

Transit Transformation Task Force (TTTF) Meeting 6

October 28, 2024

Welcome to Monterey

Thank you to the City of Monterey, our TTF #6 meeting room sponsor



Image Caption: Bixby Creek Bridge along Highway 1, Monterey County ([Windows Spotlight](#))

Remarks by Toks Omishakin Secretary, California State Transportation Agency



Image Caption: California high speed rail ([CalSTA](#))

Remarks by Carl Sedoryk CEO, Monterey-Salinas Transit



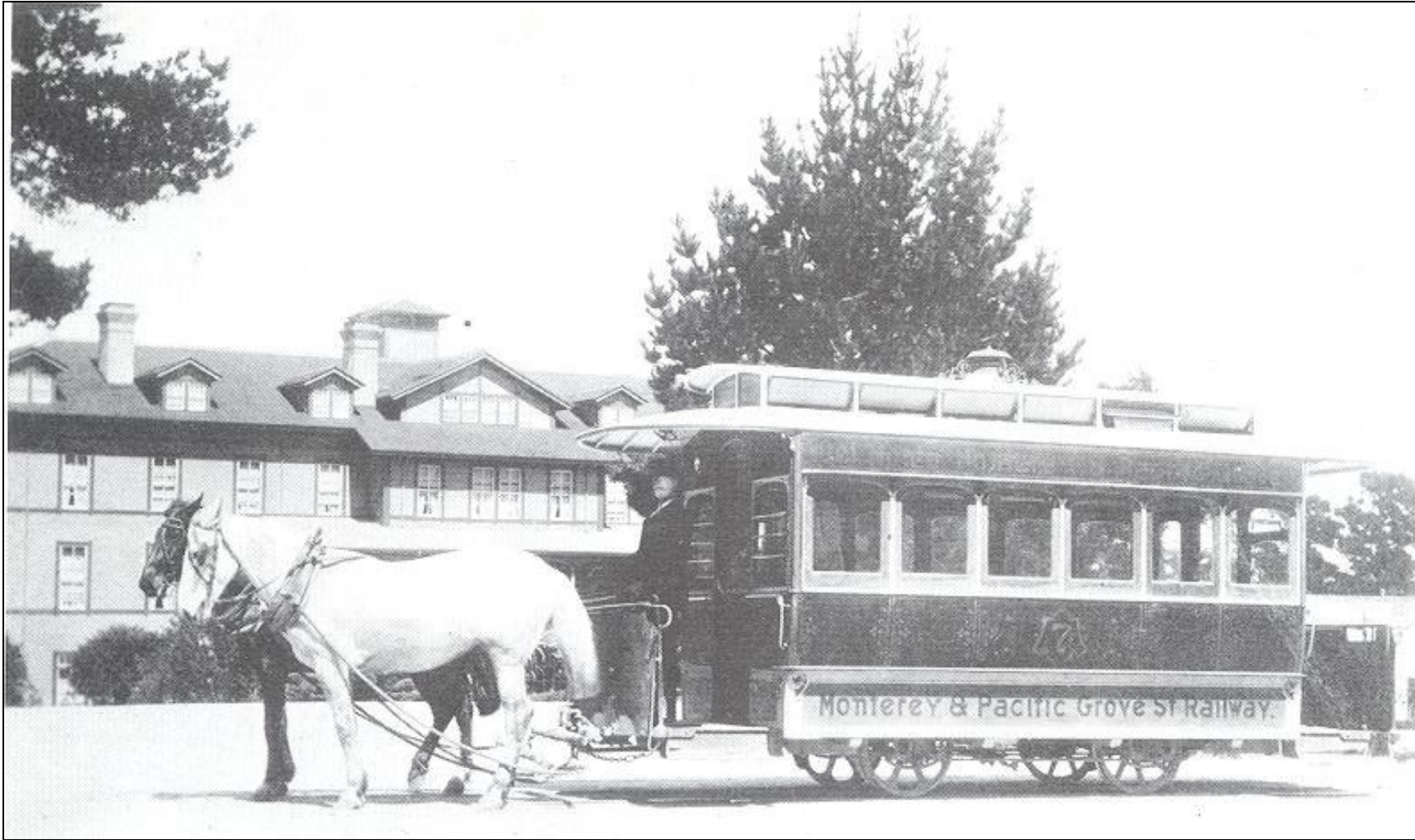
Image Caption: Monterey-Salinas Transit bus ([Flickr](#))



Monterey-Salinas Transit District

Transit Transformation
Task Force Update

October 28, 2024



Monterey-Salinas Transit

At-a-Glance

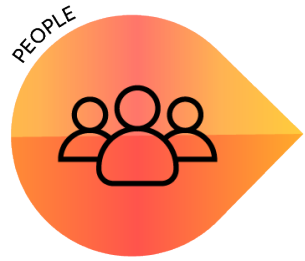


260 Direct Employees
100 Contractors
Operating: \$60.8M
Boardings: 2.8M
VSH: 294,890
89% On Time

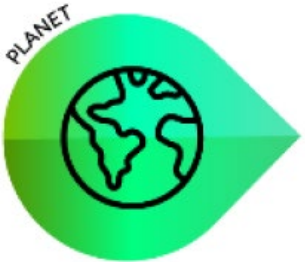


Monterey-Salinas Transit

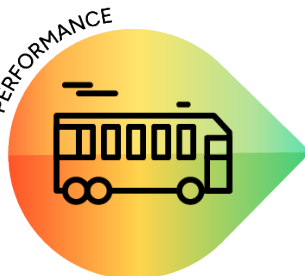
Connecting communities. Creating opportunity. Being kind to our planet.



- ✓ Sole transit operator for Monterey County also serving communities in San Luis Obispo, Santa Cruz, and Santa Clara counties .Vision: Connecting communities. Creating opportunity. Being kind to our planet.



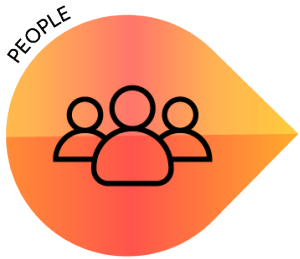
- ✓ Top trip destinations: work, grocery, school, medical, and **recreation**



- ✓ Nearly 2.8 million passengers in FY 2024 (46.1% increase over FY 2022)

Monterey-Salinas Transit

Connecting communities. Creating opportunity. Being kind to our planet.

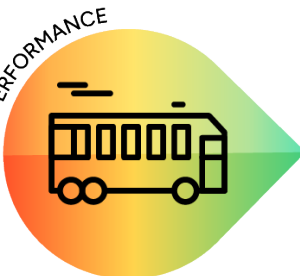


- ✓ 100% of heavy-duty buses use renewable biodiesel or renewable electric



- ✓ 18 ZEV buses in fleet or on order to comply with Innovative Clean Transit Rule by CARB

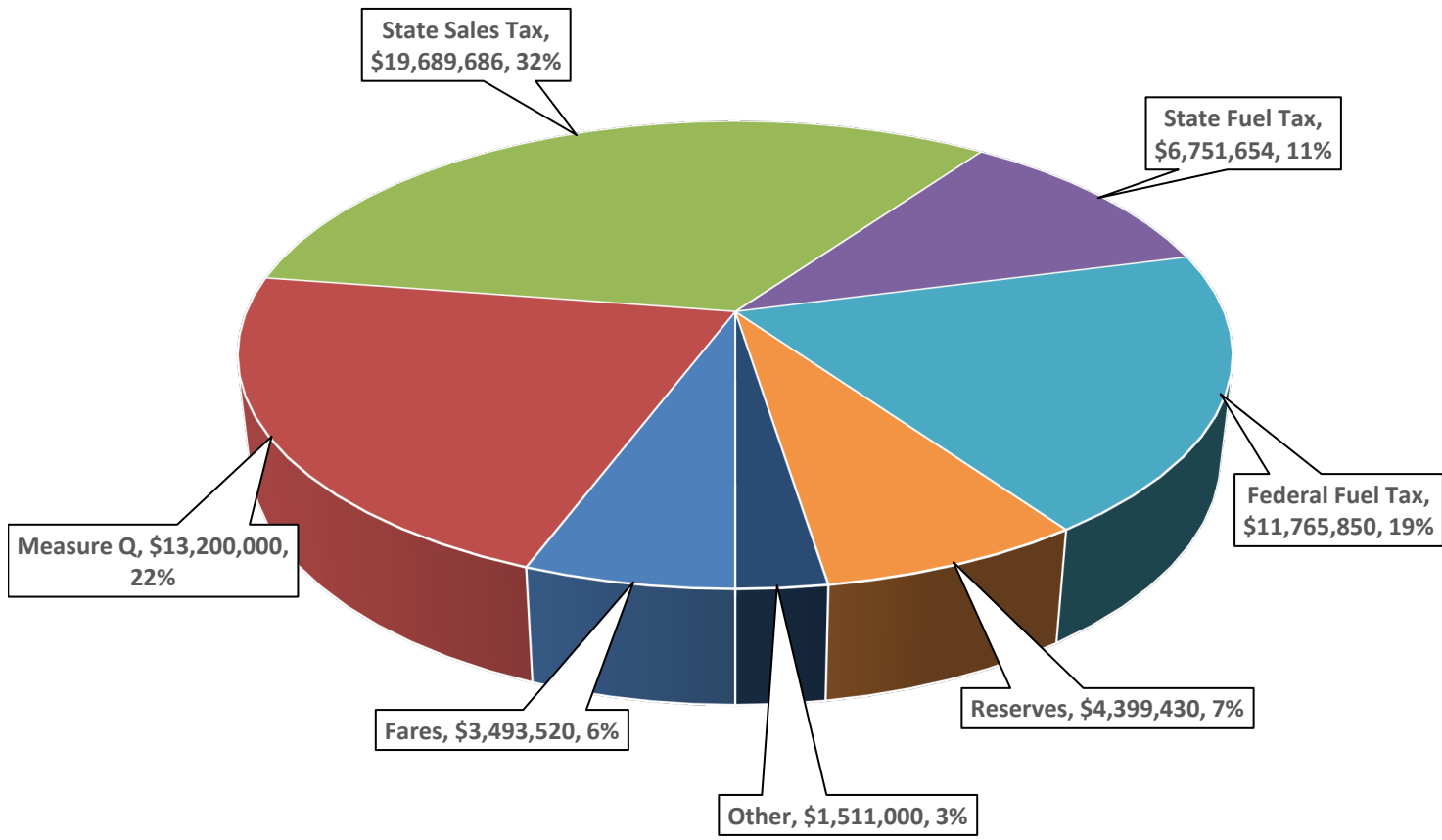
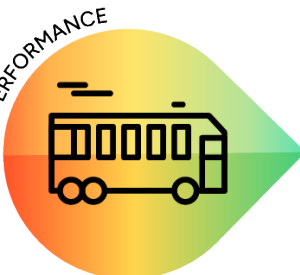
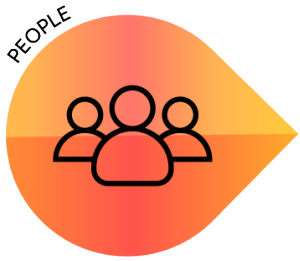
- ✓ MST services remove the equivalent of 130k single occupancy vehicle trips, monthly



- ✓ MST services reduce GHG emissions equal to 285 acres of forest sequestration, monthly

Monterey-Salinas Transit

FY 2025 Budget – Revenue By Source



Monterey-Salinas Transit

Ridership At-a-Glance

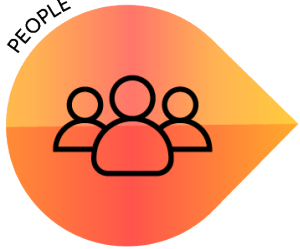
- 93% People in poverty (AB 1550)
- 93% Residents within ½ mile of a bus stop
- 77% with annual household income < \$40k
- 75% Non-white, Hispanic/Latino origin
- 63% Lack a valid driver's license
- 63% Would use a car if bus not available
- 23% Trips start in disadvantaged areas
- 20% Have a disability
- 18% Seniors age 65+



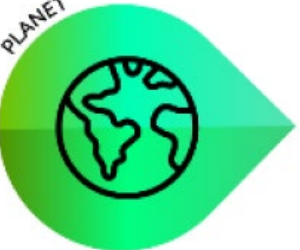
Strategies That Support The Vision

Connecting communities. Creating opportunity. Being kind to our planet.

