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**Policy Advisory Council  
Equity and Access Subcommittee  
12:30 – 1 p.m.**

**Tuesday, December 8, 2015**  
Joseph P. Bort MetroCenter  
Claremont Conference Room  
101 Eighth Street  
Oakland, CA 94607

*The Policy Advisory Council advises the Metropolitan Transportation Commission on transportation policies in the San Francisco Bay Area, incorporating diverse perspectives relating to the environment, the economy and social equity.*

**Chair:**  
**Vice Chair:**

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**Staff Liaison:**  
**Staff Secretary:**

Pam Grove  
Martha Silver

**AGENDA**

- 1. Welcome**
- 2. New Business<sup>†</sup> (5 minutes)**  
*Members of the subcommittee may bring up new business for discussion or addition to a future agenda.*
- 3. Regional Means-Based (Low-Income) Transit Fare Pricing Study Update\* (25 minutes)**  
*Staff will provide an update on the regional means-based transit fare pricing study, including an update on the five scenarios to be evaluated in the next phase of the study.*
- 4. Public Comment on Items Not on the Agenda<sup>†</sup> (5 minutes)**  
*†Note: The subcommittee will not take action on items not listed on today's agenda.*
- 5. Adjourn/Next Meeting: To Be Determined**

<b>Presented By</b>	<b>Action</b>
Jim Blacksten	Information
Jim Blacksten	Information
Kristen Mazur	Information and Discussion
Jim Blacksten	Information

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- \* Attachment sent to members, key staff, and others as appropriate. Copies will be available at the meeting.
  - \*\* Attachment to be distributed at the meeting.
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Note: All items on the agenda are subject to action and/or change by the subcommittee. Actions recommended by staff are subject to change by the subcommittee.

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For information or questions regarding this meeting, call Pam Grove at 510.817.5706.

**Public Comment:** The public is encouraged to comment on agenda items at committee meetings by completing a request-to-speak card (available from staff) and passing it to the committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 510.817.5757 or 510.817.5769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 510.817.5757 或 510.817.5769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

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## *Memorandum*

TO: Policy Advisory Council Equity & Access Subcommittee

DATE: December 2, 2015

FR: Kristen Mazur

RE: Regional Means-Based Transit Fare Pricing Study Update

MTC is conducting the Regional Means-Based Transit Fare Pricing Study to develop scenarios for funding and implementing a regional means-based transit fare program or programs in the nine-county Bay Area, and to determine the feasibility of implementing the scenarios.

MTC staff presented a list of preliminary scenarios to the Equity and Access Subcommittee for feedback in September. The scenarios were also presented to the study Technical Advisory Committee (TAC), the Partnership Transit Finance Working Group, two focus groups with low income participants (in San Jose and Vallejo), and to low-income residents of San Francisco and the inner East Bay via telephone interviews. Attached is a summary of the feedback received from the various stakeholder groups.

At the Programming and Allocations Committee (PAC) meeting on December 9, 2015, staff will present an overview of the study as well as the five scenarios that will be further evaluated in the next phase of the study. The December PAC meeting materials will be posted on the MTC website later this week. In the meantime, you can refer to the attached memorandum and presentation prepared for the November PAC meeting (the item was originally intended to be presented in November, but due to time constraints was deferred to December).

If you have any questions or comments, please contact Kristen Mazur at [kmazur@mtc.ca.gov](mailto:kmazur@mtc.ca.gov) or (510) 817-5789.

Attachments

✓ = To be included in quantitative and qualitative evaluation

MTC Regional Means-Based Transit Fare Pricing Study  
Preliminary Scenarios – Feedback from Stakeholders

This attachment summarizes the feedback that we received from each of the stakeholder groups, including each group’s overall ratings of the scenarios (high, medium, low), and commonly heard comments about each scenario.

