

Bay Area Partnership Board

July 7, 2020

Agenda Item 4c

Blue Ribbon Transit Recovery Task Force Update

Subject: Blue Ribbon Transit Recovery Task Force Update.

Background: In May 2020, the Commission established a Blue Ribbon Transit Recovery Task Force (Task Force) to guide the recovery of public transit and its role in the region. MTC Chair Scott Haggerty appointed Commissioner Jim Spering to serve as its chair and is composed of representatives from the MTC Commission, transit operators, and stakeholder groups (see Attachment A for the membership roster).

The priorities of the Task Force are:

- 1) Determine the next Coronavirus Aid, Relief, and Economic Security (CARES) Act distribution formula and identify the categories to be funded.
- 2) Assess transit agency recovery strategies with an eye towards developing a regional approach to restoring ridership and stabilizing the transit network.
- 3) Provide recommendations for institutional and operational changes and evaluate MTC's future distribution of funds to transit operations

Since May 2020, the Task Force has met three times to discuss priorities, near-term recovery strategies, and the Phase 2 CARES funding. Beginning in July 2020, the Task Force plans to meet monthly through mid-2021. Attachment B further outlines the Task Force purpose and timeline.

Phase 2 CARES Funding Distribution Proposal

The Task Force has provided input into the Phase 2 CARES Act distribution proposal that will be presented to the Programming and Allocations Committee on July 8, 2020. Staff will be at your July 7 meeting to provide an overview of the proposal and to seek your input.

Issues: None Identified.

Recommendation: Information.

Attachments: Attachment A: Task Force Roster
Attachment B: Task Force Overview
Attachment C: PowerPoint


