

Date of Hearing: June 27, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION
Laura Friedman, Chair
SB 917 (Becker) – As Amended June 20, 2022

SENATE VOTE: 31-3

SUBJECT: Seamless Transit Transformation Act

SUMMARY: Requires the Metropolitan Transportation Commission (MTC) to adopt a Connected Network Plan; adopt an integrated transit fare structure; develop a standardized regional transit mapping and wayfinding system; and establish open data standards, as specified, for the 27 transit agencies of the Bay Area region. Requires the region’s transit agencies to comply or come into compliance with the established programs; or be ineligible to receive a portion of state transit funding in an amount determined by MTC. Specifically, **this bill:**

- 1) Makes findings and declarations regarding Bay Area transit use, the challenges of trying to achieve connectivity and integration of the Bay Area transit systems, actions developed by MTC to recover from COVID-19, and the need for legislation to ensure that the recommendations of the Bay Area Transit Transportation Action Plan are implemented in a timely manner.
- 2) Defines “Commission” to mean the Metropolitan Transportation Commission.
- 3) Defines “cable car service” to mean the historic cable car system operated by the San Francisco Municipal Transportation Agency (SFMTA).
- 4) Defines “local transit service” to mean bus and light rail transit service within or adjacent to a transit agency’s defined service area within the region, excluding bus services that cross a toll bridge over the San Francisco Bay.
- 5) Defines “regional transit service” to mean all heavy rail, commuter rail, ferry, or express bus services, as designated by a transit agency, and bus services that cross a toll bridge over San Francisco Bay. Regional transit service does not include intercity passenger rail or services operated by the San Joaquin Regional Rail Commission.
- 6) Defines “transit agency” to mean a public agency that meets all of the following requirements:
 - a) The public agency provides surface transportation service to the general public, complementary paratransit service to persons with disabilities, or similar transportation service to people with disabilities or the elderly.
 - b) The public agency operates the service as described by bus, rail, ferry, or other conveyance on a fixed route, demand response, or otherwise regularly available basis.
 - c) The public agency generally charges a fare for the service, as specified.

- 7) Establishes the regional transit coordination council (RTCC) to undertake the activities designated for the council, with the council consisting of executive directors or general managers, or their designees, representing transit agencies, as well as the executive director of MTC or their designee.

Connected Network Plan

- 8) Requires MTC, in consultation with RTCC shall develop and adopt a Connected Network Plan, on or before July 31, 2024, subject to an appropriation in the annual Budget Act or other sufficient funding. In the absence of additional funding, MTC shall complete the Connected Network Plan by December 31, 2025.
- 9) The Connected Network Plan shall do all of the following:
 - a) Be consistent with the State Rail Plan and the California Transportation Plan (CTP).
 - b) Identify connected network transit corridors and hubs of regional significance across the region.
 - c) Identify a transit priority network for the region that identifies corridors that will most benefit from improvements that support fast and reliable transit service that avoids conflict with traffic congestion and includes recommendations regarding an approach for coordination with right-of-way owners, including the California Department of Transportation (Caltrans) and local jurisdictions, on the development and implementation of transit priority improvements on corridors, arterials, and roadways where public transit operates and recommendations for updates to Caltrans design standards and policies to include transit priority improvements.
 - d) Identify service-level standards for connected network transit corridors and hubs to optimize access across the region, particularly for low income and transit dependent populations, corresponding to different density and land use conditions, including by doing both of the following:
 - 1) Identifying target travel times between key transit hubs, service frequencies, and operating hours for weekdays, Saturdays, and Sundays; and
 - 2) Quantifying access to jobs, housing, and other major regional amenities.
 - e) Identify operating and capital funding needs associated with the plan and its potential impacts to farebox revenue.
 - f) Requires transit agencies to fulfill all applicable requirements under title VI of the Federal Civil Rights Act of 1964 regarding service and fare changes.

Integrated Fare Structure

- 10) Requires RTCC, on or before December 31, 2023, in consultation with MTC, to adopt an integrated transit fare structure that will become effective on or before July 1, 2024. Requires MTC to approve the integrated fare structure, and requires the structure to be presented to transit agencies governing boards for consideration within 90 days.
- 11) Requires RTCC, in consultation with the MTC, to review the integrated transit fare structure to determine if updates are necessary no less than once per year, and requires recommended updates as needed based on that review and consultation.
- 12) Requires the region's transit agencies to comply with the integrated transit fare structure.
- 13) Requires the integrated transit fare structure to include all of the following:
 - a) No-cost local transit service transfers and reduced-cost regional transit service transfers, regardless of whether transfers are between the same transit agency or multiple transit agencies except if the transfer is to a cable car service. In the case of a transfer to a cable car service, SFMTA may determine the appropriate transfer fare policy.
 - b) May require common transfer rules for local fares, such as the duration of transfer validity.
 - c) Common definitions for adults, youth, seniors, persons with disabilities, and other categories.
- 14) Requires RTCC, on or before July 1, 2023, to establish a pilot program to develop and adopt, for the purposes of a period of a least one year and no more than three years, a common system of no-cost local transit service transfers and reduced-cost regional transit service transfers, regardless of whether transfers are between the same transit agency or multiple transit agencies, except if the transfer is to a cable car service. Permits a transit agency to withdraw from the pilot if the program is longer than 18 months and MTC, in coordination with RTCC, determines there is insufficient funding to offset the annual financial impact of the pilot program. Requires MTC by October 30, 2023 to allocate funding to offset the anticipated annual financial impact for the pilot program. Requires the pilot program to commence no later than January 1, 2024, or upon deployment of the Next Generation Clipper Fare Payment System, whichever is sooner.
- 15) Requires MTC, in consultation with RTCC, to prepare a report evaluating the pilot program and to present the report to a public meeting at least 90 days before the conclusion of the pilot program. Requires the report to include long-term funding plans should they recommend the continuation of the pilot.
- 16) Requires RTCC, in consultation with MTC, on or before March 31, 2024, to develop an estimate of the anticipated annual financial impact associated with implementing each of the following policies:
 - a) A common fare structure for regional transit services developed by member agencies of RTCC in coordination with MTC.

- b) A multiagency pass, which may include a cap that allows access to local transit services and regional transit services provided by the region's transit agencies on a daily or monthly basis, except for paratransit service.
- 17) Requires MTC to implement each of the policies on a pilot basis for three years, if additional funding to offset the annual costs is secured on or before January 1, 2032. Requires MTC at the conclusion of the second year of each three year pilot to prepare a report evaluating the pilot program as specified.
- 18) Requires each transit agencies, on or before October 1st of each year, to notify RTCC of any proposed change to its fares in order to facilitate changes to the integrated transit fare structure for the following year.
- 19) Requires transit agencies and MTC to fulfill all applicable requirements under Title VI of the Federal Civil Rights Act of 1964 regarding service and fare changes. If a transit agencies requires additional time to comply with those requirements, the operative days in this section may be extended. By RTCC or MTC.

Mapping and Wayfinding

- 20) Requires MTC, in coordination with RTCC, on or before July 1, 2025, to develop a comprehensive, standardized regional transit mapping and wayfinding system, including standards and resources to convey information on print, digital, and interactive media, common branding, and a shared digital mapping platform.
- 21) Requires the system to identify the standards that are required and allow for customization, including the manner in which existing transit agency branding may be permitted.
- 22) Requires the system to assess, identify, and incorporate standards required for wayfinding information to be accessible and usable by people with disabilities.
- 23) Requires MTC to develop an implementation and maintenance strategy and funding plan to deploy the system and can adopt a phased deployment. Requires MTC to update the strategy as needed.
- 24) Requires, on or after January 1, 2026, that any new investments to mapping and wayfinding, including replacement and upgrades, adhere to the standards developed, unless MTC adopts an alternate deployment timeline.
- 25) Allows a transit agency to display their own map on a temporary basis if the regional system is unavailable or incapable of addressing the need due to unforeseen circumstances.

Open Data Standards

- 26) Requires MTC, in consultation with RTCC, on or before July 1, 2023, to establish open data standards that are aligned with, but may exceed, any data standards adopted by the state to provide real-time transit vehicle location, arrival and departure times and predictions, and service alerts data to transit riders.

