

# City of Hesperia

## STAFF REPORT



**DATE:** September 6, 2022

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Administrative Services  
Anne M. Duke, Deputy Finance Director

**SUBJECT:** Local Transportation Fund – Article 8a Claim

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### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2022-61, authorizing the City Manager to file the FY 2022-23 Local Transportation Fund – Article 8a claim in the amount of \$872,556 with San Bernardino County Transportation Authority (SBCTA).

### BACKGROUND

The California Transportation Development Act (TDA) of 1971 provides a funding mechanism to local government for transit services. This mechanism consists of the collection and allocation of one-fourth cent of each sales tax transaction to the State Local Transportation Fund. Called Local Transportation Funds (LTF), these monies are annually allocated to local governments based on population. In our region, SBCTA is the governing authority over these funds. In FY 2021-22, the total allocation of LTF for the City of Hesperia was approximately \$4,810,503.

LTF may be used for street and road improvements if any monies remain after providing for local transit needs. These road and street monies, should they be available, are designated as LTF – Article 8a funds, and must be officially claimed by the agency as such. This claim must be made to SBCTA.

Annually, the Victor Valley Transit Authority (VVTA) holds public hearings to determine the unmet transit needs. Based upon information from those hearings and established state and federal requirements, VVTA determines the total cost of all transit services in the High Desert. The City contributes LTF to this budget in proportion to its share of participants in the various VVTA programs offered. As a member of the VVTA, the City of Hesperia has met its constituents' FY 2021-22 transit needs through the expenditure of a major portion of allocated LTF.

The City's portion of the VVTA budget for FY 2021-22 was estimated to be \$4,810,503, with \$3,937,947 to be utilized by VVTA for transit purposes including: VVTA administration and related capital purchases; the interconnected Victor Valley regional route system and pickup service and transportation for ADA clients; and the Hesperia Community Route. The remaining funding of \$872,556 is then made available to the City to be used for street and road improvements. The City's FY 2022-23 allocation of \$872,556 is substantially higher than the FY 2021-22 allocation of \$82,465, primarily due to grant funding received by VVTA during FY 2021-22. However, the City has been notified by VVTA that the FY 2022-23 allocation may be the last year of Article 8 funds distributed to the City for road improvements, due to increased transit needs.

Distribution of Article 8a funds for FY 2022-23 occurs upon completion of the annual audit of these funds and the Measure I funds. For FY 2020-21, the audit was completed in December 2021.

### **ISSUES/ANALYSIS**

Since all City transit needs have been met for FY 2021-22 through participation in the VVTA programs cited above, SBCTA has notified the Finance Department that the balance of the City's LTF allocation of \$872,556 can now be claimed as Article 8a monies and used for street and road improvements.

Adoption of the Resolution No. 2022-61 and submission of that Resolution with the required claim form will fulfill SBCTA requirements for the City to claim the residual LTF as Article 8a monies for street and road improvements.

### **FISCAL IMPACT**

The Article 8a allocation is included in the FY 2022-23 Budget.

### **ALTERNATIVE(S)**

Provide alternative direction to staff.

### **ATTACHMENTS**

1. Resolution No. 2022-61