

# Bay Area Infrastructure Financing Authority (BAIFA)

December 16, 2020

Agenda Item 3a - 20-1690

## BAIFA Express Lanes Means-Based Toll Discount Pilot

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**Subject:** Overview of plans to pilot a means-based toll discount on BAIFA's express lanes.

**Background:** MTC's Equity Platform establishes a commitment to address equity throughout the agency's work program and policies. Over the past year, staff has turned its attention to address equity directly in BAIFA's express lanes and has begun work on a means-based toll discount program to make express lanes more affordable and accessible to low-income travelers.

Staff committed to pilot a means-based toll on BAIFA's express lanes at MTC's June Operations Committee meeting, when presenting the Express Lanes Network for consideration in Plan Bay Area 2050. This pilot responds to several recent events and discussions highlighting the importance of affordability of express lanes. As part of the project performance evaluation phase of Plan Bay Area 2050, express lanes were evaluated and given a 'challenge' rating relative to equity, meaning that project benefits skew towards higher income individuals. Separately, while establishing tolling rules for the I-880 and I-680 Express Lanes extension, both Commissioners and members of the public noted concerns about affordability of express lanes to low income travelers. Similar themes emerged in discussions with the Equity and Access Subcommittee of MTC's Policy Advisory Council and the Council itself in March and May of this year. Both Commissioners and members of the Policy Advisory Council underscored the importance of near-term action.

In response, BAIFA's means-based toll discount pilot is intended to be a feasible near-term action and will leverage the systems, services and concepts developed for Clipper<sup>®</sup> START<sup>SM</sup>, the means-based transit discount program launched this summer by MTC.

Since June, staff has organized an internal team to deliver the pilot, drafted a preliminary work plan, schedule and budget, and further engaged the Equity & Access Subcommittee on pilot plans. Staff also plans to engage other express lanes operators to ensure the pilot builds something that can be expanded in the future if desired. Concurrently, staff is participating in studies lead by other express lane partner agencies seeking to make express lanes more equitable for low-income individuals.

Staff will present the concept and status for the BAIFA means-based toll discount pilot at the December 16 meeting. Preliminarily, staff intends to fund the development of the pilot with up to \$3.0 million of BAIFA program funds. Since BAIFA will build a scalable platform that could serve other express lane operators, staff will seek other funding opportunities to help offset key system development costs. In addition, by expanding the Clipper


START model to FasTrak<sup>®</sup>, this pilot serves as a building block toward an integrated regional mobility account that merges transportation services for the customer.

In order to implement the pilot expeditiously and leverage Clipper START, staff envisions the pilot will rely on some existing contractors including those providing application-related customer service systems and eligibility verification for Clipper START. In addition, the express lanes means-based toll discount program will need to be integrated with the FasTrak<sup>®</sup> Customer Service Center. As such, staff will seek contract approvals from committees other than BAIFA. Further, the BAIFA Toll Facility Ordinance will need to be amended to address means-based toll discounts. Staff will keep BAIFA up to date on the pilot schedule, cost and implementation.

**Issues:** Based on preliminary cost estimates and available funds as well as a desire to reduce complexity in order to implement the pilot sooner, staff plans to focus the pilot initially on only one of BAIFA's express lanes. Staff reviewed potential considerations for prioritizing where to pilot with the Equity & Access Subcommittee, which supported staff's assessment. Staff recommends deploying initially on the I-880 Express Lanes because they have more potential to serve low-income individuals. Depending on cost and funding availability, the pilot could be expanded to other BAIFA express lanes.

