, 2021, plus a side letter through March 31, 2022. The MOUs implemented a compensation study that was completed during the audit period with provisions for cost-of-living increases.

Each year, the RTC produces an annual Overall Work Program (OWP) along with the annual budget and makes amendments to the work program throughout the year as necessary. The OWP guides the allocation of staff resources to meet mandated responsibilities, including TDA LTF administration and RTC priorities, for the coming year. Key information for each work element is described, including financial data, project description, proposed federal expenditure, previous project accomplishments, and timelines and deliverables. The FY 2018–19 OWP contained 19 work elements, while the FY 2019–20 and the FY 2020–21 OWPs contained 17 work elements each. The annual work program's direct expenditures ranged between \$35.7 million and \$46.7 million annually for the three-year audit period based upon the work program funding summary. The RTC also addresses the planning factors listed in the federal Fixing America's Surface Transportation (FAST) Act and includes a matrix in the OWP indicating which planning factors are addressed by each work program element.

The RTC utilizes WinCAMS, an automated, modular cost and project accounting system originally designed and developed for government agencies looking to track costs. WinCAMS is developed by Cascade Software. In addition, the Santa Cruz County Public Works Department uses the program. WinCAMS offers unlimited ledger capacity and allows for the tracking of encumbrances and project time. Any designated employee can pull reports and receive push notifications for invoices. About four to five employees have been selected to train on the system.

Highlights of multimodal transportation initiatives and projects that the RTC has facilitated through its committees and partnerships that were either completed or underway during the audit period include the following:

#### Local Measure D

The November 2016 passage of Measure D, a 30-year countywide transportation one-half-cent transactions and use tax, has allowed RTC to become an implementation agency. Santa Cruz County is one of 25 self-help counties in California. Passage of the measure gives the RTC leverage to apply for other transportation-related funding from state and federal grant

programs as well as providing funding for transit services, infrastructure, major capital projects, some of the backlog of local road maintenance, and to maintain and expand transportation for seniors and people with disabilities. The funding includes 20 percent of Measure D funds to Santa Cruz METRO (16 percent) and Community Bridges, the CTSA (4 percent), as well as 8 percent to the preservation of railroad infrastructure. This significantly increases the amount of funds that are dedicated to transit services and infrastructure. Measure D generates an estimated \$25 million in revenues annually.

As part of the measure implementation, in late 2019 the RTC initiated development of the 2020 Measure D Strategic Implementation Plan, which would also assess potential bonding opportunities. The plan is intended to serve as the guiding policy and programming document for the implementation of regional Measure D projects. The RTC engaged in bonding education with the Board and added an amendment to the State Transportation Improvement Program (STIP). Included in the 2020 Strategic Implementation Plan are:

- Policies related to managing and expending sales tax revenues.
- Policies related to project delivery and management.
- Schedules and descriptions of programs and projects for the next five years.
- Financial planning strategies, including borrowing and investment approaches.
- Project implementation requirements such as audit and reporting requirements.

The measure's implementation and expenditures are overseen by the Measure D Taxpayer Oversight Committee. The committee is composed of five members, who are non-elected officials. The members are selected to represent each of the five supervisorial districts in the county to ensure good geographical representation. At least one of the members is a certified public accountant. Measure D contains a maintenance of effort requirement supported by audited financial data.

### *Santa Cruz Branch Rail Line*

The RTC acquired the Santa Cruz Branch Line from the Union Pacific Railroad in October 2012. The RTC is designated as a Rail/Trail Authority and construction management authority involved in engineering work to rehabilitate structures and award contracts for construction. The Commission is responsible for maintaining the portion of the right-of-way (ROW) outside of the railroad easement, which is defined as a 10-foot lateral width in each direction from the railroad centerline. Designations as a Rail/Trail Authority and construction management authority place the RTC in a unique role of evolving from a purely transportation planning agency to a project implementation agency offering multimodal transportation options. Internal goals and achievements must align with these multifaceted responsibilities, which the agency has exemplified through these large projects, among other functions. Challenges lie ahead, however, with regard to management of the rail corridor and its connectivity with the overall transportation network. The Rail/Trail Authority generates \$60,000 in lease revenues.

A preventative maintenance program for the Santa Cruz Branch Line Rail corridor includes a process for responding to maintenance reports from the community or local jurisdictions, and guidelines for regular maintenance inspections for preventative maintenance efforts. RTC staff procured on-call maintenance contractors for light civil/grading, vegetation control, encampment cleanup, no-trespassing signing installation, and graffiti abatement. In addition, the Commission adopted the Final Unified Corridor Investment Study in January 2019, which would involve collaboration with Santa Cruz METRO on an alternatives analysis for high-capacity transit options on the rail ROW. The RTC received a Caltrans State Highway Account Grant for \$100,000, was applied toward the alternatives analysis. The final Transit Corridor Alternatives Analysis identified electric rail transit as the preferred alternative for transit service in the corridor.

In another development, the RTC has been exploring railbanking opportunities along the corridor. Railbanking is a method by which freight rail lines proposed for abandonment can be preserved for future freight rail use through interim conversion to trail use, transit and other uses. To preserve the national railroad system, the federal government established railbanking in 1983 through the National Trails System Act (Rails to Trails Act). The Rails to Trails Act provides an alternative to completely abandoning a railroad right-of-way by allowing a railroad to negotiate a trail use agreement with a prospective trail sponsor.

### Coastal Rail Trail

The Monterey Bay Sanctuary Scenic Trail Network is an RTC-proposed 50-mile bicycle and pedestrian trail project. The spine of the trail network is composed of the 32-mile Coastal Rail Trail from Davenport to Watsonville, to build within or adjacent to the Commission-owned Branch Rail Line ROW. Initiation of projects began following adoption of the award-winning Master Plan, a document that serves as the guiding blueprint for the project's implementation. Thirteen miles of projects are in various stages of development and have been funded in full or in part. The Master Plan received the Outstanding Planning Document Award by the Association of Environmental Professionals.

The Commission is working with Central Federal Lands to implement a 7.5-mile north coast rail trail project for which a Federal Lands Access Grant had been awarded, with matching funds provided by the Land Trust of Santa Cruz County, the California Coastal Conservancy, and the Commission. The environmental impact report was certified in March 2019 and the RTC has been working with the Federal Highway Administration (FHWA) Central Federal Lands Highway Division (CFL) to complete the final design. The FHWA CFL finalized the environmental assessment pursuant to the National Environmental Policy Act in October 2021. Approximately 18 miles of trail are currently under development. To date, 1.3 miles of trail have been completed in Santa Cruz and another 0.50-mile segment was completed in Watsonville.

### Highway 1 Auxiliary Lanes

The Commission has been involved in the management and completion of a series of auxiliary lanes on Highway 1. The lanes extend the weaving and merging distance between the ramps and improve traffic flow by providing greater separation between vehicles entering and exiting the freeway from mainline traffic. In 2003, work began on the project approval/environmental documentation phase of the Highway 1 Corridor Investment Program.

During the audit period, the Commission has been focused on the environmental review and design of auxiliary lanes on Highway 1 between 41st Avenue and Soquel Drive with a pedestrian and bicycle overcrossing at Chanticleer Avenue.

The RTC awarded a contract to a professional engineering consultant to prepare the plans, specifications, and estimate (PS&E) package for the Highway 1 auxiliary lanes project. Measure D funds were used to expedite project delivery by advancing the PS&E phase concurrent with the environmental phase. The final design phase was completed in 2021 with construction commencing in 2022.

### Bus on Shoulder Feasibility Study

Increased levels of traffic congestion along the Highway 1 corridor have prompted the consideration of multimodal alternatives. Monterey-Salinas Transit (MST) approached Caltrans about the possibility of studying bus operations on the shoulders of Highway 1. Assembly Bill 946 (Stone) was passed in 2013 allowing Monterey and Santa Cruz Counties to operate buses on shoulders. The Commission participated in the Bus on Shoulder Feasibility Study, which evaluated the feasibility of operating buses on the shoulder of Highway 1 in Santa Cruz County. The feasibility study was completed in June 2018 and concluded that operating buses on the outside shoulders of Highway 1 is feasible and cost effective if implemented with the already planned auxiliary lanes projects on Highway 1. RTC staff has been working with Santa Cruz METRO, Caltrans, and CHP on an implementation strategy for the bus on shoulder project. A Concept of Operations document was released in May 2019, which provides the framework for the design, implementation, and operation of the facility.

### Highway 9/San Lorenzo Valley Complete Streets Corridor Plan

The RTC worked with the community to prepare a complete streets plan along the Highway 9 corridor through the San Lorenzo Valley. After an extensive public engagement process and community input, the RTC adopted the final corridor plan at its June 27, 2019, meeting. The corridor plan focuses on the section of Highway 9 which serves as the “Main Street” and economic center for the towns, villages, and communities of Felton, Ben Lomond, Brookdale, and Boulder Creek, as well as connecting county-maintained roads.

The Highway 9 Corridor Plan identifies over 30 priority projects for the corridors. Priorities identified in the plan include improving safety for pedestrians, bicyclists, and motorists; access to schools, businesses, residences, and transit; and traffic operations throughout this travel corridor.

Other multimodal transportation projects that the RTC has facilitated through its discretionary funding programs that are either completed or underway during the audit period include:

- Citywide Pavement Management, City of Capitola
- Highway 1/9 Intersection Modifications, City of Santa Cruz
- River Street Pavement Rehabilitation, City of Santa Cruz
- Pavement Management, Scotts Valley
- Sidewalk Masterplan Implementation, Scotts Valley
- Bicycle Safety Improvements (Green Lanes), Watsonville
- Watsonville Rail Trail from Watsonville Slough Trailhead to Ohlone Parkway
- Highway 17 to Soquel Corridor Resurfacing, County of Santa Cruz
- Santa Cruz METRO ParaCruz van replacement
- Aptos Creek Road Traffic Signal, Soquel Drive Sidewalks and Bike Lanes, County of Santa Cruz

Progress by the RTC is made through active support of the Commissioners. Regular monthly Commission meetings are held and are well attended by the commissioners, based on the auditor's review of meeting minutes during the audit period. This is an indication of the education, interest, and engagement by the commissioners on transportation topics. Transportation Policy Workshops are also held for an in-depth focus on specific items. Meeting locations have alternated between the four cities to encourage participation by the communities and enhance the visibility of the RTC to the community. With the onset of the COVID-19 pandemic in 2020, meetings were moved to a virtual format through Community TV Zoom. Assembly Bill 361, signed by the governor in September 2021, allows for continual virtual meetings by governmental bodies.

Telephone interviews with commissioners provided overall high ratings for staff and activities undertaken during the audit period. Highlights from the interviews include:

- RTC staff is professional, focused, and responsive. The new executive director has fostered an atmosphere of greater transparency and objectivity with Commission functions.
- Board representation has been fairly inclusive; however, there was some concern expressed that the County has more leverage with regard to certain issues than the Cities of Santa Cruz and Watsonville.

- The Commission has become more project-driven and is better able to anticipate issues on potential construction challenges. Local Measure D and SB 1 funding have helped to facilitate project delivery.
- Commissioners cited that the Rail Branch Line has become a contentious issue. Some commissioners have expressed the need for a more collaborative approach in order to break the deadlock. The executive director has sought to be objective by publishing a primer of frequently asked questions on the potential for railbanking along the Santa Cruz Branch Rail Line.
- While Commission votes are not always unanimous, the RTC works on issues through rigorous technical and policy explanations.
- It was suggested that contentious issues such as the Rail Line should be vetted before the Transportation Policy Workshop first before going before the Commission.
- The virtual meeting format over Zoom has proven to be awkward and challenging at times. Overall, meetings are well run, and staff are prepared and attentive to requests.
- It was suggested that commissioners have the contact information of the other commissioners and the alternates. Annual Board retreat would be useful in fostering a more collaborative and cohesive environment.
- Relations have been close between the Commission and Santa Cruz METRO. Commissioners expressed the need for further accountability for Measure D projects as well as the need for a strategic plan to analyze and assess internal processes.

## **Transportation Planning and Regional Coordination**

Projects approved for funding by the RTC are included in the Santa Cruz County Regional Transportation Improvement Program (RTIP), and/or the RTC budget and Measure D 5-year Program of Projects (5-year Plans). The RTIP identifies projects programmed to receive various state and federal funds, amends information on previously programmed projects, and acts as Santa Cruz County's proposal to the California Transportation Commission for programming STIP funds. Federally funded transportation projects, including those projects approved for funding by agencies other than the RTC, are included in the Federal Transportation Improvement Program developed by the Association of Monterey Bay Association of Governments (AMBAG).

TDA revenues in the county increased during the audit period with an improving economy but were met by increased demands for the revenue to offset higher transit operating costs as well as from work programs undertaken by the Commission. Other state and federal funds for overall transportation activity were also carefully monitored. RTC management worked with the commissioners to continue to fund programmed improvements.

During the audit period, the Commission adopted the 2020 RTIP following a public hearing at its December 5, 2019, meeting. RTC advisory committees reviewed the recommended projects for

inclusion into the RTIP in November 2019. Each funding cycle, the RTC establishes a process for programming discretionary funds. In some years, the RTC programs the region's discretionary funds through a consolidated competitive process. These discretionary funds include regional shares of Surface Transportation Block Grant Program/Regional Surface Transportation Exchange (STBG/RSTPX), STIP, new SB 1 Local Partnership Program-formula (LPP-f), and federal Highway Infrastructure Program (HIP) funds. At its September 5, 2019, meeting, the RTC indicated its intent to program the region's anticipated shares of STIP, HIP, and LPP-f funds to the Highway 1 Auxiliary Lanes/Bus on Shoulders projects and to program the majority of STBG/RSTPX by formula to eligible projects proposed by local jurisdictions.

Projects included in the 2020 RTIP encompassed projects carried forward from the 2018 STIP. The 2020 STIP Fund Estimate identified Santa Cruz County's programming target for the five years of the 2020 STIP cycle (FY 2020–21 through FY 2024–25) as \$5,083,000. This funding is made up of \$759,000 in unprogrammed balances, lapses from FY 2018–19 of \$950,000, formula distribution of \$2,317,000 for FY 2024–25 and \$1,057,000 in the 2020 STIP Base Formula Share (FY 2020–21 to FY 2023–24).

For programming of available transportation improvement program funds, the RTC holds a call for projects and hosts a workshop for applicants. The evaluation of project applications includes linking evaluation criteria to the Regional Transportation Plan (RTP) performance measure targets to achieve a balanced transportation system by mode and by geography. Project sponsors must follow state rules for environmental clearance and local matches. The TDA, as an example, is used as a local match for some transit and bicycle projects, while state toll credits can be used for federally funded projects. RTC staff maintain an Access database to track amendments submitted by project sponsors through correspondence to the Commission. A major amendment is required to go through the Commission's committees for review and approval. Staff conduct check-ins on the project sponsors about three times a year.

### Regional Transportation Plan

The 2040 RTP and corresponding environmental review was developed and adopted in June 2018. The RTP is incorporated into AMBAG's tri-county Metropolitan Transportation Plan/Sustainable Communities Strategy, which covers the counties of Santa Cruz, Monterey, and San Benito. The RTP's environmental impact report was developed by AMBAG. The 2040 RTP conforms to the mandates stipulated in California's Assembly Bill 32 and SB 375, which call for regions across California to reduce greenhouse gas emissions from cars and light trucks. The document is composed of an executive summary, nine chapters, and associated appendices. Chapters address sustainability, the transportation network, travel patterns, vision, and goals for 2040, funding, transportation investments, system performance, environmental and air quality, and emerging trends and opportunities. In addition, socioeconomic and demographic data were updated in the 2040 RTP.

During the audit period, RTC initiated the development of the 2045 RTP. Addressing all required elements including policy, action, and financial, the RTP is a comprehensive planning document



that identifies the goals, projects, and programs that will maintain and improve the transportation system over the next 20 years. The work plan for the RTP update was presented in May 2019. New project ideas for the 2045 RTP were solicited through March 2020. The RTC sought public input to help define the goals, targets, and policies for the plan, which were adopted at the February 6, 2020, Commission meeting. The RTC approved the draft financially constrained project list at the March 4, 2021, Commission meeting, which has since been updated for the final draft RTP based on input received. The list consists of approximately 360 projects that could be fully implemented and 150 projects that could be partially implemented over the time horizon of the RTP. The cost of implementation is approximately \$9.7 billion, whereas the estimated funds available through 2045 is approximately \$5 billion. The role of the RTP is to plan for a transportation system that will reduce the number of vehicle miles traveled through coordinated land use and transportation planning. The final plan reflects ideas, issues, and recommendations received from RTC committees, project sponsors, partner agencies, resource agencies, the public, and public interest groups at key milestones.

The goals for the 2045 RTP are as follows:

- **Goal 1:** Establish livable communities that improve people's access to jobs, schools, recreation, healthy lifestyles, and other regular needs in ways that improve health, reduce pollution, and retain money in the local economy.
- **Goal 2:** Reduce transportation related fatalities and injuries for all transportation modes.
- **Goal 3:** Deliver access and safety improvements cost effectively, within available revenues, equitably and responsive to the needs of all users of the transportation system and beneficially for the natural environment.

Public input is critical to the planning and decision-making process mandated by law. RTC staff conducted two years of extensive outreach in developing a vision for transportation in Santa Cruz County. As such, comments from a wide range of individuals, public interest groups, and local agencies were solicited during plan development. As outlined in the *2019 Public Participation Plan*, outreach for the RTP included a variety of public participation activities. The RTC's extensive public involvement process included public meetings, virtual and in-person workshops, news releases, online and phone surveys, a plan website (<https://scrtc.org/2045rtp>), social media engagement (Facebook, Twitter, and Nextdoor), radio and television interviews, and email notices to a broad range of over 1,000 individuals, groups, agencies, and stakeholders.

The use of social media continued to play a significant role to inform the community on how to get involved in the long-range transportation planning process. The RTC featured numerous discussions about the RTP on the agency's Nextdoor social media platform, which reaches 77 neighborhoods, and on Facebook, which provided yet another avenue for getting information to the public. The public was able to review proposed projects in which the RTC conducted scoring to create the constrained funding project list and an unconstrained list for the plan.

The 2045 RTP includes the following key proposals based on available funding:

- Maintenance of the existing transportation network including roads, highways, bike lanes, sidewalks, and transit;
- Safety and operational improvements to SR 1, 9, 17, 129, and 152;
- Addition of auxiliary lanes on SR 1 between Freedom Boulevard in Aptos and Soquel Avenue;
- Bicycle and pedestrian crossings over SR 1 at Chanticleer and Mar Vista;
- Modifications to major arterial roads, including intersection improvements and bus, pedestrian, and bicycle facilities;
- Freeway Service Patrol along SR 1 and SR 17;
- Expanded bus service for high ridership routes to serve University of California, Santa Cruz, South County, and San José commuters;
- Transit queue jumps and high occupant vehicle signal priority;
- Construction of the Monterey Bay Sanctuary Trail, the Pajaro River Trail, and the San Lorenzo Valley Trail;
- Local bicycle and pedestrian projects and programs designed to increase bicycle commuting, and provide safe bicycle and pedestrian routes to schools and key destination areas;
- Expansion of specialized transport services in response to projected increases in senior and disabled populations; and
- Individualized marketing programs to employers to increase carpooling and vanpooling.

The RTC released the draft 2045 RTP for public review and comment at the December 2, 2021, RTC meeting. The public comment period for the draft RTP was from December 2 through January 31, 2022. The RTC approved the final draft RTP at its March 3, 2022, meeting. The Final 2045 RTP is scheduled for adoption by the RTC on June 16, 2022.

## **TDA Claimant Relationships and Oversight**

This functional area addresses the RTC's administration of the provisions of the TDA. As LTF allocated to claimants have been used for public transit or non-roadway purposes, state law does not require the RTC to undertake a formal unmet transit needs process. However, the RTC is recognized for continuing a process of soliciting and maintaining an annual prioritized transit needs list and working with its committees and Santa Cruz METRO. Unmet needs on the list are kept until they are implemented or removed. The E&D TAC endeavors to hold one unmet needs meeting per year in the City of Watsonville per the RTC *Rules & Regulations* to schedule an

appropriate location outside of the City of Santa Cruz and in proximity to a major transit route. A public hearing is also held at a Commission meeting in Santa Cruz. The public hearing complies with the TDA statute that requires at least one public hearing in the citizen participation process (PUC Section 99238.5).

#### *RTC Administration and Planning*

The uses of TDA revenues apportioned to Santa Cruz County flow through a priority process prescribed in state law. The RTC is able to allocate LTF revenues for TDA administration and general planning. During the audit years of 2019 through 2021, the RTC claimed the amounts shown in Table IV-1.

**Table IV-1**  
**LTF Claims by the RTC for**  
**Administration and Planning**

<b>Fiscal Year</b>	<b>TDA Administration &amp; Planning</b>
2019	\$1,144,393
2020	\$1,182,670
2021	\$1,114,456

*Source: Annual RTC TDA apportionment*

Based on the above table, in FY 2019, the amount shown for administration and planning equaled approximately 11.4 percent of total LTF (\$10,063,403). In FY 2020, the amount was 11 percent (out of \$10,779,985), and for FY 2021, the amount was 11.1 percent (out of \$10,006,059). TDA planning is used for three programs: (1) General Planning; (2) Bike to Work; and (3) Bike & Pedestrian Safety (Community Traffic Safety Coalition and Ride & Stride Program). The Bike to Work and Bike & Pedestrian Safety programs are claimed by the Commission under Article 8 for Ecology Action and the County of Santa Cruz Health Services Agency, respectively, in helping to support community-based bicycle and pedestrian operations. The two entities submit claims for review by the Commission for their programs, which have been supported by the RTC for many years. LTF allocations for these programs are matched by local funding sources.

LTF funds are allocated to eligible agencies, including the RTC, Santa Cruz METRO for public transportation, the City of Santa Cruz as a pass-through for specialized transportation, and local jurisdictions for bike/pedestrian projects. The RTC has an existing adopted TDA reserve fund of at least 8 percent of the annual revenue estimate. Reserves are used due to a deficit in TDA revenues or a special allocation. This reserve fund can fluctuate in the RTC budget because it is dependent on carryover funds from one year to the next and it is used only to pay TDA recipients if revenues come in below estimates. The reserve is replenished, as the *RTC Rules and Regulations* indicate new allocations are to be made to the reserve fund as a first priority. The TDA reserve was replenished in FY 2020–21 in the amount of \$423,696 as shown in the annual apportionments.

### TDA Claim Processing

On an annual basis during this audit period, the RTC was responsible for managing the apportionment of between \$10.1 and \$10.8 million in LTF revenues and between \$3.4 and \$5.3 million in STA funds.

TDA claims are generally submitted by applicants prior to the fiscal year of the claim. To its credit, the RTC uses a detailed TDA claim form that requires detailed past and budgeted information to support the claims. The TDA claim form is applicable to either an Article 4 or Article 8 claimant, and the instructions in the form direct which sections need to be completed. The information provided by claimants ensures that proper information is submitted to justify the TDA claim. Among the required data for transit claims is the status of implementing prior audit recommendations and financial performance metrics. The claim form also incorporates a checklist of materials for claimants to include for each type of claim, whether for Article 4 or Article 8, and for transit systems such as CHP inspection certification and operating and capital plans. The checklist creates uniformity in the claims process and ensures that adequate information is provided to substantiate the claim for TDA revenues. Pedestrian/bicycle claims and transit claims are reviewed by different technical staff versed in their respective expertise. The E&D TAC also participates in the claims review prior to approval by the Commission, generally in May. Quarterly payments are then made to the claimants.

In addition to the checklist of items to submit with the claim, other RTPAs require transit claimants to sign off on a standard assurances form to confirm compliance with different TDA measures. These measures include completion and submittal of the annual financial audit and State Controller's Reports, among other requirements. A prior performance audit recommendation was made for RTC to include a standard assurance form in the claim package. RTC requested the transit claimants to use the form starting in FY 2020–21.

*Rules & Regulations* serves as an in-house TDA manual documenting the claims administration process by the RTC. Most recently updated in August 2017, the document provides guidance for TDA submissions but also describes the operating procedures for the Commission and for other funding programs, such as the RTIP and STP exchange. The latest update included modifications to areas recommended in the prior performance audit, clarification in terminology, membership and voting, and eligible funding programs. The RTC may also elect to designate a portion of TDA revenues for research and/or demonstration projects based on specific evaluation criteria.

### Transit Performance Monitoring

Each transit claimant provides performance measures to the RTC on a quarterly and annual basis, which are shared with the E&D TAC. The list of performance metrics slightly differs among the transit systems (Community Bridges, Volunteer Center, and Santa Cruz METRO) to reflect their system size and service modes. As several commissioners also serve on Santa Cruz

METRO's board, there is cross pollination of performance metrics review and regular monitoring of agendas. Documentation prepared by the transit systems shows their commitment to provide the information to the RTC as a condition of their receipt of TDA funds. The performance metrics for Santa Cruz METRO are listed in the TDA claims form and include those listed in Table IV-2.

**Table IV-2**  
**Santa Cruz METRO Performance Measures**

1.	Annual passengers	15.	Number of FTE employees (all employees, not just drivers)
2.	Rides/passenger trips provided by type (student, senior, adult, pass holders, etc., or however stats are kept) and amount of TDA funds used for each type of ride	16.	Vehicle service hours/employee*
3.	Annual service hours	17.	Number of routes
4.	Passengers per vehicle service hour*	18.	Average route length
5.	Annual service miles	19.	Average travel times/rider
6.	Number of fixed-route miles	20.	Number of bus stops
7.	Service area – square miles	21.	Number of vehicles in operation
8.	Service area population	22.	Number of monthly bus passes in circulation
9.	Passengers per vehicle service mile*	23.	Maximum vehicles in service at any time
10.	Average passengers per weekday	24.	Hours of service
11.	Total operating costs in budget	25.	Approximate number of unduplicated passengers
12.	Operating cost per vehicle service hour*	26.	Cost per unit of service plus text about long range plans to make/keep this low
13.	Total operating cost per passenger*	27.	Funds and percentage spent on administration/overhead/grantee allocation/etc.
14.	Average farebox revenue per passenger (describe what is included)	28.	Actual financials compared with budget
29.	Actual number of rides provided compared with goal and text about whether goal was met and why/why not		

\* Denotes TDA indicator

The performance indicators submitted by Community Bridges are shown in Table IV-3.

**Table IV-3**  
**Community Bridges Performance Measures**

1.	Unduplicated passengers per month	8.	Cancellations per month
2.	Total passenger trips (units of service) per month	9.	Donations per month
3.	Incidents per month	10.	Total operating cost per passenger*

4.	Accidents per month	11.	Total operating cost per vehicle service hour*
5.	Mechanical failures (including lift failure) per month	12.	Total passengers per vehicle service hour*
6.	No-shows per month	13.	Total passengers per vehicle service mile*
7.	Turndowns or referrals per month	14.	Van mileage per program

\* Denotes TDA indicator

The performance indicators submitted by Volunteer Center are shown in Table IV-4.

**Table IV-4**  
**Volunteer Center Performance Measures**

1.	Number of rides/deliveries provided	6.	Number of unduplicated passengers
2.	Trip destinations	7.	Number of requests for service
3.	Mileage claimed	8.	Number of turndowns
4.	Estimated total mileage	9.	Reason for turndowns
5.	Average length of trip	10.	Number of active volunteers
11.	Geographic distribution of clients		

The RTC is able to track and monitor transit operator trends using the above data and review them at E&D TAC meetings as well as with the Commission. The E&D TAC reviews transit data quarterly. Performance data prepared by the smaller operators are also submitted to the City of Santa Cruz as part of the conditions of the City claiming TDA funds on behalf of the agencies. As was discussed in the transit operator performance audit for this cycle, Community Bridges has enhanced capability to report on-time performance of its service vehicles using installed technology.

### Unmet Transit Needs

Although the RTC does not allocate TDA funds to local streets and roads projects, and therefore is not required to perform this analysis, the RTC endeavors to solicit regular input on unmet transit and paratransit needs to provide a useful tool to identify and prioritize needs in the region. Serving as the SSTAC council per TDA statutes, the E&D TAC regularly hears and considers unmet paratransit and transit needs in Santa Cruz County. Unmet paratransit and transit needs are those transportation needs which are not being met by the current public transit system, have community support, and do not duplicate transit services provided publicly or privately.

The annual unmet transit needs list is updated annually and involves a prioritization of needs (High-Medium-Low) combined with an enumerated graduated scale (1-2-3). High priority items are those needs that fill a gap or absence of ongoing service. Medium priority items supplement

existing service. Low priority items should be more specific and then be planned for, as funds become more available. The graduated scale indicates to what extent the need, if addressed, would increase the number of individuals who are within a 30-minute transit trip to key destinations; improve safety; support economic vitality by way of decreasing transportation costs; or improve cost-effectiveness of transportation services. The unmet needs list is substantiated with a series of strategies containing proposals and suggestions to address the need, including programs and projects.

Starting in 2022, the TDA claim form was updated to link the claim to the annual unmet needs list.

## **Marketing and Transportation Alternatives**

The RTC's public outreach focus has been to communicate its mission more effectively while working in close coordination with local jurisdictions and stakeholders. Public outreach efforts also include Spanish language to engage the Spanish speaking community. The Commission's communications specialist is tasked with engaging local stakeholders, monitoring, and posting to social media, and developing project fact sheets.

Public access and information about the RTC and its work is available through its home website (<https://sccrtc.org/>). The website was updated to be available in Spanish and other languages using Google Translate. The website contains information about the agency's role in current transportation projects and programming, transportation plans (RTP, RTIP, etc.), Commission meeting agendas and minutes, newsletters and issues, transportation links, and library listing of past projects and studies. RTC staff also maintain an active email database of stakeholders and members of the community for electronic transmission of information. Social media engagement is conducted through Facebook and Twitter. Website metrics are tracked through Google Analytics.

The RTC has offered alternative transportation options since 1979. One such medium has been Cruz511 (<http://cruz511.org/>), an online, centralized, multimodal traveler information service. The service provides travelers with real-time traffic conditions including travel speeds, images from traffic cameras, and incident and construction notifications. Cruz511 is managed by a transportation planner and the communications specialist works with the transportation planner on public outreach activities.

During the audit period, Cruz511 was further refined and streamlined to include programs such as real-time traffic alerts, links to the Caltrans QuickMap traffic conditions and CHP incident websites, a hotline providing information on local events, and a help desk where users can email inquiries. A county road map layer was added. Grassroots initiatives have included Cruz511 In My Neighborhood, which is a neighborhood-focused, door-to-door outreach effort that makes contact with prospects three times. Cruz511 also provides information on Santa Cruz METRO service changes and a transit cost calculator. Additional features planned include

automated vehicle locator feeds from Santa Cruz METRO and the ability to purchase transit passes online.

The Cruz511 website has since grown both in size and in popularity. From this organic growth, clients can receive a customized plan including making trips on transit. For added benefit, the RTC has an MOU with the Bay Area Metropolitan Transportation Commission to partner in an expanded online travel matching service for 12 San Francisco Bay Area counties. RTC first partnered with the City of Santa Cruz to lead a small-scale implementation with downtown employees, and in October 2019 the city launched “GO Santa Cruz”. In April 2021, the RTC expanded GO Santa Cruz to employers and commuters countywide and renamed the platform GO Santa Cruz County. Staff also partnered with regional employers to help establish and expand worksite commuter programs using the GO Santa Cruz County platform. GO Santa Cruz County features an online commute management tool available to employees who work or live in the county as well as incentives for using an alternative transportation mode through the Commute Rewards Program. Points can be accumulated and redeemed for gift cards.

Along with using performance indicators to measure the impact of transportation choices, Cruz511 offers users the ability to calculate the cost of their commute. The site includes web links to several tools that measure impacts such as the true cost of driving calculator, a calculator to compare the price of using public transportation with the cost of driving, and a side-by-side comparison of the impacts of various vehicles in terms of gas mileage, greenhouse gas emissions, air pollution, and safety.

In coordination with the Transportation Agency for Monterey County, RTC conducted a comprehensive Monterey Bay Area 511 Traveler Information System Feasibility and Implementation Study. The 511 service is a web-based multimodal trip planning tool providing information on traffic conditions, rideshare matching, transit routes and schedules, and bicycle commuting.

In 2019, the RTC entered into an agreement with RideAmigos which is a private third-party vendor that manages commuter programs for organizations across the United States. This agreement allows the use of their commute management platform to provide carpool and vanpool matching, multi-modal trip planning, and employer tools to setup commuter challenges and rewards programs. The program has a dedicated website (<https://rideamigos.com/>) featuring a toolbox of rideshare and commuter options as well as a blog and newsletter. The program also tracks performance measures for feedback on program success. The program has 2,200 participants, of which 30 percent of commuters are cyclists.

The Commission has been a conduit of funding to local community partners for alternative transportation campaigns. One such collaborative has been with Ecology Action, a local nonprofit that works with businesses in promoting sustainable practices and the reduction of carbon emissions. Through these partnerships, the RTC has provided grants in the amount of \$60,000 for Bike-to-Work Month and \$120,000 to the Traffic Safety Coalition. The RTC has also conducted outreach at the annual Santa Cruz County Fair in Watsonville and during Open



Streets Santa Cruz events. The Commission ensures that Spanish language interpreters are available for outreach efforts in Watsonville.

Further, the RTC engages in intercounty coordination with Santa Clara County entities. The Commission has been involved in interline agreements between the Santa Cruz METRO Highway 17 Express and the Capitol Corridor Joint Powers Authority (Amtrak), Altamont Corridor Express, Caltrain, and the Santa Clara Valley Transportation Authority. Approximately 20 percent of Santa Cruz County's workforce commutes to Santa Clara County.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the Commission. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The current Title VI Program was developed during the audit period and approved on December 2, 2021. Program compliance includes Title VI notices and complaint forms published in English and Spanish that are posted on the RTC website and in its offices. RTC's Title VI Policy Statement is also posted on the website (<https://sccrtc.org/about/title-vi-civil-rights-program/>).

## **Grant Applications and Management**

In Santa Cruz County, grant programming and management duties are shared between the RTC and AMBAG, which serves as the federal metropolitan planning organization for the three-county areas of Santa Cruz, Monterey, and San Benito. The RTC is responsible for selecting projects to receive regional shares of certain state and federal funds and monitoring use of the funds. AMBAG performs metropolitan-level transportation planning on behalf of the region. Among its many duties, AMBAG manages the region's transportation demand model and prepares regional housing, population, and employment forecasts that are used in a variety of regional plans. RTC and AMBAG relations have been positive in the coordination of activities that impact each of their respective planning and programming responsibilities.

RTC administers the Federal Transit Administration (FTA) 5310 Program for enhanced mobility for seniors and people with disabilities, including soliciting grant applications with the E&D TAC reviewing and scoring each submittal. The RTC approves the lists of projects. Committee members are invited to participate on the evaluation committee. FTA Section 5310 allows for the procurement of accessible vans and buses, communication equipment, and computer hardware and software for eligible applicants.

Local Measure D has allowed for greater leverage in the management and utilization of grant funding. Measure D funds are used as a local match for a variety of state and federal grant programs that RTC and transit operators rely upon. The adoption of the Strategic Implementation Plan has allowed RTC to match specific transportation improvement projects with potential grant and formula programs.

Local Measure D has allowed the RTC to better support specialized transportation services. Four percent of Measure D revenues are allocated to Community Bridges Lift Line, which has allowed for service expansion. The Lift Line Dial-A-Ride Program replaced two gas-powered shuttles with two electric vehicle shuttles. Two Level 2 electric charging stations are also included in the procurement. The Commission allocated \$62,000 in Measure D funding toward the project. Funding was also provided for Community Bridges to secure a permanent operations and maintenance facility in Watsonville.

Staff work with project sponsors and the ITAC to determine the most appropriate funding source (“color of funds”) for each project that is recommended and approved for funds, taking into consideration funding source-specific eligibility criteria, project schedules and potential delivery risks, size, and other factors. RTC also provides letter of concurrence to partner agencies to support their grant application submittals.

RTC also works with Caltrans and its grant funding partners to obtain Caltrans planning grants for special studies. Provided that RTC staff have good grant writing experience, staff provide assistance to local agencies that require help and RTC sponsorship for eligibility. This assistance further promotes the good relations between the RTC and its member agencies.

In February 2020, the RTC programmed \$350,000 in RSTPX funds that it made available through a competitive application process for non-municipal, non-County of Santa Cruz and non-Santa Cruz METRO projects. The approved projects included \$100,000 for Bike Santa Cruz County’s Project PASEO; \$50,000 to Ecology Action for BikeSmart and WalkSmart: Youth Bike & Walk Safety Education; and \$200,000 to Ecology Action for the Bike Challenge + to increase bike commuting.

Proposition 68, the Parks and Water Bond Act, passed by California voters in 2018, authorizes \$4.1 billion for state and local parks, natural resources protection, climate adaptation, water quality, and flood protection grant funding for trail development. RTC was able to secure funding through Proposition 68 for trail development.

## Section V

### Findings and Recommendations

The following summarizes the findings from the triennial audit covering FYs 2019 through 2021. A set of recommendations is then provided.

#### Findings

1. The RTC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to the RTC pertains to adopting rules and regulations for TDA claims under Article 4.5. The agency does not disburse any TDA funds under this article section. Rather, the CTSA in the county (Community Bridges) receives TDA Article 8 funds through the City of Santa Cruz acting as the claimant on behalf of the paratransit/community transportation system.
2. The RTC has implemented two of the four prior performance audit recommendations. The recommendations implemented pertained to the inclusion of a standard assurances form with the TDA claim submittal and the development of an alternative performance measure for TDA-Local Transportation Fund eligibility. The recommendation to update the transit operator TDA process for consistency with the updated RTC rules and regulations was partially implemented. The recommendation that Santa Cruz METRO should clarify the performance eligibility criteria for TDA-Local Transportation Funds was not implemented. Both of these recommendations are being forward in this audit for full implementation.
3. The Commission experienced changes in both its executive and professional staffing during and after the audit period. The Commission's long-time executive director retired from the agency in December 2018. A new executive director was appointed and has led the agency since December 2018. Historically, the longevity of personnel at both the executive and professional staff levels has brought remarkable stability to the agency in addressing various technical and policy issues.
4. Measure D, a 30-year, countywide transportation one-half-cent transactions and use tax, gives the RTC leverage in applying for other transportation-related funding from state and federal grant programs as well as providing funding for transit services and maintaining and expanding transportation for seniors and people with disabilities. In late 2019, the RTC initiated development of a strategic implementation plan for the measure that would also assess potential bonding opportunities. The 2020 Measure D Strategic Implementation Plan is intended to serve as the guiding policy and programming document for the implementation of regional Measure D projects. Santa Cruz County is one of 25 self-help counties in California.

5. Several large projects were accomplished during the audit period, including the adoption of the Final Unified Corridor Investment Study in January 2019, which would involve collaboration with Santa Cruz METRO on an alternatives analysis for high-capacity transit options along the Santa Cruz Branch Rail Line ROW. The Highway 9/San Lorenzo Valley Complete Streets Corridor Plan was completed in June 2019. Designations as a Rail/Trail Authority and construction management authority place the RTC in a unique role of evolving from a purely transportation planning agency to a project implementation agency offering multimodal transportation options.
6. Interviews with RTC commissioners provided overall high ratings for staff and activities undertaken during the audit period. Management and staff are professional, focused, and responsive. The new executive director is seen as providing greater transparency and objectivity with Commission functions.
7. RTC initiated the development of the 2045 RTP. Addressing all required elements including policy, action, and financial, the RTP is a comprehensive planning document that identifies the goals, projects, and programs that will maintain and improve the transportation system over the next 20 years. The work plan for the RTP update was presented in May 2019. New project ideas for the 2045 RTP were solicited through March 2020. The cost of implementation is approximately \$9.7 billion, whereas the estimated funds available through 2045 is approximately \$5 billion.
8. Despite no TDA funds being allocated for streets and roads, the RTC continues with an unmet transit needs process that involves obtaining public input and coordinating with the E&D TAC and Santa Cruz METRO to update the Unmet Specialized Transportation/Transit Needs List. The Commission also formally adopts the list in a sign of agreement. A public hearing is held annually in compliance with the law.
9. TDA claims submitted to the RTC are required to include detailed past and budgeted information to support the claims. The claims forms are reviewed by different Commission staff versed in their respective transportation expertise. Claims for transit and specialized transportation services, and claims for pedestrian improvements, are also reviewed by the E&D TAC. TDA claims for bicycle projects are reviewed by the Bicycle Advisory Committee.
10. The Commission's *Rules & Regulations* serves as an in-house TDA manual documenting the claims administration process by the RTC. In addition to the checklist of items to submit with the claim, RTC began requiring transit claimants to sign off on a standard assurances form to confirm compliance with different TDA measures.
12. RTC's public outreach focus has been to communicate its mission more effectively while working in close coordination with local jurisdictions and stakeholders. The Commission supports efforts that increase walking, biking, ride sharing, telecommuting, and taking public transit. The RTC offers transportation demand management (TDM) services under the Cruz511 program and encourages travelers to maximize the efficiency of the existing

transportation system by providing information and resources to choose sustainable modes of transportation. Cruz511 also partnered with Ecology Action to provide virtual commute workshops to employers and their employees.

13. In 2019, the RTC entered into an agreement with RideAmigos which is a private third-party vendor that manages commuter programs for organizations across the United States. This agreement allows the use of their commute management platform to provide carpool and vanpool matching, multi-modal trip planning, and employer tools to setup commuter challenges and rewards programs. The program has a dedicated website (<https://rideamigos.com/>). The program has 2,200 participants, of which 30 percent of commuters are cyclists.
14. RTC first partnered with the City of Santa Cruz to lead a small-scale implementation with downtown employees, and in October 2019 the city launched “GO Santa Cruz”. In April 2021, the RTC expanded GO Santa Cruz to employers and commuters countywide and renamed the platform GO Santa Cruz County. Staff also partnered with regional employers to help establish and expand worksite commuter programs using the GO Santa Cruz County platform.

## **Triennial Audit Recommendations**

### **1. Continue to ensure that the transit operator TDA process is consistent with the updated RTC rules and regulations.**

This recommendation is being forwarded in this audit for full implementation. RTC's revised *Rules and Regulations* manual outlines the changes made to the TDA process enacted by state legislation such as SB 508. Some of the changes also directly impact the content of the TDA claim form for transit, which should be revised concurrently with the manual. The resolution accompanying the FY 2020–21 TDA claim for Santa Cruz METRO cites that “the level of passenger fares and charges is sufficient to enable METRO to meet the fare revenue requirements of PUC sections 99268.1 or 99268.2b as an older operator.” On the claim form itself, #24 displays a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, included in the footnotes section is a reference to the additional exclusions from operating cost above the consumer price index for fuel, alternative fuel programs, power, insurance premiums and payments in settlement of claims, and state and federal mandates in calculating urban/rural farebox recovery.

This is an indication of some changes made to the Santa Cruz METRO TDA claim submittal. However, further clarification is warranted regarding the performance eligibility for Santa Cruz METRO. It is also noted that #23 of the Santa Cruz METRO FY 2020–21 TDA claim addresses the progress made towards implementation of prior audit recommendations. The recommendations cited do not reflect the most recent prior triennial performance audit for FYs 2016–2018 but those of the one prior (FY 2013–2015). It is suggested that the RTC and the operator ensure the accuracy of the recommendations being addressed. Nevertheless, it is acknowledged that the TDA claim form was updated to link the claim to the annual unmet needs list in 2022.

### **2. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds.**

This recommendation is being forwarded in this audit for full implementation. Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, Santa Cruz METRO meets both requirements but the documentation stating eligibility is not consistent. For example, the TDA claims submitted to the RTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date.

The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and RTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation. This recommendation has been implemented with the submittal of the ensuing TDA claims; however, it is suggested that subsequent TDA claim guidelines clarify the proper criteria. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

### **3. Consider the development of a strategic plan.**

During the audit period, the RTC underwent a change in executive leadership and technical and administrative personnel. Stakeholder feedback from the commissioners expressed confidence in the new executive director, citing the higher level of transparency and objectivity with Commission functions. With the adoption of the 2020 Measure D Strategic Implementation Plan and the Final Unified Corridor Investment Study concerning the Santa Cruz Branch Rail Line and other transportation corridors, RTC has expanded its role from being a planning and programming agency to an implementation agency. The preparation of a strategic plan would examine RTC's internal organizational processes as well as contain metrics gauging the amount of staff time expended on each project or program. A 5- or 10-year strategic plan would also establish guiding principles of how the RTC can build upon its 50-year legacy as an RTPA, transportation authority and mobility facilitator by setting goals, objectives, and strategies for attaining its vision.

**4. Hold an annual Board retreat to foster better communication and cohesion among commissioners.**

Stakeholder interviews with commissioners revealed concerns about meeting and interpersonal dynamics. The Santa Cruz Branch Rail has become a contentious issue resulting in deadlock. There is a perception that the balance of representation has moved away from the incorporated cities to the county. One commissioner suggested that more contentious issues undergo more vetting through the Transportation Policy Workshop prior to being presented to the Commission. Meeting locations have generally alternated between the four cities to encourage participation by the communities and enhance the visibility of the RTC to the community. With the onset of the COVID-19 pandemic in 2020, meetings were moved to a virtual format through Community TV. As the RTC resumes in-person Commission meetings in a hybrid format, there is an opportunity to create a more collaborative environment. Scheduling an annual Board retreat would serve to foster better communication and cohesion among the commissioners.





**FY 2019-2021  
Triennial Performance Audit of the  
Santa Cruz County Transit Operators**

***Final Draft***

**Submitted to  
Santa Cruz County  
Regional Transportation Commission**

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**Michael Baker**  
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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Santa Cruz County Regional Transportation Commission (SCCRTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Santa Cruz County. This performance audit is conducted for the Santa Cruz Metropolitan Transit District (Santa Cruz METRO, METRO), Community Bridges, and the Volunteer Center, covering the most recent triennial period, fiscal years 2018–19 through 2020–21.

The purpose of the performance audit is to evaluate the operators’ effectiveness and efficiency in their use of TDA funds to provide public transportation in their service areas. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the operators’ compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the operators are meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organizations and their operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, telephone interviews with board members, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide the development and conduct of the audit.

### Overview of the Transit System

#### *Santa Cruz Metropolitan Transit District (Santa Cruz METRO)*

Santa Cruz METRO was created in 1968 by the Santa Cruz Metropolitan District Act of 1967, a special district with taxing authority pursuant to Part 5 of the California PUC. Santa Cruz METRO initially provided public transit services to Santa Cruz, Capitola, and Live Oak. Service was eventually expanded to the San Lorenzo Valley, Scotts Valley, and Watsonville in 1974. In 1979, Santa Cruz County voters approved a measure that changed the district’s local financing structure from a property tax to a one-half-cent sales tax. The 1989 Loma Prieta earthquake, which resulted in the closure of State Route (SR) 17, prompted Santa Cruz METRO to provide an

emergency bus bridge between Santa Cruz, Scotts Valley, and San José. This service eventually evolved into the Highway 17 Express-Amtrak Thruway bus service in partnership with Amtrak California, the Capitol Corridor Joint Powers Authority, the San Joaquin Joint Powers Authority, and the Santa Clara Valley Transportation Authority (VTA). Santa Cruz METRO is governed by an 11-member Board of Directors comprising representatives of the Cities of Watsonville, Santa Cruz, Capitola, and Scotts Valley, and from the unincorporated areas of the county. In addition, there are two ex officio members representing the University of California, Santa Cruz (UCSC) and Cabrillo College.

### Community Bridges

Community Bridges, the designated Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, operates several specialized transportation services under the Lift Line program. The organization was founded in 1977 and offers a variety of human services programs encompassing family resources, nutrition, youth outreach, and transportation. Since 1982, Community Bridges has been offering transportation services through Lift Line as well as from taxi vehicles through the taxi scrip program. In November 2017, Community Bridges administration relocated from Aptos to Watsonville which, among other changes, enables transit administrative staff to be closer to the drivers and the operations facility located in Watsonville. A permanent operations/maintenance facility has since been developed in Watsonville, located at 545 Ohlone Parkway.

### Volunteer Center

The Santa Cruz Volunteer Center offers a variety of community-based programs targeted to seniors, persons with disabilities, families, and youth. The agency also serves as a resource for businesses, nonprofits, schools, government, and faith-based agencies that want to make a difference through effective, meaningful volunteer initiatives. The Volunteer Center Transportation Program provides free rides to ambulatory seniors, aged 60 and older, and disabled persons throughout the county. The program matches drivers with riders for essential trips to access medical appointments, banking, pharmacies, and grocery shopping.

### Transit Service Area

Santa Cruz County is located in the Central Coast region of California and forms the northern portion of Monterey Bay. The county is bordered by Santa Clara County to the east and northeast, Monterey County to the south, San Benito County to the southeast, and San Mateo County to the north. Established in 1850, the county was one of the original counties in California; the county's name means "holy cross" in Spanish. It has the second smallest geographic area of any county in California after the City and County of San Francisco. Agriculture, education, government services, health care, and tourism are mainstays of the local economy. Major highways traversing Santa Cruz County include SR 1, 9, 17, 35, 129, 152, and 236. SR 1 is the main coastal highway connecting the Cities of Capitola, Santa Cruz, and Watsonville. SR 17 is the main north-south highway connecting Santa Cruz and Scotts Valley

with San José and the Santa Clara Valley. A demographic snapshot of key cities and the county is presented in Table I-1.

**Table I-1**  
**Santa Cruz County Demographics**

<b>City/Jurisdiction</b>	<b>2020 US Census Population</b>	<b>Change from 2010 US Census (percentage)</b>	<b>Population 65 Years &amp; Older (percentage)</b>	<b>2022 California DOF Estimates</b>	<b>Land Area (in square miles)</b>
Capitola	9,938	+0.2%	23.9%	9,794	1.59
Santa Cruz	62,956	+5.0%	12.3%	64,075	12.74
Scotts Valley	12,224	+5.6%	17.0%	12,049	4.60
Watsonville	52,590	+2.7%	10.2%	50,669	6.69
Unincorporated Area	133,153	+2.6%	22.0%	129,977	419.55
<b>Total Santa Cruz County</b>	<b>270,861</b>	<b>+3.2%</b>	<b>17.3%</b>	<b>266,564</b>	<b>445.17</b>

*Source: 2020 US Census; California Department of Finance 2022 Population Estimates*

The City of Santa Cruz is the county seat and the largest city in the county. The county and its four incorporated cities saw modest growth between 2010 and 2020, as recorded in the US Census for each of those years. Scotts Valley had the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 17.3 percent countywide. The 2022 population for Santa Cruz County is estimated to be 266,564, as reported by the California Department of Finance.

### Transit System Characteristics

#### Santa Cruz METRO

Santa Cruz METRO operates fixed-route and Americans with Disabilities Act (ADA) compliant paratransit service within Santa Cruz County as well as commuter service to Santa Clara County along the SR 17 corridor. Santa Cruz METRO operates four transit centers, which provide connections between routes and other transit services. The main transit center is the Santa Cruz METRO Center (Pacific Station) located at 920 Pacific Avenue in Santa Cruz. The other three transit centers are Capitola Mall, Cavallaro (Scotts Valley), and Watsonville.

Transit services operate seven days a week with varying service hours based on the mode. Certain routes operate only during the school terms for the San Lorenzo Valley Unified School District, UCSC, and Cabrillo College. Local fixed route does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, but operates on the weekend schedule on the day after Thanksgiving, Christmas Eve, and New Year's Eve. The Highway 17 Express operates the weekend schedule on the aforementioned holidays. The METRO ParaCruz operates most holidays except on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Santa Cruz METRO operates 25 fixed routes, including the Highway 17 Express commuter route and the Watsonville Circulator. Headways range from 30 minutes to 60 minutes depending on the route, time of day, and day of the week. Certain routes operate during peak periods to serve students attending UCSC and Cabrillo College as well as local middle and secondary schools. It is noted that the service provided during the audit period underwent schedule adjustments due to the COVID-19 pandemic.

## Fares

Santa Cruz METRO fare media comprise cash and several pass options based on the number of days and rides. All Santa Cruz METRO day passes are good for unlimited rides in Santa Cruz County, excluding the Highway 17 Express route. All Highway 17 Express passes are good for unlimited rides on all Santa Cruz METRO and VTA local routes. Santa Cruz METRO also offers a cash card with no expiration date that is available in denominations of \$10, \$20, \$30, and \$50. Electronic plastic smart cards, including the METRO CRUZ pass and CRUZ Cash cards, are reloadable and are read by tapping the GFI Odyssey electronic fareboxes on the Santa Cruz METRO buses. In addition to the CRUZ cards, METRO implemented mobile ticketing during the audit period with the Splash Pass. The riders can purchase tickets through the Splash Pass app, which can be downloaded using their Apple or Android smartphones (<https://scmttd.apps>). Transfers to Monterey Salinas Transit buses are available for passengers from certain Santa Cruz METRO routes at the Watsonville Transit Center and the Pacific Station. The current fare structure for Santa Cruz METRO and the Highway 17 Express is summarized in Table I-2.

**Table I-2**  
**Santa Cruz METRO and Amtrak Highway 17 Express Fare Schedule**

Fare Category	Regular Santa Cruz METRO Service						Highway 17 Express			
	Cash	Day Pass	3-Day Pass	7-Day Pass	31-Day Pass	15-Ride Pass	Cash	Day Pass	31-Day Pass	15-Ride Pass
Adult (Age 18+)	\$2	\$6	\$15	\$32	\$65	\$27	\$7	\$14	\$145	\$94.50
Youth (Through Age 17)	\$2	\$6	\$15	\$32	\$48	\$27	\$7	\$14	\$145	\$94.50
Discount Fare	\$1	\$3	\$7.50	\$16	\$32	\$13.50	\$3.50	\$14	\$145	\$94.50
Child (Under 46" Tall)	Free, limit of three children with a fare-paying adult (Height is marked at bus entrance)									

Source: Santa Cruz METRO, <https://www.scmttd.com/en/>

Note: Beginning November 1, 2019, customers who are legally blind may ride the Santa Cruz METRO fixed-route bus system for free as a way to resolve some concerns raised by visually impaired riders who had difficulty using the ticket vending machines.

Santa Cruz METRO discount fares and passes are available to eligible seniors and persons with disabilities by presenting the following forms of identification:

- A METRO Discount photo ID card
- A METRO ParaCruz ID card

- A Discount photo ID card/Paratransit ID card issued by another transit agency
- A senior citizen ID card
- A Medicare ID card
- Current state driver's license or current state ID card
- Government-issued ID that displays date of birth
- A valid ID card for California disabled person parking placard
- A disabled veteran's ID card

#### METRO ParaCruz Paratransit

Through its ParaCruz service, Santa Cruz METRO provides door-to-door paratransit service to any destination within Santa Cruz County that is within 0.75 miles of an operating fixed route. Eligibility for this complementary ADA paratransit service is determined through an in-person interview. METRO ParaCruz operates on days and hours that reflect the local fixed-route bus service in the same area. ParaCruz does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving, or Christmas Day. Rides must be reserved at least one day in advance between the hours of 8:00 a.m. and 5:00 p.m. The ParaCruz fare is \$4.00 per one-way trip equivalent to a single fixed-route bus fare, and \$6.00 maximum per one-way trip if equivalent to two or more fixed-route bus fares. Premium fares are charged for will-call returns (\$8.00) and for a re-dispatched vehicle (\$16.00). A personal care attendant accompanying a fare-paying passenger rides free if an attendant is determined necessary during the transit evaluation interview.

#### METRO Cruz On-Demand

In April 2021, METRO launched an on-demand transit pilot program branded as Cruz On-Demand. This program allows for increased service coverage in Santa Cruz County, which extends 0.75 miles from any of METRO's fixed routes excluding the Highway 17 Route and the UCSC campus. Cruz On-Demand is a shared-ride service that utilizes smaller vans operated by ParaCruz operators. Cruz On-Demand fares are \$4.00 for trips up to 2 miles and \$6.00 for trips from 2 to 3 miles. Rides can be scheduled through METRO's Ecolane mobile app.

#### Santa Cruz METRO Fleet

There were 93 vehicles in the Santa Cruz METRO fixed-route active fleet during the audit period. Older vehicles are diesel-powered, whereas later-model vehicles are powered by compressed natural gas (CNG). A number of older vehicles were replaced, which was an initiative for the agency to reduce costs. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-3 shows the active vehicle fleet information.

**Table I-3**  
**Santa Cruz METRO Transit Fleet**

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
1998	New Flyer D35LF	8	30 (2 W/C)	Diesel
1998	New Flyer D40LF	3	39 (2 W/C)	Diesel
2002	New Flyer D60LF	4	57 (2 W/C)	Diesel
2003	New Flyer D35LFC	11	30 (2 W/C)	CNG
2003	New Flyer D40LFC	9	39 (2 W/C)	CNG
2006	New Flyer C40LF	2	39 (2 W/C)	CNG
2008	New Flyer C40LF	8	39 (2 W/C)	CNG
2008	New Flyer C40LF	5	36 (2 W/C)	CNG
2010	New Flyer C40LFR	5	39 (2 W/C)	CNG
2011	New Flyer C40LFR	11	39 (2 W/C)	CNG
2013	New Flyer XN35	6	28 (2 W/C)	CNG
2014	Gillig Low Floor	10	39 (2 W/C)	Diesel Hybrid
2016	New Flyer XN40	3	40 (2 W/C)	CNG
2019	Gillig Low Floor	5	38 (2 W/C)	CNG
2020	Gillig Low Floor	1	38 (2 W/C)	CNG
2020	Proterra ZX5 Max	2	38 (2 W/C)	Battery Electric
<b>Total</b>		<b>93</b>		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C-Wheelchair

ParaCruz operates a fleet of 32 unleaded gasoline-powered vehicles. The fleet varies in type and passenger capacity. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-4 summarizes the ParaCruz fleet.

**Table I-4**  
**ParaCruz Fleet**

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2003	Ford Goshen GCII	2	17 (2 W/C)	Gas
2011	Ford E350 - Versa Shuttle	3	4 (1 W/C)	Gas
2011	Ford E350 – Versa Shuttle	4	5 (1 W/C)	Gas
2011	Dodge Amerivans	2	2 (1 W/C)	Gas
2011	Dodge Amerivans	1	4 (1 W/C)	Gas
2015	Dodge Amerivans	2	4 (1 W/C)	Gas
2015	Ford/EIDorado-F550 Aeroelite 270	1	22 or 7 W/C	Gas
2017	Ford E350-Starlite 20	1	8 (1 W/C)	Gas
2018	Ford/Starcraft-T350 Starlite	11	10 (1 W/C)	Gas
2018	Ford/Starcraft-E450Allstar	2	14 (2 W/C)	Gas
2019	Ford/Starcraft-T350 Starlite	3	10 (1 W/C)	Gas
<b>Total</b>		<b>32</b>		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C-Wheelchair



### Community Bridges – Lift Line

Community Bridges’ Lift Line offers a variety of demand-responsive transit services for disabled, frail, and elderly persons throughout Santa Cruz County as well as to the adjacent counties of Monterey, San Mateo, San Benito, San Francisco, and Santa Clara. Lift Line services during the audit period included:

- Countywide medical transportation
- Out-of-county medical transportation
- Veterans’ medical transportation
- Taxi scrip
- Elderday Adult Health Care transportation
- Senior dining center transportation (Meals on Wheels)
- Same day medical transportation

The medical transportation program provides transportation for Santa Cruz County residents who meet age, disability, and/or income criteria. Eligible riders are able to access dental, medical, and prescription appointments free of charge. This service operates Monday through Friday except holidays. Lift Line is currently using the ADA paratransit system pickup window lasting up to 30 minutes, with a pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 after the scheduled pickup time. The pickup window for outside contracts varies depending on the agreement between Lift Line (contractor) and outside agency (contractee). Trips are prioritized on a first-come, first-served basis.

The out-of-county medical transportation service provides transportation from Santa Cruz County to a number of facilities including the Stanford Medical Center in Palo Alto, the Veterans Hospital, VA Monterey Bay/Fort Ord, Lucile Packard Children’s Hospital, as well as others located in San Jose, Santa Clara, Menlo Park, San Francisco, and Gilroy. The service operates Monday through Friday excluding holidays and is available free of charge to Santa Cruz County residents who meet age, disability, and/or income criteria. Due to budget reductions, out-of-county areas are served certain days of the week. Locations closer to Santa Cruz County such as Monterey, Salinas, and San Benito are served Monday, Wednesday, and Friday, while northern locations including San Jose, Santa Clara, and San Francisco are served Tuesday and Thursday.

The veteran’s medical transportation program provided transport free of charge to veterans who met residency, income, age, and/or disability criteria. This program provided service to the Veterans Building in Santa Cruz and to the VA Hospital Monterey Bay/Fort Ord. The veteran’s transportation was combined with the out-of-county medical transportation for days of service until 2017 when the Federal Transit Administration (FTA) 5310 grant revenue ended, and the veterans service was discontinued.

The taxi scrip program offers discounted coupons or “scrip” to use for taxi fares. This program receives federal and local support through the TDA. An eligible person purchases scrip from Lift Line at a discounted rate for use on any one of three designated taxi carriers in Santa Cruz. The

participating taxi companies included Santa Cruz Yellow Cab, Deluxe Cab Company, and Courtesy Cab Company of Watsonville. Rides are arranged directly with the taxi companies. The growth of transportation network companies (TNCs) has impacted the taxi industry, disrupting taxi service in the county, particularly in northern Santa Cruz.

Elderday transportation provides rides to and from Elderday twice a day using seven set routes. The senior dining center transportation program provides coordinated transportation to Meals on Wheels congregate dining centers in Santa Cruz County. Community Bridges also offers bus charter services for outside contracts/private events to help support its free and reduced programming using competitive flat rates.

### Fleet

Community Bridges’ Lift Line service operates a fleet of 21 unleaded gasoline-powered vehicles and 3 electric vehicles. The new electric vehicles are targeted for service in disadvantaged communities in Watsonville. Funding for the electric vehicles also provides two Level 2 charging stations at the Lift Line fleet facility in Watsonville. Newer vehicles have on-board cameras installed for safety. The fleet varies in type and passenger capacity, with many older vehicles replaced during the audit period. Most vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-5 summarizes the Lift Line fleet.

**Table I-5  
Lift Line Fleet**

Year	Make/Model	Quantity	Seating Capacity	Wheelchair Capacity
2006	Chevy Uplander	1	3	1
2006	Chevy Uplander	1	5/3	0/1
2007	Ford E350	1	8	2
2008	Chevy Uplander	1	3	0/1
2013	Dodge Grand Caravan	1	5/3	0/1
2013	Ford E450	1	16	2
2013	Ford E450	2	13/11	1/2
2013	Ford E450	1	17/13/11	1/2
2013	Ford E450	1	17/13/11	0/1/2
2013	Ford E-450	1	15/13/11	0/1/2
2016	Dodge Grand Caravan	2	5/3	0/1
2019	Dodge Grand Caravan	3	5/3	0/1
2019	Ford E-350	1	6	2
2019	Ford E-450	3	17/13/11	0/1/2
2019	Ford E-450	1	15	2
2019	Ford E-450 EV	2	15	2
2019	Ford E-450 EV	1	6	2
<b>Total</b>		<b>24</b>		

Source: Lift Line/Community Bridges Vehicle List

*Volunteer Center*

The Santa Cruz Volunteer Center’s volunteer driver transportation program addresses the needs of ambulatory seniors and disabled people by offering free rides throughout the county. Wheelchair riders cannot be accommodated. The program matches drivers with seniors aged 60 years and older and disabled persons for essential trips to medical appointments, grocery shopping, banking, and pharmacies. Two rides per week are available for eligible persons to meet basic needs or get to needed appointments. Rides are provided throughout Santa Cruz County including Watsonville, San Lorenzo Valley, Scotts Valley, and Santa Cruz. Drivers are required to have a good driving record, a reliable automobile, and insurance. The Volunteer Center offers drivers supplemental insurance. During the audit period, the Volunteer Center launched a Grocery Shopper Program and medication delivery services in response to the COVID-19 pandemic. This program serves the same specialized population served by the Volunteer Center’s Transportation Program.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of the Santa Cruz County transit operators' abilities to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, September 2008 (third edition), developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the systems' efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: January 31, 2020 FY 2020: February 1, 2021 FY 2021: January 31, 2022</p> <p><i>For Santa Cruz METRO-ParaCruz: (specialized service)</i></p> <p>FY 2019: January 31, 2020 FY 2020: February 1, 2021 FY 2021: January 31, 2022</p> <p>Reports were filed electronically.</p> <p><b>Conclusion: Complied.</b></p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: December 23, 2019 FY 2020: December 11, 2020</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
appropriate 90-day extension by the RTPA allowed by law.		<p>FY 2021: December 13, 2021</p> <p><i>For Community Bridges:</i></p> <p>FY 2019: December 10, 2019 FY 2020: February 12, 2021 FY 2021: December 10, 2021</p> <p><b>Conclusion: Complied.</b></p>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>Santa Cruz METRO and Community Bridges participate in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p><i>For Santa Cruz METRO:</i></p> <p>Inspections were conducted at the Santa Cruz METRO facility located at 138 Golf Club Drive in Santa Cruz (for METRO fixed route) and 2880 Research Park Drive #160 in Soquel (for ParaCruz).</p> <p>Inspection dates applicable to the audit period were August 1-2 and 7-8, 2018; September 20, 2018; August 15-16, 22-23, and 27-28, 2019; August 29, September 17 and 19-20, 2019; October 20-21 and 27-29, 2020; and November 2-5 and 12, 2020.</p> <p>Inspections were found to be satisfactory.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>For Community Bridges:</i></p> <p>Inspections were conducted at the Community Bridges facilities located at 240 Ford Street and 545 Ohlone Parkway in Watsonville.</p> <p>Inspection dates applicable to the audit period were March 27 and April 2-3, 2019; May 5-6, 2020; and June 28 and July 1, 2021.</p> <p>Inspections were found to be satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the Santa Cruz County transit operators' annual claims for Local Transportation Funds (LTF) and State Transit Assistance funds are submitted in compliance with the rules and regulations adopted by the SCCRTC.</p> <p><b>Conclusion: Complied.</b></p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>According to the SCCRTC 2017 <i>Rules &amp; Regulations</i> manual, Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets urban farebox at 20 percent and rural farebox at 10 percent. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p>

Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
		<p>In the annual claims forms, Santa Cruz METRO separately reports its urban and rural farebox recovery ratios. Both sets of ratios exceeded the respective thresholds each year and are shown below.</p> <table border="1"> <tr> <th></th><th>Urban</th><th>Rural</th></tr> <tr> <td>FY 2019</td><td>20.7%</td><td>20.7%</td></tr> <tr> <td>FY 2020</td><td>20.3%</td><td>20.3%</td></tr> <tr> <td>FY 2021</td><td>18.8%</td><td>21.0%</td></tr> </table> <p><i>Santa Cruz METRO TDA Claims</i></p> <p>In addition to farebox recovery, the annual financial audit for METRO indicates that the agency meets the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement (see Table IV-6 for the 50 percent expenditure calculation).</p> <p>Which requirement applies to METRO, either farebox recovery or 50 percent expenditure limitation, for LTF eligibility should be clarified between METRO and SCCRTC. TDA law indicates only one of these two requirements applies (PUC 99268.2) if METRO's claim for LTF remains below 50 percent of its operating costs.</p> <p><b>Conclusion: Complied.</b></p>		Urban	Rural	FY 2019	20.7%	20.7%	FY 2020	20.3%	20.3%	FY 2021	18.8%	21.0%
	Urban	Rural												
FY 2019	20.7%	20.7%												
FY 2020	20.3%	20.3%												
FY 2021	18.8%	21.0%												
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a	Public Utilities Code, Section 99266	Percentage increase in the Santa Cruz County transit operators' operating budgets:												

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).		<p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: +3.7%</p> <p>FY 2020: +3.7%</p> <p>FY 2021: +6.3%</p> <p><i>For Community Bridges:</i></p> <p>FY 2019: +4.0%</p> <p>FY 2020: +6.5%</p> <p>FY 2021: +1.3%</p> <p><i>For Volunteer Center:</i></p> <p>FY 2019: +4.7%</p> <p>FY 2020: +6.5%</p> <p>FY 2021: +8.1%</p> <p><i>Source: Santa Cruz County transit operators' budgets for FYs 2018–2021</i></p> <p><b>Conclusion: Complied.</b></p>
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>The Santa Cruz County transit operators' definition of performance is consistent with PUC Section 99247, based on data collection methods and reporting.</p> <p><b>Conclusion: Complied.</b></p>



Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12	<p>SCCRTC updated its <i>Rules &amp; Regulations</i> manual in 2017 with new language that Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets urban farebox at 20 percent. As shown above, METRO exceeded the urban farebox threshold. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p> <p><b>Conclusion: Complied.</b></p>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>SCCRTC updated its <i>Rules &amp; Regulations</i> manual in 2017 with new language that Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets rural farebox at 10 percent. As shown above, METRO exceeded the rural farebox ratio. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p> <p>Community Bridges and Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. The TDA claim forms attest to at least a 10 percent local match to TDA allocations. However, the budget for Volunteer Center transportation shows less than a 10 percent local match through donations. With the shortfall in local match, an alternative</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>performance measure should be discussed between the SCCRTC and Volunteer Center as to which is allowable under PUC 99400(c) claims. Pursuant to a prior audit recommendation, in lieu of the 10 percent local match, the Volunteer Center, in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.</p> <p><b>Conclusion: Complied.</b></p>
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	<p>Santa Cruz METRO contributes toward its employees' defined benefit pension plan, the Miscellaneous Plan for the Santa Cruz Metropolitan Transit District. The plan is part of the California Public Employees' Retirement System (CalPERS). Santa Cruz METRO also offers a deferred compensation plan under IRS Section 457.</p> <p>Community Bridges offers a deferred compensation plan for full-time employees, as described in the memorandum of understanding (MOU) with SMART Local 23.</p> <p><b>Conclusion: Complied.</b></p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims	California Code of Regulations, Section 6754(a)(3)	Santa Cruz METRO receives State Transit Assistance funds in addition to federal funds that are available to the district as reported in the federal NTD reports:

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
are granted.		FY 2019: \$7,019,419 (Operations) \$1,231,017 (Capital) FY 2020: \$26,590,422 (Operations) \$2,531,116 (Capital) FY 2021: \$16,666,376 (Operations) \$977,997 (Capital)  <b>Conclusion: Complied.</b>

#### Findings and Observations from Operator Compliance Requirements Matrix

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. The agency also meets the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. For the Santa Cruz METRO inspection, no vehicles were placed out of service during the review period. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budgets for the operators exhibited modest fluctuations during the audit period. The increases in operating budgets during the audit period reflect higher personnel wages and benefit costs associated with collective bargaining agreements as well as costs associated with the procurement of personal protective equipment and service adaptations associated with the COVID-19 pandemic.

## Section III

### Prior Triennial Performance Recommendations

The Santa Cruz County transit operators' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the transit operators' efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the operator(s) are then presented.

#### Prior Recommendation 1

METRO and SCCRTC should clarify the performance eligibility criteria for TDA-Local Transportation Funds.

*Background:* Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, METRO meets both requirements but the documentation stating eligibility is not consistent. For example, the TDA claims form and resolution state that METRO's eligibility to receive LTF is from farebox compliance. However, the METRO audited financial statements state METRO meets the 50 percent expenditure limitation and does not use the alternative farebox recovery ratio. Historically, the amount of LTF allocated to METRO has not exceeded 50 percent of operating expenditures; hence, either criterion applies. Farebox recovery is an important performance measure that gauges transit operational efficiency and effectiveness.

It was suggested that METRO and SCCRTC discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF. Currently, the adopting resolution allocating LTF from the SCCRTC to METRO shows farebox recovery. Should the 50 percent expenditure criteria be applied instead, the TDA claims form and resolution should be adjusted. Should farebox remain the criteria, the METRO audited financial statements should be modified to show audited farebox recovery rather than the 50 percent expenditure rule. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

#### Actions taken by Santa Cruz METRO

The TDA claims submitted to the SCCRTC by METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date. The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims

cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and SCCRTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation.

### Conclusion

This recommendation is in the process of implementation with the submittal of the ensuing TDA claims and is being forward in this audit for full implementation. However, it is suggested that subsequent TDA claim guidelines continue to clarify the proper eligibility criteria.

### Prior Recommendation 2

METRO should ensure the alignment of data analytics training for staff with deployment of new technology.

*Background:* Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. For example, METRO had been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an automatic vehicle locator (AVL) system, automated passenger counters (APC), and voice annunciators. As this deployment occurs and is being tested along with integration of other existing technology investments, including a fare collection system, the technology will provide a wealth of new data as transit operators gravitate toward data-driven analysis for service improvement and cost efficiency. The amount of data that is generated is bountiful and provides new defensible methods of evaluating routes, ridership, operations, and customer service.

METRO budgets annually for staff training to increase competencies with new computer systems. Emphasis should be placed on training and readying key staff for these data-driven operational systems that will have a significant impact on how transit service is evaluated and

prioritized. METRO departments, including information technology, finance, and human resources, should coordinate training for staff on these new systems, such as mining data and conducting data analysis to form trends and patterns that could further METRO operations, customer service, and planning. Creating an environment where real-time data is heavily used with performance criteria to develop dashboard metrics involves training personnel to appropriately interpret and apply the information. One of the strategic priorities in the METRO strategic plan is to develop advanced technology systems which in turn generates sizable data output.

#### Actions taken by Santa Cruz METRO

METRO has been in the process of procuring a new enterprise resource planning (ERP) system. The first phase will replace legacy finance and purchasing systems that are not interconnected. An ERP will provide METRO with the tools to expediently make informed business decisions and realize efficiencies in the staff workflow. In addition, as part of the ERP project, METRO will be evaluating its existing systems and their viability within the ERP ecosystem. System examples under consideration include and are not limited to its Human Resources Information System, Enterprise Asset Management, and Payroll solutions.

In addition, METRO has already adopted some elements that comprise an ITS such as an audio/visual annunciation system in 2002 and, more recently, an on-board surveillance system for its fixed-route and ParaCruz paratransit fleets. METRO has had the need to incorporate additional ITS technologies through the implementation of the Syncromatics ITS infrastructure, most specifically AVL, which includes real-time passenger applications and options such as APC systems to maximize operational efficiency and customer amenities.

METRO released a Request for Proposals (RFP) in December 2021 from qualified providers of SaaS ERP software for public agencies. The new ERP software implementation would encompass accounting/general ledger functions, procurement, capital management, and payroll. The goal was to have the new ERP software implemented by the summer of 2022.

#### Conclusion

This recommendation is in the process of implementation and is being forward in this audit for full implementation.

#### Prior Recommendation 3

City of Santa Cruz, Volunteer Center, and SCCRTC should discuss an alternative performance measure for TDA-Local Transportation Fund eligibility.

*Background:* LTF are allocated to Volunteer Center under a performance standard that a 10 percent local match be provided by Volunteer Center. Budgets for the volunteer driver program show that a local match would be provided by donations from riders, which are not enough for the 10 percent match. As the LTF revenue is claimed by the City of Santa Cruz on behalf of

Volunteer Center through the TDA Article 8 program, the law provides latitude on the performance standard. In lieu of a local match, SCCRTC, the City, and Volunteer Center should discuss an alternative measure for LTF eligibility. The possibilities include using goals set in the TDA claim form such as minimum ridership levels and number of unduplicated clients. Other data that is reported by Volunteer Center to the SCCRTC for which a performance standard could be created include minimum number of ride requests unable to fill, and maintenance of driver availability for clients in each of the three travel areas of Santa Cruz, San Lorenzo Valley/Scotts Valley, and Watsonville. Given that the current standard for local match cannot be met, another performance standard that is attainable yet provides a measure of service efficiency and effectiveness should be considered by the involved agencies.

#### Actions taken by Santa Cruz Operators (Volunteer Center)

In response to this recommendation, Volunteer Center, in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric. In addition, it was recommended that volunteer drivers track actual time spent on trip with participants. Volunteer Center will continue to encourage volunteers to track time in addition to mileage each month. In addition, the SCCRTC has allowed Volunteer Center a certain degree of flexibility during the COVID-19 pandemic and wildfire response.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 4

Volunteer Center should capture client and driver stories in its reporting on the volunteer driver program.

*Background:* In its effort to promote the volunteer driver program, the prior audit suggested that Volunteer Center personnel consider additional means to show the importance of the program in the community. With this service filling a needed travel gap that cannot be provided efficiently by other transit or transportation alternatives, there is opportunity for Volunteer Center to capture the human component of the program by demonstrating the benefits received from the riders. From interviews or other ways to collect information, passenger stories could express how the program has helped them retain livelihoods and build relationships. The same can be told by volunteer drivers who are empathetic and also cultivate relationships with riders. With data showing that many drivers do not seek mileage reimbursement, the human element should be captured from the program. These stories could be featured in Volunteer Center literature and/or its website, as well as in presentations and other communication channels about the volunteer driver program.

Actions taken by Santa Cruz Operators (Volunteer Center)

In consideration of this recommendation, Volunteer Center has taken steps to better highlight how its programs benefit various individuals in the community. On the Volunteer Center website, the “Our Stories” drop-down box contains links to volunteer stories, videos, and blog posts. The video content highlights the volunteer response to the recent wildfires, 2020 Be the Difference Awards, Grocery Shopper Program, the COVID-19 pandemic response, and food relief program. Another example of how Volunteer Center has been promoting its activities involves recorded audio testimonials of seniors who use the program to access medical appointments and shopping. Volunteer Center has also been featured in the “Young at Heart” section of the *Santa Cruz Sentinel* newspaper.



### Conclusion

This recommendation has been implemented.

### Prior Recommendation 5

Community Bridges should conduct a survey of taxi scrip riders to determine service needs.

*Background:* The taxi scrip program offered by Community Bridges, where residents can purchase discounted coupons to supplement the price of a taxi ride, originated from meeting an SCCRTC unmet transit need. With the changing landscape to the ridesharing environment, including the presence of ride-hailing companies (TNCs) in Santa Cruz, the local taxi industry has been impacted. Lift Line management stated that taxi service has been poor and unreliable in the City of Santa Cruz, which affects the scrip program, although taxi service has continued to function satisfactorily in the City of Watsonville.

With uncertainty in the taxi industry and concerns about service, it was suggested that Community Bridges conduct a survey of scrip participants to determine whether the taxi scrip program is an essential service relative to other transportation services available. The survey should determine whether the scrip program, which serves a limited market, is a mere convenience for the customer versus offering a lifeline service, and whether trips can be adjusted to enable riders to access other transportation services at other times. For example, a question could ask whether the trip purpose of using taxi scrip could be moved to another time or day that have other transportation options. If responses show the scrip program remains a lifeline service, Community Bridges would consider alternative ways to continue the service, such as having a nonprofit agency operate the service using a loaner vehicle from Lift Line.

### Actions taken by Santa Cruz Operators (Community Bridges)

In response to this recommendation, Community Bridges developed and disseminated a survey of its enrolled taxi script clients in 2020 to assess service needs. There are two service providers that participate in the taxi script program: Watsonville Courtesy Cab and Santa Cruz Yellow Cab. The survey is composed of 11 questions in English and Spanish.

### Conclusion

This recommendation has been implemented.

### Prior Recommendation 6

Community Bridges should report on-time performance in the TDA Quarterly Performance Report.

*Background:* The prior audit noted that vehicle on-time arrival to pick up a passenger at the scheduled time was an important measure of operational effectiveness and customer service. The Lift Line on-time performance window for pickup has been 20 minutes (plus/minus 10 minutes from pickup time). The time of pickup is documented by drivers; however, Lift Line management noted that this effort is tedious for drivers in light of their primary driver and customer service responsibilities. The TDA claims submitted by Community Bridges described the investment in AVL technology and mobile data computers that enable more automation in the tracking of vehicle movement. The technology serves multiple benefits including for safety and operational efficiencies. The technology also allows the collection of accurate data, such as on-time performance. With implementation of this technology, it was recommended that Community Bridges report on-time performance in the quarterly reports as another key indicator of operational effectiveness and customer service. The SCCRTC would need to update the TDA claim form to include this measure on the list of performance metrics to include in the quarterly report.

#### Actions taken by Santa Cruz Operators (Community Bridges)

Community Bridges – Lift Line contends that on-time performance is more closely associated with METRO fixed-route services where there are regularly scheduled timepoints at designated bus stops. The agency feels that it's not a good fit for paratransit as the rides are often grouped together with up to 14 passengers and tracking the pickup times would be challenging. Lift Line has instituted a 30-minute pickup window in accordance with ADA guidelines. In addition, Lift Line has been in talks with the SCCRTC as how to proceed and beginning in FY 2020-21 Lift Line was no longer be required to report on-time performance. Furthermore, the SCCRTC has committed to work with Lift Line on a solution or response concerning on-time performance metrics. Lift Line anticipates using the 30-minute pickup window as a benchmark for this measure.

#### Conclusion

This recommendation has not been implemented; however, Community Bridges – Lift Line is encouraged to work closely with the SCCRTC to develop an appropriate performance metric in lieu of on-time performance.

## Section IV

### TDA Performance Indicators

This section reviews the Santa Cruz County transit operators' performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-5 provide the performance indicators for the Santa Cruz METRO system-wide, fixed route, and paratransit, as well as for Community Bridges/Lift Line and Volunteer Center. Graphs are also included to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures drawn from the financial statements, while modal costs and fare revenues for fixed-route and paratransit costs are unaudited and drawn from the federal National Transit Database (NTD). The annual fiscal audits do not provide a modal breakdown.<sup>1</sup> Also, only operations costs for Community Bridges are audited figures for the small operators, as the fiscal audits do not separate transportation costs and revenues from all programs provided by the nonprofit entities.

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<sup>1</sup> The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

**Table IV-1**  
**Santa Cruz METRO TDA Performance Indicators**  
**System-wide**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$53,527,521	\$53,160,536	\$60,099,282	\$56,125,285	<b>4.9%</b>
Total Passengers	5,120,721	5,119,469	3,606,088	946,114	<b>-81.5%</b>
Vehicle Service Hours	251,643	252,152	213,317	175,253	<b>-30.4%</b>
Vehicle Service Miles	3,312,817	3,332,706	2,824,711	2,365,482	<b>-28.6%</b>
Employee FTEs	311	343	311	291	<b>-6.4%</b>
Passenger Fares	\$10,280,559	\$10,238,963	\$7,733,701	\$4,898,901	<b>-52.3%</b>
Operating Cost per Passenger	\$10.45	\$10.38	\$16.67	\$59.32	<b>467.5%</b>
Operating Cost per Vehicle Service Hour	\$212.71	\$210.83	\$281.74	\$320.25	<b>50.6%</b>
Operating Cost per Vehicle Service Mile	\$16.16	\$15.95	\$21.28	\$23.73	<b>46.8%</b>
Passengers per Vehicle Service Hour	20.3	20.3	16.9	5.4	<b>-73.5%</b>
Passengers per Vehicle Service Mile	1.55	1.54	1.28	0.40	<b>-74.1%</b>
Vehicle Service Hours per Employee	809.1	735.1	685.9	602.2	<b>-25.6%</b>
Average Fare per Passenger	\$2.01	\$2.00	\$2.14	\$5.18	<b>157.9%</b>
Fare Recovery Ratio	19.21%	19.26%	12.87%	8.73%	<b>-54.6%</b>

Source: SCMTD Financial Statements (Audited), National Transit Database, Transit Operators Financial Transactions Reports

**Table IV-2**  
**Santa Cruz METRO TDA Performance Indicators**  
**Fixed Route**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$37,343,719	\$40,459,619	\$42,337,285	\$40,048,905	7.2%
Total Passengers	5,048,512	5,045,972	3,544,457	907,140	-82.0%
Vehicle Service Hours	207,680	207,348	178,136	150,220	-27.7%
Vehicle Service Miles	2,858,408	2,867,890	2,467,836	2,130,718	-25.5%
Employee FTEs	265	304	271	254	-4.2%
Passenger Fares	\$9,469,559	\$9,426,691	\$6,981,126	\$4,251,755	-55.1%
Operating Cost per Passenger	\$7.40	\$8.02	\$11.94	\$44.15	496.8%
Operating Cost per Vehicle Service Hour	\$179.81	\$195.13	\$237.67	\$266.60	48.3%
Operating Cost per Vehicle Service Mile	\$13.06	\$14.11	\$17.16	\$18.80	43.9%
Passengers per Vehicle Service Hour	24.3	24.3	19.9	6.0	-75.2%
Passengers per Vehicle Service Mile	1.77	1.76	1.44	0.43	-75.9%
Vehicle Service Hours per Employee	783.7	682.1	657.3	591.4	-24.5%
Average Fare per Passenger	\$1.88	\$1.87	\$1.97	\$4.69	149.9%
Fare Recovery Ratio	25.36%	23.30%	16.49%	10.62%	-58.1%

Source: National Transit Database, Transit Operators Financial Transactions Reports

**Table IV-3**  
**ParaCruz TDA Performance Indicators**  
**Paratransit**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$5,269,932	\$5,150,526	\$5,375,211	\$5,013,166	-4.9%
Total Passengers	72,209	73,497	61,631	38,974	-46.0%
Vehicle Service Hours	43,963	44,804	35,181	25,033	-43.1%
Vehicle Service Miles	454,409	464,816	356,875	234,764	-48.3%
Employee FTEs	46	39	40	37	-19.6%
Passenger Fares	\$287,363	\$285,841	\$217,664	\$114,807	-60.0%
Operating Cost per Passenger	\$72.98	\$70.08	\$87.22	\$128.63	76.2%
Operating Cost per Vehicle Service Hour	\$119.87	\$114.96	\$152.79	\$200.26	67.1%
Operating Cost per Vehicle Service Mile	\$11.60	\$11.08	\$15.06	\$21.35	84.1%
Passengers per Vehicle Service Hour	1.6	1.6	1.8	1.6	-5.2%
Passengers per Vehicle Service Mile	0.16	0.16	0.17	0.17	4.5%
Vehicle Service Hours per Employee	955.7	1,148.8	879.5	676.6	-29.2%
Average Fare per Passenger	\$3.98	\$3.89	\$3.53	\$2.95	-26.0%
Fare Recovery Ratio	5.45%	5.55%	4.05%	2.29%	-58.0%

Source: National Transit Database, Transit Operators Financial Transactions Reports

**Table IV-4**  
**Community Bridges’ Lift Line TDA Performance Indicators**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$1,458,267	\$1,697,513	\$1,990,963	\$1,567,508	7.5%
Total Passengers	54,387	50,352	40,132	20,970	-61.4%
Vehicle Service Hours	26,439	43,838	45,656	35,304	33.5%
Vehicle Service Miles	252,305	279,974	255,014	159,119	-36.9%
Employee FTEs	23	20	23	20	-13.0%
Passenger Fares (donations)	\$3,865	\$2,930	\$2,521	\$2,144	-44.5%
Operating Cost per Passenger	\$26.81	\$33.71	\$49.61	\$74.75	178.8%
Operating Cost per Vehicle Service Hour	\$55.16	\$38.72	\$43.61	\$44.40	-19.5%
Operating Cost per Vehicle Service Mile	\$5.78	\$6.06	\$7.81	\$9.85	70.4%
Passengers per Vehicle Service Hour	2.1	1.1	0.9	0.6	-71.1%
Passengers per Vehicle Service Mile	0.22	0.18	0.16	0.13	-38.9%
Vehicle Service Hours per Employee	1,149.5	2,191.9	1,985.1	1,765.2	53.6%
Average Fare per Passenger	\$0.07	\$0.06	\$0.06	\$0.10	43.9%
Fare Recovery Ratio	0.27%	0.17%	0.13%	0.14%	-48.4%

Source: Community Bridges Annual Financial Reports (audited) for operations costs; Community Bridges TDA Annual Reports.

**Table IV-5**  
**Volunteer Center TDA Performance Indicators**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$59,613	\$65,766	\$76,937	\$92,698	55.5%
Total Passengers	4,609	5,710	3,044	3,895	-15.5%
Vehicle Service Miles	96,052	78,545	35,645	19,906	-79.3%
Operating Cost per Passenger	\$12.93	\$11.52	\$25.28	\$23.80	84.0%
Operating Cost per Vehicle Service Mile	\$0.62	\$0.84	\$2.16	\$4.66	650.3%
Passengers per Vehicle Service Mile	0.05	0.07	0.09	0.20	307.8%

Source: Volunteer Center Quarterly Reports FYs 2018-2021

Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for the TDA under the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). As described in Santa Cruz METRO’s financial compliance audit, the operator has met the 50 percent expenditure limitation. The calculation below by the performance auditor in Table IV-6 shows the compliance.

