SB125 Transit Transformation Task Force Final Report

CalSTA
CALIFORNIA
STATE TRANSPORTATION
AGENCY

Message from the Secretary

It is a true privilege for the California State Transportation Agency (CalSTA) to help shape our State's transit to the benefit of all people. This SB125 Transit Transformation Task Force Report reflects a bold vision for the future of transit in California. More than a document, this final report is a testament to the past two years over which the Task Force has brought together leaders, experts and community voices to develop transformative ideas for transit. This collective effort, time and expertise have proven invaluable toward our goals to improve lives for all Californians. Through robust collaboration and dialogue, members forged a set of guiding principles and recommendations to transform transit in alignment with CalSTA's Core Four priorities of safety, climate action, equity and economic prosperity. California must continue to invest in transit options that are sustainable, convenient, seamless and affordable while also connecting our communities throughout the State. With sustained investment and commitment, this report charts a path toward a more resilient, equitable and sustainable transit system—one that will strengthen communities, drive economic prosperity and inspire future generations to see transit as the backbone of California's shared future. Building on this incredible momentum, we continue pushing forward and are eager to embrace the exciting opportunities that lie ahead for California transit.

Toks Omishakin

Secretary, California State Transportation Agency

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Executive Summary

Transit is more than just a way to get from place to place—it is a vital component of California's vision for a more equitable, prosperous, and environmentally sustainable future. Forward-thinking legislation laid a powerful foundation by recognizing transit as a cornerstone of California's ambitious climate goals. For example, over the past two decades, California passed laws to encourage transit-oriented development and funding for transit improvements to reduce car dependency, and positioned transit as a key solution to reduce greenhouse gas emissions.[1] These laws elevate public transit not only as a solution to meeting California's climate goals, but also as a catalyst for reimagining how Californians live, move, and connect. From integrated, regional planning and transit-oriented development to clean energy innovation, California is charting a path where transit drives progress across every corner statewide.

California's recent housing legislation underscores a growing commitment to building vibrant, transit-connected communities where people can thrive without needing to rely on a car. Recent legislation enabled affordable and mixed-income housing to be built along transit-friendly commercial corridors, and expedited approval processes for urban infill projects, including many near transit.[2] These laws are paving the way for walkable neighborhoods that are affordable, accessible, and sustainable—and they accelerate the creation of homes in the very places where transit can offer the greatest benefit. However, for these laws to work, we need robust, reliable public transportation to serve Californians.

Across California, transit agencies are already proving what is possible when we invest in people, safety, and community. For example, Bay Area Rapid Transit's (BART) Ambassador Program has redefined the rider experience by fostering a sense of presence and care on the system, helping restore trust and safety for thousands of daily riders. In Los Angeles, a groundbreaking, collaborative approach to Measure M united communities and secured transformative, long-term funding to reshape regional mobility. And when

[1] These include the California Green Tariff Shared Renewables Program (S.B. 43, 2014) the California Sustainable Communities and Climate Protection Act (S.B. 375, 2008) and the California Global Warming (A.B. 32, 2006).
[2] These include the California Affordable Housing and High Road Jobs Act (A.B. 2011, 2022); the California Middle Class Housing Act (S.B. 6, 2022); and the California Streamlined Multifamily Housing Approval Act (S.B. 423, 2023).

disaster strikes, transit acts as a lifeline, playing a critical role in mass evacuations and emergency response, such as during California's recent wildfires. These successes show that transit can be an engine for resilience, equity, and shared prosperity.

Transit in California is at a pivotal moment—facing real challenges yet holding immense promise. Declining ridership and revenues and rising costs test the resilience of our systems, even as operators navigate the effects of complex social issues such as the effect of homelessness, the opioid crisis, and more. Still, transit remains essential to achieving a livable climate, equitable access to opportunity, vibrant communities, and a thriving economy.

Transit reduces traffic congestion and greenhouse gas emissions by moving people with fewer vehicles and it supports economic activity by enabling access to jobs, education, healthcare, and commerce—greatly improving quality of life, particularly for those who cannot drive to due to age, ability, or income. California's population is aging, and transit connects elderly or disabled riders to vital accessible services. Additionally, transit fosters more livable, inclusive communities by reducing the need for extensive parking and encouraging walkable neighborhoods. For individual users, public transit can offer an affordable, convenient alternative to car ownership, and transit increases mobility and independence for society at large.

California's transit agencies face challenges driven by falling ridership, declining revenues, and rising costs from inflation, infrastructure needs, land-use patterns, and the transition to zero-emission fleets. Together, these factors threaten transit service reliability and financial stability. Task Force members noted that addressing these challenges requires more than reallocating existing dollars—it could be addressed through increased, flexible, and dedicated revenues and funding, efficiencies in capital and operating spending, and diversified revenue streams such as real estate development, toll revenues, and innovative financing tools. Task Force members also noted that legislative changes that reduce costs and expand agencies' authority to capture value from their assets will advance these goals.

With leadership and smart policy, we can transform public transit into a fast, reliable, and dignified alternative to driving—one that connects millions

more people to what matters most. Going forward, California can lead the nation in creating a transportation system that is truly built for the future.

This report is intended as a starting point for future conversations, and not as a menu of ready-made policy or fiscal proposals. Implementation of the recommendations found within this report will require additional development to determine the necessary resources, statutory changes, or other programmatic changes that would be needed before they can be implemented. This additional detail is beyond the scope of this report.

The Task Force's vision is that public transit is the backbone of a prosperous, affordable, climate-resilient, and equitable California—empowering Californians to move freely, reliably, and sustainably.

1.0 Background: SB125 and the Transit Transformation Task Force

The Transit Transformation Task Force (TTTF or Task Force) was established through SB125 (Chapter 54, Statutes of 2023), which required CalSTA to convene representative transit leadership and subject matter experts from State government, local agencies, academic institutions, nongovernmental organizations, labor and other transit stakeholders. The Task Force's mandate was to develop recommendations to grow transit ridership and improve the transit experience for all users. Based on the Task Force's efforts, CalSTA was directed to prepare and submit a report of findings and recommendations to the Legislature.

The Task Force met 13 times around California between December 2023 and September 2025 to discuss and develop recommendations on the topics stipulated in SB125 for CalSTA's consideration.

To support the development of the report, the Task Force organized its work into three levels: principles, strategies, and recommendations.

- Principles are high-level value statements that articulate what is needed to achieve the Task Force's goals. They serve as a foundation for organizing strategies and recommendations.
- Strategies define the key issue areas, derived from SB 125 enabling legislation. They help group related recommendations under common themes.
- Recommendations are specific actions or initiatives that stakeholders—such as policymakers, state, local agencies, or transit authorities—can consider for implementation.

CalSTA, as chair and convener of the Task Force, engaged in a robust public outreach process. CalSTA compiled recommendations for inclusion in this report , using the input of Task Force members, the Technical Working Group (TWG), Subject Matter Experts (SMEs), and the public. Recommendations were first presented to the Task Force as a staff report, and then were either approved, rejected, or modified during the meetings. Some approved recommendations have not been selected by CalSTA for inclusion in the

report, but are included in Appendix B to document the process. Given the extensive and public nature of this consultation, numerous comments, suggestions, and ideas can be found on the SB125 CalSTA webpage.

In addition to the Task Force meetings, CalSTA formed a TWG as an advisory body to support the Task Force. TWG members included representatives from CalSTA, Caltrans, and technical partners who were identified as subject matter experts with deep expertise and experience in public transit. The TWG members attended monthly meetings to provide expertise and insight on key transit topics for the Task Force to consider.

Lastly, CalSTA conducted over 70 individual interviews with SMEs, including TTTF, TWG members, and other individuals identified by the Task Force and TWG as experts in their field. The information obtained during SME interviews was used to inform TWG and Task Force meetings.

2.0 Recent California Transit Trends and Challenges

Public transit in the U.S. and California is at an inflection point. Overall transit ridership and transit reliability has declined, while increasing traffic congestion has reduced transit operating speeds. At the same time, California has also experienced a noted decline in the perception of transit security. These challenges are not just a California issue, but affect systems throughout the U.S.

Task Force members discussed how urban transit operators face different challenges than suburban and rural operators. However, they also indicated that across the board, the cost to operate transit has risen faster than inflation, causing some California transit agencies to face immediate funding challenges in a post-COVID revenue environment. California also has ambitious climate goals, requiring a reduction of vehicle miles traveled (VMT) by 30% below 2019 levels by 2045.[3] These goals will require a robust, complete, and connected transit network, per the California Air Resources Board (CARB) scoping plan. A transformed transit system is needed to meet California's safety, equity, climate, and economic goals.

Public transit created the original cities and streetcar suburbs of California. In the 21st century, as transit faces increasing competition from new technologies including autonomous vehicles and app-based ride hailing services, public transit can once again be the mode of choice. Research has shown that fast, frequent, and reliable transit service increases transit ridership and mode share at a rate exceeding the rate of investment, while infrequent, slow networks have declining or stagnant ridership.

Task Force members noted that some of the recent California transit trends and challenges include:

- **Local and State governments hinder progress on delivering effective transit.** These include outdated regulations, the absence of transit-first policies, and the fact that transit operators have limited to no control of

[3] California Air Resources Board, "2022 Scoping Plan Appendix E Sustainable and Equitable Communities," *Policy Framework to Advance Sustainable Communities,* November 2022, 4, https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-appendix-e-sustainable-and-equitable-communities.pdf.

the underlying roadways and right-of-way on which they operate. The mandated transition to zero-emission vehicles poses additional operational and financial challenges for agencies. Within the context of the Transportation Development Act (TDA), Task Force members indicated that agencies have struggled to meet farebox recovery and State Transit Assistance (STA) efficiency requirements under current State law. Since full usage of transit funding for both operating and capital is tied to meeting these requirements, agencies may be disincentivized to provide service at times or in areas that are more costly, which ultimately reduces accessibility for transit-dependent riders. Transit agencies lack (in almost all circumstances) control over infrastructure and are instead reliant on processes that may or may not be aligned with serving riders and California's goals. Thankfully, in recent years, significant headway has been made on these issues, but Task Force members indicated that more action is desired. Additionally, Task Force members indicated that budget and funding challenges have presented significant challenges in the context of variable federal, state, and local investments into transit over the years.

- **Administrative, regulatory and policy barriers increase project costs and construction timelines**, hindering transit projects and service delivery. This has made capital projects costlier with negative outcomes on the transit services they enable. In the past, a number of State and local statutes, administrative requirements, and policy decisions (e.g., CEQA, permitting processes, project betterments and mitigations, and land use or housing policies) have impeded transit project and service delivery by inflating project budgets, prolonging delivery schedules, and reducing overall effectiveness. However, in recent years transit agencies, advocates, and California pursued and secured legislation to break through these barriers, demonstrating a shared commitment to reform. Recent legislation has helped speed up project delivery by exempting sustainable transportation projects from CEQA review, increased transit speed and reliability by empowering transit operators to use bus-mounted cameras to keep bus lanes and stops clear, and required Caltrans to set measurable goals for adding complete streets and transit priority facilities on State highways.[4] Together, these bills remove procedural barriers, enforce transit priority,

[4] These include the CEQA Exemption for Sustainable Transit Projects (S.B. 288, 2020 and S.B. 922, 2022), the Video Imaging of Parking Violations Bill (A.B. 917, 2021), and the Complete Streets Bill (S.B. 960, 2024).

and embed walking, biking, and transit into State infrastructure, making California's transit system faster, safer, and more attractive for riders. However, more action is needed, and this report lays out a roadmap for additional reform.