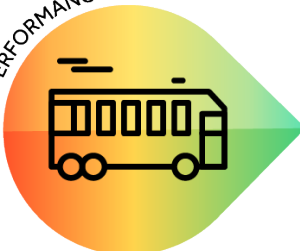
PEOPLE



PLANET



PERFORMANCE



Connecting communities

- Better Bus Network
- MST RIDES
- Taxi Vouchers
- Vanpool Program
- Regional routes

Creating opportunity.

- Fare Capping
- College EcoSmart Pass
- Contactless Payments for Unbanked

Being kind to our planet.

- SURF! Busway & Bus Rapid Transit
- Renewable BioFuel
- Zero Emission Bus Transition



The Better Bus Network



Save Time



Save Money



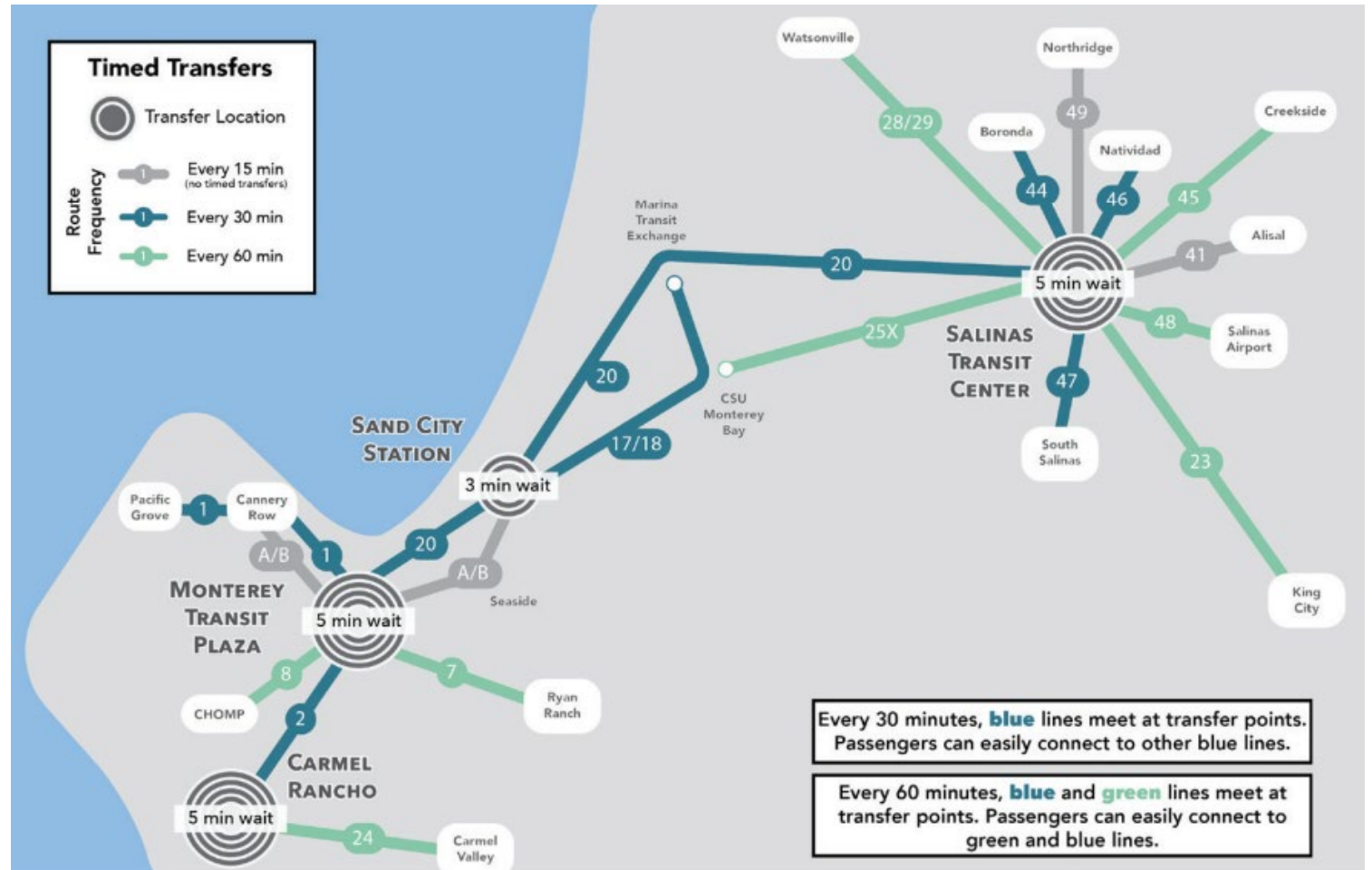
Save Our Planet

DEC 10 2022

More information
mst.org



- ✓ Service location:
 - 40% Monterey-Seaside
 - 40% Greater Salinas
 - 20% Regional
- ✓ Focus on high demand areas
- ✓ Focus on high need areas
- ✓ More direct routes
- ✓ Avg. 30 min. decrease in travel time
- ✓ 20% increase in residents and jobs near service with 30 min frequency or better
- ✓ Lower fares (\$2/2 hours)
- ✓ Subsidized vanpools