	1. The Big Idea <i>Suggestions from individual stakeholders*</i>	2. Discounted low Income fares and/or pass program  ✓	3. Discounted off-peak fare  ✓ <small>(in combination with 'C' below)</small>	4. Regional (or subregional) interagency pass	5. Make transfers more affordable	6. Monthly fare or trip accumulators  ✓	7. Add cash to Clipper card for low income riders; no change to fares  ✓	8. Increase use of existing discounts
<b>Study Technical Advisory Committee (TAC)</b> <i>Vote for <u>any</u> you'd like to further evaluate (most vocal supporters noted)</i>	#4 & #6	High SFMTA VTA	Medium Marin Transit VTA (support conditioned on further evaluation)	Low BART ("BART Board is interested in connectivity")	Low	High	Medium Social Services TAC members Equity TAC members VTA	Low
<b>Partnership Transit Finance Working Group (TFWG)</b> <i>General feedback (VTA's TFWG votes have been incorporated in TAC section above)</i>	N/A (no suggestions)	N/A (no comments; several operators commented at TAC)	N/A (no comments; several operators commented at TAC)	N/A (no comments; several operators commented at TAC)	N/A (no comments; several operators commented at TAC)	N/A (no comments; several operators commented at TAC)	Low	N/A (no comments; several operators commented at TAC)
<b>Policy Advisory Council Equity &amp; Access (E&amp;A) Subcommittee</b> <i>General feedback</i>	#4 & #2 #4 & #6	Low	Low	High	Low	High	Medium	Low
<b>San Jose Focus Group with Low-Income Persons</b> <i>Vote for top two choices</i>	N/A (not discussed)	Low	Low	Very High	Medium	Low	Medium	N/A (not discussed)
<b>Vallejo Focus Group with Low-Income Persons</b> <i>Vote for top two choices</i>	N/A (not discussed)	High	Low	High	High**	Medium	Medium	N/A (not discussed)
<b>SF/Oakland Phone Interviews with Low-Income Persons</b> <i>Vote for top two choices</i>	#2 & #7	High	High	High	Low	Medium	Medium	N/A (not discussed)

	1. The Big Idea <i>Suggestions from individual stakeholders*</i>	2. Discounted low Income fares and/or pass program  ✓	3. Discounted off-peak fare  ✓ (in combination with 'C' below)	4. <i>Regional (or subregional) interagency pass</i>	5. Make transfers more affordable	6. Monthly fare or trip accumulators  ✓	7. Add cash to Clipper card for low income riders; no change to fares  ✓	8. Increase use of existing discounts
<b>Commonly heard or notable "pros"</b>			Makes a lot of sense (E&A); It would benefit <i>me</i> personally, but voting for another option because it would help more people (focus groups)	Even if a heavy lift and/or only feasible at subregional level, we should keep it as one of the scenarios that is further evaluated because it would bring us toward our ultimate goal of better coordinated services (E&A, focus groups); Commonly requested by vets who need to make inter-county trips (focus groups)	Could potentially address needs of low-income persons who have multi-operator trips as a result of being displaced (TAC); Makes sense and is more fair because if a person is just making one trip (from origin to destination), it doesn't make sense why they should need to pay more just because they have to switch buses (focus groups)	In line with people's needs, makes sense (E&A)	Simple (TAC, E&A, focus groups); Easy to communicate to riders (TAC); Potential to partner with social services for means-testing and/or distribution (TAC)	Simple (TAC)
<b>Commonly heard or notable "cons"</b>		Adds yet another fare category (E&A)	If fares are raised during peak, it might hurt low-income riders (E&A); Increases complexity (E&A); Good idea, but transit would need to run later in order for this to be beneficial (Vallejo focus group)	Challenge to incorporate operators with distance-based fares (TAC); Operators would have to sacrifice revenue (TAC); Intense coordination required would be a big challenge/hard sell to operators (E&A, focus groups)	Interagency transfers are not very common (i.e., little benefit) (TAC)	Concerned about potential revenue loss for operators (E&A)	Fraud potential (TAC, TFWG)	

\* We did not ask each group to come to a consensus on a "Big Idea"; the combinations shown are miscellaneous suggestions from individual group members.

\*\* Note that this is a very specific local concern related to the fact that SolTrans has eliminated transfers (and replaced them with a day pass).

