Metropolitan Transportation Commission
Programming and Allocations Committee

April 8, 2026 **Agenda Item 2f-26-0456**

MTC Resolution No. 4709, Revised

Subject:

The proposed action allocates $12.9 million in FY2025-26 Transportation Development Act (TDA) operating funds to Petaluma Transit, Sonoma County Transit, and Union City Transit to support transit operations in the region.

Background:

This month's proposed actions continue the annual allocation process of these funds for FY2025-26. Petaluma Transit, Sonoma County Transit, and Union City Transit are requesting TDA allocations this month that exceed the $1 million Delegated Authority limit. Allocation requests that are less than $1 million are approved separately through the Executive Director's Delegated Authority process. These funds comprise a significant share of the revenue for agencies' operating budgets.

The proposed allocation amounts are based on the programming levels identified in the FY2025-26 Fund Estimate (MTC Resolution 4688, Revised), and summarized in the following table:

Allocation Amounts by Entity[1]

Entity	**TDA** (Res. 4709)
Petaluma	$3.3
Sonoma County Transit	$2.6
Union City	$6.9
Total	**$12.9**

Note that amounts may not sum due to rounding

Information regarding the FY2025-26 operating budgets and current and future operations for Petaluma Transit and Union City Transit is provided in Attachment A. Information regarding the FY2025-26 operating budget and current and future operation for Sonoma County Transit can be found in the July Programming and Allocations Committee materials.

Issues

None.

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Recommendations:

Refer MTC Resolution No. 4709, Revised to the Commission for approval.

Attachments:

- Attachment A - Transit Operator Budget Summary
- MTC Resolution No. 4709, Revised
    - Attachment A

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Attachment A – Transit Operator Budget Summary

Petaluma Transit/ City of Petaluma

FY 2025-26 Operating Budget	$6.0 million
FY 2024-25 Operating Budget	$5.3 million
Increase in Budget compared to FY2024-25	13%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)	93.3%
Total Proposed FY 2025-26 Operating Allocation[1]	$4.0 million
Proportion of Operating Budget Funded with Allocations	66.7%

Budget and Operating Highlights

Petaluma Transit is the primary bus service for the City of Petaluma, offering fixed route and paratransit service within the city's 14.5 square mile limits. Fixed route service is comprised of six alignments supported by a fleet of 10 cut-a-way buses. Petaluma Transit serves a market of suburban city-wide travel, and coordinates with regional services provided by Golden Gate Transit, Santa Rosa City Bus, Sonoma County Transit, and Sonoma Marin Area Rail Transit. Petaluma Transit provides service across 140 bus stops, 40% of which are shared with the aforementioned operators, promoting greater regional connectivity within Sonoma and Marin County. All services are contracted to MV Transportation Inc., a third-party contractor.

Petaluma Transit's FY2025-26 Operating Budget shows $6.0 million in total operating costs, which is a 12% increase from the previous fiscal year. The increase can be attributed to cost escalation and inflationary impacts that are part of the operator's new contract for fixed route and paratransit service with MV Transportation. TDA and STA funding make up a significant

[1] Includes allocations made through Executive Director's Delegated Authority as allowed by MTC Resolution No. 3620, Revised. Any allocations made by Delegated Authority will be reported as part of the quarterly Delegated Authority update to the Commission. Excludes allocations made for transit capital or planning and administration purposes.

portion of operating revenues, while City of Petaluma General Fund monies and Go Sonoma revenues are the second largest sources of operating support.

Forecasted ridership for FY2025-26 shows an almost full recovery of 93.3%, and an adjusted total ridership in FY2024-25 of 89.4%.

As part of the operator's efforts to increase ridership and promote the network of services, Petaluma Transit eliminated fare collection on all fixed route bus service and paratransit service on July 1, 2024. The foregone fare revenue is being offset by Go Sonoma revenues and General Fund monies. Since its launch, the operator has seen a 51% increase in ridership in FY2024-25 compared to FY2023-24 and anticipates a 4% increase by the end of FY2025-26.

Union City Transit/ City of Union City

FY 2025-26 Operating Budget	$10.0 million
FY 2024-25 Operating Budget	$9.3 million
Increase in Budget compared to FY2024-25	7.7%
Projected Ridership (Estimated FY 2025-26 as a percentage of FY 2018-19 actual)	105%
Total Proposed FY 2025-26 Operating Allocation[1]	$7.1 million
Proportion of Operating Budget Funded with Allocations	70.9%

Budget and Operating Highlights

Union City Transit is managed by Union City's Public Works and Transit division. The operator has three programs providing fixed route service, paratransit, and a demand response micro transit service known as Union City Flea (Flexible, Local, Easy, Access). The fixed route service is comprised of five routes with an additional seasonal route that operates on weekdays during the school year for student service. The paratransit service is offered during the same hours as fixed route service and includes an expanded service area for ADA paratransit riders traveling to select areas of Fremont, Hayward, and Newark in addition to one-time medical trips. All service is offered within the 18.5 square mile Union City jurisdiction but primarily services the 8.4 miles of developed land. Services are contracted to MV Transportation under a first option year term to the contract.

The operator's budget for FY2025-26 forecasts $10.0 million in total operating costs, an increase of 7.7% from the previous fiscal year. Contractual increase in the cost of fixed route operations and maintenance comprise the bulk of this increase. Union City Transit relies primarily on TDA

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and STA while Alameda County's Measure BB, the Alameda County Transportation Commission's voter-approved half-cent sales tax measure, is the second largest source of operating support.

In FY2018-19 Union City Transit reported 281,101 unlinked passenger trips and this fiscal year the operator forecasts a total annual ridership of 313,606. As a result, Union City Transit expects to be 11.06% above pre-pandemic levels. Moving forward Union City Transit will forecast a 3% increase in ridership across its service programs, citing a stable increased usage of weekday season fixed route service and a greater number of paratransit client applications.

The operator continues to make progress towards electrification of their fleet with eight new electric buses entering service in the summer of 2026.