- **Transit ridership has been declining over time,** and this decline accelerated during the COVID-19 pandemic. Transit ridership in California had already started to decline in the 2010s when ridership fell by approximately 11% from 2010 to 2019.[5] There are many drivers of transit ridership decline. Recent research from UC ITS[6] demonstrates that the drivers include sprawl due to housing costs, the availability of drivers' licenses for undocumented people, and the emergence of TNCs. Other key drivers include transit speed, as bus speeds declined 7% from 2002 to 2019 in California, [7] as well as a subprime auto loan market that made it easier for Californians to afford cars. California transit ridership reached its low in April 2020 during the pandemic, with bus boardings down by 73% and rail boardings down by 84% compared with the previous year.[8] This required transit agencies to rethink routes and frequencies and shift policies to meet demand in a post-COVID environment, often determining how to most efficiently allocate service. While ridership has improved following the pandemic, the number of unlinked passenger trips in 2024 was still approximately ~23% lower than 2019 (or pre-COVID) levels, and ~35% below the 2008 peak levels. However, this recovery is uneven, with high performing transit, such as the Van Ness Bus Rapid Transit (BRT), increasing ridership to 130% of pre-pandemic levels on the route.[9] In short, stronger services result in stronger ridership outcomes.
- **COVID-19 changed the way in which riders use transit.** Before the pandemic, transit services typically followed a traditional commuting

[5] During this same time period, passenger miles traveled on transit were still increasing in many regions and Statewide, as longer trips were made by the smaller number of riders.
[6] Brian Taylor, et.al., "Transit Blues in the Golden State: Analyzing Recent California Ridership Trends," *UCLA: Institute of Transportation Studies* (June 2020), xv-xvi, https://escholarship.org/uc/item/32j5j0hb.
[7] U.S. Department of Transportation, "TS2.1 - Service Data and Operating Expenses Time Series by Mode," *National Transit Database*, Accessed June 1, 2024, https://www.transit.dot.gov/ntd/data-product/ts21-service-data-and-operating-expenses-time-series-mode-2.
[8] Brian Taylor, et.al., "Transit Blues in the Golden State: Analyzing Recent California Ridership Trends," *UCLA: Institute of Transportation Studies* (June 2020), ix, https://escholarship.org/uc/item/32j5j0hb.
[9] California State Transportation Agency, "Transit Transformation Task Force Meeting #4 (San Francisco): June 17, 2024 Meeting Presentation," Accessed October 16, 2025, https://calsta.ca.gov/-/media/calsta-media/documents/calsta_tttf4_final_06-17-2024-a11y.pdf. Original data provided by San Francisco Municipal Transportation Authority.

pattern—services were designed for riders coming into a central business district in the morning and leaving in the evening during the workweek. However, after the pandemic travel patterns became less predictable, with more riders traveling during the day to different locations for a variety of reasons. This increase in "anywhere-to-anywhere, all-day travel" represented a departure from the traditional commuter pattern. However, serving these trips is key to making transit work for all, as the historical Central Business District (CBD) oriented systems failed to meet the needs of many Californians.

- **Transit fleet reliability has declined.** Despite transit agencies spending more on operating expenses, transit vehicle reliability generally deteriorated, falling by about 18% across all modes from 2013-2023.[10] While some transit agencies have improved reliability by adopting newer fleets and preventative maintenance practices, others have faced unexpected operational challenges that have led to less reliable service.[11] Additionally, early rollout of zero-emission vehicle (ZEV) buses caused operational and reliability challenges for those agencies, as new battery-electric and hydrogen vehicles have been significantly less reliable than diesel or compressed natural gas (CNG) fleets. For instance, the replacement schedule to transition to ZEV fleets has been delayed due to the inability of manufacturers to keep pace with demand. As a result, some transit agencies must operate older buses that are not as reliable as new buses, while others have ZEV fleets that have been out of service for months at a time.

[10] Analysis is based on the National Transit Database's annual Breakdowns data reports on vehicle mechanical failures (e.g., "2023 Breakdowns," "2022 Breakdowns," etc.) Data was manually aggregated from these Breakdown data reports for the years 2023-2015. For the years 2013 and 2014, annual NTD Breakdown data reports were not available, so the failure rate and total mileage was calculated by merging 2013 Table 16: Revenue Vehicle Maintenance Performance Directly Operated Service (https://www.transit.dot.gov/ntd/data-product/2013-table-16-revenue-vehicle-maintenance-performance-directly-operated-service) with 2014 Table 16: Revenue Vehicle Maintenance Performance Directly Operated Service (https://www.transit.dot.gov/ntd/data-product/2014-table-16-revenue-vehicle-maintenance-performance-directly-operated-service), and merging 2013 Table 19: Transit Operating Statistics Service Supplied and Consumed (https://www.transit.dot.gov/ntd/data-product/2013-table-19-transit-operating-statistics-service-supplied-and-consumed) with 2014 Table 19: Transit Operating Statistics: Service Supplied and Consumed (https://www.transit.dot.gov/ntd/data-product/2014-table-19-transit-operating-statistics-service-supplied-and-consumed).

[11] Jeremy Epstein et.al., "Changing Transit Ridership and Service During the COVID-19 Pandemic," *University of California Institute of Transportation Studies* (October 2022):1-4, https://doi.org/10.17610/T6FC7J.

- **Safety is a growing concern.** The number of assaults on California public transit doubled between 2013 and 2023.[12] To address this, agencies such as BART and LA Metro increased police and community support officers on their systems, which has begun to reverse the trend. Agencies reported challenges in managing homelessness on their system, and operators have begun to dedicate resources to outreach teams, support services, and more to directly address homelessness on system. While the optics around safety present challenges in attracting riders, transit remains the safest way to travel on a per mile basis.
- **Costs have increased, contributing to near-term funding challenges along with variability in funding streams.** Transit agencies in California are facing increasing financial pressures as costs rise faster than inflation. Over the past decade, operating expenses grew approximately 13-18% above inflation, and capital costs increased about 2-6% above inflation.[13] A significant portion of transit agencies' budgets is devoted to insurance and fuel, costs that are largely outside the control of the agencies. In comparison, transit agencies' revenues grew by about 18% for this same time period.[14]
- **Some transit agencies are facing a near-term funding shortfall.**[15] Agencies that relied heavily on passenger fares pre-COVID, such as BART, Metrolink, and Caltrain, face fiscal shortfalls due to decreased ridership and increased operating costs. Additionally, agencies like the San Francisco Municipal Transportation Agency (SFMTA) lost revenue from other sources such as parking fees, which dropped about 30% during the pandemic

[12] Jeremy Epstein et.al., "Changing Transit Ridership and Service During the COVID-19 Pandemic," *University of California Institute of Transportation Studies* (October 2022):1-4, https://doi.org/10.17610/T6FC7J.
[13] National Transit Database data on operating expenditures and capital costs. The range reflects two different methods for the inflation adjustment to go from nominal to real prices. The first method uses the GDP Implicit Price Deflator from the Federal Reserve Bank in St. Louis (FRED) database that is a broad-based measure of inflation across the economy (https://fred.stlouisfed.org/series/GDPDEF). The second method uses the Employment Cost Index from the Bureau of Labor Statistics given the largest cost base at transit agencies is salaries (https://www.bls.gov/eci/). Operating expenses have been normalized by inflation but have not been normalized by changes in VRH/VRM, as the intent of the analysis is to demonstrate growth of total costs (not efficiency measures). Capital expenses have been normalized for inflation and includes all capital expenses (existing and growth) as catalogued in the NTD.
[14] Growth in funding from 2013 to 2023 based on raw data from: U.S. Department of Transportation, "TS1.1 Total Funding Time Series," *National Transit Database*, Accessed January 27, 2025, https://www.transit.dot.gov/ntd/data-product/ts11-total-funding-time-series-2
[15] California Transit Association, "Transit Funding Crisis," March 24, 2023, https://caltransit.org/News/News-Announcements/Newsroom/transit-funding-crisis

and are still below pre-pandemic levels.[16] Temporary federal relief funds, such as those from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CCRSA) Act, helped mitigate these shortfalls but are now either depleted or nearing exhaustion.[17] Additionally, California made a $5.1 billion dollar investment in transit through SB125 (Chapter 52, Statutes of 2023) that could be used for either operating or capital costs, as well as an additional $3.63 billion of general fund monies (AB 180, Chapters 21, 69 and 240 of the Statutes of 2021) for high-priority rail and transit capital projects statewide.

- **Looking ahead, broader transit funding may face further risks due to shifting economic trends.** The rise in zero-emission vehicle sales and greater fuel efficiency is expected to reduce fuel tax revenues, which support the State Transit Assistance (STA) program. According to the Legislative Analyst's Office, STA funding could decline by approximately $300 million—about one-third of total funding—by 2035.[18] Other funding sources, such as sales tax revenues and diesel sales and use tax, are subject to economic fluctuations, making future revenue streams uncertain. This uncertainty makes it hard for transit agencies to plan for growth and build a robust, reliable system.
- **When transit agencies experience revenue losses, they may resort to service cuts to maintain financial stability.** This can trigger an operational spiral in which reduced service discourages ridership, further eroding revenue, and necessitating additional cuts. Moreover, capital projects such as fleet upgrades, maintenance, and infrastructure improvements will be delayed or downsized, further discouraging ridership. Task Force

[16] San Francisco Public Works, "South of Market Citizen's Advisory Committee," *San Francisco Planning Department*, September 14, 2021, https://sfplanning.org/sites/default/files/documents/cac/SOMACAC_Presentation01-091421.pdf; and San Francisco Municipal Transportation Agency, "Parking Optimization" Presentation, March 18, 2025, https://www.sfmta.com/media/41904/download?inline=

[17] Michael Pimentel, "California transit agencies need more state support," *Capital Weekly*, February 2, 2023, https://capitolweekly.net/california-transit-agencies-need-more-state-support/

[18] Gabriel Petek, "Assessing California's Climate Policies – Implications for State Transit Funding and Programs," *Legislative Analyst's Office*, December 2023, 16., https://lao.ca.gov/reports/2023/4821/ZEV-Impacts-on-Transportation-121323.pdf.

members noted that this can create a downward spiral for ridership and revenues.

- **The mandated transition to zero-emission buses (ZEBs) may result in higher costs for transit agencies.** Under CARB's Innovative Clean Transit (ICT) regulation, all California public transit agencies must shift their bus fleets to ZEBs in phases, with a requirement to achieve 100% fully ZEB transit fleets by 2040. California has made significant investments and programs available to the agencies to support the ZEV transition, including CARB's Clean Truck and Bus Vouchers (HVIP) program, technical assistance, and more. The costs associated with the ZEB transition have strained transit agencies' ability to maintain reliable service while meeting the regulatory requirements. Agencies face higher costs not only for vehicle procurement, but also for charging and fueling infrastructure, maintenance facility expansion and modernization, and workforce retraining. ZEB procurement and maintenance have proven especially challenging for transit agencies. Due to the still-developing nature of the ZEB market, manufacturer-level challenges, and supply-chain constraints, initial purchase costs increased. Challenges with obtaining timely repairs and maintenance often leave vehicles inoperable for lengths of time. Without coordinated investment and comprehensive planning, agencies risk falling behind on zero-emission goals while shouldering significant financial and operational pressures.

2.1 Transformational services and outcomes

This report lays out a pathway that would lead to an increase in transit ridership, ideally in line with California's climate goals. This shift would not only reduce VMT and emissions, but also redefine the way people move, live, and experience their communities statewide.

To achieve this, public transit must become a viable and competitive alternative to driving, especially in urban areas. This means reducing travel times so that a transit trip is fast, frequent, and reliable while providing competitive travel to alternatives. Just as critically, the user experience must be elevated, making transit comfortable, safe, clean, reliable, and seamless for riders. In less urban areas, preserving access to the network and broader destinations are a critical lifeline for communities and should be preserved and strengthened.

Developing housing and mixed-use spaces near high-quality transit must be accelerated to meet California's goal of 1.4 to 2.4 million transit-supportive homes across statewide.[19] By aligning land use policies with transit, California could make a decisive impact on its housing crisis—creating vibrant, walkable communities where people can live affordably and access opportunities without depending on a car. Additionally, without supportive transit, additional density leads to additional congestion, risking the viability of cities across California.

Financially, a thriving transit system must be operationally sustainable. This requires increased, predictable, and flexible funding streams, greater cost efficiency in capital and operational spending, and diversified revenue sources—including fares, real estate assets, toll revenues, and innovative funding mechanisms.

2.2 Accelerating progress on CalSTA's Core Four Priorities

Public transit will be the backbone of future mobility options in California. By addressing its transit challenges, increasing transit ridership, and improving the overall transit experience, California will also be supporting CalSTA's "Core Four" priorities.

- **Safety**: On average, 12 people are killed every day on California roads, and traffic deaths are at a 16-year high.[20] Transit offers a safe alternative to driving, boasting lower crash rates than vehicle travel and lower crime rates than vehicle crimes.[21] A robust public transit network will support California's effort to provide safe mobility options and reduce traffic fatalities and serious injuries to zero.
- **Equity:** CalSTA aims to create an equitable and accessible transportation network for all Californians. Today, over half of California's public transit riders are low-income and non-white. According to 2021 U.S. Census data, almost 60% of California residents who commute via public transit have a

[19] Joe Distefano et.al., "Can commercial corridors solve California's housing crisis?", *Urban Footprint*, August 3, 2022, https://urbanfootprint.com/blog/policy/ab2011-analysis/.
[20] California State Transportation Agency, "CalSTA 2024-2026 Strategic Plan," April 2024, 8. https://calsta.ca.gov/-/media/calsta-media/documents/2024-2026_calsta_strategic_plan-v10-a11y.pdf.
[21] Todd Litman, "Safer than You Think!: Revisiting the Transit Safety Narrative," *Victoria Transport Policy Institute*, September 18, 2025, 26., https://www.vtpi.org/safer.pdf.

household income below $35,000.[22] In San Francisco, 57% of Muni riders are people of color and 70% of riders earn less than $50,000 a year.[23] Additionally, many Californians cannot drive due to their age, abilities, or other factors. According to 2023 statistics, approximately 30% of Californians (including children) do not have a driver's license.[24] A robust public transit network supports California's commitment to transportation equity.

- **Climate Action:** Nearly 50% of all greenhouse gas (GHG) emissions in California come from the transportation sector, and this demands action for a cleaner California. As part of California's plan to reach its carbon neutrality by 2045, CARB targets a reduction in VMT of approximately 30% by 2045.[25] California remains committed to climate action, despite challenges posed by the federal government's recent revocation of CARB waivers for advanced clean trucks (ACT) and advance clean fleets (ACF).
- **Economic Prosperity**: Transportation policy done right creates well-paying jobs, provides affordable options, and powers California's economy. According to the American Public Transportation Association (APTA), transit investments have a 5:1 economic return. These benefits arise through a few different channels including direct time and cost savings from users, concentration of economic and recreational hubs around transit, and stimulus from capital investment.[26]

In addition to supporting these Core Four priorities, transforming transit is also aligned with California's housing and land use goals. California has a goal of building 2.5 million new homes by 2030, with no less than one million units for

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[22] Laura Tolkoff, et. al., "How California Can Help Transit Survive — and Thrive," *SPUR*, March 17, 2023, https://www.spur.org/news/2023-03-17/how-california-can-help-transit-survive-and-thrive#:~:text=According%20to%202021%20U.S.%20Census,do%20not%20own%20a%20car.

[23] Jeffrey Tumlin, "Press Statement – Muni's Impending Fiscal Cliff," *San Francisco Municipal Transit Authority*, May 26, 2023, https://www.sfmta.com/press-releases/press-statement-munis-impending-fiscal-cliff.

[24] U.S. Department of Transportation Federal Highway Administration, "Office of Highway Policy Information - Statistics Series 2023," Accessed June 2023, https://www.fhwa.dot.gov/policyinformation/statistics/2023/dl201.cfm. This is percentage may in fact be higher, because not all people who have licenses can afford to drive or have access to a vehicle at a given time.

[25] California Air Resource Board, "2022 Scoping Plan for Achieving Carbon Neutrality," December 2022, 175 https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf.

[26] American Public Transportation Associate, "Economic Impact of Public Transportation Investment: 2020 Update," April 2020, 1-7, https://www.apta.com/wp-content/uploads/APTA-Economic-Impact-Public-Transit-2020.pdf.

lower-income households.[27] Access to high-quality transit is needed to support higher density land-use both around where people live and their destinations. In turn, higher-density land-use also supports future growth in ridership, which becomes the virtuous cycle we need to transform transit.

[27] California Department of Housing and Community Development, "A Home for Every Californian: 2022 Statewide Housing Plan," March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136.

3.0 Guiding Principles to Transform Transit in California

TTTF members' guiding principles identify how an increase in ridership and user experience could be achieved.

- **Principle: Transit should be operationally and financially sustainable**

Achieving a more efficient and fiscally sustainable transit system is essential to delivering reliable, high-quality service now and into the future. To support long-term sustainability, California and its transit agencies can take a multi-faceted approach that increases short-term funding flexibility, improves cost efficiency, and maximizes revenue opportunities by strategically leveraging existing assets while pursuing additional funding sources and revenues. Operational improvements such as strengthening workforce opportunities, optimizing fleet and asset management, and modifying the implementation of Innovative Clean Transit (ICT) requirements will be critical to maintaining service levels and meeting evolving demands. By prioritizing financial resilience, transit systems can continue to serve communities effectively and equitably for years to come.

- **Principle: Safety is fundamental**

Safety and cleanliness are essential for a well-functioning public transit network, directly impacting both riders and operators. In California, some transit systems face significant challenges, including assaults on workers and passengers, other crimes, inadequate security presence, poor lighting, and issues related to mental health and homelessness. If riders do not feel safe, other aspects of transit service become irrelevant, making security and cleanliness top priorities. A safe and clean transit environment fosters trust, encourages ridership, and promotes equitable access. Key strategies to enhance safety include strengthening physical security, increasing coordination between transit agencies and social services, standardizing safety policies statewide, and securing dedicated funding for long-term improvements. By addressing these challenges holistically, transit systems can create a more secure and welcoming experience for all.

- **Principle: Provide fast, reliable, connected, and convenient transit services.**

Providing fast, reliable, connected, and convenient public transit services is essential to making transit a competitive, preferred alternative to car travel. Making public transit faster, more frequent, and more reliable would

persuade more Californians to choose transit over car travel while also delivering direct benefits to existing riders and indirect benefits to drivers by reducing congestion.

Improving transit speed, frequency, and reliability requires a multi-pronged approach. Implementing transit prioritization strategies, such as dedicated bus lanes and traffic signal priority, can significantly reduce delays, increase ridership, and improve operational efficiency. In addition, improving transit scheduling, mapping, and wayfinding can help reduce transfer times and improve inter-regional travel. Lastly, improving first- and last-mile access to transit (by reducing the time it takes for riders to get to and from stations) can also reduce total travel times.

- **Principle: Provide transit that is accessible and easy to use for all**

An equitable transit system must be designed to serve everyone—regardless of age, ability, language, or familiarity with transit. Yet for too many Californians, transit remains physically inaccessible, operationally inflexible, or simply too confusing to use. Paratransit and dial-a-ride services, while mandated as critical complements to fixed-route transit, are often costly, difficult to navigate, and limited in availability, creating barriers for seniors and people with disabilities. At the same time, the broader transit network can be unintuitive for riders, with complex wayfinding, inconsistent signage, and confusing booking systems. Improving accessibility and ease of use requires both targeted and network-wide changes. Enhancing coordination across paratransit providers, modernizing booking and dispatch systems, and integrating accessible planning into broader transit investments will expand access while controlling costs. Improving transit accessibility also requires enhancing the passenger boarding and alighting process, such as designating no-parking zones to facilitate bus maneuvering and upgrading bicycle and pedestrian facilities to ensure safe connections to transit. At the system level, ensuring intuitive wayfinding, multilingual information, and simplified fare and service structures will create a more seamless and welcoming rider experience. Ultimately, designing for accessibility and ease of use supports not only those who need it most, but improves transit for everyone—making it a more viable, dependable, and inclusive option across California.

- **Principle: Develop high quality public transit systems to support complete communities**

Transit and land use in California are deeply linked, with higher-density areas generating greater ridership, fueling economic growth, and supporting more destinations near transit. This reciprocal relationship goes both ways: building high-quality transit supports complete communities, and building complete communities supports high-quality transit. Increasing the density of housing, jobs, and services near high-quality transit would make public transportation more accessible, convenient, and successful. In California, population and job density around major transit hubs remains below levels that correspond to higher ridership systems elsewhere, limiting transit's effectiveness and increasing costs.

Significant progress has been made in recent years—and further strengthened through newly-enacted legislation, most notably SB 79 (Wiener, Chapter 512, Statutes of 2025)—which expands opportunities for multifamily, transit-oriented development near major transit stations across California. The law streamlines housing development within designated areas surrounding qualifying transit stations, generally allowing building heights from four to nine stories. Overall density is determined by both proximity to the station—with higher densities permitted closer to the stop—and the type of transit service, with Tier 1 heavy rail stations allowing greater density than Tier 2 light rail stations. Together with local transit-oriented development (TOD) policies already in place, these measures can foster vibrant, connected communities with built-in ridership bases that strengthen the effectiveness and fiscal sustainability of transit systems. By encouraging housing and mixed-use development near stations, the law helps maximize the value of existing transit investments, improve access, reduce travel costs, and enhance quality of life for Californians. Additionally, strengthening partnerships with developers and improving planning processes can help create walkable, transit-oriented communities that reduce car dependence and deliver significant economic and environmental benefits. Beyond enhancing accessibility and livability, TOD offers meaningful financial opportunities. Both international and domestic examples—such as the Mass Transit Railway Corporation in Hong Kong, the Paris Transport Authority (RATP) in Paris, and the Hudson Yards redevelopment in New York City—demonstrate how strategic real estate and joint development can generate substantial long-term revenue to support transit operations. Expanding similar

models in California could improve the fiscal sustainability of transit systems while advancing broader economic, environmental, and equity goals.

