

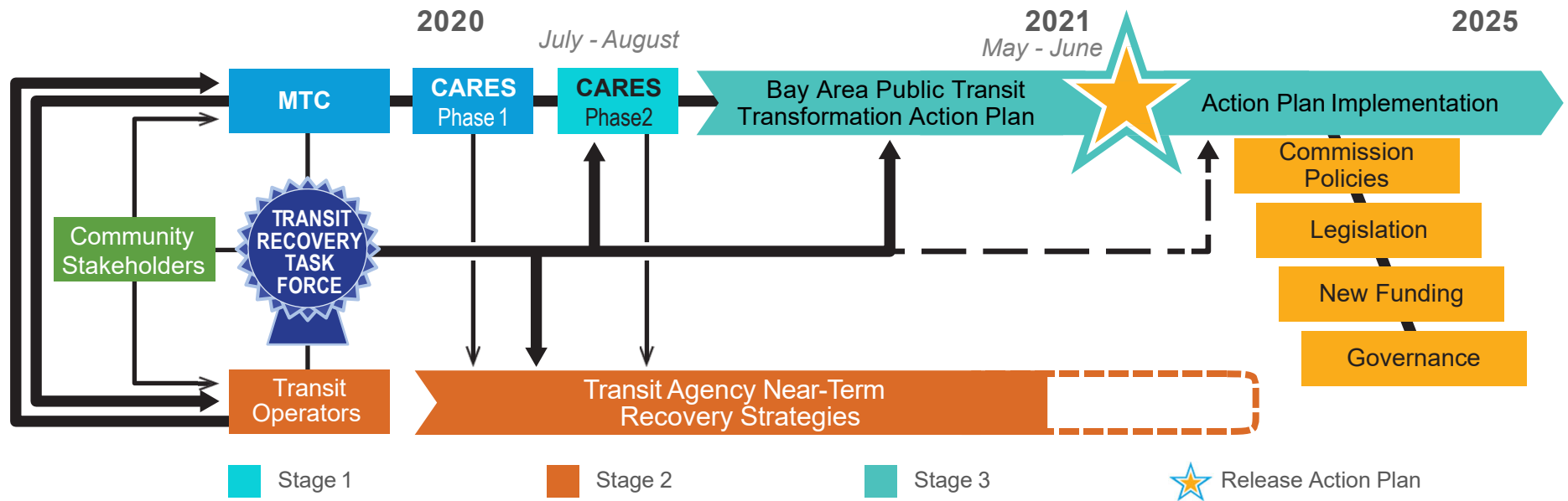
A woman with dark hair, wearing a light blue surgical face mask and a dark jacket, is looking out of a window. The background is blurred, showing what appears to be an indoor setting with other people and structural elements. The overall tone is somber and reflective.

**PHASE 2 CARES  
FUNDING PROPOSAL**  
PROGRAMMING AND ALLOCATIONS  
JULY 8, 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 TIMELINE



# TASK FORCE MEETING TOPICS

## Meeting 1 – May 29, 2020

- Task Force Framework
- Task Force Member Perspectives

## Meeting #2 – June 15, 2020

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

## Meeting #3 – June 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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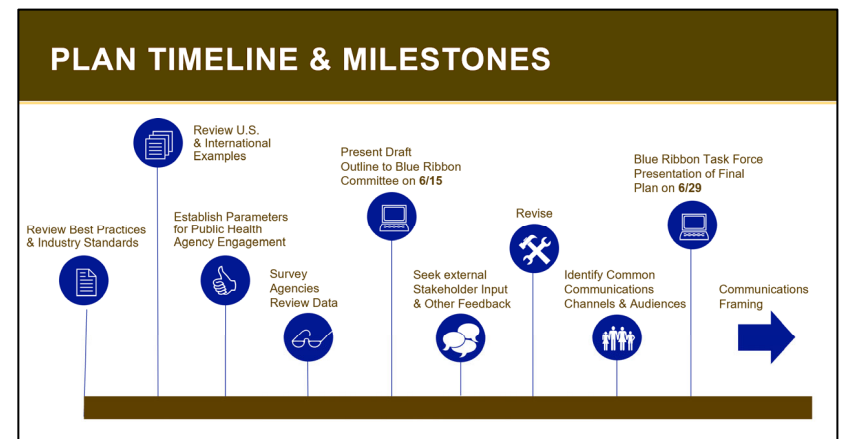