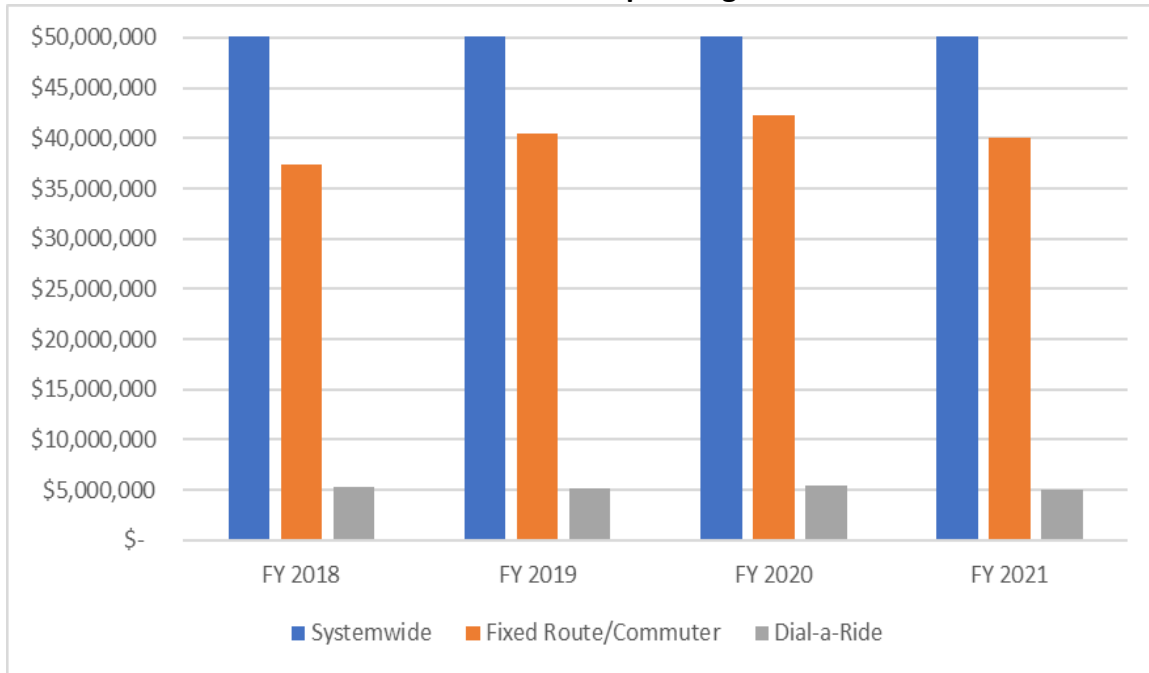
**Table IV-6**  
**50 Percent Expenditure Limitation**

Line#	Description	FY 2019		FY 2020		FY 2021	
		\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal
1	Total Operating Cost	\$53,160,536		\$60,099,282		\$56,125,285	
2	Total Depreciation	\$5,286,802		\$5,514,288		\$5,307,687	
3	Total Capital Outlay	\$3,028,472		\$7,044,717		\$5,485,327	
4	Total Lines 1, 2 & 3		\$61,475,810		\$72,658,287		\$66,918,299
5a	Less Federal Ops Grants Received	\$6,969,093		\$25,752,598		\$16,404,147	
5b	Less Federal Capital Grants Received	\$1,231,017		\$2,531,116		\$977,997	
6	Less LTF Capital Intensive	\$0		\$0		\$0	
7	Less STAF Received	\$4,253,929		\$4,346,687		\$3,425,215	
8	Total Lines 5, 6 & 7		\$12,454,039		\$32,630,401		\$20,807,359
9	Total Line 4 Less Line 8		\$49,021,771		\$40,027,886		\$46,110,940
10	50% of Line 9	\$24,510,886		\$20,013,943		\$23,055,470	
11	Add Amount of LTF Claimed in Excess of Line 10 for Match to Federal Operating Grant	\$1,742,273		\$6,438,150		\$4,101,037	
12	Add LTF Capital Intensive	\$0		\$0		\$0	
13	Total Permissible LTF Expenditure		\$26,253,159		\$26,452,093		\$27,156,507
14	Total LTF Applied to Operations		\$7,288,209		\$7,930,060		\$7,096,904

Source: SCMTD Financial Statements (Audited); Michael Baker International

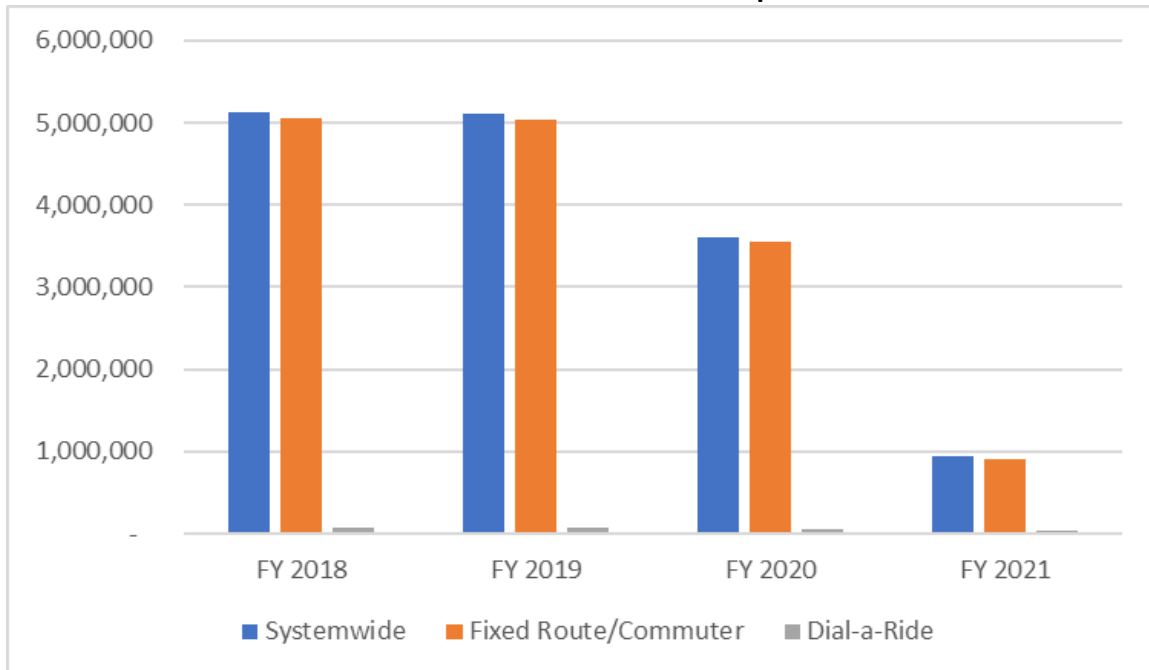


**Graph IV-1**  
**Santa Cruz METRO Operating Costs**

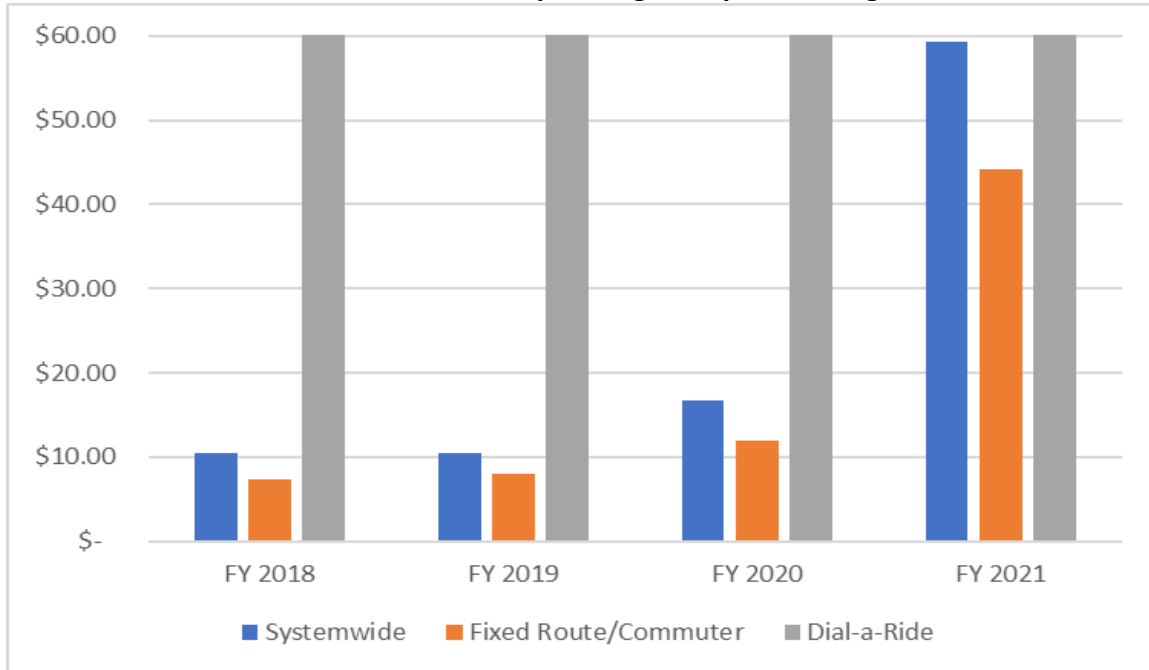


*Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.*

**Graph IV-2**  
**Santa Cruz METRO Ridership**

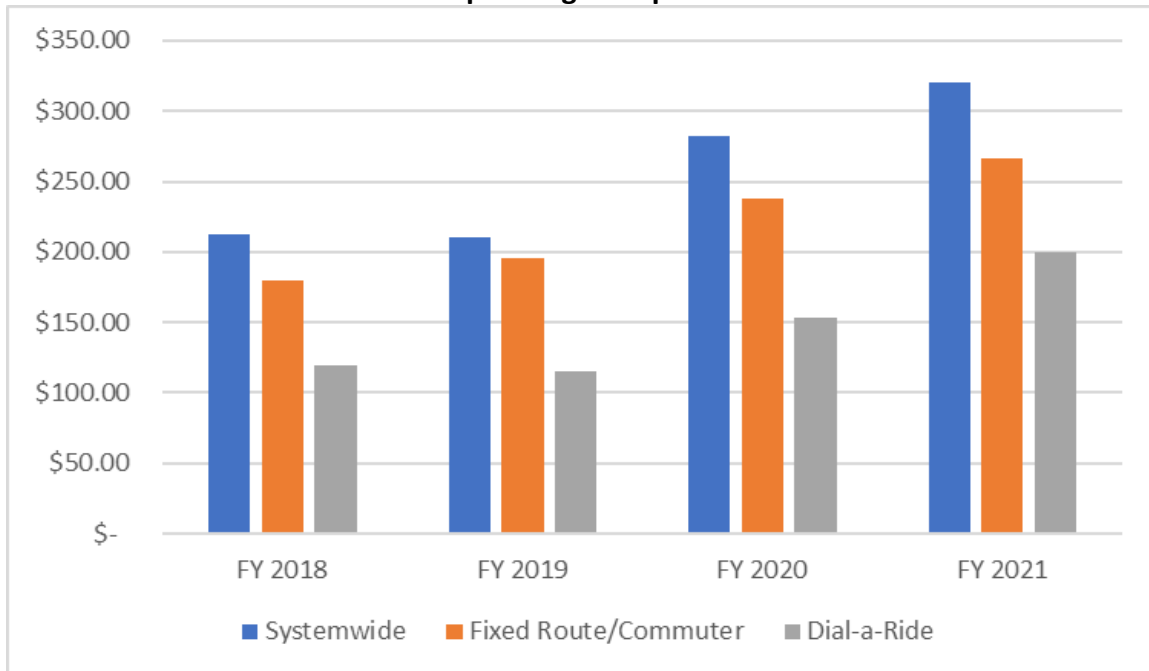


**Graph IV-3**  
**Santa Cruz METRO Operating Cost per Passenger**



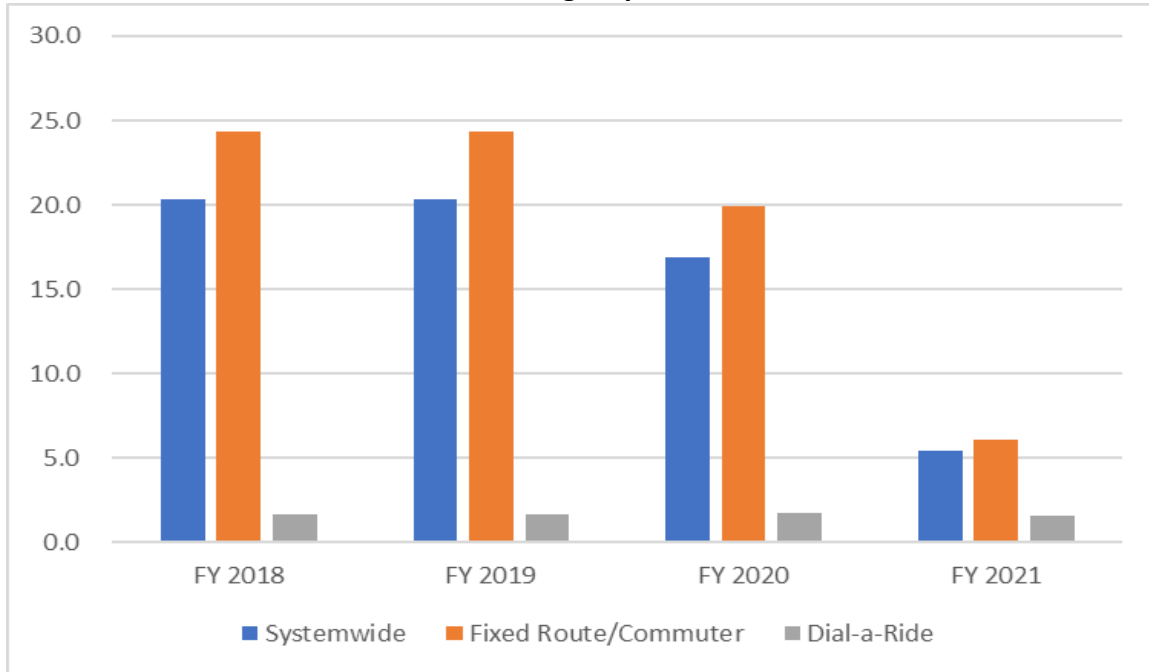
*Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.*

**Graph IV-4**  
**Santa Cruz METRO Operating Cost per Vehicle Service Hour**



*Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.*

**Graph IV-5**  
**Santa Cruz METRO Passengers per Vehicle Service Hour**



**Graph IV-6**  
**Santa Cruz METRO Fare Recovery Ratio**



*Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.*

## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operators' responses during this period are contained in the functional review section of this audit.

1. Santa Cruz METRO operating costs increased 4.9 percent system-wide over the period based on audited data from the FY 2018 base year through FY 2021. System-wide operating costs reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 7.2 percent for fixed route and decreased by 4.9 percent for ParaCruz.<sup>2</sup> According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period. Community Bridges' Lift Line operating costs increased by a modest 7.5 percent. Volunteer Center transportation costs increased by 55.5 percent for the audit period. In FY 2021, Volunteer Center incurred increased costs attributed to the design, development, and implementation of the new Grocery Shopper Program.
2. Ridership on Santa Cruz METRO decreased by 81.5 percent system-wide during the audit period. Fixed-route ridership decreased by approximately the same percentage, decreasing from 5.05 million to 907,140 passengers between the FY 2018 base year and FY 2021. ParaCruz ridership decreased by 46 percent, from 72,209 to 38,974 riders over the same period. Lift Line ridership decreased 61.4 percent during the audit period by about 33,000 passengers. Volunteer Center transportation ridership decreased significantly by more than 15 percent for the period, from 4,600 to 3,900 passengers. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic.
3. The provision of revenue hours and miles by Santa Cruz METRO decreased system-wide during the audit period, 30.4 percent and 28.6 percent, respectively. Fixed-route revenue hours and miles decreased 27.7 and 25.5 percent, respectively. ParaCruz revenue hours and miles also decreased by 43.1 and 48.3 percent, respectively. Vehicle hours significantly increased for Lift Line during the audit period by 33.5 percent, while miles decreased 36.9 percent. Volunteer Services vehicle miles also decreased significantly, from 96,052 in FY 2018 to 19,906 in FY 2021.
4. Operating cost per passenger, an indicator of cost effectiveness, increased by 467.5 percent system-wide for Santa Cruz METRO using audited data. On a modal basis using NTD data, cost per passenger for fixed route and ParaCruz increased by 496.8 percent

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<sup>2</sup> The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

and 76.2 percent, respectively. The trends for these indicators using audited costs reflect growth in operating costs as ridership decreased. Operating cost per passenger for Lift Line increased by 178.8 percent as ridership decreased significantly and operations cost increased.

5. Operating cost per hour, an indicator of cost efficiency, system-wide increased 50.6 percent using audited data for Santa Cruz METRO as operating costs grew and vehicle hours decreased during the audit period. On a modal basis using NTD costs, the performance trend also showed an increase for both fixed-route and ParaCruz of 48.3 percent and 67.1 percent, respectively. As noted in this section, the NTD costs by mode do not show all operations costs compared to the system-wide audited figures. Lift Line operating cost per hour declined by 19.5 percent as the number of vehicle hours increased substantially faster than costs.
6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, exhibited a significant decline on Santa Cruz METRO system-wide, from 20.3 to 5.4 passengers per hour. The trend in this indicator for fixed route was comparable as the number of passengers per vehicle hour decreased from 24.3 passenger to 6 passengers per hour. For ParaCruz, passengers per hour remained fairly stable at 1.6 passengers per hour. For Lift Line, with a much smaller rider base, this performance indicator showed a decline of 71.1 percent with the number of passengers decreasing from 2.1 to 0.6 passengers per hour during the audit period. In addition to several key services no longer being offered through Lift Line, the impacts of the COVID-19 pandemic affected passenger capacity.
7. The fare recovery ratio remained relatively strong over the audit period for Santa Cruz METRO. For the three-year period, the system-wide farebox averaged 13.62 percent. Separately, fixed route farebox averaged 16.80 percent for the three years, while ParaCruz averaged 3.96 percent. In the TDA claims, Santa Cruz METRO further separates its farebox recovery between urban and non-urbanized services. Both urban and rural ratios exceeded the 15 percent TDA minimum for the audit period.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within each of the Santa Cruz County transit operators. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Santa Cruz METRO's and Volunteer Center's offices in Santa Cruz and the Community Bridges – Lift Line offices in Watsonville:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

#### Operations

Santa Cruz METRO moved forward with a number of bold service initiatives aimed at improving the customer experience and upgrading infrastructure. Although the COVID-19 pandemic resulted in a significant downturn in ridership, Santa Cruz METRO continued to maintain a forward and innovative outlook in keeping with its mission statement:

*To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean, and courteous transit service.*

The majority of Santa Cruz METRO's ridership is considered transit dependent. Discretionary riders are attracted to the Highway 17 Express route, which offers a viable alternative to commuters traveling to the Santa Clara Valley and other Bay Area destinations. The Highway 17 Express route was extended to San José State University. Students attending UCSC comprise the largest rider group, with many routes designed to accommodate student schedules. Approximately 60 percent of service was to UCSC. Given the travel demand generated by the university, METRO added articulated buses, which proved very popular amongst the ridership and resulted in fewer pass-ups. The agency leased the four vehicles from the Santa Clara VTA.

On-campus parking at UCSC has been priced at prohibitively high levels, which, coupled with UCSC's ingress-egress cap that limits the number of single-occupant vehicles accessing the campus, encourages alternative modes of travel. Parking permits and employee bus passes are

issued through the UCSC Transportation and Parking Services (TAPS). Santa Cruz METRO service for students is funded through the Student Transit Fee. By showing a valid UCSC student ID card, a student rider has access to unlimited rides on Santa Cruz METRO buses with no additional fare required, with the exception of the Highway 17 Express. UCSC faculty and staff can purchase a subsidized Santa Cruz METRO bus pass (at a fraction of the regular cost) through the TAPS sales office. Toward the end of the audit period, the contract for the payment arrangement to Santa Cruz METRO was changed from a per ride basis to a lump sum based on the prior year's enrollment growth. UCSC is also subsidizing a new service, Route 22, including the cost of a new operator, which amounts to \$130,000 annually.

Santa Cruz METRO has had a comparable service contract arrangement with Cabrillo College, a local public community college in Aptos since September 2016. Cabrillo College students pay a mandatory transportation fee of \$40 per student per semester. The fee provides each student with a bus pass valid seven days a week. Students simply show their Cabrillo College ID card with a current semester sticker to ride the bus. Santa Cruz METRO will provide transit services with number of trips and routes specified in the agreement. The agreement runs for two years and may be renewed for successive periods upon written amendment of both parties. The college reimburses METRO based on the cost of providing coach operators and the per mile cost to run the service. Cross-marketing of each other's programs is also part of the agreement.

Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. Santa Cruz METRO has been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an AVL system, APCs, and voice annunciators.

The AVL and APC installation commenced in January 2019 and was completed in the fall of 2020. Installation delays were attributed to technology integration issues experienced because of METRO's diverse fleet of aging buses. The AVL system will integrate the Predictive Arrival & Departure System (PADS). PADS is a smartphone app that provides real-time data to customers on the predictive arrival of the bus. Implementation of the APCs has been placed on hold according to METRO management.

In September 2020, METRO implemented mobile ticketing. The Santa Cruz METRO "Splash Pass" allows customers to purchase METRO fare products using a smartphone. Splash Pass mobile ticketing was extended to all downtown Santa Cruz employees in April 2021 through a partnership with the City of Santa Cruz. During the same time, Santa Cruz METRO completed the installation of electronic validators on all Highway 17 buses for more accurate and efficient validation of tickets.

METRO has been working with the Center for Transportation and the Environment (CTE) in the study and implementation of zero-emission vehicle infrastructure. The CTE is a member-supported 501(c)(3) nonprofit organization that develops, promotes, and implements advanced transportation technologies, vehicles, and fuels that reduce environmental pollution and fossil fuel dependency. METRO is working towards meeting the California Air Resources Board (CARB) mandate requiring that transit agencies transition their fleet to zero-emission vehicles. The first

phase of Santa Cruz METRO's first electric vehicle charging station was completed in the fall of 2020 at the Judy K. Souza (JKS) Operations Facility. Four electric vehicle chargers have been installed initially on the site, with three additional charging pedestals planned in the future.

Four Proterra zero-emission buses were delivered in spring of 2021, the first electric buses in METRO's fleet. Two of the buses are in service in the South County, which are operated on the Watsonville Circulator. Implementation of the route provides more frequent service that connects the downtown transit center with primary retail and medical destinations in Watsonville. The Watsonville Circulator operates between noon and 7:45 p.m. daily.

During the prior audit period, surveillance cameras were installed on the buses. All new buses have camera systems installed. Each bus is equipped with 13 cameras, which are utilized to monitor driver performance and customer complaints. Footage captured by the cameras is also used in law enforcement investigations. Policies and protocols have been established for the use of the camera footage. Santa Cruz METRO was able to secure grant funding to procure other security equipment for use on buses and surveillance equipment at facilities, including upgraded radios and an alert button on the bus that signals dispatch, as well as cameras, videos, and other devices for the transit centers. Automated ticketing feedback systems were also implemented during the period.

Santa Cruz METRO has invested in the security of facilities and its personnel through the hiring of an assistant safety and training coordinator to actively work with police departments and emergency service agencies to coordinate the safety of riders and increase driver training in these areas. The safety and training coordinator provides security training tailored for the transit environment on the bus and at transit facilities. Drivers also receive training on how to handle security situations on the bus. Unarmed contracted employees are a presence at the transit facilities.

Schedule adherence and on-time performance for several bus routes have been challenging for a variety of reasons, including construction, narrow travel corridors, and congestion. Santa Cruz METRO's definition of "on-time" departures from timepoints is not early and no more than 5 minutes late. Its system-wide on-time goal is 72 percent of all departures, according to the Short-Range Transit Plan (SRTP).

ParaCruz serves ADA-certified riders and its operating hours mirror those of the fixed route. With changes to the taxi industry resulting from the influx of ride-hailing companies such as TNCs, local taxi services have limited means to provide reliable backup for ParaCruz.

The use of larger wheelchairs by customers has heightened challenges given the limited space on the vehicle, weight of the wheelchairs, and security restraint system. To address these challenges, half of the ParaCruz fleet consists of newer vehicles with rear lift capacity and Q'Straint wheelchair securement systems.

On-time performance for ParaCruz was consistently in the 90 percent range or better for the audit period. The goal has ranged between 90 and 92 percent. According to ParaCruz operations



status reports, on-time performance for the vehicle arriving within the ready window averaged 84.87 percent in FY 2019, 95.80 percent in FY 2020, and 99.90 percent in FY 2021. Other performance factors for ParaCruz, such as the percentage of passenger no-shows, remained at or slightly above the goal of less than 3 percent of trips requested, which meets general industry standard. Also, there were no denied rides. ParaCruz has a no-show policy that is not typically enforced due to the low number of no-shows. The policy when enforced involves sending a letter to those with an excessive number of no-shows. If a customer takes 24 rides or more within a 12-month period without being assessed a “No-Show”, he/she shall be allowed one round-trip ride free of charge.

Chargeable occurrences, or preventable accidents/incidents, are tracked; however, NTD data for incidents was not available. Santa Cruz METRO has an accident review committee that reviews preventable accidents/incidents for the month. The committee is overseen by the assistant safety and training coordinator.

Dispatching and bus scheduling is conducted using the Hastus software system for fixed route and Ecolane for ParaCruz. Santa Cruz METRO completed its transition from Trapeze to Ecolane, which was implemented in January 2020. Key elements of Ecolane include a real-time mapping feature as well as the ability to batch rides automatically, improved on-time performance monitoring, and NTD reporting. The automated features are able to create a more productive schedule for the ParaCruz driver. The driver is able to override the system manually. Staff are cross trained in both systems to enable flexibility in staffing and ample shift coverage. ParaCruz reservations can be booked directly into the Ecolane system. Paratransit vans have mobility safety devices to improve ergonomics and safety for both the passenger and the driver.

Customer complaints, compliments, inquiries, and suggestions are managed by Santa Cruz METRO through RSTickets Pro software, which creates a customer service ticket summary report. Complaints have varied and relate to operations such as wireless Internet issues, driver rudeness, and unsafe driving. The customer service supervisor handles most entries and receives support from other staff if the issue cannot be readily addressed.

In April 2021, METRO launched a Mobility on Demand (MoD) pilot service called Cruz On-Demand. This was the agency’s first endeavor into MoD, which would allow for greater service coverage in Santa Cruz County. Cruz On-Demand is a shared ride service utilizing smaller vans operated by ParaCruz drivers. The service area is 0.75 miles of any Santa Cruz METRO fixed route excluding the Highway 17 route and the UCSC campus. Trips can be booked up to 24 hours in advance through the Ecolane app scheduling feature.

In response to the CZU Lightning Complex fire that burned through the Santa Cruz Mountains during August and September 2020, METRO evacuated its buses from the JKS Operations Facility to the park and ride lots along Highway 1. ParaCruz operations assisted in the evacuation of residents from the San Lorenzo Valley to Scotts Valley.

*COVID-19 Pandemic Impacts – Santa Cruz METRO*

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. The first COVID-19 case in Santa Cruz County was reported on March 7. A mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention (CDC) protocols, Santa Cruz METRO enacted many new protocols. Nearly all departments within the agency were affected in some way by the impacts of COVID-19; the operations department was impacted most directly.

METRO staff ramped up quickly in anticipation of the virus reaching Santa Cruz County. In early February 2020, METRO started investigating disinfecting products that could be utilized against the virus each night when buses were cleaned. By March 2, METRO vehicle service workers were disinfecting buses each night. Vehicles were also fogged as part of the sanitizing process. In early March 2020, the METRO Purchasing Division started ordering large quantities of hand sanitizer and Clorox disinfecting wipes and started sourcing face masks. The department ordered as many personal protective equipment supplies as possible and started providing masks to the coach operators and riders. METRO was able to procure 5,000 free face masks through the FTA.

The Maintenance department began creating curtains and barriers to shield the coach operators as well as blocking off the front seats on the vehicles. Moreover, passenger barriers between seats were made and installed. In METRO office facilities, HEPA air purification filters were installed as well as curtains and shields between cubicles. Higher cubicle walls and barriers were eventually installed to mitigate virus transmission. METRO's administrative office and the Pacific and Scotts Valley Transit Centers were closed to the general public. The administrative office reopened to the public in September 2021.

The impacts of the shelter-in-place order were immediate. METRO experienced a 90 percent decline in ridership mainly due to UCSC, Cabrillo College, and other schools adopting remote learning in lieu of in-person instruction. Ridership on the Highway 17 Express was diminished due to the implementation of telecommuting by many employers. On March 23, 2020, METRO reduced service on the fixed route to weekend levels of service seven days a week, and then on April 30 service was restored to approximately 50 percent of normal levels pre-pandemic. METRO instituted free fares from March 2020 through September 2020 as well as rear-door boarding. ParaCruz managed to maintain the same service hours. Dialysis appointments constituted the majority of ParaCruz trips.

During a virus outbreak in November 2020, METRO responded by securing testing for its employees, who underwent weekly testing. The outbreak abated towards the end of January 2021. The Human Resources Department also conducted contact tracing. METRO provided free rides to those going to vaccination appointments through a partnership with Sutter Health and the City of Watsonville.

Positively speaking, the pandemic resulted in higher levels of cooperation and cohesion among the various departments. METRO also engaged in more interagency cooperation through the COVID-19 Safety Consortium with other transit agencies in the region such as VTA, San Mateo County Transit District (SamTrans), and Golden Gate Transit. The METRO Board has been very supportive of the measures taken by the executive leadership and management. Board meetings and other staff communications were conducted over the Zoom videoconferencing platform. There were no reported outbreaks of COVID-19 among METRO personnel while on duty nor were there any outbreaks among the ridership.

### *Community Bridges*

Specialized transportation programs offered by Community Bridges' Lift Line went through changes during the audit period, which affected ridership. The agency has encountered challenges balancing capital investment with employee compensation and retention. The Interfaith Satellite Shelter Program contract also ended for Community Bridges in the middle of FY 2018–19, when the Salvation Army expanded its services, including taking over this program and using its own vehicle to provide transportation. The ending of the Interfaith Satellite Shelter Program has reduced ridership totals for Lift Line.

Elderday Adult Day health center transportation remains Lift Line's largest program. Passengers from Lift Line's programs may share vehicles; however, Lift Line works to efficiently dedicate trips for each program. Community Bridges is also a participant in the City of Santa Cruz emergency resource program list of organizations that can assist during an emergency. As the CTSA for Santa Cruz County, Community Bridges coordinates transportation with social service agencies and participates through the SCCRTC Elderly and Disabled Transportation Advisory Group to identify and discuss program issues and needs in addition to providing justification for the TDA claim.

The taxi scrip program has run into challenges as local taxi companies continue to feel the impact from the influx of ride-hailing companies (i.e., TNCs). As a result of the increasing business pressure on taxis, service quality provided to scrip riders has declined such as rides being unreliable and poor, according to Lift Line transit management. Much of the service decline has occurred in the north county area. However, the taxi service in Watsonville remains a viable option. To fill trip requests that go unserved, Lift Line works with Volunteer Center for transport and vice versa. There are two service providers that participate in the taxi script program: Watsonville Courtesy Cab and Santa Cruz Yellow Cab.

Pursuant to a prior audit recommendation, Community Bridges developed and disseminated a survey of its enrolled taxi script clients in 2020 to assess service needs. The survey was composed of 11 questions in English and Spanish. The purpose of the survey was to discern the time and days when the service is offered, and whether the service is for rider necessity or convenience to determine whether demand for the program can be shifted where other transportation alternatives at different times are available to better meet the needs of this limited market.

Community Bridges has been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Community Bridges already has an existing business plan for a taxi service. Furthermore, procurement of smaller, electric-powered vehicles would make the implementation of such a service more feasible.

The reasons cited by riders for using Lift Line have expanded as Community Bridges increases its visibility in the community. Trips are provided to more than just social events but also for outpatient medical services such as physical therapy and counseling. The diversity of reasons for taking Lift Line aligns with County policy to address senior living and reduce isolation. In addition to receiving TDA funds and donations, Community Bridges has separate contracts with the local jurisdictions that support the transportation services. Contracts are in place with the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County for services such as transportation for senior and low-income residents to medical appointments and dining centers within their respective jurisdictions.

A no-show policy reduces inefficiencies caused by passengers' failures to meet their assigned trip. The policy defines no-shows and identifies ways that passengers can avoid this issue. A suspension penalty could occur for a pattern of this behavior. Community Bridges tracks no-shows for three programs—Medical, Meals on Wheels, and Elderday. The no-show rate compared to total trips for these programs was 3.3 percent in FY 2019, 5.1 percent in FY 2020, and 3.6 percent in FY 2021. The industry standard rate is generally below 5 percent.

The CTSA transitioned its dispatching and scheduling software program from Trapeze to Ecolane during the audit period. The new Ecolane dispatching software has made it more efficient to combine rides and searches for the most accessible driver for trip requests. It also has a self-booking feature that is poised to be implemented in mid-2022. In addition, the software has an AVL feature tied to Google Maps. The automated scheduling is integrated with mobile data terminals (MDTs) in the vehicles, which allows for changes to be made en-route and track rides. The MDTs allow the drivers to communicate with dispatch. As rides are completed, the MDTs tag completed rides with real-time pick up and drop off data and highlight these times in blue, making it easier for the dispatchers to monitor all rides. Likewise, uncompleted, or unassigned rides are highlighted in red to inform the dispatcher of the priority of pending trips. Lift Line's dispatch and scheduling system still maintains some manual components, to be used in the event of a power loss or technical difficulties.

