

**Bay Area Infrastructure Financing Authority
(BAIFA)**

June 22, 2022

Agenda Item 4d - 22-0894

I-880 Express Lanes Means-Based Toll Discount Pilot

Subject:

Approval to pilot a means-based toll discount on the I-880 Express Lanes, subject to adoption of the, amended and restated BAIFA Toll Facility Ordinance on June 22, 2022 and subsequent 30-day waiting period for the toll facility ordinance to become effective.

Background:

Nationally, the means-based toll discount pilot would be a first-of-its-kind effort to address affordability of express lane tolls for residents earning a low income. For most Bay Area households, transportation is the third-biggest monthly expense after the cost of housing and food. The pilot responds to policymaker, advocate, and public comments received about express lanes during the project performance evaluation phase of Plan Bay Area 2050, at Commission and Policy Advisory Council Equity & Access Subcommittee meetings, and at public hearings in 2019 and 2020 to amend BAIFA's toll ordinance for I-880 and the I-680 Express Lanes extension. The pilot would leverage the systems, services, policies and lessons from Clipper START®, MTC's means-based transit fare discount program. For brand consistency, the program would be called Express Lanes START.

Staff has regularly updated BAIFA on progress to design and develop the pilot, including:

- December 2020 – Staff presented the initial pilot concept, including the rationale for choosing the I-880 Express Lanes, the goals, a budget and a preliminary schedule.
- March 2021 – Staff sought feedback on its customer engagement plans.
- November 2021 – Staff shared the results of customer engagement and a refined concept for how the pilot would work, including the income threshold (same as Clipper START) and discount amount.
- April 2022 – Staff reviewed plans to evaluate the pilot and for public outreach to support pilot launch and operations.

Throughout the design and development process, staff also sought feedback from the MTC Policy Advisory Council's Equity and Access Subcommittee and a separate Advisory Group of

stakeholders on key topics. Given the pilot's equity focus, staff especially engaged potential pilot customers in pilot design and evaluation plans through a series of focus groups.

Staff has received necessary approvals to deliver the pilot, including:

- Change order with the Salesforce contractor to build an application management system through which customer applications would be accepted and approved;
- Change order with the FasTrak® customer service center contractor for back office system changes to enable a discount plan for pilot customers;
- Change order with the Clipper® STARTSM eligibility verifier to perform eligibility verification and provide customer support services related to the application process;
- New contract to collect and analyze traffic data to support pilot evaluation;
- New contract for marketing and outreach services to drive awareness and enrollment; and
- New contracts with four community-based organizations to support outreach and serve as walk-in centers to support the enrollment process.

To support readiness for a quick public deployment by the end of 2022, work is well underway. If approved, the pilot would operate for 18 months at a total cost of up to \$3.6 million for capital development and start-up operations and maintenance. Qualified pilot participants would receive 50% off tolled trips in the I-880 Express Lanes. A comprehensive evaluation would be performed on the first 12 months of operations.

Issues:

Subject to adoption of an amended and restated BAIFA Toll Facility Ordinance on June 22, 2022, BAIFA will have the authority to carry out pilot projects to test alternate tolling and discount policies and new technologies for up to 36 months by separate board action. Approval of the I-880 Express Lanes Toll Discount Pilot would be the first use by BAIFA of this new authority.

In response to a survey to solicit public comment about the June 22 Toll Facility Ordinance amendment, 56% of about 1,700 survey respondents either supported or were neutral to the idea of proceeding with the I-880 Express Lanes Means-Based Toll Discount Pilot. Support was largely for equity reasons in recognition of improving access and affordability. Opposition was for reasons including general opposition to tolling, the principle of treating everyone equally,

concerns about potential fraud, and impacts on express lanes performance and tolls. Staff acknowledges that this pilot is proposed as an approach to addressing equity in express lanes for people with low incomes. The concept of equity is different than the perspective that everyone should pay the same toll regardless of income. MTC's Equity Platform aims to give historically underserved and marginalized groups of people, including people with low incomes and communities of color, access to the same opportunities. Staff believes that its plan to evaluate the pilot will shed light on public concerns related to fraud, express lanes performance and tolls.

Some survey respondents suggested changes to the pilot such as making sure the income threshold accounts for the Bay Area's high cost of living and expanding qualification beyond income. Staff intends for the eligibility threshold to be 200% of the federal poverty level (\$27,000 for 1 person; \$55,000 for 4 persons; \$93,000 for 8 persons) for consistency with Clipper START and ease of pilot implementation. In addition, staff does not intend to expand pilot eligibility beyond income and having a Bay Area address. These criteria allow a wide variety of people to qualify for the pilot program. The pilot will include a thorough evaluation, and BAIFA may wish to consider changes to eligibility based on pilot results.

Fiscal Impact:

No additional impact. BAIFA previously approved \$3.0 million for pilot start-up costs in the FY 2020-21 Express Lanes Capital Budget and MTC programmed \$900,000 of federal Surface Transportation Block Grant funds for pilot evaluation in June 2021.

Recommendation:

Staff recommends that the Authority approve means-based toll discount pilot on the I-880 Express Lanes, subject to adoption of the amended and restated BAIFA Toll Facility Ordinance on June 22, 2022 and subsequent 30-day waiting period for the toll facility ordinance to become effective.

Attachments:

- Attachment A: I-880 Express Lanes Toll Discount Program Pilot Approval Presentation



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