**Stakeholder feedback on Revenue Generating Scenarios**

	A. Eliminate non-mandated cash discounts/eliminate proxies for low income  ✓	B. Eliminate discounted fare products (e.g., monthly passes)	C. Implement fare increases for non-low income riders  ✓ (in combination with #3 above)
<b>Study Technical Advisory Committee (TAC)</b>	Low	N/A	Low
<b>Partnership Transit Finance Working Group (TFWG)</b>	Low	Low	Low
<b>Policy Advisory Council Equity &amp; Access (E&amp;A) Subcommittee</b>	Low	Low	Low
<b>San Jose Focus Group with Low-Income Persons</b>	N/A (not discussed)	N/A (not discussed)	N/A (not discussed)
<b>Vallejo Focus Group with Low-Income Persons</b>	N/A (not discussed)	N/A (not discussed)	N/A (not discussed)
<b>SF/Oakland Phone Interviews with Low-Income Persons</b>	N/A (not discussed)	N/A (not discussed)	N/A (not discussed)
<b>Notable and/or commonly heard “pros”</b>	None	None	None
<b>Notable and/or commonly heard “cons”</b>	Discounts are offered for other reasons besides being a proxy for low income (honoring elders, etc.) (TFWG); Bus operators have few higher income riders, so there are not very many people that you could raise fares on (TAC, E&A); Wrong approach to penalize riders (TFWG, focus groups, E&A)	Might reduce incentive to ride transit (E&A); Wrong approach to penalize riders (TFWG, focus groups, E&A)	Bus operators have few higher income riders, so there are not very many people that you could raise fares on (TAC, E&A); Wrong approach to penalize riders (TFWG, focus groups, E&A)

***Feedback on scenarios in general and on scenario implementation***

The following were commonly heard comments regarding the scenarios *in general*:

- Simplicity and ability to communicate easily are very important.
- Anything on Clipper will rely heavily on low income residents' ease of obtaining and reloading Clipper cards (note that at focus groups, particularly in San Jose, few of the focus group participants knew where/how to obtain and replenish Clipper cards).
- The Regional Transit Connection (RTC) Discount ID Card, which is currently available to persons with qualifying disabilities, is a potential model for a regional discount card system that works well (note that other stakeholders felt the RTC model itself needed improvements).

The following were commonly heard and/or notable comments regarding scenario *implementation*:

- Operators do not want to be responsible for means-testing.
- The income threshold needs to take into account the high cost of living in the Bay Area.
- Likely that target population is not receiving any other benefit programs (e.g., CalFresh, MediCal).
- Several focus group participants *were* familiar with the PG&E CARE program, which could be used to determine eligibility, although not all would be able to use that as their own proof of eligibility.
- There need to be multiple options for proving income eligibility.
- If a scenario is selected that has an income threshold, there needs to be consideration of the riders who may be above the threshold but still low income.
- Obtaining and replenishing Clipper cards needs to be made much easier. Suggestions for Clipper card distribution included kiosks at libraries and high schools, a rolling van that travels to events in low-income communities.
- Lots of questions/confusion about how the discount would work with other discounts (e.g., senior, disabled, youth).
- Low income people frequently wish that they could buy a "family pass" (potentially something to consider when considering how discounts for youth are coordinated with the low income discount).
- Bus riders are very often low-income, therefore means-testing is not really necessary for that mode.



# Metropolitan Transportation Commission Programming and Allocations Committee

November 4, 2015

Agenda Item 5

**Subject:** Regional Means-Based Transit Fare Pricing Study Update

**Background:** Background and purpose

MTC has been involved in identifying transportation barriers for low-income residents and promoting solutions through various regional planning and policy initiatives for over a decade. These include the Coordinated Public Transit-Human Services Transportation Plan (“Coordinated Plan”), the Lifeline Transportation Program, the Community Based Transportation Planning (CBTP) program, the Regional Transportation Plan, and the Transit Sustainability Project.

Concerns about transit affordability are commonly raised by low-income residents during these planning efforts. Therefore, in the third cycle of the Lifeline Transportation Program, MTC set aside \$300,000 to look comprehensively at this issue in a Regional Means-Based Transit Fare Pricing Study.

