

Department of Transportation

JIM ORTBAL, DIRECTOR

May 22, 2018

Jake Mackenzie, Commission Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Scott Haggerty, Vice Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Subject: Proposed Means-Based Fare Discount Program

The Envision San Jose 2040 General Plan (General Plan) foresees a significant change in the way travel happens in San Jose. The combined pressures of a growing population, intense traffic congestion environmental degradation, housing and economic development needs, and quality of life issues are challenging the status quo of single-occupant auto travel. For these reasons the General Plan “Establishes circulation policies that increase bicycle, pedestrian, and transit travel, while reducing motor vehicle trips, to increase the City’s share of travel by alternative transportation modes” (GP Ch. 6, P. 35). The General Plan “Accommodates and encourages use of non-automobile transportation modes to achieve San José’s mobility goals and reduce vehicle trip generation and vehicle miles traveled (VMT)” (GP Ch. 6, P. 35).

Transit is key to meeting the above goals and thus to the City’s transportation future. Transit is woven throughout the General Plans environmental, quality of life and land use strategies. Transit plays a primary role in reducing transportation emissions, ensuring access to economic opportunities for all that live and work in San Jose and enabling the focused growth planned for the Urban Villages and other planned growth areas. The General Plan set an ambitious goal of a fivefold increase in transit ridership for commuters, from the current roughly 4% to at least 20%.

Furthermore, equity, including access to economic opportunities, is one of the seven community values that guide the vision of the General Plan. A guiding principle for the development of the General Plan was to consider “equity in the planning for all public facilities and services to protect and enhance the quality of life for all San Jose residents.” (GP App. 3, P. 7).

To accomplish the massive increase in transit ridership and support General Plan equity goals of the regional fare systems needs to improve. This includes supporting the economically disadvantaged and creating an easy to use, single regional fare system. The City of San José

supports the Proposed “Launch and Grow” Means-based Fare Discount Programs as a first step in creating a functional, equitable, regional fare system.

We hope you will consider the following points in the final design of this pilot programs.

1. **Fare streamlining:** We strongly urge you act on one of the original goals of the Means Based fare study and to direct this program to pursue regional passes with multiple operators for implementation with Clipper 2.0. Currently, the proposed language calls for “passes” to be explored for Clipper 2.0 implementation; please explicitly identify multi-agency passes with streamlined fares as the goal to pursue. This would help to solve the “multiple-fare-trip” problem, which poses an affordability problem for low-income users and an inconvenience and disincentive for people at all income levels. Streamlined fares are likely to increase ridership across the region, and provide a solid base for discounted fares that would have better affordability results for low-income users.
2. **Clearly defined program evaluation:** Staff should establish an evaluation framework, with funding for potentially independent evaluation; and return to the board 6 months before rollout to review the evaluation criteria and process.

Topics to include in the evaluation should include: Who uses the discount program, for what kinds of trips? Will this be used mostly by extremely low-income people for short local trips? By low-income commuters for longer regional trips? Do participants use multiple agencies? How deep a discount is needed to increase transit use? How easy is the program to use, especially for hard-to-reach communities and how to improve ease of use? The region should be able to answer these questions before designing a lasting program in Clipper 2.0.

3. **User-centered design:** The process to determine eligibility, enroll and use the program, and to evaluate the program for improvements, should be defined for the initial phase and refined for improvement in collaboration with people who will use the program
4. **Roadmap of improvements:** The outcome of the evaluation should include a roadmap with phases of improvements as supported by the evaluation analysis, including more agencies, deeper discounts, streamlined fares, and funding sources.
5. **A broader rollout with more agencies:** Phase in other regional transit services after the pilot, contingent on funding. When funding becomes available, based on results of pilot assessment, prioritize services that are higher-priced and/or that provide connecting legs of multi-step longer trips, such as Transbay bus service, WETA, SMART, regional express buses, and feeder buses from areas with clusters of low-income residents, and to employment centers with significant numbers of low-income workers.
6. **Deeper discounts** for low-income users providing greater affordability and greater increase in transit use among low-income residents

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7. **Funding for a broader rollout:** Transit agencies have been reluctant to participate in the program because the subsidy amount offered by MTC is quite low. Create a funding plan to scale the program without risking negative impacts to agency operating budgets with negative side effects on services or overall fares.

For questions, please contact Ramses Madou, Transportation Planning Manager, at (408)975-3283.

