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Humboldt Transit Authority
Governing Board of Directors
North Coast Unified Air Quality Management District
Conference Room - 707 L St, Eureka, CA 95501
AGENDA

Public Participation In-person or Teleconference

Microsoft Teams
Join on your computer, mobile app or room device

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Meeting ID: 234 271 049 372 3
Passcode: RZ37YT78

July 1, 2026

9:00 AM

Special Board Meeting

- A. Call Meeting to Order
- B. Roll Call & Introductions
- C. Community Members Communication
Members of the community are invited to comment on items or issues not on the agenda.
- D. Special Presentation
- E. Consent Calendar

By motion, recommend the approval of the following items considered to be routine and enacted in one motion. Items may be removed from the consent calendar upon request and will be heard separately.

- 1. Federal Transit Administration Section 5311 & 5311(f) Grant Funds Page 03

[Staff: Katie Collender](#)

Board authorization is required to submit the annual application for Section 5311 and 5311(f) federal funding through Caltrans.

Action Recommended: Adopt Resolution 26-09 Authorizing Application for FTA Section 5311 Grant Funds and FTA Section 5311(f) and the General Manager to Sign the Grant Agreements.

- 2. Humboldt Transit Authority Public Transportation Agency Safety Plan (PTASP) Page 05

[Staff: Cody Ferreira](#)

HTA is voluntarily meeting the Federal Transit Administration requirement for an agency to have a Safety Management System, which is a requirement for large transit agencies.

Action Recommended: Approve the Public Transportation Agency Safety Plan for the Humboldt Transit Authority by adopting Resolution 26-10.

Large Attachments Available at: <https://hta.org/board-meetings/>

- F. Item Removed from Consent Calendar
- G. Reports
 - 1. Caltrans District 1 Report
[Caltrans Staff: Saskia Rymer-Burnett & Tasha Ahlstrand](#)
No Action Required

2. HTA Projects Update I Page 08

Staff: Jerome Qiriazzi and Seth Beres

No Action Required

H. New Business

1. Draft Fiscal Year 2026/2027 Budget, Draft Financial Forecast, and Draft Budget Narrative Page 10

Staff: Carolann Aggeler

Staff has prepared a preliminary budget for the Consolidated Transportation Services Agency, operating the Redwood Transit System, the Eureka Transit Service, the Arcata & Mad River Transit System, Willow Creek, North State Express 299, Southern Humboldt Intercity Systems, the North State Express 101, Dial-a-Ride and Flex.

Action Recommended: Review the draft budget packet as proposed by staff and reviewed by the Finance and Operations Committee. Make changes if necessary. If approved, direct staff to publish a notice requesting public input on the proposed budget at the next meeting.

2. Project 26-02 W Street Resurfacing Project between 1st and 2nd Streets Invitation for Bid Page 18

Staff: Seth Beres and Jerome Qiriazzi

Bids were received for project 26-02 on Friday June 25, 2026. Staff is requesting the Board to make an award to the lowest responsible bidder. These costs were included and will have no additional impact to the budget.

Action Recommended: Approve the Agreement between Humboldt Transit Authority, the County of Humboldt and the Humboldt County Association of Governments and Authorize the General Manager to Sign the Agreement.

3. Transit Center Construction Financing and Acquisition Agreements Page 19

Staff: Katie Collender

Staff is recommending adoption of Resolution 26-11 to authorize agreements related to loan financing for the Eureka Transit Center to be paid to Eureka G Street, LP, Successor to Danco Communities.

Action Recommended: Adopt Resolution No. 26-11 Approving Delivery of up to \$12,331,000 of Grant Funds to Eureka G Street, LP, Successor to Danco Communities, as Loan Financing to Construct all Transit Center Improvements at the EaRTH Center; Approving Condominium Subdivision Plan to Create Transit Center Unit; Approving Acquisition of Transit Center Unit; and, Accepting Fee Title and Real Property Interests in Transit Center; subject to final review by General Counsel and approval of the form of all documents.

I. Board Communications

J. Staff Communications

K. Closed Session

L. Adjournment

Humboldt Transit Authority (HTA) is committed to a policy of non-discrimination pursuant to the requirements of Title VI of the Civil Rights Act of 1964. Persons who require special accommodations, accessible seating, or documentation in alternative formats under the American with Disabilities Act or persons who require translation services (free of charge) should contact HTA at least two days prior to the meeting.

Humboldt Transit Authority (HTA) se compromete a una norma de no discriminación de acuerdo a los requisitos del Artículo VI del Acto Derechos Civiles de 1964. Las personas que requieren alojamiento especial de acuerdo con el American with Disabilities Act, o personas que requieren servicios de traducción (libre de cargo) deben comunicarse con HTA al menos dos días antes de la reunión.



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Eureka, CA 95501

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Office: (707) 443-0826
Fax: (707) 443-2032
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TO: Chair Arroyo
All Governing Board Members

FROM: Katie Collender, General Manager

DATE: July 1, 2026

SUBJECT: Federal Transit Administration Section 5311 & 5311(f) Grant Funds

The Humboldt County Association of Governments has notified the region that there are \$1,088,378 in FTA Section 5311 grant funds available for fixed route bus services. This is a Regional Apportionment grant for rural agencies in Humboldt County that qualify. Staff is requesting approval from the HTA board to apply for Operating Assistance to help offset the costs for ETS, AMRTS, and RTS. HTA has been successful in applying to this grant program for the past 17 years and the Local Transportation Funds will be used as the local match if awarded.

In addition, The California Department of Transportation has notified its sub-recipients that there are FTA Section 5311(f) grant funds available for intercity bus services. This is a competitive grant for all rural agencies in the State of California. Staff is requesting approval from the HTA board to apply for Operating Assistance to help offset the costs for the following intercity systems: North State Express 101, North State Express 299, and Southern Humboldt Intercity. HTA has been successful in applying to this grant program for over 16 years and the Local Transportation Funds will be used as the local match if awarded.

Action Recommended: Adopt Resolution 26-09 Authorizing Application for FTA Section 5311 Grant Funds and FTA Section 5311(f) and the General Manager to Sign the Grant Agreements.

**Authorizing Resolution for FTA Funds
State of California
Division of Local Assistance
RESOLUTION NO. 26-09**

RESOLUTION AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5311 (49 U.S.C. SECTION 5311) and/or 5339 (49 U.S.C. SECTION 5339) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital/operating assistance projects for non-urbanized public transportation systems under Section 5311 of the Federal Transit Act (**FTA C 9040.1G**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, Humboldt Transit Authority desires to apply for said financial assistance to permit operation of service in Humboldt County; and

WHEREAS, the Humboldt Transit Authority has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Humboldt Transit Authority Governing Board of Directors hereby Authorize the General Manager to file and execute applications on behalf of Humboldt Transit Authority with the Department to aid in the financing of operating assistance projects pursuant to Section 5311 of the Federal Transit Act (**FTA C 9040.1G**), as amended, and pursuant to Section 5339 of the Federal Transit Act (**FTA C 5100.1**), as amended.

That the General Manager is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That the General Manager is authorized to provide additional information as the Department may require in connection with the application for the Section 5311 and/or Section 5339 projects.

That the General Manager is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5311 project(s).