Therese W. McMillan

BLUE RIBBON



TRANSIT RECOVERY
TASK FORCE

TASK FORCE MEMBERS

May 29, 2020

Commissioners

Jim Spering

Task Force Chair

Scott Haggerty

MTC Chair

Alfredo Pedroza

MTC Vice Chair

Dave Cortese

Nick Josefowitz

Gina Papan

David Rabbitt

Amy Worth

Therese W. McMillan

MTC Executive Director

Operators

Nuria Fernandez, VTA

Jim Hartnett, SMCTD

Michael Hursh, AC Transit

Denis Mulligan, GGBHTD

Robert Powers, BART

Rick Ramacier, CCCTA

Michael Tree, LAVTA

Jeffrey Tumlin, SFMTA

Nancy Whelan, Marin Transit

State Representatives

State Senator Jim Beall

Assemblymember David Chiu

CalSTA Secretary David S. Kim

Stakeholders

Hayley Currier, TransForm

John Ford, Commute.org

Ian Griffiths, Seamless Bay Area

Carl Guardino, SVLG

Daryl Halls, BACTA Chair

Randi Kinman, MTC Policy
Advisory Council

James Lindsay, ATU

Stacy Murphy, Teamsters

Susan Rotchy, Independent
Resource Center

Ellen Wu, Urban Habitat

Jim Wunderman, Bay Area Council

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TRANSIT RECOVERY
TASK FORCE

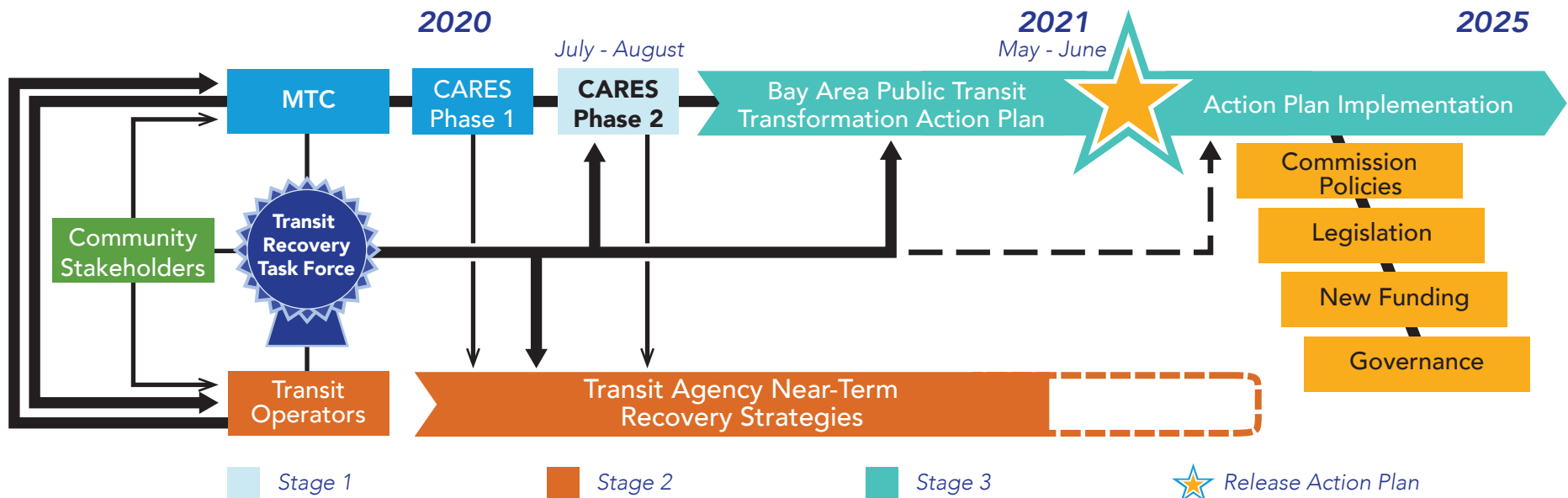
PURPOSE + TIMELINE

May 29, 2020

TASK FORCE PURPOSE

The Commission appointed the Blue Ribbon Transit Recovery Task Force to immediately assist MTC in understanding the scale of the crisis facing all Bay Area transit systems as a result of the COVID-19 pandemic, and to guide its regional support through expedited distribution of CARES Act Phase 2 funds. Safety, network connectivity, financial sustainability, and transportation system equity will be important considerations.

Additionally, by mid-2021, the Task Force shall submit a Bay Area Public Transit Transformation Action Plan to the Commission for its consideration and possible adoption. The Plan should identify actions needed to re-shape the region's transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area and beyond.



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TRANSIT RECOVERY
TASK FORCE

INTERVIEWS SUMMARY

May 29, 2020

NEAR-TERM PRIORITIES

- Immediately achieve uniform, high operational standards of cleanliness and disinfection.
- Prioritize the needs of vulnerable and transit dependent riders in Recovery-based changes.
- Collaboratively develop and deliver a comprehensive, consistent, confidence-building transit message.
- Act with great urgency to distribute remaining CARES Act funds.
- Ensure accountability and transparency of allocations.

NEAR TERM CONCERNS

- Simultaneous loss of both revenues and ridership has created an unprecedented challenge.
- CARES Act funding will not cover all revenue losses. Smaller agencies may not survive.
- Riders will not return unless uniform, high quality safety and cleanliness standards are evident.
- Sufficient attention will not be given to vulnerable transit riders' needs and operator security.
- Phase 1 distribution concerns need to be addressed in CARES Act Phase 2 fund distribution.

TRANSFORMATION PRIORITIES

- Create a more understandable, more connected, and more efficient user-focused system.
- Make agency governance changes that achieve improved performance and cost efficiencies.
- Provide the right mix of mobility options to serve both choice and transit dependent users.
- Transit's future should include unified, affordable fare policies and digital access technologies.

TRANSFORMATION CONCERNS

- Entrenched, parochial governance structure will be difficult to change.
- Near-term service reductions will make it harder to rebuild ridership.
- Transit advocates lack adequate understanding of transit's regulatory and labor constraints
- The decision making process will not adequately reflect the needs of vulnerable riders.

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TRANSIT RECOVERY
TASK FORCE

INTERVIEW QUOTES I

May 29, 2020

This is a permanent disruptor. There's lots of uncertainty and no one has a crystal ball.

Each stage has importance, but if we don't deal with survival there won't be a final stage.

I'm concerned we won't think big enough. We'll get stuck in turf wars.

There's not enough funding. How do we fight over it without fighting?

We need to shape what we can and monitor what we can't.

Seniors and the most vulnerable are the ones who are relying on transit right now. We have to be ready to serve that constituency.

Be bold and move beyond obstruction to a better future for us all.

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TASK FORCE

INTERVIEW QUOTES II

May 29, 2020

Safety needs haven't been met, and that is critical for getting riders to return.

Urban areas cannot come back without transit, one won't work without the other.

How do we serve people who rely on transit most to fulfill their life and economic duties?

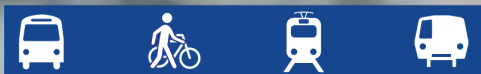
Drivers are afraid, and have already experienced violence over safety enforcement.

We cannot act independently in a conversation this large.

We can't go back to the institutional and operational norms that were in place.



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**TRANSIT RECOVERY
TASK FORCE**

TASK FORCE UPDATE

**PARTNERSHIP BOARD
JULY 7, 2020**

BLUE RIBBON TRANSIT RECOVERY TASK FORCE

- Appointed by Commission in May 2020 to guide the Bay Area's transit system recovery in response to the COVID-19 pandemic
- 32 members composed of representatives from the State, MTC Commission, transit operators, and stakeholder groups
- Purpose:
 - Guide the expedited distribution of CARES Act Phase 2 funds.
 - Safety, network connectivity, financial sustainability, and transportation system equity will be important considerations.
 - By mid-2021, submit a Bay Area Public Transit Transformation Action Plan to the Commission. The Plan should identify actions needed to re-shape the region's transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area and beyond.

TASK FORCE MEMBERS

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Task Force Chair

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Alfredo Pedroza
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CalSTA Secretary David S. Kim

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John Ford, *Commute.org*

Ian Griffiths, *Seamless Bay Area*

Carl Guardino, *SVLG*

Daryl Halls, *BACTA*

Chair Randi Kinman
MTC Policy Advisory Council

James Lindsay, *ATU*

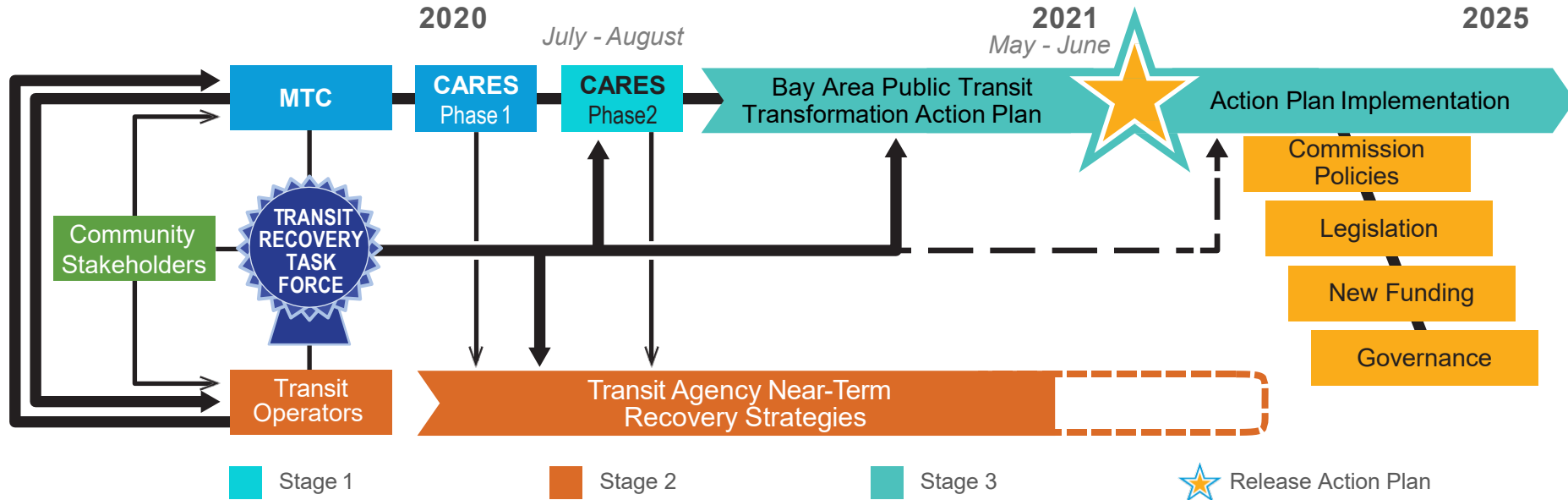
Stacy Murphy, *Teamsters*

Susan Rotchy, *Independent
Resource Center*

Ellen Wu, *Urban Habitat*

Jim Wunderman, *Bay Area Council*

TASK FORCE TIMELINE



TASK FORCE MEETING TOPICS

Meeting 1 – May 29, 2020

- Task Force Framework
- Task Force Member Perspectives

Meeting #2 – Jun 15, 2020

- Transit Operator Safety Plan Outline
- Operator Recovery Strategy Review
- CARES Act Distribution Options

