

# Bay Area Transit Update

Senate Select Committee  
on Bay Area Public Transit

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Legislation & Public Affairs*

May 16, 2023

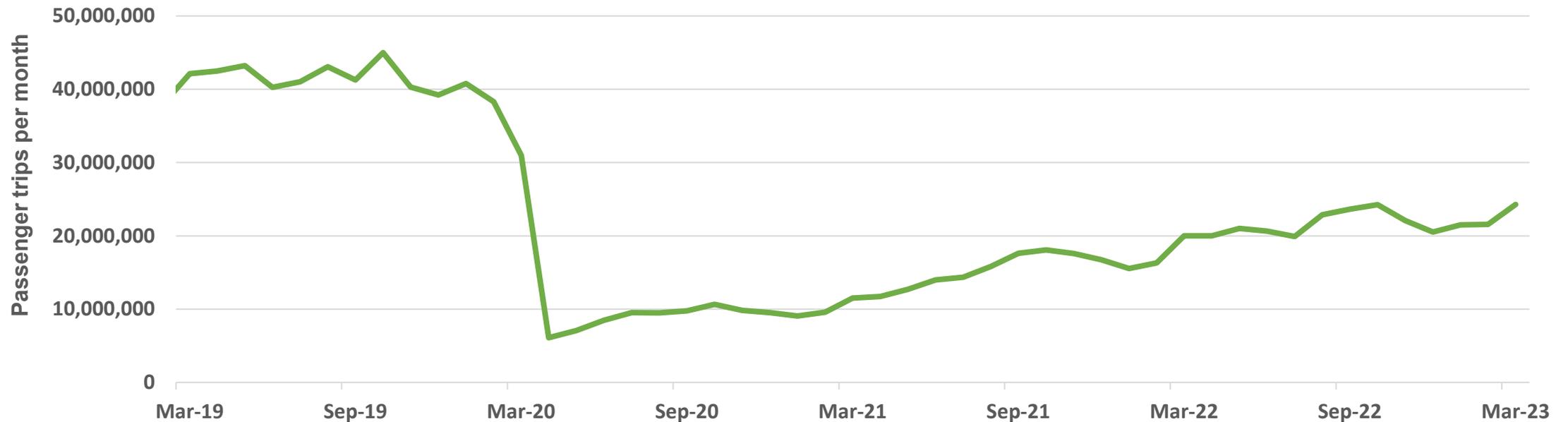




# Transit Ridership – All Bay Area Operators

Transit ridership across the Bay Area remains at only 56% of pre-pandemic levels. But **an average of more than 22 million passenger trips per month were still taken on transit in Jan–March 2023.**

The drop is not explained **solely** by remote work: Of those who are **still commuting**, the share taking transit fell from 14% in 2019 to 5% in 2021 (2022 data not yet available). That gap is an opportunity.



Source: National Transit Database

# The (Pre-Pandemic) Revenue Models of Bay Area Transit Operators



## User Fee Focused

Fares, Tolls, Parking Revenues

*Example Operators*  
BART, GGBHTD

## Sales Tax Dominates

Sales Taxes = 70% of Operations Rev.

*Example Operators*  
VTA, SamTrans

The financial position that Bay Area transit operators find themselves in today is closely tied to the type of **pre-pandemic revenue model** used by the agency to support operators

## Mix of Tax-Based Sources

Property/Parcel Taxes, Sales tax

*Example Operators*  
AC Transit, Marin Transit

## Unique Funding Mix

City General Fund, Special Agreements, MOUs

*Example Operators*  
SFMTA, WestCAT, ACE

Transit operators' **business model** (*the type of service they provide and the demographics of riders they target*) is also key to understanding their current financial position