The Better Bus Network



Save Time



Save Money



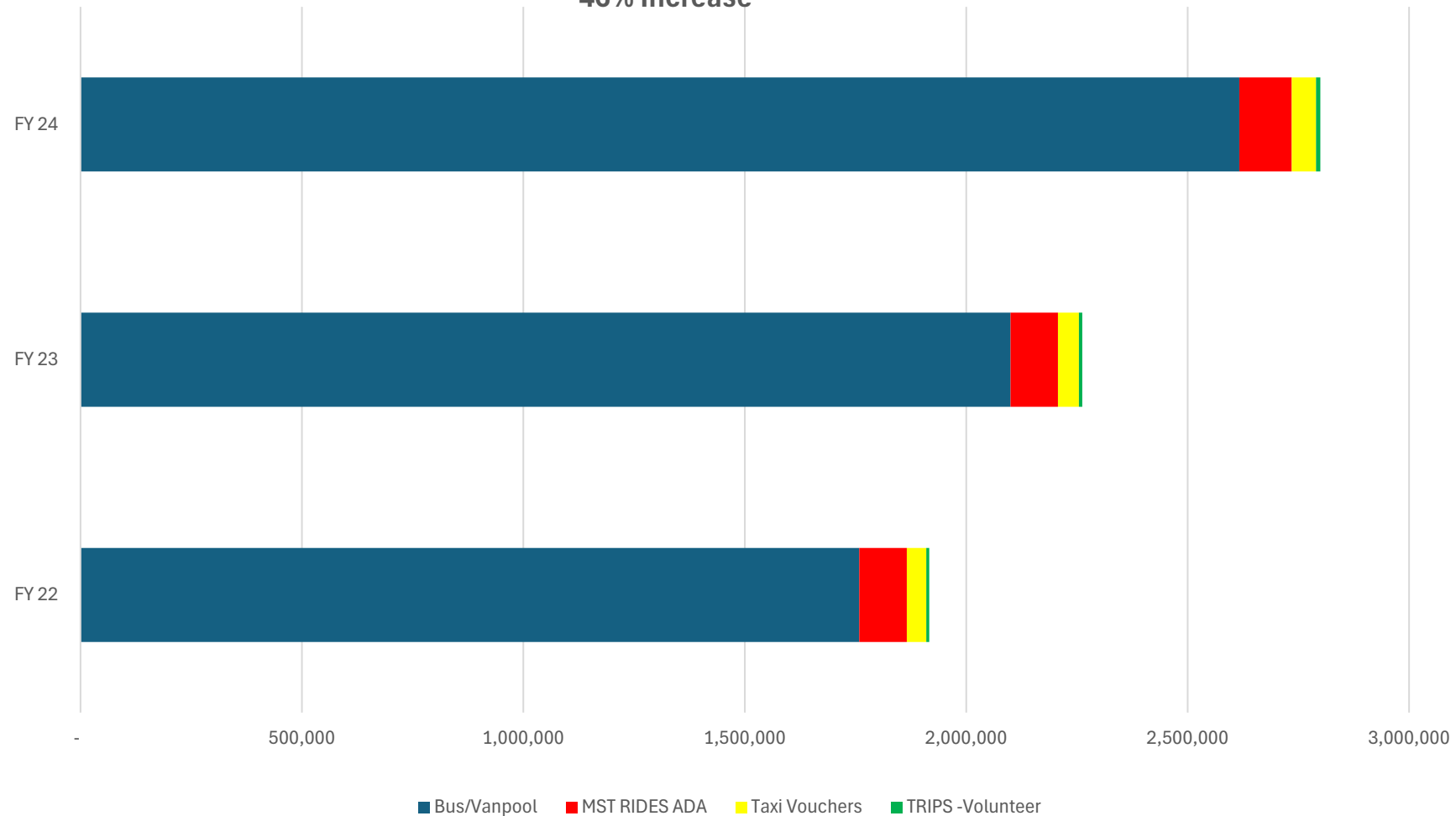
Save Our Planet

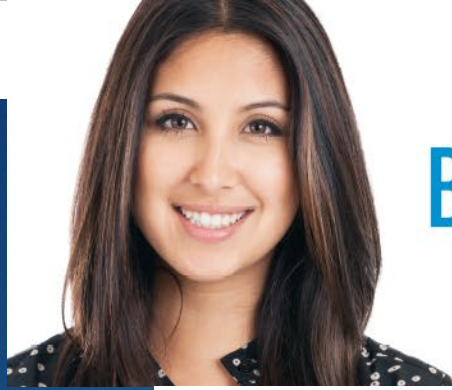
DEC 10 2022

More information
mst.org



MST Ridership FY 22 - 24
46% Increase





The Better Bus Network



Save Time



Save Money



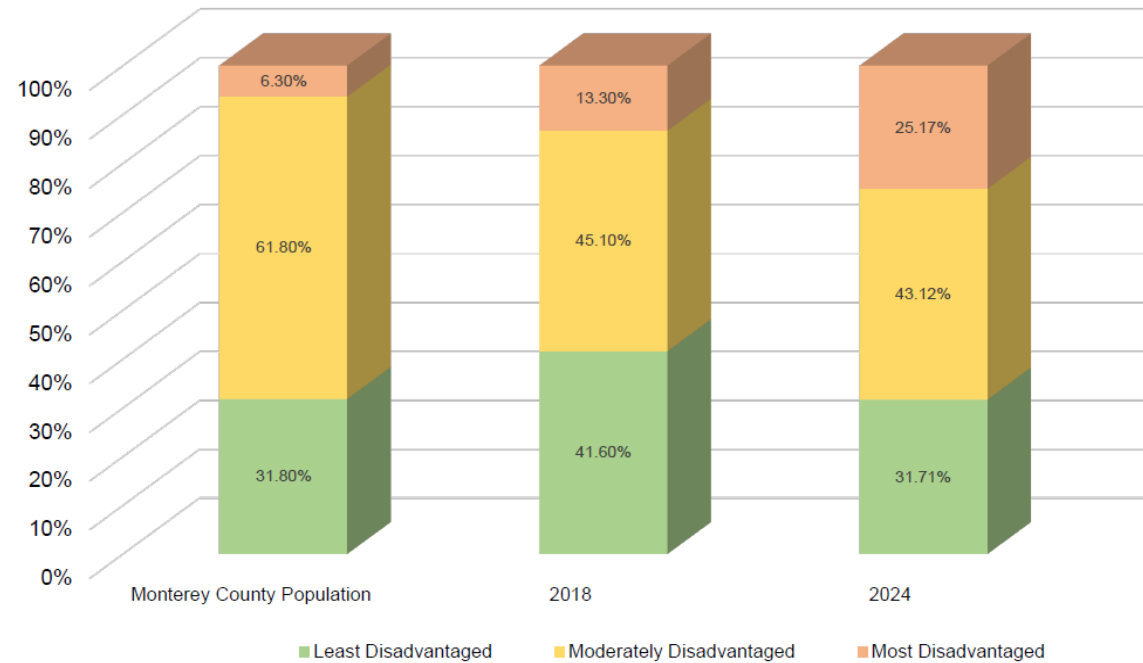
Save Our Planet

DEC 10 2022

More information
mst.org



Departures in Disadvantaged Communities 2018 vs. 2024



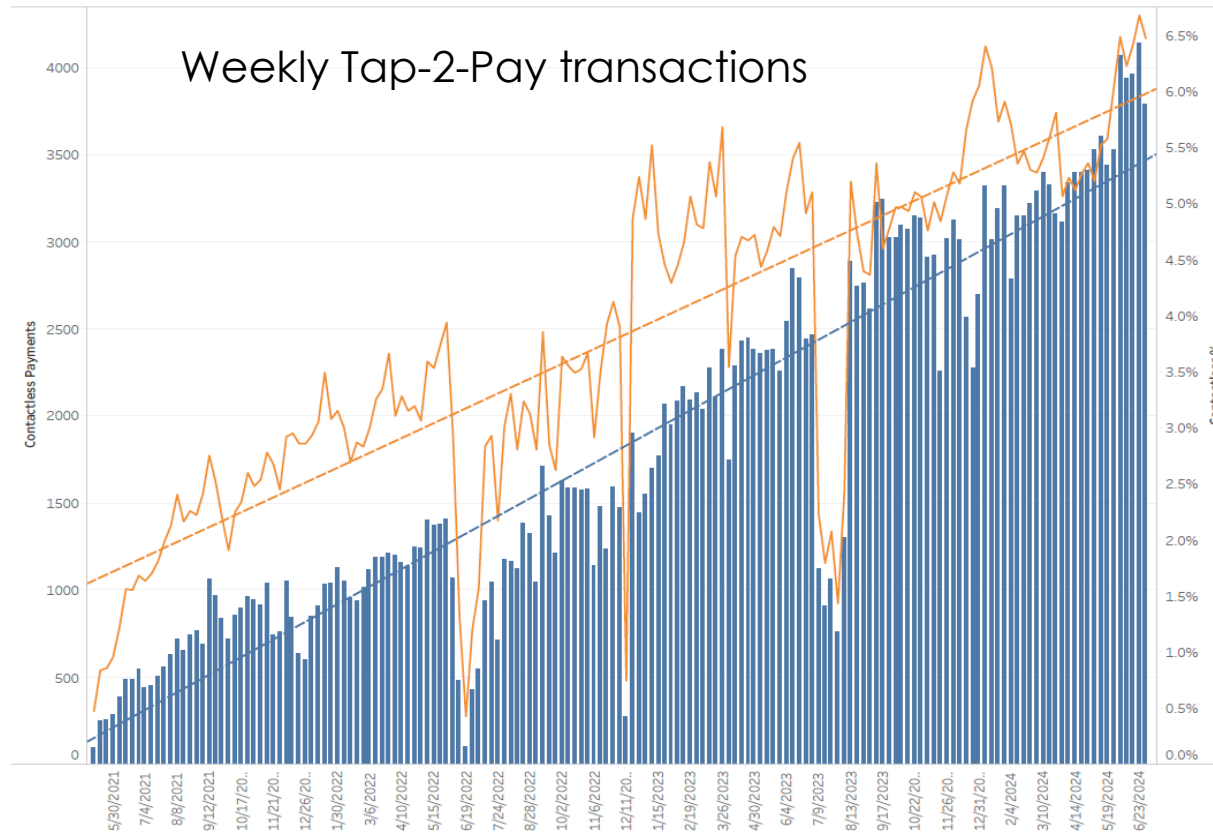
Based on CalEnviroScreen Percentiles; 0-30th = Least; 31st-70th = Moderate; 71st-100th = Most

CalEnviroScreen was designed to help CalEPA identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria as required by SB 535. CalEnviroScreen percentiles are based on Pollution Score multiplied by Population Characteristics Score. Chart does not add up to 100% due to tracts with no assigned CalEnviroScreen score.



MST Contactless Open Fare Payment

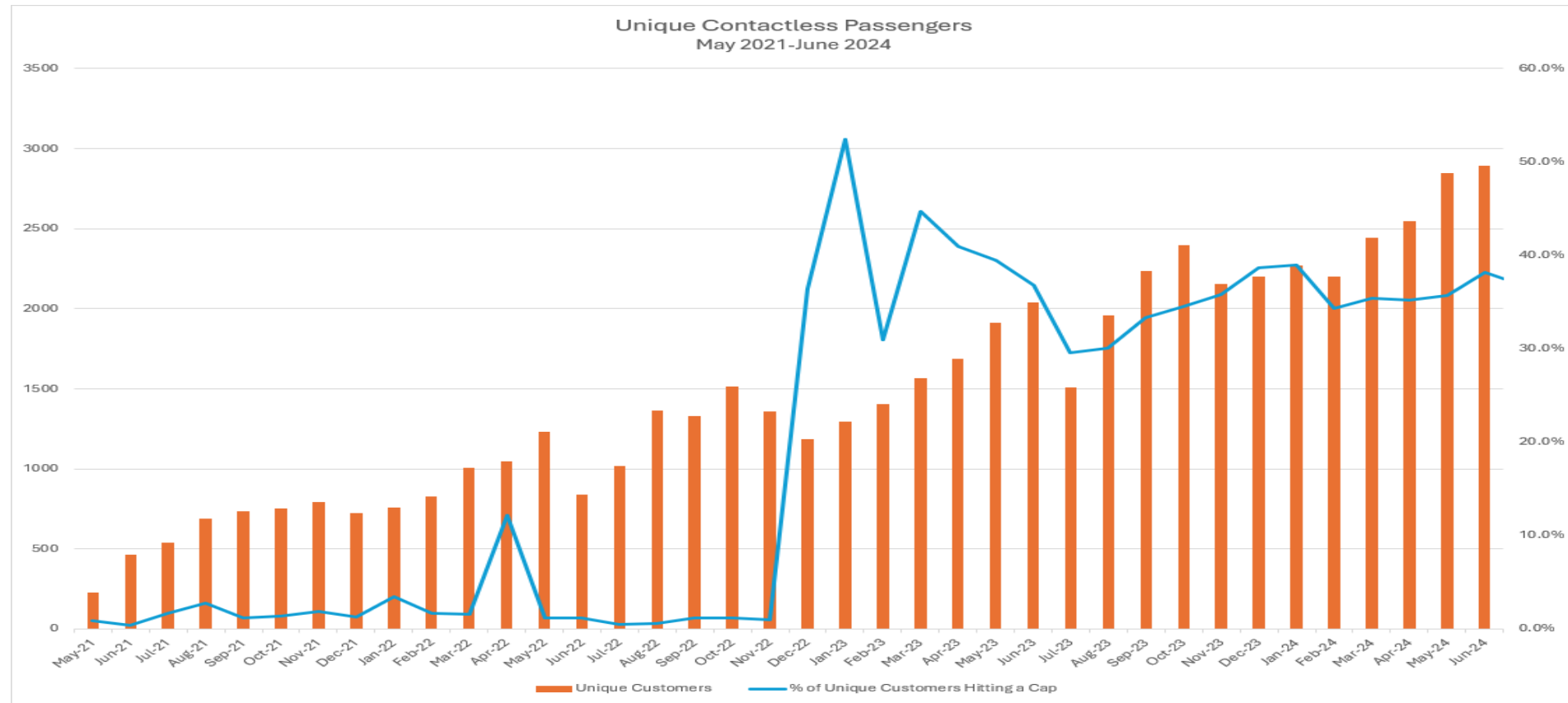
- 290% increase in transactions
- 3x increase in percent of total transactions





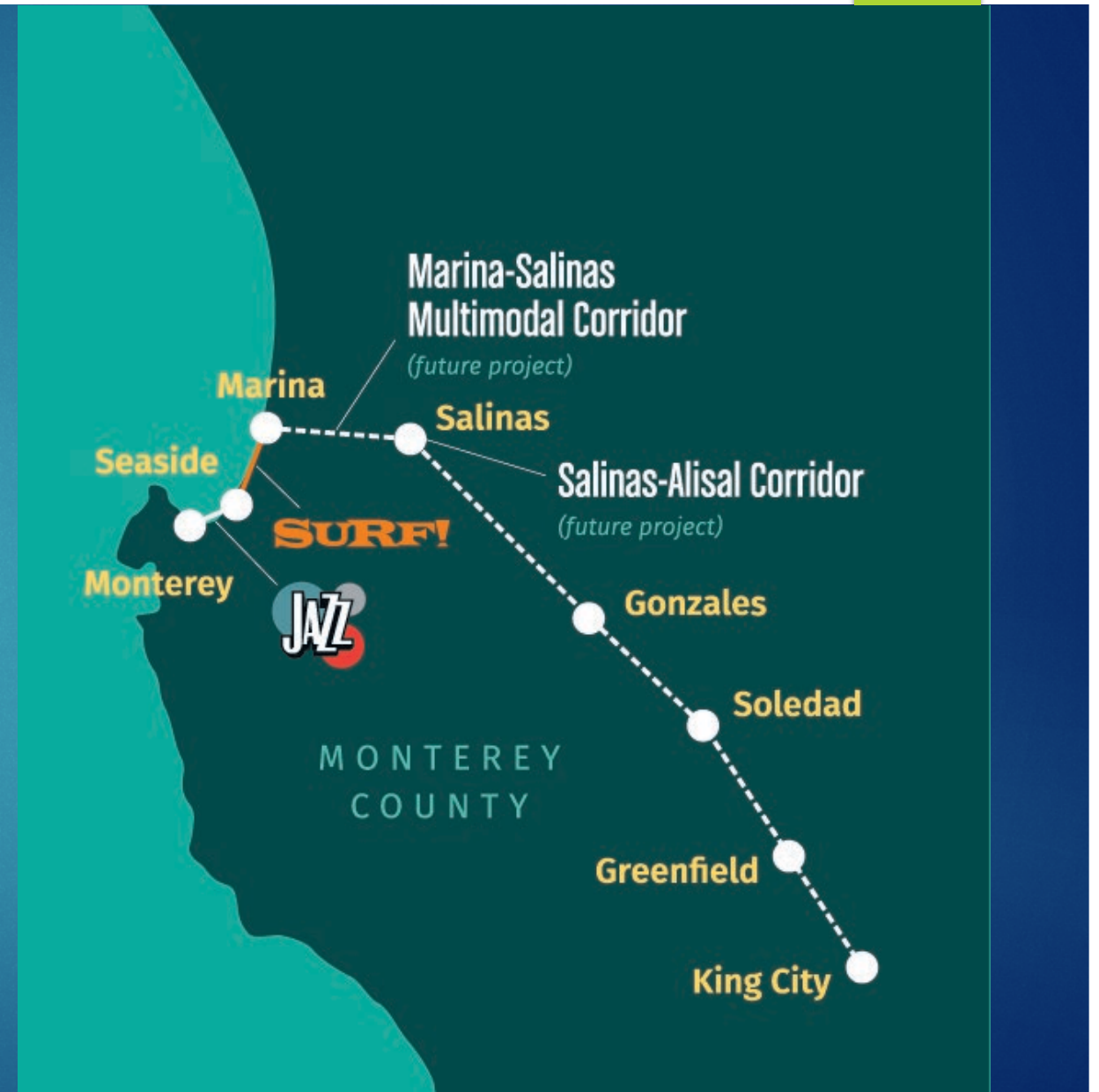
MST Contactless Open Fare Payment Fare Capping

- 86% increase in unique customers
- 37% of Tap-2-Pay transactions are capped.



Regional Vision for Bus Rapid Transit:

- JAZZ line began in 2011
- SURF! service planned for 2027
- Marina-Salinas Multimodal Corridor under construction
- Salinas-Alisal Corridor planning grant awarded
- Salinas Valley BRT preliminary feasibility study





← Monterey-Salinas Transit (MST) Mari...
Monterey Transit Plaza, 50...

