

2022 SHORT RANGE TRANSIT PLAN

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Purpose of the Short Range Transit Plan (SRTP)

The Alameda-Contra Costa Transit District (AC Transit) prepares and regularly updates the SRTP to help with Bay Area transportation planning and programming. The Metropolitan Transportation Commission (MTC) requires an SRTP from all federally funded transit operators in the MTC nine county region. MTC has developed this requirement in conjunction with the Federal Transit Administration (FTA) Region IX, which covers the western region of the country, including California.

The SRTP as currently structured is intended to illustrate projected financial conditions and service levels of Bay Area transit operators over the next five years. Financial projections are made using various revenue scenarios. The revenue assumptions constrain the amount of service that AC Transit and other transit agencies can provide.

Taken together, the SRTPs for the Bay Area are expected to demonstrate the possibility of significant declines in Bay Area transit service if additional operating funding is not provided. This is the widely discussed “fiscal cliff” that American transit agencies face.

The 2022 SRTP versus Previous Years’ SRTPs

The 2022 SRTP differs greatly from previous years’ SRTPs, in both the method of making financial projections and in its required contents. This is due to the unknown short and long-term recovery of public transit coming out of the COVID-19 pandemic and the associated unstable transit financial picture. MTC also wishes to make the SRTPs more streamlined and easily usable documents.

Financial projections

Unlike previous years, the 2022 SRTP projections must use MTC’s revenue forecasts, which differ from the District’s own projections. MTC’S new approach is designed to allow it to more easily aggregate all of the transit agencies’ SRTPs, without the need to reconcile different revenue assumptions

The MTC projections were developed by applying regionwide change factors to the District’s 2019 budget. The three scenarios in the SRTP each assume differing levels of future revenue. Fiscal Year 2022-23 figures in the SRTP are from the District’s adopted budget. However, for

later years, the SRTP figures are based on MTC revenue scenarios. MTC does not specify revenue sources in detail.

The District's own financial projections have been separately submitted to the AC Transit Board of Directors. They differ from the SRTP in both revenue and cost projections. The SRTP's financial scenarios should therefore be understood as a series of hypothetical scenarios prepared for alignment with other transit operator SRTP projections across the region. To provide an additional perspective, this SRTP also includes a brief discussion of AC Transit's own financial projections. This could be considered a "fourth scenario."

Contents of the SRTP

Previous versions of the SRTP (including the District's most recent 2019 SRTP) were prepared and approved under the different, and far more extensive, requirements of previous MTC resolutions. These have been superseded by Resolution 4512, passed earlier this year. The District's 82-page 2019 SRTP contained more detailed descriptions and analysis of AC Transit's planning context, service, and operating and capital budget. Line-level and vehicle-level analyses were also included. Revenue projections were prepared by AC Transit staff, rather than by MTC. Previously, 10-year projections were required, while this version requires a less speculative 5-year projection. In addition to these required sections, AC Transit added a "Vision 2050" section.

After a review of SRTP requirements, MTC, in consultation with Bay Area transit operators, adopted a more streamlined and focused approach. This approach is outlined in MTC Resolution 4512. The SRTP is now more narrowly tailored to meet the immediate needs of regional transportation planning. The current document is focused on a high-level projection of financial and consequent service provisions over next five years. These financial projections are to be accompanied by a brief explanatory narrative, which responds to questions posed in Resolution 4512.

The SRTP Scenarios Concept

MTC has asked transit operators to prepare three different scenarios to test the service impact of various levels of future funding. Using three scenarios allows the SRTP to respond to the significant uncertainties of future funding. Each of these scenarios develops financial projections and service estimates for these levels of funding. As noted above, the SRTP also includes discussion of AC Transit's own projections. The three progressively bleaker scenarios are by MTC as follows:

- 1. Robust Recovery:** There is adequate funding to return overall revenue to 100% of pre-pandemic levels, with escalation. There would not necessarily be proportionate recovery across all revenue sources. AC Transit's own projections show us reaching this level in March 2023, availability of operators permitting.