# A Challenged Business Model



## Population Loss

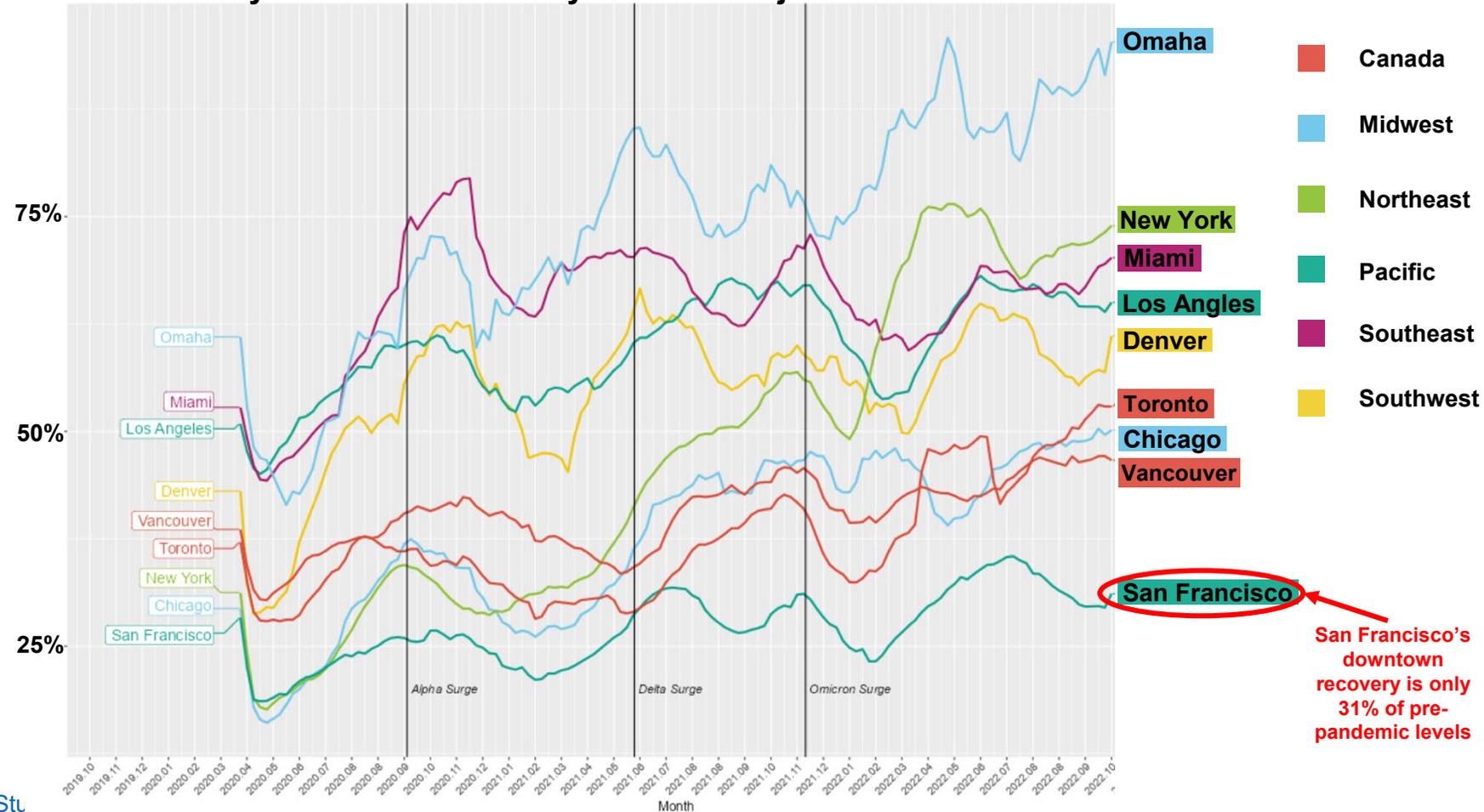
150,000 fewer people lived in the Bay Area 2022 than in 2015\*



## Workplace Changes

Downtown SF and Oakland have the *lowest rate of office in-person occupancy* in North America\*.

### UC Berkeley Downtown Recovery Quotient Trajectories in 9 Select North American Cities\*



San Francisco's downtown recovery is only 31% of pre-pandemic levels

\*Sources: UC Berkeley/U of Toronto – [Downtown Recovery Study](#)

# Key Findings from Short Range Transit Plan Exercise

In April 2022, MTC launched a short-range transit planning exercise that was adapted to examine what service *might* look like under different revenue constraints.

