

Agenda Item # 5

To: Administration & Finance Committee

Date: November 26, 2025

From: Andrew M. Smith, Director of Planning & Marketing

Reviewed by: *W.C.*

SUBJECT: Complementary Paratransit Options

Background:

County Connection currently operates seven “fare-free” routes on weekdays and four fare-free routes on weekends. Revenue to offset the loss of fares on these routes come from a variety of sources, with the revenues for two routes paid by the City of Walnut Creek, for one route paid by the Shadelands Business Park, and for seven routes paid with cap-and-trade funds from a grant through California’s Low Carbon Transit Operations Program (LCTOP). Ridership increased on all these routes when the riders stopped paying their fares, and today, these routes make up two of County Connection’s top four highest ridership weekday routes and the top three weekend routes.

County Connection’s Link paratransit is a shared-ride service for people who are unable to use regular buses and trains due to a disability, including a disabling health condition. Federal regulations require the provision of paratransit service within three-quarter miles of all fixed route bus service; however, County Connection provides paratransit service within a one-and-one-half mile area of fixed route service as a matter of Board policy. Federal regulations permit transit agencies to charge paratransit fares of up to twice the regular (non-discounted) adult cash fixed route fares. County Connection generally follows this regulation by charging a \$5.00 fare for Link paratransit service, which is exactly two times the regular adult cash fare for fixed-route rides. There are currently no fare-free paratransit zones as there is no specific source of funds dedicated to cover riders’ fares on paratransit.

As a recipient of federal funding, every three years County Connection is reviewed by the Federal Transit Administration (commonly referred as the FTA “Triennial Review”). As part of County Connection’s Fiscal Year (FY) 2023-2025 Triennial Review, the FTA issued a finding requiring County Connection to establish “a fare comparability zone for paratransit, where trips that are comparable to those taken on the fixed route system in the Monument Corridor are not charged a fare” and to submit by February 25, 2026 an analysis of taking this corrective action. While the Triennial Review specifically called out the LCTOP-funded routes on Monument Boulevard, the FTA’s interpretation of the applicable federal regulations arguably would apply to all of County Connection’s “fare-free” sponsored or grant-funded routes.

Anticipated Costs:

Based on FY2025 paratransit ridership and an assumed 25% to 50% growth in ridership resulting from induced demand (particularly in disadvantaged communities), staff estimates the annual cost of lost fare

revenue to provide fare-free paratransit trips aligned with the seven “free-fare” routes, broken down by funding source, as follows:

- City of Walnut Creek (Routes 4 and 5): \$2,900 (assuming 25% increase in ridership)
- Shadelands Business Park (Route 7): \$15,900 (assuming 25% increase in ridership)
- LCTOP area (Routes 11, 14, 16, 99X, 311, 314, and 316): \$166,000 (assuming 50% increase in ridership as these routes all serve disadvantaged communities)

The potential cost to the City of Walnut Creek for Routes 4 and 5 is minimal and staff recommends that it be covered by the City. The potential cost to the Shadelands Business Park is more substantial but, when added to the cost of fares on Route 7, still falls close to the \$90,000 maximum annual reimbursement allowed by the current fare subsidy agreement with the business park (reimbursements totaled \$75,000 in FY2025). Accordingly, staff recommends the business park cover the cost of free paratransit fares. Both changes would require amendments to County Connection’s fare subsidy agreements with each partner. Staff will begin discussions with the City and the business park upon receiving direction from the Board.

As noted above, the potential cost of free paratransit fares for the remaining seven routes is significantly higher than for the other two areas. These fixed routes are funded using cap-and-trade funds from a grant through California’s LCTOP, as are a portion of the operating expenses for Route 99X. LCTOP is an annual formula-based grant program aimed at reducing greenhouse gas (GHG) emissions and improving mobility for disadvantaged communities. Routes 11, 14, 16, 311, 314, and 316 (the “Monument Free” routes) all serve the state-designated disadvantaged community centered around Monument Boulevard in Concord, while Route 99X serves a state-designated disadvantaged community centered around Pacheco Boulevard in the unincorporated Mountain View area outside of Martinez. The remainder of this report focuses on options to address the cost of free paratransit fares in the zones around these LCTOP-funded routes.