2. **Revenue Recovery, with Fewer Riders:** Federal relief funds are eventually exhausted, although other funds recover to pre-pandemic levels. However, farebox revenue remains stagnant (20-50% below pre-pandemic levels) for the next five years.
3. **Some Progress:** Federal relief funds are eventually exhausted and total revenue available to the agency is 15% below pre-pandemic levels for the next five years.

MTC also asks that scenario financial and service projections be disaggregated by mode, as reported to the National Transit Database. AC Transit reports four modes:

- Motorbus--All East Bay only routes
- Bus Rapid Transit--the TEMPO line
- Commuter Bus--Transbay service
- Demand Responsive service—paratransit

SRTP Financial and Service Projections

The SRTP must respond to the issues posed by MTC Resolution 4512 and its three scenarios. This discussion is therefore structured around those issues. The scenarios assume that any shortfall in revenue is met by cutting service, not by other means of reducing costs, increasing revenues, or using reserves. That simplified assumption is not made in the District's own financial projections.

Pre-pandemic Service Overview

Prior to the pandemic, AC Transit operated 2,327,401 revenue hours of bus service (inclusive of all modes) in FY 18-19. These provided 25,145,682 miles of revenue service and 1.60 hours of revenue service per capita for people living in the AC Transit district. This compares to 4.02 hours per capita by San Francisco Municipal Transportation Agency (SFMTA) and .99 hours per capita by Santa Clara Valley Transportation Authority.

AC Transit operated bus transit service principally in its district, in western Alameda and Contra Costa counties, extending from Richmond in the north to Fremont in the south. Demand-response paratransit service was provided through East Bay Paratransit, a consortium between AC Transit and the Bay Area Rapid Transit District (BART). The AC district has a population of 1,427,773 (2020 Census) over 364 square miles. The district contains 13 incorporated cities and several unincorporated areas in both Alameda and Contra Costa counties.

AC Transit operated service outside the district to Milpitas, the city of San Mateo, Palo Alto, San Francisco, and Pinole. Most local hubs were at BART stations, and nearly all local routes serve at least one BART station. Principal connections to rail and bus regional transit connections were at El Cerrito Del Norte BART, Salesforce Transit Center in Downtown San Francisco, Union City BART, and Fremont BART.

AC Transit operated five types of fixed route service: Local service, Transbay service, All-Nighter Service, Early Bird Service, and Supplementary Service to schools. The TEMPO Bus Rapid Transit line began service in August 2020.

Pre-Pandemic Service Structure and Types

Pre-pandemic, AC Transit operated 68 local routes within the East Bay. Local routes generally operated seven days per week, from 12-16 hours per day, with a few weekday-only routes. Weekday service frequencies were generally 15-30 minutes, with some low ridership routes operating on 60-minute frequencies. Service throughout the day followed a relative flat pattern, with similar frequencies during daytime hours.

AC Transit's route structure was designed to provide comprehensive, multi-destination service throughout the district. In the AC Go 2017 service restructuring, a grid network of routes was created where possible. This was primarily in the central area of the district in Oakland, Berkeley, Alameda, Emeryville, and Albany. A looser grid of routes was provided in southern Alameda County—Fremont and Newark. In other parts of the district, the roadway network does not support a tighter grid pattern of bus service.

Service on seven local corridors was designated as "Trunk." Two local corridors were designated as "Major Corridor". There is a Rapid bus line on the San Pablo Avenue corridor, which is sometimes described as "BRT light." These trunk and major routes typically operated from approximately 5 a.m. to midnight, with weekday daytime frequencies from 10-20 minutes.

There were 28 Transbay commuter bus lines, generally providing peak hour, peak direction service to the Salesforce Transit Center in Downtown San Francisco from throughout the district. Three Transbay lines—from Berkeley, Oakland, and Alameda-- operated all day, seven days a week, providing both East Bay local and Transbay service in both directions

There were six All-Nighter (owl) routes which provided service on East Bay trunk corridors between midnight and 5 a.m., of which one route provided service to San Francisco.

Early Bird Express bus service provided 1-2 trips per line to replace BART weekday inbound service. Early Bird Express is a limited-stop service from BART stations in the 4 a.m. hour only. This allows BART to continue track work in that hour, with revenue train service beginning an hour later. AC Transit operated five Early Bird Express routes, including routes from Dublin/Pleasanton BART and Pittsburg BART, outside of the AC Transit district.