4.0 Principles, Strategies, and Recommendations

Throughout this report, the principles, strategies, and recommendations are presented as initial or guiding concepts rather than specific statutory or budgetary proposals. These recommendations would need substantial refinement, and it is the intent of CalSTA that this report serves as a starting point for long-term considerations of transit transformation.

Principle: Transit should be operationally and financially sustainable

Overview: Funding Transit Transformation

As discussed in Sections 1.0 and 2.0 of this report, California's transit agencies face mounting fiscal pressures. Decreases in ridership and corresponding fare revenues, coupled with expensive capital projects (with costs rising faster than inflation), resulted in fiscal difficulty for some systems. Agencies risk cutting service to balance operating and capital budgets, a move that would undermine ridership, reliability, and public confidence, and lead to further budget, service, and ridership reductions. Costs are rising due to several factors outside of typical transit agency control, including broader inflation, lack of control of underlying infrastructure, and land-use patterns. Looking ahead, broader transit funding also faces challenges tied to shifting economic conditions and the transition to zero-emission vehicles, underscoring the urgency of finding solutions that stabilize operations, both now and in the future. Achieving financial sustainability is essential not only to maintain service but also to ensure that transit remains a cornerstone of California's mobility, equity, climate, and economic goals.

However, finding a sustainable path forward will require a multifaceted approach. Transit agencies seek increased, flexible, and dedicated operating funds; greater efficiency in both capital and operational spending; and new, diversified revenue streams—from fares and real estate development to toll revenues and innovative funding mechanisms—to ensure transit transformation. Task Force members emphasized that shifting existing dollars alone will not solve the crisis, and that new, dedicated funding for operations is particularly critical. Task Force members noted that long-term sustainability will depend on empowering agencies to reduce costs and capture and create value from their existing assets, or from those developed in partnership with others—changes

that may require future statutory changes to achieve. While some agencies face a near-term fiscal cliff, longer-term reforms and broader systemic changes are required to ensure transit can not only survive but thrive to help California meet its long-term policy goals. (For a more detailed analysis of transit funding, see Appendix A of this report.)

Over the course of its meetings, the Task Force discussed the need to identify new revenue sources for transit. Three main methods to increase agency revenue emerged:

- **Reprogram Existing Revenue:** There are numerous existing revenue sources (at the local/regional, State, and federal level) that could potentially be reprogrammed or flexed to transit. Additionally, current revenues programmed for or dedicated to capital expenses could be swapped to operating expenses in some cases (however, not without tradeoffs and/or statutory changes).
- **Generate New Value:** While some transit agencies currently pursue joint development and other revenue-generating activities, additional authority could be granted to further the ability to capture the value created by transit service—such as through the strategic use of air rights, tax-increment financing, and long-term development partnerships. Additionally, savings derived from more efficient operations (for example, through bus-only lanes that increase speed or signal priority) can support higher ridership and more cost-effective service. Aligning such policies to ensure that such efficiencies translate into reinvestment in transit operations would further enhance long-term financial sustainability.
- **Raise New Revenue:** New public revenue approaches could be considered—such as optimizing existing public revenue sources or, if warranted, considering new mechanisms within the broader context of current revenue structures and overall fiscal conditions.

The remainder of this Overview discusses these three options in greater detail.

- Reprogram Existing Revenues

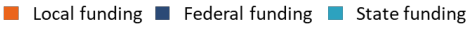
  One option to increase transit funding is to reprogram existing revenues at the local, regional, or State level. During TTTF Meeting #4, Task Force members discussed potentially reprogramming funds from capital expenses to operations. Some Task Force members supported this idea, with others noting that reprogramming funds from capital expenses to operating

expenses could jeopardize long-term service sustainability. However, reprogramming could provide a short-term approach for increasing transit agency funding available to support service.

Additionally, there are several Federal and State infrastructure funds that today are largely used for roads that could also be eligible for transit. The largest of these funds include the Federal Surface Transportation Block Grants (STBG) and the Federal Congestion Mitigation and Air Quality Improvement Program (CMAQ). However, for every dollar flexed to transit, a corresponding dollar must be removed from funding other transportation programs, creating difficult tradeoffs that must be assessed and weighed before these concepts are further developed. To help deal with the near-term transit fiscal cliff, the Metropolitan Transportation Commission (MTC) chose to flex $101 million of locally allocated STBG/CMAQ funds to FTA for programming to Bay Area transit operators for preventative maintenance in federal fiscal years (FY) 2024-25 and 2025-26.

Exhibit 1 depicts information on California's largest transit government funding sources, including the entity (federal, regional, or State) empowered to make decisions regarding the funding.

Exhibit 1: Largest California Transit Government Funding Sources in 2023



Type	Funding source	Amount of funding, $B	Primary source of funds	Funding decision-making entity	Enabling mechanism
Federal	5309 - FTA Capital Program Funds	1.6	Federal Highway Trust Fund	Federal	Infrastructure Investment and Jobs Act (IIJA)
Local	Local tax measures in addition to the Local Transportation Fund	1.5	Sales tax	Regions	Various
State	Local Transportation Fund (LTF)	1.2	Sales tax	Regions	TDA
Federal	5307+5340 - Urbanized Area Formula Program	1.2	Federal Highway Trust Fund	Regions	IIJA
State	State Transit Assistance + State of Good Repair	1.1	Diesel tax and transportation improvement fee	Regions	TDA (STA), SB1 (SOGR)
Local	Taxes raised directly by transit agencies	0.8	Sales taxes, highway tolls, vehicle licensing fees	Regions	Agency-specific legislation
State	Transit and Intercity Rail Capital Program (TIRCP)	0.7	Vehicle Registration Fees, Cap-and-invest proceeds	California State	GGRF, Senate Bill 1
Federal	5337 - State of Good Repair Grants (SOGR)	0.6	Federal Highway Trust Fund	Regions	IIJA
Local	Local funds from bridges, tunnels, tolls	0.3	Bridge and tunnel tolls	Regions	Region-specific legislation
State	Affordable Housing and Sustainable Communities Program (e.g., Transit-Oriented Development)	0.2	Cap-and-invest proceeds	California State	GGRF

During Task Force meetings, some members advocated for transit agencies' "ability to compete for State homelessness and public safety funding"—

sources that transit has not traditionally been allowed to access. Some recommendations address this topic. Other members suggested exploring "formal agreements between health plans and transit agencies to redirect Medi-Cal managed care funds," which are currently used for private transportation services, to instead support public transit.

- Generate New Value

Expanding the ability of California's transit agencies to capture the value created by transit-oriented development and economic activity is an important strategy for long-term financial sustainability. While many agencies already engage in limited joint development or related efforts, these tools remain modest compared with international models (e.g., Paris, Hong Kong) and domestic examples such as New York City's Hudson Yards, where transit investments are directly linked to development-driven revenue that supports ongoing service and system growth.

The Task Force identified opportunities to build on existing practices by enabling agencies to more fully leverage their assets and station areas. Strategies such as development on agency-owned land, expanded tax-increment financing tools, station-area commercial and retail uses, air-rights development, and aligning revenue from managed lanes or congestion pricing with transit can generate recurring revenue, diversify funding, and reduce reliance on traditional public sources. These approaches also stimulate housing, commercial, and mixed-use development, attract private investment, create jobs, and position transit as a long-term economic catalyst.

Better coordination between transit agencies and infrastructure owners—particularly to implement transit-priority projects—can further increase efficiency, ridership, and system value. While revenues may grow gradually, expanding and modernizing value-generation tools over time can significantly strengthen the fiscal resilience of California's transit systems while supporting housing, climate, economic, and equity goals.

Transit agencies operating in larger metropolitan areas, with significant station footprints and development potential, may be especially well-positioned to expand revenue generated directly from their assets and surrounding land uses. While these revenue streams typically start modestly, scaling value-capture strategies and development authority over time could contribute to a more stable foundation for long-term financial health.

- Raise New Revenue

Another method to generate additional revenue for transit agencies is to adjust existing public revenue sources or consider establishing new ones. During Task Force Meetings #8 and #10, the Task Force discussed taxes that are current sources of transit funding, including sales tax, fuel tax, and cap-and-invest, and the longer-term implications for the revenue generated by those sources. There are significant challenges with raising new revenues, as evidenced by Task Force discussions and challenges in finding alignment during Task Force meetings. Other new revenue sources mentioned by Task Force members include road user charges and congestion pricing. During Task Force meetings, members suggested and supported several potential funding concepts for consideration, such as:

- Implement new State funding mechanisms to stabilize transit agencies in the near-term, increase and enhance transit service in the mid-term, and deliver transit service that aligns with the goals of the report over the long-term.
- Implement new State funding mechanisms for transit capital projects that increase, enhance, and maintain transit service and deliver transit service that aligns with the goals of this report and other State mandates.
- Consider funding alternatives to replace fuel taxes, including allowing transit operations and capital as eligible expenses (among other expenses) for funds raised from both passenger and commercial vehicles.
- Evaluate means to allow maximum flexibility to transit agencies when expending State transportation funds (e.g., Article 19).

While there are a wide range of potential revenue sources, they all come with potential limitations and trade-offs. Considerations of revenue approaches should be grounded in long-term fiscal sustainability and affordability, sequenced in a way that first prioritizes operational efficiencies and maximizes revenue from existing assets before evaluating additional public revenue options. Such considerations would also need to reflect existing operational needs and current public revenue sources that sustain transit systems, as well as the broader economic conditions of individual systems and the communities and regions that support them.

Topic Area: New Options for Revenue Sources (1.f.6)

In the long term, transit funding can be increased and diversified by reshaping existing resources and creating new revenue opportunities.

Key strategies and recommendations related to new options for revenue sources are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 1: Reprogram and re-focus existing revenues.

Recommendations

- 1.A. Identify opportunities to support regions that reprogram Federal Highway Administration formula funds for transit uses as allowable by law.

Strategy 2: Support local communities in raising revenues.

Recommendations

- 2.A. Consider additional flexibility for transit agencies, regions, or voters to place measures on the ballot by allowing transit agencies and regions to have authority to place measures on the ballot for portions of their service areas or entire service area, similar to how cities can place taxes on the ballot without enabling legislation.

Strategy 3: Generate new revenue through value-capture.

Recommendations

- 3.A. Give transit and other government agencies the ability to sell air rights or other development incentives to create development opportunities above and near transit stations and facilities to generate additional revenue via sale and/or investment. This has been partially achieved by recent legislation, including SB 79, but could be formalized and expanded.
- 3.B. Explore opportunities to allocate revenue from managed lanes and other forms of pricing in California's most congested regions to fund transit service, giving travelers reliable alternatives to driving alone.
- 3.C. Update increment financing tools to make it easier for transit agencies to capture value and establish districts, with a specific focus on removing the number of bodies and approvals needed to create a tax increment financing (TIF) district.

