



January 19, 2016

Angela Calvillo
Clerk of the San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Subject: Appeal of CEQA Determination – SFMTA Commuter Shuttle Program

Dear Ms. Calvillo:

This communication provides the Board of Supervisors with an overview of the Commuter Shuttle Program in connection with the appeal of the Planning Department's determination that the Program is exempt under California Environmental Quality Act (CEQA). The SFMTA supports the CEQA determination issued by the Planning Department, which will be providing the Board with a separate memorandum directly responding to the issues raised by the Appellant.

INTRODUCTION

Privately operated commuter shuttles, which transport workers from their neighborhoods to places of work or transportation hubs, have become increasingly common on the streets of San Francisco. Commuter shuttles provide a commute choice to thousands of employees, students, and other residents of the city, and provide alternatives to drive-alone trips. Shuttles are associated with reduced auto ownership and the increased use of transit, walking, and bicycling for non-commute trips.

Numerous employers, educational institutions, medical facilities, office buildings, and transportation management associations offer shuttle service to their employees, students, and clients. Some buildings are required to provide shuttle service as part of their entitlement conditions of approval, and an employer may comply with San Francisco's Commuter Benefits Ordinance by offering a free commuter shuttle to employees. The majority of the commuter shuttles are closed systems that provide service to a specific population and are not open to the general public. Most shuttles are provided at no cost to riders, such as employees, students, or tenants.

Buses taking commuters to Silicon Valley originated as an attempt (or a requirement) to improve air quality by reducing the number of cars travelling to and entering corporate campuses. Commuter shuttles serving Silicon Valley companies are not confined to San Francisco: buses run through the entire Bay Area, with routes connecting the North Bay, East Bay, the Peninsula, and the South Bay. Commuter shuttles have operated for decades in San Francisco, but their use has significantly increased over the past several years. Commuter shuttles are allowed to drive on city

streets (subject to specified street restrictions), and the SFMTA cannot ban shuttles from operating in the city.

Before August 2014, San Francisco did not regulate commuter shuttles. Shuttles operated throughout the city on both large arterial streets, such as Van Ness Avenue and Mission Street, and smaller residential streets. Shuttles loaded and unloaded passengers in a variety of locations, including white loading zones, red Muni zones, and other vacant curb space. When curb space was unavailable, shuttles loaded or unloaded passengers in the street, often blocking traffic, transit and bicyclists, and increasing potential dangers to passengers, motorists, pedestrians and bicyclists. The lack of rules for loading and unloading resulted in confusion for shuttle operators and neighborhood residents, challenges for enforcement, and real and perceived conflicts with other transportation modes.

COMMUTER SHUTTLE PILOT PROGRAM AND EVALUATION

Pilot Program Description

To address these emerging issues, in January 2014, the SFMTA Board of Directors approved, and in August 2014 the SFMTA implemented, an 18-month Pilot to gather accurate and up-to-date information on commuter shuttle activity and operations and to determine if active regulation of shuttles could reduce traffic conflicts and other issues.¹ Specifically, the objectives of the Pilot Program included:

- Create clear and enforceable locations and guidelines for shuttle loading and unloading;
- Reduce conflicts with Muni and other vehicles;
- Improve safety in shuttle interactions with other users;
- Reduce drive-alone trips, vehicle miles traveled, and greenhouse gas emissions;
- Provide a positive relationship between city agencies and private sector transportation providers;
- Increase acceptance of commuter shuttles by community members; and,
- Gather data regarding shuttle activity in the city.

The regulatory framework included creating a shuttle zone network to test the sharing of designated Muni zones with eligible commuter shuttles that have been issued a permit authorizing use of the shuttle zone network, as well as to gather data on commuter shuttle operations. The shuttle zone network included shared Muni stops for use by participating commuter shuttle buses, along with passenger loading (white) zones exclusively for the use of permitted commuter shuttles during peak commute hours. To create the shuttle zone network, the SFMTA invited shuttle service providers

¹ The January 2014 SFMTA Board Resolution No. 14-023 and staff report are available on-line: <https://www.sfmta.com/sites/default/files/agendaitems/1-21-14%20Item%2014%20Private%20Commuter%20Shuttle%20policy%20resolution.pdf> and <https://www.sfmta.com/sites/default/files/agendaitems/1-21-14%20Item%2014%20Private%20Commuter%20Shuttle%20policy.pdf>, respectively.

to propose stops to be included in the network, and SFMTA transit service planning and engineering staff evaluated the requested stops in light of community input and Muni operations. Shuttle service providers initially requested more than 240 zones; the Pilot created a shuttle zone network of a total of 101 designated Muni zones and white permitted commuter shuttle zones around the city. Over the course of the Pilot, the SFMTA made changes and updates to the shuttle zone network to respond to issues such as community concerns, street improvements, Muni service changes, shuttle ridership demand, construction, and other operational considerations. As a result, the Pilot Program shuttle zone network ultimately had 125 zones across the City (104 shared Muni zones and 21 white zones).

Under the Pilot, shuttle service providers (or ‘permittees’) wishing to use the designated zones were required to obtain a permit from SFMTA. The permit contained conditions for shuttle operation, including:

- Giving priority and yielding to Muni;
- Staying within the shuttle zone network;
- Using zones for active loading, with no unnecessary idling;
- Pulling forward to leave room for Muni and other shuttles;
- Pulling all the way to the curb;
- Complying with all traffic laws;
- Training for shuttle drivers; and
- Using the shuttle zone network only for permit-related activity.

The permit also required participating shuttle service providers to provide SFMTA with substantial data about their activity and operations. Permittees vehicles participating in the program were required to display SFMTA-issued placards.

In addition, the Pilot established a per-stop permit fee tied to the cost recovery of administering the Pilot Program. Currently the fee is \$3.67 for each stop event at a designated stop. Stops outside of San Francisco, are not counted. Since the start of the Pilot in August 2014 through January 2016, the SFMTA has billed shuttle service providers a little over \$3,802,000 in fees.

Pilot Program Evaluation

Over the course of the Pilot, the SFMTA undertook an extensive evaluation of the program to determine whether the program should be continued beyond the Pilot period and if so, how it could be improved. In October 2015, the SFMTA published the *Commuter Shuttle Pilot Program Evaluation Report*.² The Pilot Program evaluation focused on shuttle activity, a survey of rider travel behavior, and field data collection at a representative sample of shuttle zones. The *Pilot Program Evaluation Report* found that: regulating the shuttles helped reduce conflicts with Muni

² The Commuter Shuttle Pilot Program Evaluation Report is available on-line at:
<https://www.sfmta.com/sites/default/files/projects/2015/Evaluation%20Report%20-%20Oct%205%202015.pdf>

and other users; more enforcement is needed; and shuttles provide significant environmental and transportation benefits. The key findings that informed the Commuter Shuttle Program are:

- 47 percent of shuttle riders said they would drive alone to work if a shuttle were not available;
- Shuttles remove nearly 4.3 million vehicle miles traveled from the region’s streets each month;
- An average of 2.7 percent of shuttle stop-events resulted in blocking Muni access to a zone;
- Shuttles block travel and bike lanes about 35 percent of the time that they stop;
- More enforcement staffing, and a focus on enforcement both at shuttle zones and along shuttle routes, would assist in keeping traffic flowing smoothly throughout the shuttle zone network;
- The vast majority of community feedback focused on large shuttles being unwelcome on the streets, especially residential streets;
- The Pilot Program allowed for the collection of unprecedented data about shuttle activity; and
- Real-time shuttle vehicle data would greatly assist the SFMTA in regulating and managing commuter shuttle activity.

The SFMTA determined that overall, the Pilot Program successfully regulated commuter shuttles in San Francisco. Thus, the SFMTA embarked on developing the Commuter Shuttle Program that would be in effect after the Pilot is set to expire on January 31, 2016. The Commuter Shuttle Program, described in detail below, was informed by the community feedback and the findings of the *Pilot Program Evaluation Report*. Going forward, the Commuter Shuttle Program is expected to continue to evolve to respond to address on-going information collection and emerging issues.

COMMUTER SHUTTLE PROGRAM

Overview

On November 17, 2015, the SFMTA Board of Directors approved the Commuter Shuttle Program.³ The Commuter Shuttle Program builds on the regulatory scheme developed for the Pilot. The Program is informed by the following guiding principles:

1. Provide a safe environment for all street users in support of the SFMTA’s Vision Zero policy to eliminate all traffic deaths;
2. Prevent service disruptions, including any related to labor relations issues;
3. Ensure that commuter shuttles do not adversely affect operations of public transportation in San Francisco;

³ The SFMTA Board Staff Report, Resolution and Commuter Shuttle Policy document are available on-line: <https://www.sfmta.com/sites/default/files/agendaitems/2015/11-17-15%20Item%2011%20Commuter%20Shuttle%20Program.pdf>

4. Consistently and fairly apply and enforce any regulations/policies governing shuttle operations;
5. Work collaboratively with shuttle sector to refine policies and resolve concerns and conflicts;
6. Integrate commuter shuttles into the existing multi-modal transportation system;
7. Establish a program structure that meets current needs and has the potential to evolve as the sector grows and evolves; and
8. Ensure more focused enforcement, ease of administration and on-going oversight.

Based on the above principles and input received from City officials and the public, the Commuter Shuttle Program includes the following provisions.

- Creation of a shuttle zone network that caps the total number of shared Muni and shuttle-only zones at 200 across the city.
 - The existing shuttle zone network from the Pilot, which is the product of thorough vetting by internal agency stakeholders and input from community members, will be used at the outset of the Commuter Shuttle Program.
 - The Commuter Shuttle Program allows for changes to the network to address new program requirements, shifting demand, community concerns, and other operational issues that arise. Changes to the shuttle zone network will be subject to the SFMTA’s public review and hearing process. The Commuter Shuttle Program also includes new rules about bus size that affect the siting of zones (see below).
- Shuttle operators apply for a permit to use the shuttle zone network, and pay a permit fee determined by the number of stop events. The permit fee is adjusted on a regular basis.
- Shuttle operators are responsible for ensuring that their operators comply with agreed-upon operating guidelines, including displaying a placard that identifies them as a permitted user.
- SFMTA Parking Control Officers (PCOs) enforce parking and stopping at zones in the network, and along shuttle routes, in order to:
 - Reduce safety hazards;
 - Keep zones safe for pedestrians and other users;
 - Ensure that Muni buses get priority at shared zones;
 - Limit the use of such stops only to Muni and participating shuttle operators;
 - Prevent parking and stopping violations by shuttle operators;
 - Keep shuttles and other traffic along shuttle routes and near shuttle network zones moving smoothly; and
 - Prevent unnecessary idling or layovers by shuttle operators.
- Shuttle operators must share data on operations with the SFMTA, following specifications established by the SFMTA.

How the Commuter Shuttle Program Improves Upon the Pilot

The Program has taken lessons from the Pilot by adding several new features, which were in direct response to the most common community concerns, information gleaned from the pilot data collection and analysis, and policy direction from City officials. The Commuter Shuttle Program builds upon the Pilot in the following specific ways:

- Requires buses over 35 feet long to travel on the major and minor arterial street network as defined by the California Department of Transportation (during the transition to the Commuter Shuttle Program, SFMTA staff will work with participating shuttle operators to either relocate stop-events currently made outside of the arterial street network, or accommodate those stop-events using smaller vehicles);⁴
- Requires participating shuttle operators to phase in the use of newer vehicles, and requires that new participating vehicles be no older than eight years old, which ensures lower greenhouse gas and other emissions from the shuttle fleet overall;
- Increases enforcement resources devoted to shuttle zones and corridors, and recovers the costs as part of the fee for participation in the program;
- Increases capital improvements at shuttle zones and on corridors, with such costs recovered as part of the fee for participation in the program;
- Improves real-time GPS data collection and reporting to help better manage commuter shuttle operations and target enforcement;
- Requires increased data sharing from participating shuttle operators, and requires that participating shuttle operators demonstrate for each vehicle that data feeds are regular and accurate before receiving a permit;
- Permits shuttles that are free and open to the public to use the shuttle zone network without charge (as long as those shuttles comply with all other Commuter Shuttle Program requirements); and
- Requires participating shuttle operators to comply with the San Francisco Board of Supervisors' March 2015 Labor Harmony Resolution, including the submission of a Service Disruption Prevention Plan that describes the shuttle operators' efforts to ensure efficient and consistent service in the event of potential disruptions, including labor disputes in advance of permit issuance.

In addition to the above new requirements, there are numerous permit conditions that will continue to be in effect to ensure that the Program achieves the guiding principles described above. These permit conditions include but are not limited to requiring that the commuter shuttle buses give priority to transit vehicles at the designated stops, loading/unloading be conducted as expeditiously as possible and not take place in travel or bicycle lanes, there is no unnecessary idling, etc.⁵

The conditions of the permit will be monitored and enforced through ongoing and increased collection of data, increased enforcement, and dedicated SFMTA program administration staff.

⁴ A map of the Caltrans arterial street network is available on-line:

<https://www.sfmta.com/sites/default/files/projects/2015/Caltrans%20Arterial%20Street%20Network.pdf>

⁵ A complete list of permit conditions can be found in the Transportation Code amendments, available on-line beginning on page 11: <https://www.sfmta.com/sites/default/files/agendaitems/2015/11-17-15%20Item%2011%20Commuter%20Shuttle%20Program.pdf>

How SFMTA Will Enforce the Program

The success of the Commuter Shuttle Program rests in large part on how well permittees follow the rules and the ability of the SFMTA to take action when they do not. To that end, the Director of Transportation is authorized to suspend or revoke a permit if providers: knowingly or intentionally provide false or inaccurate information in the permit application; repeatedly and egregiously violate parking or traffic laws; create a public safety risk; violate the California Public Utilities or Vehicle codes; or, fail to abide by permit conditions. The Director of Transportation can also impose administrative penalties for violations of permit conditions. To date, the SFMTA has imposed \$12,500 in administrative penalties for violations such as failure to send data feeds or failure to submit documentation of required large vehicle driver safety training.

SFMTA PCOs routinely patrol and observe Commuter Shuttle operations as part of their regular beat assignments. The PCOs issue citations for actions such as: non-permitted shuttles using shared stops, permitted shuttles using non-designated Muni stops and any shuttles (permitted or not) loading/unloading in bicycle or mixed flow lanes. In addition to routine observations and enforcement, PCOs often respond to specific citizen complaints (for example: the unnecessary idling on residential streets).

Fee for Program Participation

Public feedback on the Commuter Shuttle Program has included concerns that the fee paid by providers is too low. The Commuter Shuttle permit fee is a regulatory fee. Accordingly, under Article XIIC, Sec. 1 of the state constitution (Prop. 26), that fee is limited to recovery of the costs of implementing, administering, and enforcing the program. State law prohibits establishing a permit fee that would generate revenue beyond these costs. The SFMTA developed its proposed annual budget for the Commuter Shuttle Program consistent with these requirements.

The estimated budget includes: SFMTA staff to oversee and manage the day-to-day administration of the program as well as other support staff (e.g., sign workers, painters); 15 PCOs and associated support staff; IT costs (e.g., reporting software, data processing and storage, etc.); lost meter revenue; materials such as placards and signs and sign maintenance; and capital improvements such as bus bulbs and boarding islands. On an annual basis, these costs add up to a little under \$5,000,000. The budget is based on FY2016 labor and benefit costs and will be adjusted every two years.⁶ Per-stop fees will rise from the current \$3.67 to between \$5.00 and \$6.25 depending on the extent of capital improvements and the total number of stop events. The program will reconcile actual stop-events made by permittees, based on GPS data, with stop-events paid for. permittees will be charged for stop-events made in excess of those paid for, with a penalty assessed for making greater than 10 percent more stop-events than approved.