TRANSIT RECOVERY  
TASK FORCE



# OPERATOR HEALTH & SAFETY PLAN

- 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





# 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 operators, monitor connectivity and minimize gaps

## Related Regional Collaboration

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





## PHASE 2 CARES ACT FUNDING

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# ADOPTED FUNDING DISTRIBUTION PRINCIPLES

- 1. Move quickly** to distribute the first allocation of funds to operators as soon as possible
- 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

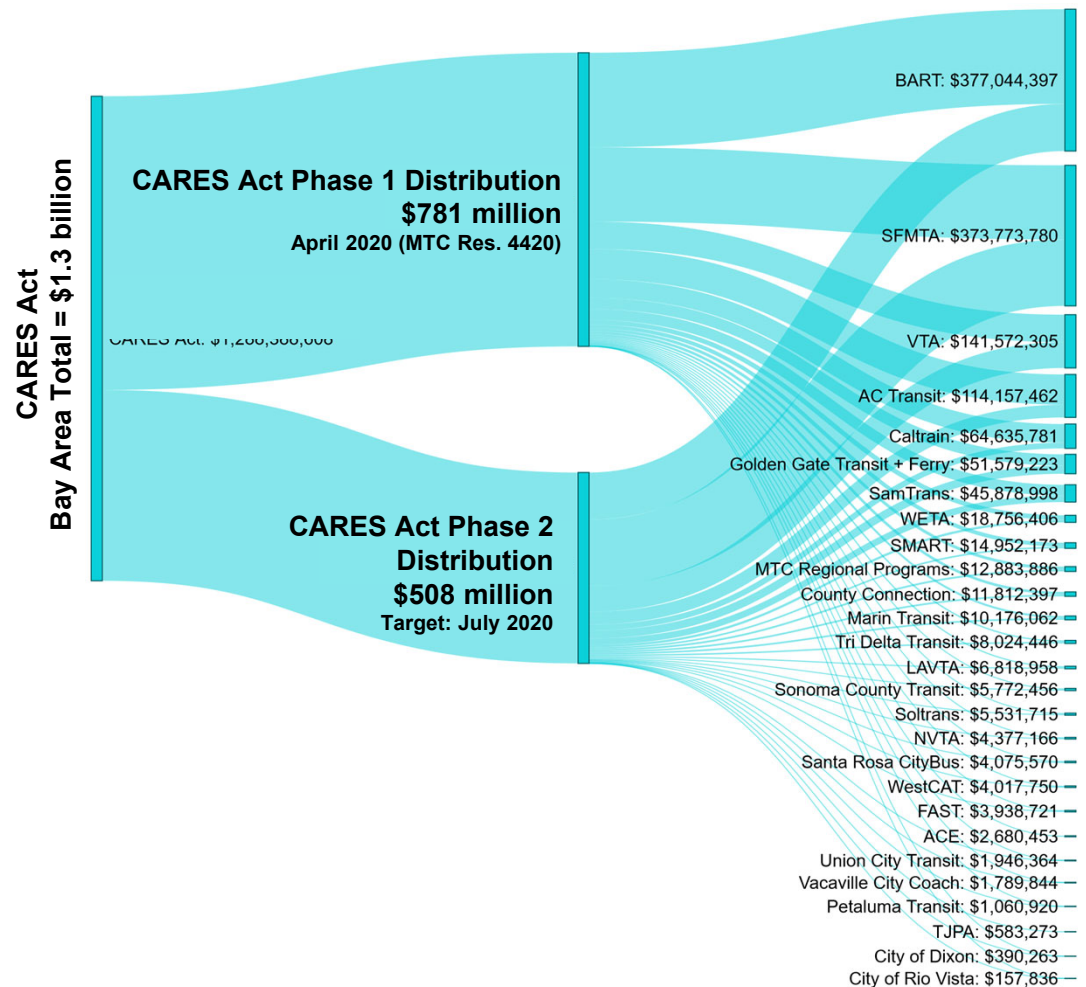
## Phase 2 (Proposed) — \$508 million

### 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 12/3030 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**.