Meeting #3 – Jun 29, 2020

- Near Term Recovery
 - Transit Operator Safety Plan
 - Network Connectivity Planning
- CARES Act Funding Proposal

Meeting #4 – July 20, 2020

- Launch discussion of Phase 3 Transformative Action Plan

NEAR TERM RECOVERY PLANNING

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TRANSIT RECOVERY
TASK FORCE

CALTRAIN STATION

OPERATOR HEALTH & SAFETY PLAN

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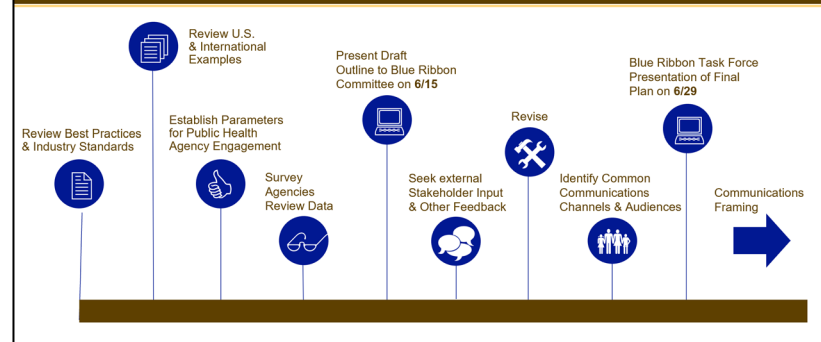


TRANSIT RECOVERY
TASK FORCE

- Region's Transit Operators are Working in Coordination to Develop and Implement a Health & Safety Plan that will:
 - Establish comprehensive **shared protocols** to reduce risks for employees and passengers
 - **Unite Voices** of Bay Area Transit Agencies
 - Leverage Available Data
 - Curate Best U.S. / International Practices
 - **Collaborate** with Local Public Health Agencies
 - Launch Common / Scalable Standards
 - Review Customer Journey & Health-Vulnerable Passengers
 - Create Common Approach for Communications
 - Establish Simplified Metrics & Reporting



PLAN TIMELINE & MILESTONES



TRANSIT OPERATOR COORDINATION

Weekly Meetings:

- Public Health & Transit
- Communications
- Service/ Operations Planning
- Financial

Areas of Coordination

- New baseline and evolving conditions
- Seek opportunities for coordinated service, policies, or joint criteria development (such as when to reinitiate fare collection)
- Forum for peer exchange of ideas, successful implementation practices, and learned lessons
- Identifying actions as short or long term.
- **Preparing for future Task Force Stage 3 discussions**

NEAR-TERM COMMITMENTS

Understand near-term rider needs, especially for vulnerable populations

- Transit operators are conducting agency specific polls and surveys*
- Identify funding for multi-agency polling and customer surveys
- Operators to indicate priorities for additional data needs – such as O-D/demographic survey to assist with service planning and recovery

*see separate document on list of surveys

Communications Campaign

- Actions being taken to make the system healthy for riders and employees
- Implement coordinated messaging effort to welcome riders back

Quarterly Reporting and Updates

- As services are adjusted by individual operators, monitor connectivity and minimize gaps

Related Regional Collaboration

- Fare Integration Study
- Seamless Mobility
- Caltrans Strategic Partnerships – Transit Grant
- Bay Bridge Forward
- BATA Focus Group

EQUITY IN ACTION – CLIPPER START

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Current Program:

- An 18-month pilot program for 4 Transit Operators (BART, Caltrain, GGBHTD, SFMTA) to provide a transit fare discount to eligible riders based on income
- Anticipated launch date – July 15, 2020
- Operators and MTC set aside funding to fund the subsidy

Request:

Consider expanding pilot program to include additional transit operators



Next Steps:

- Confirm interest and participation from transit operators
- CARES Act regional funds could help subsidize additional operators for pilot period.
- Additional follow-up needed on:
 - Clipper System changes
 - Policy & Funding – Identification of new regional funding sources
 - Implementation – Timing, outreach and program management updates



PHASE 2 CARES ACT FUNDING

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TASK FORCE

ADOPTED FUNDING DISTRIBUTION PRINCIPLES

- 1.** **Move quickly** to distribute the first allocation of funds to operators as soon as possible
- 2.** Distribute funding in a manner that **best addresses operators' needs** arising from the COVID-19 crisis
- 3.** **Allow flexibility** to enable the region to address uncertainty/changed circumstances
- 4.** **Address urbanized area (UZA) constraints** associated with federal funds with a needs-based funding distribution of any COVID-19 **supplemental state funds**
- 5.** Future distribution(s) will be subject to a comprehensive COVID-19 **recovery strategy** for each operator that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs, and financial sustainability.

CARES ACT PROPOSED APPROACH

Phase 1 — \$781 million

Distribution Approach

- 33% based on percentage share of FY 2020 -21 State Transit Assistance Revenue-Based Formula (inc. AB 1107 sales tax)
- 33% Based on percentage share of farebox revenue
- 33% based on percentage share of FY 2019-20 Operating Costs