PASSED AND ADOPTED by the Humboldt Transit Authority Governing Board of Directors of the County of Humboldt, State of California, at a special meeting of said Board Meeting held on July 1, 2026, by the following vote:

AYES:

NOES:

ABSENT:

Name: Natalie Arroyo

Title: Chair of the HTA Governing Board of Directors

Signature

Date



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Eureka, CA 95501

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Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

TO: Chair Arroyo
All Governing Board Members

FROM: Cody Ferreira, Safety and ADA Coordinator

DATE: July 1, 2026

SUBJECT: Humboldt Transit Authority Public Transportation Agency Safety Plan (PTASP)

On July 19, 2018, Federal Transit Administration (FTA) published the Public Transportation Agency Safety Plan (PTASP) Final Rule, which requires certain operators of public transportation systems that receive federal funds under FTA's Urbanized Area Formula Grants to develop safety plans that included the processes and procedures to implement Safety Management Systems (SMS). The PTASP rule became effective on July 19, 2019, with a compliance deadline of July 19, 2020.

The rule applied to all operators of public transportation systems that are recipients and sub-recipients of federal financial assistance under the Urbanized Area Formula Program (49 U.S.C. § 5307); recipients of FTA's Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (Section 5310) and/or Rural Area Formula Program (Section 5311) are currently excluded. Therefore, the Authority who only receives financial assistance via Section 5310 and Section 5311 and is not required to have a PTASP. However, the Authority's senior management understands that establishing the program strengthens the Authority's safety and risk management program, thus providing increased safety for the public who use the Authority's services and the safety of the Authority's employees while also reducing operating costs through improved safety and risk management. The Authority's Board approved the first HTA PTASP in July 2020.

Each year the Authority's PTASP plan reviews the plan and the accomplishments of the current year to develop a revised plan that contains amended goals for continuous improvement. Specific goals for system reliability are required as part of the plan. The chart below shows the accomplishments of the 2025/2026 PTASP Safety Performance goals.

| Mode of Transit Service | Fatalities Goal | Fatalities Experienced | Injuries Goal | Injury Experienced | Safety Events Experienced | System Reliability Goals | % of System Reliability Goal Achieved |
|-------------------------|-----------------|------------------------|---------------|--------------------|---------------------------|--------------------------|---------------------------------------|
| All Systems | 0.0 | 1.0 | 0.0 | 0.0 | 46.0 | 8,500 | 181.0% |

2025/2026 HTA PTASP Safety Performance goals are illustrated in the table below. The distance between the need to remove a bus from service (reliability) Milage has been decreased for the Commuter and Dial-A-Ride systems and increased for the fixed route and intercity runs due to an aging fleet and other factors considered such as trends over the last two years. Now that HTA has several



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systems to monitor with buses that run on different routes, staff felt it best to cover all systems under one umbrella.

25/26 Goals

| System Wide | Fatalities | Injuries | Safety Events | System Reliability |
|----------------------------|------------|----------|---------------|--------------------|
| Humboldt Transit Authority | 0.0 | 0.0 | 0.0 | 8,500 |

The past year's projections on the PTASP are taken from quarterly rates totals and adjusted to reflect a probable goal to achieve. This year's projections are relying on the same information that has been used in the past with adjustments that are reflective of an achievable goal narrative based on last two year's data included in the PTASP. In addition to the projections, we have implemented training for all drivers involved in an at fault accident.

The PTASP Committee - HTA is voluntarily meeting the new FTA requirements for large bus transit agencies to include the agency's safety team in the in the Agency's PTASP review process. Attached to this report is the draft for the 2024/2025 Humboldt Transit Authority PTASP for the Board's approval.

Action Recommended: Approve the Public Transportation Agency Safety Plan for the Humboldt Transit Authority by adopting Resolution 26-10.

Appendix A – Resolution to Re-Certify and Approve the HTA PTASP

RESOLUTION NO. 26-10,

APPROVING THE PUBLIC TRANSPORTATION AGENCY SAFETY PLAN (PTASP) FOR THE HUMBOLDT TRANSIT AUTHORITY

WHEREAS, the Humboldt Transit Authority directly operates, oversees safe, friendly, and reliable public transportation in the County of Humboldt; and

WHEREAS, the Redwood, Eureka Transit and AMRTS are local fixed-routes and Willow Creek, Paratransit, and the North State Express and Southern Humboldt are intercity systems operated by the Humboldt Transit Authority.

WHEREAS, the Public Transportation Agency Safety Plan formalizes safety programs and procedures in place at the Humboldt Transit Authority and improves the safety risk management, safety assurance, and safety oversight processes; and

WHEREAS, the safe operation of public transportation for Humboldt Transit Authority is the top priority of the Authority and the Governing Board.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Humboldt Transit Authority does hereby approve and accept the agency's 2026/27 Public Transportation Agency Safety Plan.

PASSED, APPROVED AND ADOPTED this first day of July 2026 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Name: Natalie Arroyo

Title: Chair of the HTA Governing Board of Directors

Signature: _____

Date: _____

Attest:

Secretary to the Board



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Office: (707) 443-0826
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TO: HTA Chair Natalie Arroyo
All Governing Board Members

FROM: Jerome Qiriazzi, Transit Planner and Seth Beres, Project Manager

DATE: July 1, 2026

SUBJECT: Humboldt Transit Authority Project Updates

TIRCP Cycle 5 Grant

This project funds the purchase of fuel cell electric buses, construction of a hydrogen fueling station, upgrades to maintenance bays, and construction of an intermodal transit center.

- Hydrogen Fueling Infrastructure
 - a. Office remodel is nearly complete with a few checklist items remaining.
 - b. Cedar House is demolished, final site prep activities and cleanup remaining.
 - c. 90% design nearly complete.
 - d. First round of review of portion of design by the Hydrogen Safety Panel went well, no significant concerns, overall confirmation that design and modelling is being done appropriately and to industry standards.
 - e. Staff will reach out to the Chair in the next couple of weeks to plan a gold shovel event to kick off the start of construction.
- Eureka Transit Center
 - a. Nearing closing of financing. Please see Agenda Item H.3.
 - b. Staff will reach out to the Chair in the next couple of weeks to start planning a gold shovel event to kick off the start of construction.
- Fuel Cell Electric Production Buses
 - a. We now have a total of 7 buses with two more arriving this week. The tenth bus should be here next month.
 - b. Performance testing is going well. Seven buses have been tested and validated to date.
- Retrofit of Maintenance Bays
 - a. Staff will be releasing an IFB soon that will phase the work, installing fire alarm control systems under a first phase, and completing remaining retrofit work under a second phase that will start later in the year.
- Temporary Fueling
 - a. Temporary hydrogen fueling is still down with no update on when fuel will become available again
- W Street Resurfacing
 - a. Please see Agenda Item H.2

TIRCP Cycle 7 Grant

This project funds the planning and capital infrastructure for 15-minute service on Redwood Transit System, adds additional budget to the intermodal transit station, installs art installations at transit infrastructure, and procures additional fuel cell electric buses.

- The California Transportation Commission are considering allocation requests on 6/25 and 6/26 for the following project components which are expected to be approved:



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- Component 1: Planning and operational support for implementing increased frequency service on RTS, continuing marketing efforts, implementing bus stop redesign, and transitioning to a zero emission fleet.
- Component 4: Procuring a coordinator for selecting and installing artwork at bus stops and the Eureka Transit Center

Partnering Assets and Authorities for Comprehensive Transit (PAACT) Project

This is a planning project lead by HCAOG to support regional coordination around transit, active transportation and land use planning needs for achieving the Safe and Sustainable Transportation (SST) Targets in the Regional Transportation Plan (RTP).