Complaints collected by Community Bridges were consistent for the last several years, ranging between 0 and 2 per year. The number of accidents reported in the TDA quarterly report show 3 in FY 2019, 4 in FY 2020, and 1 in FY 2021. The number of incidents, which could be any reported activity by Lift Line during operations, show 19 in FY 2019, 11 in FY 2020, and 3 in FY 2021. The on-time performance is a 30-minute pickup window, with the pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 minutes after the scheduled pickup time. The time of pickup is documented by drivers and tracked by the MDTs and AVL system; however, this effort for drivers to record for each pickup and drop-off is tedious.

Community Bridges' response to the COVID-19 pandemic involved maintaining essential transportation services while protecting riders and employees. Lift Line instituted cleaning protocols of its vehicles and facilities. Face masks were required of riders and drivers were equipped with face masks and shields. Capacity limits were instituted on the vehicles in order to maintain six feet of social distancing.

### Volunteer Center

Volunteer Center underwent an expansion in its service provision to the community. While it continued to provide rides to the community through the volunteer driver program, it expanded into grocery shopping and medication delivery services. New clients fill out a registration form and are contacted by the dispatcher to confirm their eligibility through age (60+) or disability. Trips are prioritized by Volunteer Center in order of 1) medical, 2) shopping, and 3) social, and could include multiple stops during the trip. Each rider is limited to two trips per week with medical appointments taking priority. The primary ridership is seniors who are ambulatory; drivers and their passengers generally stay together and form a bond. Reservations are made between 5 and 7 days in advance to secure a driver. Volunteer Center will send a letter to riders who fall into a habit of not following general ride guidelines, including canceling their trips or not showing. Drivers will also conduct welfare checks on their passengers.

A significant activity undertaken by Volunteer Center was the transition from a manual method of dispatch and data collection to an in-house developed software program. The software went live in 2019. Through The Hub platform, staff and drivers are able to leave notes for the dispatchers. The platform is integrated with Google Voice, which allows volunteers to notify of their availability from home. The Hub also provides integrated matching through Google Maps. The software has reduced the time spent coordinating individual rides and has increased the quality of service to clients by standardizing the coordination process between dispatcher volunteers; eliminating time-consuming handwritten dispatch processes; enabling the auto-tracking of drivers through Google Maps; automating repetitive tasks like driver check-ins, email composition, and ride matching; and quickly generating program reports and statics. Overall, the software has streamlined the program's administration and simplified complex, volunteer-run processes, enabling existing resources to be used more efficiently.

Client profiles are created in the software to capture data for creating successful trips. Data are stored on the "Firestore" Google Cloud Platform product, which reduces physical storage needs. Dispatchers send emails to the drivers with a list of ride needs and drivers select the trips to make. Dashboard summaries are available that show pertinent trip data. Alerts are also made when drivers need to renew their license, thus keeping Volunteer Center and drivers aware of important actions. The software is able to capture key data such as trip distance and time through the Google map system, which visually shows the direction of the trip from point to point.

As a check of the software information and summed in the quarterly transportation reports, Volunteer Center tracks mileage driven through the monthly reports submitted by drivers, whether for mileage reimbursement or not. Typical trips are between 16- and 23-miles round

trip, based on the quarterly reports during the audit period. Volunteer Center does not track the time spent by drivers to transport their clients, as there is a value to the time spent by the volunteer to provide the trip; staff supplied an anecdotal value of \$21 per hour shown in the TDA claim. With the new dispatch software, there is opportunity to begin tracking both trip time and distance.

## Personnel

### Santa Cruz METRO

Nonexempt employees are represented by two unions: Service Employees International Union (SEIU) Local 521 and the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) Local 23. The SEIU represents Santa Cruz METRO employees, including the Professional Supervisors Association, Salaried Employees Association, and Vehicle Maintenance Unit. The SMART represents employees for the ParaCruz operation. Labor agreements in place during the audit period went into effect during the audit period. Santa Cruz METRO reported a change in the SMART union leadership during the audit period. Communication between the agency and the union has been described as being good and collaborative.

The current MOU between Santa Cruz METRO and SEIU Local 521 went into effect for three-year period from July 1, 2019, through June 30, 2022. The MOU incorporates pay increases and payout bonuses to employees covered under the MOU. Two separate labor agreements between Santa Cruz METRO and SMART Local 23 were also approved during the audit period for a three-year term from August 6, 2022, through June 30, 2022, and from August 25, 2019, through June 30, 2022. The pay rate schedule and paid leave provisions were modified.

Base wage rates were increased by 2 percent per year until the union agreed to defer this increase until 2020 to help the agency address the structural deficit and maintain its union workforce. A new wage scale for ParaCruz consolidates the pay rates for represented classes. Upon commencement of the labor agreement, employees were placed on the new wage scale but were not disadvantaged by a reduction in base wage rate after the wage consolidation. Santa Cruz METRO pays medical premiums depending on bargaining union contract requirements. Union leadership fosters a cooperative relationship between Santa Cruz METRO and the unions as evidenced by the union agreement to defer the cost-of-living adjustment, which has maintained the number of drivers. A summary of employees for both Santa Cruz METRO and ParaCruz during the period is presented in Table V-1:

**Table V-1**  
**Santa Cruz METRO Employee Count**

	FY 2019	FY 2020	FY 2021
<b>Santa Cruz METRO Bus/All Other</b>	263	271	254
<b>ParaCruz DAR</b>	40	40	37
<b>Total Employees</b>	<b>303</b>	<b>311</b>	<b>291</b>

Source: Santa Cruz METRO

Fixed-route operations have been down 22 bus operators and ParaCruz has been down 3 operators, according to METRO management and data contained in budgets adopted during the audit period. The agency saw a number of separations and retirements due the COVID-19 pandemic. Historically, Santa Cruz METRO has had a low turnover rate. Employees undergo three- and six-month evaluations as well as an annual evaluation, which is tied to a step increase. Supervisors are reminded to conduct employee evaluations based on the schedule.

The hiring of a safety and training coordinator and an assistant safety and training coordinator has improved the training status of the operators and streamlining the licensing and permitting process. Training protocols have sped up to retain new drivers while improving the quality of training and customer service. This has some improvement on morale.

The agency has used the Employment Development Department, veteran centers, churches, movie ads, and radio spots on I-Heart Radio. Human resources have also recruited candidates through job fairs and local colleges. Open houses are held at the transit center and feature applications and interest sheets. Santa Cruz METRO's focus has been to draw from Santa Cruz County as well as from neighboring Monterey and Santa Clara Counties. In spite of these efforts, there was a lull in the number of qualified candidates due to the improving economy and other job prospects. Santa Cruz METRO receives an average of 20 applicants at any given time. The agency has also started utilizing social media platforms, such as LinkedIn, for recruitment.

Santa Cruz METRO implemented several new methods of recruitment during the period. The agency implemented a hiring bonus of up to \$4,000 for new operators. The \$4,000 hiring bonus is paid out as follows:

- \$500 after training.
- \$1,500 after probation; and
- \$2,000 one year after probation (approximately 2,080 hours worked).

The new employee interview panel involves four to five employees encompassing management personnel, supervisors, and union representatives. To screen prospective candidates, Santa Cruz METRO uses Ergometrics, a behavioral-based approach that encompasses video simulation tests designed to assess applicant abilities in important, hard-to-test areas, such as situational judgment, human relations, teamwork, listening and communications skills, dealing with difficult and stressful situations, multitasking, problem solving, and safety orientation. Testing also encompasses knowledge of the rules of the road. The new coach operator's handbook was updated in 2019.

Training is generally conducted in-house and in-person. Operations has been working with Human Resources to obtain online training courses. Operators undergo eight hours of recurring Verification of Transit Training annually. In addition, each operator is required to attend eight hours of annual safety training. With the addition of the new articulated buses, the training protocol has been expanded. DMV pull notices are monitored daily. Employees also undergo trainings regarding sexual harassment and violence in the workplace every three years as

required by Santa Cruz METRO's Sexual and Gender Discrimination, Harassment and Retaliation Prevention Policy. Additional training topics include verbal defense/de-escalation tactics, human trafficking, social distancing, and ADA protocols.

A management classification and compensation study was commissioned in FY 2019, which involved an update of job specifications. Under the most recent MOU with the SEIU (FY 2020), four positions can be reclassified two times annually. Santa Cruz METRO provides health insurance coverage through CalPERS that is 95 to 100 percent paid. There are five HMO and three PPO plans offered. There are PPO dental and vision plans that are 100 percent paid by Santa Cruz METRO. The defined benefit retirement plan is offered through CalPERS. Santa Cruz METRO utilizes Epicor ERP software for payroll and benefit processing.

### Community Bridges

Based on the organizational chart of the CTSA, Life Line employed 21 personnel, which includes the division director, 4 management and supervisory staff, 3 dispatcher/schedulers, one executive assistant, one data analyst, one mechanic and 10 drivers (7 full and 2 part-time drivers, and one on-call driver). Drivers and the mechanic are represented by the same union as METRO personnel, SMART Local 23. The labor agreement in effect during the audit period was approved for a three-year term from July 10, 2019, through December 1, 2022. The agreement allows Community Bridges to track patterns of sick-outs while remaining within labor laws. The SMART union representing Community Bridges employees disbanded in March 2021. Lift Line has been in the process of updating its employee policies and procedures manual.

Community Bridges utilizes several methods of recruiting new drivers and personnel. The CTSA has used Indeed, the Employment Development Department, Craigslist, local classified advertising, flyers, and the Community Bridges website. New full-time drivers have Class B licenses and go through the requisite orientation and training, including drive-alongs, safety training, and general proficiency with the routes. On-call drivers do not need to have a Class B license upon joining but must work toward getting the license. The vehicle fleet includes minivans, which require a Class C license and can be driven for service during the time the driver is training for the Class B license. Lift Line management indicated challenges in recruiting drivers and retaining personnel due to similar reasons affecting the transit industry, such as other job opportunities.

The hiring of a driver trainer has improved the in-house training program, although DMV certifications are conducted remotely and take long to schedule testing with more strict rules for certification. Driver meetings are held once a month to review safety and operational procedures and include the use of a driver simulator supplied by the insurance carrier. The CTSA has been working on the development of customer service-oriented training with an emphasis on palliative care and conflict resolution skills with individuals who have complex medical issues.

All Lift Line personnel, including administration, operations management, maintenance, and drivers, are located in Watsonville, a significant and positive change during the audit period. The operations and maintenance staff are housed in a permanent facility using Measure D funds and



are located near the Community Bridges administrative building. Quarterly meetings are held for different purposes, including one for all staff, another for safety training, and another for drivers to discuss other issues.

### Volunteer Center

The onset of the COVID-19 pandemic impacted the pool of volunteer drivers. Many volunteers were aged 65 and older, thus falling into the high-risk category for contracting the virus. Therefore, the Volunteer Center had to recruit new volunteer drivers under the age of 65. The program was able to recruit nearly 340 volunteers since March 2020. The Volunteer Center also partnered with Ecology Action in supporting the Grocery Shopper Program, which involved the deployment of bicycles in the delivery of groceries and medications. In addition to the Grocery Shopper Program, the Volunteer Center launched a friendly caller program to check in on seniors shut in due to the pandemic. Between 45 and 75 participants were recruited for this initiative.

The number of volunteer drivers fluctuates among each of the three service areas of Santa Cruz, San Lorenzo Valley, and Watsonville; Volunteer Center indicates the total number of drivers holds relatively steady at 55. Santa Cruz typically has the most drivers, followed by San Lorenzo Valley and Watsonville; generally, more available drivers means more rides provided in each of the service areas. Volunteer Center staff expend resources conducting screens of volunteer drivers, including criminal background checks and their ability to provide frequent service over at least a 6-month commitment. Volunteer Center has been active over the past year in grouping rides using the new dispatch software.

Volunteer driver turnover is relatively frequent, as shown by national rates of 50 percent retention, with driver numbers declining mainly during the summer. Drivers have the option of requesting reimbursement on a mileage basis at \$0.31 per mile. While newer drivers tend to request the reimbursement, many drivers provide the service without requesting reimbursement. Volunteer Center personnel indicated that drivers can be selective and give preferences for the rides they want to provide. The new dispatch software builds profiles of riders which can better match with driver preferences. Volunteer Center tracks unfilled ride requests, which range between 2 and 6 percent of total rides. Trips filled by other providers are also recorded, which helps alleviate unfilled requests.

Drivers are required to complete a volunteer registration form, vehicle insurance form, and an authorization for Volunteer Center to do a background check. Volunteer Center staff also conduct screenings and interviews. Driver background checks are conducted through Sterling background screening services and incur a nominal cost to the agency. Volunteer Center provides excess general liability and medical insurance above the driver's own insurance coverage. During the pandemic, a vaccine attestation was required for drivers.

### Maintenance

Santa Cruz METRO's maintenance facility was completed in 2009 and features 11 bays, 5 in-ground lifts, 8 portable lifts, and one set of 6 posts for the newer articulated buses. The facility is

open daily with the following hours: Monday through Friday, 24 hours, and Saturday and Sunday from 6:30 a.m. to 2:30 p.m. The facility opens at 10:45 p.m. Sunday to begin the week. Energy-efficient LED lighting was installed during the audit period.

There are 19 mechanics on staff, including three maintenance supervisors, assigned over three weekday and two weekend shifts. There were some promotions and turnover in the Maintenance department. The current maintenance manager was hired in 2017, having previously served in the maintenance department of the City of Santa Monica's transit agency. New mechanics undergo a three-month training process and training is tracked for each mechanic. Training is conducted through the manufacturer or coordinated with other transit agencies such as SamTrans and the Southern California Regional Transit Training Consortium. METRO has budgeted additional resources for maintenance training as the agency prepares for introduction of electric buses to the fleet.

About half of the mechanics were hired in the past five to seven years; they work in three shifts on weekdays and one to two on weekends. Mechanics obtain Automotive Service Excellence (ASE) certification for specific technical tasks. Santa Cruz METRO is looking to incentivize ASE certification, which would require amending the MOU with the SEIU. The maintenance manager is reviewing the maintenance staff schedules to improve efficiency and has identified the need to hire an in-house trainer. Safety concerns are discussed during "toolbox" meetings.

The Maintenance department utilizes MaintStar asset management software to track repairs and parts inventory. The department is interested in integrating mobile tablets and modules with the MaintStar program. Repairs are coded and categorized. Labor time and vehicle mileage are also tracked. The lead mechanic reviews repairs, which are followed up by the supervisor who approves the work order. Defect cards are obtained from operations for review by the lead mechanic before being assigned and tracked in MaintStar.

Part requisitions have to be approved prior to use. Parts are barcoded but not used in the module. Safety issues and operations were addressed involving engine in frames, staffing levels, and vehicle spare ratio levels. Warranties on new vehicle procurements have been negotiated, which resulted in a five-year warranty on engines and a two-year warranty on transmissions. Body and paint work are outsourced. Santa Cruz METRO is generally able to receive parts the next day. Every part issued is entered onto a work order for both fleet and facility maintenance. Santa Cruz METRO keeps brake kits in stock so as to allow mechanics to perform a full brake job. Group cycle counts are conducted weekly.

A Fleet Maintenance Resource Work Plan was developed in December 2015 that revamped the policies and procedures guiding preventive maintenance inspections (PMIs) and other servicing work. Santa Cruz METRO has expressed the intention to update the work plan to include the servicing of newer vehicles in the fleet. All vehicle maintenance for both fixed-route and ParaCruz services is conducted in-house as a cost-saving measure, with only certain major overflow issues and body work contracted out. PMIs are performed per manufacturer's requirements, including in 6,000-mile increments and within a 10 percent mileage window. Santa Cruz METRO performs a safety inspection midway through the 6,000-mile PMI cycle for all

fixed-route and commuter-revenue vehicles, not to exceed 3,500 miles. ParaCruz vehicles require PMIs to be performed in 5,000-mile increments within a 10 percent mileage window. Extended warranties are leveraged.

Pre- and post-vehicle inspection reports were revised and include placing a sticker on the bus wheel indicating maintenance attention. Quality control/quality assurance requirements are documented in the work plan, as are 10 key performance indicators to measure maintenance quality and compliance. These indicators are included in the monthly fleet service summary worksheet. Road calls are tracked and summarized in the following table:

**Table V-2**  
**Santa Cruz METRO Road Calls**

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Santa Cruz METRO Bus</b>	256	198	171
<b>ParaCruz Paratransit</b>	13	9	7
<b>Total Road Calls</b>	<b>269</b>	<b>207</b>	<b>178</b>

*Source: National Transit Database - Form R-20*

Road calls steadily during the audit period from 269 in FY 2019 to 207 in FY 2018 to 178 in FY 2021. The decline in road calls is attributed to the implementation of newer fleets and the reduction in vehicle service hours and miles. The implementation of the new protocols outlined in the Fleet Maintenance Work Plan have also assisted in reducing the number of road calls. Annual CHP terminal inspections conducted during the period have been satisfactory.

METRO has been laying the groundwork for zero-emission vehicle infrastructure and enhanced training. The agency procured four Proterra zero-emission buses (ZEBs), which underwent feasibility testing before being placed into service in the fall of 2021. Before committing to future procurements, METRO wants to ensure that the battery energy capacity of the ZEBs is sufficient for the end-of-life range or about 300-mile daily range on an overnight charge. Pursuant to the Innovative Clean Transit regulation that was adopted by CARB in 2018, METRO must purchase ZEBs for 25 percent of all bus purchases beginning in 2026 and 100 percent of all bus purchases in 2029. The agency is maximizing the use of ViriCiti to capture and analyze ZEB data. ViriCiti is a telematics platform that monitors the efficiencies of new fleet propulsion technologies.

### Community Bridges

The permanent operations and maintenance facility funded by Measure D is on 2 acres of land located at 545 Ohlone Parkway in Watsonville. The facility features two bays and two lifts, and a 3,000-square-foot maintenance shop. A form is created to track mileage at time of service and mechanic charges for the vehicle. A Microsoft Access database is used to manage the maintenance program and is based on mileage and days. Management is reviewing a new maintenance program. As a gauge of maintenance, the number of mechanical failures (including lift failure) reported by Community Bridges in the TDA quarterly report ranged between 3 and 6 annually during the audit period, with the higher number of failures occurring at the end of the period. A wheelchair malfunction resulted in a passenger incident. With delivery of two new

electric vehicles and battery chargers, Lift Line staff are learning the operations and maintenance of the new vehicle technology.

### **Planning**

Santa Cruz METRO planning staff combine ridership data, on-board survey data, and countywide demographic data to analyze the productivity of transit corridors in the county and design service accordingly. Additionally, Santa Cruz METRO partners with SCCRTC, the Association of Monterey Bay Area Governments (AMBAG), UCSC TAPS, and the Santa Clara VTA, as well as other county and local municipalities, in overall transportation improvement planning. The mixture of rural and urban areas, geography, topographical landscape, and the diverse needs of the community all provide challenges that Santa Cruz METRO faces when planning transit service.

The SRTP had an objective to create policies directed at identifying service metrics that guide the decision-making for identifying productive service. This would include specifying service performance targets, designing appropriate bus stop spacing, and maintaining a fiscally sustainable service. A stop-by-stop level of data gathering has been a challenge for Santa Cruz METRO staff to conduct more in-depth planning; although the agency's adopted budget included a half-time surveyor position, the position had not been filled for some time. The busy Soquel corridor has been a focus of planning, but significant service adjustments are difficult without in-depth data.

A new planning and development manager and scheduler were hired in November 2015 to support efforts in the planning and restructuring of service. The agency had limited planning staff and only limited funding for hiring outside contractors to collect data upon which to base planning and scheduling decisions. The planning manager reports to the Board of Directors on service trends quarterly as well as conducting an annual board presentation on the state of service planning.

A comprehensive operations analysis (COA) was conducted in 2016 to lay the foundation for overall service restructuring. Entitled *Metro Forward: Transit for Tomorrow*, the COA was adopted in May 2016 and reviews the broader network structure as well as individual route performance to provide Santa Cruz METRO with a comprehensive understanding of market conditions and service performance. A set of recommendations and service scenarios were provided to build upon the network's market opportunities and performance strengths, minimize ridership loss, ensure adequate coverage throughout the county, and maximize financial sustainability.

Implementation of the COA recommendations resulted in the elimination of 19 percent of daily trips and an 8 percent decrease in ridership. A summary of the proposed changes in the COA included the elimination of Route 30 in the San Lorenzo Valley; Routes 8 and 12 in Santa Cruz; Routes 54 and 56 in the Live Oak/Capitola/Aptos area; and Routes 74 and 77 in Watsonville. Santa Cruz METRO also eliminated Route 33 and 34, which were school tripper services operating in a rural area. Route 35 in the San Lorenzo Valley continues to operate as a lifeline

service. Route 71, an intercity route, is the most productive outside of the routes serving UCSC. Ridership on the Highway 17 Express with its 30 daily trips has been static during the period.

A metric of 10 to 15 passengers per hour triggers service monitoring. Santa Cruz METRO has realized that service standards can be too aspirational. The agency is pursuing more flexible and cost-effective ways to serve areas of low ridership with micro transit and collaborative arrangements with TNCs such as Uber and Lyft. ParaCruz is available as a backup service mode for ADA service requests.

In April 2019, METRO conducted an on-board survey and ridecheck, its first since 2012, to enhance its understanding of riders, demographics, travel patterns, satisfaction with METRO services, and preferences in the use of various technologies including fare payment methods.

On June 26, 2020, the METRO Board of Directors approved and officially adopted METRO’s Public Transit Agency Safety Plan (PTASP). The plan, which is required by the FTA for all urbanized transit providers, must detail the processes and procedures transit providers utilize to implement safety management systems as well as establishing safety performance targets. The PTASP final rule became effective in July 2019 with plan enforcement beginning in July 2021. Plan updates and agency self-certification confirming compliance is required annually. The FTA will formally review METRO’s PTASP in the next federal triennial review.

### Transit Performance Monitoring

Each of the transit systems provides performance measures to the SCCRTC on a quarterly and annual basis. The list of performance metrics differs slightly between the transit systems to reflect their system size and service modes. As several commissioners also serve on Santa Cruz METRO’s board, the performance of Santa Cruz METRO is shared as needed with the SCCRTC. Documentation supplied by the transit systems shows their commitment to provide the information to the SCCRTC as a condition of their receipt of TDA funds. The performance metrics for Santa Cruz METRO are listed in the TDA claims form and include those listed in Table V-3.

**Table V-3**  
**Santa Cruz METRO Performance Measures**

1.	Annual passengers	15.	Number of FTE employees (all employees, not just drivers)
2.	Rides/passenger trips provided by type (student, senior, adult, pass holders, etc., or however stats are kept) and amount of TDA funds used for each type of ride	16.	Vehicle service hours/employee*
3.	Annual service hours	17.	Number of routes
4.	Passengers per vehicle service hour*	18.	Average route length
5.	Annual service miles	19.	Average travel times/rider
6.	Number of fixed-route miles	20.	Number of bus stops
7.	Service area – square miles	21.	Number of vehicles in operation

8.	Service area population	22.	Number of monthly bus passes in circulation
9.	Passengers per vehicle service mile*	23.	Maximum vehicles in service at any time
10.	Average passengers per weekday	24.	Hours of service
11.	Total operating costs in budget	25.	Approximate number of unduplicated passengers
12.	Operating cost per vehicle service hour*	26.	Cost per unit of service plus text about long range plans to make/keep this low
13.	Total operating cost per passenger*	27.	Funds and percentage spent on administration/overhead/grantee allocation/etc.
14.	Average farebox revenue per passenger (describe what is included)	28.	Actual financials compared with budget
29.	Actual number of rides provided compared with goal and text about whether goal was met and why/why not		

\* Denotes TDA indicator

The performance indicators submitted by Community Bridges are shown in Table V-4.

**Table V-4**  
**Community Bridges Performance Measures**

1.	Unduplicated passengers per month	8.	Cancellations per month
2.	Total passenger trips (units of service) per month	9.	Donations per month
3.	Incidents per month	10.	Total operating cost per passenger*
4.	Accidents per month	11.	Total operating cost per vehicle service hour*
5.	Mechanical failures (including lift failure) per month	12.	Total passengers per vehicle service hour*
6.	No-shows per month	13.	Total passengers per vehicle service mile*
7.	Turndowns or referrals per month	14.	Van mileage per program

\* Denotes TDA indicator

The performance indicators submitted by the Volunteer Center are shown in Table V-5.

**Table V-5**  
**Volunteer Center Performance Measures**

1.	Number of rides/deliveries provided	6.	Number of unduplicated passengers
2.	Trip destinations	7.	Number of requests for service
3.	Mileage claimed	8.	Number of turndowns
4.	Estimated total mileage	9.	Reason for turndowns

5.	Average length of trip	10.	Number of active volunteers
11.	Geographic distribution of clients		

Community Bridges and METRO have invested in AVL technology that enables more automation in the tracking of vehicle movements. The technology serves multiple benefits including for safety and operational efficiencies. The AVL feature, when combined with dispatch/scheduling and other communications technology, can provide accurate performance measures such as on-time performance for the different vehicle modes as the technology becomes more available on the vehicle fleet. Given this technology integration for the transit systems, reporting on-time performance in the quarterly reports should be added as another key indicator of operational effectiveness and customer service.

### **Marketing**

Marketing and communications are conducted by customer service staff in the operations division. The Santa Cruz METRO website (<https://www.scmttd.com/en/>) was redesigned with an upgraded content management system. This has resulted in better functionality. The website contains a Google Transit trip planner, service calendar, and a Spanish version (<https://www.scmttd.com/es/>). Several Santa Cruz METRO departments, including IT, planning, and operations, collaborated on a pilot project called Schedule by Stop to provide the day's bus schedule for each stop using Google Transit data collected for trip planning. The page displays the approximate time of all routes serving that location all day long, as well as optional trip detail showing all stops that each bus makes along the route. The planning pages were also redesigned.

METRO updated its COVID-19 messaging on the vehicles, website, printed collateral, and eBlasts. Santa Cruz METRO's Headways bus rider's guide is revised several times a year to reflect the route changes, which are described in the front section of the guide. Usage of the Headways publication is dropping due to the growing use of electronic and mobile sources of transit information. There has also been an emphasis on service-specific marketing campaigns, such as for the launch of the Watsonville Circulator.

Social media platforms such as Facebook and Twitter have been used for communicating service alerts and driving users to the website. The agency saw more engagement on Facebook, which has proven to be a more effective medium with a seven-fold increase in post reach. METRO's Twitter account has been relatively inactive with only 38 followers. The agency is looking to add content on Instagram. Text messaging is a larger communications venue where riders subscribe to Stay Connected text messaging with the schedule on demand at any location of interest; riders receive real-time subscriber alerts whenever schedules are impacted on the routes they ride. Rider alerts on service changes or current issues are also placed on the Santa Cruz METRO website in a news bulletin feature.

Santa Cruz METRO has an online store where customers can purchase bus passes online using a credit card. Santa Cruz METRO completed the installation of electronic validators on all Highway 17 buses during the audit period. Santa Cruz METRO has retained the fare media platform

Masabi to implement the pilot. Masabi's JustRide mobile ticketing platform is already being utilized by Sonoma-Marin Rail Transit and the Altamont Corridor Express.

The Watsonville Transit Center has been open for the past three years and is open weekdays from 8:00 a.m. to 5:00 p.m. Santa Cruz METRO reports a low volume of ticket sales at the Watsonville Center, ranging from \$150 to \$200 in daily sales. Ticket vending machines have been installed. The downtown Santa Cruz transit center handles ticketing and all other customer service requests. The Watsonville facility currently contains a local grocer that occupies space and promotes a sense of customer well-being. Santa Cruz METRO is working with the SEIU to emphasize outreach as an integral part of operations, including more face-to-face interaction with the public. An accessibility coordinator who provides travel training is located at the downtown Santa Cruz transit center and is a central figure for this interaction. Bilingual outreach and interpretation are provided in-house in English and Spanish, with Santa Cruz METRO staff attending community events such as the county fair and interactive activities.

Customer service is the front line for handling complaints and following the procedures described on the Santa Cruz METRO website. The customer service coordinator investigates complaints that are logged with red flags. Other department staff are involved to further investigate and resolve the complaint prior to closing the file. All managers are able to receive and review customer comments and complaints. Valid complaints are kept in the employee's file for one year, which is acceptable to the union.

Prior to the development of the SRTP, there was no marketing plan for Santa Cruz METRO. The agency hired a marketing director in May 2019 and is developing a marketing plan based on the on-board survey conducted in June 2019. The recent bus pass program secured with Cabrillo College and UCSC's contribution to new services add momentum for proactive marketing and better service to the student population. Marketing strategies proposed by the SRTP include electronic informational tools, printed materials, branding of the system, fare media, bus stop signage and facilities, and coordinated marketing. Santa Cruz METRO also revised its logo.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the agency. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Title VI Program was updated on February 22, 2019. Program compliance includes Title VI notices and complaint forms published in English and Spanish that are posted on the transit website and vehicles. METRO's Title VI Policy document is posted on the website ([http://www.scmtd.com/images/department/legal/policies/title\\_vi\\_policy\\_2019](http://www.scmtd.com/images/department/legal/policies/title_vi_policy_2019)).

Community Bridges conducts more outreach compared to past years and has hired an extra position for this. As described earlier in the operations function, more types of trips are being made for different appointments such as for medical, physical therapy, and counseling. The expanded outreach aligns with County policy to address senior living and reduce loneliness and isolation. Community Bridges developed a brochure for its services and tailored flyers for specific services. The brochure is provided in both English and Spanish and contains detailed information



about Lift Line services and eligibility. The Community Bridges website includes information about Lift Line on its main program site as well as a dedicated site for Lift Line services and detailed information. Advertising space on the back of the vehicles is also available for businesses that see value in Lift Line’s visibility around the community.

Volunteer Center also produces a community brochure for distribution and markets an ongoing need for volunteer drivers to maintain a qualified pool. By filling a transportation need that other transit modes cannot efficiently provide, Volunteer Center is serving a different rider market and is developing a means to share its clients’ stories. For growth in the program and recruitment of both drivers and passengers, the Volunteer Center has taken steps to better highlight how its programs benefit various individuals in the community.

On the Volunteer Center website, the “Our Stories” drop-down box contains links to volunteer stories, videos, and blog posts. The video content highlights the volunteer response to the recent wildfires, 2020 Be the Difference Awards, Grocery Shopper Program, the COVID-19 pandemic response, and food relief program. Another example of how Volunteer Center has been promoting its activities involves recorded audio testimonials of seniors who use the program to access medical appointments and shopping. Volunteer Center has also been featured in the “Young at Heart” section of the *Santa Cruz Sentinel* newspaper.

