

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **RESOLUTION TO INCREASE CALTRAIN DISCOUNT TO 50 PERCENT FOR
REGIONAL MEANS-BASED FARE PILOT PROGRAM**

ACTION

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) adopt a resolution to:

1. Increase the discount offered on Caltrain for the regional means-based fare program from 20 percent to 50 percent for eligible participants; and
2. Direct staff to take any actions required to give effect to this change, including publishing an addendum to the fare chart identifying the new discounted fares.

SIGNIFICANCE

An effort led by staff from the Metropolitan Transportation Commission (MTC) and regional transit operators, the Bay Area's means-based fare pilot program (now known as "Clipper START") will provide a discount for eligible, low-income transit riders. The four transit operators involved in Clipper START are Caltrain; the Bay Area Rapid Transit District (BART); Golden Gate Bridge, Highway and Transportation District (GGBHTD) for both its bus and ferry services; and San Francisco Municipal Transportation Agency (SFMTA).

In February 2019, the Board adopted a resolution of support for Caltrain's continued participation in the regional means-based fare pilot program. The resolution of support indicated that Caltrain intended to participate in the pilot program by offering a discount of 20 percent off of single-ride adult Clipper fares. BART is also offering a 20 percent discount, while SFMTA and GGBHTD are offering a discount of 50 percent. The Board subsequently included the means-based fare discount in the JPB's most recent fare structure, adopted September 5, 2019.

Due to the ongoing coronavirus pandemic, Caltrain is facing significant ridership declines, and many residents in the region are struggling with serious economic hardship. In light of these challenges, the Executive Director has utilized his authority to temporarily discount fares by postponing several elements of the fare changes

adopted last September, including postponing a decrease to the Clipper fare discount that was supposed to take effect April 1, and fare increases previously slated to take effect July 1. Each of these temporary discounts must be approved by the Board if they are to be in place for more than six months.

At this time, staff also desires to increase the discount offered through Clipper START to 50 percent, but such change requires Board action as the Clipper START pilot is an 18-month program. Staff requests that the Board approve the attached resolution to change the discount offered on Caltrain through the Clipper START pilot program to 50 percent off the single-ride adult Clipper fares.

Regarding revenue loss reimbursement for transit agencies, MTC has agreed to fund half of the 20 percent per trip discount on adult fares for Clipper START participants (in excess of any existing Clipper discounts) offered to eligible persons. For transit agencies offering a discount that is more than 20 percent to Clipper START participants, the transit agencies are responsible for covering all of the revenue losses above the 20 percent regional discount level. MTC estimates that about \$8 million will be available each year to offset transit agency revenue losses (with an anticipated \$12 million available over the course of the 18-month pilot program), and a mathematical formula will establish the maximum amount of funding that could be available to each agency to offset revenue losses.

The regional means-based fare pilot program has long been anticipated to commence in spring 2020, but at this time, a precise launch date has not been set due to the variable conditions in the region with the coronavirus pandemic. MTC and transit agency staff continue to monitor these conditions and plan to launch Clipper START when the shelter-in-place orders have been lifted.

ADDITIONAL BACKGROUND

Substantial information on the means-based fare program has been presented at prior Board meetings, and is available at the website links listed below:

- August 2019 JPB Meeting – Item 3 (page 9 of the PDF):
http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-08-01+JPB+Board+packet.pdf
- February 2019 JPB Meeting – Item 10 (page 72 of the PDF):
http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-02-07+JPB+BOD+Agenda+Packet.pdf

NEXT STEPS

Later this summer, staff expects to return to the Board with one additional step to formally approve Caltrain's participation in Clipper START: authorization for the Executive Director to enter into a supplemental funding agreement for the Clipper START pilot program.

After Clipper START launches, staff anticipates bringing updates to the Board at a minimum of every six months concerning the status, successes, and challenges of the region's first means-based fare pilot program.

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RESOLUTION NO. 2020-

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

**INCREASING THE DISCOUNT FOR CALTRAIN UNDER THE CLIPPER START
REGIONAL MEANS-BASED FARE PILOT PROGRAM**

WHEREAS, on February 7, 2019, the Peninsula Corridor Joint Powers Board (JPB) adopted Resolution No. 2019-03, supporting Caltrain's participation in a regional means-based fare pilot program, now known as "Clipper START," being implemented by the Metropolitan Transportation Commission on four Bay Area transit systems that are offering discounts ranging from 20 to 50 percent off of single-ride adult Clipper fares for eligible passengers with low incomes; and

WHEREAS, on September 5, 2019, by Resolution No. 2019-32, the JPB adopted Caltrain's current Fare Structure, which includes a 20 percent discount on single-ride adult Clipper fares for eligible passengers as part the Clipper START pilot program; and

WHEREAS, prior to adding the Clipper START discount to the Fare Structure in 2019, the JPB followed its fare change policies and processes, including conducting a public outreach and public hearing process, and conducting a Title VI fare equity analysis finding that the Clipper START pilot program will not have a disparate impact on minority riders nor place a disproportionate burden on low-income riders; and

WHEREAS, the equity analysis findings would not be expected to be reversed by increasing the Clipper START discount from 20 percent to 50 percent; and

WHEREAS, commencement of the Clipper START pilot program, which will run for 12 to 18 months, has been postponed due to the COVID-19 pandemic and resulting shelter-in-place orders issued by the State of California (on March 19, 2020) and the

Boards of Supervisors of all three counties served by Caltrain (initially on March 16, 2020);
and

WHEREAS, the COVID-19 pandemic has dramatically reduced public transit ridership on Caltrain and beyond, and has caused economic hardship for countless individuals and employers, including many Caltrain customers; and

WHEREAS, staff recommends that the Board of Directors increase the discount associated with Caltrain's participation in the Clipper START pilot program from 20 percent to 50 percent to incentivize use of Caltrain by, and make the train more accessible to, low-income riders.

NOW, THEREFORE, BE IT RESOLVED that the Peninsula Corridor Joint Powers Board hereby increases the Caltrain discount associated with the Clipper START regional means-based fare pilot program from 20 percent to 50 percent off single-ride adult Clipper fares.

BE IT FURTHER RESOLVED that the Board directs staff to take such other actions as may be necessary to give effect to this resolution, including publishing an addendum to the Caltrain Fare Structure identifying the new discounted fares associated with the Clipper START regional means-based fare pilot program.

Regularly passed and adopted this 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary