



SPUR

San Francisco | San Jose | Oakland

March 18, 2020

Dear Congresswoman Pelosi:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy.

SPUR urges Congress to account for the revenue impacts to transit in rescue packages as part of the novel coronavirus response. We further urge Congress to distribute funding using a formula-based approach that accounts for losses faced by all transit operators throughout the country. The approach should include targeted formula funding for those operators like BART, Caltrain and SF Muni that are heavily dependent on steeply declining fare revenues and sales taxes and are continuing to operate essential transit services during this public health emergency.

COVID-19 represents a threat to the health and wellbeing of all Bay Area residents, particularly the vulnerable and elderly. Orders to shelter in place and practice social distancing are important measures our elected leaders have implemented to slow the spread of virus and ensure the health and well-being of all Bay Area residents. But transit ridership in the region has declined precipitously as a result, with significant impacts to farebox revenues. As consumer spending declines, a critical source of transit funding — the sales tax — is also in jeopardy.

The Bay Area normally collects \$85 million in fare revenue per month. Upwards of 90 percent of that revenue is expected to be lost as a result of ridership declines. Sales tax revenue for the current Fiscal Year 2019-20 could come in 15-20 percent below expectations because of major 4th quarter of the fiscal year declines. Falling farebox revenues alongside steep declines in sales tax will put a huge hole in every transit operator's budget for this current fiscal year. It is unclear how long the crisis will last, though we can assume the impacts to transit will continue long after people start regularly commuting to work again.

During this state of emergency, transit has been declared an essential service. As such, the Bay Area's transit operators are continuing to run buses, trains and ferries—despite the heavy revenue losses they are sustaining—to connect nurses, social service workers and grocery store employees, among others, to their jobs so they can carry out critical business and government functions. But public transit needs to remain functional both during *and after* the crisis. Transit operators need federal support to backfill this unprecedented revenue loss to ensure that public transportation remains a useful and practical option long after the crisis is over.

Sincerely,

Arielle Fleisher, Transportation Policy Director

SAN FRANCISCO

654 Mission Street
San Francisco, CA 94105
(415) 781-8726

SAN JOSE

76 South First Street
San Jose, CA 95113
(408) 638-0083

OAKLAND

1544 Broadway
Oakland, CA 94612
(510) 827-1900

spur.org