Supplementary Service (to schools) served selected middle and high schools in the AC Transit district. Bus trips operated during the school year and are aligned to the schools' bell times. These trips are open to the general public.

ADA mandated paratransit was provided through East Bay Paratransit (EBP), a consortium with BART. EBP provides service the same hours/days that AC Transit and BART are in operation within a ¾ mile radius of each BART station and each fixed-route bus line.

EBP funding and the figures included in this SRTP are based on an operational split of 69% (AC Transit) and 31% (BART). For example, in FY 18/19, EBP provided 741,097 trips. AC Transit provided 511,357 trips and BART provided 229,740 trips, respectively. For the purposes of the SRTP, only the AC Transit numbers are provided. The figures for FY 22-23 are based on the Board approved budget.

AC Transit's total annual fixed route ridership in the pre-pandemic year of FY 18-19 was 53.0 million. The great bulk of ridership was in the local/Motorbus category with 50,222,000 passengers on motorbus service; and 2,819,000 on Transbay commuter bus service. There were also 511,000 trips on demand-response paratransit service. Weekday ridership was predominant, with 83% of total ridership. Saturdays and Sundays split the remaining 17% almost evenly. Average ridership on motorbus service was 25.7 riders per revenue hour.

The 10 routes classified as trunk, major corridor, and Rapid had 51% of total passenger boardings. These serve 11 cities in the district — all cities except Newark and Piedmont. Urban crosstown routes — primarily serving “flatland” areas or Richmond, Berkeley, Albany, Emeryville, Oakland, and Alameda — carried 26% of passengers. Suburban crosstown routes — mostly in hill areas and central Alameda County — had 4%. Very low-density routes in southern Alameda County had 3%. Transbay routes to San Francisco had 11%, with Supplementary Service routes at 4%.

Service as of Summer 2022, Planned Service for 2023

Service Availability

At the time this SRTP is being submitted, scheduled service represents 88% of pre-pandemic service in revenue hours. All service types continue to operate, and all cities and unincorporated areas continue to be served. However, AC Transit is unable to fully return to prior levels of scheduled service due to a shortage of bus operators.

Service on many lines has been reduced in frequency and/or hours of operation from pre-pandemic levels. Service on 5 of 68 local lines and 12 of 28 Transbay lines have been suspended. Peak-only Transbay revenue hours have been reduced by 73% from pre-pandemic levels.

AC Transit's FY 22-23 budget assumes that the District will operate 2,505,214 revenue hours over the course of the year, or 96% of pre-pandemic service. This represents the overall level of service AC Transit intends to provide, not necessarily restoration of each route to pre-pandemic levels and schedules. Some recovery service hours will be dedicated toward improving service

reliability on existing routes. As a result, a limited number of currently suspended routes could be eliminated.

Changes to Ridership and Travel Patterns since the Start of the Pandemic

Cumulative annual ridership for FY 21-22 was 28.9 million, a 45% decline from pre-pandemic ridership of 53.0 million. Motorbus (or local bus) ridership was 25.1 million, 50% of pre-pandemic ridership of 50.2 million. However, Transbay ridership plummeted from 2,820,000 to 270,000, a drop of 90%. Total ridership has rebounded from an FY 2020-21 annual low of 21.4 million. Seven of the eight routes which have had the greatest ridership rebound serve UC Berkeley, which was largely closed in FY 2021-22.

The pandemic has resulted in a great reduction of in-office employment in Downtown San Francisco, the primary destination of Transbay riders. An analysis from UC Berkeley shows that Downtown San Francisco has the lowest percentage of employees who have returned to work of any major U.S. city. This is due to the occupational composition of employment there. Downtown Oakland, the single largest concentration of employment in the AC Transit district proper—and single largest AC Transit service hub—has also had major reductions in on-site employees. To respond to these changes, the ratio of commute service to total service has been reduced.

Equity Priority Communities in Service Planning and Changes

In January 2022, AC Transit adopted a Service Restoration policy which prioritizes restoring service to communities with lower incomes and greater populations of people of color. This policy means that equity priority communities are prioritized for service restoration. Greater detail on this is provided in the Scenarios section.