MTC has received multiple requests for funding to support fare discount pilot programs. Although not all requests have been funded, the Commission has funded low-income or youth pass pilot programs through the Transit Performance Initiative (TPI) Incentive program. Additionally, MTC reaffirmed its desire to clarify the regional need for such discounts and the potential revenue and ridership impacts through the Regional Means-Based Transit Fare Pricing Study.

Study overview and status

The purpose of the study is to develop scenarios for funding and implementing a regional means-based transit fare program or programs in the nine-county Bay Area, and to determine the feasibility of implementing the scenarios. Per the study scope of work, each of the scenarios must be consistent with the following three overall program objectives:

1. Make transit more **affordable** for the Bay Area’s low-income residents.
2. Move towards a more **consistent regional standard** for fare discount policies.
3. Define a transit affordability solution that is **financially viable and administratively feasible**, and does not adversely affect the transit system’s service levels and performance.

MTC staff and the consultant team have conducted comprehensive outreach throughout the study to a variety of stakeholder groups listed in detail in the attached powerpoint presentation.

During the next phase of the project, the consultant will conduct a qualitative and quantitative evaluation of different discount scenarios described below:

Affordability Scenarios

The following scenarios are intended to address affordability barriers for low-income residents. Depending on the income threshold used and the amount of discount

offered, these scenarios may need to be paired with one of the Revenue Generating Scenarios (see R1, R2 below) in order to meet the study goal of being financially viable.

**(A1) Discounted Low Income Fares or Passes**

Most transit operators currently offer discounted cash fares or pass products to seniors, persons with disabilities, and youth. This scenario would create a similar type of discount category for low-income persons, which would allow those below a certain income threshold to purchase fares or passes at a discounted rate.

**(A2) Monthly or daily fare or trip accumulators**

Accumulators are alternative versions of daily or monthly passes that cap fares paid based on a set threshold (number of boardings or value) within a defined period of time. By doing this, accumulators allow riders to purchase a pass product (e.g., monthly pass) in small increments rather than needing a large amount of cash up-front. For example, if the fare is \$2.00 and a monthly pass is \$50, riders would just need to make sure there was at least \$2 in Clipper stored value each time they board. \$2 would be deducted from the rider's Clipper card on each boarding until the \$50 "cap" is reached (after the 25th boarding). After that, all trips would be free for the rest of the month. In this scenario, fares may be capped on a daily or monthly basis, and the cap may be set lower for low-income riders than for the general population.

**(A3) Clipper cards automatically loaded with transit stipend for low-income riders**

This scenario would not require a change to the transit operators' fare policies. Low income riders would simply receive a stipend on a regular basis (e.g., monthly) in the form of cash value on a Clipper card. This stipend could then be used to ride any transit service in the region. This is similar to the model commonly used in the social services field, wherein persons below a certain income threshold are eligible for direct subsidies such as CalFresh (subsidy for food purchases) and Temporary Assistance for Needy Families (temporary cash assistance program, traditionally referred to as "welfare"). In one variation that may be considered, the stipend can be provided on a one-to-one match basis, with each dollar added by the rider being matched with a stipend dollar.

Revenue Generating Scenarios

The following scenarios are intended to raise fare revenue. These scenarios may not address transit affordability barriers on their own, but the study will evaluate their fare revenue generating impacts so that they can potentially be paired with one of the affordability scenarios (see A1, A2, A3 above) in order to meet the study goal of being financially viable.

**(R1) Eliminate non-mandated cash discounts/eliminate proxies for low-income**

Transit fare and discount policies reflect local board policy as well as federal requirements. Federal law is specific about two areas of discounts for transit systems that use federal formula funds. Specifically, senior (defined as at least 65 years of age) and disabled passengers are required to receive a minimum 50% discount on fares

during non-peak hours. There are currently no federal requirements for fare discounts for youth and low-income persons. Bay Area transit discount policies vary considerably by transit operator and often exceed the federally required discounts. Under this scenario, discounts beyond those that are federally mandated would be eliminated and replaced with one of the affordability scenarios described above. The rationale is that, rather than spending funds on discounts for people who may not need them, subsidies should be directed to those who *need* a discount, including those that are not currently receiving any (e.g., low-income adults).