Topic Area: Reforming the Transportation Development Act (1.f.4)

The Transportation Development Act was established in the 1970s during the transition from private to publicly operated transit systems to ensure a stable and continuous funding source to develop, maintain, and operate public transit. The TDA consists of two primary funds: the Local Transportation Fund (LTF) and State Transit Assistance (STA), each with specific qualifying requirements.

The TDA uses outdated performance metrics such as the farebox recovery ratio (FRR) and operating cost per hour requirements for both LTF and STA funding. Task Force members indicated that these metrics discourage service expansion and innovation, and that alternative performance measures would more accurately assess transit service effectiveness. For example, a UCLA Institute of Transportation Studies report cited several alternative performance goals, including maximizing cost efficiency, increasing service, increasing accessibility, increasing access to destinations, improving reliability, and maximizing ridership.[28] The Task Force identified the development of alternative performance metrics as an area in need of more thorough investigation and legislation.

Lastly, Task Force members identified several strategies and recommendations to reform the TDA, including simplifying reporting requirements, alleviating the burden caused by existing penalty structures, improving funding predictability, and aligning incentives across funding programs. Task Force members expressed support for eliminating the unmet transit needs process altogether to require money to be spent on transit, and if there is no transit system in an area, the money could be flexibly redirected to other transit needs. While discussed, these concepts are not included in the recommendations related to TDA reform.

Key strategies and recommendations related to TDA reform are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

[28] John Gahbauer et. al., "An Assessment of Performance Measures in the Transportation Development Act," *UCLA Institute of Transportation Studies (*August 28, 2019):1-109, https://escholarship.org/uc/item/0dk5g542.

Strategy 4: Improve predictability of long-term funding.

Recommendations

- 4.A. Remove farebox recovery penalty, require agencies to establish plans and use future TDA funding to address deficiencies identified in audit process if not meeting targets. Establish a working group with statutory deadlines for developing draft and final metrics and performance measures—bringing together regions, transit agencies, and state entities. Update performance measures on a recurring basis and replace the existing farebox recovery and cost-inflation penalties.

Strategy 5: Align incentives.

Recommendations

- 5.A. Use TDA working group to develop accountability mechanisms for when infrastructure owners are driving challenges for transit agencies by leveraging other sources of funds. Leverage the triennial audit process to do so.
- 5.B. Update other formulaic funding programs (i.e., LCTOP, SGR) to align with revisions to TDA reporting requirements and incentives.
- 5.C. Update TDA to better align with criteria in State discretionary investment programs.
- 5.D. Establish clear, peer-based performance metrics for agencies to follow. Account for sectorial issues (i.e., recessions, loss of sales tax revenue) inside the performance measures and inside TDA accountability process.

Strategy 6: Simplify reporting requirements for funding and increase transparency to the public.

Recommendations

- 6.A. Identify opportunities to provide additional technical assistance to agencies to meet reporting requirements and aim to shift reporting to use existing NTD and GTFS data.

Topic Area: Oversight and Reporting (1.f.5)

California's transit sector relies on multiple funding sources, with at least 35 different funding programs contributing to transit operations. Transit agencies in California receive 90% of government funding through formula programs, and approximately 90% of funds are primarily allocated by Regional Transportation Planning Agencies (RTPAs) and Metropolitan

Planning Organizations (MPOs) together with transit agencies.[29] This includes most of the formula funding (e.g. Federal 5307 Urban Area Program Funds, State Transit Assistance, Local Transportation Funds, Low Carbon Transit Operations Program) as well as revenues raised directly by transit agencies through fares, sales taxes, or property taxes. Federal funds for transportation in California are allocated by a mix of the State and regions. While this approach effectively funds regional priorities, it also creates complexities in oversight and reporting.

The numerous funding agencies results in overlapping reporting requirements for both federal and State programs. This redundancy increases administrative burdens on transit agencies, requiring significant staff time and resources while also raising the risk of reporting inconsistencies. Discretionary grant programs tend to have even more demanding administrative requirements, further complicating compliance efforts.

The TDA compounds these challenges with additional administrative requirements. As noted in the previous section, TDA funding has many of the most onerous reporting obligations, making it ripe to streamline administrative processes. Finally, Task Force members recommended "encouraging the consolidation of grant programs across State agencies to reduce duplication." While exploring this idea is worthwhile, it is not included in this report as a formal recommendation from CalSTA, as it would require extensive discussions with other stakeholders.

Key strategies and recommendations related to transit oversight and reporting are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 7: Reduce administrative burden.

Recommendations

- 7.A. Streamline grant and TDA reporting processes to a single report, determine a single California State agency to manage reporting across all

[29] Revenue sources compiled from raw data including: California State Controller's Office, "Revenues broken down by Transit Operator, "*Transit Operators Financial Data,* Accessed January 27, 2025, https://transit.bythenumbers.sco.ca.gov/#!/year/2024/revenue/0/entity_name and U.S. Department of Transportation, "Funding Sources," *National Transit Database,* Accessed January 27, 2025, *https://www.transit.dot.gov/ntd/data-product/2023-funding-sources*. Programs classified based on individual program funding guidelines on allocation and governance.

programs, grants, on a unified application. Align this report to information already collected in the NTD reporting process.

- 7.B. Create a statewide, publicly accessible dashboard allowing members of the public and agencies to view the data collected and performance information for each agency.
- 7.C. Reduce the timeline for distribution of funds and allow flexibility and guarantees where possible inside each grant program.
- 7.D. Build capacity at the statewide level to manage and distribute funds effectively and within clearly defined KPIs and time limits.

Strategy 8: Simplify grants.

Recommendations

- 8.A. Consolidate, standardize, digitize, and streamline State grant applications to reduce administrative requirements and decision and distribution timeline. Allow one State grant application to be used for multiple grant programs or funding types.
- 8.B. Create and maintain a master agreement between each applicant agency and the granting agency so that repetitive terms and boilerplate for all grants are in a single document rather than executed ad hoc with each grant.
- 8.C. Organize the grant administration system around the recipient and not around the project so that grantors and recipients can see their historical grants and track their progress.
- 8.D. Create an opt-in capacity for rural and small agencies to receive assistance with grant applications, compliance, and reporting requirements, recognizing that they may lack sufficient staff to understand their eligibility, compete effectively or ensure full compliance.
- 8.E. Offer rural and small agencies technical assistance in initiating their projects so that preliminary engineering and project costs are known in advance of applying for funding.

Topic Area: Capital Construction Costs and Timelines

Transit capital construction costs in California are among the highest in the world, with U.S. rail expansion projects averaging nearly twice the global cost of $456 million per mile.[30] Between 2018 and 2023, California transit agencies spent approximately $30 billion on capital expenditures, with the

[30] Marron Institute, "What the data is telling us," *Transit Costs Project*, Updated May 8, 2025, https://transitcosts.com/new-data/

majority directed toward rail projects.[31] While these high costs pose significant challenges, some agencies have successfully reduced expenses. For example, BART's *Fleet of the Future* project replaced 775 train cars over six years and came in 15% under budget, saving $394 million through strategies such as in-house engineering and faster delivery timelines.

The Task Force identified reducing capital construction costs and timelines as a key strategy to deliver more efficient and higher ridership transit services faster. Strategies to support this goal include strengthening public-sector capacity for project delivery through technical guidance, training, and new procurement tools, while also addressing regulatory delays by streamlining permitting processes, expediting environmental reviews, and granting broader master permitting authority. Together, these measures can improve cost efficiency, accelerate project delivery, and enable agencies to better meet California's growing transit infrastructure needs. The Task Force highlighted that several of these recommendations would drive certainty on scope, cost, and schedule earlier in a project, but may not result in absolute declines in project costs (notably, the contracting method recommendation 9.E. below).

Key strategies and recommendations related to reducing capital construction costs and timelines are included below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 9: Reduce timelines to deliver capital projects.

Recommendations

- 9.A. Use NEPA oversight delegation authority at Caltrans or CHSRA to complete NEPA in an expedited manner.
- 9.B. Consider, in order to limit delays and change orders, requiring that stakeholders waive rights and limit design changes beyond certain phases for high priority and complex transit and rail projects, to ensure that scope does not change.
- 9.C. Consider legislation to limit timelines for permitting agencies to engage or risk waive rights to future legal objections to project if they do not engage in the earlier phases.

[31] U.S. Department of Transportation, "TS3.1 Capital Expenditures Time Series, 2018–2023," *National Transit Database,* Accessed January 27, 2025, https://data.transportation.gov/Public-Transit/NTD-Annual-Data-View-Capital-Expenses-by-Mode-/2667-vitc

- 9.D. Formalize service-led planning to reduce construction costs and develop clear roles and responsibilities between State, regional agencies, transit agencies, or local jurisdictions.
- 9.E. Explore ways to allow alternative procurement methods, such as Construction Manager/ General Contractor (CMGC) or Construction Manager at Risk (CMAR), statewide, rather than just at certain agencies, per current law.
- 9.F. Consider allowing infrastructure owners (including transit agencies) to have master permitting authority for priority rail projects to reduce delays and costs. Alternatively, allow for by-right permitting of certain types of transit projects to prevent extractive permitting processes by infrastructure owners. Additionally, give transit agencies franchise rights with utilities, similar to cities, to reduce the cost of utility relocations.
- 9.G. Consider streamlining certain types of permits, while making other permits by right for high priority transit projects.
- 9.H. Establish opt-in statewide design guidelines for transit and rail projects interaction with the public right of way. Ensure that public agencies that do not use them are not penalized on the funding of their projects.

Strategy 10: Grow public-sector capacity.

Recommendations

- 10.A. Develop guidance for development of business cases and enhance benefit cost analysis, including project scope, cost, schedule, risks, and technical assistance, for various funding programs and grant applications with a goal of more robust decision making to support federal investment.
- 10.B. Procure project delivery software that can be used by transit agencies, local jurisdictions, and regional agencies.
- 10.C. Develop an inventory of standard materials costs, and lower cost of materials with volume buying.
- 10.D. Consider authorizing regional collaboratives to develop institutional expertise, available for project consultation along with a statewide center of excellence to aid with hiring. Consider possible new models for project delivery that rely on larger organizations to deliver megaprojects, such as a shared single project delivery organization per region.

Topic Area: Transit Fleet and Asset Management (1.f.1.F)

California's transit systems face mounting financial and operational challenges tied to fleet and asset management. Rising costs, driven by fixed

expenses, declining fare revenue as a percentage of costs, and higher insurance premiums, have left agencies vulnerable to further service degradation and financial instability. Additionally, there is CARB's Innovative Clean Transit regulation, which requires all fleets to be zero emissions (ZE) by 2040. While critical to meeting climate goals, the transition is financially and operationally complex, requiring agencies to absorb higher upfront vehicle costs for a greater number of vehicles (in general, more than one ZE vehicle is needed for each non-ZE vehicle replaced), expand electrical capacity, build charging and fueling infrastructure, and adapt maintenance protocols and routing strategies, all while securing the technical expertise and workforce needed to implement these changes. While this has raised costs for transit agencies, as mentioned above, California has provided significant financial and technical support to transit agencies to help execute on the transition to zero emission vehicles.

Despite these challenges, improvements in fleet and asset management offer a path to greater resilience. Modernizing transit systems can strengthen service reliability, reduce long-term operating costs, and provide cleaner, more efficient transportation. A well-planned transition to ZE fleets will significantly cut greenhouse gas emissions, improve air quality, and advance California's climate commitments. Ensuring agencies have the financial resources and operational support to manage this transition will be essential to maintaining high-quality, accessible service for communities across California.

Finally, Task Force members recommend that we should "encourage transit agencies to consider shared training programs, and for California to invest in apprenticeship programs (e.g., on vehicle maintenance)." While this is a potentially valuable topic for further exploration, further development of this concept would require additional discussion with stakeholders.

Key strategies and recommendations that support improved fleet and asset management are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 11: Encourage review and discussion of ICT requirements and solutions.

- 11.A. Perform a comprehensive review of ICT requirements, potential solutions, and associated impacts focused on identifying strategies that

help transit agencies meet zero-emission fleet mandates in a financially sustainable and operationally feasible way while maintaining reliable, high-quality service. This could be carried out by a separate dedicated task force with recommendations to the administration and Legislature.

Strategy 12: Coordinate with and incentivize manufacturers to collaborate on zero-emission bus and paratransit vehicle fleet.

Recommendations

- 12.A. Collaborate on creating and purchasing standardized specifications of zero-emission buses and paratransit vehicles to allow suppliers to scale production.

Strategy 13: Streamline procurement requirements and timelines.

Recommendations

- 13.A. Allow agencies to opt-in to regional or statewide joint procurement contracts to aggregate demand, and reduce costs for buses, parts, components, energy (e.g., with utilities, hydrogen providers), and other technologies expanding upon the Department of General Services (DGS) existing fleet procurement infrastructure.
- 13.B. Authorize grantee agencies to use job order contracting authority (JOC) to streamline maintenance and reduce project costs, avoiding the need for continuous procurement for routine work.
- 13.C. Expand Master Service Agreements (MSAs) for rolling stock and transit technology purposes to be administered through DGS or California Association of Coordinated Transportation (CalACT).

Strategy 14: Encourage shared maintenance and infrastructure support.

Recommendations

- 14.A. Consider building out or facilitating the creation of shared facilities at known sites, allow legislatively for easier interagency agreements, procurements, and ownership.
- 14.B. Amend California's rules and procedures to allow for co-location of charging and fueling as an opportunity to partner with schools and Caltrans, and to charge private freight to use charging facilities.

Strategy 15: Advise State to provide opt-in technical assistance for asset management capabilities.

Recommendations

- 15.A. Develop opt-in Statewide capacities to assist transit agencies with project delivery and asset management.
- 15.B. Provide technical assistance for agencies that request it in identifying and prioritizing routes for fleet transitions that are most suitable for either electric or hydrogen buses.

Strategy 16: Procure or create software and digital tools for asset management.

Recommendations

- 16.A. Procure centralized software for asset management tools and predictive maintenance (or adding to California's Software Licensing Program) and make it available to all agencies, with their oversight and input.
- 16.B. Create life-cycle cost assessment tools under a similar, shared services model.

Topic Area: Workforce Recruitment, Retention, and Development (1.f.3)

While California's bus and rail transit systems employ approximately 33,000 people, they face persistent workforce challenges that threaten service reliability and long-term sustainability. Recruitment remains a critical issue, with national vacancy rates for bus operators and mechanics reaching 17% and 10% respectively in 2022. Retention has also worsened, as turnover in California's transit sector has risen by 40% since 2010, reaching 9% in 2022. Compounding these issues, 38% of employees in California's urban transit systems are aged 55 or older—far higher than the 24% average across other sectors—underscoring the urgency of developing the next generation of transit workers. Barriers such as complex certification processes, unaffordable housing near jobs, and fragmented workforce development efforts further strain recruitment and retention, highlighting the need for coordinated strategies and stronger partnerships.

Task Force members emphasized that meeting these challenges will require innovative solutions, increased funding, and collaboration with labor and educational institutions. Promising models already exist in California and across the country: Golden Gate Transit provides pre-application support

English classes to ease entry barriers;[32] the Central Ohio Transit Authority offers higher pay for less desirable shifts to improve retention;[33] and LA Metro has partnered with community colleges to create a Career Pathways Program that builds structured opportunities for workforce development.[34] Expanding these kinds of initiatives, supported by State and federal investment, will be essential to cultivating a stable and skilled workforce capable of sustaining California's transit systems into the future.

Key strategies and recommendations that support improved workforce recruitment, retention, and development are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 17: Expand candidate pool and reduce barriers to entry for transit roles.

Recommendations

- 17.A. Expand partnerships with K-12 education, community colleges, trade schools, and re-entry programs and other programs to increase size of candidate pool and train potential candidates.
- 17.B. Create a centralized job board for transit agencies that are in the same transit region to advertise vacancies, share a talent pool, and better match candidates to positions.
- 17.C. Create a Statewide campaign to increase interest in careers in public transportation.
- 17.D. Re-evaluate age requirements for bus operators.
- 17.E. Align Federal and State regulations around drug tests, particularly as it relates to cannabis.
- 17.F. Create an on-the-spot in-person interview and hiring process, and provide on-site examination for operators rather than requiring applicants to go test at the DMV.

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[32] *Transit Workforce Center*, "Case Study: Golden Gate Transit and Amalgamated Transit Union Local 1575," Accessed October 14, 2025, https://www.transitworkforce.org/case-study-win-partnership-ca/.
[33] American Public Transportation Association, "Transit Workforce Shortage Synthesis Report," March 2023, 25, https://www.apta.com/wp-content/uploads/APTA-Workforce-Shortage-Synthesis-Report-03.2023.pdf.
[34] Los Angeles County Metropolitan Transportation Authority, "Metro Career Pathways," September 2017, https://libraryarchives.metro.net/BOD/191218-Career-Pathways-Brochure.pdf.

- 17.G. Allow in-house examiners to fulfil the certification requirements through tests administered to multiple transit agencies within a region (i.e., instead of current 10-test requirement).
- 17.H. Establish a shared pool of vehicle simulators distributed across agencies within a region to expedite the certification process, especially for smaller transit agencies.

Strategy 18: Expand training and mentorship programs for agencies to ensure employees have required skills and visibility into career pathways.

Recommendations

- 18.A. Create centralized training programs that can be used by agencies in the same transit area in coordination through labor partners (e.g., through trade schools and fund placements).
- 18.B. Standardize credentials, curriculums, and onboarding materials that can be recognized across transit agencies.
- 18.C. Connect transit agencies to academic institutions (e.g., community colleges) or other entities to train employees for emerging skill requirements (e.g., maintenance of electric vehicles and autonomous vehicles).
- 18.D. Encourage transit agencies to establish formal mentorship, apprenticeship, or shadow programs to provide new employees with visibility into roles a few levels above.

Principle: Safety is fundamental

Topic Area: Safe and Clean Environment for Passengers and Operators (1.f.1.C)

Safety and security challenges within transit systems impact both transit workers and riders. Research has shown that the rates of fatal crashes and crime are both lower on public transportation than on roadways, that safety risks on public transit are relatively low, and transit travel is significantly safer than vehicle travel.[35] Yet many public transit systems in California face safety and cleanliness challenges, including assaults on transit workers and riders,

[35] Todd Litman, "Safer than You Think!: Revisiting the Transit Safety Narrative," *Victoria Transport Policy Institute*, September 18, 2025, 26., https://www.vtpi.org/safer.pdf.

crime, inadequate security presence, poor lighting, and issues related to mental health and homelessness. Safety is a fundamental requirement for effective transit service—and if riders do not feel safe, other aspects of the system become irrelevant, making safety and cleanliness top priorities. Ensuring a secure and clean environment fosters trust, encourages higher ridership, and promotes equitable access to transit. Additionally, safety concerns are closely tied to ridership levels, as greater passenger presence can contribute to a perception of increased security, while cleanliness enhances the overall sense of safety. Task Force members expressed support for allowing transit agencies to be eligible for homelessness funding programs. While discussed, these concepts are not included here as CalSTA-specific recommendations, as this concept would require additional discussion and coordination with stakeholders in the housing and homelessness space.

Key strategies and recommendations that support providing a safe and clean riding experience for riders and operators include the following. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 19: Allocate dedicated safety and security funding.

Recommendations

- 19.A. Allocate dedicated funding for improving safety infrastructure (e.g., protective barriers, lighting) at transit stations and bus stops, and employing safety-related personnel.
- 19.B. Allocate dedicated funding for de-escalation and violence mitigation training specific to transit employees.

Strategy 20: Ensure coordination at the Statewide level between agencies.

Recommendations

- 20.A. Develop Statewide safety and security standards (e.g., guidance on directing individuals to wraparound services, addressing mental health and substance abuse challenges).
- 20.B. Examine opportunities to regionalize prohibition orders within the existing legal framework.
- 20.C. Encourage commercial development (e.g., platform kiosks, station stalls, exterior shops) at stations to improve perceived safety.

- 20.D. Implement surveys for priority populations (e.g., seniors, women) to monitor safety of transit systems.

Strategy 21: Improve coordination with Health & Human Services Agencies to ensure comprehensive health-related safety and security responses.

Recommendations

- 21.A. Increase presence of safety professionals on transit systems through safety ambassadors, crisis intervention specialists, and/or uniformed officers, leveraging coordination with local police departments.
- 21.B. Coordinate with health and human services agencies to implement services for unhoused people on and around transit systems.

Strategy 22: Implement physical security measures for frontline transit workers and riders.

Recommendations

- 22.A. Install protective doors for bus operators consistent with safety operations and per union agreement.
- 22.B. Improve surveillance and response capabilities by constructing emergency communications equipment and systems, increasing security cameras, and quality of cameras, and implementing technology to identify prohibited individuals.
- 22.C. Update signage in and around stations for better navigation and safety, including reducing speed limits around transit stops.
- 22.D. Increase lighting and other safety features in the areas surrounding transit stations to ensure safety on a first/last mile trip.

Principle: Provide fast, reliable, connected, and convenient transit services

Topic Area: Transit Prioritization (1.f.1.D)

Transit prioritization refers to the strategies and infrastructure improvements that enhance the speed, frequency, reliability, and efficiency of bus and light rail transit by reducing delays caused by general traffic congestion. Transit prioritization is needed when buses and light rail vehicles operate in mixed right-of-way scenarios with vehicle traffic. As congestion increases in areas where transit does not have traffic priority measures, transit service becomes slower and more expensive to provide, as depicted in **Exhibit 2**.