🚗 39 min 🚚 33 min 🚶 3h 27m 🚲 53 min

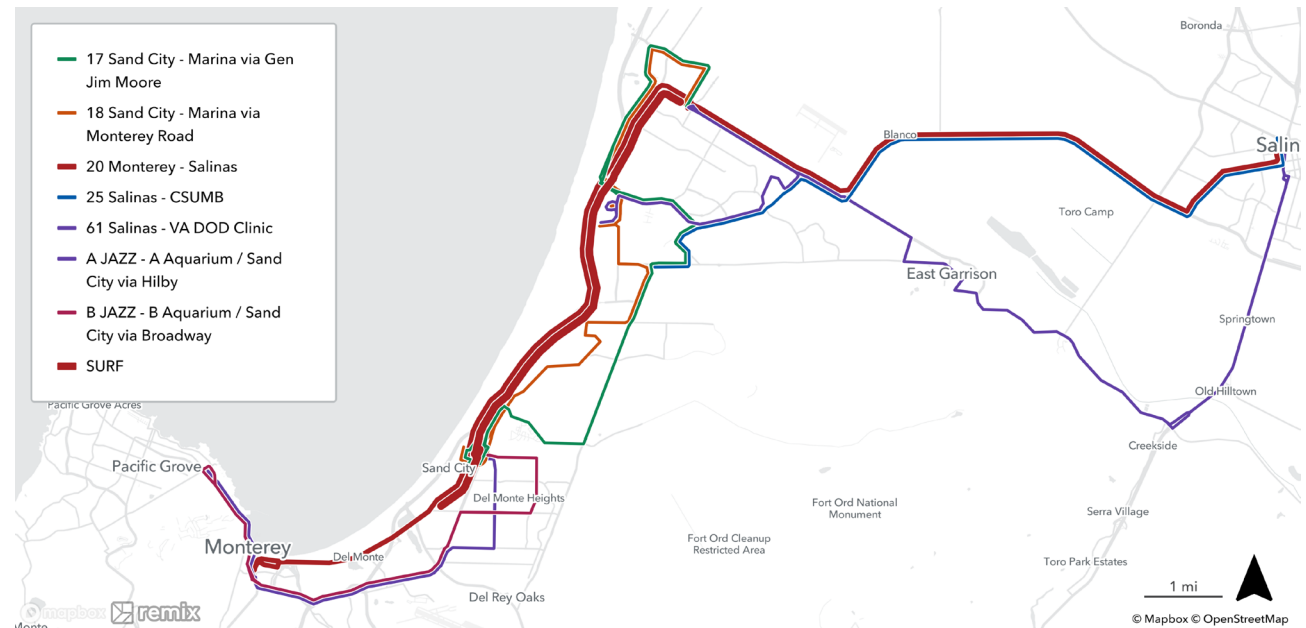
39 min
10 miles

48 min
12.7 miles

39 min (10.0 miles)
Via CA-1 S

SURF! Bus Rapid Transit

- **Frequent and reliable** service are the BEST predictors of success
- Modern, zero-emissions buses
- Transit signal priority
- SURF!-themed stations
- Level boarding areas
- Innovative fare collection
- RealTime arrival/departure info





QUESTIONS



Public comment and remarks



Roll Call and Approval of the TTTF¹ Meeting Minutes for August 29, 2024

Agenda

Topic

- 1 Welcome and Opening Remarks
- 2 Roll Call
- 3 Approval of the TTTF¹ Meeting Minutes for August 29, 2024 (Roll Call)
- 4 Staff Report on findings and policy recommendations for the report to the Legislature (SB125 1.f.1.A-C)²
 - a Staff and TWG³ presentation on policy recommendations made on fare coordination, schedule coordination and safety and cleanliness
 - b Public comment (2 minutes per speaker)
 - c Discussion and possible action regarding policy recommendations
- 5 Discussion of changes to land use and housing policies that could improve public transit use (SB125 1.f.2)²
 - a Staff and TWG presentation on changes to land use and housing policies that could improve public transit use
 - b Public comment (2 minutes per speaker)
 - c Discussion
- 6 Discussion of potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations (SB125 1.f.7)²
 - a Staff and TWG presentation of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue
 - b Public comment (2 minutes per speaker)
 - c Discussion
- 7 Discussion of strategies to provide first- and last-mile access to transit (SB125 1.f.1.E)²
 - a Staff and TWG presentation on strategies to provide first- and last-mile access to transit
 - b Public comment (2 minutes per speaker)
 - c Discussion
- 8 Public comment for items not on the agenda (2 mins per speaker)
- 9 Preview of next steps and topics for future meetings
- 10 Adjourn

1. Transit Transformation Task Force 2. Government Code section 13979.3 3. Technical Working Group

Note: Task Force will break for lunch at noon for 30 minutes

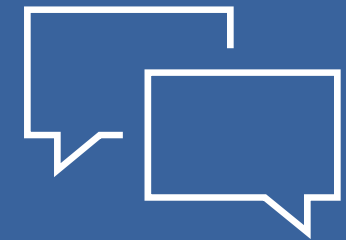
Interviews with 45 SMEs were conducted and >50% touched on land use, value capture, and first- and last-mile access

Examples of institutions interviewed on land use, value capture, and first- and last-mile access

University of California, Los Angeles (UCLA)	Bay Area Rapid Transit (BART)	California State Transportation Agency (CalSTA)
University of Southern California (USC)	LA Metro	LA City Planning
University of California, Davis (UC Davis)	Metropolitan Transportation Commission (MTC)	Governor's Office of Land Use and Climate Innovation
Advocacy groups	Southern California Association of Governments (SCAG)	California Department of Housing & Community Development (HCD)

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024

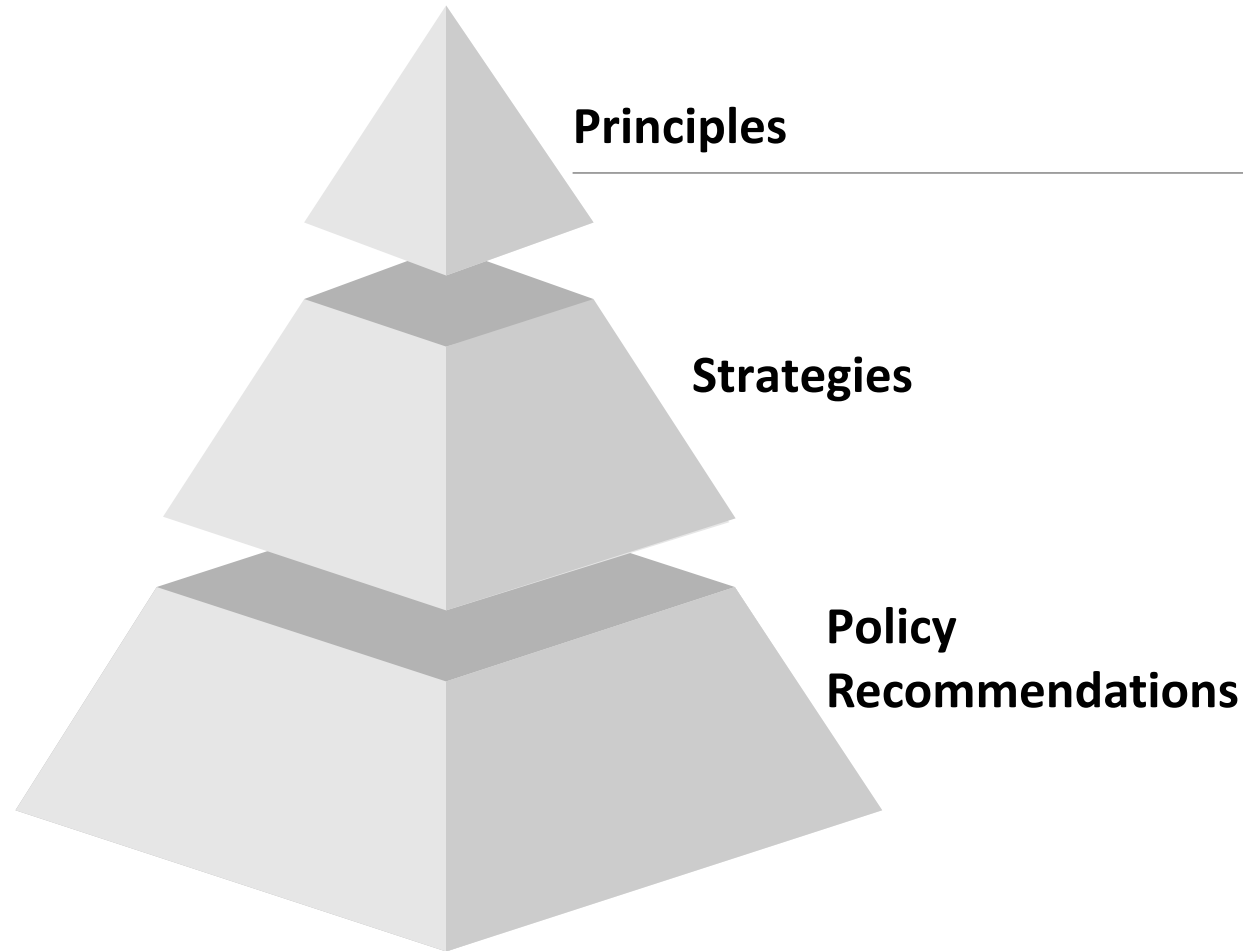
Please send through recommendations of other SMEs we should connect with on land use and housing policies, value capture, and first- and last-mile



4. Staff Report on findings and policy recommendations for the report to the Legislature

Strategies and policy recommendations are grouped by principles

Final report will be structured around principles, strategies, and policy recommendations



Principles that guide the strategies and policy recommendations:

“Better Service, Better Outcomes” for fare coordination (1.f.1A), and coordinated scheduling (1.f.1B)

“Safety is Fundamental” (proposed) for safety and cleanliness on and around transit (1.f.1C)

Draft recommendations on service and fare coordination (1f 1a)

Strategies

Staff Report Recommendation based on TTTF / TWG / SME Discussions¹

E Create a governance structure to support integration	E.1. Create clear governance frameworks on service and fare coordination project management, ownership, and roles / responsibilities between the State, MPOs ² , and transit agencies to foster both regional cross-agency collaboration, as well as inter-regional collaboration statewide
	E.2. Within frameworks, establish “responsible entities” (e.g., State, MPO ² , transit agencies) to ensure fare, payment, and service coordination (in the short term) and standardization (in the long term)
F Create standardized regional fare structures	F.1. Review and standardize fare products (e.g., local trips, interregional trips) and fare benefits (e.g., discounts for seniors) across agencies and regions, before scaling statewide
G Encourage participation by providing funding to deploy statewide capabilities	G.1. Provide technical assistance to responsible entities (e.g., integrated payment Software as a Service, Title VI analysis)
	G.2. Provide grant funding for open loop payment systems, standardized benefit discounts, and free transit for target populations (e.g., youth and college students) via statewide funding programs
H Encourage participation by providing funding to plan for better integration	H.1. Provide funding for long-term participation in fare and service coordination initiatives

1. TTTF: Transit Transformation Task Force, TWG: Technical Working Group, SME: Subject Matter Expert identified by CalSTA 2. Metropolitan Planning Organization

Source: California State Transportation Agency (CalSTA) and California Department of Transportation (Caltrans)

Draft recommendations on coordinated scheduling (1f 1b)

Strategies

I Develop and provide standards and analytics to support integration

Staff Report Recommendation based on TTTF / TWG / SME Discussions¹

- I.1.** Establish common data collection, analysis, and publication standards across agencies to improve interoperability (e.g., General Transit Feed Specification, Operational Data Standard, TIDES²)
- I.2.** Establish common software platforms to better integrate transit service planning
- I.3.** Standardize guidance on managing transfers balancing local and regional operations and on how frequently to change schedules
- I.4.** Develop an initial set of transfer points to pilot schedule coordination
- I.5.** Build and maintain central digital twin of the statewide network to further support and optimize schedule coordination

1. TTTF: Transit Transformation Task Force, TWG: Technical Working Group, SME: Subject Matter Expert identified by CalSTA 2. Transit ITS Data Exchange

Source: California State Transportation Agency (CalSTA) and California Department of Transportation (Caltrans)

Draft recommendations on safety and cleanliness (1f 1c) (1/2)

Strategies

Staff Report Recommendation based on TTTF / TWG / SME Discussions¹

J Implement physical security measures for frontline transit workers and riders

J.1. Install protective doors for bus operators

J.2. Improve surveillance and response capabilities by constructing emergency call boxes, increasing security cameras, and quality of cameras, and implementing technology to identify prohibited individuals

J.3. Update signage in and around stations for better navigation and safety, including reducing speed limits around transit stops

J.4. Increase lighting and other safety features in the areas surrounding transit stations to ensure safety on a first/last mile trip

K Improve coordination with H&HS² Agencies to ensure comprehensive health-related safety and security responses

K.1. Increase presence of safety professionals on transit systems through safety ambassadors, crisis intervention specialists, and/or uniformed officers, leveraging coordination with local police departments

K.2. Coordinate with health and human services agencies to implement services for unhoused people on and around transit systems