**(R2) Implement fare increases or peak transit pricing**

This scenario would look at the revenue generating effects of raising transit fares in the region. This scenario would always be paired with one of the Affordability Scenarios (see A1, A2, A3), so the net impact on low-income riders' fares would be a decrease. Multiple iterations of fare changes will be evaluated, including some that increase fares during the peak period only or decrease fares during the off-peak period. Peak transit pricing may help address equity issues in and of itself.

Next steps

After the evaluation is complete in late 2015, it will be presented to various stakeholder groups for input. Key findings, recommendations, and an action plan will then be developed and presented one more time to stakeholders for review in early 2016.

Staff will return to the Commission in approximately March 2016 with the draft report. Depending on the results of the study and Commission input on the recommendations, additional steps may be recommended for implementation activities.

At the same time, staff continues to explore potential funding opportunities in addition to the revenue generated scenarios outlined above, should the Commission want to pursue a Regional Means-Based Fare.

**Issues:** None.

**Recommendation:** None. Information and discussion only.

**Attachments:** Presentation

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# Regional Means-Based Transit Fare Pricing Study



Programming and Allocations  
Committee

November 4, 2015

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# Background and Purpose

- MTC's experience identifying transportation barriers for low-income residents

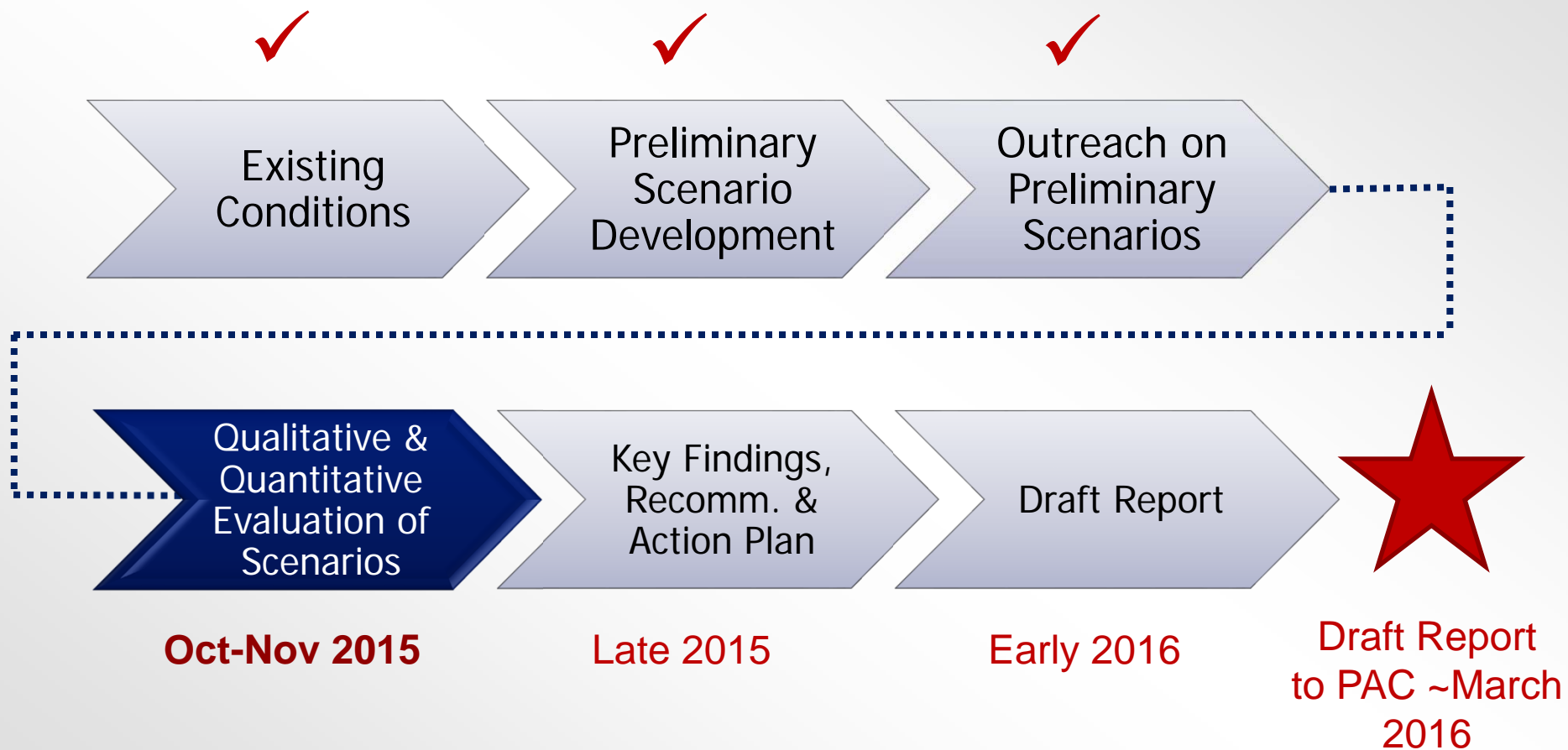


# Study Overview

- **Study purpose:** Develop scenarios for funding and implementing a regional means-based transit fare program and determine the feasibility of implementing the scenarios
- **Three overall program objectives:**
  1. Make transit more **affordable** for the Bay Area's low-income residents
  2. Move towards a more **consistent regional standard** for fare discount policies
  3. Define a transit affordability solution that is **financially viable** and **administratively feasible**, and does not adversely affect the transit system's service levels and performance



# Project Progress/Status



# Stakeholder Input

- **Study Technical Advisory Committee (TAC)**
  - Composition: 6 Transit Operators; 2 Social Services; 2 Equity