Sincerely,



JOHN RISTOW
Deputy Director

HANDOUT - Commission Agenda Item 8b

Commute.org

May 23, 2018

Re: Support for Proposed Means-Based Fare Pilot Program

Dear Metropolitan Transportation Commission,

On behalf of the Peninsula Traffic Congestion Relief Alliance ('Commute.org'), we express our support for the Means-Based Fare pilot program. The program aims at stabilizing the pricing/payment structure thereby making transit as a preferred mode of travel. This program will contribute to travel behavior change and increase the use of transit ridership for commuters, especially low-income commuters.

Commute.org is San Mateo County's transportation demand management agency whose mission is to promote alternative transportation solutions to commuters and to reduce the drive alone rates throughout the County. Commute.org plays a critical role in providing education, incentives, and leadership that help employers, commuters and residents become part of the solution. A key program that Commute.org provides is the first/last mile shuttle program. Commute.org offers 20 shuttle routes connecting commuters to and from transit stations and places of work or residences.

The Means-Based Fare pilot program focuses on initiatives like streamlining transit fares and implementing discounted passes for low-income riders. This strongly aligns with Commute.org's interest in increasing transit ridership and reducing traffic congestion in San Mateo County.

Commute.org will support the pilot program by educating and promoting the program at outreach events and in our electronic newsletters and social media.

Thank you for your leadership in supporting and addressing transit fare equity.

Sincerely,

John Ford
Executive Director

Cc: Steve Heminger, Executive Director
Alix Bockelman, Deputy Executive Director
Andrew Fremier, Deputy Executive Director
Anne Richman, Programming & Allocations Director
Carol Kuester, Electronic Payments Director

HANDOUT - Commission Agenda Item 8b



May 22, 2018

Re: Proposed Means-Based Fare Discount Program
To: Metropolitan Transportation Commission
Cc: Steve Heminger, Executive Director; Alix Bockelman, Deputy Executive Director; Andrew Fremier, Deputy Executive Director; Anne Richman, Programming & Allocations Director; Carol Kuester, Electronic Payments Director

On behalf of San Francisco Transit Riders, Friends of Caltrain, Seamless Bay Area, TransForm, Urban Habitat, Youth Leadership Institute, Palo Alto Transportation Management Association, and Hacienda we are writing to express our support for a regional Means Based Transit Fare Discount pilot program, with specific recommendations to refine the program in order to achieve greater results over time.

The "Launch and Grow Proposal"

We support the proposed focused initial rollout, with 4 agencies and the deepest possible discount, incorporating funded and carefully planned independent evaluation.

We see this pilot as a beneficial first step. As an output of the evaluation, we would like to see a roadmap of improvements, including:

- Customer experience improvements
- Deeper discounts
- Coverage of more agencies across the region
- Fare streamlining
- Funding sources to scale up the program

In more detail, to best fulfill the goal to provide equitable access to transit, we would like to see:

1. **Funded, independent evaluation** Staff should establish an evaluation framework, with funding for independent evaluation, and return to the board 6 months before rollout to review the evaluation criteria and process.

Topics to include in the evaluation should include:

- Who uses the discount program, for what kinds of trips?
- Will this be used mostly by extremely low-income people for short local trips?
- By low-income commuters for longer regional trips?
- Do participants use multiple agencies?
- How deep a discount is needed to increase transit use?
- How easy is the program to use, especially for hard-to-reach communities and how to improve ease of use?

The region should be able to answer these questions before designing a lasting program in Clipper 2.0.

2. **User-centered design.** The process to determine eligibility, enroll and use the program, and to evaluate the program for improvements should be defined for the initial phase and refined for improvement in collaboration with people who will use the program
3. **Roadmap of improvements.** The outcome of the evaluation should include a roadmap with phases of improvements as supported by the evaluation analysis, including more agencies, deeper discounts, streamlined fares, and funding sources.
4. **A broader rollout with more agencies.** Phase in other regional transit services after the pilot, contingent on funding. When funding becomes available, based on results of pilot assessment, prioritize services that are higher-priced and/or that provide connecting legs of multi-step longer trips, such as Transbay bus service, WETA, SMART, regional express buses, and feeder buses from areas with clusters of low-income residents, and to employment centers with significant numbers of low-income workers.
5. **Deeper discounts for low-income users.** Provide greater affordability to promote a greater increase in transit use among low-income residents
6. **Fare streamlining.** We strongly urge you act on one of the original goals of the Means Based fare study and to direct this program to pursue regional passes with multiple operators for implementation with Clipper 2.0. Currently, the proposed language calls for “passes” to be explored for Clipper 2.0 implementation; please explicitly identify multi-agency passes with streamlined fares as the goal to pursue. This would help to solve the “multiple-fare-trip” problem, which poses an affordability problem for low-income users and an inconvenience and disincentive for people at all income levels. Streamlined fares are likely to increase ridership across the region, and provide a solid base for discounted fares that would have better affordability results for low-income users.