As part of the FY2017-18 two-year budget process, the SFMTA will be revisiting all of its fees. The two-year budget is currently in the process of being developed and is expected to take effect on July 1, 2016. Since the Commuter Shuttle Program will become effective on February 1, 2016, providers will be required to retroactively pay the difference for the five months between February and July 2016. The Commuter Shuttle Program budget will be updated every two years to reflect the costs of the program; the per-stop-event fee will be adjusted annually.

⁶ The budget includes overhead charges.

Consideration of Alternatives

As part of the development of the Commuter Shuttle Program, the SFMTA considered a number of different regulatory approaches. Each is summarized below.

SFMTA considered prohibiting shuttles from all Muni zones and requiring them to use existing white zones, or seek new white zones for operations. This alternative was not pursued because it would require the establishment of a large network of new white zones, many of which would require removal of existing parking, and because the Pilot demonstrated that sharing Muni zones works in most instances (for example, SFMTA’s Pilot Evaluation showed that fewer than three percent of shuttle stop-events resulted in blocked Muni buses).

SFMTA also considered allowing shuttles to use all Muni zones, with exception of those Muni zones identified by the SFMTA as particularly unsuitable for sharing. This alternative is very similar to conditions before the Pilot, where shuttles stopped wherever they found space, including in many Muni zones. The problems with this approach include unclear rules and increased instances where shuttles block or impede Muni, which were the motivations for the Pilot and this Commuter Shuttle Program. In addition, allowing commuter shuttles to use all Muni zones could encourage other types of private buses, including tour buses or party buses to use Muni zones for loading and unloading, which would result in increased congestion and delays of Muni service.

SFMTA also considered a hub-and-spoke network in which either (a) smaller feeder shuttles would transport passengers from residential areas to large motor coach shuttles located at designated hubs, or (b) shuttles of all sizes would be restricted to a handful of designated hubs and would have extremely limited access to the city’s street network. This hub-and-spoke alternative was not pursued for several reasons. First, there are few off-street locations within the city that could accommodate dozens of buses at the same time, or hundreds of buses over the course of a few hours. Second, dozens of buses attempting to access a small number of hubs at the same time, or hundreds of buses attempting to access a small number of hubs over the course of a few hours, would lead to unacceptable negative impacts on local and citywide traffic. Third, these vast increases in the number of buses accessing a small number of hubs would create unacceptable air quality and quality-of-life concerns near the hubs. Fourth, creating any on-street hubs would require the removal of entire block faces of parking spaces. Fifth, a hub-and-spoke model would force shuttle riders to transfer once or more to get to their destinations, which likely would discourage shuttle ridership and result in an increase in individual car ownership and vehicle miles traveled. Additionally, it is likely that far fewer providers would voluntarily join the program and would instead continue to operate outside the Program, limiting the SFMTA’s ability to collect data about their operations or work expeditiously with providers to resolve operational issues as well as those important to residents, businesses and other stakeholders.

Commuter Shuttle Program Benefits

Through its regulatory requirements, the Commuter Shuttle Program delivers benefits to both the city and its residents, as well as to the shuttle sector.

Benefits to the city and its residents of regulating the commuter shuttle sector through this program include:

- Increased safety for all users, including pedestrians, bicyclists, public transit riders, and private vehicle drivers as shuttles operate according to agreed-upon guidelines, including mandatory safety training;
- Reduced conflicts with Muni operations and other vehicles;
- Shifts commuters onto, and keeps commuters using, sustainable transportation modes;
- Ensures quick resolution of conflicts, using identification and shared data;
- Designates point of coordination for resolving conflicts, questions, and issues;
- Provides data to support more effective management of the roadway network for all users; and
- Provides information on shuttle activity, allowing effective communication and planning.

Benefits to the shuttle sector include:

- Ability to propose and coordinate with SFMTA on approved locations for passenger loading/unloading;
- Clarity on which stops are permissible to use and which are not, and a clear framework of enforcement and consequences for violators;
- Signage at approved zones to communicate allowed use to members of the public and enforcement;
- Upgrades of some stops to accommodate shuttle vehicles as added users;
- Ability to address issues and concerns quickly through fast communication with the city;
- Coordination with SFMTA on further improvement of transportation services and conditions; and
- Information about upcoming construction projects, street closures, and planning projects of interest that may affect shuttle services.