  - Open to the public
- **Policy Advisory Council Equity & Access Subcommittee**
- **Partnership Transit Finance Working Group**
- **Social Services Information Gathering Session**
- **Focus Groups with Low Income Residents (San Jose & Vallejo)**
- **Phone Interviews with Low Income Residents (S.F./Inner East Bay)**





# Affordability Scenarios

## **A1. Discounted Low Income Fares or Passes**

*Create a discount category for low-income persons, which would allow those below a certain income threshold to purchase fares or passes at a discounted rate.*

## **A2. Monthly or daily fare or trip accumulators**

*Accumulators are alternative versions of daily or monthly passes that would cap fares paid based on a set threshold (number of boardings or value) within a defined period of time.*

## **A3. Clipper<sup>®</sup> cards automatically loaded with transit stipend for low-income riders**

*Low income riders would receive a stipend on a regular basis (e.g., monthly) in the form of cash value on a Clipper card.*



# Revenue Generating Scenarios

## **R1. Eliminate non-mandated cash discounts**

*Discounts beyond those that are federally mandated would be eliminated and replaced with one of the affordability scenarios (A1, A2, A3).*

## **R2. Implement fare increases or peak transit pricing**

*Evaluate the revenue generating effects of raising transit fares in the region. This scenario would always be paired with one of the Affordability Scenarios (see A1, A2, A3), so the net impact on low-income riders' fares would be a decrease.*



# Scenario Evaluation Process

- **Qualitative Evaluation - degree to which the scenario achieves the three study objectives** (increases affordability; consistent regional standard; financially viable and administratively feasible)
- **Quantitative Evaluation**
  - **Ridership impacts**
  - **Fare revenue impacts**
  - **Financial analysis** including total costs (startup, ongoing administration, costs related to Clipper<sup>®</sup>), additional resource needs, revenue impacts, possible revenue offsets



# Next Steps

## ➤ **Related Considerations**

- Funding TBD, could include Lifeline Program or Cap & Trade
- Timing, relationship to Clipper<sup>®</sup> Next Generation system

## ➤ **Draft Report to PAC in March 2016**

Including key findings, recommendations, and an action plan

## ➤ **Implementation activities**

Contingent upon the results of the study and Commission input on the recommendations