1. TTTF: Transit Transformation Task Force, TWG: Technical Working Group, SME: Subject Matter Expert identified by CalSTA 2. Health and Human Services

Source: California State Transportation Agency (CalSTA) and California Department of Transportation (Caltrans)

Draft recommendations on safety and cleanliness (1f 1c) (2/2)

Strategies

Staff Report Recommendation based on TTTF / TWG / SME Discussions¹

L Ensure coordination at the State level between agencies

- L.1. Develop statewide safety and security standards** (e.g., guidance on directing individuals to wraparound services, addressing mental health and substance abuse challenges)
- L.2. Examine opportunities to regionalize prohibition orders** within the existing legal framework
- L.3. Establish parity in penalties** for assault and battery against transit operators, ticketing agents, and all other transit employees
- L.4. Encourage commercial development** (e.g., platform kiosks, station stalls, exterior shops) at stations to improve perceived safety
- L.5. Implement surveys for priority populations** (e.g., seniors, women) to monitor safety of transit systems

M Provide dedicated safety and security funding

- M.1. Provide dedicated funding for improving safety infrastructure** (e.g., protective barriers, lighting) at transit stations and bus stops, and **employing safety-related personnel**
- M.2. Provide dedicated funding for de-escalation and violence mitigation training** for transit employees
- M.3. Allow transit agencies to be eligible for homelessness funding programs**

1. TTTF: Transit Transformation Task Force, TWG: Technical Working Group, SME: Subject Matter Expert identified by CalSTA

Source: California State Transportation Agency (CalSTA) and California Department of Transportation (Caltrans)



Public comment

Action items



Approve, deny, or amend initial policy recommendations related to service and fare coordination, schedule coordination and safety and cleanliness

5. Discussion of changes to land use and housing policies that could improve public transit use

Our Transportation and Housing Crisis are linked



Image Caption: Bay Area Rapid Transit Silicon Valley Phase II Extension ([VTA](#))

CA has a unique opportunity to provide new homes while boosting ridership and creating more revenue



CA has a goal of **building 2.5 million new homes** by 2030, with no less than one million units for lower-income households



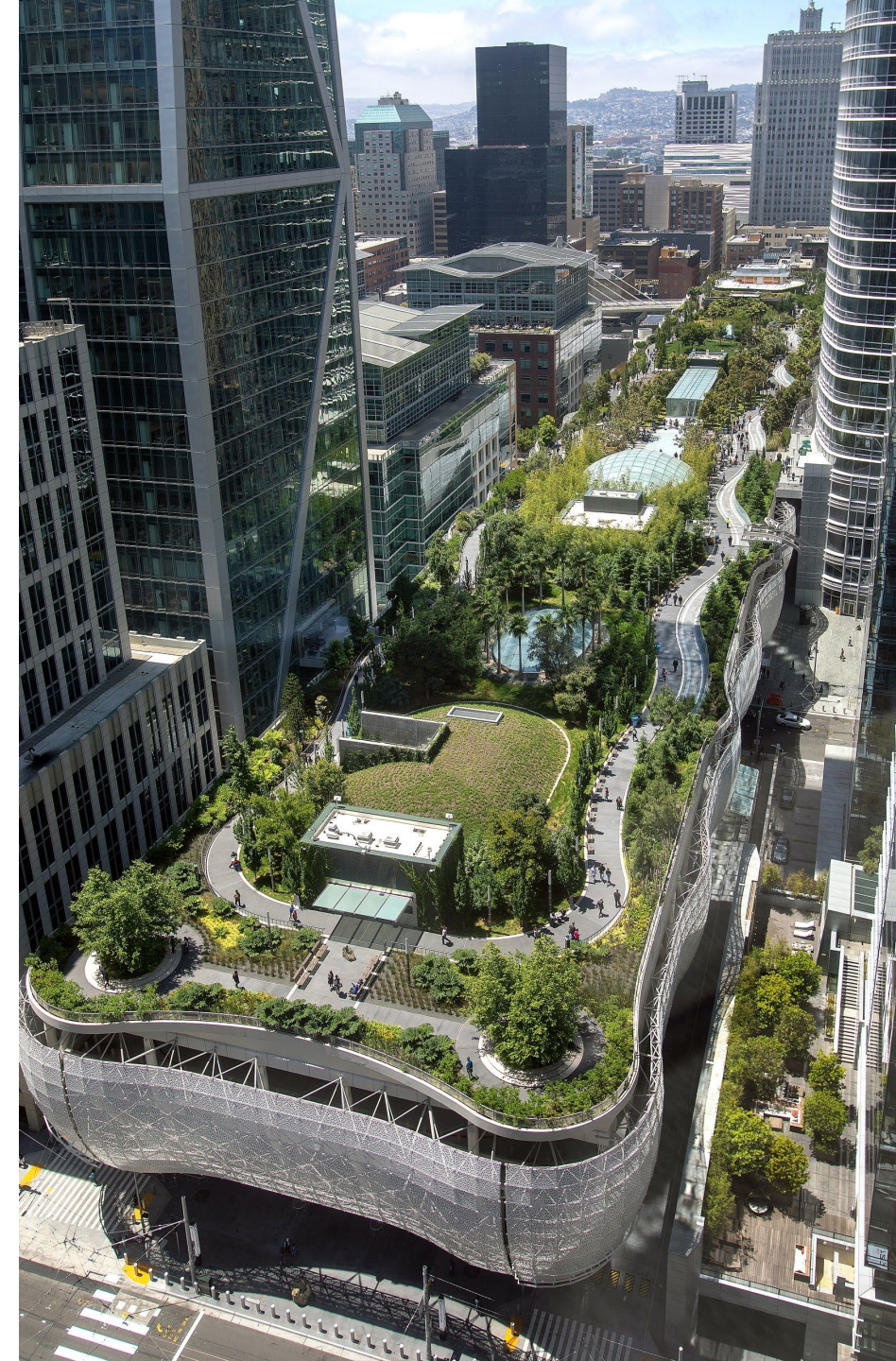
Increased density of housing, population and jobs around transit should **boost ridership** long-term



Development could create a **sustainable source of revenue** for transit agencies

Source: [2022 Statewide Housing Plan](#), California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024

Image caption: Rooftop park above Salesforce Transit Center, San Francisco ([The New Yorker](#))



Transit-Oriented Development can work towards two distinct but related goals



Focus of this agenda item

Boost transit ridership & improve access

Increases **population & job density**:

- A) On existing transit agency-owned land
- B) On all other land near fast and frequent transit
- C) Systematically integrated into transit expansion plans

Can make stations more **accessible** and **community oriented**, with hubs that enhance **convenience** for residents and improve **safety**

Reduces VMT¹, can provide **affordable housing**, and **increases economic development** and **tax revenue**



Focus of next agenda item

Create value capture opportunities

Expands potential for **revenue from real estate activities** and property development (e.g., increases in leasable space, joint development possibilities)

Enhances **non-real estate revenue sources** (e.g., advertising, commercial sponsorships and partnerships)

Can help **subsidize operations** by capturing the enhanced value of land near transit using increment financing

1. Vehicle Miles Traveled

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024

Stations with transit-supportive land use can yield greater ridership

Design and impact comparison between two suburban DC Metro stations¹

Characteristics^{2,3}

Land use elements

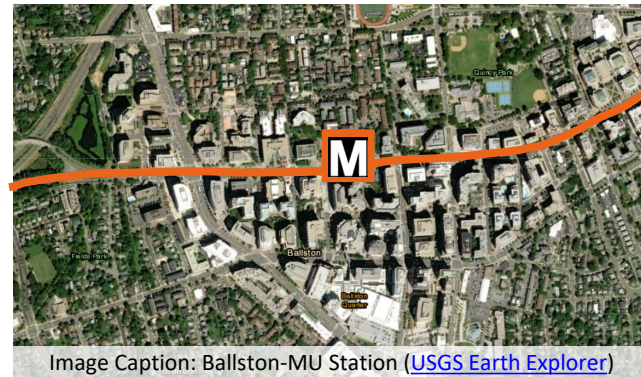
Development process

Ballston-MU station

9,600 riders (5,900 post-Covid)

~18,500 people per sq. mile

\$650,000 median home value



High-density and mixed-use developments

High intersection density

Walkable design

Aligned zoning and density requirements in coordination with Arlington County

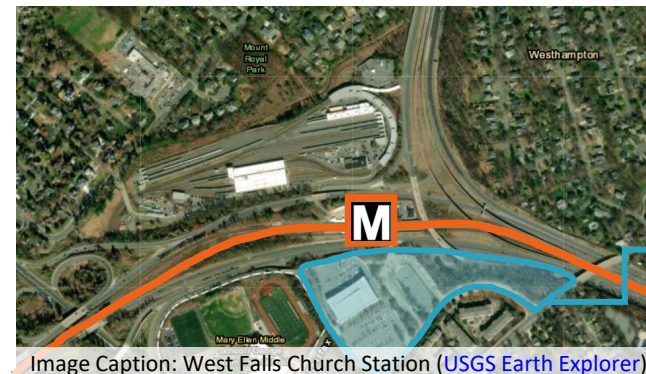
Gained community support by integrating local feedback

West Falls Church

2,500 riders (1,200 post-Covid)

~2,300 people per sq. mile

\$840,000 median home value



Station in highway median
Single use of nearby land (e.g., Park-and-ride)

Recent redevelopment approved for 700+ housing units and 120,000 sq ft of commercial space

Limited engagement with Fairfax County in original zoning and development plans

1. Ballston-MU is ~8 miles from Capital Hill in DC & West Falls Church is ~12 miles 2. Average weekday ridership; pre-Covid ridership from 2019 and post-Covid ridership from 2024 3. 2020 population density and median home value from US Census blocks within 0.5 mile of Metro station

Source: [Washington Metropolitan Area Transit Authority Metrorail Ridership Summary](#), [US 2020 Census](#), [Land Lawyers](#)

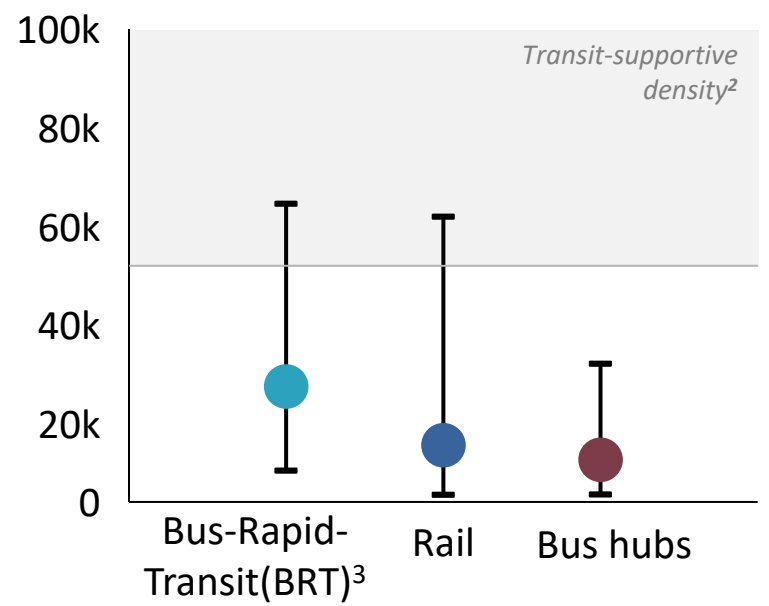
Median population, housing, and job density in California falls well-below TOD guidelines with opportunity for improvement around many stations / transit hubs