- The project team is crafting a public survey to provide input on whether a ridership-focused or a coverage-focused transit system is preferred by the public.
- Staff anticipates this survey to be released in 2-3 weeks.

Next Generation Facility Project

This project seeks to fund the design and construction of a new administration and maintenance facility for HTA that accommodates current needs and anticipated future growth.

- Staff are reviewing the draft final report.

No Action Required



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Office: (707) 443-0826
Fax: (707) 443-2032
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TO: Chair Arroyo
All Governing Board Members

FROM: Carolann Aggeler, Finance Manager

DATE: July 1, 2026

SUBJECT: Draft Fiscal Year 2026/2027 Budget, Draft Financial Forecast, and Draft Budget Narrative

Included in this agenda packet is the Draft Budget for the Humboldt Transit Authority. This budget was reviewed by the HTA Finance & Operations Committee on June 10, 2026

Staff also placed a notice in the Times-Standard newspaper offering the public an opportunity to comment on the preliminary budget. No comments or suggestions have been received from any members of the public, nor have any changes made by the Finance & Operations committee.

Members of the public may still make comments regarding this budget during the public hearing portion of the July 1, 2026 Board meeting. At that time, the Board may also make changes to the budget as they see fit.

Action Necessary:

- 1. Open a public hearing opportunity for members of the public to comment on the adopted preliminary budget for fiscal year 2026/27.***
- 2. Continue the hearing to the next meeting.***
- 3. Review the draft budget packet as proposed by staff and reviewed by the Finance and Operations Committee. Make changes if necessary. If approved, direct staff to add item adopting budget at the next meeting.***

Introduction

Staff have completed the annual budget for the upcoming fiscal year. Through the budgeting process, HTA closely reviews its transactions, identifies service changes, develops funding estimates, and considers economic forecasts to produce a balanced budget draft that anticipates how the agency will meet its financial obligations in the coming year while advancing its operational goals. The included five-year financial forecast and expanded narrative strengthen HTA's ability to plan for future needs.

HTA is improving transit efficiency through a planned RTS overhaul aligned with the 2023–2028 Humboldt County Transit Development Plan. Changes include removing low use stops that contribute to significant delays and increasing bus frequency at other stops, supplemented with microtransit. Flex, HTA's microtransit service, is now running until 10:00 PM Monday through Saturday to increase options for riders across coverage areas. This approach may serve as a model for other outlying areas with lower ridership that still require service.

Current Services:

Redwood Transit System (RTS)
Eureka Transit Service (ETS)
Arcata & Mad River Transit System (A&MRTS)
Southern Humboldt Intercity (SHI)
North State Express 299 (NSE 299)
North State Express 101 (NSE 101)
Paratransit or Dial-a-Ride (DAR)
Flex Microtransit (Flex)

Key Items:

Funding Updates

Funding Trends

Local Transportation Funds (LTF) are a component of Transportation Development Act (TDA) funding that is derived from a ¼ cent of the general sales tax collected statewide. The Humboldt County Auditor Controller's estimate of LTF funds for Fiscal Year 2025-26 is \$5,416,531 which is a decrease of \$481,869 from the 2025-26 estimate. The estimate is calculated using a 1% increase to revenues while also factoring in the difference between the estimate and actual revenues from FY 2024-25, which is why the current year projections are lower (despite 1% projected revenue growth).

The California Air Resources Board (CARB) administers the state's Cap-and-Trade program, now renamed Cap-and-Invest. Under the program, major emitters purchase allowances for their greenhouse gas emissions, and auction proceeds are deposited into the Greenhouse Gas Reduction Fund (GGRF), which supports essential programs for HTA, such as LCTOP. On May 29, 2026, CARB voted to adopt amendments to the Cap-and-Invest

program. It is projected that quarterly auction revenue for state climate programs will drop from roughly \$4 billion a year to about \$2 billion under the new overhaul. This would decrease funding for AHSC, TIRCP, and LCTOP. Additionally, LCTOP funding was lowered in priority in its pool, and for that reason LCTOP could be unfunded in future years.

Transit and Intercity Rail Capital Program Cycle 5

HTA has made significant progress under the Transit and Intercity Rail Capital Program (TIRCP) Cycle 5, advancing its commitment to zero-emission transit and regional connectivity. With this \$38.7 million grant awarded in 2022, HTA is deploying 11 New Flyer fuel cell electric buses (FCEBs), constructing a hydrogen fueling station, retrofitting service bays to safely work on hydrogen buses, and building an intermodal transit center in downtown Eureka. The station will also offer public fueling options, supporting the broader adoption of hydrogen vehicles on California's North Coast. These initiatives align with HTA's Zero Emission Bus Rollout Plan, targeting a 100% zero emissions fleet by 2040, and reflect a concerted effort to reduce emissions, improve transit accessibility, and foster sustainable transportation solutions in the region. At the time this budget was prepared, HTA received the pilot bus and five production buses. Construction is set to begin on the transit center in August 2026 and the hydrogen station in October 2026.

Transit and Intercity Rail Capital Program Cycle 7

Staff applied for the TIRCP Cycle 7 competitive grant in July of 2024 and were awarded their full request of \$18.7 million. This grant will support a range of transformative transit projects across the North State region. It will enable the launch of a new 15-minute headway express service to address an identified Unmet Transit Need and boost ridership. The grant also supports new standardized bus stop designs to improve the passenger experience, safety, and enhance Ride Humboldt brand recognition. At the Eureka Intermodal Transit Center, additional indoor and outdoor infrastructure improvements include interactive lighting, art, and additional sitework. Public art installations at bus stops and the Transit Center will further foster community pride and engagement with transit. The grant will also fund Phase 1 of the North Coast Zero Emission Training Center, which will support regional workforce development, enhance systemwide safety through better operator and mechanic training, and reduce training-related travel and other costs. Lastly, the continued expansion of HTA's hydrogen fleet will increase the number of zero-emission miles operated and hopefully reduce fuel prices by leveraging a greater volume of hydrogen fuel.

Senate Bill (SB) 125

Senate Bill (SB) 125 will distribute \$4 billion from the Transit and Intercity Rail Capital Program to regional transportation planning agencies over the next few fiscal years. This money is highly flexible and can be used for operations or capital improvements. It is serving as an essential resource for balancing HTA's budget in the upcoming years, advocates of the transit industry are hoping the State establishes ongoing funding to fill this need. The Humboldt County Association of Governments (HCAOG) is administering these funds for Humboldt County. SB 125 also establishes a Transit Transformation Task Force led by the California State Transportation Agency to develop policy recommendations on how to grow transit ridership, improve the transit experience, and address the long-term operational needs agencies face.

Measure O

The citizens of Humboldt County have memorialized their support for public transportation with a new sales tax. On November 6, 2024, Humboldt County voters passed a 1% sales tax known as “Measure O” to bring local funds to road repair and bus services. This new tax is estimated to bring over \$24 million to the county each year to improve road infrastructure and to maintain and enhance local public transit. Encouragingly revenue has been coming in over projections. On April 22, 2025, the Humboldt County Board of Supervisors adopted a resolution that named HTA as the appropriate agency to represent local transit and receive 15% of the total amount collected starting on July 1, 2025, until June 30, 2030. Each year, HTA will bring its Work Plan to the Social Services Transportation Advisory Council for review and input. HTA will then finalize the plan as they deem appropriate and bring it before the HTA Board of Directors for adoption. Staff will then submit quarterly reports to the County Administrative Office to receive payment. An annual report will be submitted to the Humboldt County Audit Committee by the end of December following each fiscal year.