- 27) Authorizes a transit agency to elect not to disclose vehicle location information if it can otherwise comply with the open data standards.
- 28) Requires MTC to update the open data standards as needed.
- 29) Requires the standards to enable the provision of real-time arrival data and follow generally accepted accessibility standards.
- 30) Requires transit agencies to share their data with MTC in a format that is compatible with the standards.
- 31) Requires MTC to disseminate the data collected to third parties, and develop an implementation and funding plan for deployment of real-time information.
- 32) Declares that transit agencies can use real-time data that they collect for any purpose, such as in the development of a transit agency's own mobile application or powering real-time arrival or departure information on their internet website, as long as the data are also shared with MTC.
- 33) Declares that transit agencies can share real-time data directly with third parties.

Compliance with the Act

- 34) Requires transit agencies to make every effort to comply with the requirements of the Act without affecting transit service levels.
- 35) Requires MTC to determine if any transit agency is out of compliance with the provision of the Act. If they do, MTC and the transit agencies are required to do all of the following:
 - a) Notify the transit agency of noncompliance, and indicate what steps are needed to comply.
 - b) If a transit agency is unable to comply due to a lack of funding, the transit agency is required to submit a request for additional funding or for an exemption from the specific requirements to MTC for approval.
 - c) If the agency does not comply with MTC's compliance steps or if MTC rejects the transit agency's request for additional funding or for an exemption, MTC can withhold state transit operations funding from the transit agency, in an amount determined by MTC. The transit agency will regain any withheld funds upon demonstration of compliance.
- 36) Declares the Act may be determined to be an unfunded mandate.

EXISTING LAW:

- 1) Establishes MTC as the transportation planning, coordinating, and financing agency for the nine-county San Francisco Bay Area.
- 2) Establishes the RTCC within MTC, to better coordinate routes, schedules, fares, and transfers among the San Francisco Bay area transit operators and to explore potential advantages of joint ventures in areas such as marketing, maintenance, and purchasing.
- 3) Authorizes MTC, in coordination with RTCC, to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction.
- 4) Requires every transit system to enter into a joint fare revenue sharing agreement with connecting systems consistent with MTC's rules and regulations.
- 5) Authorizes MTC, in coordination with RTCC, to identify the functions performed by individual transit systems that could be consolidated to improve the efficiency of regional transit service, and recommend that those functions be consolidated and performed through inter-operator agreements or as services contracted to a single entity.
- 6) Authorizes MTC, in coordination with RTCC, to improve service coordination and effectiveness in those transit corridors identified as transit corridors of regional significance by recommending improvements in those corridors, including, but not limited to, reduction of duplicative service and institution of coordinated service across public transit system boundaries.
- 7) Authorizes MTC to withhold transit funding from a transit agency if a transit agency is not participating in RTCC, or has not complied with the standards.
- 8) The Transportation Development Act (TDA) of 1971 provides funding for transit and non-transit related purposes that comply with regional transportation plans. It serves to improve existing public transportation services and encourage regional transportation coordination.
- 9) TDA provides funding for public transit from two funding sources:
 - a) Local Transportation Fund (LTF), which is derived from a 1/4 cent of the general sales tax collected statewide.
 - b) State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.
- 10) Requires STA funds be allocated by the State Controller's Office (SCO) by formula with 50% being allocated according to population and 50% being allocated according to transit operator revenues from the prior fiscal year.
- 11) Requires the Secretary of Transportation to develop a state rail plan covering all aspects of rail transportation, as specified. The plan is required to be updated every five years.

- 12) Requires Caltrans to produce, and update every five years, the CTP, a long-range transportation planning document intended to integrate state and regional transportation planning while considering specified pertinent subject areas.

