



# American Rescue Plan Act Transit Relief Funds

## Phase 1 Funding Distribution

# Principles Guiding the Distribution of ARP Funds

In May, the Commission adopted a set of principles to guide the distribution of ARP funding:

## Stabilize & Sustain Transit

Funds should be used to ensure the financial stability of the region's transit operators.

## Restore & Reimagine Service

Funds should be distributed on the condition that operators take measures to restore service to at least match current demand, and to plan to deploy additional service in a way that advances equity and at a level necessary to support increased local and regional transit demand.

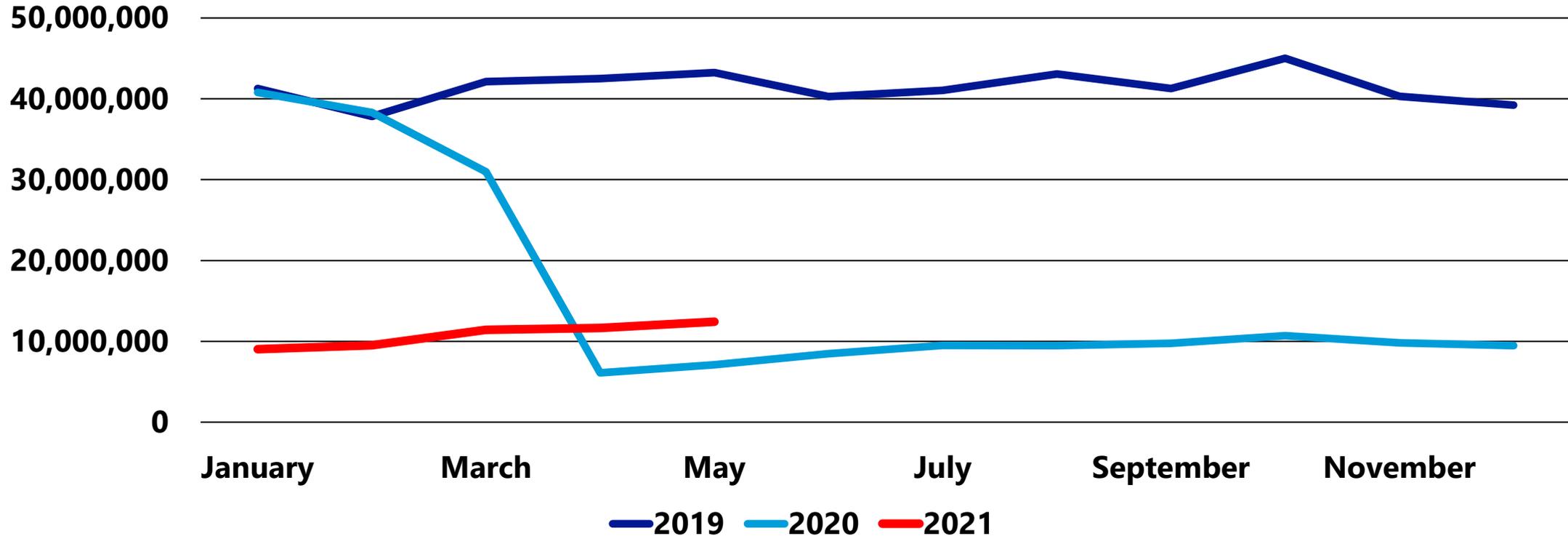
## Improve Customer Experience

Funds should be used to promote and sustain transit usage in the region. Transit needs to invest to welcome riders back or risk that habits and travel modes adopted during the pandemic will linger long after the public health risk has passed. To better compete with other modes of transportation, transit must be safe, reliable, affordable, and easy to use for riders.

# Bay Area Transit Ridership (all operators)

## May 2021 Ridership Down 71% from Pre-COVID-19 Levels

Ridership remains depressed from a 2019 average of over 40 million trips per month, to 12 million trips in May 2021. Since May, most operators are reporting continuing increases in ridership