### **General Administration and Management**

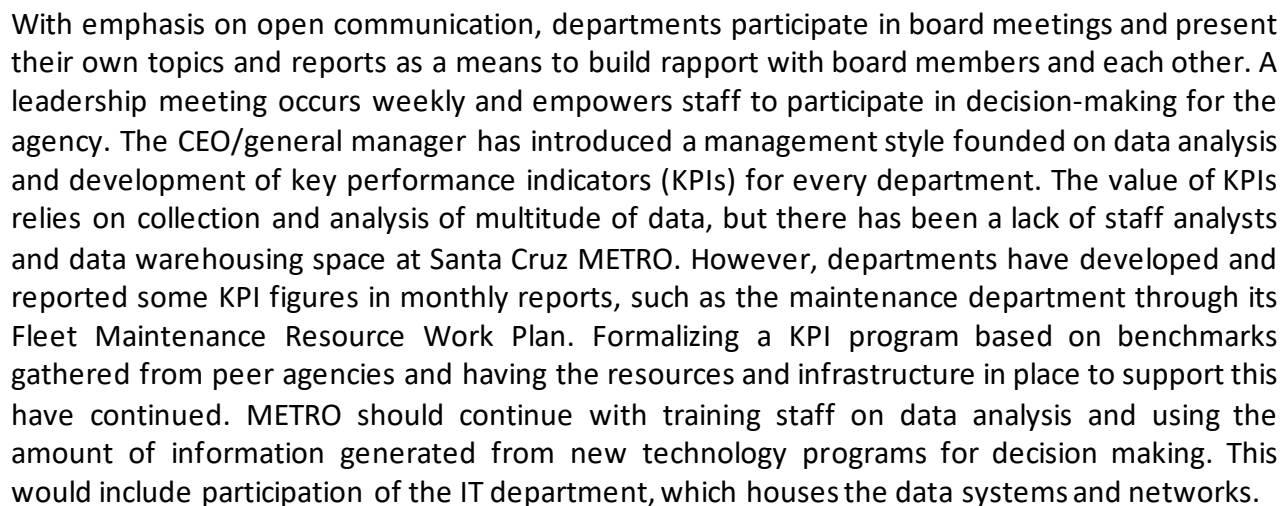
The Santa Cruz METRO is governed by an 11-member Board of Directors, plus two ex officio members from UCSC and Cabrillo College. A number of members on the board serve as commissioners on the SCCRTC. A few board members also serve on the AMBAG board.

The METRO Advisory Committee advises Santa Cruz METRO’s Board of Directors on matters of policy and operations referred to by the board or the CEO/general manager. The Advisory Committee may also address issues regarding the quality and quantity of transportation services provided by Santa Cruz METRO. Membership comprises anyone from Santa Cruz County who applies and is appointed by a Santa Cruz METRO board member.

Administrative departments are located at the Administration Facility at 110 Vernon Street. The CEO/general manager was focused on addressing the agency’s structural deficit while ensuring vehicle replacement was occurring and developing strategic priorities moving forward. Major contributing factors to the structural deficit included too many consecutive years in which Santa Cruz METRO experienced an increase in the recurring costs of personnel, goods, and services without the same growth in recurring revenues, and uncontrollable outside forces contributing to the structural deficit, such as a sluggish economic recovery.

METRO saw turnover in its executive leadership during the audit period. The agency hired a new chief operations officer (COO) in June 2020. The new COO was formerly the director of bus transportation at SamTrans. In addition, the agency added an assistant safety and training coordinator.

**Figure V-1**  
**Santa Cruz METRO Organization Chart**



In June 2019, the METRO board approved a 10-Year Strategic Business Plan that sets key tactical initiatives in support of the strategic priorities. The priorities are:

1. Safety First Culture
2. Financial Responsibility, Stability, Stewardship, Accountability
3. Service Quality and Delivery
4. Internal and External Technology
5. Employee Engagement: Attract, Retain, Develop
6. State of Good Repair
7. Strategic Alliances and Community Outreach

The strategic priorities and key tactical initiatives are intended to prioritize the use of METRO's financial and staff resources in the coming years. Beginning in October 2018, the METRO board undertook an initial work session in which the board and management team established a preliminary set of strategic priorities. Through the ensuing months leading up to the approval of the plan, the board adopted the strategic priorities and key initiatives, the management team developed a five-year implementation plan, and the Capital Projects Standing Committee provided comments to the strategic plan. The strategic plan identifies the METRO department responsible for implementing the initiatives and estimating costs for procurement of proposed capital projects.

Santa Cruz METRO adopts a budget annually with a two-year horizon. The finance department conducts regular budget meetings with each department manager. Operator overtime has resulted in budget overruns, in part contributed by the number of drivers at any time who are absent or on leave. According to the audited financial statements, overtime comprises about 15 percent of direct labor costs, and salary and fringe benefits comprise 80 percent of the total operating budget. Reserves are not tapped for budget overruns and are maintained for critical needs such as local match for operations and capital grants, operations sustainability, and bus replacement. Revenue from Measure D and from Senate Bill 1 through the State Transit Assistance and State of Good Repair Program provide needed infusion of new funds for both operating and capital match. METRO has budgeted \$800,000 toward the procurement of an enterprise resource planning (ERP) software program for FY 2020 to enhance administrative management and financial control.

Santa Cruz METRO adopted a procurement policy manual in 2016, which was reviewed and approved by the agency's legal counsel. The agency utilizes Puridium/Bravo Advantage procurement software, which tracks each department's budget. Requests can be inputted, and research conducted through the program. Purchases and requisitions are processed online through the software.

The agency's most recent FTA triennial review was conducted on June 12, 2019 (scoping meeting) with site visits on September 25-26, 2019. A draft report was completed November 13, 2019. No deficiencies were found in 20 of the 21 areas of FTA requirements reviewed. Only one

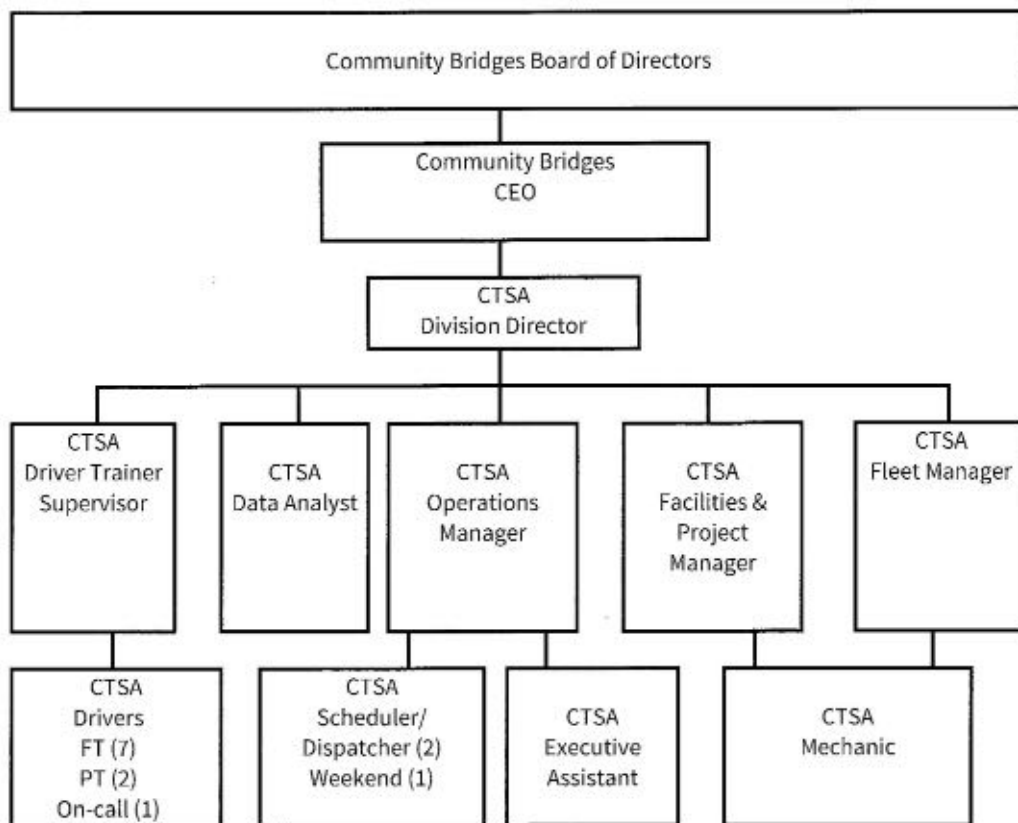
deficiency was cited in the maintenance review area. The maintenance deficiency found that METRO had no system of periodic inspections and preventive maintenance identified in facility and/or equipment maintenance plans as well as late facility/equipment preventive maintenance procedures. Santa Cruz METRO responded to this deficiency, which was closed out. The agency received its triennial review closeout letter in response to the Summary of Findings and Corrective Actions on January 13, 2021.

### Community Bridges

General management of Lift Line was largely unchanged during the audit period following changes to the organization in the prior period. The management layer supports the director including an operations manager who oversees daily operations and management of drivers. With both administration and operations located in Watsonville, communications and interaction occurs more frequently among management and drivers. Operations and maintenance were separated to allow each manager to focus on their primary duties.

The organization chart of Lift Line is shown below.

**Figure V-2**  
**Community Bridges Lift Line Organization Chart**



Because Lift Line is one program within Community Bridges, the transportation program is allocated joint administrative costs, including administrative and fiscal personnel and other agency-wide operating expenses. A documented cost allocation policy is regularly updated and specifies the method used for allocation of indirect costs, which is required for grant funding. Community Bridges uses a fixed percentage indirect cost rate that is universally applied to all of its programs. The joint cost rate is determined by taking the pooled joint administrative costs as a percentage of total program direct operating costs. Direct operating costs are total program costs less capital expenditures for major equipment, leasehold improvements, in-kind expenses, and amounts passed through to other agencies. Documentation provided by Community Bridges shows an indirect cost rate of 17.1 percent applied to direct program costs, such as Lift Line expenditures. Since the joint cost rate is based on expenses incurred, each Lift Line transportation program is assessed proportional to the expenses incurred for that particular program.

#### Volunteer Center

Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. The number of senior clients served measures performance. Clients register with the program and individual records are kept on each client with their personal information, emergency contacts and rides and deliveries received. The number of groceries delivered is evaluated through reports compiled on each service provided that details client, date, and time of ride and/or groceries delivered, destination and volunteer providing the ride or delivery. Another metric involves the number of people to be served or the anticipated number of users of the program.

The Volunteer Center's goal is to serve 150 seniors with the Grocery Shopper Program. Participants are limited to one delivery per week due to the availability and number of drivers and shoppers. Participants are requested to give two to three days advance notice for shopping requests to be filled.

It is anticipated that when the Transportation Program resumes normal operations, the Volunteer Center can provide and integrate those program goals with those of the Grocery Shopper Program.

#### Grants Management

Santa Cruz METRO historically relies on a variety of grants and other funding mechanisms, including local sales tax revenues, to support its transit system. The grants/legislative analyst evaluates the feasibility of obtaining funding for proposed projects, writes grant applications, and ensures agency compliance with federal, state, and local regulations and funding source requirements. The analyst also monitors and analyzes the impact of legislative and regulatory issues and develops a coordinated strategy for responding to these issues as they impact METRO's transportation services.

The analyst closely monitors and reports on grant activity and prepares and presents a quarterly status report of grant applications and active grants to the METRO Board. On a monthly basis, the analyst meets with the executive and management team to review pending grant awards, upcoming and current grant solicitations, active grants, and a review of capital needs.

The agency has developed a bus replacement sheet that outlines capital procurement goals and priorities. The aim is to access grant opportunities that would allow for reducing the average age of the revenue fleet, refurbishment of vehicles in the interim, and the consideration of lease-to-own options.

Santa Cruz METRO has \$200 million in unfunded capital needs. New revenues from local Measure D and Senate Bill 1 funding have helped attain financial sustainability. A bus replacement fund was created into which \$3 million annually is set aside using funding from Local Measure D, Senate Bill 1/State of Good Repair program, and State Transit Assistance. There is a rolling 10-year bus replacement program tied to METRO's Transit Asset Management program. The METRO strategic plan also contains a five-year implementation schedule related to capital procurement.

In November 2016, Santa Cruz County voters approved Local Measure D, a one-half-cent sales tax to be used for transportation-related expenditures within the county. Santa Cruz METRO receives a portion of these proceeds to support ParaCruz operations and transit capital needs. Based on audited financial data, Santa Cruz METRO received \$2.47 million in Local Measure D funding in FY 2021. Of that amount, about \$1.41 million was expended on operations and \$1.06 million was expended on capital.

Santa Cruz METRO relies on both formula and discretionary grant revenue to support its operating and capital budgets. Capital funding sources that METRO applies for include the FTA (5339 Bus and Bus Facilities; 5309 Capital Investment Grant; 5307 Urbanized; FTA 5311 Rural; and 5310 Specialized) Federal Surface Transportation Program; State of California (Proposition 1B-PTMISEA and TSSSDRA - now sunset; State Transit Assistance; Low Carbon Transit Operations Program; CALSTART Zero Emission; Transit and Intercity Rail Capital Program; Local Partnership Program; and State Transportation Improvement Program); Monterey Bay Unified Air Pollution Control District AB 2766 Motor Vehicle Emissions Reduction Program; and cash reserves.

Under the Coronavirus Aid, Relief, and Economic Security Act, Santa Cruz METRO received \$18,511,226 in pandemic relief to cover operating expenditures in FY 2020 and \$2,633,868 in FY 2021. Under the subsequent Coronavirus Response and Relief Supplemental Appropriations Act, Santa Cruz METRO received \$6,297,033 in FY 2021 toward operating expenditures.

In addition, METRO has been a recipient of Low Carbon Transit Operations Program (LCTOP) funds for operating assistance for the ZEV-powered Watsonville Circulator Project. The agency was awarded \$489,213 in LCTOP funding toward the operation of electric Proterra buses for use on the Watsonville Circulator in 2020.

Community Bridges receives FTA Section 5310 Elderly and Disabled Specialized Transit Program funds for vehicle and capital equipment purchases and submits its semi-annual reports to Caltrans certifying use and condition of the equipment. Community Bridges also receives grant funding from contracts with various government entities, including the Area Agency on Aging and each of the four cities and the County for services such as Meals on Wheels, as well as outside contracts for specific programs like the Elderday program.

## Section VI

### Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

#### **Triennial Audit Findings**

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, the Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. The agency also meets the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. For the Santa Cruz METRO inspection, no vehicles were placed out of service during the review period. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budgets for the operators exhibited modest fluctuations during the audit period. The increases in operating budgets during the audit period reflect higher personnel wages and benefit costs associated with collective bargaining agreements as well as costs associated with the procurement of personal protective equipment and service adaptations associated with the COVID-19 pandemic.
5. Of the prior six performance audit recommendations, the Santa Cruz County operators implemented three recommendations and partially implemented one. The partially implemented recommendation pertained to Santa Cruz METRO's of data analytics training with new technologies. The two recommendations not implemented pertain to the need for Santa Cruz METRO's to clarify its performance eligibility criteria for LTF and for Community Bridges to report on-time performance in the TDA Quarterly Performance Report. The recommendations pertaining to data analytics training and the performance eligibility criteria have been forwarded in this audit for full implementation.
6. Santa Cruz METRO operating costs increased 4.9 percent system-wide over the period based on audited data from the FY 2018 base year through FY 2021. System-wide operating costs



reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 7.2 percent for fixed route and decreased by 4.9 percent for ParaCruz.<sup>3</sup> According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period. Community Bridges’ Lift Line operating costs increased by a modest 7.5 percent. Volunteer Center transportation costs increased by 55.5 percent for the audit period. In FY 2021, Volunteer Center incurred increased costs attributed to the design, development, and implementation of the new Grocery Shopper Program.

7. Ridership on Santa Cruz METRO decreased by 81.5 percent system-wide during the audit period. Fixed-route ridership decreased by approximately the same percentage, decreasing from 5.05 million to 907,140 passengers between the FY 2018 base year and FY 2021. ParaCruz ridership decreased by 46 percent, from 72,209 to 38,974 riders over the same period. Lift Line ridership decreased 61.4 percent during the audit period by about 33,000 passengers. Volunteer Center transportation ridership decreased significantly by more than 15 percent for the period, from 4,600 to 3,900 passengers. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic.
8. From a combination of performance data trends, TDA performance indicators for Santa Cruz METRO showed increases in costs on a per unit basis, including per hour and per passenger. The trends for these indicators using audited costs reflect marginal growth in operating cost paired with declines in ridership and service hours.
9. Santa Cruz METRO has been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an automatic vehicle locator (AVL) system, automated passenger counters (APCs), and voice annunciators. The AVL and APC installation commenced in January 2019 and was completed in the fall of 2020. The AVL system will integrate the Predictive Arrival & Departure System, which is a smartphone app that provides real-time data to customers on the predictive arrival of the bus.
10. In September 2020, METRO implemented mobile ticketing. The Santa Cruz METRO “Splash Pass” allows customers to purchase METRO fare products using a smartphone. Splash Pass mobile ticketing was extended to all downtown Santa Cruz employees in April 2021 through a partnership with the City of Santa Cruz. Santa Cruz METRO also completed the installation of electronic validators on all Highway 17 buses.
11. Dispatching and bus scheduling is conducted using the Hastus software system for METRO fixed route and Ecolane for ParaCruz. Santa Cruz METRO completed its transition from Trapeze to Ecolane, which was implemented in January 2020. Key elements of Ecolane

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<sup>3</sup> The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

include a real-time mapping feature as well as the ability to batch rides automatically, improved on-time performance monitoring, and NTD reporting.

12. METRO has been working with the Center for Transportation and the Environment in the study and implementation of zero-emission vehicle infrastructure. The first phase of Santa Cruz METRO's first electric vehicle charging station was completed in the fall of 2020 at the Judy K. Souza Operations Facility. In addition, four Proterra zero-emission buses were delivered in spring of 2021, the first electric buses in METRO's fleet, which have been deployed on the Watsonville Circulator.
13. METRO's most recent FTA triennial review was conducted on June 12, 2019 (scoping meeting) with site visits on September 25-26, 2019. A draft report was completed November 13, 2019. No deficiencies were found in 20 of the 21 areas of FTA requirements reviewed. Only one deficiency was cited in the maintenance review area. Santa Cruz METRO responded to this deficiency, which was closed out.
14. In June 2020, the METRO Board of Directors approved and officially adopted METRO's Public Transit Agency Safety Plan. The plan, which is required by the FTA for all urbanized transit providers, must detail the processes and procedures used by transit providers to implement safety management systems as well as establishing safety performance targets.
15. Community Bridges implemented several capital upgrades such as the deployment of three electric vehicles, a charging station, and the implementation of Ecolane dispatching software. The integration of the Ecolane dispatching software program has created possibilities for the development of Mobility on Demand service options.
16. A significant activity undertaken by Volunteer Center was the implementation of a senior grocery shopper program in 2020. In response to the COVID-19 pandemic, the program provides grocery and medication delivery services to members of the Santa Cruz community most at risk of contracting the virus. A friendly caller program was also implemented to reach out to shut-in seniors.

## Recommendations

### 1. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds. (Santa Cruz METRO)

Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, Santa Cruz METRO meets both requirements but the documentation stating eligibility has not been consistent. For example, the TDA claims submitted to the SCCRTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date.

The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and SCCRTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation. This recommendation has been implemented with the submittal of the ensuing TDA claims; however, it is suggested that subsequent TDA claim guidelines clarify the proper criteria. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

**2. Update aging website infrastructure. (Santa Cruz METRO)**

The Santa Cruz METRO website was redesigned with an upgraded content management system. This has resulted in better functionality. The website features METRO's refreshed logo, a Google Transit trip planner, and service calendar, as well as a Spanish version of the site. Website maintenance and coding are conducted in-house by the IT department. Even though the website continues to function well and supports METRO's efforts to inform and engage the community, the underlying infrastructure is 12 to 13 years old. This has inhibited further upgrades such as adding headers to the webpages. In addition, METRO's efforts in recent years to procure and implement CAD-AVL and mobile ticketing as well as the Cruz On-Demand pilot necessitate improvements to the website in order to integrate effectively with these recent developments. The new infrastructure could also provide better interface with social media platforms and enhance accessibility.

**3. Continue to ensure the alignment of data analytics training for staff with the deployment of new technology. (Santa Cruz METRO)**

Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. Santa Cruz METRO has been in the process of implementing components of its intelligent transportation systems platform, which includes CAD-AVL, APCs, voice annunciators, and mobile ticketing apps. The agency is also seeking to procure a new ERP system as well as laying the groundwork for the integration of zero-emission vehicle infrastructure. The agency has placed an emphasis on KPIs as an essential performance monitoring tool. The deployment of these technologies requires that staff be kept abreast on how to analyze and integrate the performance data from these new systems. Therefore, it is suggested that METRO ensure continued data analytics training for staff as these technologies are implemented.

**4. Consider development of Mobility as a Service (MaaS) option that would complement existing service modes. (Community Bridges – Lift Line)**

The recent integration of the Ecolane software program has given the Lift Line transportation service more tools with which to develop and implement a Mobility as a Service (MaaS) option. Community Bridges has been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Community Bridges already has an existing business plan for a taxi service. The new Ecolane dispatching software has made it more efficient to combine rides and searches for the most accessible driver for trip requests. It also has a self-booking feature that is poised to be implemented in mid-2022. In addition, the software has an AVL feature tied to Google Maps. Furthermore, procurement of smaller, electric-powered vehicles would make the implementation of such a service more feasible.

**5. Integrate the Transportation Program goals with those of the Grocery Shopper Program.  
(City of Santa Cruz – Volunteer Center)**

As part of its annual TDA claim submittal, the City of Santa Cruz on behalf of the Volunteer Program, provides a series of performance goals for its key programs. That has been generally for Transportation Program. Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. However, due to the COVID-19 pandemic, the Volunteer Center shifted focus and created the Seniors Grocery Shopper Program, which provides grocery and medication delivery services to its client base. The number of senior clients served measures performance. The Volunteer Center's goal is to serve 150 seniors with the Grocery Shopper Program. It is suggested as the Transportation Program resumes normal operations that the Volunteer Center can provide and integrate those program goals with those of the Grocery Shopper Program in its annual TDA claim.

Date	First Name	Last Name	Location	Cross Street	City	Category	Additional Comments	Forwarded to	Forwarded Date	Response
09/29/22	Tom	Burns	East Cliff Dr	14th Ave	Twin Lakes	Ped: Damaged sidewalk	broken concrete impedes safe pedestrian and disabled access	DPW	10/03/22	<p><b>10/3/22 Jana Vargas:</b> Good morning, Thank you for your email. I will forward your request to our Encroachment Inspector for review and response.</p> <p><b>10/3/22 Kristine Conley:</b> Got it. I will send a letter to the property owner to fix as sidewalks are the responsibility of the adjacent property owner to maintain. Thank you for this report</p>
09/22/22	Bennett	Williamson	5700 Graham Hill Rd	El Zayante Rd	Felton	Ped: Damaged sidewalk, Sidewalk too narrow, Other	<p>The railing on the south side of the conference drive bridge adjacent to the sidewalk has a top bar height of only 36". This makes it feel quite unsafe, when walking on the sidewalk next to it, as the bridge is quite high. The sidewalk with is only ~40" so when passing other pedestrians, it often feels like a better choice to step into the street rather than pass side by side so close the railing with the very high drop below. There is also an ~1' gap between the two rails, which feels unsafe for children. Is this railing up to code? This is a great pedestrian connection to be able to walk from Mt Hermon to Felton Fair or downtown Felton.</p>	DPW	09/26/22	<p><b>9/26/22 Jana Vargas:</b> Good afternoon, Thank you for your email. I will forward to our Road Maintenance Department for review and response. <b>9/26/22 Bennett Williamson:</b> Great, thanks for confirming Jana. <b>9/26/22 DPW Road Dispatch:</b> I spoke with my superintendent and the hand rail is in good condition and not affecting the roadway or walkway. Thank you. <b>9/26/22 Bennett Williamson:</b> does the railing meet local code in terms of height and spacing between the elements?</p>
09/13/22	Linda	Kelly	397 Coral St	Evergreen St	Santa Cruz	Ped: Other	<p>There is a homeless encampment behind the parking lot on Highway 17 property behind the parking lot 397 Coral St. Santa Cruz, CA 95060</p> <p>The people who stay there are intimidating the people walking the path between High Street and Coral Street.</p> <p>It is also a fire hazard that could easily spread.</p>	Claire Gallogly, Dan Estranero	09/18/22	<p><b>9/19/22 Dan Esteranero:</b> We will notify PD on this situation.</p>
09/02/22	Richard	Masoner	Scotts Valley Dr	Mt Hermon Rd	Scotts Valley	Ped: Vehicles or objects blocking sidewalk	<p>With parents doing the school drop-off at Scotts Valley Middle School, we now have the conga line of oversized vehicles making the left turn from eastbound Mt Hermon onto northbound Scotts Valley Drive. At least five or six drivers always run the light after that left turn arrow turns red. Pedestrians crossing Scotts Valley Drive on the westbound side of Mt Hermon get the pedestrian signal, but they can't go because so many cars are blocking the crosswalk now. By the time those vehicles clear the intersection and get past the crosswalk, the crosswalk timer light has expired. "Maybe" there's another green time still for peds to cross, but maybe not, and if pedestrians dare to delay the travel of motorists to any degree approaching what motorists do to pedestrians, god save them from the ire of those motorists. I don't know if enforcement or what is needed, but can SVPD do something about this law that is routinely broken at school drop off time? It's only for a 15 minutes or so but having to wait multiple light cycles to cross here is highly inconvenient and will inevitably lead to non-compliance by the pedestrians, according to the traffic engineers who signed off on improving this intersection.</p>	Trish McGrath, Kimarie Jones, Chris Lamm, Tyler Thomas	09/08/22	<p><b>9/26/22 Tyler Thomas:</b> This is something our PD will look at and try to help resolve.</p>

Date	First Name	Last Name	Location	Cross Street	City	Category	Additional Comments	Forwarded to	Forwarded Date	Response
08/26/22	Danitza	Torres	1705 Eastbrook Ct	Jose Ave	Santa Cruz	Ped: Rough pavement or potholes, Damaged sidewalk	One of the participants of our program has a daughter with disabilities. The mom doesn't know where to direct an issue on the sidewalk of Capitola Road and Jose Ave. There's a big tree that has big roots and has broken the sidewalk making it very difficult for her to walk through with her daughter in the wheelchair. Her daughter has brain paralysis and every time they go down the bus she freaks out with the wheelchair getting stuck. Could you help us out with this situation or get me in contact with someone that could fix this issue?	DPW	08/29/22	<b>8/29/22 Kristine Conley:</b> Hi Danny, Thank you for bringing this to our attention. We will contact the adjacent property owner to repair as it is the property owner's responsibility to maintain the sidewalks fronting their property.
08/22/22	Richard	Stover	Seabright Ave	Murray Ave	Santa Cruz	Ped: Traffic signal problem, Damaged bikeway signs	Ped Head hanging by its wires	Claire Gallogly, Dan Estranero	08/29/22	<b>8/29/22 Dan Estranero:</b> We have forwarded this to our street maintenance crew and they will fix this as soon as they can.
08/22/22	Richard	Stover	Seabright Ave	Murray St	Santa Cruz	Ped: Traffic signal problem, Damaged bikeway signs	Ped Head hanging by its wires	Claire Gallogly, Dan Estranero	08/23/22	<b>8/23/22 Dan Estranero:</b> We will forward this to our traffic signal maintenance crew for repair.
08/20/22	Craig	Youngblood	8049 Soquel Dr	Trout Gulch	Aptos	Ped: Other	The pedestrian crossing at the intersection of Trout Gulch Road and Soquel Drive in Aptos Village could be improved with a flashing light warning drivers when pedestrians waiting to cross Trout Gulch Road are going to legally proceed with their crossing. The only way to tell when they are going to cross is to look at the pedestrian crossing signal (walk or don't walk) and even doing that isn't easy to do and it might change just as you are going to make your right turn onto Soquel Drive. Watching how the traffic lights are to determine when the pedestrians can legally cross is difficult to check and make a determination. Someone will get hurt someday if it hasn't happened already.	DPW	08/22/22	<b>8/23/22 Jana Vargas:</b> Good morning, Thank you for your email. I will forward your requests to our Road Maintenance Department and Traffic Division for review and response. <b>8/23/22 DPW Road Dispatch:</b> SR 22-001263 FOR BUSH REMOVE
08/19/22	Patti	Coulter	Soquel Dr	Trout Gulch	Aptos	Ped: Plant overgrowth or interference	Corner of Soquel and Trout Gulch. Pedestrian crosswalk needs flashing lights. Also, a large bush at the crosswalk blocks the view of pedestrians waiting to cross.	DPW	08/22/22	<b>8/23/22 Russell Chen:</b> Repeat report. We will review and respond.

Date	First Name	Last Name	Location	Cross Street	City	Category	Additional Comments	Forwarded to	Forwarded Date	Response
08/17/22	Jacob	Guzman	424 W Cliff Dr	Monterey St	Santa Cruz	Ped: Lighting problem, No crosswalk or striping, Other	The crosswalk at Westcliff and Manor St. is very dangerous. Cars come around curve very quickly looking at ocean view and do not see pedestrians crossing in the cross walk. An additional sign before the curve and perhaps an additional crosswalk or lighting would be helpful. Someone will get hit and die on this curve, please help fix. Happy to talk about it in detail. jmeybergguzman@gmail.com	Claire Gallogly, Dan Estranero	08/18/22	<p><b>8/18/22 Claire Gallogly:</b> Hello, We are currently working on a grant application to improve this crossing location. We anticipate hearing about the grant award in early 2023. <b>8/24/22 Jacob Guzman:</b> Hi Claire, Happy to hear that this crosswalk and intersection is being looked at, but I still worry someone will get hit and killed by a car in that intersection before a grant award next year and improvement implemented. It would be super helpful to have an additional pedestrian sign just attached to the pole before the curve in the road. See attached. How much would this sign cost? Maybe I can purchase it for the city? of course if in 2023 or 2024 lighting or other improvements were made great, but probably will save someone's life. (I will happily meet transportation / city employees at that intersection to share my idea or just to cross the street a few times and experience for yourself or just observe others crossing).</p> <p><b>8/24/22 Dan Estranero:</b> Good Afternoon Jacob. We can look into installing a pedestrian crossing sign on the streetlight now. I will have to talk to my team and see if this is feasible. <b>9/12/22 Dan Estranero:</b> Good Morning Jacob, I'm glad to hear the crosswalk ahead signs are up. Hopefully we receive the grant funding to install flashing beacons in the future.</p>
08/09/22	Jean	Brocklebank	1053 Brommer St	Live Oak Ave	Santa Cruz	Ped: Plant overgrowth or interference	See photo.	DPW	08/10/22	<b>8/10/22 Jana Vargas:</b> Thank you for your email. I will forward your request to our Road Maintenance Department for review and response. <b>8/10/22 DPW Road Dispatch:</b> SR 22-001188
08/08/22	Mary	Crouser	956 Kennedy Dr	Sir Francis Ave	Capitola	Ped: Debris on sidewalk	This is an ongoing issue of soil from gopher mounds accumulating on the sidewalks and the handicap ramp. It is very slippery. It just keeps getting worse and worse. They need to clean it up and then keep it cleaned up. I reported this same issue last year when I witnessed an elderly man walking his dog slip and fall down. Thankfully, he wasn't injured. It was cleaned up after I reported it, but no one has bothered to do anything about keeping it cleaned up. I tried to upload photos, but keep getting told my file exceeds size limit.	Steve Jesberg, Kailash Mozumder	08/09/22	<b>8/22/22 Kailash Mozumber:</b> The sidewalk was inspected again today and appears to have been swept. See photos attached.
08/08/22	Ryn	Stein	337 Riverside Ave	3rd St	Santa Cruz	Ped: Traffic signal problem	Button to cross 3rd street on corner at super 8 does not seem to work	Claire Gallogly, Dan Estranero	08/09/22	<b>8/10/22 Dan Estranero:</b> We will have our signals technician take a look at it.
08/02/22	Debbie	Bulger	922 Mission St	Otis St	Santa Cruz	Ped: Damaged sidewalk	There is a large hole in the utility cover embedded in the sidewalk. It is large enough to have a foot punch through and possibly injure someone severely.	Katherine Osekowsky (Caltrans)	08/03/22	<b>8/3/22 Katie Osekowsky:</b> Customer Service Request# 907726 has been created for this and it will be assigned to the Santa Cruz Maintenance crew.