● Median
 ⊥ 5th percentile
 ⊤ 95th percentile

Densities within 0.5 mile of high-quality transit stops¹ in California

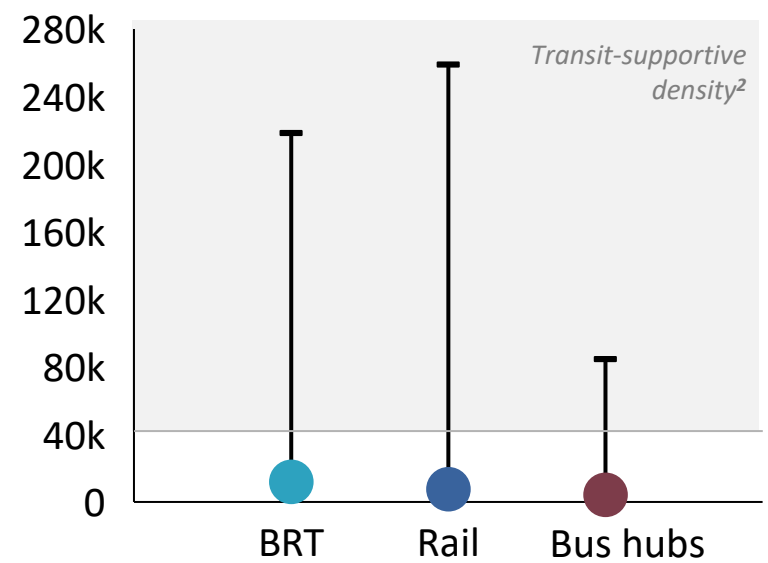
Population

Thousands of people per square mile



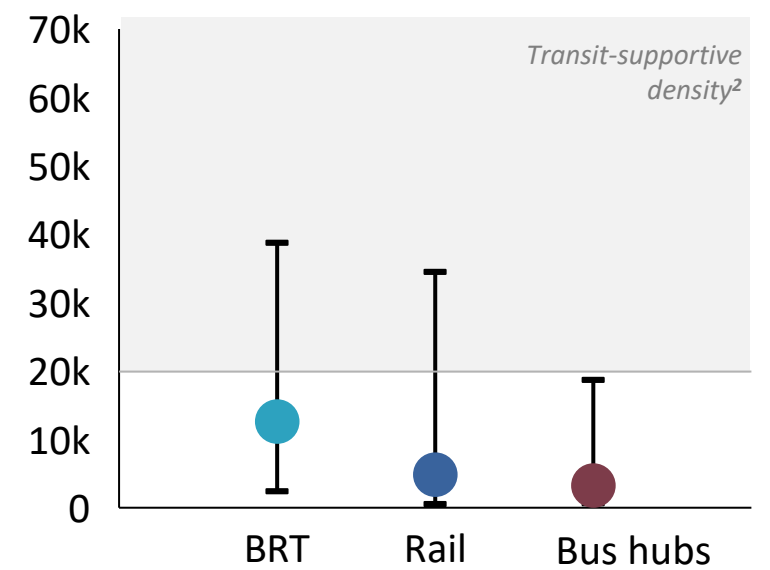
Jobs

Thousands of jobs per square mile



Housing units

Thousands of units per square mile



1. Estimated high quality transit areas as described in Public Resources Code 21155, 21064.3, 21060.2 2. Benchmarks show the minimum TOD guidelines for projects in urban and suburban settings; housing and population benchmarks from [HCD](#) Transit-Oriented Development (TOD) guidelines for projects in "Urban Center" designations; population benchmark estimated using housing benchmarks and California average household size of 2.9 persons (based on 2020 US Census data); housing benchmark includes an assumption of 20% allowance for public rights of way; job benchmark based on employee densities that have been shown to support light-rail transit systems ([Link](#)) 3. BRT station definition follows statutory definition 21060.2.; BRT stations are in 3 metro areas, including San Francisco, Oakland, and Los Angeles (LA Metro G and J lines only)

Transit-supportive housing could provide new homes

Industry researchers estimate that transit-supportive housing in California could¹...



Provide **1.6 to 2.4 million** new homes



Increase net local and state tax revenues



Reduce VMT² by **33%** and greenhouse gas emissions by **45%**

Image caption: Transit-oriented development at Grantville Transit Center, San Diego ([SDMTD](#))

1. Research collaboration by UrbanFootprint, HDR, Mapcraft Labs, and Economic & Planning Systems ([link](#))

2. Vehicle Miles Traveled

Source: [Analysis of California Assembly Bill 2011](#)



Successful developments that boost ridership typically have at least 7 key features



Proximity to fast and frequent transit

Projects located 0.5 miles or a 15-minute walk



High-density development

Zone + plan for high-density development near transit, such as multi-family buildings



Mix of uses

Spaces that integrate or attract retail, offices, healthcare and recreation



Parking management & reduction

Parking management strategies to ensure highest and best use of land, e.g., shift to transit, other non-auto modes



Affordable housing

Inclusive development to create diverse, vibrant communities that serve existing transit riders



Financial returns

Competitive returns and/or use of public financing to attract investment in underserved areas

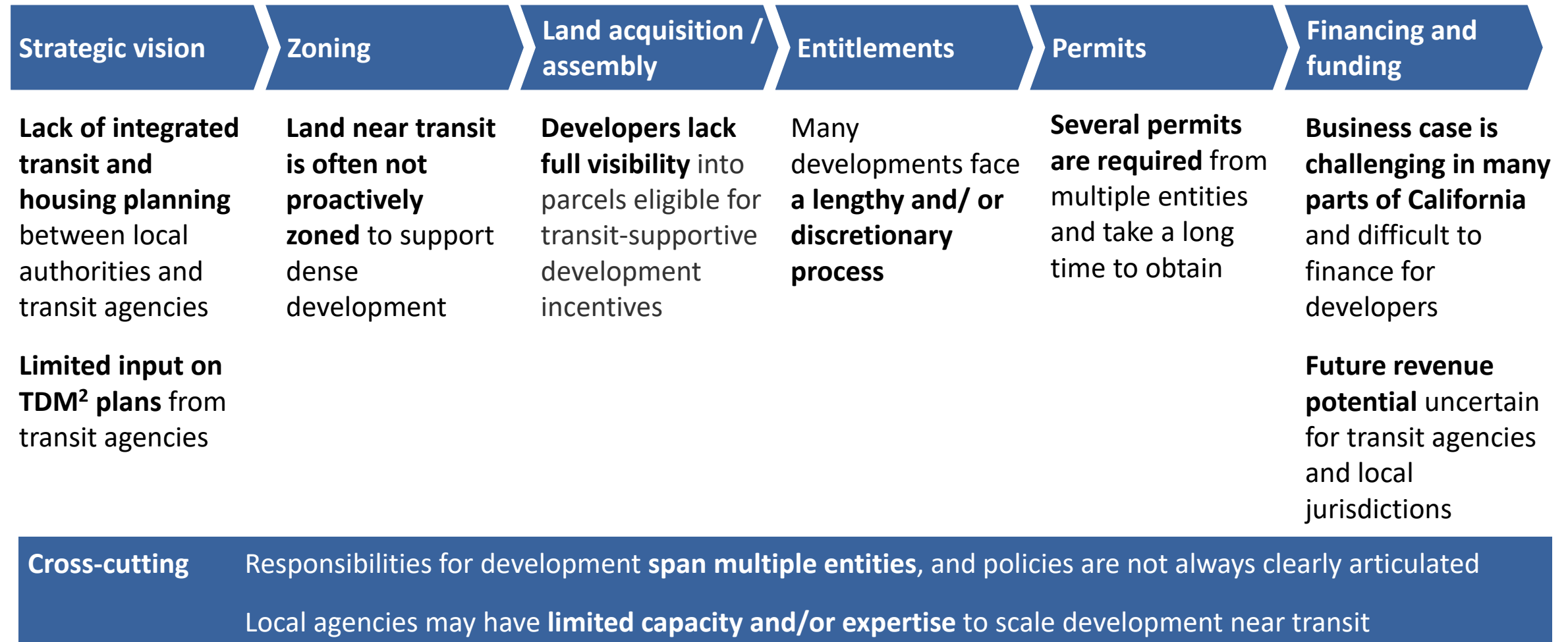


Co-ordinated planning

Between public entities and developers to create a shared vision for transit-oriented communities

TWG and SMEs observations on the current state of land use and housing policies

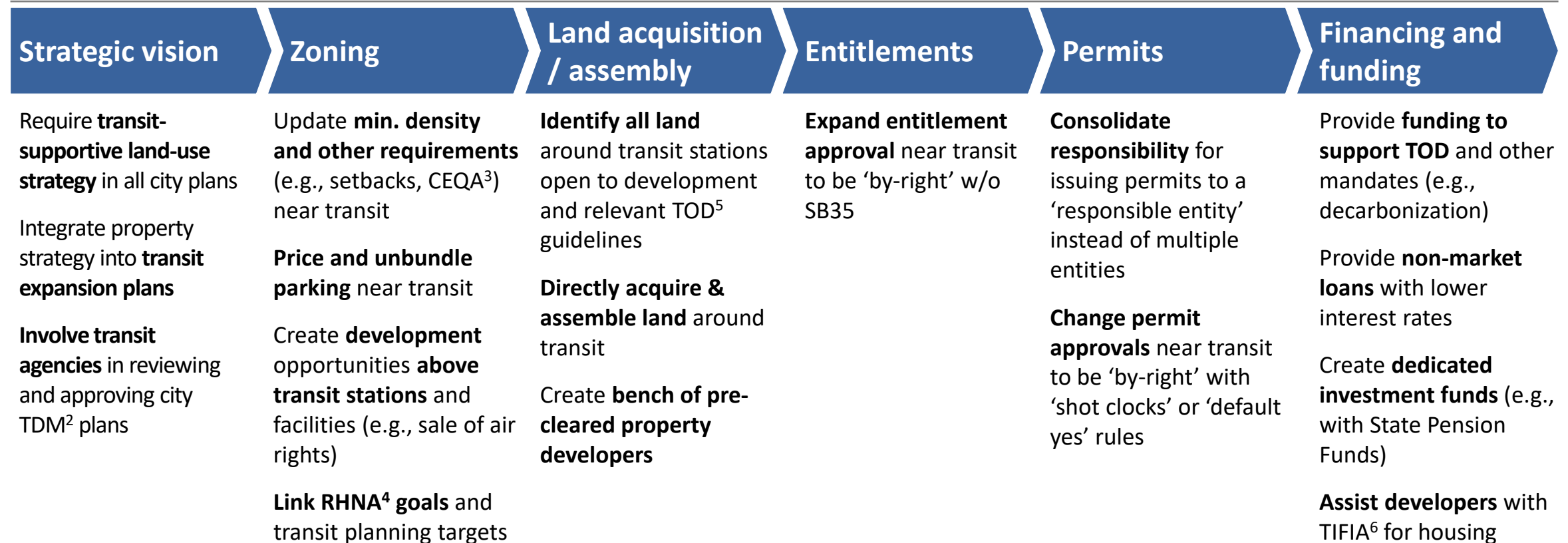
Project development life-cycle¹



1. Observations made by Technical Working Group (TWG) and Subject Matter Expert (SME) identified by CalSTA 2. Transportation Demand Management
 Source: Technical Working Group Meeting on October 10, 2024 and Subject Matter Expert interviews held by CalSTA in September – October 2024

TWG and SMEs identified potential strategies to increase density of development around transit to drive future ridership (1/2)

Project development life-cycle¹



1. Potential strategies identified by Technical Working Group (TWG) and Subject Matter Expert (SME) identified by CalSTA 2. Transportation Demand Management
 3. California Environment Quality Act 4. Regional Housing Needs Allocation 5. Transit-Oriented Development 6. Transportation Infrastructure Finance and Innovation Act
 Source: Technical Working Group Meeting on October 10, 2024 and Subject Matter Expert interviews held by CalSTA in September – October 2024

TWG and SMEs identified potential strategies to increase density of development around transit to drive future ridership (2/2)

Project development life-cycle¹



Cross-cutting ideas from TWG/SMEs on how California could support

Incentives and streamlining	Strategic planning	Standards and reporting	Technical assistance
<p>Provide incentives or condition funding to transit agencies, MPOs² and/or cities that meet objectives</p> <p>Expand ‘by-right’ approval for housing around transit with ‘shot clocks’ or ‘default yes’ rules</p>	<p>Create new entity to directly undertake property development and/or enter into public private partnerships</p> <p>Empower some entity to ensure transit is incorporated into all planning, zoning and permitting processes</p>	<p>Create common TOD³ guidelines and/or objectives in California</p> <p>Collect and consolidate data to measure progress (e.g., square footage / units of development, average timelines)</p>	<p>Set up central team to provide support on TOD to local jurisdictions and transit agencies</p> <p>Create common software / tools for cities and transit agencies (e.g., digitize zoning, entitlement and permitting processes)</p>

Suggestions to potentially prioritize

1. Potential strategies identified by Technical Working Group (TWG) and Subject Matter Expert (SME) identified by CalSTA 2. Metropolitan Planning Organizations
 3. Transit-Oriented Development
 Source: Technical Working Group Meeting on October 10, 2024 and Subject Matter Expert interviews held by CalSTA in September – October 2024



Public comment

For discussion



- What should **land use near transit** in California look like?
- What can be done to **encourage use of existing regulations and policies** to increase development near transit?
- What **new policies** are needed to increase development near transit?
- How can **California further support** (i.e. technical assistance, capability building, granting authority) to encourage development near transit?