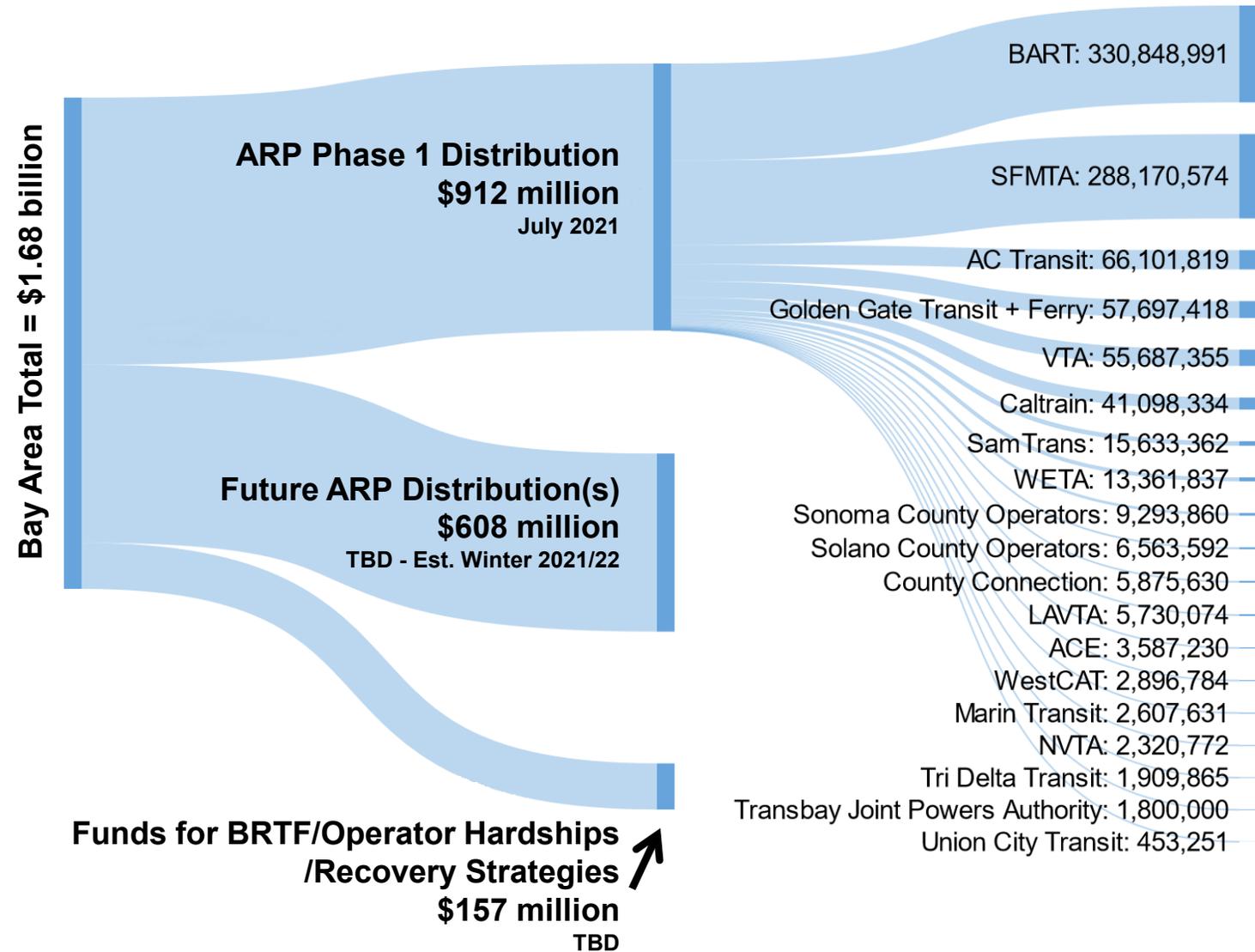
Source: National Transit Database and Operator Data

# ARP Transit Relief Funds Proposed Approach

## Phase 1 — \$912 million

### Distribution Approach

- Future Flexibility:** Distribute 60% of ARP funds, less set-asides, now in order to preserve the region's ability to respond to changing circumstances.
- Financial Needs-Based** Provide operators with needs-based relief to replace lost revenues, consistent with legislative intent and MTC's approach for the CARES Act and CRRSAA.
- Incentivize Service Restoration:** Provide a funding incentive to restore transit service levels, on top of back-filing forecasted revenue losses over the coming fiscal year.
- Level Financial Footing:** Ensure all operators receive an ARP funding allocation but strive to provide a more level financial footing to transit operators by considering the total amount of federal relief funds operators received relative to losses.
- Funds for BRTF/Hardships/Recovery Strategies:** Set aside ARP Funds for BRTF initiatives, to respond to operator hardship and disparities, and for focused recovery efforts.
- Solano/Sonoma Coordination:** Reinforce coordination efforts in Solano & Sonoma counties by allowing operators and CTAs to collaborate on how best to distribute ARP funds to operators.



# Operator Feedback on Staff Proposal

**AC Transit, BART, Caltrain, Golden Gate, SamTrans, SFMTA, and multiple smaller operators expressed support for MTC staff's proposal.**

## Ongoing Concerns Expressed by Some Operators:

- Continued conflict with central needs-based focus vs. how funds were apportioned to and within Urbanized Areas
- Incentive funding is not based on exact cost of restoring service
- Incentive funding does not acknowledge that some operators kept service hours high throughout pandemic
- Actual or more informed forecasts of revenue losses and an evaluation of service restoration should be key considerations in future funding phase(s)

# ARP Transit Relief Funds Proposed Distribution

Transit Operator	Total CARES + CRRSAA Allocations	ARP Allocation Phase 1	Proposed Total to Date
AC Transit	\$169,703,158	\$66,101,819	\$235,804,977
BART	\$755,190,996	\$330,848,991	\$1,086,039,987
Caltrain	\$111,329,363	\$41,098,334	\$152,427,697
Golden Gate Transit + Ferry	\$111,329,896	\$57,697,418	\$169,027,314
SFMTA	\$714,701,296	\$288,170,574	\$1,002,871,870
SamTrans	\$62,308,253	\$15,633,362	\$77,941,615
VTA	\$181,132,977	\$55,687,355	\$236,820,332
<b>Large Operator Total</b>	<b>\$2,105,695,939</b>	<b>\$855,237,854</b>	<b>\$2,960,933,793</b>
<b>Small/Medium Operator Total</b>	<b>\$157,740,681</b>	<b>\$56,400,526</b>	<b>\$214,141,207</b>
<b>GRAND TOTAL</b>	<b>\$2,263,436,619</b>	<b>\$911,638,380</b>	<b>\$3,175,074,999</b>

# Next Steps

Summer/Fall  
2021

①

Closely monitor the status of ridership, transit service levels, and revenue.

②

Following completion of the BRTF Transformation Action Plan, develop investment plan for a portion of the \$157 million set aside for BRTF initiatives. Work with Commission and transit operators to address unique operator hardships/focused recovery efforts with remaining set-aside.

Fall/Winter  
2021/2022

③

Return to the Programming and Allocations Committee in November/December 2021 with an update on the status of the ridership and financial recovery.

④

Develop proposal(s) for a Phase 2 distribution of some or all the remaining unallocated ARP funds (\$608 million), consistent with the Principles adopted in May. Phase 2 distribution should reflect the latest data on the status of the recovery.