Exhibit 2: Cost to Provide 10-Minute Bus Frequency for SFMTA, 6 AM – 12 AM, daily[36]

Travel time and cost increase together

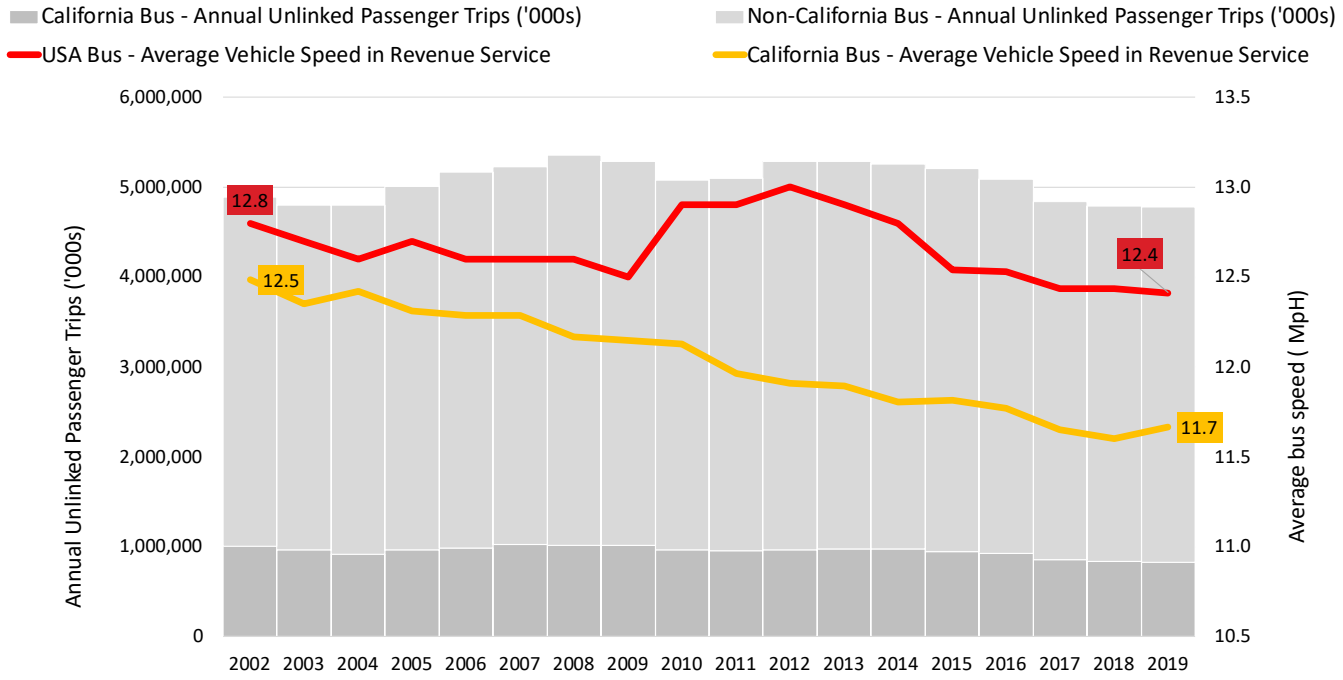
Travel Time	Buses Required	Annual Cost
30 minutes		$4 million
45		$6 million
60		$8 million
75		$10 million

Assumes operating cost of $200/hour per vehicle for example purposes only. Actual costs vary by mode.

Over the past 25 years, average bus speeds have declined markedly in both the U.S. and California among agencies, as depicted in **Exhibit 3.** This decline leads to increased costs and decreased ridership.

[36] California State Transportation Agency, "Transit Transformation Task Force Meeting #4 (San Francisco): June 17, 2024 Meeting Presentation," Accessed October 16, 2025, https://calsta.ca.gov/-/media/calsta-media/documents/calsta_tttf4_final_06-17-2024-a11y.pdf. Original data provided by San Francisco Municipal Transportation Authority.

Exhibit 3: Average U.S. and California Bus Speeds[37]



Transit prioritization strategies and infrastructure include dedicated bus lanes, Transit Signal Priority (TSP) for buses, and transit stops that are strategically placed and designed to minimize delays and allow passengers to board and alight efficiently. Enhancing the reliability and speed of bus services through transit prioritization can improve ridership, revenue, and operational efficiency by delivering better service with fewer resources.

However, scaling these initiatives is challenged by the high costs and lengthy timelines associated with road modifications, including planning, design, environmental reviews, community input, permitting, and construction. For instance, the Van Ness BRT project in San Francisco

[37] https://calsta.ca.gov/-/media/calsta-media/documents/calsta_tttf4_final_06-17-2024-a11y.pdf U.S. Department of Transportation, "TS2.1 - Service Data and Operating Expenses Time Series by Mode," *National Transit Database*, Accessed June 1, 2024, https://www.transit.dot.gov/ntd/data-product/ts21-service-data-and-operating-expenses-time-series-mode-2.

increased bus speeds between 25% - 36%, and ridership reached 130% of pre-pandemic levels. Despite these benefits, the project took nearly 20 years to complete.

Finally, TTTF members noted that to achieve successful BRT and transit priority implementation at scale, it would help to "fund planning and engineering resources at the State level for easier implementation of transit priority infrastructure at the local level."

Key strategies and recommendations to accelerate and reduce the cost of delivering transit priority infrastructure at scale include the below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 23: Standardize, support, and scale transit priority infrastructure.

Recommendations

- 23.A. Establish Statewide procurements for technology, equipment, and materials that are needed for Transit Signal Priority (TSP), preemption, and other infrastructure that can be leveraged to lower costs and encourage standardization.
- 23.B. Update the California Manual on Uniform Traffic Control Devices (CA MUTCD) to include TSP and preemption for transit routes where applicable. Create TSP guidelines & standards that can be leveraged in any jurisdiction. Work to encourage collaboration between cities and agencies to enable TSP at scale.
- 23.C Encourage implementation of transit priority and bus rapid transit features on the State right of way, such as bus-only lanes or queue jumps and ensure that the State Highway Network can be used by Transit riders.
- 23.D. Make permanent the authorization for transit agencies to use readily available camera technology to discourage illegal parking in transit-only lanes and at transit stops where parking is already prohibited under existing law, as well as other violations.

Strategy 24: Expedite delivery of transit-supportive infrastructure and strategies.

Recommendations

- 24.A. Allow for exemption or preemption of local permitting requirements on identified priority transit routes.

- 24.B. Establish a by-right permitting mechanism for transit infrastructure – bus shelters, transit priority, TSP, etc. inside each city and on the State right of way.
- 24.C. Establish a Statewide TIGER team to assist with the implementation of BRT and Bus Only lanes Statewide to assist with planning, engineering and implementation in all jurisdictions.
- 24.D. Establish a streamlined process for adding stops and stations, and a process that involves members of the transit riding community before a stop or station can be removed.

Strategy 25: Coordinate and collaborate to deliver infrastructure across jurisdictions.

Recommendations

- 25.A. Develop a framework on roles and responsibilities for TSP and BRT implementation for use Statewide.
- 25.B. Convene a Statewide working group for local jurisdictions, regional agencies, and transit agencies to discuss and solve common issues in implementing TSP.

Strategy 26: Establish flexibility with State funding sources.

Recommendations

- 26.A. Update State funding programs and guidelines to encourage the delivery of transit priority infrastructure.

Topic Area: Service and Fare Coordination or Integration (1.f.1.A) and Coordinated Scheduling, Mapping, and Wayfinding (1.f.1.B)

When transit riders take trips that cross agency boundaries, many face higher costs and added hassle; riders may have to pay multiple fares, navigate different payment systems, or go through multiple eligibility checks for youth or senior discounts. Service and fare coordination can ease these challenges through standardized regional fare systems, common discount verification, and Statewide or regional support for integration. For transit agencies, fare and service integration raises challenges including potential revenue losses associated with transfers as well as technology hurdles. Overcoming these challenges requires a collaborative approach, leveraging policy, funding, and technological solutions to create a more seamless transit experience.

Equally important is coordination of scheduling, mapping, and wayfinding across transit agencies. Currently, California transit riders often need to transfer between transit operators due to service area boundaries and journey distances. Coordination between transit agencies occurs inconsistently, varying by region and agency, with no standardized approach. Regional transit agencies have an opportunity to enable regions to improve coordinated scheduling, mapping, and wayfinding—and to empower and resource regional agencies to designate key transit hubs and stations, in consultation with cities, counties and transit agencies, where clear standards and wayfinding will apply. Throughout the Task Force process, CalSTA staff brought several sets of draft recommendations on scheduling, mapping, and wayfinding to the Task Force. The Task Force discussed the draft recommendations at three separate meetings and the discussion was extremely robust. However, ultimately few recommendations on scheduling, mapping, and wayfinding were approved by the Task Force for inclusion in this report.

Key strategies and recommendations on this topic area include the following. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 27: State Coordination.

- 27.A. Provide technical assistance to transit agencies that request it through a Statewide identity verification program that transit agencies can use to verify discounted fares.
- 27.B. Develop tools and technical assistance and funding to help incentivize inter-operability between payments systems Statewide.
- 27.C. Recommend opt-in common data collection, analysis, and publication standards across agencies to improve interoperability (e.g., General Transit Feed Specification, Operational Data Standard, TIDES) to local and regional agencies.
- 27.D. Develop tools and provide opt-in support for regions and agencies for service planning to support other recommendations and help facilitate interregional planning.

Topic Area: First- and Last-Mile Access to Transit (1.f.1.E)

First- and last-mile access in transit refers to the connections that enable passengers to travel from their starting location to a transit station (first mile) and from a transit station to their final destination (last mile). These connections may include walking, biking, and micro-mobility options (such as e-scooters, bike-share, and ride-share programs). Ensuring that riders have first- and last- mile access is essential, as transit use declines by 90% when riders must walk more than a half mile. For California transit riders, a significant portion of overall travel time is spent getting to and from transit services, which can contribute to longer total trip times.

The most effective way to improve first- and last-mile access to transit is to increase the density of housing, jobs, recreational facilities, and healthcare services around high-quality transit infrastructure. By ensuring that essential destinations are located closer to transit, communities can improve accessibility, enhance transit efficiency, and encourage greater ridership.

Key strategies and recommendations to improve first- and last-mile access to transit are listed below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 28: Ensure consistent and flexible funding for active transportation and first- and last- mile access to transit.

Recommendations

- 28.A. Increase funding for active transportation projects with reduced variability from year-to-year, to increase first and last mile access to transit.
- 28.B. Reduce administrative burden to improve the use of funding for active transportation projects.

Strategy 29: Reform planning process to improve access to transit.

Recommendations

- 29.A. Empower and resource regional agencies to designate key transit hubs and stations, in consultation with cities, counties and transit agencies, where clear standards, wayfinding, and rules will apply.

- 29.B Streamline permitting processes and timelines for delivering active transportation projects near transit hubs and stations.
- 29.C. Assess conditions and collect data on sidewalks, mobility lanes, and transit hubs and create GIS maps highlighting existing accessibility infrastructure, including sidewalk quality and continuity, street furniture such as benches and lighting, and transit hub features such as signage and shelter to identify and address locations.
- 29.D Create a Statewide registry of bus stops, each with a unique ID, and include stop amenity information.

Strategy 30: Coordinate and collaborate to provide first- and last- mile access to transit across jurisdictions.

