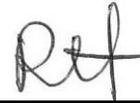


To: Board of Directors

Date: 8/20/2021

From: Melody Reeb, Manager of Planning

Reviewed by:



SUBJECT: Clipper START and Youth Fare Pilot Extension

Background:

In November 2020, the Board approved the Clipper START and Youth Fare pilot programs. These one-year pilot programs were launched on January 25, 2021 and provide a 20% discount off the Clipper single-ride fare for eligible low-income adults as part of the regional Clipper START program, and for youth ages 6-18 when using a Youth Clipper card.

The regional Clipper START program originally began as an 18-month pilot in July 2020. It was initially launched on four of the larger Bay Area transit agencies, and in January 2021, it was expanded to include additional operators, including County Connection. The Metropolitan Transportation Commission (MTC) has been administering the program and providing funding during the pilot period to offset some of the fare revenue losses.

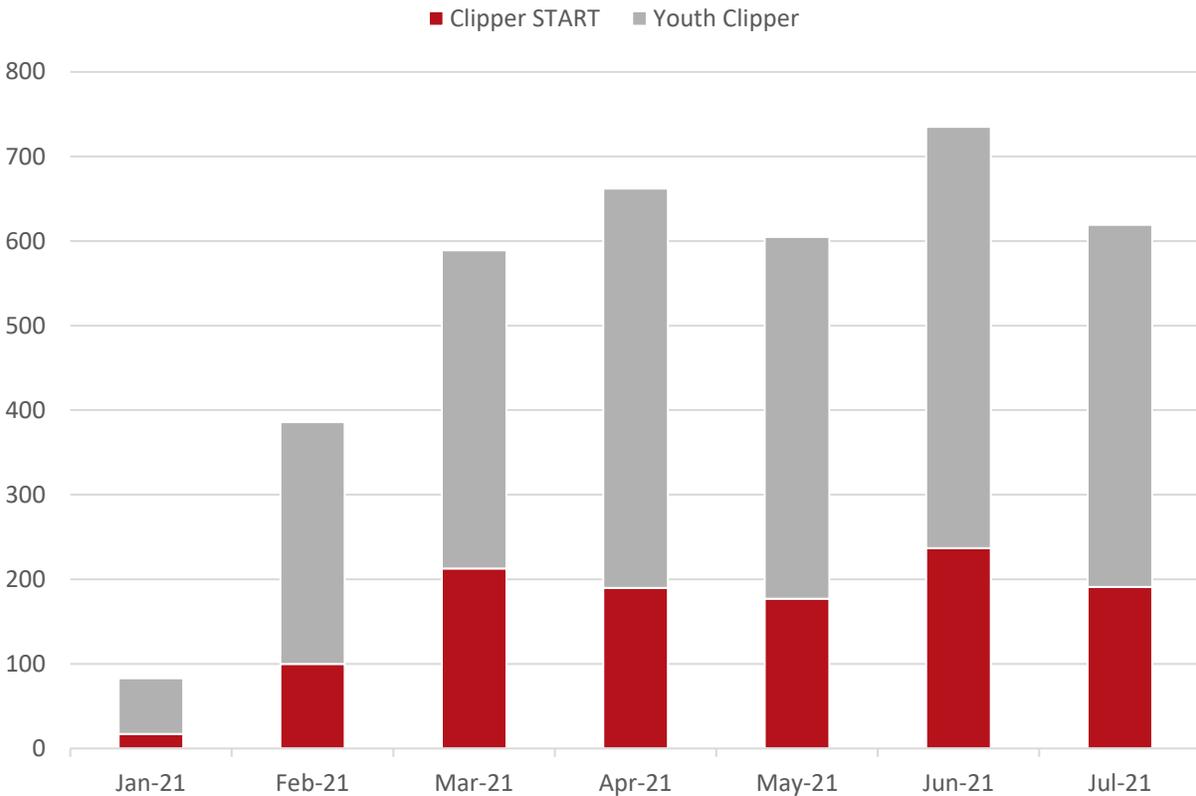
Because the Clipper START program is only available to adults, a discount for youth was also implemented to address potential inequity between low-income adults and low-income youth. Staff completed a Title VI analysis as well as public outreach for both programs prior to implementation.

Towards the end of the pilot period, staff will conduct an evaluation of both the Clipper START and youth fare discounts to determine whether they should be continued and if there is funding available to continue to offset revenue losses.

Program Usage:

The pandemic has had a significant impact on ridership, so usage of the two discount programs over the first six months has been very low. Since the launch in January through the end of July, there have been a total of 1,125 passengers using Clipper START and 2,554 passengers using a Youth Clipper card on County Connection. The following chart shows a breakdown of monthly ridership by discount program. The return of schools to in-person learning in August is expected to significantly increase the number of youth riders.

Clipper START & Youth Clipper Usage



Pilot Extension:

The current Clipper START pilot is set to expire in January 2022. However, due to the COVID-19 pandemic and its impact on transit demand and ridership, MTC approved an 18-month extension of the pilot until June 30, 2023. The extension will allow additional time for ridership to recover and provide a more complete dataset for program evaluation. It will also coincide with the timing and rollout of the next-generation Clipper system, which increases the policy and design options for implementing any program changes as a result of the pilot.

Financial Implications:

Staff originally estimated revenue losses of \$120,000 for the youth fare discount and \$328,000 for the Clipper START discount during the one-year pilot based on pre-COVID ridership levels. When accounting for subsidies from MTC, the total net loss was estimated to be \$308,000 for both programs combined.

Over the first six months of the pilot, revenue losses based on actual usage have been \$804 for the youth fare discount and \$341 for the Clipper START discount. MTC will be reimbursing \$171 for the Clipper START program, so net revenue losses to date have been \$975.

While staff anticipates a significant increase in youth ridership starting in August now that schools have reopened, ridership growth will likely be very gradual as many businesses and workplaces are taking a phased or hybrid approach to reopening. Staff anticipates that an 18-month extension of the program will not result in revenue losses that exceed the original estimates, which were quite conservative since they were based on pre-pandemic ridership levels and full adoption among eligible riders.

Recommendation:

The A&F Committee and staff recommend that the Board approve an 18-month extension of the Clipper START and Youth Fare discount pilot programs through June 30, 2023.

Action Requested:

The A&F Committee and staff request that the Board approve Resolution 2022-07.

RESOLUTION NO. 2022-007

**BOARD OF DIRECTORS CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA**

* * *

**APPROVING EIGHTEEN MONTH EXTENSION OF THE CLIPPER START MEANS BASED
FARE PROGRAM AND YOUTH FARE PROGRAM**

WHEREAS, the County of Contra Costa, the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon and Walnut Creek, and the Towns of Danville and Moraga (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions ("Service Area");

WHEREAS, the Metropolitan Transportation Commission ("MTC") is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*;

WHEREAS, transit affordability has been highlighted as a regional issue in MTC's Coordinated Plan, Plan Bay Area and other plans;

WHEREAS, MTC has established the regional framework for a Regional Means-Based Transit Fare Pilot Program, currently known as the Clipper START Pilot, to improve transit affordability and access to opportunity for eligible low-income residents;

WHEREAS, on May 23, 2018, MTC adopted Resolution No. 4320, Revised, establishing a regional framework for the Clipper START Pilot, with participating operators, funding guidelines, and program conditions to guide implementation of the Clipper START Pilot Program for an 18-month period spanning Fiscal Year 2020-21 and Fiscal Year 2021-22;

WHEREAS, on September 17, 2020, CCCTA's Board of Directors authorized staff to evaluate the effects of implementing the Means Based Fare, as well as an identical set of discounts for riders ages 6-18 "Youth Fare";

WHEREAS, Federal Transit Administration ("FTA") Circular C 4702.1B, which implements Title VI of the Civil Rights Act of 1964 ("Title VI"), requires CCCTA to conduct an equity analysis ("Title VI Analysis") on fare changes to assess whether the changes have disproportionate burdens on low-income populations or disparate adverse impacts on minority populations;

WHEREAS, the Title VI Analysis of the Means Based Fare and Youth Fare found that neither of the proposed fare changes have a disparate impact on minority populations or a disproportionate burden on low-income populations;

WHEREAS, staff conducted two public meetings on October 14, 2020 and a public hearing on November 14, 2020, and the Board reviewed the Title VI Analysis, and considered the public input received and the financial implications of the proposed fare changes;

WHEREAS, on November 19, 2020, the Board of Directors approved implementation of the

Clipper START Means Based Fare Program and Youth Fare Program pursuant to Resolution No. 2021-014, and the programs were launched on January 25, 2021;

WHEREAS, the COVID-19 pandemic and subsequent shelter-in-place led to a major ridership decline for the Bay Area's transit agencies, resulting in low rider participation in the Clipper START Pilot, and, as a result, MTC is unable to conduct the 12-month program evaluation called for in the Clipper START Pilot's framework;

WHEREAS, on June 23, 2021, MTC approved extension of the Clipper START Pilot for an additional 18 months under its current framework until June 30, 2023;

WHEREAS, MTC's funding for subsidies remains available, and MTC estimates that there are sufficient funds available for an 18 month extension; and

WHEREAS, the Administration & Finance Committee recommends that the Board approve the 18 month extension of the Clipper START Means Based Fare Program and Youth Fare Program.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority:

1. Approves an 18 month extension of the Means Based Fare and Youth Fare established in Resolution No. 2021-014; and
2. Authorizes the General Manager, or his designee, to take all actions necessary and proper to extend the Means Based Fare and Youth Fare for an additional 18 months, including, without limitation, execution of any applications and agreements with MTC; submission of documentation the FTA, MTC, and other agencies as may be appropriate.

Regularly passed and adopted this 16th day of September, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dave Hudson, Chair, Board of Directors

ATTEST: _____
Lathina Hill, Clerk to the Board