Potential Funding Options:

Expanding County Connection’s free fare program to include paratransit service will require ongoing operational funding. However, most of the potential funding options are time-limited and often geared towards capital projects or other types of public services (healthcare, etc.). Staff have identified the following potential options to fund free paratransit fares (currently estimated at \$166,000 per year, as indicated above):

County Connection’s operational budget

The Authority’s operating budget is currently in a deficit position, with ongoing expenses exceeding available revenues. Allocating funds for free paratransit fares from this source would therefore accelerate the drawdown of reserves and shorten the timeline outlined in the current five-year financial forecast. If this option is pursued, the Board should recognize that it would increase fiscal pressure on the Authority’s long-term sustainability and reduce flexibility to respond to future cost increases or revenue shortfalls.

Contra Costa County Measure X

Measure X is a countywide 0.5% general sales tax to intended to “keep Contra Costa’s regional hospital open and staffed; fund community health centers; provide timely fire and emergency response; support

crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.” Measure X funds are allocated by the Contra Costa County Board of Supervisors to both one-time projects and ongoing programs. However, this is a highly competitive process, and almost all Measure X funding has already been programmed, with all existing allocations going to County departments or the Contra Costa County Fire Protection District.

Measure J, Program 20a

Measure J is a 0.5% special sales tax administered by the Contra Costa Transportation Authority (CCTA) for transportation purposes. Program 20a of the Measure J expenditure plan is intended “to supplement the services provided by the countywide transportation program for seniors & people with disabilities and may include provision of transit services to programs and activities.” Program 20a is administered through TRANSPAC as a biennial grant program with an approximately \$600,000 annual budget. A call for projects for FY2027 and FY2028 is scheduled for early/mid-December with applications due in January. County Connection can submit an application, however, this also is a highly competitive program that is currently oversubscribed, and it already provides County Connection with \$39,600 in annual funding for other programs.

Community Development Block Grant (CDBG) program

The CDBG program is administered through the County and cities by the United States Department of Housing and Urban Development for the purpose of supporting “community development activities to build stronger and more resilient communities”. Locally, the program operates on an alternating two- and three-year funding cycle, and the City of Concord receives approximately \$1 million a year in federal funding for programs that support the goals of the County- and City-adopted Consolidated Plan. Applications for the next funding cycle will open in October 2026 for funding to start July 1, 2027. This funding source would require close coordination with the City of Concord, and it is both highly competitive and generally geared towards smaller grants and one-time projects.

Concord/Pleasant Hill Healthcare District (CPHHCD) funding

CPHHCD’s funding priorities are “health access and healthy lifestyles”. They are currently accepting applications for funding starting July 1, 2026; however, only \$350,000 of funding is anticipated for this upcoming grant cycle. The previous funding cycle gave \$530,000 to 30 programs, with the largest single grant being \$40,000, and all going to programs which provide direct social services such as meals and healthcare, which is indicative of the challenges to securing funding through this highly competitive program.

Potential Cost Reduction Options:

As an alternative to funding fare-free paratransit around the seven LCTOP-funded routes described above, the existing fixed route fare-free program could be reduced in scope to include paratransit within the available LCTOP funding. To this end, staff has identified two potential scenarios:

Cut the grant-funded fixed-route fares program on weekends from LCTOP-funded route areas

The fixed route fare subsidy for weekend service on LCTOP-funded routes totaled approximately \$229,000 in FY2025. Cutting this subsidy would eliminate this expense; however staff anticipates weekend ridership dropping by as much as 30% as a result. Under that scenario, new weekend fare revenue could total \$160,000 per year, resulting in a positive delta of \$389,000 per year. This would offset the anticipated cost of free paratransit fares on weekdays in the LCTOP-funded route areas,

estimated at \$160,000 per year, with the remainder available to pay the operating expenses for Route 99X, which are no longer fully covered by LCTOP funding due to revenue reductions in the LCTOP program.