Need for Regulation

Well before the SFMTA began regulating commuter shuttles, shuttles were making thousands of stop-events at hundreds of locations around the city. By all accounts, a shuttle ride to the job location has become an integral part of the working conditions of thousands of workers in the Bay Area.

The alternative to the Commuter Shuttle Program is not the elimination of shuttles, but instead a return to the circumstances prior to establishment of the Pilot Program, when shuttles stopped at more than twice as many locations as they do now and SFMTA had limited resources to regulate their movements effectively. Without a network of approved stops, shuttle operators have imperfect choices to make about where to load and unload riders and as a result conflicts with pedestrians, bicyclists, Muni and traffic would increase. The SFMTA has limited enforcement

resources to issue citations for parking and stopping violations. Given the importance of the shuttles to the businesses that use them, even significant increases in the number of citations likely would have been accepted by the shuttle operators as a cost of doing business. Additionally, the SFMTA would be forced to address any issues that arise on an ad hoc basis rather than in a systematic way through an established program with dedicated staff.

Furthermore, implementation of the Commuter Shuttle Program allows the city to collect shuttle operations data that not only will help target enforcement but over time will inform improvements to the Program. The Program also addresses some of the key neighborhood concerns such as restricting large buses on non-arterial streets. It also contributes to improved air quality by requiring cleaner bus engines.

Public Outreach

The SFMTA maintains an online project page for the Pilot, and members of the public can sign up for email updates about meetings, project updates, and major project developments. During the Pilot, SFMTA staff received extensive comments from the community via, among other avenues: 311 (the city's customer service center), offices of members of the Board of Supervisors, SFMTA engineering hearings, direct telephone or email contact with SFMTA staff, and communications directly from shuttle service providers.

In preparation for the release of the Commuter Shuttle Program policy, SFMTA staff met with members of the Board of Supervisors and the Mayor's office, as well as shuttle service providers and some of the companies that use those shuttle service providers to transport their employees. SFMTA staff also met with various community members who had expressed interest in or concerns about shuttle activity in their particular neighborhoods. Additionally, the SFMTA made presentations at San Francisco Environment Commission, at the San Francisco Transportation Authority Citizens' Advisory Council, and at the SFMTA Citizens' Advisory Council. Furthermore, as part of the pilot, Muni drivers were able to report shuttle issues to Central Control or via email and as part of the data collection effort, SFMTA staff solicited input from Muni drivers. As the Program moves forward, SFMTA staff administering the Program will regularly seek input from Muni operators. In addition, Muni operators will be sent a survey asking about their experiences driving around commuter shuttles, and will continue to be able to report shuttle issues to Central Control or via email. Finally, the SFMTA held an open house on the proposed Commuter Shuttle Program for the public on November 4, 2015. Members of the public also had an opportunity to share their views on the Program with the SFMTA Board of Directors on November 17, 2015.

As the Commuter Shuttle Program moves forward, it is anticipated that the stop network will evolve to address a variety of issues (e.g., service changes, shuttle ridership demand, construction, community concerns, or other operational considerations). All such changes will include a public hearing process and additional outreach.

PENDING LEGAL ACTION

Opponents of the Pilot Program appealed the City’s determination under CEQA to this Board in April 2014. The Board denied the appeal. The appellants later challenged the City’s decision in court, focusing on two issues: the adequacy of the City’s review of the Pilot Program under CEQA and whether the California Vehicle Code prohibits the City from allowing non-Muni buses to stop in Muni zones. The trial court heard arguments on the merits of the case in November 2015, but has not issued a decision.

CONCLUSION

The Commuter Shuttle Program aims to maximize the benefits provided by commuter shuttles while minimizing their impacts on the City and its residents. Regulating this sector of our transportation system helps to address many of the concerns that have been expressed by citizens. SFMTA anticipates that the Program will be responsive to ongoing concerns from San Francisco residents and evolve in response to those concerns as well as continued information collected from the shuttle providers and the changing dynamics of the transportation sector.

Sincerely,



Edward D. Reiskin
Director of Transportation