Changes in the District's Operating Budget since FY 18-19

AC Transit's operating budget has increased from \$415.2 million in FY 18-19 to a budgeted \$528.1 million in FY 22-23. This increase has been made possible by federal pandemic relief operating funds and has allowed AC Transit to restore service faster than would otherwise be possible. The FY 22-23 budget represents a 32% cost increase from FY 18-19 to return to planned pre-pandemic service levels, or an approximately 7% annual increase. AC Transit has changed bus scheduling to improve service quality and reliability. More buffer time is built into schedules, increasing the cost per revenue hour. In the short term, the primary constraint on returning to full service is operator availability.

Future Service Planning Scenarios

This section provides a discussion of the three scenarios with revenue estimates provided by MTC. A “fourth scenario” of AC Transit’s own projections is also included. An overview of features common to the scenarios is provided after the discussion of the three scenarios.

Scenario 1—Robust Recovery (*AC Transit staff describes as “Slight Reduction”*)

This scenario would result in some reduction of local (Motorbus) service on low-ridership lines. In this scenario, a small number of local lines with low ridership would be discontinued. A few local lines would be reduced back to summer 2022 service levels. A few local lines would continue at reduced summer 2022 levels or be discontinued. Most Transbay service would be eliminated, but the District would be able to operate a small amount of Transbay service in the first year.

This scenario shows modest 1.5%% drop of budgeted Motorbus service from the District’s adopted FY 22-23 budget. Roughly 20,000 annual hours — or 55 daily hours— of Motorbus service would be eliminated. Motorbus ridership is projected to increase 36% between FY 23 and FY 28, as service productivity improves. However, the FY 28 ridership level would still be 11% below pre-pandemic ridership.

Because of this relatively minor change, the SRTP does not project major changes in service availability from summer 2022 levels; nor would the pattern of Motorbus service deployment change significantly. In Scenario 1, we do not project reductions in fleet requirements, spare ratios, or staffing requirements.

An unexpectedly strong return of employees to Downtown San Francisco offices could change this scenario. This would increase demand for reinstituted Transbay service. This demand would have to be balanced against the equity priorities for local service.

See the spreadsheet for statistical projections under Scenario 1.

Scenario 2—Revenue Recovery with Fewer Riders (*“Greater Reduction”*)

This scenario would result in noticeable drops in service on parts of the local system.

In this scenario, vehicle revenue hours for Motorbus service drop 5% between the current year and FY 24-25. After that, they remain essentially unchanged. Motorbus ridership would increase 32% between FY 23 and FY 28. However, the FY 28 level would be 13% below pre-pandemic ridership.

A small number of local lines would be discontinued under this scenario. Approximately 1/3 of local bus lines would see service reductions to Summer 2022 levels. The bulk of reductions would come in the suburban crosstown and very low-density categories. Service frequencies

and spans of service would be reduced on those lines. Cuts would be proportionately heaviest in central and southern Alameda County.

Under this scenario, it would be difficult to respond to unexpected increases in demand, such as stronger post-pandemic employment growth in San Francisco. Service would have to be shifted from local to Transbay service, raising equity concerns. Transbay service run times are necessarily longer than local routes', requiring more vehicles per trip. However, in this scenario, capital funding to expand the fleet would not be available.

See the spreadsheet for statistical projections under Scenario 2

Scenario 3—Some Progress (*"Significant Reduction"*)

This scenario would result in service cuts in all areas of the district. Many non-trunk/major lines would have service reduced to Summer, 2022 levels.

Numerous local lines, including some trunk/major lines would be reduced to Summer 2022 levels or discontinued. Ridership in FY 28 would fall 4% below the FY 23 level and would be 37% below the pre-pandemic level.

The effectiveness of the grid network of routes—in those areas where it exists--would be compromised. Service frequencies would have to be reduced, leading to wait times for transfers that would be unacceptable to passengers. Weekend and evening service would be reduced, making travel in those periods more difficult. Remaining service would be heavily focused on trunk corridors and major corridor lines. We again assume that staffing and fleet requirements would be reduced proportionately to service cuts.