## ***Fiscal and operating challenges vary dramatically across operators***

1. Farebox dependent operators remain acutely vulnerable to sluggish ridership recovery.
2. 100% of pre-pandemic revenues would not be sufficient to restore 100% of pre-pandemic service.
3. Fiscal cliff is not the only challenge. For some agencies, operator recruitment and retention are as significant a challenge, if not more so, than fiscal ones when it comes to restoring transit service to levels operated pre-pandemic.

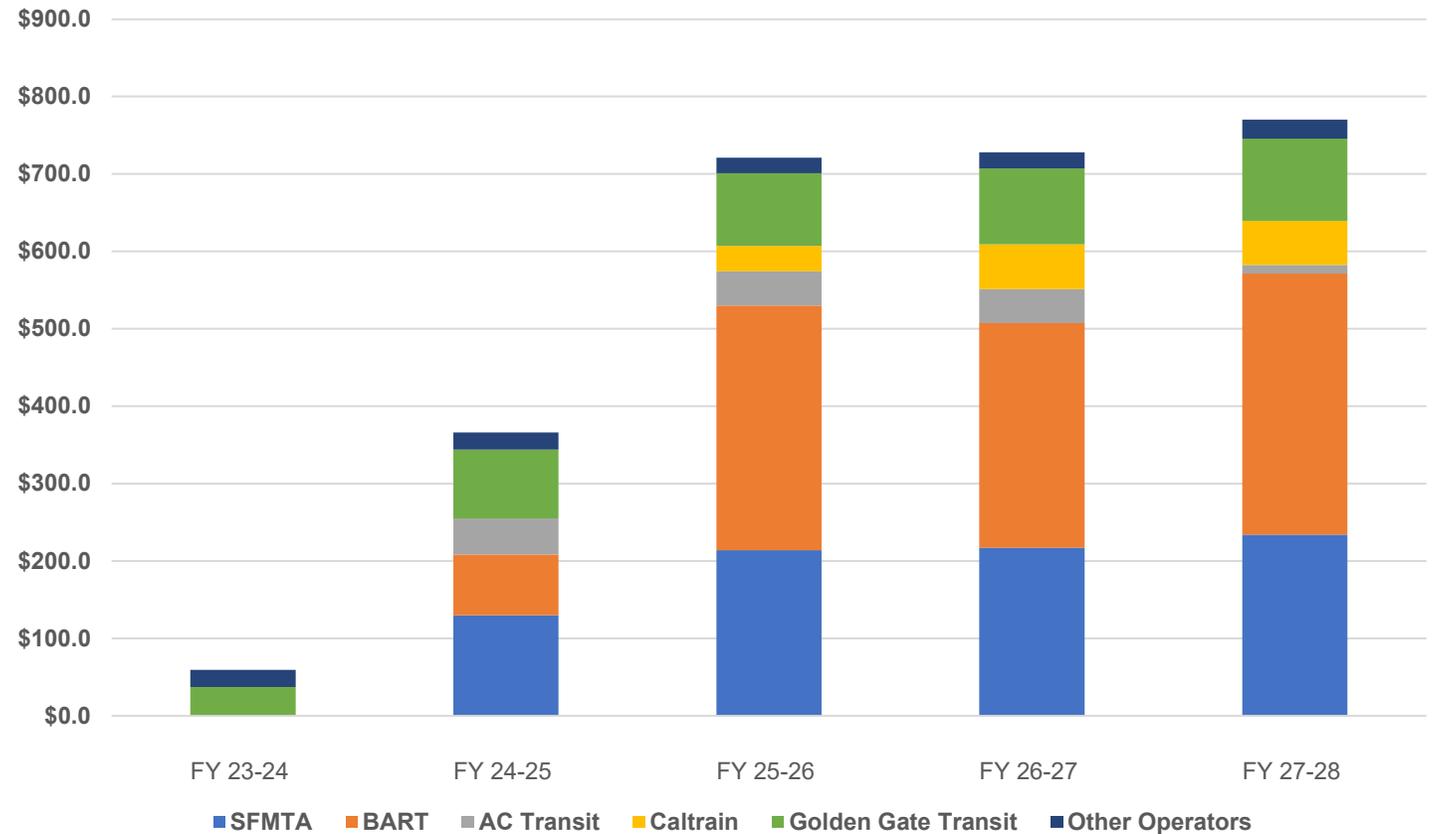