Measure O priorities for the upcoming fiscal year include but are not limited to support for Southern Humboldt Intercity, North State Express 299, and North State Express 101, Eureka Transit System, Dial-a-Ride, and Redwood Transit System. Although HTA is committed to the transition to zero emissions, with no local redundancy for hydrogen fuel, it is essential to retain a diversified fleet. With 76.4% of the RTS fleet past its useful life, as defined by the FTA and Caltrans, HTA plans to purchase one diesel bus to strengthen its ability to provide reliable transportation to the county.

Regional Early Action Planning (REAP) 2.0 Grant

The HCAOG applied for the California Department of Housing and Community Development Regional Early Action Planning (REAP) 2.0 grant on behalf of HTA and “We are Up” in late 2022. The original grant amount for HTA was \$2.19 million, but it was reduced to \$1.47 million with a delayed start date. Due to changes to the grant term and award, services will now only be available for the first half of this fiscal year ending on December 31, 2026. This initiative aims to provide on-demand transportation options that connect residents to essential services and fixed route transit, serving as a model for other rural communities with similar needs. The REAP 2.0 program supports sustainable, equitable, and climate-friendly infrastructure projects in underserved communities.

Affordable Housing and Sustainable Communities (AHSC)

HTA has been a corecipient of two AHSC grants with the City of Eureka and has applied with them for a third. The first grant, the “Eureka Scattered Site Project,” is a three-site development located on city-owned parking lots within the City of Eureka. Collectively, these three communities will provide ninety apartment homes for low-income families throughout the city. Construction is scheduled to begin in 2025 and be completed in 2026. In partnership with the City of Eureka, the secured AHSC funding provides just over \$30 million for affordable housing, programmatic support, and substantial investments in public transportation, bicycle and pedestrian improvements, and critical infrastructure throughout the city. Transit-related funding includes ten years of transit vehicle operations for microtransit, resident bus passes, the purchase of microtransit vehicles, and a Transit Signal Priority System. Construction is set to be completed in Q2 of fiscal year 2026-27, and HTA will start receiving operational revenue then.

The second awarded grant, the “Sunset Heights Phase I” project, will develop forty-three units of affordable housing for households earning 30 – 60% AMI in addition to improved pedestrian, bicycle, and transit infrastructure. The infill site is situated on the bluff overlooking Humboldt Bay and the Broadway/Highway 101 Commercial Corridor below. New and improved walkways will make it easier for residents to access transit service that will be doubled in frequency. A new bicycle boulevard will improve east-west connectivity within an existing multimodal network throughout the city that encourages mode shift, improves safe access to bicycle facilities and walkways, and connects bicyclists to transit services. The project will provide residents with bus passes and operational funding for HTA to operate ETS to better serve the area.

Service Changes

Redwood Transit System (RTS)

Staff are working to refine RTS service by eliminating infrequently used stops that require substantial time deviation. In addition, buses will now follow a more streamlined route with higher frequency. This aligns with the 2023–2028 Humboldt County Transit Development Plan, and requirements for bus routes that are classified as commuter lines. The stops will be serviced by microtransit service. These changes, together with the fare simplification implemented in October 2024, represent significant improvements to the rider experience. More frequent RTS service has been an objective of HTA for some time, with 15-minute headways identified as a commitment under the Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 grant. This service concept represents the first step toward scaling operations to achieve even greater frequency. The current RTS schedule requires eighteen employees to operate, whereas this concept requires twenty-five. It is not anticipated that this will start within the 2026-27 fiscal year.

Ride Humboldt Flex Microtransit

Ride Humboldt Flex is an on-demand shared-ride service that operates between bus stops, including both existing stops and newly designated virtual stops. In fiscal year 2024–25, the program transitioned from a soft launch that relied on time available between paratransit trips to dedicated vehicles and assigned shifts. As of May 26, 2026, microtransit hours have been extended in Eureka to 10:00 pm to serve passengers after the conclusion of fixed-route ETS and A&MRTS service hours. AHSC funding from the Eureka Scattered Site project will support the acquisition of additional microtransit vehicles and the expansion of service in the Eureka area. The REAP 2.0 grant has been supporting the expansion of transit options by funding the pilot program and ongoing microtransit service already.

Other Items

Employee Benefits

Employee benefit costs continue to represent a significant area of budget growth for FY 2026–27. AUAL expenditures are projected to increase from \$307,542.96 in FY 2025–26 to \$349,567.00 in FY 2026–27, reflecting an overall increase of 13.7%. Health insurance costs remain the primary driver of this increase. Employer-covered health insurance plans experienced a 6% increase in the prior year, consistent with national trends in employer-

sponsored healthcare coverage. Industry surveys continue to report annual premium growth in the 5%–7% range due to rising healthcare utilization, prescription drug costs, and overall medical inflation.

Staffing and Recruitment

Ongoing challenges with driver recruitment across the transit industry have required HTA to implement additional measures to attract qualified applicants and retain valued employees. In January, HTA adopted a 34-hour work week to support improved work-life balance. Each quarter, refinements are made to driver bid schedules to reduce the number of split shifts and provide as many drivers as possible with multiple consecutive days off. The planned updates to RTS and the expansion of microtransit service will also require a significant increase in driver allocations.

Insurance

HTA is a member of the California Transit Indemnity Pool (CalTIP), a Joint Powers Authority insurance pool. By joining with other agencies to establish a pooled program layer and to purchase reinsurance, members are slightly insulated from the volatile insurance industry. CalTIP provides general liability, and vehicle physical damage. For the next fiscal year, there were changes to the lowest starting amount of what reinsurance partners were willing to offer in the general liability program. This meant that CalTIP was required to fund its self-funded layer at \$2.75 million rather than \$2.25 million per incident. The cost share between pool members is based on loss history and revenue miles. This year's change equates to an \$865,628 contribution to the general liability program. This is 57.33% higher than the prior year.

Grant Funded Projects

Special projects were not included in this operationally focused budget, which is centered on the annual costs related to sustaining transit services and assets. Including large projects in the operating budget would create inconsistencies from year to year, as these one-time or infrequent expenses can significantly skew annual comparisons and planning. While funding for major infrastructure investments falls outside the scope of that budget, HTA remains committed to long-term improvements and upgrades and actively pursues competitive grant funding to achieve these outcomes. A list of large projects both planned and underway is provided below. These funding sources are earmarked for each capital project and cannot be transferred into the operating budget in the event of a shortfall. These projects reflect total project cost, some have project partners contributing.

