



Memorandum

AGENDA ITEM 7

DATE: January 29, 2026
TO: Transportation Authority Board
FROM: Rachel Hiatt - Deputy Director for Planning
SUBJECT: 2/10/2026 Board Meeting: Adopt the District 4 Community Shuttle Study Final Report

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve the District 4 Community Shuttle Study Final Report</p> <p>SUMMARY</p> <p>Requested by former District 4 Commissioner Mar, this Neighborhood Transportation Program planning study builds on the 2021 District 4 Mobility Study recommendation to explore a community-based, on-demand shuttle to improve access to local destinations and reduce automobile mode share in the district. Through peer reviews, demographic and travel pattern analysis, and community outreach, the District 4 Community Shuttle Study (Study) found that an on-demand shuttle would increase transit coverage and offer a competitive transit alternative to driving for trips within District 4 and nearby areas like Stonestown Galleria and San Francisco State University. The Study then developed a representative service design for a potential pilot. Such a shuttle service would have estimated ridership of up to approximately 100,000 annual trips, with operating costs between \$2.5 to \$3 million per year. The Study finds that revenues from operations would cover approximately 4% of operating costs. The project would be eligible, but not very competitive, for existing discretionary grants, and likely would need a mix of state community-directed (e.g. earmarks) and local funding, complemented by a potential business sponsorship. A pilot should be evaluated against proposed goals, such as enhancing local mobility, expanding transit coverage, and cost</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input checked="" type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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efficiency, in order to assess whether to consider a permanent service supported by longer-term local funding mechanisms.	
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BACKGROUND

The District 4 Mobility Study, completed in 2021, explored ways to increase walking, biking and transit use in the Outer Sunset and Parkside neighborhoods. The Study included a recommendation to pilot a community shuttle that would enhance access to local commercial corridors and reduce automobile mode share.

Building on that recommendation, in July of 2022, through Resolution 22-57, the Transportation Authority Board appropriated Neighborhood Transportation Improvement Program funds to develop a planning phase Study for a District 4 on-demand shuttle, initiated at the request of former Commissioner Gordon Mar.

We presented an information item regarding the Study and its findings at the Community Advisory Committee's (CAC's) meeting of November 19, 2025.

DISCUSSION

As part of the Study, the project team conducted:

- Peer review of comparable on-demand services across U.S. cities;
- Analysis of local demographics, land use, and travel behavior;
- Demand projections, service design, cost estimates, funding and implementation strategy; and
- Community outreach to validate needs, refine service design, and inform funding strategy.

The Study identified a need for more competitive transit alternatives within the District, which supports the concept that an on-demand shuttle could be an effective strategy. Based on the research, analytical, and outreach tasks completed, the Study developed a representative service design for a potential pilot, which includes:

- Operations throughout all of District 4 and extending to Stonestown Galleria and San Francisco State University;
- Average wait time of 15 minutes between a ride request and vehicle arrival, and an average in-vehicle travel time of 10 minutes;
- Nearest intersection pick-up and drop-off, with door-to-door access for seniors and people with disabilities;



- 16 hours of service on weekdays and 12 hours of service on weekends/holidays; and
- Fares equivalent to existing Muni rates, with Clipper integration for convenience.

Preliminary analysis indicates an estimated ridership of up to approximately 100,000 annual trips and annual operating costs of \$2.5-3.0 million, with total first-year pilot costs of \$3.1-3.6 million.

The Study finds that contracting with a third-party vendor to operate the service would be the most applicable implementation strategy for a pilot, allowing for a fast deployment while leveraging private sector experience and expertise. The Study also proposes an evaluation framework to assess the impact of a future pilot on specific goals, including enhancing local mobility, improving transit coverage, and delivering a cost-efficient service, with associated metrics to evaluate the success of the pilot in the District.

The Study assessed potential funding sources for a pilot and for a permanent service. Revenues from operations (e.g. fares, advertising) are estimated to cover only 4% of the pilot's costs. Accordingly, the Study finds that multiple sources would need to be combined in order to implement a pilot, with the most likely options being a mix of state community-directed funding (e.g. earmarks), local public sources (e.g. Transportation Authority administered grants, SFMTA funds, the City's General Fund), and additional corporate partnerships or sponsorships.

The Study reviewed various grant programs as funding options; however, while the project was generally eligible, it was not found to be highly competitive for these sources, given limited grant funding for transit operations and given program priorities that emphasize equity-focused projects and/or projects with greater greenhouse gas emission reductions.