FISCAL EFFECT: According to Senate Appropriations Committee:

- Unknown significant cost pressures in 2023-24 to provide an appropriation in the Budget Act for MTC to develop and adopt a Connected Network Plan. The bill requires MTC to develop and adopt the plan by March 31, 2024 if funding is appropriated in the Budget Act or nonstate funding is available for that purpose. If funding is not appropriated or private funding made available, MTC must complete the plan by December 31, 2025. (General Fund)
- Unknown cost pressures to provide funding to MTC or transit agencies to implement a common fare structure and multiagency pass on a pilot basis for three years. As part of the integrated fare structure, the bill requires implementation of these policies on a pilot basis if MTC or transit agencies “secure additional funding to offset the annual net cost” for those purposes. (General Fund, special funds, federal funds)
- Unknown significant local costs, likely in the tens of millions in the aggregate. The bill imposes a state-mandated local program by requiring MTC to develop and adopt a Connected Network Plan, adopt an integrated transit fare structure, develop a regional transit mapping and wayfinding system, and establish open data standards, and requiring transit operators to implement various provisions. Staff assumes that it is unlikely that transit operator costs would be deemed reimbursable by the state because they have general authority to set transit fares to cover their operating costs. In addition, staff is unaware of any instances in which MTC has been deemed an eligible claimant for state reimbursement for mandated costs. Ultimately, whether costs associated with the bill’s requirements are state-reimbursable would be subject to a determination by the Commission on State Mandates, should MTC or a transit operator file a reimbursement claim.

COMMENTS:

With the onset of the COVID-19 pandemic, during the first half of 2020, transit ridership plunged from 50% to as much as 94%. In efforts to stave off financial losses from declining transit ridership the federal government provided relief for transit operators across the country. In March of 2020, Congress passed and the President signed the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provided \$25 billion in relief to transit agencies. The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 added an additional \$14 billion in transit relief. The American Rescue Plan in March of 2021 provided an additional \$30.5 billion.

Transit ridership has improved since 2020, but is still far below January 2020 levels. As of January of 2021, transit ridership nationally is at 56% of what it was prior to the pandemic. As of the first week of June, BART’s weekly ridership is still at 24% of previous levels, Alameda-Contra Costa Transit District (AC Transit) is at 47% of their previous levels, and San Francisco Muni is at 51% of their previous levels.

It is estimated that the population of the Bay Area is forecasted to grow by 2.3 million between 2010 and 2040. Traffic congestion has been growing. Between 2010 and 2015, combined volumes of the region's seven state-owned toll bridges grew by 11%.

The MTC commissioned the University of California Institute of Transportation Studies (UC ITS) to conduct a study on the declining transit use in the Bay Area and to provide recommendations on how to improve it. The report, *What's Behind Recent Transit Ridership Trends in the Bay Area?* provides recommendations to improve transit ridership in the Bay Area. One of those recommendations was for the Bay Area's Partnership Board to initiate a customer-oriented transportation program, with near-term actions focused in three areas. First, they should work to advance technology platforms that integrate trip planning and fare payment across jurisdictions and service providers. Travelers should be able to seamlessly pay for a ride on any transit operator (or combination of operators) the way they pay for anything else—by credit card, by mobile app, or by cash for the unbanked—instead of having separate, non-fungible accounts and applications for each operator. Second, they should explore and evaluate new mobility pilots, either in partnership with private sector mobility providers of various stripes or operated publicly, to improve first-last mile access to and from transit stations as a potential alternative to traditional fixed-route transit service in suburban parts of the region, where subsidies of traditional transit service are high and the utility of this service is low. And third, they should work to develop regional support for policy standards, such as standards for data-sharing with private ridehail and other shared mobility operators.

In May of 2020, MTC created the Blue Ribbon Transit Recovery Task Force (Blue Ribbon Task Force) to “guide the future of the Bay Area’s public transportation network as the region adjusts to the new conditions created by the COVID-19 pandemic.” The Blue Ribbon Task Force is chaired by MTC Commissioner and Solano County Supervisor Jim Sperling, and includes other local elected officials, advocates for people with disabilities, representatives from the state Senate and Assembly, the California State Transportation Agency; transit operators; business and labor groups; and transit and social justice advocates.