Phase 2 (Proposed) — \$508 million

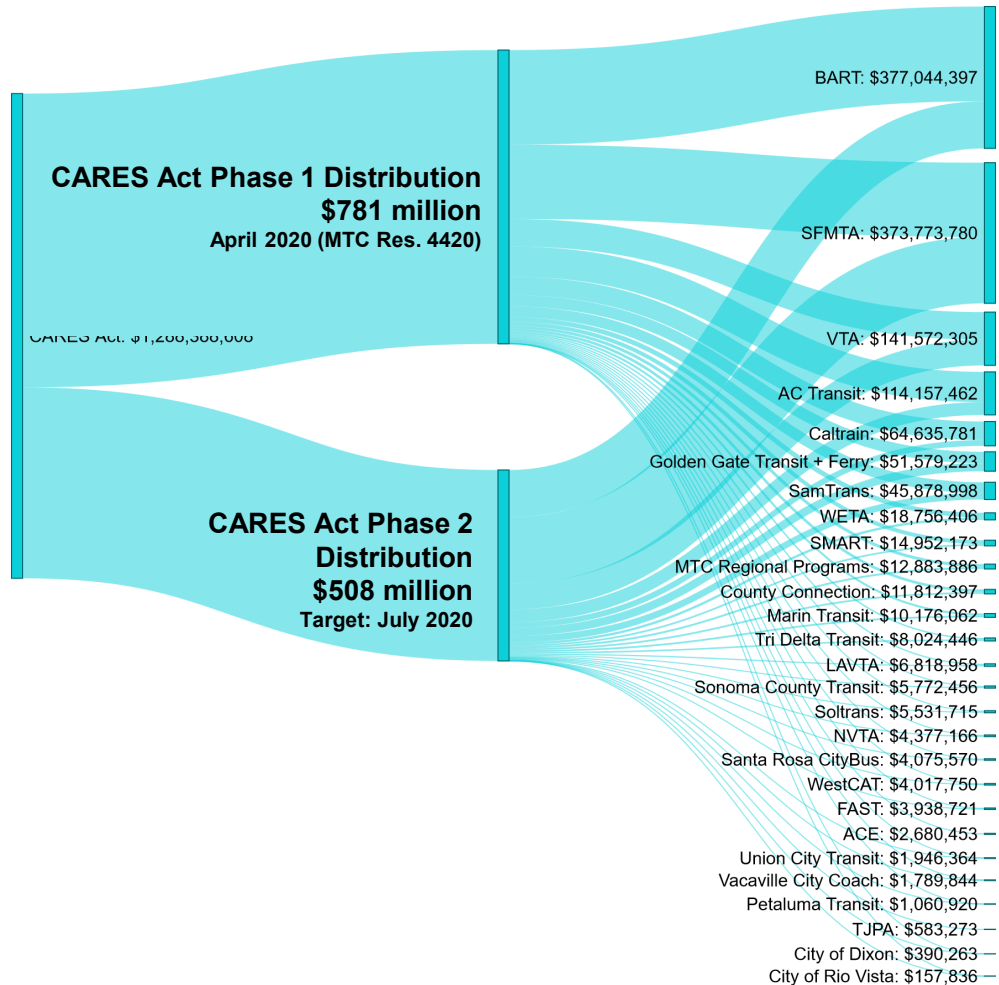
Distribution Approach

- Seeks to fully backfill operators' lost revenue due to COVID-19 through a horizon of 12/31/2020 across both Phase 1 and Phase 2
- Able to meet 90% of estimated need through 12/2020
- Includes a “true up” as the approach looks at the total anticipated revenue loss over the ten month period of 3/2020 to 12/30/20 and calculates the total amount of CARES Act funding an operator needs across both Phase 1 and Phase 2
- Uses a consistent set of revenue loss assumptions for all operators across two time periods (March to August 2020 and September to December 2020) to determine a monthly revenue loss amount

EQUITY CONSIDERATIONS

Equity adjustment is applied by weighting 25% of an operator's projected revenue losses to its ridership share of **very low income (under \$50,000 income per household) passengers**.

CARES Act
Bay Area Total = \$1.3 billion



CONSISTENT REVENUE LOSS ASSUMPTIONS

- Revised assumptions (in *italics*) since last meeting, based on newest data, slightly more optimistic
- Unprecedented uncertainty remains a challenge
- Use of consistent assumptions across all operators allows for CARES Act distribution options to be considered on a level playing field
- Amounts shown below are a % reduction below what the fund source generated prior to COVID-19.

March – August 2020

- Fares **-90%**
- Sales taxes **-45%**
- BATA bridge tolls **-60%**
- Golden Gate Bridge tolls **-60%**
- SFMTA Parking **-90%**
- SFMTA General Fund **-20%**
- Park n Ride revenues **-90%**
- State Transit Assistance **-32%**
- State Rail Assistance **-32%**

September – December 2020

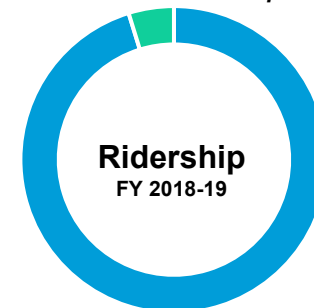
- Fares **-70%**
- Sales taxes **-30%**
- BATA bridge tolls **-25%**
- Golden Gate Bridge tolls **-40%**
- SFMTA Parking **-15%**
- SFMTA General Fund **-20%**
- Park n Ride revenues **-75%**
- State Transit Assistance **-40%**
- State Rail Assistance **-40%**

**Although a majority of transit operators support these assumptions as a basis for the distribution, they are not uniformly supported by all.*

CARES ACT PROPOSED DISTRIBUTION

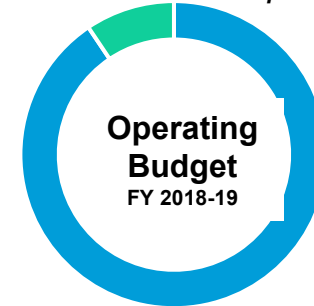
Transit Operator	Total CARES Act Allocation (Phase 1 + Phase 2)	Total CARES Act Allocation % Share (Phase 1 + Phase 2)
AC Transit	\$114,157,462	8.9%
BART	\$377,044,397	29.6%
Caltrain	\$64,635,781	5.1%
Golden Gate Transit + Ferry	\$51,579,223	4.0%
SFMTA	\$373,773,780	29.3%
SamTrans	\$45,878,998	3.6%
VTA	\$141,572,305	11.1%
Large Operator Total	\$1,168,641,945	91.6%
Small/Medium Operator Total	\$106,862,776	8.4%
Regional Transit Programs/Support	\$12,883,886	1% (off the top)
GRAND TOTAL	\$1,288,388,608	100%