Overall, the Study recommends pursuing funding for a pilot project, following the service design, implementation strategy, and funding strategy outlined above. If a pilot performs well and is recommended for permanent service, then other revenue sources could be considered that take a longer lead time to develop and that would benefit from the learnings and support generated by the pilot. These permanent sources may include Business Improvement Districts (BIDs), Parking Benefit Districts (CBDs), or new local revenue source.



FINANCIAL IMPACT

None. There is no impact on the agency's adopted FY 2025/26 budget.

CAC POSITION

The CAC considered this item at its January 28, 2026 meeting, and after an engaged discussion failed to approve a motion of support for the staff recommendation on a vote of four ayes, two nays, and four abstentions. The CAC discussion reflected a range of perspectives. Some members expressed support for the District 4 community shuttle concept citing the potential value of a flexible service mode and interest in learning from the data that a pilot would produce (e.g. providing insights on ridership and desired trip-making patterns). Other members raised questions about the cost effectiveness of the proposed shuttle and concerns about the long-term operating funding strategy, noting that the Bayview Shuttle is struggling to identify ongoing funding. There were also suggestions to consider piloting enhanced fixed-route Muni service as an alternative and looking at shuttle service connections to the airport such as from Stonestown. Both of the latter two suggestions fall outside of the approved study scope.

SUPPLEMENTAL MATERIALS

- Attachment 1: District 4 Community Shuttle Study Executive Summary
- Attachment 2: Resolution
- Enclosure: District 4 Community Shuttle Study Final Report

1. Executive Summary

This report summarizes the work conducted for the District 4 Community Shuttle Study, which explored the potential for developing a public on-demand shuttle to improve access to commercial corridors and key destinations within San Francisco's District 4. The effort builds on a recommendation from the San Francisco County Transportation Authority's (Transportation Authority) 2021 "District 4 Mobility Study" to consider designing and piloting an on-demand shuttle to better serve local travel needs and reduce automobile mode share. The purpose of the study was to define an on-demand microtransit service within District 4 by identifying feasible service models and establishing the operational requirements necessary for successful implementation. The study also included an assessment of operating costs and the development of a preliminary funding strategy. This report's findings refer to the design and operation of a pilot service, except where discussion of a permanent service is indicated.

The study conducted industry research on comparable services in other U.S. cities and detailed interviews with a selected subset of peers to learn more about their service design, local demand profile, operating parameters, and cost structures. The San Francisco Municipal Transportation Agency (SFMTA) also launched a pilot for an on-demand shuttle in the Bayview-Hunters Point neighborhood in November 2024, and early findings from this pilot are included into the design of the pilot.

The study identified a need for more competitive transit alternatives to automobile travel within the district. Although transit services are offered throughout the district, constraints such as access time, required transfers, and total travel times make transit much less competitive than private vehicles for intra-district travel. The analysis showed that an on-demand shuttle could be a good solution for these intra district trips, given its land use and density, which is higher than the service areas of many successful peers. Preliminary ridership estimates suggest that an on-demand shuttle could attract close to 100,000 customers per year.

Like other peer on-demand services, the proposed service design would use a small van or mini-bus vehicle that picks up customers from the intersections nearest to their origin and destination, with door-to-door service for seniors and customers with disabilities. Vehicles would stop to pick-up and drop-off other customers headed in the same direction along the way. The service area for the shuttle would comprise the totality of District 4 plus the area around Stonestown Galleria and San Francisco State University. The operating parameters could include up to 16 hours of service each weekday and up to 12 hours of service on weekends and holidays. Fares would match current Muni fares and could potentially be collected via Clipper to make it easier for customers to start using the service.

The Transportation Authority conducted public outreach to confirm the shuttle’s goals and objectives to guide the development of the shuttle, and to validate whether this type of service would fit those needs. District residents and businesses voiced the desire for alternatives to driving to access commercial corridors and support the mobility needs of seniors and people with disabilities. Feedback from the outreach process was also used to refine the proposed operating parameters. Following completion of the service design, the Transportation Authority conducted additional outreach, during which community members conveyed broad support for the proposed service framework. Some even indicated willingness to pay a premium fare for the microtransit service.