The Blue Ribbon Task Force is the latest attempt to address a concern that has been raised for decades: how do you better coordinate the 27 different transit agencies in the Bay Area? SB 1474 (Kopp) Chapter 256, Statutes of 1996 authorized MTC, through RTCC, to identify functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service and authorized MTC to withhold the full allocation of its transit dollars until the operators have been found to have made a reasonable effort to implement productivity improvements.

In addition to the Blue Ribbon Task Force, MTC also had a Fare Integration Task Force. As part of that Taskforce, MTC released a Fare Coordination and Integration Study in November of 2021 to evaluate potential fare coordination efforts between transit agencies.

According to the author, “We must act quickly to entice riders back to public transit—and put the rider experience front and center. While our transit agencies have made great strides in the past few years with their renewed commitment to integration, there is much more work to be done. Right now, riding transit in our region can be a disjointed and unreliable experience. This legislation will help transform our system into a world-class, seamless experience for the public,

while reducing greenhouse gas emissions and improving access to jobs and housing for residents.”

Bill Provisions Stemming from the Blue Ribbon Transit Recovery Task Force: In July of 2021, the Blue Ribbon Task Force approved 27 specific near-term actions to re-shape the regions transit system into a more connected, more efficient, and more user-focused mobility network across the entire bay area. In line with those recommendations, this bill requires MTC, in coordination with RTCC, to develop the Connected Network Plan. The plan would be due by December 31, 2025.

Under the Connected Network Plan, MTC is required to identify connected network transit corridors and hubs of regional significance across the region, identify a transit priority network for the region that identifies corridors that will most benefit from improvements that support fast and reliable transit service that avoids conflict with traffic congestion, including recommendations for coordinating with right-of-way owners, including Caltrans and local jurisdictions on the development and implementation of transit priority improvements on corridors, arterials, and roadways where public transit operates. It also requires MTC to provide updates on Caltrans design standards and policies to include transit priority improvements. The plan has to identify target travel times between key transit hubs, service frequencies, and operating hours for weekdays, Saturdays, and Sundays. Finally the plan has to identify operating and capital funding needs associated with the plan and its potential impacts to farebox revenue. Another recommendation from the Task Force that this bill implements is a requirement for MTC, in coordination with RTCC, to develop a transit mapping and wayfinding system, including standards and resources to convey information on print, digital and interactive media, common branding, and a shared digital mapping platform. The bill mandates that each of the region’s transit agencies have to use the wayfinding system on or after January 1, 2026 unless MTC adopts an alternative deployment timeline.

If transit agencies fail to comply with the new mapping and wayfinding system, MTC is required to notify the transit agency of noncompliance and steps they can take to become compliant. If the transit agency cannot comply due to demonstrated negative impacts to existing transit service levels, the agency is require to request additional funding or an exemption from the requirements.

Finally, the last recommendation from the Task Force that this bill implements is a requirement for MTC, in consultation with RTCC, to establish open data standards to provide real time transit vehicle location, arrival and departure times and predictions, and service alerts data to transit riders. According to *Where is my Bus? Impact of Mobile Real-Time Information on the Perceived and Actual Wait Time of Transit Riders*, lacking real-time updates leads transit riders to perceive they are waiting 30% longer for a bus. This is particularly important for choice riders, who are less likely to take transit if the system feels unreliable.

Bill Provisions stemming from the Fair Integration Task Force. The Fare Integration Study conducted by MTC identified four reasons why the Bay Area needed a more integrated fare structure: value, customer experience, equity and future transit. The study indicated that “According to survey and Clipper data, less than 10 percent of daily transit riders transfer between operators within a single trip. Over the course of a day, about 14 percent use multiple operators. The majority of riders use BART, Muni and AC Transit as their primary operator. Only about 1 percent of daily Clipper cards interact with more than two agencies (primary

agency plus two additional). Transfer patterns indicate that pre-Covid riders were using feeder service to access regional services like BART and Caltrain. 20 percent of transfer trips occur between BART and Muni an additional 10 percent of transit trips occur between AC Transit and BART 6 percent of transfer trips occur between Muni and Caltrain.” Moreover, “Transit riders who qualify as low-income make roughly 52 percent of transfer trips that include one transfer. The percentage increases to 57 percent for transit riders make three or more transfers.”