6. Discussion of potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations

Transit-Oriented Development can provide two related but distinct goals



Boost transit ridership & improve access

Increases **population & job density**:

- A) On existing transit agency-owned land
- B) On all other land within 0.5 mile of transit
- C) Systematically integrated into transit expansion plans

Can make stations more **accessible** and **community oriented**, with hubs that enhance **convenience** for residents and improve **safety**

Reduces VMT¹, can provide **affordable housing**, and **increases economic development**



Focus of this agenda item

Create value capture opportunities

Expands potential for **revenue from real estate activities** and property development (e.g., increases in leasable space, joint development possibilities)

Enhances **non-real estate revenue sources** (e.g., advertising, commercial sponsorships and partnerships)

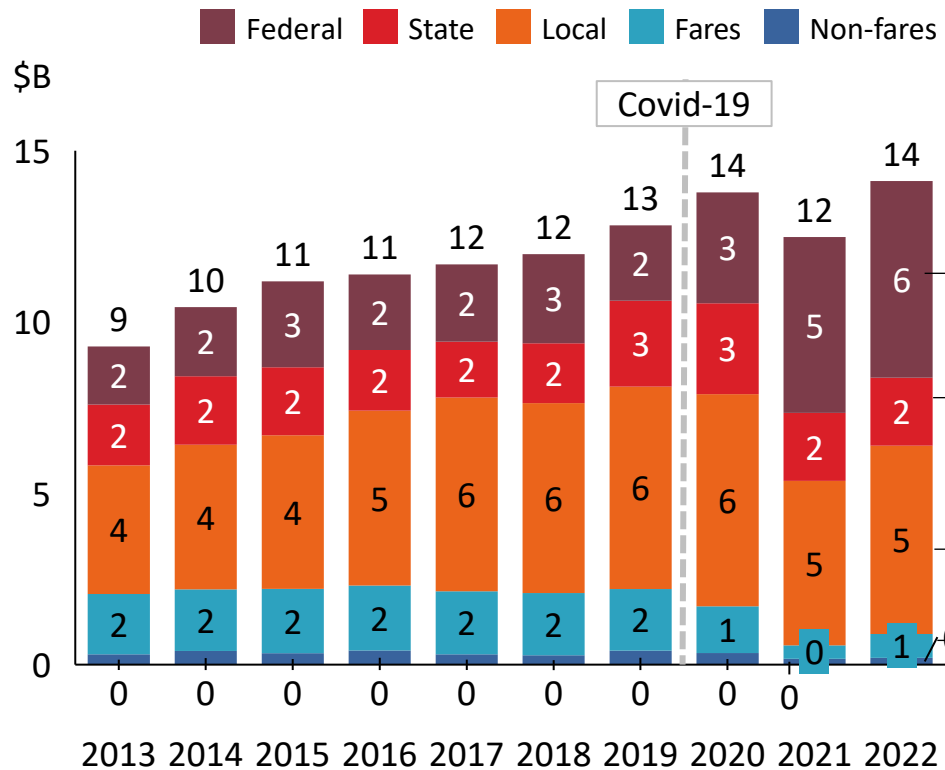
Can help **subsidize operations** by capturing the enhanced value of land near transit using increment financing

1. Vehicle Miles Traveled

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024

Public transit in California is mainly funded through Federal, State and Local sources

Historical funding sources across California transit agencies by fiscal year, \$B



Select transit agencies have begun to or have already exhausted federal emergency assistance¹ that provided COVID relief funding

Financial impact differs across transit agencies (e.g., LA Metro exhausted relief funds in FY23, BART could exhaust relief funds in FY26)

Fuel taxes will decrease with a rise in zero-emission vehicles, which could impact public transit funding – for example, the Legislative Analyst’s Office² indicates State Transit Assistance (STA) program funding could decline by up to ~\$300M, roughly a third of total STA funding, by 2035

New TIF³ financing tools are not well understood / widely used, limiting the role of new post-redevelopment TIF tools in assisting housing goals, according to the Governor’s Office of Land Use and Climate Innovation

Farebox revenue has not rebounded to pre-pandemic levels given the rise in remote work and other COVID-related changes to population, travel patterns and perceptions about transit

1. Includes nationwide funding to public transportation and the transit industry through the 1) Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided \$25 billion 2) American Rescue Plan (ARP) which provided \$30.5 billion and 3) Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) which provided \$14 billion

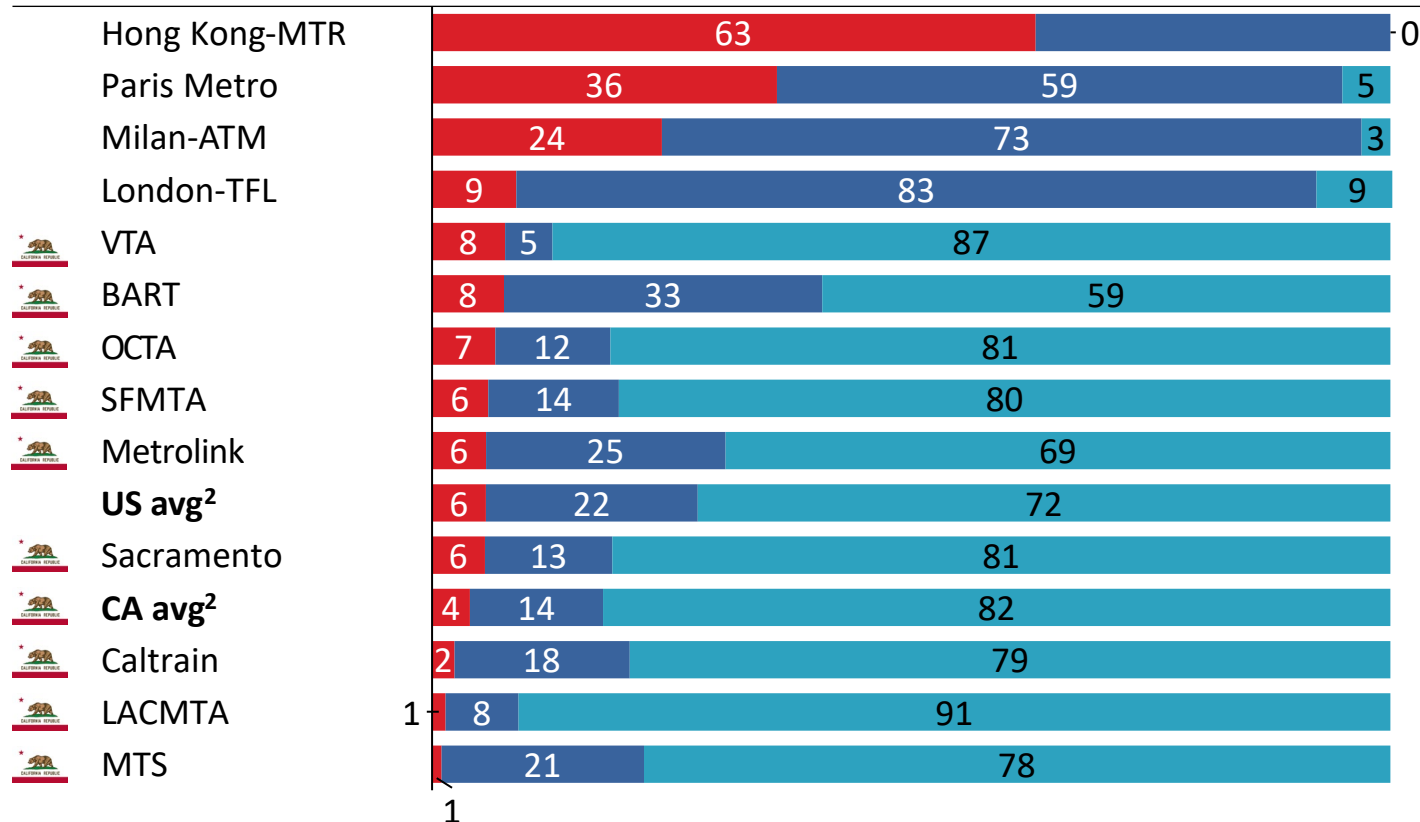
2. Decrease relative to 2023 revenue; scenario assumes emissions reduction goals following the California Air Resources Board Scoping Plan

3. Tax Increment Financing (TIF)

Source: [National Transit Database](#), [Federal Transit Administration](#), [Los Angeles Metro](#), [Bay Area Rapid Transit \(BART\)](#), [Legislative Analyst’s Office](#), [Governor’s Office of Planning and Research](#)

Examples of diversified funding sources across various global transit agencies

Funding sources for select transit authorities³, percent of 2018-2019 revenue



 CA Agency
  Non-fares
  Fares
  Government¹

Several international transit agencies have developed non-fare revenue streams largely through property development and management and other commercial partnerships

California (CA) transit agencies may be able to learn from international successes despite different environments

In doing so, there may be some potential to diversify and increase revenue sources while expanding transit-supportive housing and supporting increased ridership

1. Includes federal, state, and local funding sources

2. National and statewide average weighted by total average funding between 2018-2019

3. MTR = Mass Transit Railway; ATM = Azienda Trasporti Milanese; TFL = Transport for London; BART = Bay Area Rapid Transit; SFMTA = San Francisco Municipal Transportation Authority; OCTA = Orange County Transportation Authority; VTA = Santa Clara Valley Transportation Authority; LACMTA = Los Angeles County Metropolitan Transportation Authority; MTS = San Diego Metropolitan Transit System

Source: [NTD](#), Agency financial reports

Transport for London created Places for London, in part, to provide a sustainable source of value capture revenues

Plans

Build **20,000** new homes, **3,000,000** square feet workspace, and **new retail and leisure spaces**

Target net zero carbon by **2030**

Current portfolio

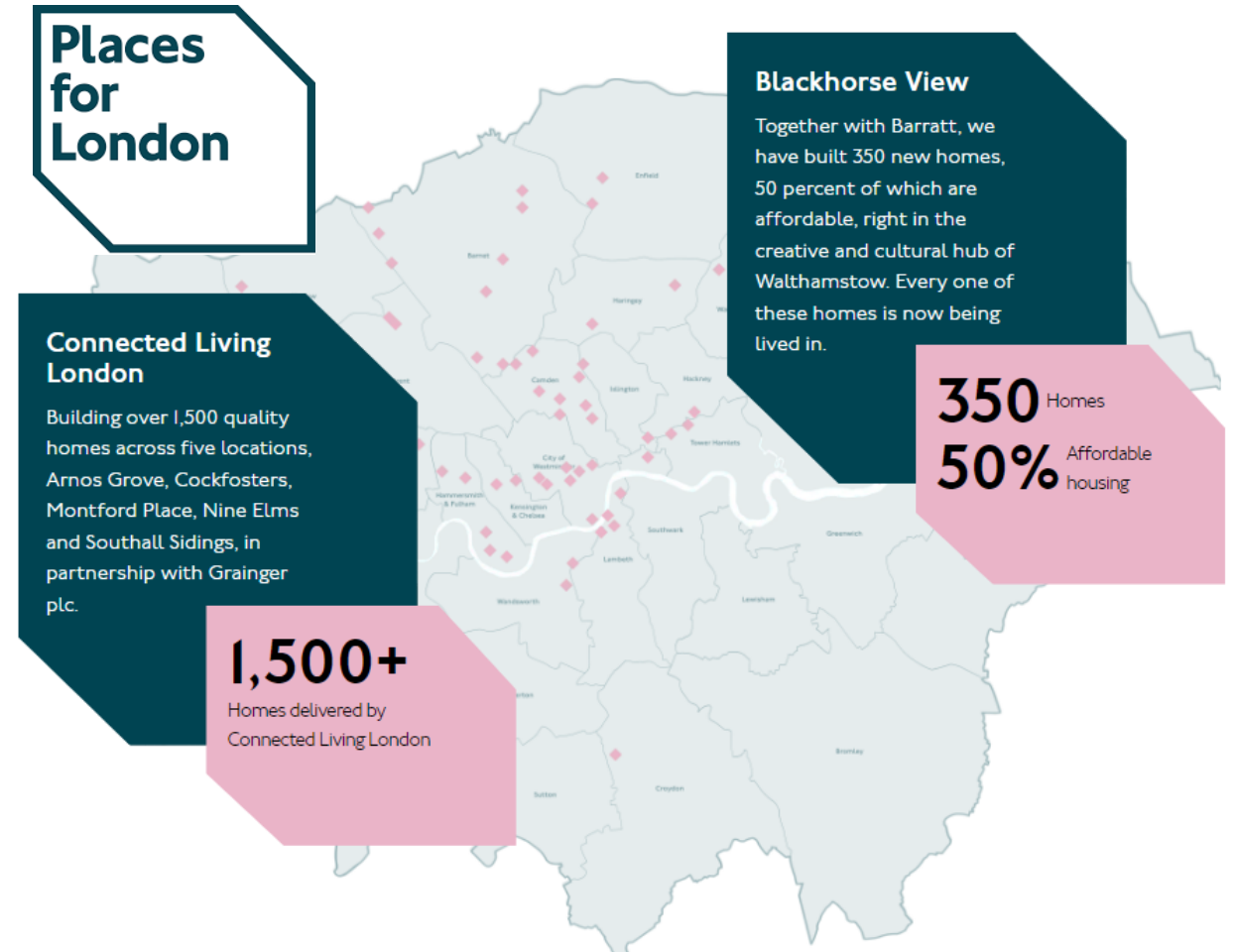
100% of profits is reinvested into Places for London and TFL