Photo: Karl Nielsen

# Bay Area Public Transit Needs Support to “Survive and Thrive”

**Bay Area transit operators report a cumulative operating shortfall of approximately \$2.5 billion over next five years**

- As COVID-19 relief funds dwindle, transit agencies need replacement funding to sustain operations.
- Funding is also needed for enhancements that improve the customer experience and increase ridership.



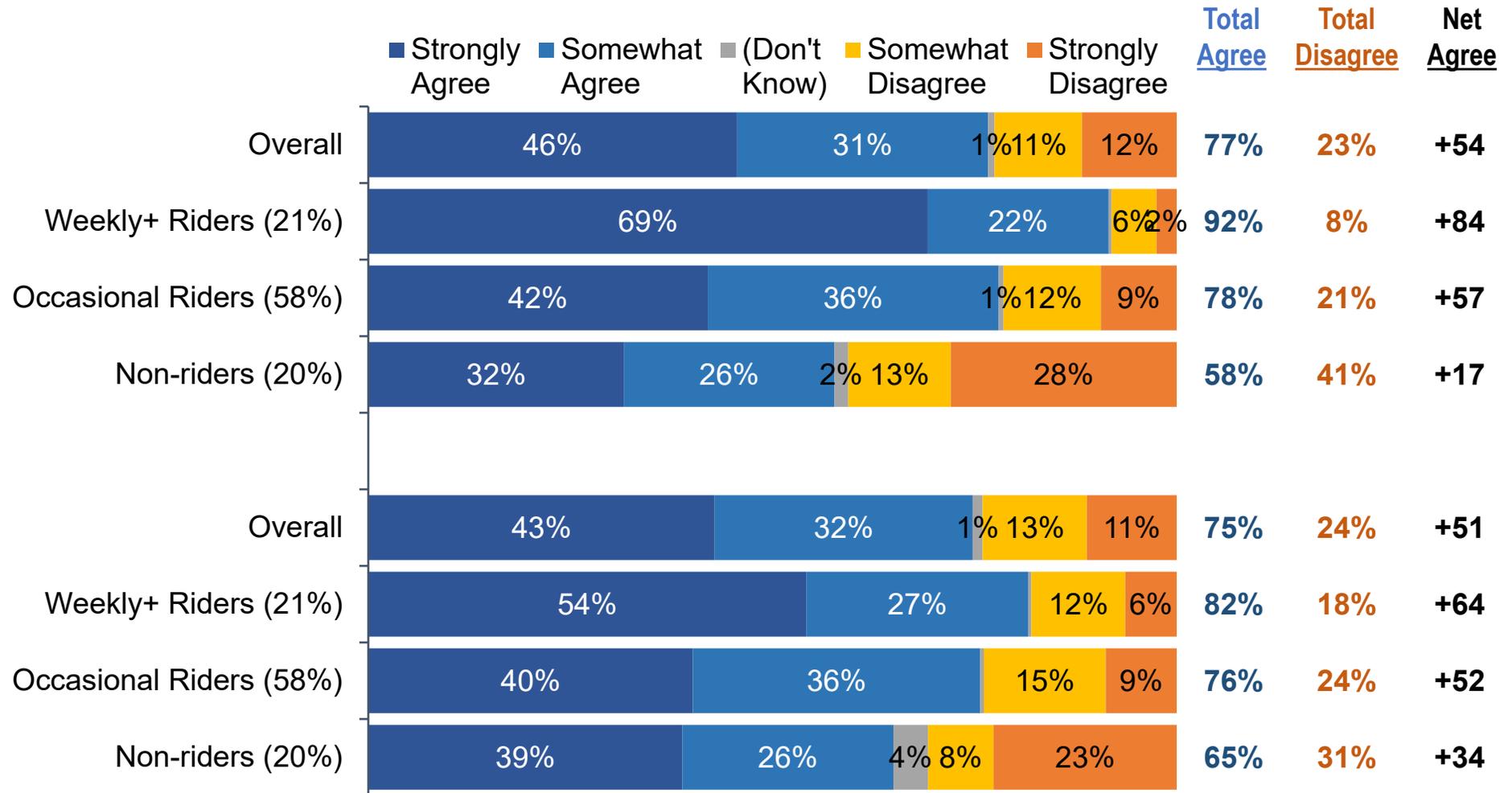
# MTC Supports Inclusion of Accountability Provisions to Help Transit Thrive

- We support accountability policies that focus on achieving the outcome of increased ridership. A recent poll commissioned by MTC was **very encouraging**, with **75% of Bay Area** voters saying **they would ride transit more** if it were improved, **including 58% of voters who currently don't use transit at all.**
- We support proposal by California Transit Association to require operators receiving funds to report on their finances and planned actions to expand ridership, followed by regular updates. Actions should have a focus on rider priorities, which include:
  - ✓ **Safety & cleanliness**
  - ✓ **Convenience (multi-dimensional)**
  - ✓ **Speed**

# Most Bay Area Voters Say They Would Ride Transit More if it Were Improved



If transit service were improved, I could see myself taking public transit more often in the future



I would ride public transit more often if it was cleaner and felt safer to ride

# Transit Investment Attitudes

We need to maintain the public transit service we have to make sure it is there for people who depend on it.

**87%**

Having high-quality, reliable public transit in the Bay Area benefits everyone, even people who don't ride it.

**79%**

We need to invest in real improvements to our public transit system to make it a better option for more people in the Bay Area instead of driving.

**74%**

We need to reduce public transit service now that that fewer people are using it by cutting routes, reducing frequency, and shortening service hours.

**10%**

Having high-quality, reliable public transit in the Bay Area really only benefits those who ride it.

**18%**

We should stop trying to improve a transit system that only a few residents use, and focus investments on other improvements that help people get around.

**22%**



# Focus Areas of Transit Transformation Action

## I. Fares and Payment

Simpler, consistent, and equitable fare and payment options.



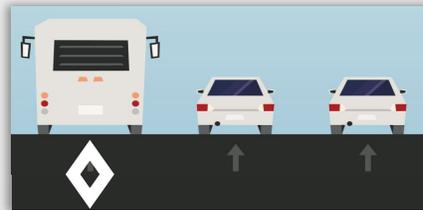
## II. Customer Information

Make transit easier to navigate and more convenient.



## III. Transit Network

Transit services managed as a unified, efficient, and reliable network.



## IV. Accessibility

Transit services for older adults, people with disabilities, and those with lower incomes are coordinated efficiently.



## V. Funding

Use existing resources more efficiently and secure new, dedicated revenue to meet funding needs.





**Unlimited\* regional transit pass for rides on all bus, rail and ferry services in the Bay Area – anytime, anywhere**



\*Excludes Muni Cable Cars

## Phase 1

Pilot with University Students and Affordable Housing Residents

*Launched 2022*

## Phase 2

Pilot with Employers, Transportation Management Associations and Property Managers

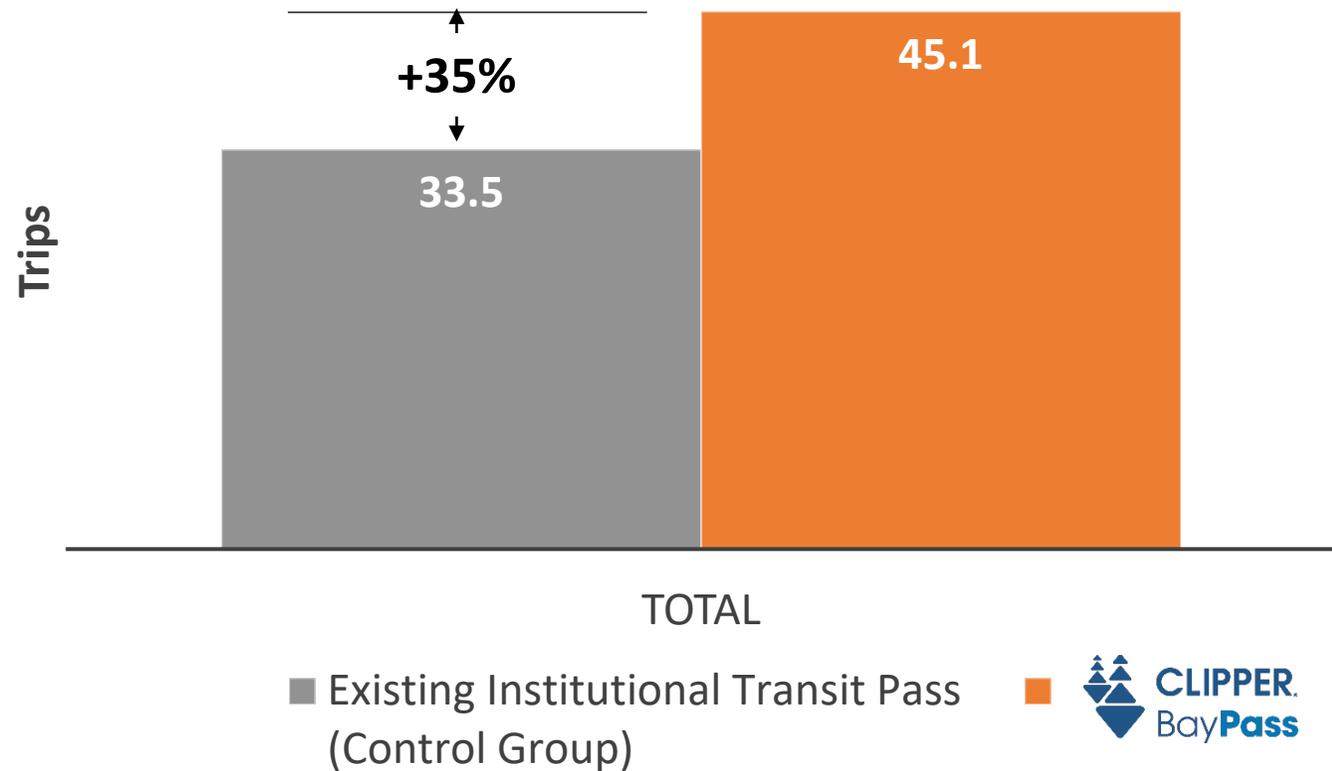
*Launching 2023*

More information: [www.ClipperBayPass.com](http://www.ClipperBayPass.com)

# Early Results from Clipper BayPass Very Encouraging

**+35%**  
Growth in transit trips  
Clipper BayPass  
participants have taken  
compared to control  
group

## Average Trips Per Card



Based on preliminary data gathered between August 19, 2022 and April 7, 2023, excluding December 16, 2022 to January 30, 2023.

# Regional Mapping & Wayfinding Project Scope



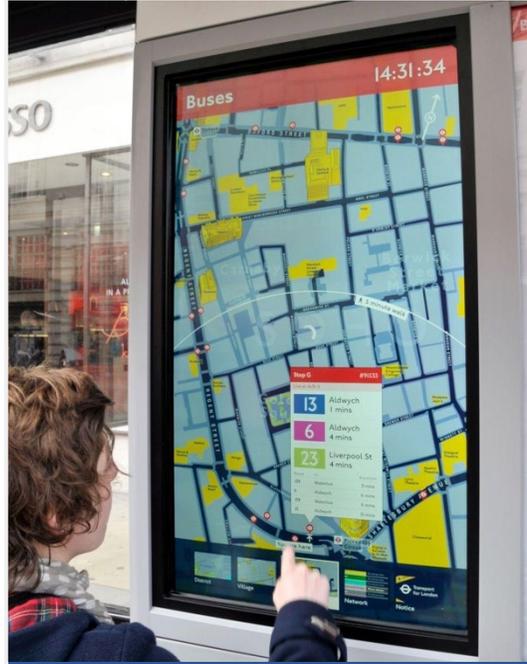
Identity



Directional



Information & schedules



Digital



Accessibility



Maps

# Bay Area Launching Regional Network Management

## RNM Mission:

To drive transformative improvements in the customer experience for regional Bay Area transit

