

City of Palo Alto

Office of the Mayor and City Council

July 2, 2020

Commissioner Scott Haggerty, Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale St., Suite 800
San Francisco, CA 94105-2066

Dear Chair Haggerty:

We urge you to support the Blue Ribbon Task Force's recommended tranche 2 CARES Act allocations, with the understanding that the amount allocated to Caltrain will not be sufficient to maintain service through the end of the year.

Caltrain is an essential transit service for thousands of riders that continue to rely on the system to meet their mobility needs. As more and more sectors of the Bay Area's economy open up, a growing amount of survey data suggests that former riders will eventually return to the system. Without sufficient funding from tranche 2 of the CARES Act, there is a strong likelihood that Caltrain will need to shut down before they do so. This would create an unacceptable gap in the Bay Area's transit network, stranding riders that depend on the system, and leaving hundreds of the system's workers without a job.

To prevent this, the Metropolitan Transportation Commission should be using CARES funds as they were intended: to protect jobs and preserve service as long as possible. The best way to do this is to base CARES allocations on the actual losses that agencies experience. Caltrain is set to receive \$15 million, but that will not cover the system's fare revenue losses unless ridership returns to an average of 30% of normal levels by the end of the year, which is incredibly unlikely.

The other allocation options evaluated by MTC were worse. They would have provided Caltrain with even less revenue and would have dramatically increased the likelihood that Caltrain will shut down and lay off workers in the fall.

According to the most recent economic data, sales tax revenues are recovering faster than MTC's assumptions and ridership is recovering more slowly. If the MTC assumptions prove to be inaccurate, swift steps will be needed to provide additional support to the fare dependent agencies like Caltrain to preserve them as critical services that are essential to the region's recovery efforts.

Sincerely,

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Adrian Fine
Mayor, City of Palo Alto

Cc: Members, Metropolitan Transportation Commission
Members, Peninsula Corridor Joint Powers Board of Directors