# EQUITY IN ACTION – CLIPPER START



## 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

# 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

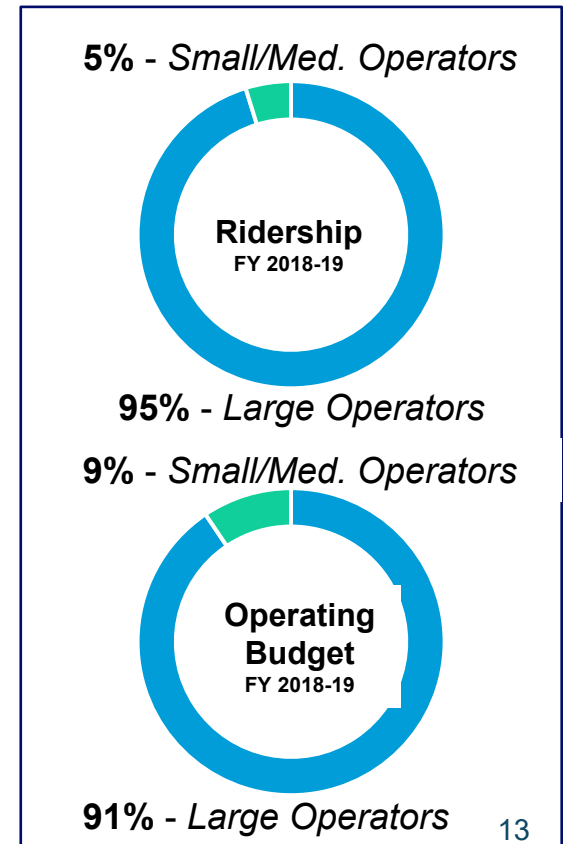
- *Fares* **-70%**
- *Sales taxes* **-30%**
- *BATA bridge tolls* **-25%**
- Golden Gate Bridge tolls **-40%**
- *SFMTA Parking* **-15%**
- SFMTA General Fund **-20%**
- Park n Ride revenues **-75%**
- State Transit Assistance **-40%**
- State Rail Assistance **-40%**