Projects

| Project | Cost | Funding |
|---|-----------------------------|--|
| Hydrogen Fueling Station | \$18,179,522 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 5 - Federal Highway Infrastructure Program - Carbon Reduction Funds - STA - LCTOP |
| 10 Hydrogen Fuel Cell Buses | \$15,151,000 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 5 - Federal Highway Infrastructure Program |
| Maintenance Bay Hydrogen Retrofit | \$1,401,155 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 5 - STA - LCTOP |
| Eureka Intermodal Transit Center | \$35,669,081 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 5 - Transit Intercity Rail Capital Program Cycle 7 - Private Funding |
| 5 Hydrogen Fuel Cell Buses | \$7,959,000 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 7 - Federal Highway Infrastructure Program |
| Real-Time Signage Pilot | \$209,000 (Estimated) | <ul style="list-style-type: none"> - Unfunded, likely STA |
| Bus Stop Redesign and Branding Pilot | \$2,440,000 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 7 - Federal Highway Infrastructure Program |
| North Coast Zero Emission Training Center | \$846,000 | <ul style="list-style-type: none"> - Transit Intercity Rail Capital Program Cycle 7 |
| Facility Redesign and Replacement | \$65,000,000 (Estimated) | <ul style="list-style-type: none"> - Unfunded |
| TOTAL PROJECTS | \$146,854,758 | |

DRAFT 2026-27 OPERATING BUDGET AND FORECAST

| | FY 24-25 Actual | FY 25-26 Budget | FY 26-27 Budget | FY 27-28 Forecast | FY 28-29 Forecast | FY 29-30 Forecast | FY 30-31 Forecast |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Resources | | | | | | | |
| Service Revenue | | | | | | | |
| Fares & Passes | \$ 1,110,397 | \$ 1,179,500 | \$ 1,353,833 | \$ 1,421,525 | \$ 1,492,601 | \$ 1,567,231 | \$ 1,645,593 |
| Contract Transportation | \$ 2,048,445 | \$ 1,431,906 | \$ 752,749 | \$ 775,331 | \$ 798,591 | \$ 822,549 | \$ 847,225 |
| Service Total | \$ 3,158,842 | \$ 2,611,406 | \$ 2,106,582 | \$ 2,196,856 | \$ 2,291,192 | \$ 2,389,780 | \$ 2,492,818 |
| Supplementary Resources | | | | | | | |
| Advertising | \$ 134,514 | \$ 190,000 | \$ 150,000 | \$ 154,500 | \$ 159,135 | \$ 163,909 | \$ 168,826 |
| Interest/Miscellaneous | \$ 456,104 | \$ 45,000 | \$ 50,000 | \$ 22,000 | \$ 22,440 | \$ 22,889 | \$ 23,347 |
| Federal Formula 5311 | \$ 2,063,001 | \$ 1,782,857 | \$ 1,783,739 | \$ 1,819,414 | \$ 1,855,802 | \$ 1,892,918 | \$ 1,930,776 |
| JPA Member Assessment | \$ 3,311,308 | \$ 3,639,095 | \$ 5,279,996 | \$ 5,438,396 | \$ 5,601,548 | \$ 5,769,594 | \$ 5,942,682 |
| State Transit Assistance | \$ 1,508,433 | \$ 1,581,673 | \$ 1,422,791 | \$ 1,451,247 | \$ 1,480,272 | \$ 1,509,877 | \$ 1,540,075 |
| State of Good Repair | \$ 240,140 | \$ 274,308 | \$ 232,308 | \$ 236,954 | \$ 241,693 | \$ 246,527 | \$ 251,458 |
| Low Carbon Transit Ops Prgm | \$ 385,676 | \$ 402,198 | \$ 136,786 | \$ 69,761 | \$ - | \$ - | \$ - |
| Transit Intercity Rail Capital Prgm | \$ 1,310,319 | \$ 325,000 | \$ 365,138 | \$ 383,395 | \$ 402,565 | \$ 422,693 | \$ 443,828 |
| SB125 Formula Transit Intercity | \$ - | \$ 1,194,413 | \$ 2,013,140 | \$ 1,630,460 | \$ 2,304,743 | \$ 2,991,749 | \$ 6,329,842 |
| Measure O | \$ - | \$ 3,600,000 | \$ 3,600,000 | \$ 3,600,000 | \$ 3,600,000 | \$ 3,600,000 | \$ - |
| Regional Early Action Planning 2.0 | \$ 208,793 | \$ 1,190,250 | \$ 87,551 | \$ - | \$ - | \$ - | \$ - |
| Affordable Housing & Sustainable Communities | | | \$ 689,149 | \$ 403,267 | \$ 420,820 | \$ 404,451 | \$ 406,404 |
| Supplementary Total | \$ 9,618,288 | \$ 14,224,794 | \$ 15,810,598 | \$ 15,209,394 | \$ 16,089,018 | \$ 17,024,607 | \$ 17,037,238 |
| TOTAL RESOURCES | \$ 12,777,130 | \$ 16,836,200 | \$ 17,917,180 | \$ 17,406,250 | \$ 18,380,210 | \$ 19,414,387 | \$ 19,530,056 |
| Requirements | | | | | | | |
| Service Requirements | | | | | | | |
| Payroll | \$ 4,222,060 | \$ 5,967,000 | \$ 6,662,360 | \$ 6,995,478 | \$ 7,345,252 | \$ 7,712,515 | \$ 8,098,141 |
| Employee Costs | \$ 1,154,698 | \$ 1,526,000 | \$ 2,013,000 | \$ 2,113,650 | \$ 2,219,333 | \$ 2,330,300 | \$ 2,446,815 |
| Retirement | \$ 908,283 | \$ 974,000 | \$ 1,393,000 | \$ 1,462,650 | \$ 1,535,783 | \$ 1,612,572 | \$ 1,693,201 |
| Contract Transportation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 825,155 | \$ 1,188,000 | \$ 1,167,789 | \$ 1,214,500 | \$ 1,263,080 | \$ 1,313,603 | \$ 1,366,147 |
| General Operating | \$ 1,167,055 | \$ 633,000 | \$ 686,000 | \$ 713,440 | \$ 741,978 | \$ 771,657 | \$ 802,523 |
| Facilities | \$ 846,969 | \$ 315,000 | \$ 347,000 | \$ 364,350 | \$ 382,568 | \$ 401,696 | \$ 421,781 |
| Technology | \$ 351,458 | \$ 440,000 | \$ 261,000 | \$ 274,050 | \$ 287,753 | \$ 302,141 | \$ 317,248 |
| Vehicles | \$ 1,695,299 | \$ 2,050,000 | \$ 2,234,981 | \$ 2,458,479 | \$ 2,704,327 | \$ 2,974,760 | \$ 3,272,236 |
| Service Total | \$ 11,170,977 | \$ 13,093,000 | \$ 14,765,130 | \$ 15,596,597 | \$ 16,480,074 | \$ 17,419,244 | \$ 18,418,092 |
| Asset Management | | | | | | | |
| Equipment Purchases | \$ 346,191 | \$ 270,000 | \$ 262,650 | \$ 275,783 | \$ 289,572 | \$ 304,051 | \$ 319,254 |
| Facility Maintenance | \$ 492,759 | \$ 583,200 | \$ 473,400 | \$ 497,070 | \$ 521,924 | \$ 548,020 | \$ 575,421 |
| Vehicle Replacement | \$ 1,573,839 | \$ 2,890,000 | \$ 2,416,000 | \$ 1,036,800 | \$ 1,088,640 | \$ 1,143,072 | \$ 1,200,226 |
| Asset Total | \$ 2,412,789 | \$ 3,743,200 | \$ 3,152,050 | \$ 1,809,653 | \$ 1,900,136 | \$ 1,995,143 | \$ 2,094,901 |
| TOTAL REQUIREMENTS | \$ 13,583,766 | \$ 16,836,200 | \$ 17,917,180 | \$ 17,406,250 | \$ 18,380,210 | \$ 19,414,387 | \$ 20,512,993 |
| Resources Less Requirements | \$ (806,636) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (982,937) |

Note: Special projects and associated funding not eligible for operating use on Grant Funded Projects sheet