AC Transit Financial Projections--"Scenario 4"

As noted above, in September 2022, AC Transit developed its own financial projections for the next five years. These projections were structured differently than the MTC projections. The District projected revenues through a source by source forecast for major categories, such as sales taxes, property taxes and farebox revenue. In addition, AC Transit's projections incorporate the use/spend-down of federal COVID relief funds past FY23. The District expects to spend all of the funds by the end of FY 24.

Scenario 4 assumes AC Transit achieves 90% of pre-pandemic service levels in FY 23 and then holds them constant, regardless of revenues. Costs are not constrained, and are assumed to increase following current trends. This approach generates a total deficit of \$122 million over the five years with the bulk occurring between FY25 and FY27. The deficit is reduced significantly in FY28 due to an expected large reduction in pension expense. Ridership is not projected in this scenario as it is difficult to project, especially in the current post-COVID economic climate.

Scenario 4 assumes that COVID relief funds will provide \$49 million in FY 23-24, and \$51 million in FY 24-25, which will forestall deficits in those years. The COVID relief funds would then be exhausted. A deficit of \$37 million is projected in FY 25-26, \$39 million in FY 26-27, and \$38 million in FY 27-28. Deficits drop to \$5 million in FY 28-29 and \$2 million in FY 29-30, as sales and property tax revenues recover.

Scenario 4 does not assume service cuts below 90% of pre-pandemic levels. It would achieve this by using cash reserves after COVID funds are exhausted, possibly modifying the pension liability payment schedule, looking for new operating revenue sources, and/or considering opportunities to convert capital funds to operating uses.

Overview of Service Planning Scenarios One, Two, and Three

All scenarios cut service: Each scenario begins with a reduction in service (revenue hours) between FY 22-23 and FY 23-24. This reduction occurs because MTC's projected operating revenue for FY 23-24 are below the District's adopted budget for FY 22-23.

MTC's most optimistic revenue scenario — Scenario 1 — results in a 3% reduction in service between FY 22-23 and FY 23-24. The most pessimistic revenue scenario — Scenario 3 — results in a 14% reduction in service between FY 22-23 and FY 23-24. The FY 23-24 figures are the baseline for the projections for the following years. Later years see a greater or lesser reduction in service, as projected cost increases outpace revenue increases.

The calculation of vehicle revenue hours available under each scenario is derived from the total operating budget. The baseline is the current operating cost per revenue hour. This is then inflated for horizon years. The projections assume that hourly operating costs will continue to rise at a faster rate than revenues.

No service or capital improvements: Many lines are currently considered to be operating with less than the frequency or span of service targets in AC Transit's Service Standards Policy (Board Policy 545). Any of these scenarios would make it impossible to make service improvements on the District's pre-pandemic base. Any service improvement on some lines would have to come at the expense of service on other lines. In addition, it would not be possible to make needed capital improvements. For example, the District's outmoded bus divisions (yards) require replacement or rebuilding.

Service Restoration and Reduction Priorities: The AC Transit Board of Directors adopted line by line Service Restoration Priorities in 2022. In the case of service cuts, these could be applied in reverse if the Board elects, with the lowest priority lines being cut first. Given limitations on the number of available operators, AC Transit has not yet had the opportunity to fully restore service.

Equity Priority Communities: Service to equity priority communities is an issue which cuts across all scenarios. Of the seven Trunk corridors, six have at least half their route in an Equity

Priority Community. The Trunk Corridors would be high priority for AC Transit to maintain, even in scenarios that require cutting service. Taken as a whole, Transbay passengers have considerably higher incomes than local passengers. A smaller percentage of Transbay riders are people of color than among the local ridership.

AC Transit's Service Restoration Priorities creates priority scores for service restoration. These scores consider low-income residents near the routes, percentages of people of color near the routes, and pre-pandemic ridership on the routes. The relationship of these service restoration scores to Equity Priority Communities is as follows:

Some routes are already at 100% of scheduled service and do not require restoration. Of the 42 local routes which require restoration, 7 routes stand out as top priorities. These routes had the highest service restoration scores, considerably higher than the next highest route (forming a clear tier in the data). These routes are shown below, with the estimated percentage of their route in Equity Priority Communities. These were also seven of the nine local routes with the highest percentage of low-income residents living along them (route names are for descriptive purposes only).