Date	First Name	Last Name	Location	Cross Street	City	Category	Additional Comments	Forwarded to	Forwarded Date	Response
08/03/22	Mike	Veglia	Broadway Ave	Pennsylvania Ave	Santa Cruz	Ped: Other	<p>This hazard applies equally to Pedestrians, Cyclists, and Motorists. The red painted curbs designating no parking on Broadway at the Pennsylvania Avenue intersection are much shorter than the other neighborhood cross streets (Cayuga, Pine, Caledonia) that, like Pennsylvania Ave., do not have traffic signals. This is in part because there was a Jump Bike area that when removed was painted grey rather than red. With Pennsylvania intersecting at an angle legally parked cars on Broadway block the view of drivers traveling South on Pennsylvania. In order to make a left turn on Broadway the only way to see traffic to determine if it is safe to proceed from the stop sign is to pull into the intersection, fully blocking the bike lane and even into the Westbound traffic lane if the parked vehicle to the right is large. Red curb/no parking zones along Broadway should be consistent. For some reason that is not the case and Pennsylvania Ave. is much shorter and is causing this serious safety issue.</p>	Claire Gallogly, Dan Estranero	08/03/22	<b>8/3/22 Dan Estranero:</b> Our team will take a look at this.

**AGENDA:** October 2022

**TO:** RTC Advisory Committees - Bicycle Advisory Committee, Elderly/Disabled Transportation Advisory Committee (E&DTAC), and Interagency Technical Advisory Committee (ITAC)

**FROM:** Rachel Moriconi, Senior Transportation Planner

**RE:** Measure D: Five-Year Programs of Projects for Regional Projects

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**RECOMMENDATIONS**

Staff recommends that the Bicycle Advisory Committee, Elderly and Disabled Transportation Advisory Committee (E&D TAC), and Interagency Technical Advisory Committee (ITAC) provide input on proposed updates for the Measure D five-year programs of projects (5-Year Plans) for the following five regional investment categories and projects:

- San Lorenzo Valley-Highway 9 Corridor,
  - Highway Corridors,
  - Active Transportation,
  - Rail Corridor, and
  - Highway 17 Wildlife Crossing.
- 

**BACKGROUND**

In November 2016, Santa Cruz County voters approved Measure D, a ½-cent transaction and use tax (sales tax) for transportation projects and programs. The [Measure D Expenditure Plan](#) provides funding by formula for five categories of projects over 30 years:

- Neighborhood projects: 30% of net measure revenues:
  - \$5 million for the Highway 17 Wildlife Crossing
  - \$10 million for San Lorenzo Valley (SLV)/Highway 9 Corridor
  - Balance (approx. 28%) to cities and County by formula
- Transportation for Seniors and People with Disabilities: 20% total
  - 16% to Santa Cruz METRO and 4% to Lift Line
- Highway Corridors: 25%
- Active transportation/MBSST-Rail Trail: 17%
- Rail Corridor: 8%

Each agency receiving Measure D revenues is required to annually develop, update, hold a public hearing on, and adopt a five-year program of projects.

The five-year program of projects (5-Year Plan) identifies how each agency plans to use Measure D funds in the upcoming 5 years. The 5-Year Plans are adjusted annually to reflect updated revenue forecasts, prior expenditures, updated project costs, expenditure rates, and schedules, and this year add anticipated expenses in FY26/27. Although Measure D provides significant funding to deliver investments identified in the Measure D Expenditure Plan, it is not intended or necessary to fully fund all investments. Consistent with the Measure D *Strategic Implementation Plan* (SIP), the RTC seeks to expeditiously deliver regional programs and projects and to competitively position projects to leverage other grants. The RTC strategically utilizes some Measure D revenues on pre-construction phases to get projects “shovel-ready” and sets aside some funds to serve as grant match. This approach positions projects to be more competitive for grants and other funding opportunities.

The Regional Transportation Commission (RTC) is responsible for developing the five-year programs of projects for regional Expenditure Plan categories and projects, as described below. Agencies receiving direct formula allocations (cities, the County of Santa Cruz, Santa Cruz Metropolitan Transit District and Community Bridges/Lift Line) typically develop and update their five-year programs of projects as part of their annual budgets and/or capital improvement programs. Community members are encouraged to provide input on those plans directly to each recipient agency. Approved plans are posted on the Measure D website: [www.sccrtc.org/MeasureD](http://www.sccrtc.org/MeasureD).

## **DISCUSSION**

The RTC will consider recommendations on how to invest Measure D revenues over the next 5 years, following a public hearing at its November 3, 2022 meeting. **Staff recommends that the RTC’s advisory committees review and provide input on proposed updates to the previously approved 5-year plans, as summarized below.** Dollar amounts shown are preliminary estimates, and will be refined for the final recommendations taken to the RTC board at its November meeting. For all investment categories, the 5-Year plans are based on the latest available information; however, programmed funding amounts may be updated throughout the year as new information becomes available, including updated project cost estimates, and new grant and leveraging opportunities.

### **San Lorenzo Valley/Highway 9 Corridor (\$10 million over 30 years)**

- **New: Grant Match for Complete Streets Projects - Program \$2.4 million** (~25% of available funds) for preconstruction and matching funds for grant applications to fund complete streets improvements in Boulder Creek, or any one of the remaining 4 unfunded complete streets

segments within the Hwy9/SLV Complete Streets Corridor Program as funding opportunities arise. Includes complete streets and safety infrastructure such as new sidewalks, crosswalks, bike lanes, improved access to transit, and measures to reduce speeding, improve sight lines, and reduce conflicts for motorists. Projects within the program are described in Attachment 1, including the Boulder Creek Complete Streets project on Highway 9 and Highway 236;

- Continue implementation of previously approved projects (*no change in funding amounts*):
  - SLV Schools Complex Access & Circulation Study
  - Complete Streets PID (*completed in September 2022*)
  - Technical assistance, oversight, and community outreach

### **Highway Corridors (25% of revenues)**

Continue implementation of previously approved projects. Includes funding and financing plans approved by the RTC in Spring 2022 to leverage federal, state, and other grants. The proposed Highway Corridors 5-Year Plan updates include:

- Highway 1 - 41st Ave to Soquel Ave Auxiliary Lanes & Bus on Shoulder and Chanticleer Bike/Pedestrian Overcrossing. Update funding based on actual expenditures in prior years and shift previously approved funds between years and based on the current project schedule. *In September the RTC programmed an additional \$1.8 million Measure D based on construction bid amount.* Total Measure D programmed: \$5 million
- Highway 1 - State Park Dr to Bay/Porter St Auxiliary Lanes & Bus on Shoulder, reconstruction of Capitola Avenue Overcrossing and Bicycle/Pedestrian Overcrossing at Mar Vista Drive. Update funding based on actuals and shift previously approved funds between years and based on the current project schedule. Total Measure D programmed: \$18 million
- Highway 1 - Freedom to State Park/Coastal Rail Trail Segment 12 Project: Add \$33 million in Measure D based on updated cost estimates over amount programmed by RTC in May 2022. These funds are being used for preconstruction and to serve as the local match for upcoming competitive grant applications for the Auxiliary Lanes & Bus on Shoulders, widening of the bridge over Aptos Creek/Spreckles Drive, 2 new Hwy 1 bicycle and pedestrian overcrossings, 2 new Soquel Drive bicycle and pedestrian overcrossings as part of Segment 12 of the Coastal Rail Trail. (*also partially funded by Measure D-Active Transportation/Trail*) Total Measure D programmed: \$123 million
- Ongoing traveler information/transportation demand management programs: The RTC previously programmed funds in FY26/27 for ongoing Cruz511 (\$243,101), Freeway Service Patrol (\$222,588), and Safe on 17 (\$50,000) programs.

- Highway 17 Wildlife Crossing Inter-program Loan: The 5-year plan carries forward a previously approved \$3 million inter-program loan to the Highway 17 Wildlife Crossing, to be repaid starting in FY23/24.

As approved at the May 2022 RTC meeting, if grant funds are secured and the Highway 1 Freedom-State Park/Trail Segment 12 project starts construction in 2025, financing will be needed to fully meet all obligations.

### **Active Transportation/MBSST-Coastal Rail Trail (17% of revenues)**

- Electric Rail Transit & Trail Project: Add funds (*exact amount to be determined following receipt of top qualified consultant's cost proposal*) to partially fund preconstruction phases of Segments 13-20 as part of the Electric Rail Transit & Trail Project for professional services, project management, and community outreach. This funding will also serve as the local match to leverage state and federal grants. (*Work on passenger rail transit will be funded by Measure D-Rail category funding*)
- Trail Maintenance: The RTC is receiving a presentation on trail maintenance and capital costs to complete the Coastal Rail Trail at its October 6, 2022 meeting. RTC staff will consider updating or may recommend programming additional funding for trail maintenance following the October 6, 2022 meeting. (*staff report to the RTC will be available online at: <https://sccrtc.org/meetings/commission/agendas/>*)
- Segment 5: Increase funding for final design and right of way services by \$140,000. Total Measure D programmed for Segment 5 preconstruction, oversight, maintenance and grant match: \$7.87 million.
- Corridor Maintenance: Add \$550,000 over 5 years for ongoing rail trail corridor maintenance and encroachments, including ongoing vegetation and erosion control, trash and graffiti removal, environmental permitting, bio monitoring, inspections, and boundary surveys.
- Reduce funds for ongoing oversight and technical assistance based on recent actual expenditures.
- Carry forward previously committed funds for development and/or construction of over 17 miles of the rail trail from Davenport to Aptos and in Watsonville. Includes funding and financing plans approved by the RTC in Spring 2022 to leverage federal, state, and other grants. California Transportation Commission (CTC) staff recommendations for Active Transportation Program (ATP) grants are scheduled to be released in October 2022. If grants are not secured for Segments 8-11 the RTC may consider programming additional Measure D funds for trail development at a future meeting.

In the future, staff may recommend additional updates for the Trail program of projects based on updated cost estimates, maintenance agreements being

negotiated with state and local jurisdictions, grant awards and new leveraging opportunities.

### **Rail (8% of Measure D revenues)**

- Electric Rail Transit & Trail Project: Add funds (*estimated \$3 to 6 million, exact amount to be determined following receipt of top qualified consultant's cost proposal*) through FY27 to partially fund preconstruction phases of the Electric Rail Transit & Trail Project for professional services, project management, and community outreach. This funding will also serve as the local match for future competitive grant opportunities to fully fund the project through completion of the environmental phase. (*also partially funded by Measure D-Active Transportation/Trail*)
- Rail Infrastructure Preservation: Reduce total by \$2.5 million (\$10.2 million total FY16/17-26/27)
  - Reduce programming for bridge inspections. Ongoing bridge analysis will be performed.
  - Remove programming for preconstruction of Rehabilitation of Rail Bridges, including the Capitola Trestle which exceeds the capacity of the Measure D-Rail category preservation funding. It is assumed some bridges will likely need to be replaced as part of the Electric Rail Transit & Trail Project.
  - Reduce programming for future phases of repairs, including drainage culvert replacement and slope stabilization at the coastal bluff near Manresa State Beach. It is assumed that the long-term repairs needed will be addressed as part of the Electric Rail Transit & Trail Project.

### **Highway 17 Wildlife Crossing (\$5 million/30 years)**

This project is currently under construction and there are no changes to the total programmed amount and financing plan. The RTC previously approved an inter-program loan from the Highway Corridor category in order to expedite construction of the Highway 17 Wildlife Crossing. The Highway Corridor category inter-program loan timing is adjusted based on the timing of expenditures. Upon completion of the project, the Highway 17 Wildlife Crossing's annual Measure D allocations (\$166,667 per year until 2047) will be used to pay back, with interest, the \$3 million loan from the Highway Corridors investment category. Right-of-way and construction are partially funded by the Land Trust of Santa Cruz County. Pre-construction and Caltrans support costs are funded by the State Highway Operation and Protection Program (SHOPP).

### **Recommendation**

**Staff recommends that the RTC's Bicycle Advisory Committee, the Elderly & Disabled Transportation Advisory Committee, and**

**Interagency Technical Advisory Committee (ITAC) review and provide input on the proposed updates for the Measure D 5-year programs of projects for FY22/23-26/27 for regional and RTC-oversight projects and programs: Highway Corridor, Active Transportation/Trail Program, Rail Corridor, San Lorenzo Valley/Highway 9 Corridor, and the Highway17 Wildlife Crossing.** The proposed uses of Measure D funds are consistent with the approved Measure D Expenditure Plan.

### **Next Steps**

The RTC is scheduled to consider committee input and hold a public hearing on the updated 5-year program of projects at its November 3, 2022 meeting. As project cost estimates and schedules are refined, and if Measure D and other funding assumptions change, amendments to the 5-year plan may be proposed throughout the year. Modifications requiring approved funds to be shifted between fiscal years will be handled administratively. Staff will return to the RTC for consideration of amendments adding new projects or increasing Measure D funds for individual projects during a public meeting.

As regional projects are implemented, staff periodically provides updates and solicits input on the projects from the Bicycle Committee and E&DTAC. After the close of each fiscal year, Measure D recipient agencies submit reports to ensure Measure D funds were expended consistently with the requirements of the voter-approved Measure D Ordinance and other agreements and guidelines. The reports describe actual expenditures, progress made to improve the transportation system, how maintenance of effort requirements have been met to ensure Measure D revenues are supplementing (not supplanting) other revenues, and the degree that Measure D funds were used to secure additional funding from other sources (leveraging). Fiscal audits of expenditures are reviewed by the Measure D Taxpayer Oversight Committee (TOC). The TOC's annual reports and recipient agency audits and expenditure reports are posted on the RTC's Measure D website (<https://sccrtc.org/funding-planning/measured/taxpayer-oversight/>).

### **FISCAL IMPACT**

On average, Measure D is expected to generate \$27-30 million per year over the next 5 years. The 5-year programs of projects show how the RTC anticipates investing funds for regional investment categories in the near term. The RTC budget is amended to reflect anticipated FY22/23 expenditures and carryover balances from prior years. As discussed in Spring 2022, total anticipated revenue needs for the Highway and Trail investment categories will exceed projected revenue if projects secure

grants and remain on existing schedules. Staff is also analyzing options to expedite implementation and analysis of Rail Transit and complete streets projects in San Lorenzo Valley. To support the proposed funding plans, which include using Measure D to leverage grants, the RTC may need to consider financing, such as bonding starting in FY24/25.

## **SUMMARY**

In 2016 a super-majority of Santa Cruz County voters approved Measure D, a 30-year ½-cent sales tax which provides critical funding to improve local highways, construct new bicycle and pedestrian facilities, repair local roads, maintain and expand transit and paratransit services for seniors and people with disabilities, and maintain other publicly owned transportation facilities. Measure D requires recipient agencies to annually prepare and update a program of projects, identifying how agencies plan to invest Measure D funds over the next 5 years, consistent with the voter-approved Expenditure Plan. Staff recommends that the RTC's advisory committees provide input on proposed updates to the five-year programs of projects for each of the regional transportation categories -- Highway Corridors, Active Transportation, and the Rail Corridor, as well as San Lorenzo Valley Highway 9 Corridor Improvements, the Highway 17 Wildlife Crossing. The 5-year Plans, programming anticipated Measure D revenues for FY22/23-26/27, focus on continued implementation of previously approved and/or prioritized projects. While staff recommends updating funding amounts for several projects previously included in the 5-year plans, the only proposed new project is \$2.4 million for Highway 9/SLV Corridor Complete Streets Projects grant match.

### Attachments:

1. San Lorenzo Valley Highway 9 Corridor Program

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## **Highway 9/San Lorenzo Valley Complete Streets Corridor Program**

### **Background**

The RTC worked with residents, businesses, schools, Caltrans, County of Santa Cruz, METRO, and other stakeholders to prepare the Highway 9 San Lorenzo Valley Complete Streets Corridor Plan (SLV Plan). The SLV Plan identified and prioritized the implementation of the most critical and cost-effective options for Complete Streets on Highway 9 and adjacent county roads. The plan recognized that Highway 9 functions as the “Main Street” for each of the mountain communities, as well as a thoroughfare between Silicon Valley and Santa Cruz. The transportation complete streets and safety improvements include new sidewalks, crosswalks, bike lanes, improved access to transit, and measures to reduce speeding, improve sight lines, and reduce conflicts for motorists.

Staff has been collaborating with Caltrans and other stakeholders to develop projects within the program and seek funding opportunities to leverage the \$10 million in voter-approved Measure D funds dedicated to the SLV/Highway 9 corridor by securing grants to fully fund projects.

### **Hwy 9/SLV Complete Streets Corridor Program of Projects**

RTC and Caltrans collaborated to develop the preliminary scope of work and cost estimates for 6 complete streets projects along the corridor as part of the preparation of the Complete Streets Project Initiation Document (SLV CS PID). The projects are listed below, from south to north:

1. Felton: Henry Cowell State Park Boundary to Graham Hill Road
2. Schools: Graham Hill Rd to Glen Arbor Road (southern intersection)
3. Ben Lomond: Highland Park to Jacobson Lane
4. Brookdale: Western Drive to Irwin Way
5. Boulder Creek: River Street to Bear Creek Road
6. North of Boulder Creek: Pleasant Way to Pool Drive

The delivery strategy for this Highway 9 Complete Streets program includes leveraging Measure D and other discretionary funds as the local match for state and federal competitive grants.

### **Highway 9/SLV Projects Under Development**

Several projects are currently under development in the Highway 9 corridor. A map showing project areas is included as Exhibit A.

#### **Boulder Creek Complete Streets Project (Segment 5)**

The Boulder Creek Complete Streets Improvements that were identified by

the SLV Plan in the town of Boulder Creek (identified as Segment 5) are along an approximately 1 mile stretch of SR9 between Bear Creek Road and River Street, and 3 blocks on Highway 236/Big Basin Highway between the Highway 9 intersection and Laurel Street. This area is used by pedestrians and bicyclists to access Boulder Creek businesses, Boulder Creek Elementary School, medical offices, residences, and other destinations. The proposed Boulder Creek project includes:

- Updating/repairing four blocks of existing sidewalks
- Extending sidewalk network on Highway 9 to Bear Creek Road in the north, and Mountain Street in the south, as well as to Laurel Street on Highway 236
- Curb extensions/"bulb-outs" for five existing crosswalks, to shorten crossing distances, increase visibility of pedestrians, and reduce speeding
- New crosswalks on the north leg of the Hwy9/Hwy 236 intersection, the south leg of the Hwy 9/Lomond St intersection, as well as analyzing new crosswalks at Bear Creek Road on Hwy 9 and Oak St on Hwy 236
- Bike lanes/paved defined shoulders on Hwy 9 from Bear Creek Rd to River St, and on Hwy 236 to Laurel St
- Center median islands and other traffic calming measures
- Transit stop improvements such as shelters, benches, and bike racks

An overview map for the proposed Boulder Creek project is included as Exhibit A. The estimated cost of these improvements to be \$11.8 million, which includes environmental, design, right of way, and construction components of the project. The RTC authorized staff to submit applications for competitive federal funding opportunities for the Boulder Creek project at its September 2022 meeting. If awarded grants, \$2.4 million in Measure D funds would serve as the local match.

Caltrans Safety - Graham Hill Road to SLV Schools Bike/Ped Facilities, Felton  
Caltrans is currently developing a project which will provide separated pedestrian and bicycle facilities between the SLV Schools Complex (SLV elementary, middle, and high schools) on Highway 9 and Graham Hill Road. This project will partially complete the Segment 2 project. The project is being developed by Caltrans and is currently in the final design phase. The project is funded by Caltrans State Highway Operation and Protection Program (SHOPP) with construction is scheduled to begin in 2024.

Caltrans SR9 Capital Maintenance (CAPM) – SR 1 to El Solvo Heights, Felton  
Caltrans is developing a SHOPP funded Capital Maintenance (CAPM) repaving project along Highway 9 in Felton which will include many complete streets elements identified in the SLV CS PID as Segment 1 project and portions of Segment 2. The project is located along Highway 9 between Highway 1 and

El Solyo Heights Drive. Improvements include sidewalks, crosswalk enhancements, bike lanes, a center turn lane, center median islands, and multimodal improvements at the Graham Hill Road/Highway 9 intersection. The project is in the environmental phase and construction is scheduled to begin in 2027.

#### SLV Schools Complex Access Study

Utilizing a combination of Measure D, RSTPX and school district funds, RTC is collaborating with the San Lorenzo Valley Unified School District (SLVUSD), the County of Santa Cruz, Santa Cruz METRO, and Caltrans to evaluate solutions for congestion and multimodal access to the SLV Schools Complex (a portion of Segment 2). A study is underway to develop short and long-term solutions to improve access and circulation along Highway 9 and the SLV school campus. The project team will circulate draft concepts to the RTC Advisory Committees in October 2022, and then to SLV community stakeholders.

#### **Next Steps**

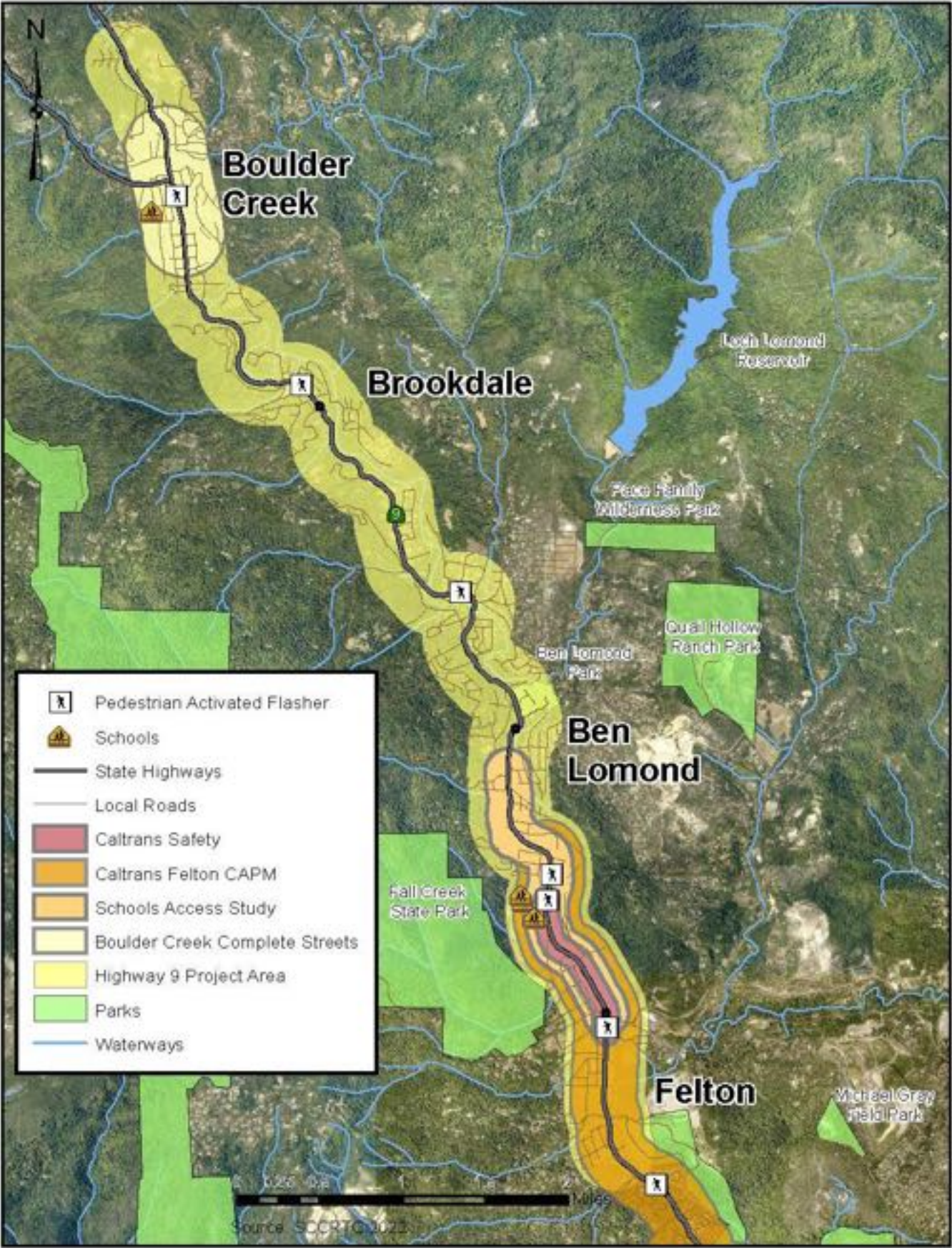
The Measure D Highway 9/SLV Corridors category provides \$10 million over the 30-year life of Measure D. Staff recommends the RTC designate \$2.4 million of Measure D funds to serve as match to leverage grant opportunities. If awarded competitive federal grants, this Measure D funding would be used on the Highway 9 Boulder Creek Complete Streets Project. If the Boulder Creek Complete Streets Project is not awarded funding this cycle, staff will pursue subsequent cycles, while also seeking additional funding opportunities to fund all remaining segments.

#### **Exhibits:**

- A. Hwy 9/SLV Complete Streets Corridor Program progress map
- B. Boulder Creek Complete Streets proposed improvements

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Exhibit A: Highway 9/SLV Complete Streets Corridor Program Progress

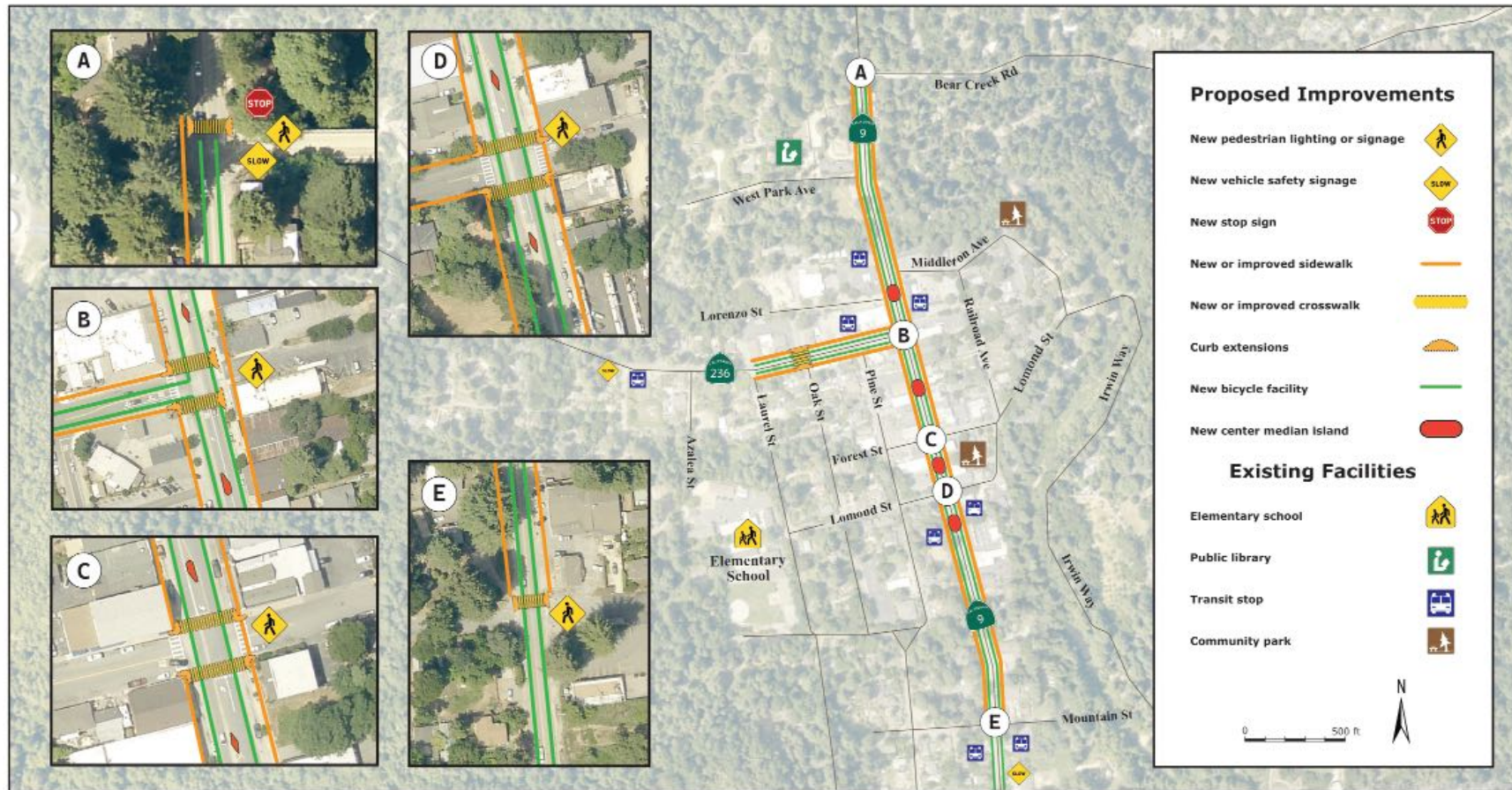




# Exhibit B: Proposed Boulder Creek Complete Streets Improvement Project

## Highway 9/San Lorenzo Valley Complete Streets Corridor Plan

### Downtown Boulder Creek Improvements



**Location A: Highway 9 @ Boulder Creek Rd**  
Improvements: New crosswalk, new stop sign, new sidewalk, new vehicle safety signage, and new bike lanes.