**Recommendation:** This item is presented for information only.

**Attachments:** Presentation – BAIFA Express Lanes: Means-Based Toll Discount Pilot

  
Therese W. McMillan



# **BAIFA Express Lanes: Means-Based Toll Discount Pilot**

Bay Area Infrastructure Financing Authority

December 16, 2020

# Approach to Equity Has Evolved Over Time

## Before:

Express lanes are a choice

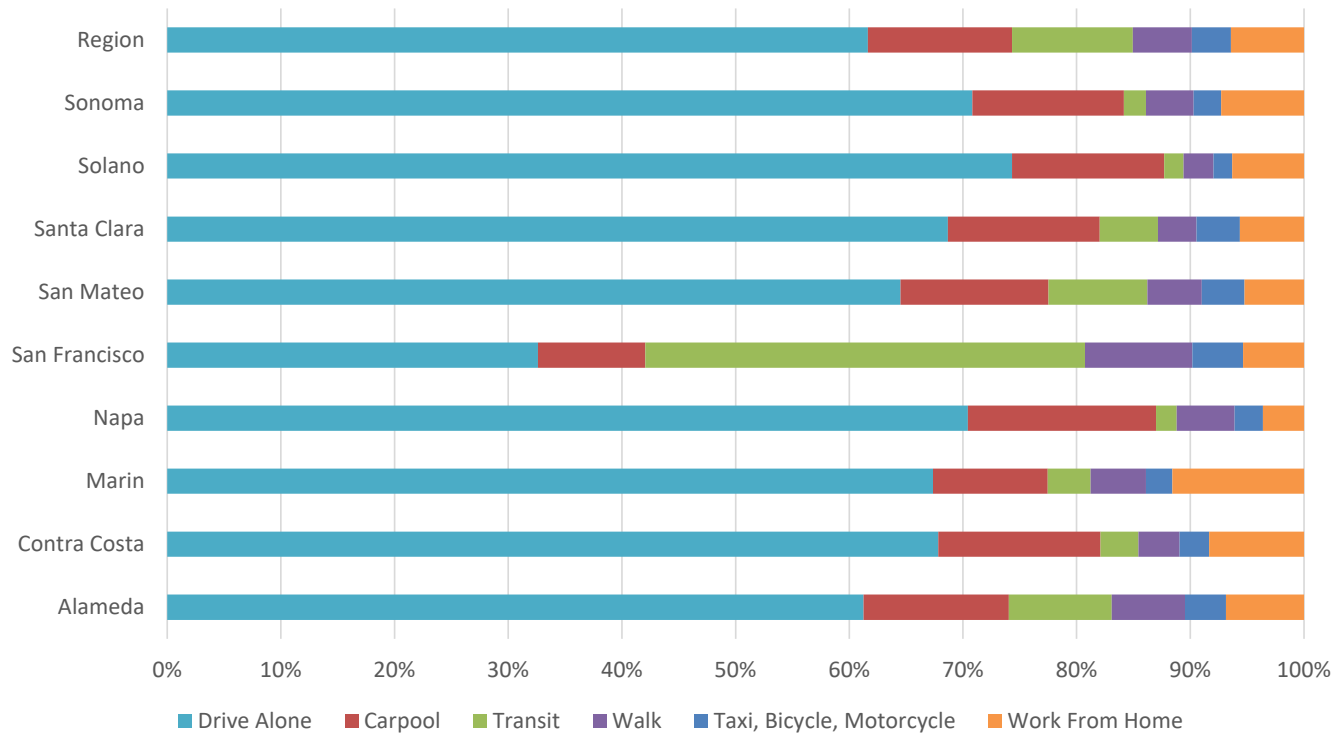
## Now:

Choice is limited without the means to pay



Photo - Sharon McCutcheon, unsplash.com

# A majority of low-income workers are drivers



**62% of workers making less than \$35,000 per year drive alone to work, region-wide**

Source: U.S. Census American Community Survey, 2018, 5-Year Average

Note: Individuals with less than \$35,000 have been categorized as low-income.

# MTC's commitment to equity for express lanes

- Issue: low-income adults cannot afford to use express lanes and transit may not be an equally good option
- Opportunity to expand customer base
- Near-term pilot on BAIFA's express lanes
  - Leverage tools and rules of Clipper START pilot
  - Engage low-income drivers in pilot design



# Potential pilot goals

## IMPLEMENTATION

## IMPACT

PERFORMANCE



Alternative to  
Congestion

AWARENESS



Customers aware  
of program

POSITIVE  
EXPERIENCE



Easily  
accessible

FINANCIAL  
VIABILITY



Feasible for  
operators and  
region

ADMINISTRATIVE  
FEASIBILITY



Management  
feasible

AFFORDABILITY



Participants  
less burdened

INCREASED  
ACCESS



Access to  
opportunities

# Synergies with Clipper START pilot

## Clipper START

### Pilot Locations

- 10 transit agencies (incl. BART, Caltrain, Golden Gate, SF Muni); +11 by Jan 2021

### Eligibility

- Adults earning 200% or less of federal poverty level (~\$52,000 for family of four)

### Implementation

- Offered through Clipper®
- Duration: 18 months
- Centrally administered: Customer services systems and eligibility contractor
- Outreach: Social service agencies, community-based organizations & advertising

## BAIFA Pilot

### Pilot Location(s)

- BAIFA express lanes (I-680 Contra Costa and/or I-880)

### Eligibility

- Adults earning 200% or less of federal poverty level (~\$52,000 for family of four)

### Implementation

- Offered through FasTrak®
- Duration: est. 18 months
- Centrally administered: Customer service systems and eligibility contractor
- Outreach: Social service agencies, community-based organizations & advertising



# Pilot Area: BAIFA express lanes

- Initially I-880
- Potential to expand to I-680 Contra Costa and I-80 Solano



## Pilot Corridor Considerations

Potential Considerations	Favors I-880	Favors I-680
1. More potential to serve low-income drivers	X	
2. More FasTrak cash payment locations	X	
3. Worse congestion and delay	X	
4. More jobs (potential opportunities) in corridor	X	
5. Less transit (driving alone may be more important)		X
6. Higher HOV eligibility (harder to carpool toll-free)	X	
7. More historical performance data for evaluation		X

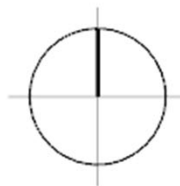
# Low-Income Tracts (28%+) & FasTrak® Cash Payment