Recommendations

- 30.A. Encourage interagency coordination on first- and last- mile planning, implementation, and maintenance between Caltrans, regional agencies, local jurisdictions, CBOs, and transit agencies.
- 30.B. Create opt-in State Purchasing Schedule agreements for bikeshare infrastructure, service providers, and participants in California e-bike incentives and bike lending programs.

Principle: Provide transit that is accessible and easy to use for all

Topic: Accessible Transportation and the Transit Needs of Older Adults and Persons with Disabilities

Accessible transportation services, including paratransit and dial-a-ride, face growing challenges for both operators and riders. While federal law mandates paratransit as a complement to fixed-route transit, these services are operationally complex, costly to operate, and require significant subsidies. Since 2010, paratransit costs have risen sharply, outpacing the growth of the populations that depend on them, straining financial and operational resources. Although the costs to deliver paratransit services are high, the quality of the services varies, and barriers to paratransit use (such as requiring 24-hour reservations) limit the mobility and access of people with disabilities.

Addressing these challenges requires a multi-pronged approach to improving service coordination, quality, efficiency, and accessibility. For paratransit and dial-a-ride services, enhanced coordination between providers could streamline operations, reduce redundancies, and improve ride availability. Improving booking and dispatch systems, potentially through technology-driven solutions, can enhance efficiency and minimize delays for users. Cross-cutting strategies such as better integration of planning and funding could support long-term sustainability, ensuring that accessible transportation services keep pace with rising demand while remaining financially viable. A proactive approach will be essential in meeting the mobility needs of seniors and people with disabilities while maintaining operational feasibility for transit agencies. Finally, the Task Force members recommended the following:

- Change Medi-Cal managed care reimbursements to a per capita payment model per trip (rather than per medical recipient). Use ongoing revenue streams to subsidize and reimburse transit agencies that provide micro transit and paratransit services.
- Conduct a needs assessment for accessible transportation in CA, covering the following topics: funding for paratransit due to increased demand of paratransit and service improvements, including in areas not

currently covered by paratransit. Align needs assessment with the goals listed in the Master Plan for Aging Initiatives and address concerns, with robust public engagement with people with lived experience.

- Encourage cost sharing agreements between transportation providers and healthcare providers, including improving Medi-Cal cost recovery programs for operators.
- Conduct inventories of transit stop accessibility (e.g., ramps, wayfinding/signage, audio announcements) in line with the Master Plan for Aging initiatives, and explore Statewide standards and guidelines for access to transit information.

While these concepts are worth exploring in more detail, further development would require significant input from and coordination with the California Health and Human Services Agency (CalHHS) departments and other stakeholders. As a result, these concepts are not included as CalSTA-specific recommendations.

Key strategies and recommendations that support accessible transit and meeting the needs of older adults and individuals with disabilities include the following. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 31: Coordinate paratransit services efficiently between transit agencies and non-profit, private, and healthcare providers.

Recommendations

- 31.A. Empower transit agencies to provide more 'one-seat ride' services, or services to limit the number of transfers when services originate and/or end within an agreed upon expanded service area by creating frameworks for revenue sharing and paratransit service coordination.
- 31.B. Encourage healthcare providers and social service providers to engage in strategic planning with transit operators to better plan and coordinate public and private transport to healthcare in jurisdictions, to identify optimal times for healthcare appointments, allowing for shared rides.

Strategy 32: Develop customer-facing and backend tools to improve the process of booking and dispatch of rides.

Recommendations

- 32.A. Encourage transit operators to improve information describing paratransit services and required eligibility documentation to use paratransit services and the ride request process.
- 32.B. Create an ADA accessible Statewide eligibility verification service for transit agencies that provides information on service eligibility and Medi-Cal/Medicaid enrollment.
- 32.C. Provide opt-in software services to transit operators to optimize digital booking, dispatch and/or routing to increase operational efficiency and reduce wait and trip times.

Strategy 33: Reform planning process for paratransit.

Recommendations

- 33.A. Use ADA transition plans to guide spending, including identifying accessibility barriers, outlining methods for modifications, scheduling of improvements, and assigning responsibilities for implementation.
- 33.B. Prioritize expanding subsidized housing near transit for seniors and people with disabilities to increase their access to transportation.
- 33.C. Explore options to better serve ADA needs including discounted or free travel on fixed route or discounted taxis rides.
- 33.D. Identify partners to enhance information on public and private paratransit service offerings to make it easier for users to book rides and compare trip options, cost, and accessibility features.
- 33.E. Provide technical assistance to transit operators that either do not provide paratransit services, or use their own certification process, in conjunction with Statewide guidelines.

Strategy 34: Explore options to improve funding mechanisms for paratransit.

Recommendations

- 34.A. Review and reconsider ICT requirements for paratransit vehicles.
- 34.B. Provide greater flexibility to regional agencies to determine priorities for Section 5310 funds.

Principle: Develop high quality public transit systems to support complete communities

Topic Area: Changes to Land Use, Housing, and Pricing Policies (1.f.2)

As discussed earlier in this report, California's housing shortage and transportation crises are linked. California has a goal of building 2.5 million new homes by 2030, with no less than one million homes for lower-income households. Today, many areas around major transit stops do not have sufficient density to support strong ridership or fully realize the value of California's transit investments. Strengthening land use and housing policies around transit can change that, as concentrating homes, jobs, and essential services near reliable transit can boost ridership, improve the return on transit investments, and advance California's housing, climate, equity, and mobility goals.

This work builds on recent State actions—such as reducing minimum parking requirements near transit and enabling higher-density housing—to further support transit-oriented development and create complete, walkable neighborhoods. But policy change alone is not enough. Success also depends on targeted infrastructure improvements, including upgraded utilities, safe walking and biking networks, and inviting station-area public spaces, implemented in partnership with local and regional partners.

Together, these efforts can create vibrant communities where daily needs are within walking or transit distance, expanding access to opportunity, lowering household transportation costs, and delivering healthier, more sustainable neighborhoods that are well-connected to high-quality transit.

Lastly, the Task Force identified several strategies and recommendations to strengthen land use and transit planning. Task Force members expressed support to encourage the California Department of Housing and Community Development (HCD) to include additional transit-supportive land use policies in the qualifications for pro-housing designation, as well as ensuring State agencies coordinate land use and transportation planning, permitting regulation, and guidance to reduce contradicting policies and complete projects with sufficient housing and transportation. Another possible recommendation the Task Force discussed was the need to "provide incentives or funding to support transit agencies, MPOs, and/or

cities that meet TOD objectives and other mandates (e.g. decarbonization)." Additionally, the Task Force discussed the need to "identify all land around transit stations open to joint development, including land owned by transit agencies and Caltrans that is eligible for TOD." While discussed, these concepts are not included in the recommendations related to land use, housing, and pricing policies, as further development would require significant discussion and coordination with housing and land use agencies and stakeholders.

Key strategies and recommendations regarding land use, housing, and pricing policy include the list below. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 35: Encourage transit-supportive land uses.

Recommendations

- 35.A. Examine opportunities to price on-street parking and unbundle new off-street parking from residential and commercial developments within 0.5 mile of transit.
- 35.B. Create the ability to allow transit agencies to sell air rights to create development opportunities above transit stations and facilities.
- 35.C. Create bench of pre-vetted TOD property developers for use by transit agencies Statewide to pursue joint development opportunities

Strategy 36: Strengthen transit and land use planning.

Recommendations

- 36.A. Support the Statewide strategy for transit-supportive land use to address both transit and housing objectives, including setting out Transit Oriented Development (TOD)-specific objectives and guidelines that consider potential social equity impacts and interests of private developers to increase housing near transit.
- 36B. Give transit agencies the ability to review and comment on City Transportation Demand Management (TDM) plans.
- 36.C. Encourage transit agencies to include analysis and evaluation of land use and value capture opportunities into their transit enhancement and expansion plans.
- 36.D. Leverage, where possible, Caltrans-owned and other State-owned land to reduce upfront land costs to jumpstart TOD projects.

Strategy 37: Expand education, incentives, and funding to advance TOD.

Recommendations

- 37.A. Explore State agency support provide loans with lower interest rates to developers for qualifying TOD projects.
- 37.B. Engage pension funds to explore investment opportunities to support qualifying TOD projects (e.g., for direct land acquisition by transit agencies and/or local jurisdictions).
- 37.C. Where possible, create pre-permitted project opportunities to encourage public-private partnerships.
- 37.D. Set up State team to provide support on TOD to local jurisdictions and transit agencies.

Topic Area: Transit-Oriented Development and Value Capture of Property (1.f.7)

Fostering denser development around transit hubs through TOD provides multiple benefits, including opportunities for transit agencies to unlock both direct and indirect revenue streams. Higher housing and job density around stations increases transit use, which can boost ridership and fare revenue. Beyond these direct benefits, developing land or property near transit can increase its value and create additional revenue opportunities through value capture.

While real estate revenues alone will not replace existing federal, State, and local transit funding, TOD can serve as a long-term strategy to supplement public funding and strengthen financial sustainability. Policy changes that make it easier for transit agencies to pursue TOD and capture the full value of station-area assets can help unlock new, more self-sustaining revenue sources.

Additionally, the Task Force discussed clarifying Surplus Lands Act (SLA) to prioritize affordable housing and commercial development on land owned by public agencies near major transit hubs, as well as streamlining the SLA to increase its effectiveness in delivering homes and communities near transit. The Task Force also suggested creating a new dedicated entity to reform redevelopment to meet current needs for transit and housing, while also avoiding pitfalls that have formerly affected redevelopment. While discussed, further developing these concepts would require significant

discussion and coordination with housing and land use stakeholders, and are not included in the CalSTA-specific recommendations below.

Key strategies and recommendations to support TOD and value capture of property around transit include the following. As noted earlier, these recommendations are intended as a starting point for future consideration, and not as a menu of fiscal or policy options for immediate implementation.

Strategy 38: Create Statewide conditions for greater value capture from transit.

Recommendations

- 38.A. Assess the multiplier effect of public transit investments and create mechanisms that could allow transit agencies to become an equity partner and/or capture this value (e.g., through taxes, transit passes).
- 38.B. Create a tax increment financing tool specifically for transit-oriented development or modify an existing one (e.g. NIFTIs) to enable transit agencies with more effective value capture options.
- 38.C. Establish supplemental funding sources through value capture strategies.

Strategy 39: Provide State incentives and technical assistance to support transit agencies on value capture.

Recommendations

- 39.A. Provide funding and/or technical assistance to agencies to support value capture opportunities (e.g., grants to hire specialists for in-sourced opportunities such as advertising, joint development, and install EV chargers and hydrogen re-fueling facilities on agency-owned parking areas).
- 39.B. Create State Purchasing Schedules to make expertise in revenue generation opportunities available to transit agencies to lower costs (e.g., California tourism passes, professional sports teams.)
- 39.C. Invest in transportation projects that have a value capture strategy, when practical.

Appendix A: Detailed analysis requested under SB125 1.E

[See Attachment]

Appendix B: Table of all strategies and recommendations under SB125 (1)(f) as approved by the Task Force

[See Attachment]