DRAFT 2026-27 OPERATING BUDGET BY SERVICE

| | Redwood Transit System | Eureka Transit Service | Arcata & Mad River Transit System | Southern Humboldt Intercity | North State Express 299 | North State Express 101 | Dial a Ride Paratransit | Flex Microtransit | Total |
|--|------------------------|------------------------|-----------------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------|----------------------|
| Planned Miles | 51% | 8% | 8% | 11% | 7% | 6% | 6% | 3% | 100% |
| Planned Hours | 42% | 15% | 12% | 5% | 4% | 3% | 13% | 6% | 100% |
| Resources | | | | | | | | | |
| Service Revenue | | | | | | | | | |
| Fares & Passes | \$ 689,644 | \$ 269,622 | \$ 203,484 | \$ 46,483 | \$ 73,822 | \$ 5,530 | \$ 45,673 | \$ 19,575 | \$ 1,353,833 |
| Contract Transportation | \$ 168,338 | \$ 19,008 | \$ 528,843 | \$ 3,348 | \$ 32,932 | \$ 80 | \$ 200 | \$ - | \$ 752,749 |
| Service Total | \$ 857,982 | \$ 288,630 | \$ 732,327 | \$ 49,831 | \$ 106,754 | \$ 5,610 | \$ 45,873 | \$ 19,575 | \$ 2,106,582 |
| Supplementary Resources | | | | | | | | | |
| Advertising | \$ 62,322 | \$ 22,855 | \$ 17,972 | \$ 6,853 | \$ 6,497 | \$ 4,274 | \$ 20,073 | \$ 9,154 | \$ 150,000 |
| Interest/Miscellaneous | \$ 20,774 | \$ 7,618 | \$ 5,991 | \$ 2,284 | \$ 2,166 | \$ 1,425 | \$ 6,691 | \$ 3,051 | \$ 50,000 |
| Federal Formula 5311 | \$ 775,859 | \$ 124,010 | \$ 108,509 | \$ 300,000 | \$ 255,964 | \$ 219,397 | \$ - | \$ - | \$ 1,783,739 |
| JPA Member Assessment | \$ 2,162,955 | \$ 224,538 | \$ 656,728 | \$ 635,702 | \$ 322,454 | \$ - | \$ 1,277,619 | \$ - | \$ 5,279,996 |
| State Transit Assistance | \$ 781,460 | \$ 169,847 | \$ 121,289 | \$ 158,636 | \$ 97,771 | \$ 84,596 | \$ 9,192 | \$ - | \$ 1,422,791 |
| State of Good Repair | \$ 125,533 | \$ 27,423 | \$ 17,836 | \$ 16,872 | \$ 15,964 | \$ 13,813 | \$ 14,867 | \$ - | \$ 232,308 |
| Low Carbon Transit Ops Prgm | \$ 74,076 | \$ 24,838 | \$ 13,445 | \$ 10,750 | \$ 7,662 | \$ 6,015 | \$ - | \$ - | \$ 136,786 |
| Transit Intercity Rail Capital Prgm | \$ 228,980 | \$ 55,634 | \$ 43,747 | \$ 16,683 | \$ 9,691 | \$ 10,403 | \$ - | \$ - | \$ 365,138 |
| SB125 Formula Transit Intercity | \$ 1,044,995 | \$ 892,172 | \$ 25,254 | \$ 40,902 | \$ - | \$ 9,817 | \$ - | \$ - | \$ 2,013,140 |
| Measure O | \$ 2,165,319 | \$ 234,000 | \$ - | \$ 197,242 | \$ 189,353 | \$ 445,536 | \$ 368,550 | \$ - | \$ 3,600,000 |
| Regional Early Action Planning 2.0 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 87,551 | \$ 87,551 |
| Affordable Housing & Sustainable Communities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 689,149 | \$ 689,149 |
| Supplementary Total | \$ 7,442,273 | \$ 1,782,935 | \$ 1,010,771 | \$ 1,385,924 | \$ 907,522 | \$ 795,276 | \$ 1,696,992 | \$ 788,905 | \$ 15,810,598 |
| TOTAL RESOURCES | \$ 8,300,255 | \$ 2,071,565 | \$ 1,743,098 | \$ 1,435,755 | \$ 1,014,276 | \$ 800,886 | \$ 1,742,865 | \$ 808,480 | \$ 17,917,180 |
| Requirements | | | | | | | | | |
| Service Requirements | | | | | | | | | |
| Payroll | \$ 2,901,893 | \$ 914,331 | \$ 735,144 | \$ 400,855 | \$ 325,797 | \$ 235,209 | \$ 789,208 | \$ 359,923 | \$ 6,662,360 |
| Employee Costs | \$ 876,793 | \$ 276,261 | \$ 222,120 | \$ 121,116 | \$ 98,438 | \$ 71,067 | \$ 238,455 | \$ 108,750 | \$ 2,013,000 |
| Retirement | \$ 606,741 | \$ 191,173 | \$ 153,708 | \$ 83,813 | \$ 68,119 | \$ 49,179 | \$ 165,012 | \$ 75,255 | \$ 1,393,000 |
| Contract Transportation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 591,786 | \$ 97,635 | \$ 89,659 | \$ 130,204 | \$ 80,247 | \$ 69,434 | \$ 74,733 | \$ 34,091 | \$ 1,167,789 |
| General Operation | \$ 285,023 | \$ 104,522 | \$ 82,190 | \$ 31,343 | \$ 29,712 | \$ 19,545 | \$ 91,800 | \$ 41,865 | \$ 686,000 |
| Facility Operation | \$ 175,844 | \$ 29,012 | \$ 26,641 | \$ 38,689 | \$ 23,845 | \$ 20,632 | \$ 22,207 | \$ 10,130 | \$ 347,000 |
| Technology | \$ 132,263 | \$ 21,821 | \$ 20,039 | \$ 29,101 | \$ 17,935 | \$ 15,519 | \$ 16,703 | \$ 7,619 | \$ 261,000 |
| Vehicle Operation | \$ 1,132,591 | \$ 186,860 | \$ 171,594 | \$ 249,192 | \$ 153,582 | \$ 132,887 | \$ 143,029 | \$ 65,246 | \$ 2,234,981 |
| Service Total | \$ 6,702,934 | \$ 1,821,615 | \$ 1,501,095 | \$ 1,084,313 | \$ 797,675 | \$ 613,472 | \$ 1,541,147 | \$ 702,879 | \$ 14,765,130 |
| Asset Management | | | | | | | | | |
| Equipment Purchases | \$ 133,099 | \$ 21,959 | \$ 20,165 | \$ 29,285 | \$ 18,049 | \$ 15,617 | \$ 16,808 | \$ 7,668 | \$ 262,650 |
| Facility Maintenance | \$ 239,898 | \$ 39,580 | \$ 36,346 | \$ 52,782 | \$ 32,531 | \$ 28,147 | \$ 30,296 | \$ 13,820 | \$ 473,400 |
| Vehicle Replacement | \$ 1,224,324 | \$ 188,411 | \$ 185,492 | \$ 269,375 | \$ 166,021 | \$ 143,650 | \$ 154,614 | \$ 84,113 | \$ 2,416,000 |
| Asset Total | \$ 1,597,321 | \$ 249,950 | \$ 242,003 | \$ 351,442 | \$ 216,601 | \$ 187,414 | \$ 201,718 | \$ 105,601 | \$ 3,152,050 |
| TOTAL REQUIREMENTS | \$ 8,300,255 | \$ 2,071,565 | \$ 1,743,098 | \$ 1,435,755 | \$ 1,014,276 | \$ 800,886 | \$ 1,742,865 | \$ 808,480 | \$ 17,917,180 |
| Resources Less Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note: Special projects and associated funding not eligible for operating use on Grant Funded Projects sheet



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

TO: Chair Arroyo
All Governing Board Members

FROM: Seth Beres, Project Manager

DATE: July 1, 2026

SUBJECT: Project 26-02 W Street Resurfacing Project between 1st and 2nd Streets Invitation for Bid:
Response to Submitted Bids

On May 6, 2026 the HTA Board approved the release of an Invitation for Bid for the resurfacing of W street between 1st and 2nd streets.