## Means-Based Toll Discount Pilot Low-Income Tracts

- Low-Income Tract
- I-680 and I-880
- FasTrak Cash Payment Location
- I-680 Buffer (7mi)
- I-880 Buffer (7mi)

Scale:  
Miles  
0 3 6 9 12  
Kilometers  
0 4 8 12 16



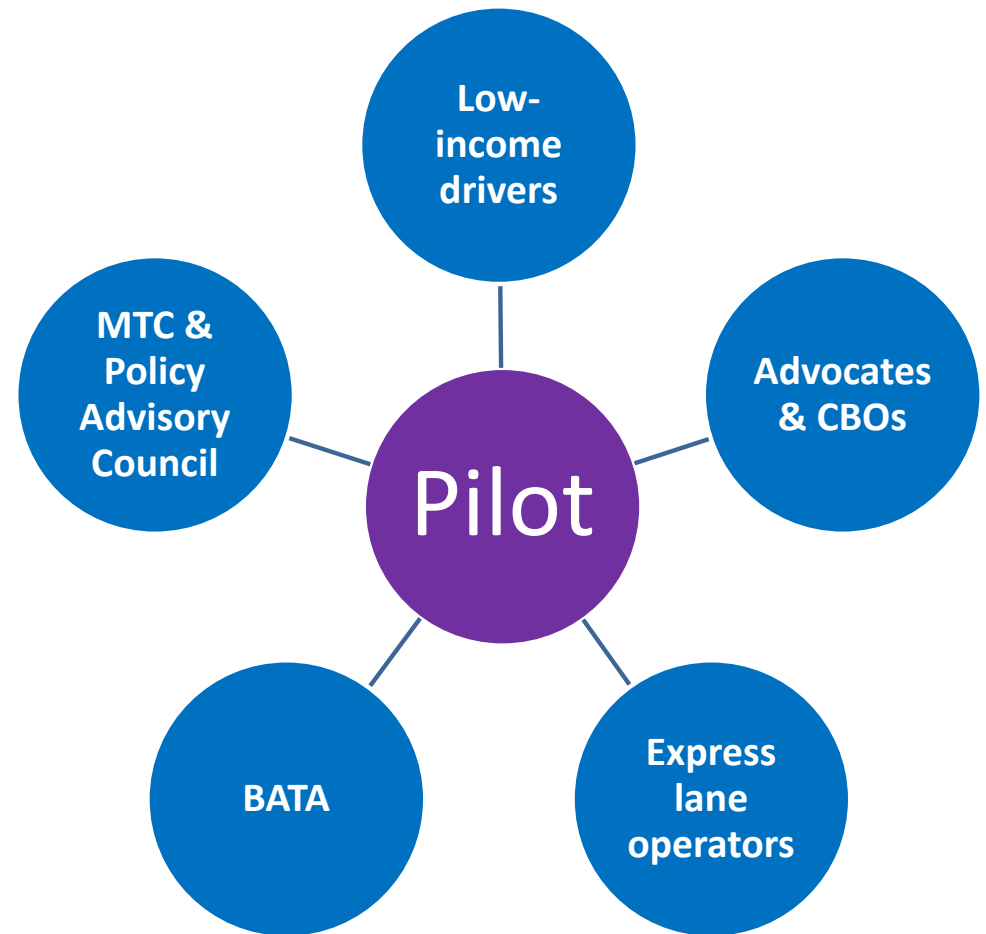
Source: Communities of Concern - Plan Bay Area 2050, 2020  
Map Author: MDS, Data and Visualization Unit, MTC 08/2020

I-680 Contra Costa  
9 within 7 miles  
None from Walnut  
Creek to Pleasanton

I-880 Alameda  
24 within 7 miles  
More evenly spread  
throughout corridor

# Who are the stakeholders and how will they be engaged?

1. Advisory Committee
  - Express lane operators
  - Bridge operators
2. Pilot Design & Evaluation
  - Low-income drivers
  - Advocates
3. Customer Outreach
  - Community-Based Organizations
4. Progress Reports and Policy
  - BAIFA
  - Equity & Access Subcommittee to MTC's Policy Advisory Council



# Preliminary Schedule and Risks

Work Area	2020	2021				2022				2023
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Planning & Contracts										
Pilot Design										
Technical Systems										
Toll Ordinance										
Data & Evaluation										
Operations										
Customer Outreach										

- Possible schedule impacts:
  - Scope revisions based on stakeholder input
  - Ability to sequence interdependent work
  - Ability to sequence FasTrak Customer Service Center work with express lanes openings in 2021

# Preliminary Cost Estimate

Pilot Corridor	Start-Up Cost Estimate*
Initial Deployment: I-880	\$3.0 million
Expansion: I-680 Contra Costa	\$1.0 million
Total	\$4.0 million

*\*Mostly outreach, system development and evaluation costs; not monthly operations costs*

1. Intend for up to \$3.0 million of BAIFA capital program funds
2. Seek other funds for systems costs to support a scalable platform and regional mobility account building block
3. Ability to expand to 680 depends ultimately on total cost and funding
4. Operations budget to be established by BAIFA later