<u>Route</u>	<u>Estimated percentage of route in or adjacent to Equity Priority Communities</u>
57 Macarthur/40 th Street	85%
76 South & West Richmond	90%
18 Solano/Shattuck/MLK	25%
88 Market/Sacramento	70%
36 Berkeley-Emeryville-West Oakland	80%
79 Rockridge-El Cerrito	10%
97 Hesperian/Alvarado-Niles	30%

The Board has prioritized service for low-income communities and communities of people of color. In service cutting scenarios (all three in the SRTP), the lines which would be cut first would be those with the least impact on equity priority communities. However, the Board of Directors would review ridership on the lines when deciding whether to implement service cuts. That review could lead to changes in service cut priorities.

Network Redesign: AC Transit is undertaking a districtwide network redesign study. The study is intended to increase service availability and efficiency and is planned for adoption in Spring 2024, with implementation slated for August 2024. Because of this study, the structure of

Motorbus service cannot be predicted with certainty. This serves as a caveat for any projections of future service patterns.

Transbay Service: Transbay_peak only service is eliminated in all scenarios, except for a minimal amount in FY 24 in Scenario 1. The three all day Transbay lines are included in the Motorbus category. Transbay service has low priority for service restoration. As noted above, Motorbus lines generally serve lower income people than Transbay service.

Transbay bus service has also functioned as a reliever for previous BART commute period overcrowding through the Transbay Tube. However, BART now has sufficient capacity to handle the reduced commute into San Francisco. BART is also adding capacity through its new signal system. Therefore, the reliever role has become less urgent.

Bus Rapid Transit: Changes in Motorbus and Commuter Bus service, and ridership by scenario are discussed in each scenario. However, BRT and demand-response service and ridership show different patterns. For BRT, the SRTP holds the service level and ridership constant for this recently inaugurated flagship service. This forgoes previously planned increases in BRT service level and therefore ridership.

Flex Service: Flex service is eliminated in all scenarios, as it is the lowest priority for service restoration. Other relatively small service categories such as Supplementary/School oriented service, All Nighter (Owl) service, and Early Bird Express service would not be affected. These are included in the Motorbus total.

Demand-Response (Paratransit): For demand-response service, each scenario is the same. Rising ridership and costs are projected across all scenarios. East Bay Paratransit is required under the Americans with Disabilities Act (ADA) to provide service to people with disabilities living within ¾ mile of a fixed route. Paratransit service to all transit-served destinations must be made available during the hours that the nearby fixed route is in service. Demand-Response route miles travelled were 5,126,119 in FY 18-19, projected to be 3,286,910 in FY 22-23. Route miles then begin rising again with the easing of the COVID 19 pandemic.

This ADA obligation continues regardless of changes in the District's revenue. Elimination of fixed routes could hypothetically shrink the area where paratransit service must be offered. However, the SRTP does not anticipate that the service area will shrink substantially under any of the scenarios.

To the limited extent that fixed routes are proposed to be eliminated, most paratransit riders will remain eligible because of other fixed routes within ¾ mile. The assumptions made here are, first that the coverage around the BART stations will be static for the planning period. Second, to the extent that service cuts reduce frequency rather than reducing hours of operation this would have no impact on EBP coverage. Even if a fixed-route line were to be eliminated, the impact on EBP would be de minimis given the coverage of the remaining fixed-route lines.

Flat Service Model: AC Transit service frequencies are already relatively similar (or “flat”) between peak and off-peak periods so that the District does not need to “pivot” to an all-day service model. Trunk line 51A between Rockridge, Downtown Oakland, and Alameda (principally via Broadway in Oakland and Santa Clara Street in Alameda) is an example. Weekday peak period service in both directions is scheduled for a 10-minute headway. Weekday midday and early evening service is scheduled for a 12-minute headway. Thus there are 5 midday trips per hour, compared to 6 in the peak period.

S RTP Financial Projections

See Excel Document.