Because of upcoming parking constraints associated with the Hydrogen Fueling Facility construction and HTA's rapidly growing fleet, a plan is in place to repave W Street to combine HTA's two lots, increasing available parking space for an additional 18 full-sized buses. The Scope Work includes construction of a new concrete bus storage lot, asphalt apron, and stormwater routing infrastructure. Construction activities will be phased to maintain east-west travel for buses and personnel.

Following board approval, Staff released an Invitation for Bid (IFB) on June 9th and received 2 bids by the June 25th deadline. Submitted bids were opened at 3:00pm June 25th, 2026.

Bids for project 26-02 were opened at 3:00pm on June 25th, 2026. HTA received a total of 2 bids from Kernan Construction Company and Mercer-Fraser Company. Bid amounts are included in the table below. Mercer-Fraser Company is determined to be the lowest responsible bidder at a base bid of \$431,000. Project costs will be covered by State Transit Assistance (STA) funds and the Low Carbon Transportation Operators Program funds.

Table 1: Received Bids

| Bidder | Base Bid Amount |
|-----------------------------|-----------------|
| Mercer-Fraser Company | \$431,000 |
| Kernan Construction Company | \$587,632 |

Action recommended: Award the contract for Project 26-02 W Street Resurfacing Project between 1st and 2nd Streets to Mercer-Fraser Company in the amount of \$431,000 and Authorize the General Manager to execute contract.



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TO: Chair Arroyo
All Governing Board Members

FROM: Katie Collender, General Manager

DATE: July 1, 2026

SUBJECT: Transit Center Construction Financing and Acquisition Agreements

This is a placeholder staff report for the Eureka Transit Center construction financing and acquisition agreements.

Final staff report and resolutions to be provided at the meeting.

Action Recommended: Adopt Resolution 26-11 Approving Delivery of up to \$12,331,000 of Grant Funds to Eureka G Street, LP, Successor to Danco Communities, as Loan Financing to Construct all Transit Center Improvements at the EaRTH Center; Approving Condominium Subdivision Plan to Create Transit Center Unit; Approving Acquisition of Transit Center Unit; and, Accepting Fee Title and Real Property Interests in Transit Center; subject to final review by General Counsel and approval of the form of all documents.



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TO: Chair Arroyo
All Governing Board Members

FROM: Katie Collender, General Manager
Jerome Qiriazii, Transit Planner
Nancy Diamond, General Counsel

DATE: July 1, 2026

SUBJECT: Transit Center Construction Financing and Acquisition Agreements

Staff seeks the Board's approval to complete the underlying transaction for construction and acquisition of the EaRTH Center intermodal Transit Center. Completion of Transit Center construction and obtaining ownership of the facility requires approval of several inter-related components, all of which are captured in Resolution No. 26-11.

Development of an intermodal Transit Center has been in visioning and discussion stages since at least 2021 when HTA and the City of Eureka entered into a Memorandum of Understanding to pursue its development and construction. Thereafter, HTA obtained \$10 Million in TIRCP Cycle 5 grant funds and an additional \$2,331,000 in TIRCP Cycle 7 grants funds to apply toward Transit Center construction.

The Transit Center will be constructed on City-owned property located at 3rd Street adjacent to G and H Streets. It will comprise the ground floor of a four-story building that will contain affordable housing on the second, third and, fourth floors. Pursuant to a Development and Disposition Agreement ("DDA"), the City of Eureka agreed to convey the property to Danco Communities or successor ("Developer") to construct the integrated Transit Center and affordable housing improvements, to transfer ownership of the Transfer Center to HTA, and to own and manage the affordable housing component of the improvements.

HTA will deliver its Transit Center grant funds to HTA through a construction loan. At the time of EaRTH Center construction completion, HTA will reduce the outstanding loan balance by \$3,375,161, which represents the estimated cost to construct improvements that solely benefit the Transit Center. Also at construction completion, the Developer will process a condominium subdivision to create two units and thereby separate ownership of the Transit Center from the affordable housing. The Developer will then convey the Transit Center condominium unit to HTA. Finally, HTA will convert the outstanding loan balance used to construct the integrated components of the combined Transit Center and affordable housing building, \$8,955,839, into to a long-term (55-year) loan with 3% interest that will be secured against the affordable housing condominium unit.

The material terms of the loan financing, condominium subdivision, and Transit Center acquisition are set out in Resolution No. 26-11. Agreement on the material terms has been reached by HTA and the Developer, however the documents remain in draft as they undergo review by the multiple senior



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affordable housing lenders. In the unlikely event that the documents require revisions that are not consistent with the terms set out in Resolution No. 26-11, the Resolution authorizes the TIRCP Ad-Hoc Subcommittee to review proposed changes and make a determination as to whether they are consistent with TIRCP grant requirements and goals, and prior Board actions.

The transaction is scheduled to close on July 10, 2026, at which time all construction financing will be in place the property will be transferred to the Developer. The Developer is on track to begin construction in August 2026 and estimates construction completion in May 2028.

Action Recommended: Adopt Resolution No. 26-11 Approving Delivery of up to \$12,331,000 of Grant Funds to Eureka G Street, LP, Successor to Danco Communities, as Loan Financing to Construct all Transit Center Improvements at the EaRTH Center; Approving Condominium Subdivision Plan to Create Transit Center Unit; Approving Acquisition of Transit Center Unit; and, Accepting Fee Title and Real Property Interests in Transit Center; subject to final review by General Counsel and approval of the form of all documents.

RESOLUTION No. 26-11

**A RESOLUTION OF THE HUMBOLDT TRANSIT AUTHORITY GOVERNING BOARD OF DIRECTORS
APPROVING DELIVERY OF UP TO \$12,331,000 OF GRANT FUNDS TO EUREKA G STREET, LP, SUCCESSOR TO DANCO COMMUNITIES, AS LOAN FINANCING TO CONSTRUCT ALL TRANSIT CENTER IMPROVEMENTS AT THE EARTH CENTER;
APPROVING CONDOMINIUM SUBDIVISION PLAN TO CREATE TRANSIT CENTER UNIT;
APPROVING ACQUISITION OF THE TRANSIT CENTER UNIT; AND,
ACCEPTING FEE TITLE AND REAL PROPERTY INTERESTS IN THE TRANSIT CENTER**