7. **Funding for a broader rollout.** Transit agencies have been reluctant to participate in the program because the subsidy amount offered by MTC is quite low. Create a funding plan to scale the program without risking negative impacts to agency operating budgets with negative side effects on services or overall fares.

We urge you to adopt the “Launch and Grow” proposal in the Means-Based Transit Fare Discount Program and commit to pursuing regional fare streamlining after the pilot program evaluation.

Seamless Bay Area is a group advocating for a unified, world-class transportation network for our region. We envision an integrated region where it's easy to get around on a frequent, connected network of excellent public transit and other forms of mobility. We believe the greatest barriers to building an integrated network are fragmented governance and need for regional leadership.

Friends of Caltrain is a 501c3 nonprofit with over 6,000 participants on the Peninsula Corridor, supporting modernization and stable funding for Caltrain, as part of a well-integrated network of sustainable transportation that is accessible to all.

San Francisco Transit Riders is the city's rider-based advocate for an excellent, affordable, and growing public transit system because it is essential to the livability, sustainability, and accessibility of San Francisco.

TransForm promotes walkable communities with excellent transportation choices to connect people of all incomes to opportunity, keep California affordable and help solve our climate crisis. With diverse partners we engage communities in planning, run innovative programs and win policy change at the local, regional and state levels.

Urban Habitat works to democratize power and advance equitable policies to create a just and connected Bay Area for low-income communities and communities of color.

Youth Leadership Institute builds communities where young people and adult allies come together to create positive social change, relating to educational and health inequities, public housing, transportation, youth voice, and many other issues.

Hacienda is the largest mixed-use development of its kind in Northern California, providing over 10 million square feet of mixed-use space occupied by some 680 companies that locally employ approximately 20,000 people. In addition, Hacienda also features homes to some 5,600 residents.

The Palo Alto Transportation Management Association (PATMA) is a 501 c (3) nonprofit providing transportation solutions to Downtown Palo Alto employees.

Sincerely,

Beaudry Kock



Seamless Bay Area

www.seamlessbayarea.org

info@seamlessbayarea.org

Adina Levin



Executive Director

Friends of Caltrain

<http://greencaltrain.com>

Rachel Hyden

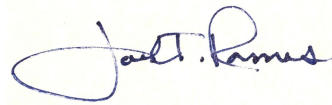


Executive Director

San Francisco Transit Riders

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Joel Ramos



Regional Planning Director

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Bob Allen



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James Paxson



General Manager

Hacienda

<http://www.hacienda.org/>

Fahad Qurashi



Youth Leadership Institute

<http://yli.org>

Rob George


Robert George (May 22, 2018)

Chair

<http://patma.org>



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HANDOUT - Commission Agenda Item 8b

May 22, 2018

Metropolitan Transportation Commission
375 Beale St, Suite 800
San Francisco, CA 94105

Re: Item 8b: MTC Resolution No. 4320. Approval of Regional Means-Based Fare Program Framework

Dear Chair Mackenzie and Commission Members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy.

We applaud MTC and Bay Area transit operators for developing the framework for the regional Means-based Transit Fare pilot program. SPUR supports the Programming and Allocation Committee's recommendation to the Commission to approve Option 1, a minimum 20% discount on BART, Caltrain, Golden Gate Transit and Muni rides for people with low-incomes. However, we have several concerns with the program framework, including the approach to evaluation, the absence of a roadmap to bring additional operators into the program and the lack of any discussion on regional fare integration as a next step. Without these features, we are concerned that the program's impact will fall short and that it will not meet its goals.

SPUR offers the following suggestions to help strengthen the pilot program and better achieve the programs goals.

1. An evaluation plan and funding for evaluation should be in place *prior* to program rollout.

Evaluation is critical to the long-term success of the Means-based Fare Program. A minimum of \$250,000 of the administrative costs should be set aside to fund an independent evaluation, including the development of an evaluation framework. MTC staff should return to the Commission approximately six months prior to the program's rollout to discuss the evaluation framework and plan.