The potential benefits of this option are:

- Savings would be enough to cover the costs of providing fare-free weekday paratransit plus the currently uncovered operational expenses for Route 99X.
- Fixed-route passengers, as well as paratransit passengers, would both have access to “free fares” on weekdays for all routes receiving LCTOP funding.

The potential impacts of this option are as follows:

- Ridership would be impacted on County Connection’s only service type that has seen increases over pre-COVID levels (ridership on weekend routes is currently 21% higher than in 2019).
- The cuts will impact the most highly populated disadvantaged community within County Connection’s service area (the Monument Corridor).
- The cuts could cause confusion among passengers because similar bus service in many areas will be free only on certain days of the week (for example, Route 11 vs. Route 311).

Cut the “fare-free” program from Route 99X

The LCTOP fare subsidy for the weekday-only Route 99X totaled approximately \$60,000 in FY 2025. Staff believes the impact to ridership from cutting this program would not be as severe as on the other LCTOP-funded routes because boarding and alighting data suggest that a majority of the route’s ridership are commuters travelling to their jobs in the North Concord Business Park and downtown Martinez (particularly the stops adjacent to County offices), rather than residents of the disadvantaged community located in the unincorporated Mountain View area along Pacheco Boulevard. Assuming a 15% reduction in ridership, this route would generate approximately \$51,000 in annual fare revenue, resulting in a positive delta of \$111,000 per year. On its own, this would be enough to cover all but \$55,000 of the anticipated cost of providing free paratransit service to the other LCTOP-funded routes. (Due to the relatively few homes located along Route 99X and its overlap with the “fare-free” Route 16 in Martinez, the added cost of providing free paratransit fares along Route 99X is negligible).

The potential benefits of this option are as follows:

- This single-route weekday-only cut would have a lower impact on disadvantaged communities than cutting the weekend “fare-free” program from all LCTOP-funded routes.
- “Fare-free” weekend service would still be provided by Route 316 along Morello Avenue in Martinez and along Pacheco Boulevard in the unincorporated Mountain View area.

The potential impacts of this option are as follows:

- The “fare-free” program would be eliminated in North Concord (including to the Concord Adult Homeless Shelter, which saw 5,687 boardings and 3,488 alightings in FY2025 – about 27% of total ridership on the route).
- The “fare-free” program along Morello Avenue in Martinez and Pacheco Boulevard in the unincorporated Mountain View area would be limited to weekends only.

Potential Non-Response Option:

A final option is not to respond to the FTA finding and to continue charging fares for all paratransit trips. Staff does not recommend this option as it would likely result in a second FTA finding at our next Triennial Review, after which the FTA can withhold all federal funding to County Connection. We receive an annual allocation of approximately \$1.6 million in FTA 5307 operating funds for ADA paratransit services and rely on FTA 5307 & 5339 capital funds to provide 80% of the funding for vehicle replacements (for example, in 2023, we received \$18 million in federal funds to procure forty fixed route buses). Not responding to the finding could also expose us to lawsuits under the Americans with Disabilities Act.

Financial Implications:

The fiscal impacts vary by option as described above.

Recommendation:

Staff recommends:

1. Addressing the FTA Triennial Review finding to both address and extend the application of required corrective action, by providing free paratransit along all of County Connection's "free-fare" fixed-route services,
2. Funding this action by (a) ending the "free fare" program on the weekday-only Route 99X, (b) absorbing the remaining costs into County Connection's annual operations budget, and (c) seeking grant funding to further offset these costs.

Staff further recommends reviewing fare-free paratransit ridership levels and expenses after one year.

Action Requested:

Staff requests the Committee forward their recommendation to the Board of Directors.

Attachments:

None.