5% - Small/Med. Operators



95% - Large Operators

9% - Small/Med. Operators

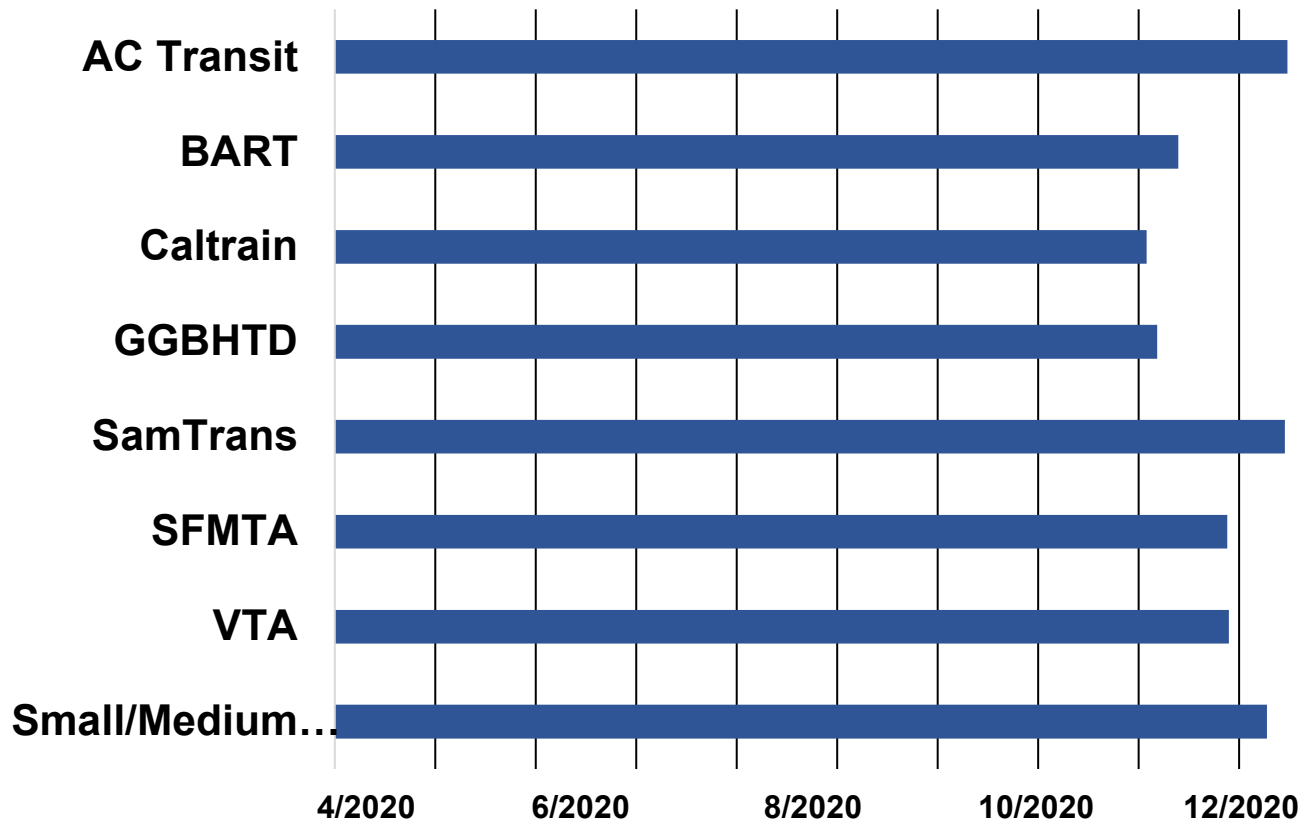


91% - Large Operators

IS THERE A FINANCIAL “CLIFF”?

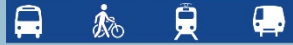
How many months of revenue loss will the CARES Act backfill?

Note: Different length of bars reflects impact of equity adjustment, CARES Act covers 8.7 months of revenue loss region-wide



- Revenue loss is estimated, unprecedented uncertainty
- Agencies have reduced operating costs so CARES Act funding should stretch longer than shown here
- Recovery strategies restore service as demand returns
- HEROES Act, INVEST in America Act, FTA Formula funds, and state funding all present opportunities for further revenue loss backfills based on need

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**TRANSIT RECOVERY
TASK FORCE**

PHASE 3: TRANSFORMATIVE ACTION PLANNING

PERSPECTIVES ON TRANSFORMATION

TRANSFORMATION PRIORITIES

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- Transit advocates lack adequate understanding of transit's regulatory and labor constraints
- The decision making process will not adequately reflect the needs of vulnerable riders.



THANK YOU.

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TRANSIT RECOVERY
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www.mtc.ca.gov/mtc.ca.gov/blue-ribbon-transit-recovery-task-force