If the pilot is to produce learnings that will inform a larger rollout, MTC needs to understand how each aspect of the program — from outreach to enrollment to use— is received by users and non-users in addition to the participating transit agencies. MTC should identify program goals and metrics. At a minimum, the evaluation should seek to understand impacts to ridership; effectiveness of marketing and outreach in hard to reach communities; ease of participation and administration; county by county sign ups; use of other operators by program participants; the nature and lengths of trips taken with the discount; and impacts to revenues.

2. Develop a roadmap to guide program expansion.

MTC should develop a detailed roadmap for how to bring additional transit services into the program and should prioritize higher-priced services and/ or services that provide the connecting



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legs of multi-operator trips. This includes, among others, AC Transit's Transbay service, Solano County Express, WETA, SMART and local buses that serve communities of concern.

The roadmap should include a timeline for program expansion, identify additional funding sources and address the potential for deeper discounts. The results of the program evaluation should inform the next phases of the program. A roadmap to guide program expansion should be one of the identified "next steps," and it should be presented to the Commission alongside the findings of the pilot after the 12-18 month pilot period.

3. Employ a user-centered design approach to the program's development.

How the various elements of the program are designed will significantly influence the program's adoption and use. It may be easier, for example, to communicate the discount as a set dollar amount (e.g. \$1 or \$1.50 discount on the cost of a trip) or as a discount range, as opposed to as a percent discount.

The Means-based Fare Program needs to be easy to apply for, easy to use and easy to renew. To ensure this outcome, it is imperative that MTC deeply engage Bay Area residents with low-incomes in each aspect of the program design process going forward. This is not the same as conducting focus groups; MTC should design the program side by side, in collaboration with Bay Area residents with low-incomes.

4. Develop a complete strategy to address transit affordability, including a commitment to study regional fare integration.

The transit affordability burden is multifaceted; a means-based transit discount is an important, necessary effort, but on its own, it is not enough. To guarantee transit affordable for people with low-incomes, MTC must also commit to the following:

- **Launch a regional fare integration study.** Low-income Bay Area residents surveyed for the study said a regional pass that addresses the high cost of multi-fare trips was the solution they preferred. Participants expressed strong support for a pass that included trips on different operators and for making transfers more affordable. The pilot is not addressing these concerns. These concerns are harder to address but we cannot continue to ignore them either: Without any regional fare integration, people with low income who travel across counties will continue to pay more and struggle to afford transit. To truly guarantee a fair transit fare for people with low incomes, the region needs to rethink its approach to fares.

The Clipper 2.0 process presents a tremendous opportunity for the region to address and correct the current system's limitations. Conceiving and designing all the pieces of the new system provides the optimal time to rethink and reimagine fare policy. MTC should commit to studying regional fare integration to identify options and opportunities to streamline and simplify fares and develop regional fare policies and/or products that support the seamless use of multiple operators.

- **Increase the network of Clipper retail outlets and vending machines with a particular focus on proving access for low-income residents.** For example, an analysis



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of Clipper retail locations by Marin Transit found that in the areas with the highest transit ridership and highest concentration of minorities, there is only one Clipper retail outlet.¹ A Clipper card offers many benefits, including time savings, convenience and, on many operators, a discount. People with low-incomes can take advantage of these savings regardless of whether or not they enroll in the Means-based Fare Program *so long as* they have a Clipper card and locations where they can add value. MTC should develop a comprehensive strategy for increasing the network of Clipper retail outlets and vending machines in Communities of Concern.

- **Reduce and/or eliminate the Clipper minimum balance requirements.** Transit operators require Clipper users to maintain a minimum balance on their Clipper card at all times. A significant share of people with low-incomes reside in Solano County where the Clipper minimum balance is \$6. Even if a low-income transit rider receives a discount off the BART leg of their trip from Fairfield to Downtown Oakland, for example, the cost of the ride in its entirety coupled with the minimum balance requirement may keep that trip out of reach.

We understand that transit operators set their own minimum balance. However, as this was identified in the focus groups conducted for the Means-based Fare Study as a barrier to transit affordability, we encourage Clipper staff to work with transit operators to reduce their Clipper minimum balance where appropriate and to standardize the minimum balance requirements in Clipper 2.0.

Thank you for the opportunity to provide additional input. Please feel free to contact us with any questions you may have at 415-644-4280.

Sincerely,

Arielle Fleisher

¹ See: Marin Transit, 2016-2025 Short Range Transit Plan, Appendix B: Fare Analysis.