£2 billion
Total value

1,500+
Existing businesses

£69 million
Gross annual revenue

95%
Small and medium sized businesses



Source: [Places for London](#)

Image caption: Sample residential projects by Places for London ([Places for London](#))

TWG and other SMEs identified several potential options to capture value from real estate

















Revenue potential:

High  Med  Low 



Real estate options identified by the TWG and other SMEs

Illustrative scale

Real estate development through public-private partnerships where private partners build developments and transit agencies get ground rent and/or share of ongoing revenue			
Retail and commercial leases within stations and owned properties providing rental income and enhanced foot traffic			
Transit Tax Increment Financing (TIF) districts to fund expansion projects, e.g., Chicago Red Line metro			
Funding for operations from private developers for VMT ¹ mitigation, for example through direct payments, or through providing transit passes for residents			
Air right sales ² to private developers for further development above rail or bus stations			
Long-term ground leases or property sales for underutilized land or spaces			
Parking fees from park-and-ride lots and/or street parking			
Electric Vehicle charging or hydrogen re-fueling in agency owned parking areas that could be offered also to private bus and truck fleets			

1. Vehicle Miles Traveled

2. Air right sales occur when entities sell space above owned properties for the development of new residential or commercial spaces

Source: Technical Working Group Meeting held on October 10, 2024 and Subject Matter Expert interviews held by CalSTA in September – October 2024

Cross-cutting observations from TWG and other SMEs

- Transit agencies do not often integrate value capture from real estate into transit planning
- Agencies can identify and publish their stock of real estate so that developers know where the opportunities are
- Smaller agencies may lack capacity/capability and may benefit from technical assistance from California (e.g., a consortium to design, develop, and install hydrogen re-fueling facilities)

TWG and other SMEs identified a number of other potential sources of revenue






Revenue potential:

High  Med  Low 



Other options identified by the TWG and other SMEs

Illustrative scale

Growth of diversified business activities including operational and consulting activities in other geographies	
Advertising opportunities including selling station naming rights, dynamic digital billboards and seasonal or event-based campaigns	
Fiber optic leases with telecommunication companies for installation, operation and maintenance of fiber optics	
Coordinating with medical organizations to fund services to medical centers or move their offices closer to transit to reduce paratransit costs	
Sponsorships and partnerships such as with sporting events (transit incl. in game tickets), tourism (e.g. Visit California cards) and companies/universities (transit passes)	
Charter bus services permitted for a wider scope of activities	
Filming and other media activities on transit properties	

Cross-cutting observations from TWG and other SMEs

- Opportunity to capture more value by ‘in-sourcing’ some activities like advertising but may require additional support and/or expertise
- California could ensure agencies have relevant rights for given revenue streams (e.g., air rights, charter, fiber optics)
- California could support through centralized coordination or procurement (e.g., with tourism agencies, California-wide contracts to improve bargaining power)

How could California support?



Empower development

Further empower existing and/or new entities to pursue a 'Rail plus Property' model on transit-owned land and integrate into new transit expansion plans



Financial structures

Consider implementing financial structures to ensure accrued value of real estate development goes to transit agencies

Deep dive follows



Regulatory barriers

Seek opportunities to overcome regulatory barriers limiting value capture



Organizational support

Review potential to provide technical assistance across the development lifecycle through existing and/or new entities



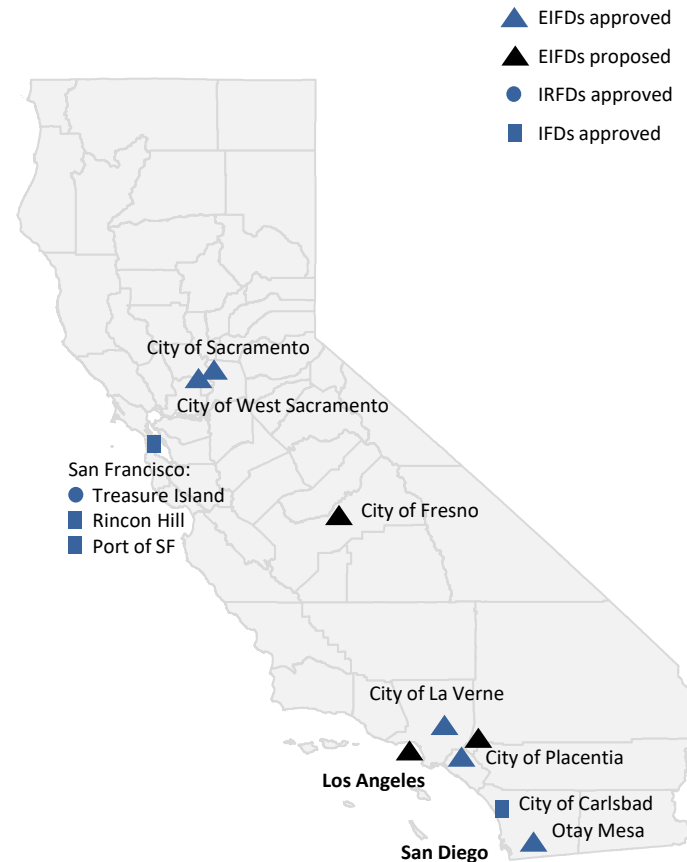
Funding distribution

Consider ways to ensure funds in California continue supporting smaller agencies that have less opportunity to capture value

New Tax-Increment Financing (TIF) tools have not been widely used

12 TIF districts were approved and/or proposed in CA over the past 20 years¹

Sample post-redevelopment TIF tools	Focus
Infrastructure Financing Districts (IFDs)	Public works / facilities projects
Enhanced Infrastructure Financing Districts (EIFDs)	Infrastructure projects with community-wide benefits
Infrastructure and Revitalization Financing Districts (IRFDs)	Housing development and other development projects
Community Revitalization and Investment Authorities (CRIAs)	Low-income or disadvantaged communities
Neighborhood Infill Finance and Transit Districts (NIFTI-1, NIFTI-2)	Affordable housing in infill locations; development within 0.5 mile of transit (NIFTI-2)



Based on a study by the Governor's Office of Land Use and Climate Innovation, use of post-redevelopment TIF tools limited due to:

- **Limited revenue** given property tax shares often too low to justify TIF without other entities' help
- **Voluntary involvement** from multiple taxing entities needed; education districts excluded
- **Scope of powers** and flexibility limited compared to previous redevelopment
- **Technical challenges** and lack of widespread understanding

1. Data as of 2020. District locations are approximate and excludes redevelopment and there are other districts being considered

Source: [California Governor's Office of Land Use and Climate Innovation](https://www.governor.ca.gov/land-use-and-climate-innovation)



Public comment

For discussion



- **How could California maximize value capture from real estate at-scale and at-pace for transit?**
- **How could California best support transit agencies in capturing other non-real estate sources of earned revenue?**

7. Discussion of strategies to provide first- and last-mile access to transit

Limited access to first- and last-mile solutions may limit ridership

Transit use **declines by 90%** when riders must **walk more than 0.5 miles**¹

In urban regions within California, an average of **~50-60% of residents reside within a half-mile**² of high quality transit³. However, percentages are lower in suburban and rural areas

Expanding Transit-Oriented Development, creating mobility centers, and improving other first- and last-mile solutions (e.g., bicycle share, e-scooters) could increase ridership while creating safe, comfortable communities

Sidewalks present a particular challenge in California – see this sidewalk 1 block away from an SD MTS Trolley Stop in Barrio Logan

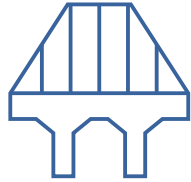
1. Transit Blues in the Golden State: Analyzing Recent California Ridership Trends, University of California, Los Angeles
2. Health Communities Data and Indicators Project, University of California, San Francisco
3. Major public transit stop defined as one whose waiting time is less than 15 minutes during peak commute hours; data for urban areas representative of counties within the Bay Area, Southern California, San Diego, and Sacramento

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024



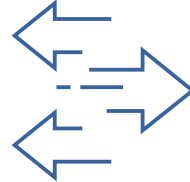
Image caption: 25th / Commerical Sidewalk area in Barrio Logan, San Diego

How could California support?



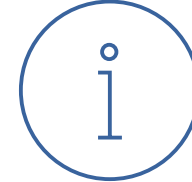
Infrastructure

Tying networks of pedestrian and active transportation infrastructure (e.g., bicycle lanes, ADA¹ accessible sidewalks) to Transit



Service provision

Consider operating shared micromobility and/or active transportation modes (e.g., shared bicycles and scooters) as well as services for older and disabled transit users



Integration and governance

Consider improving information and payment systems (e.g., bicycle availability) and mandating first- and last-mile planning / implementation for local jurisdictions near

1. Americans with Disabilities Act

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – Oct. 2024



Public comment

For discussion



- **How can first- and last-mile access to transit in California be improved? What laws and policies affect first- and last-mile access?**
- How can first- and last-mile solutions be improved to **better serve the needs of community members with disabilities?**
- How could **California support transit agencies and jurisdictions** to improve first- and last-mile access?



**Public comment for items not
on the agenda**

Next steps: New Revenue Sources & Governance

Senate Bill 125 requirement	Initial discussion (pre-recommendation)			
	TTTF #4	TTTF #5	TTTF #6	Remaining
1.f.1a: Service and fare coordination or integration between transit agencies	✓			
1.f.1b: Coordinated scheduling, mapping, and wayfinding between transit agencies	✓			
1.f.1c: Providing a safe and clean ride for passengers and operators	✓			
1.f.1d: Increasing the frequency and reliability through strategies such as the sharing of real-time transit information, service alert data and transit prioritization on roads	✓			
1.f.1e: Strategies to provide first- and last-mile access to transit			✓	
1.f.1f: Strategies to achieve fleet and asset management goals and needs including funding approaches				✓
1.f.2: Changes to land use, housing, and pricing policies that could improve public transit use			✓	
1.f.3: Strategies to address workforce recruitment, retention, and development challenges		✓		
1.f.4: Reforming the Transportation Development Act such as replacing the fare box recovery ratios and efficiency criteria with performance metrics that better measure transit operations		✓		
1.f.5: Identification of the appropriate state department or agency to be responsible for transit system oversight and reporting				✓
1.f.6: New options for revenue sources to fund transit operations and capital projects to meet necessary future growth of transit systems for the next 10 years				✓
1.f.7: The potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations			✓	

Next steps

Homework: please provide via the SB125 inbox:

- 1 What new funding sources are necessary to achieve our transit transformation goals?
- 2 Feedback on additional data sources, subject matter experts, or TTTF discussion topics
- 3 Feedback you have on today's discussions (land use and housing policies, value capture and first- and last-mile)

Please email your responses by Thursday, November 14th, which will inform the work of the Technical Working Group (TWG) and content for the next TTTF meeting 7 (scheduled for Dec 10, 2024, at The Armstrong Transit Center, Clovis). We will also be announcing the additional TTTF meeting times for 2025 shortly.

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