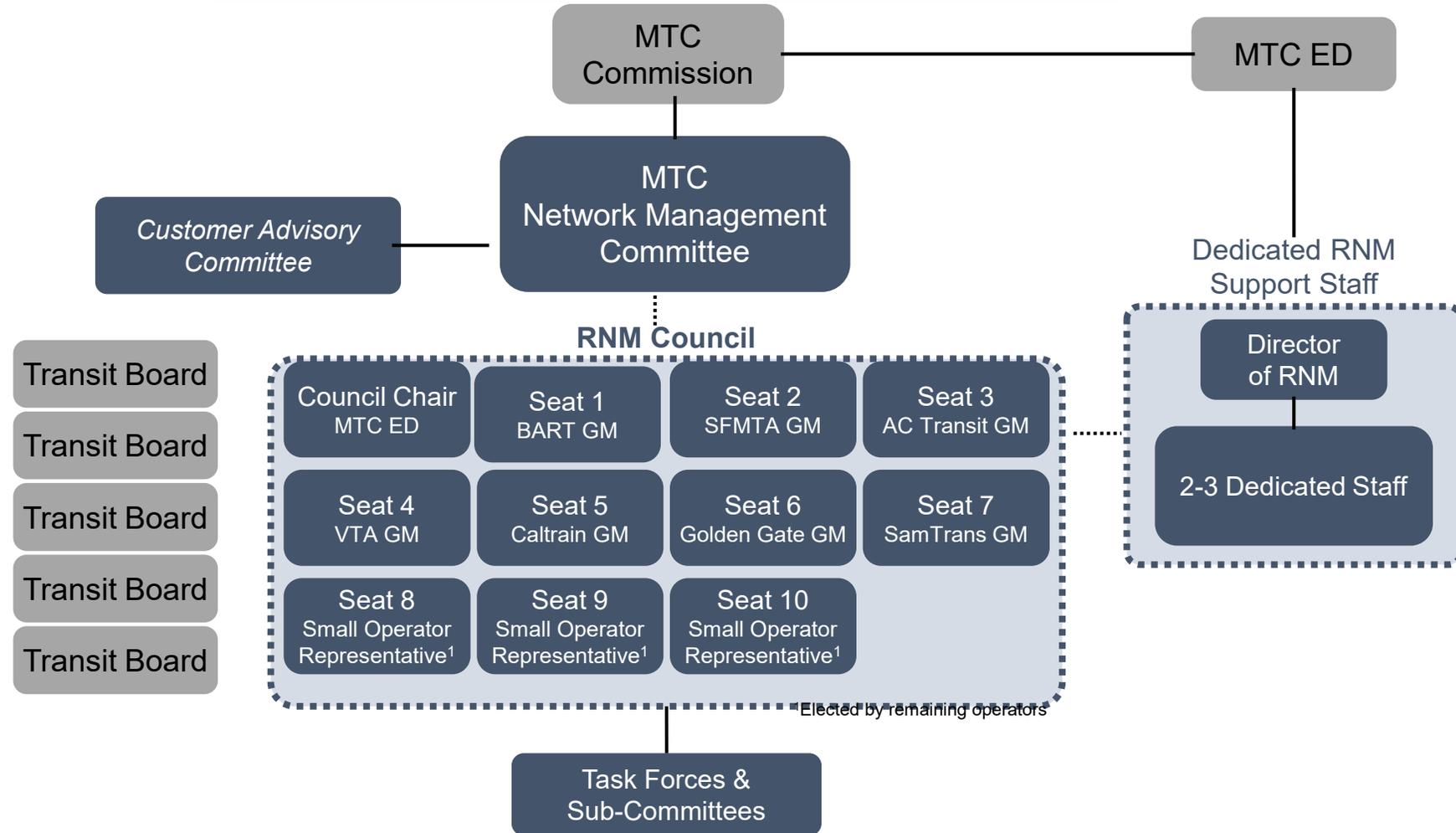
## RNM Vision:

To advance regional goals in equity, livability, climate, and resiliency through a unified regional transit system that serves all Bay Area populations

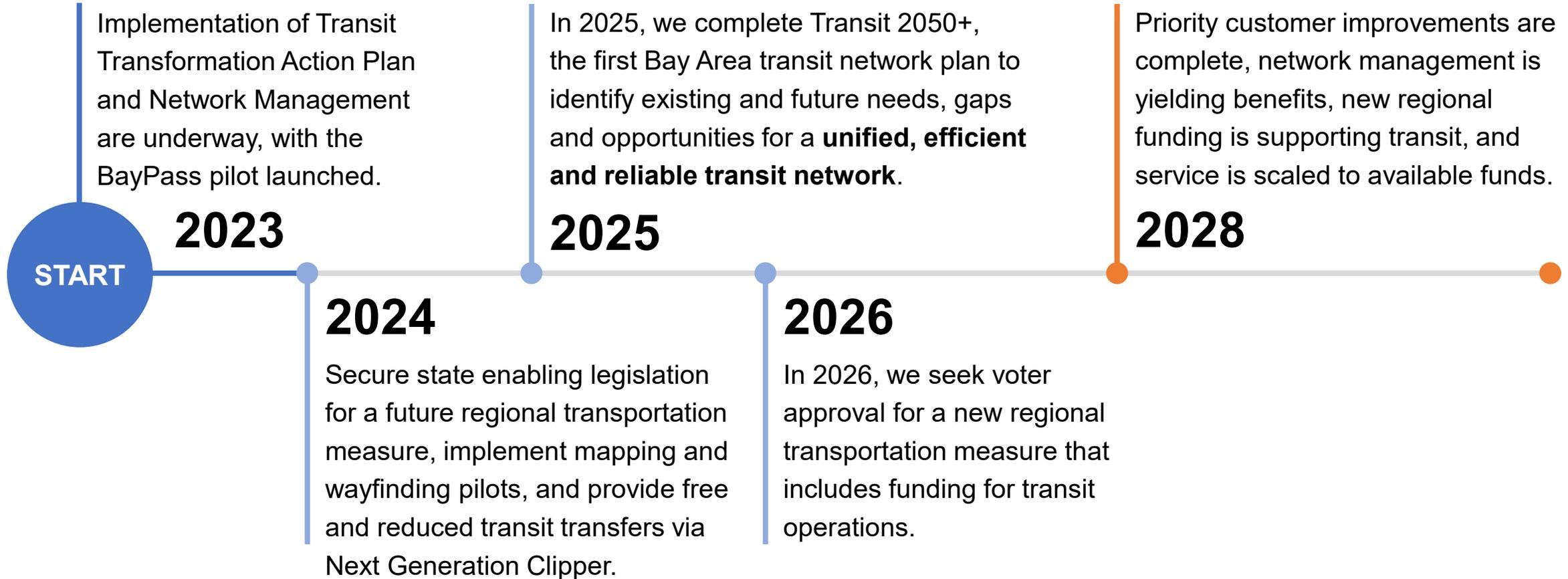
## RNM Objectives:

- Deliver Customer Benefits (e.g., enhanced experience, improved safety, increased accessibility, reduced travel times)
- Deliver Network Management Benefits (e.g., improved planning, economies of scale, increased ridership, improved decision making)
- Deliver Other Public Benefits (e.g., reduced VMT, economic growth, enhanced connectivity, increased equity)

## Organizational Structure



# The Path to a Financially Sustainable Business Model



# Questions & Comments?