MTC estimated that increasing fare integration could result in nearly 69,000 new daily trips, an increased socio-economic value for the region of \$50-\$110million over five years in a low-investment scenario and a \$280 million to \$340 million in a high-investment scenario. MTC also estimated that fare integration could actually lower costs overall, saving anywhere between \$2.24 to \$3.69 per rider.

This bill requires RTCC, to develop and adopt an integrated transit fare structure and submit it for review and approval by MTC. Once MTC approves the integrated fare structure, the plan will go back to the governing board of each transit agency for consideration within 90 days. The bill further requires RTCC to establish a pilot program to develop and adopt, for the purposes of a period of at least one year and no more than three years, a common system of no-cost local transit service transfers and reduced cost regional transit service transfers, regardless of whether transfers are between the same transit agency or multiple transit agencies.

The bill requires MTC to allocate funding to offset any anticipated financial impact for the program. By March of 2024, RTCC is required to develop a common fare structure for regional transit services in coordination with MTC. Finally, the bill requires the creation of a multiagency pass, which may include a cap that allows customers to access local transit services and regional transit services on a daily or monthly basis.

MTC, writing in support of this bill, argues “ MTC is committed to creating a more integrated transit system, which our planning and outreach efforts have shown is critical to expanding transit ridership and thereby helping achieve the region’s climate, mobility and equity goals. We believe SB 917 as amended builds upon MTC’s existing authority and responsibility for Bay Area transit coordination. We are also committed to continuing to work with our transit agency partners on questions some have raised related to governance. As the bill moves through the legislative process, continued dialogue is crucial to the goal that all agencies will be comfortable with the final version of the bill.”

Committee comments: MTC currently has the authority to perform all the requirements set forth in this bill, and is considering these actions as part of the Blue Ribbon Task Force and Fare Integration Task Force.

The Legislature should consider if it wishes to mandate a local agency take actions it is already taking and to withhold funding to ensure transit agencies comply with MTC’s orders.

Previous legislation: SB 1474 (Kopp) Chapter 256, Statutes of 1996 authorized MTC, through RTCC, to identify functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service and authorized MTC to withhold the full allocation of its transit dollars until the operators has been found to have made a reasonable effort to implement productivity improvements.

REGISTERED SUPPORT / OPPOSITION:

Support

350 Bay Area Action
350 Silicon Valley
50 Acterra Action for A Healthy Planet
Alameda County Democratic Central Committee
Arc Alternative and Renewable Construction LLC
Associated Students of The University of California
Association for Commuter Transportation
Bay Area Council
California Yimby
City of Half Moon Bay
City of San Mateo
East Bay for Everyone
East Bay Housing Organizations
East Bay Transit Riders Union
Elders Climate Action, Norcal and Social Chapters
Friends of Caltrain
Friends of Smart
Generation Housing
Greenbelt Alliance
Housing Action Coalition
Housing Action Coalition (UNREG)
Housing Leadership Council of San Mateo County
Joint Venture Silicon Valley
Linkedin Corporation
Mayor of Richmond Tom Butt
Menlo Spark
Metropolitan Transportation Commission
Mountain View Coalition for Sustainable Planning
Napa County Transportation and Planning Agency/Napa Valley Transportation Authority (if Amended)
North Bay Leadership Council
Oakland; City of
Oyster Point Mobility
Pacifica Climate Committee
San Francisco Bay Area Rapid Transit District (BART) (if Amended)
San Francisco League of Conservation Voters
San Jose; City of
Seamless Bay Area
SF Citi
Silicon Valley Chamber Coalition
Silicon Valley Leadership Group
Silicon Valley Youth Climate Action
South Bay Yimby
Spur
Streets for People Bay Area

Sunrise Silicon Valley
Sustainable Marin
Sustainable San Mateo County
Sustainable Silicon Valley
The Center for Independent Living, INC.
The Climate Center
The Climate Reality Project: Silicon Valley
Transform
Urban Environmentalists
Walk San Francisco
Wellstone Democratic Renewal Club
Yimby Action
Youth Leadership Institute San Mateo

Opposition

None on file

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