**Location B: Highway 9 @ State Hwy 236**  
Improvements: New and improved crosswalks, improved sidewalks, new bike lanes, and new center islands.

**Location C: Highway 9 @ Forest St**  
Improvements: Improved crosswalks, improved sidewalks, new bike lanes, and new center islands.

**Location D: Highway 9 @ Lomond St**  
Improvements: New and improved crosswalks, new and improved sidewalks, new bike lanes, and new center islands.

**Location E: Highway 9 @ Mountain St**  
Improvements: Improved crosswalks, new sidewalks, new vehicle safety signage, and new bike lanes.

Note: Information shown on maps and graphics is for planning purposes only and reflects general locations of potential new facilities or modifications to existing facilities. These are not engineering-level, exact locations.

## **MEMORANDUM**

**TO:** SCCRTC Elderly & Disabled Technical Advisory Committee

**RECOMMENDED BY:** Miranda Taylor, Planner

**SUBJECT:** Draft 2022 Coordinated Public Transit-Human Services Transportation Plan

**MEETING DATE:** October 11, 2022

**RECOMMENDATION:** DISCUSSION

Staff will provide an overview on the Draft 2022 Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan). SCCRTC E&D TAC members are asked to provide input and comments on the Draft 2022 Coordinated Plan.

### **BACKGROUND:**

AMBAG is required to develop a Coordinated Plan for the tri-county region. Under the Fixing America's Surface Transportation Act (FAST Act) legislation, this plan must be completed and used in developing grant applications for the Federal Transit Administration (FTA) Transportation for Elderly Persons and Persons with Disabilities (Section 5310) grant program. The plan identifies local transportation needs of individuals with disabilities, older adults, and persons with low incomes, and facilitates applications for the FTA Section 5310 grant program.

The Section 5310 program provides formula funding to assist private, non-profit groups and transit operators in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. The funds are apportioned based on each State's share of population for these groups of people and are awarded to projects through a statewide competitive selection process. Funds may be used for capital or operating

expenses. The Coordinated Plan, as required by the 2015 FAST Act, must include the following elements:

- An assessment of available services and current transportation providers (public, private, and non-profit);
- An assessment of transportation needs for seniors and persons with disabilities. This assessment can be based on the experiences and perceptions of the planning partners or on more sophisticated data collection efforts, and gaps in service;
- Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and
- Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities.

## **DISCUSSION:**

The purpose of the Coordinated Plan is to create a plan to improve regional transit for individuals that are elderly, disabled, and/or low-income. This is accomplished through identifying where the transit system can better meet these individual's needs, and then identifying projects and strategies which will help alleviate these shortcomings. The plan also includes a current list of transit services that serve the elderly, disabled, and low-income populations.

The projects and strategies identified in this plan are made eligible for federal funding through the FTA Section 5310 grant program. In the past, this funding source has been used by transit agencies to replace or purchase new paratransit vehicles, as well as for operating expenses.

The Draft 2022 Coordinated Plan is composed of four main chapters, each of which are summarized briefly below.

### **Chapter 1: Introduction**

The introduction provides background on the purpose of the plan, an overview of the federal legislation regarding the requirements of the plan and associated funding sources.

### **Chapter 2: Transportation Service Providers**

This section provides a summary of available public, private and non-profit transportation services throughout the region and within each county.

### **Chapter 3: Transportation Needs**

This section defines transportation disadvantaged people and special needs transportation. This section also examines and lists demographic and economic factors relating to transportation in the region.

### **Chapter 4: Unmet Needs Assessment**

This chapter lists the identified unmet needs for the elderly, disabled, and low income in the tri-county area. Identification of these needs came largely from outreach with stakeholders throughout the region gathered by AMBAG and Regional Transportation Planning Agency (RTPA) staff.

#### **NEXT STEPS:**

The Draft 2022 Coordinated Plan will be presented at various meetings throughout the region, including the RTPA's Technical Advisory Committees and other transportation related committees. The Draft 2022 Coordinated is available on the AMBAG website at <https://ambag.org/plans/monterey-bay-area-coordinated-public-transit-human-services-transportation-plan>. The public comment period will close on October 17, 2022. All comments should be sent to Miranda Taylor, AMBAG, 24580 Silver Cloud Court, Monterey, CA 93940 or via email at [mtaylor@ambag.org](mailto:mtaylor@ambag.org). Staff will incorporate comments received into the Final 2022 Coordinated Plan which is scheduled to be approved by the AMBAG Board of Directors at its November 9, 2022 meeting.

- **September 15 - October 17, 2022:** 30-Day Public Comment Period
- **September 22, 2022:** SCCRTC Interagency Technical Advisory Committee
- **September 28, 2022:** MST Mobility Advisory Committee
- **October 6, 2022:** TAMC Technical Advisory Committee
- **October 6, 2022:** SBtCOG Technical Advisory Committee
- **October 11, 2022:** SCCRTC Elderly & Disabled Technical Advisory Committee
- **October 2022:** Prepare the Final 2022 Coordinated Plan
- **November 9, 2022:** AMBAG Board of Directors will be asked to adopt the Final 2022 Coordinated Plan



**COORDINATION:**

The development of the Draft 2022 Coordinated Public Transit-Human Services Transportation Plan has been coordinated with Monterey-Salinas Transit (MST), the Council of San Benito County Governments (SBtCOG), the Santa Cruz County Regional Transportation Commission (SCCRTC), the Santa Cruz Metropolitan Transit District (METRO), the Transportation Agency for Monterey County (TAMC), local non-profits and elderly and disability advocates, as well as the Planning Directors Forum which includes the local jurisdictions and other transportation partners.

## **MEMORANDUM**

**TO:** E&D TAC

**FROM:** Maura F. Twomey, Executive Director

**RECOMMENDED BY:** Heather Adamson, Director of Planning

**SUBJECT:** Regional Early Action Planning Grants 2.0 Program

**MEETING DATE:** October 11, 2022

**RECOMMENDATION:** INFORMATION

Staff will provide an update on the Regional Early Action Program (REAP) 2.0 Program including recent feedback and input received from outreach activities. The E&D TAC is asked to provide input for the development REAP 2.0 program framework.

### **BACKGROUND/ DISCUSSION:**

Regional Early Action Planning Grants of 2021 (REAP 2.0) builds on the success of 2019's REAP program but expands the focus by integrating housing and climate goals, and allowing for broader planning and implementation investments, including infrastructure investments that support future housing development. REAP 2.0 is explicitly intended to meet multiple objectives – infill development, housing for all incomes, Vehicle Miles Traveled (VMT) reduction, and affirmatively furthering fair housing (AFFH) in ways that lead to transformative outcomes and accelerate the implementation of regional and local plans to achieve these goals.

The REAP 2.0 Program provides funds to regional governments to accelerate housing production and facilitate compliance with the 6th Cycle of the housing element, including regional housing need allocations. In addition, REAP 2.0 is specifically designed to provide Metropolitan Planning Organizations (MPO) and other Eligible Entities with tools and resources to help implement and advance plans, primarily including Sustainable Communities Strategies (SCS) as part of Regional Transportation Plans to pursue greenhouse gas emission reduction targets through land use and transportation

changes. The REAP 2.0 objectives are:

- Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
- Affirmatively Furthering Fair Housing
- Reducing Vehicle Miles Traveled

The REAP 2.0 Program is funded with \$600 million from the State General Fund. The REAP 2.0 Program will be administered by the California Department of Housing and Community Development (HCD) (Department), in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB).

Most of the funds will be allocated directly to the MPOs. The remaining funds are split into a set aside for non-MPO regions for smaller counties and Tribal Entities, as well as a Higher Impact Transformative Allocation for all Eligible Entities. AMBAG's formula share of the MPO funding is \$10,133,742.41.

In early June 2022, AMBAG submitted an advanced application to HCD for funding to deploy an outreach and engagement strategy and develop programs to disperse these funds throughout the region in support of transformative planning that promotes the core program objectives of REAP 2.0: (1) implementation of AMBAG's Sustainable Communities Strategy; (2) infill housing development; (3) reduction of VMT; and (4) AFFH. AMBAG's advanced application was approved in August 2022.

As AMBAG develops a REAP 2.0 program framework, our full funding application will be driven by the State's final program guidelines and a stakeholder engagement process. Throughout 2022, AMBAG will be conducting outreach to a broad array of stakeholders to identify programs and partners and develop the full REAP 2.0 application, due to the State by December 2022.

### ***Outreach Activities***

AMBAG is engaged extensive outreach activities to gather input and feedback on the development of the regional REAP 2.0 Program. In early July 2022, AMBAG released a public opinion survey asking for feedback on how AMBAG should structure its regional REAP 2.0 program. A more extensive survey targeting potential eligible applications was released in August to provide additional input on what the priorities should be and what the needs are for AMBAG's REAP 2.0 program.

Virtual information/listening sessions have been scheduled for September 26, 2022, and

October 13, 2022. Their purpose is to gather additional feedback from priorities identified through surveys and as framework options are developed. More information on REAP 2.0 outreach activities can be found at: <https://ambag.org/plans/regional-early-action-planning-grants-program>.

In addition, AMBAG is working with the local jurisdictions and our local/regional transportation partners through the Planning Directors Forum and Technical Advisory Committees (TAC) to gather input and to help develop framework options for REAP 2.0 funding.

### ***REAP 2.0 Program Framework***

Below is a summary of the feedback received from the two surveys conducted this summer and the initial input received from the Planning Directors Forum and TAC meetings.

- AMBAG’s REAP 2.0 Program should focus on both transformative planning and capital investments with a larger emphasis on transformative planning efforts to implement both AMBAG’s SCS and the local jurisdiction’s 6<sup>th</sup> Cycle Housing Elements.
- A mix of REAP 2.0 funding suballocated to local jurisdictions and a competitive grant program is supported.
- Both urban and rural jurisdictions should be competitive.
- Priorities identified for REAP 2.0 funding include:
  - Improve housing affordability and increase housing production
  - Put housing close to jobs
  - Reducing VMT
  - Addressing housing & infrastructure needs in communities
  - Promote multimodal communities

Given AMBAG’s initial discussions with HCD and the other state partners, REAP 2.0 needs to focus on transformative planning and implementation efforts and should not be simply suballocated to all local jurisdiction as was done with REAP 1.0. However, AMBAG staff believes that a small component to address geographic equity could be included. Additional outreach will be performed in Summer and Fall of 2022.

The E&D TAC will be asked to provide input on a proposed framework for the REAP 2.0 program . AMBAG’s final application will be reviewed by HCD, OPR, SGC, and CARB once

the program framework is finalized and the final program and application is submitted to HCD in December 31, 2022.

### ***Timeline***

- Summer 2022 – HCD releases final guidelines and notice of funding availability
- Summer/Fall 2022 – Outreach activities and development of REAP 2.0 program framework
- December 31, 2022 – Deadline to submit application for REAP 2.0 Program funds and include a budget, amounts retained by the regional agency and any sub-allocations, and an education and outreach strategy.
- Spring/Summer 2023 – Develop AMBAG’s regional competitive grant program including criteria, application, etc.
- Summer/early Fall 2023 – Applications due for AMBAG’s competitive grant program
- Late 2023/early 2024 – AMBAG awards regional competitive grants and enters into funding agreements with grant applicants
- June 30, 2024 – Deadline for REAP 2.0 recipient to encumber funds
- June 30, 2026 – Deadline for REAP 2.0 funds to be expended

### ***Next Steps***

AMBAG will continue outreach activities to gather input on the development of the draft framework for the REAP 2.0 program. E&D TAC will be asked to approve a proposed framework for inclusion in the final application submitted to HCD at its November 2022 meeting. AMBAG’s final application is due to HCD by December 31, 2022.

### **ALTERNATIVES:**

N/A

### **FINANCIAL IMPACT:**

REAP 2.0 Program funds are programmed in the FY 2022-23 Overall Work Program and Budget.

### **COORDINATION:**

REAP 2.0 Program activities will be coordinated with the AMBAG Executive Steering Committee, Planning Directors Forum and the RTPAs Technical Advisory Committees which includes the local jurisdictions.

**ATTACHMENTS:**

None.

**APPROVED BY:**

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Maura F. Twomey, Executive Director

**AGENDA:** October 11, 2022

**TO:** Elderly and Disabled Transportation Advisory Committee  
**FROM:** Amanda Marino, Transportation Planner  
**RE:** Ocean Street Pavement Rehab & Bike/Ped Upgrades Review

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## **RECOMMENDATION**

Staff recommends that the Elderly and Disabled Transportation Advisory Committee receive information and provide input regarding the Ocean Street Pavement Rehab & Bike/Ped Upgrades Project.

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## **BACKGROUND**

The city of Santa Cruz seeks to make improvements to Ocean Street, due to pavement condition. The rehabilitation work provides an opportunity to make safety improvements. Funding for the project comes from the city share of the gas tax, the city tax Measure H, and Regional Surface Transportation Program Exchange funds allocated for the project by the Santa Cruz County Regional Transportation Commission. The estimated total project cost is \$1.4 million.

In fall 2021, Santa Cruz applied for funds for this project from the RTC's consolidated Regional Transportation Improvement Program of various state, federal, and regional transportation funds. In December, the RTC allocated \$600,000 for this project.

One of the Committee's roles is to provide input on local projects receiving RTC funding.

## **DISCUSSION**

This project will completely replace the pavement on Ocean Street. The project location is between Water Street and Plymouth Street, a distance of approximately 2,000 feet.

The current poor condition of the existing asphalt and non-compliant curb ramps along this corridor are disruptive to motorists, bicyclists, and pedestrians. The project presents an opportunity make safety improvements for vehicles, pedestrians, and bicyclists. Due to the current wide vehicle lanes, there is opportunity to allocate part of that space to widen the bike lanes.

The proposed improvements include:

- Restoration of the pavement
- 5-foot bike lanes plus 2 to 3-foot painted buffers between the bike lane and vehicle lane
- New ADA compliant sidewalk curb ramps
- Improved crosswalk striping

Select sheets of the preliminary design plans are included as ATTACHMENT 1.

Staff anticipates that the project construction will begin Spring 2023.

## **SUMMARY**

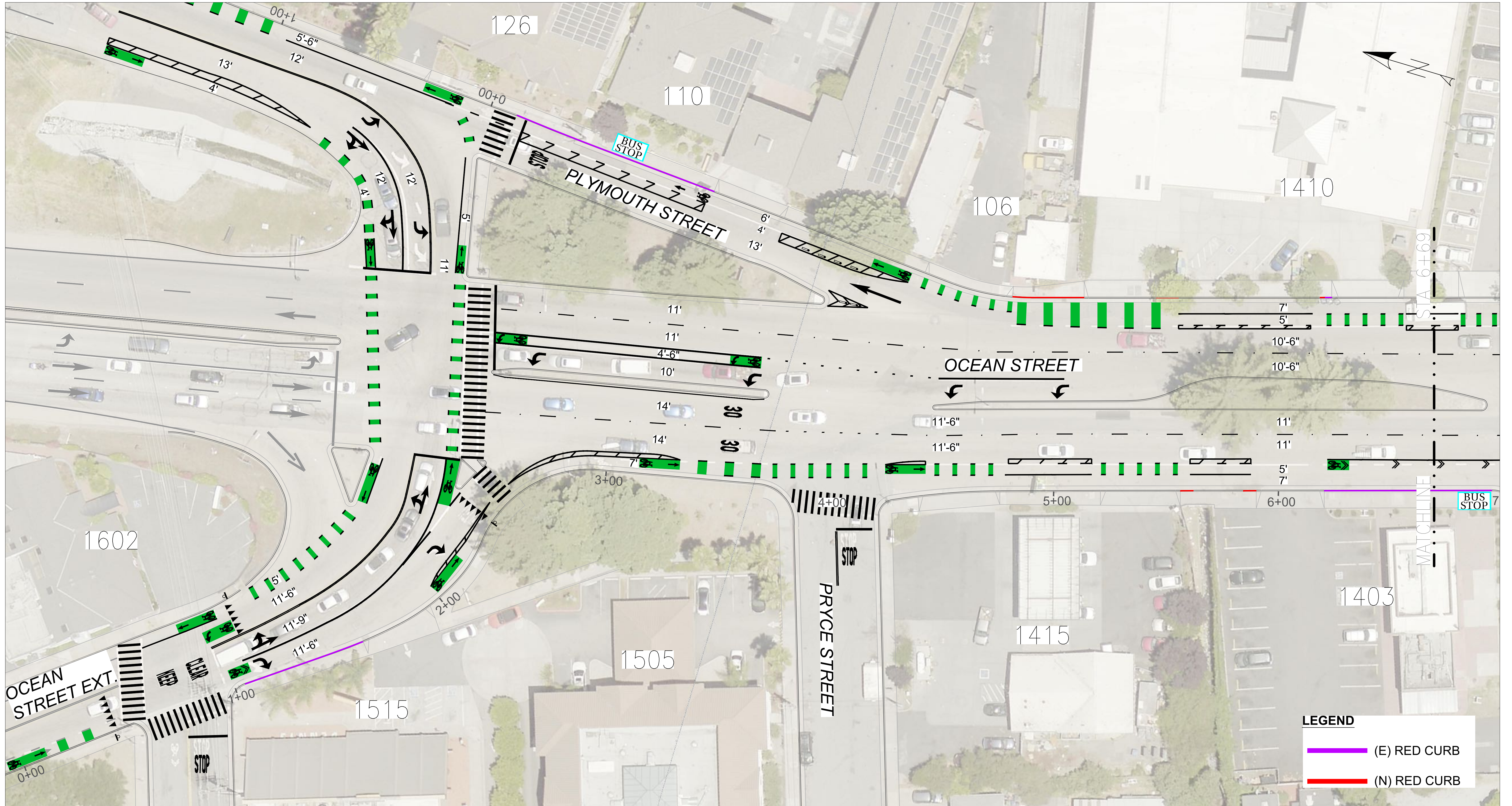
The city of Santa Cruz is seeking the input of the Committee prior to construction of the Ocean Street Pavement Rehab & Bike/Ped Upgrades Project.

## **ATTACHMENTS**

1. Select sheets of preliminary project design plans

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CITY OF  
**SANTA CRUZ**  
PUBLIC WORKS DEPARTMENT  
809 Center Street, Room 201  
Santa Cruz, CA 95060

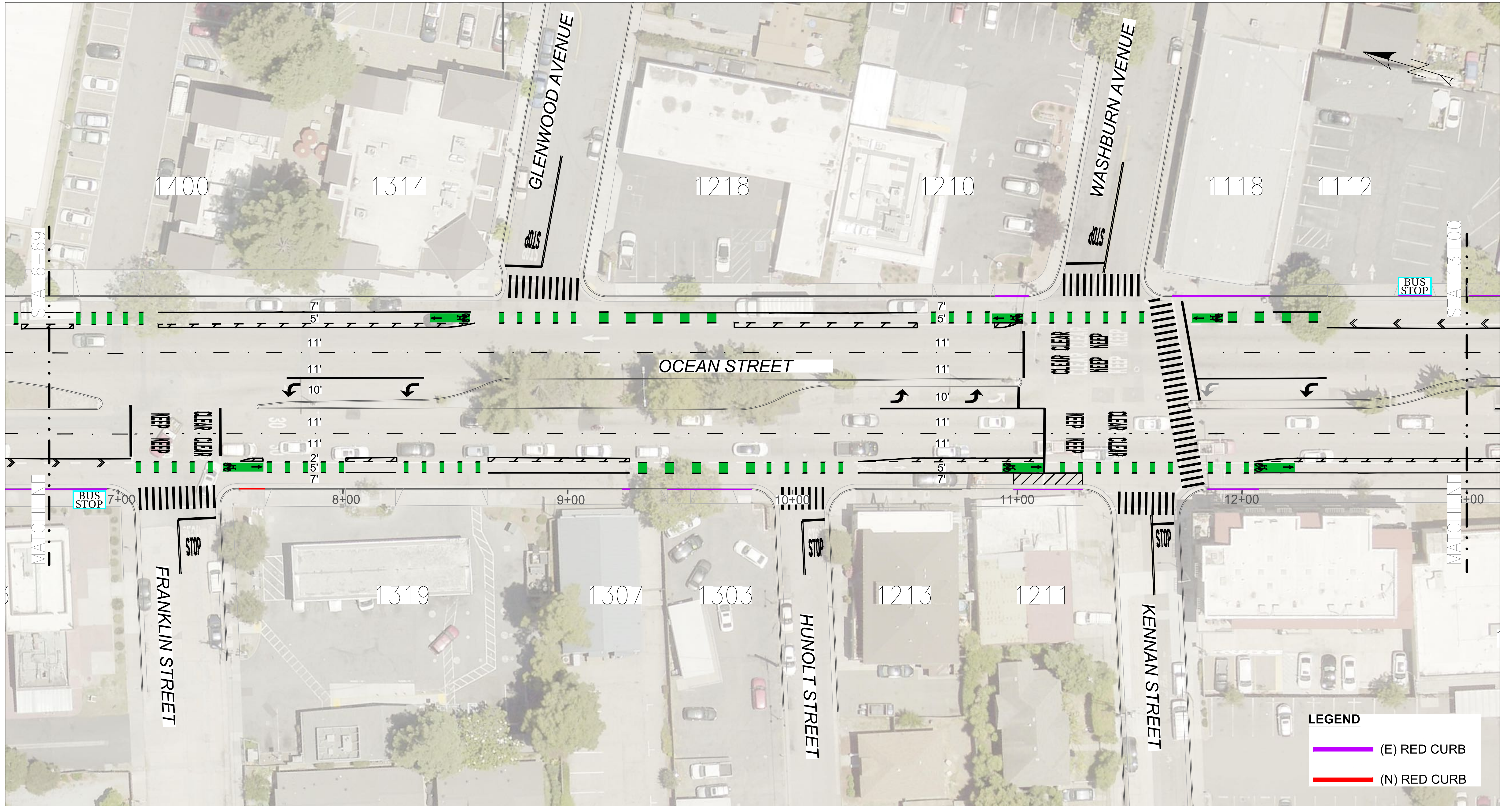
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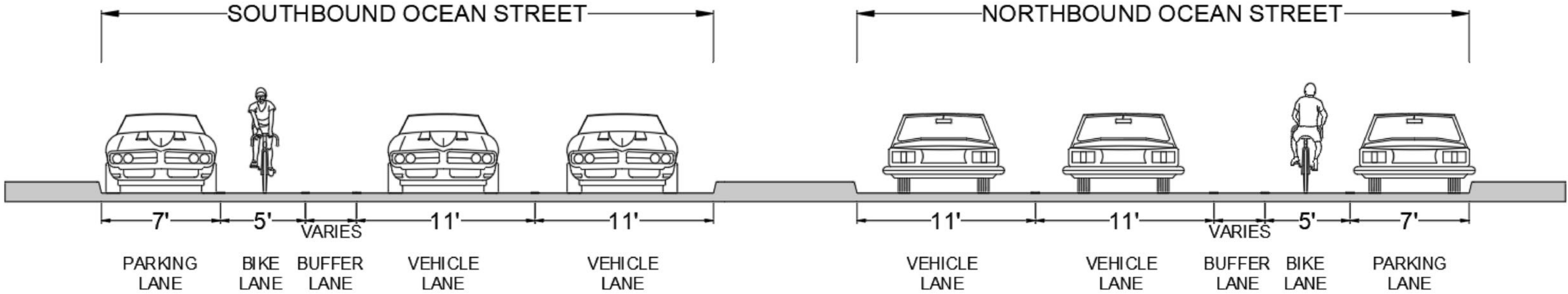
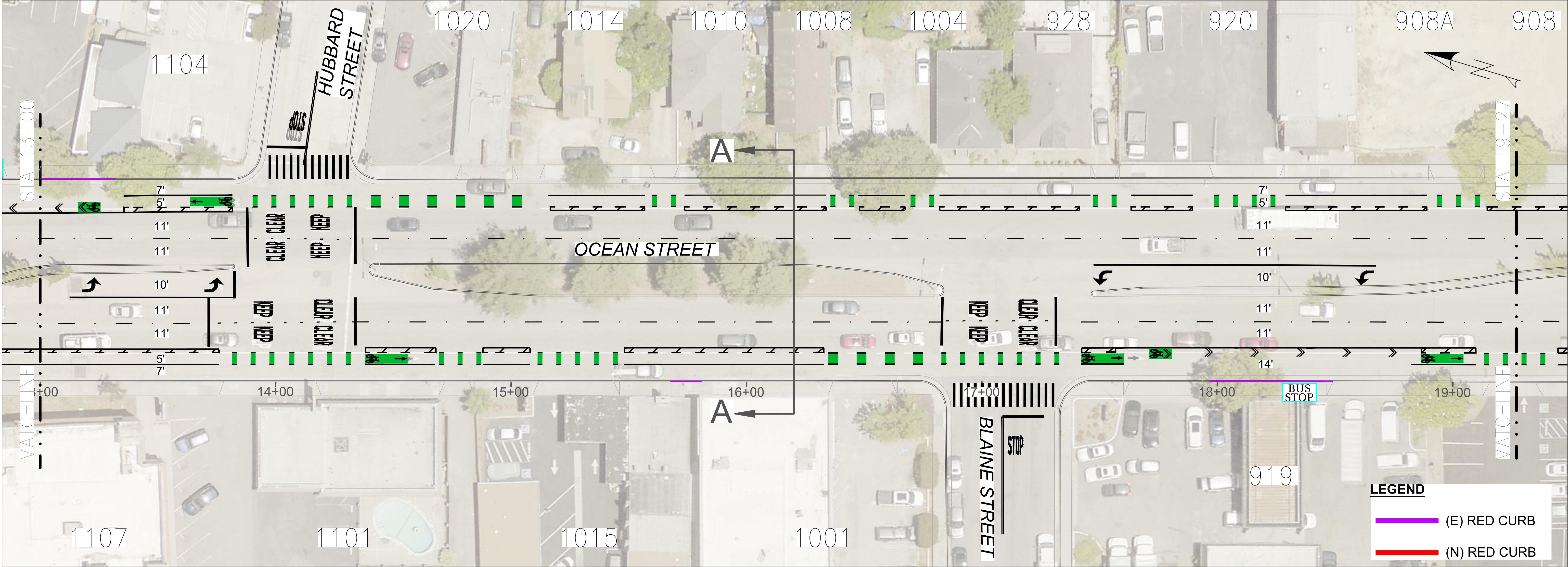


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SECTION A-A - ROADWAY CROSS SECTION (TYP.)

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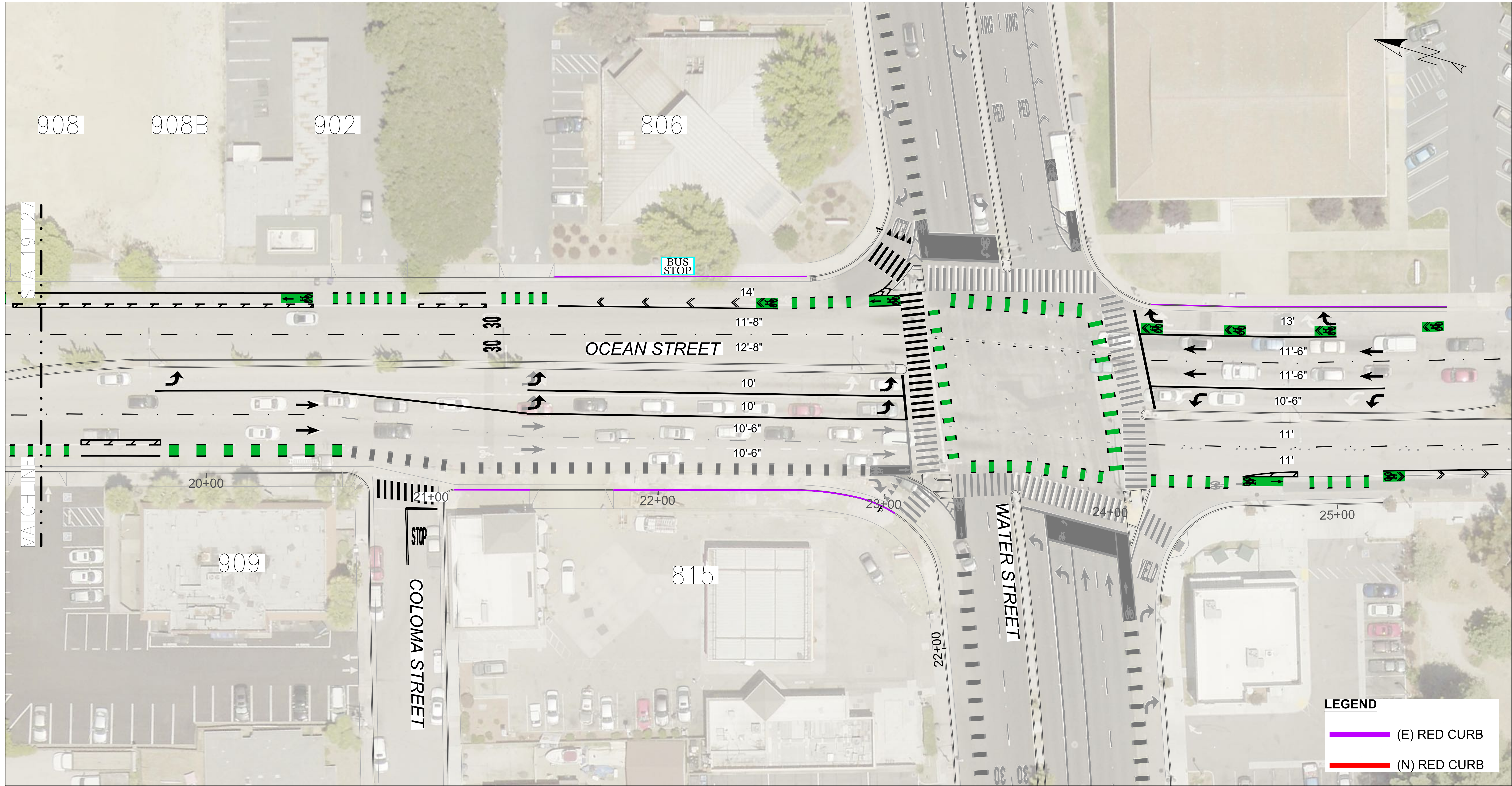

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OCEAN STREET  
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STA 13+00 TO STA 19+27

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OCEAN STREET  
 STRIPING PLAN (CONCEPT)  
 STA 19+27 TO STA 25+00

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