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

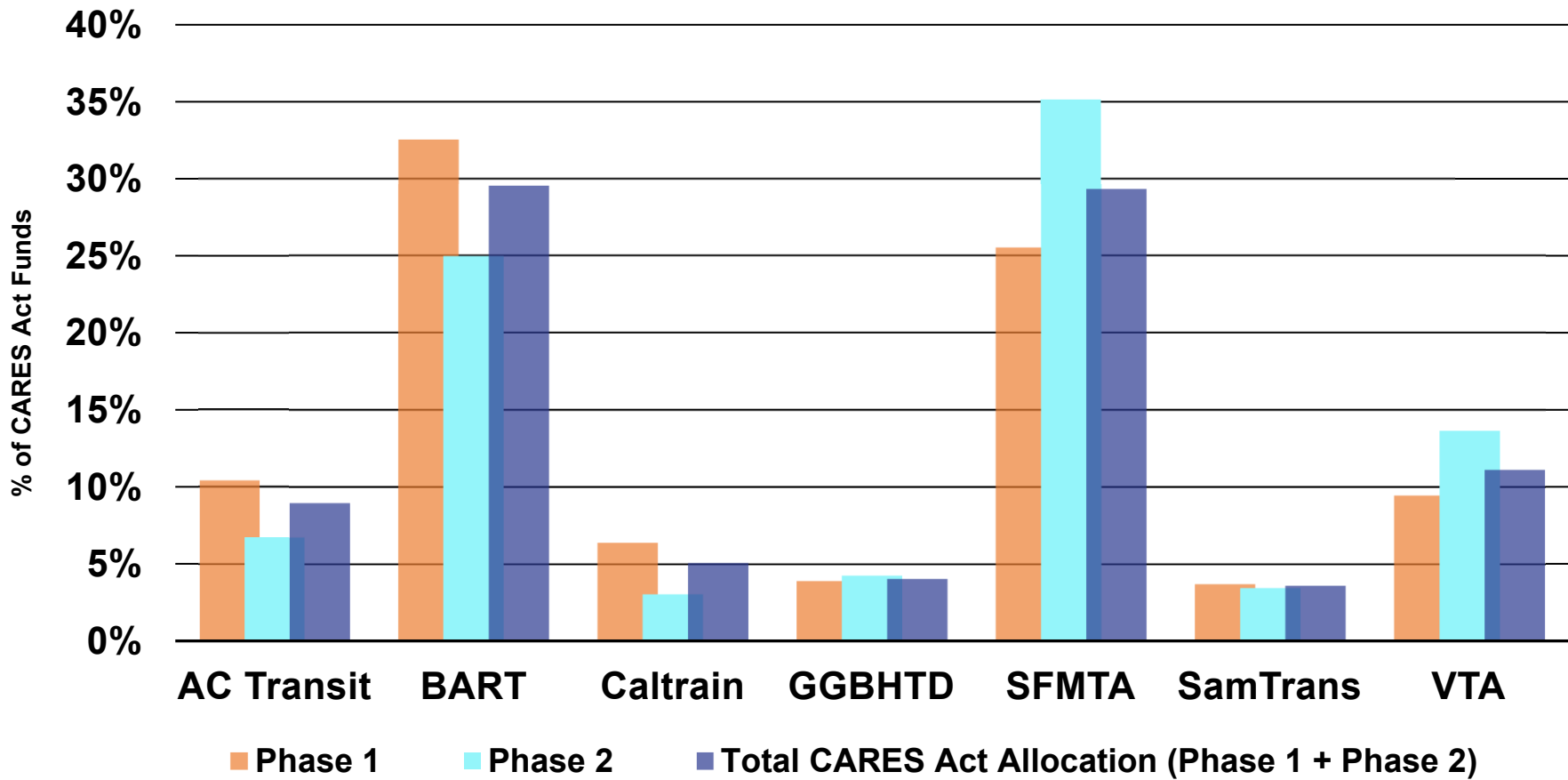


# CARES ACT PROPOSED DISTRIBUTION

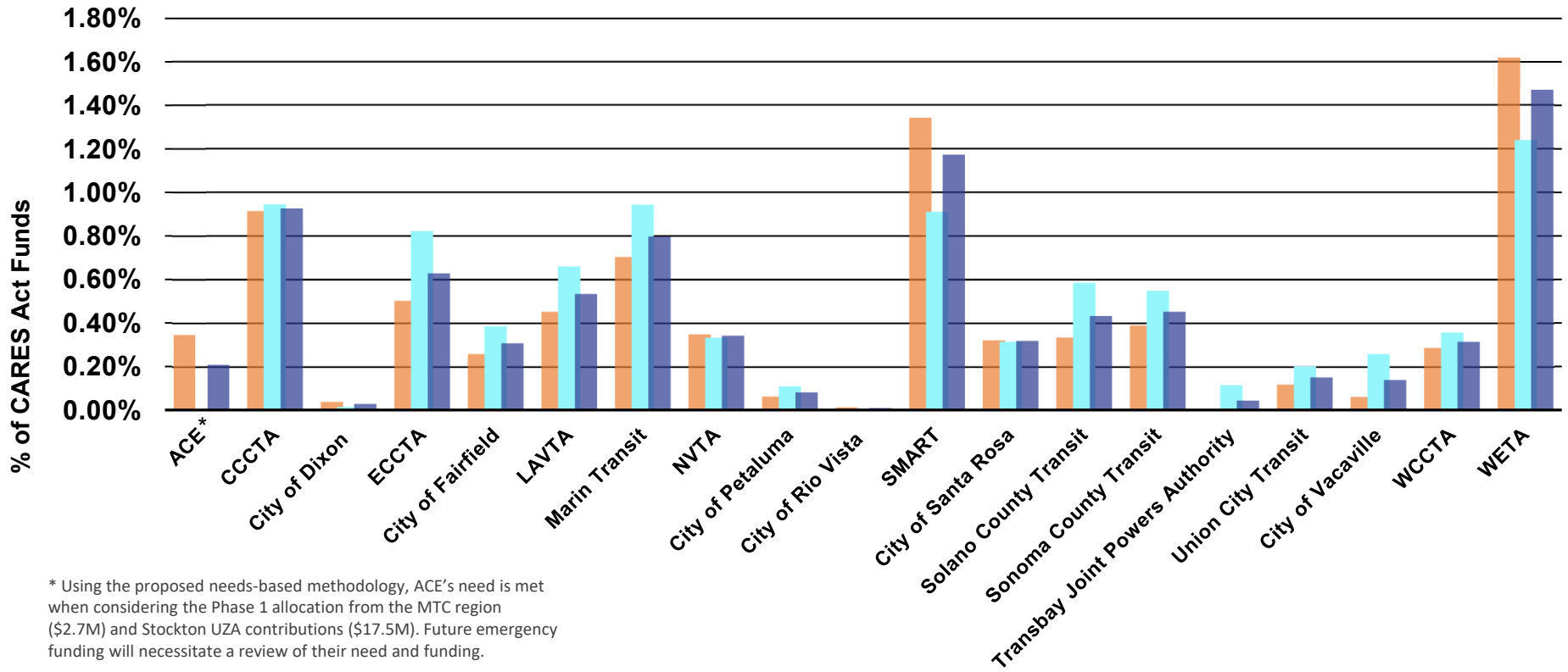
Transit Operator	Total CARES Act Allocation (Phase 1 + Phase 2)	Total CARES Act Allocation % Share (Phase 1 + Phase 2)
AC Transit	\$114,157,462	8.9%
BART	\$377,044,397	29.6%
Caltrain	\$64,635,781	5.1%
Golden Gate Transit + Ferry	\$51,579,223	4.0%
SFMTA	\$373,773,780	29.3%
SamTrans	\$45,878,998	3.6%
VTA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