Recitals

- A. In November 2021, HTA and the City of Eureka (“City”) entered into a Memorandum of Understanding concerning the development, construction and operation of an intermodal transit center (“ITC” or “Transit Center”) that would integrate local and intercity bus service with carshare, rideshare, bicycle and pedestrian travel to provide infrastructure and services supporting multiple modes of transportation; enhancing customer convenience; and increasing commuter, shopper, visitor and residential ridership. The Transit Center would also integrate affordable housing in a manner consistent with the City’s affordable housing goals. HTA and the City determined the ideal location for the integrated Transit Center and affordable housing project to be on City-owned property located on 3rd Street between G and H Streets, APNs 001-136-001-000 and 001-136-002-000 (“Property”).
- B. HTA was awarded a total of \$12,331,000 grant funding from the California State Transportation Agency Transit and Intercity Rail Capital Program (“TIRCP”), Cycle 5 and Cycle 7 for construction of the Transit Center. On May 1, 2024, the HTA Board of Directors adopted Resolution No. 24-02, approving the commitment of TIRCP Grant funds to Danco Communities, a California Corporation (“Danco Communities”), or its single purpose successor, to construct an integrated multi-story building, or interconnected buildings, that by design and structure combines the Transit Center on the ground floor with housing on the floors above the Transit Center (“Improvements”).
- C. Effective March 17, 2025, the City entered into a Development and Disposition Agreement (“DDA”) with Danco Communities, a California Corporation (“Danco Communities”), through which the City will transfer Property ownership to Danco Communities’ Development successor in exchange for Danco Communities’ commitment to construct the Improvements on the Property. In order to transfer the Transit Center portion of the Improvements, upon the satisfactory completion of all Improvements, Danco Communities will cause the Property to be subdivided in accordance with the State law into condominium units, consisting of one unit containing the Transit Center, another unit consisting of the affordable housing, and common area owned by a condominium association (“Condominium Plan”). Ownership of the Transit Center condominium unit will thereafter be conveyed to HTA.
- D. Eureka G Street, LP, a California limited partnership is Danco Communities’ successor for the EaRTH Center development and will be responsible for overseeing the construction of all Improvements, the condominium subdivision and the transfer of the Transit Center to HTA.

NOW THEREFORE, the Governing Board of the Humboldt Transit Authority hereby resolves as follows:

1. All Recitals are incorporated into this Resolution.
2. All previous actions taken by the Board or General Manager that are not inconsistent with the provisions of this Resolution are hereby ratified.
3. The material terms for delivery of grant funds in the form of loan financing to Eureka G. Street LP, Danco Communities' successor, as set out in attached Exhibit A, incorporated herein, for construction of the Transit Center are hereby approved.
4. The material terms of the Condominium Plan subdividing ownership of the Transit Center from the Affordable Housing as set out in Exhibit B, incorporated herein, are hereby approved.
5. The material terms for acquisition of the Transit Center from Eureka G. Street, LP, as set forth in attached Exhibit C, are hereby approved.
6. The conveyance from Eureka G. Street LP to HTA of a fee title interest in the Transit Center pursuant to the Condominium Plan is hereby accepted.
7. The TIRCP Ad-Hoc Subcommittee is hereby delegated authority to review substantial changes, if any, to the material terms of the Board's approvals herein, and to approve such changes provided they are consistent with Transit Center grant requirements and goals, and prior Board actions.
8. The General Manager is hereby authorized and directed, for and in the name of the Humboldt Transit Authority, to execute all documents and agreements, and take any and all action, as necessary to implement and effectuate this Resolution, including without limitation execution of the following documents:
 - a. Loan Agreement Between Humboldt Transit Authority and Eureka G. Street LP (EARTH Center Intermodal Transit Center)
 - b. Subordination and Intercreditor Agreement Between Humboldt Transit Authority, as Junior Lendor, and U.S. Bank National Association, as Senior Lender
 - c. Purchase and Sale Agreement and Escrow Instructions Between Humboldt Transit Authority and Eureka G. Street LP (EARTH Center Intermodal Transit Center)
 - d. Certificate of Acceptance of Transit Center

PASSED AND ADOPTED by the Humboldt Transit Authority Governing Board of Directors, at a regular meeting of said Board held on the 1st day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

Natalie Arroyo, Chair of the HTA Governing Board of Directors

HTA Secretary to the Board

EXHIBIT A
Transit Center Construction Finance Terms

Borrower: **Eureka G Street LP**, a California limited partnership
Administrative General Partner: Danco Communities, a California corporation
Managing General Partner: Community Revitalization and Development Corporation, a California nonprofit benefit corporation

Loan Amount: Up to **\$12,331,000**

Purposes: **\$3,375,161** for construction of Transit Exclusive Improvements
\$8,955,839 for construction of Integrated Transit and Housing Improvements

(Note: Up to **\$300,000** will be reserved by Developer in a Visual Arts Fund for installation of outdoor art and similar improvements after construction of other Transit Improvements)

Interest and Repayment:
\$3,375,161: 0% interest
Repaid upon satisfactory completion of all Property Improvements including Transit Center

\$8,955,839: 3% per year, deferred until Maturity Date
55 year-term beginning upon completion of Property Improvements

Security: Deed of Trust to be recorded against Affordable Housing Property after completion of condominium subdivision. Loan will be subordinate to the following senior lenders:
1. U.S. Bank/Citibank: \$3,700,000
2. City of Eureka: \$4,100,000; and
3. City of Eureka: \$4,000,000

EXHIBIT B
EaRTH Center Condominium Subdivision Plan

| | |
|---|--|
| Units: <i>(Depicted on Attachment 1)</i> | Commercial Unit: Transit Center Residential Unit: Affordable housing: Common Area: All parts of EaRTH Center not in other Units |
| Ownership: | Commercial Unit: Humboldt Transit Authority Residential Unit: Eureka G Street LP, a California limited partnership Administrative General Partner: Danco Communities, a California corporation Managing General Partner: Community Revitalization and Development Corporation, a California nonprofit benefit corporation Common Area: Each Unit Owner has an undivided ownership interest as tenant in common |
| Management: | EaRTH Center Owners Association, an unincorporated association |
| Association Membership: | HTA and Eureka G Street LP, and |
| Association Board: | HTA and Eureka G Street LP |
| Board Voting: | Housing Unit Owner has 2 votes; HTA has 1 vote |
| Unit Management: Transit Center: | HTA maintains, repairs, and replaces all Transit Center improvements, including interior wall, ceilings and floor finishes; cleaning, maintaining, and repairing all doors, windows, window panes and screens, and door and window frames; excluding exterior surfaces, framing and structural components of the Integrated Building, and window washing. |
| Housing: | Eureka G Street, LP maintains, repairs, and replaces all housing improvements including interior wall, ceilings and floor finishes; cleaning, maintaining, and repairing all doors, windows, window panes and screens, and door and window frames; excluding exterior surfaces, framing and structural components of the Building, and window washing. |
| Shared Improvements: | Association maintains, repairs, and replaces the roof including utilities on roof; roof coverings, roof structures, gutters, and downspouts of Building; storm drain, sanitary sewer, water, electrical and other utility lines up to point of serving individual Unit; exterior surfaces, framing and structural components of Building; and, responsible for window washing. |
| Cost Assessment: | Shared Improvements maintenance costs estimated annually by Association Board and allocated to Unit Owner prorated by square footage of Unit. Cost is assessed against Unit. |
| Insurance: | Eureka G Street, LP will carry liability insurance for all improvements. HTA to be charged prorated cost |

EXHIBIT C
Transit Center Property Acquisition
Purchase and Sale Agreement

Property: Located on the south side of 3rd Street between G and H Streets, Eureka, CA (APNs 001-136-001 and 001-136-002)

Owner: Eureka G Street LP, a California limited partnership
Administrative General Partner: Danco Communities, a California corporation
Managing General Partner: Community Revitalization and Development Corporation,
a California nonprofit benefit corporation

Purchase
Price: \$3,375,161

Payment
Terms: On satisfactory completion of Transit Center Improvements, outstanding balance of Loan
will be reduced by Purchase Price

Closing
Date: On recording Condominium Plan for EaRTH Center subdividing the Property into the
Transit Unit, Affordable Housing Unit, and common area