# CARES ACT % SHARES BY PHASE



# CARES ACT % SHARES BY PHASE, CONT.



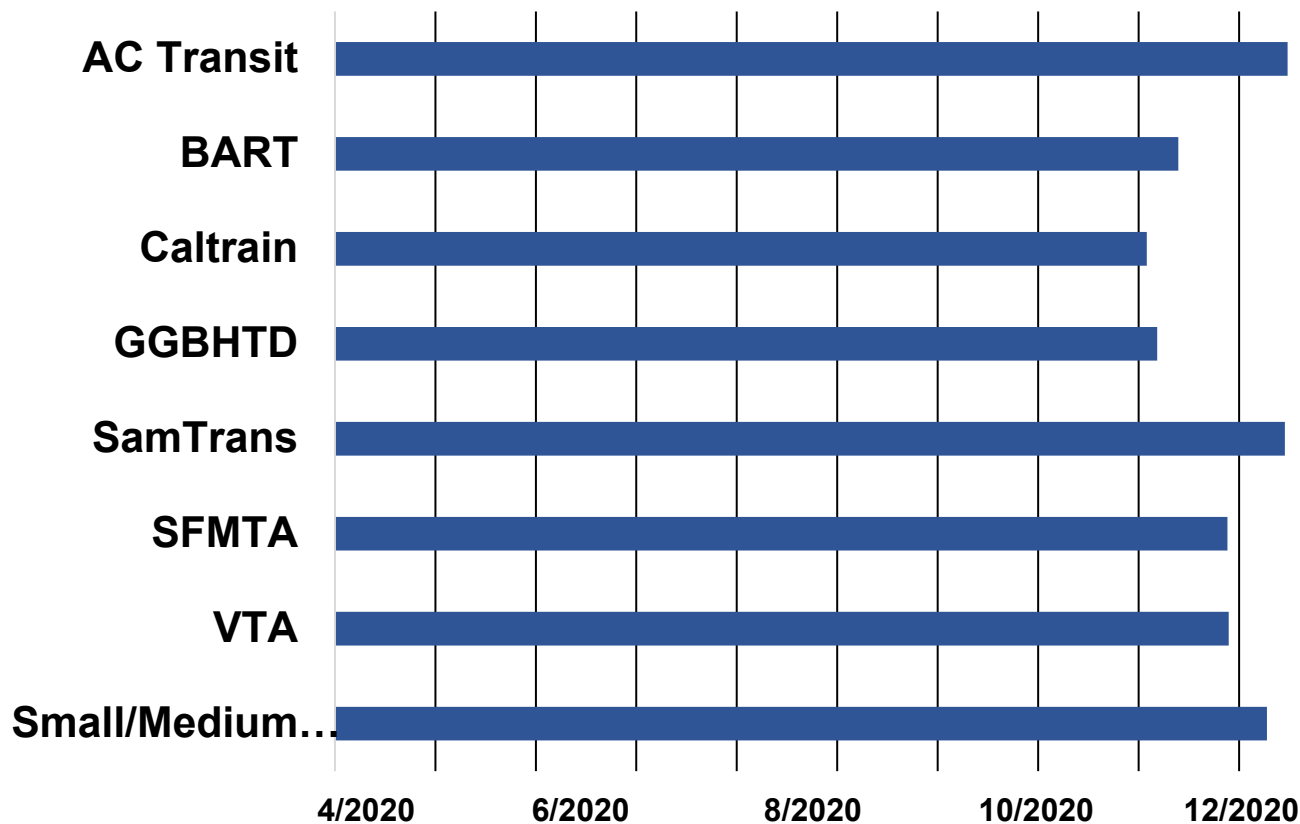
\* Using the proposed needs-based methodology, ACE's need is met when considering the Phase 1 allocation from the MTC region (\$2.7M) and Stockton UZA contributions (\$17.5M). Future emergency funding will necessitate a review of their need and funding.

■ Phase 1     
 ■ Phase 2     
 ■ Total CARES Act Allocation (Phase 1 + Phase 2)

# 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





THANK YOU.

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