Most peer on-demand services in operation today begin as a short-term pilot, often operated under contract with a third-party vendor. The pilot approach provides the opportunity to adjust the service plan in response to initial performance, and time to evaluate its performance against goals and metrics, in order to inform the case for a permanent service. The pilot described in this report would include one year of shuttle operations, bracketed by about nine months of pre-launch preparations for procurement, contracting, and marketing the service, plus three months after operations conclude to wrap up evaluation and reporting activities.

The operating costs for the shuttle could vary depending on several key factors, including the labor arrangements for drivers, the type and size of vehicle used for the service, and the level of service offered.

To reflect these uncertainties, the study reports a range of unit costs based on labor and vehicle type assumptions and using input data from an analysis of contracts from selected peer agencies. The peer costs were modified to account for inflation and the higher cost of living in San Francisco, resulting in an estimated hourly cost for the shuttle in the range of \$97 to \$117 per vehicle hour. Applied to the planned operating parameters, this would result in an operating cost of \$2.5 million to \$3.0 million per year. Adding in agency staffing and marketing expenditures, the total cost of a two-year pilot could total \$3.1 million to \$3.6 million. These costs could also be scaled to available budgets, e.g. start with weekend service or a shorter span of service, if less than full funding is secured.

The study finds that a District 4 shuttle pilot would likely require a combination of funding sources to complement a small amount of project revenues from operations (e.g. fares, advertising) estimated to cover ~4% of pilot costs. The options that appear to have the greatest potential to cover the majority of the costs are state community-directed funding (e.g. earmarks) identified through the legislative budget. A second source may be local public sources, such as Transportation Authority administered grants such as Prop L sales tax or the City’s General Fund. Other options for funding the pilot period may include sponsorships or business partnerships.

The pilot would test both mobility performance outcomes and explore stakeholder level of support around the project's importance and long-term value to the community. If a pilot performs well and is recommended for permanent service, then other revenue sources could be considered that take a longer lead time to develop and that would benefit from the learnings and support generated by the pilot. Examples include forming a Business Improvement District (BID), Community Benefit District (CBD), or Parking Benefit District (PBD), establishing or furthering sponsorships and other business partnerships, or including the project in transit enhancement programs funded by a new revenue measure.

Finally, this report proposes a general framework with specific goals, including enhancing local mobility, improving transit coverage, and delivering a cost-efficient service, with associated metrics to evaluate the success of the pilot in the district. Peer agencies generally recommended the success of the service is measure more with an emphasis on the project's impact on improving mobility in key market.

In conclusion, this study identifies a community-responsive potential service model and the operational considerations for a pilot of an on-demand microtransit service within District 4. The study also recommends pursuing funding for a pilot service and includes an estimate of operating costs and an assessment of funding options.



RESOLUTION ADOPTING THE DISTRICT 4 COMMUNITY SHUTTLE STUDY FINAL REPORT

WHEREAS, The District 4 Community Shuttle Study (Study) was requested by former District 4 Commissioner Gordon Mar and funded through the Transportation Authority's Neighborhood Transportation Program pursuant to Resolution 22-57; and

WHEREAS, The Study builds on recommendations from the 2021 District 4 Mobility Study to explore strategies to improve access to local destinations and reduce automobile mode share in the Outer Sunset and Parkside neighborhoods; and

WHEREAS, The Study conducted peer reviews of comparable on-demand shuttle services, analysis of local demographics, land use, and travel behavior, demand projections, service design, cost estimates, and evaluation and funding strategies; and

WHEREAS, The Study conducted community outreach to validate mobility needs, refine service concepts, and inform potential implementation and funding approaches; and

WHEREAS, The Study developed a representative service design for a potential on-demand community shuttle pilot serving all of District 4, with connections to nearby destinations including Stonestown Galleria and San Francisco State University; and

WHEREAS, The Study finds that an on-demand community shuttle could expand transit coverage and provide a competitive alternative to driving for local trips, with estimated ridership of up to approximately 100,000 annual trips; and

WHEREAS, The Study identifies estimated annual operating costs of approximately \$2.5 to \$3.0 million and total first-year pilot costs of approximately \$3.1 to \$3.6 million, with operating revenues projected to cover approximately four percent of costs; and

WHEREAS, The Study identifies an implementation strategy that includes



contracting with a third-party operator and proposes an evaluation framework to assess pilot performance against goals such as enhancing local mobility, expanding transit coverage, and cost efficiency; and

WHEREAS, The Study identifies potential funding sources for a pilot and a permanent service, including a mix of state community-directed funding, local public funding sources, and potential corporate partnerships or sponsorships, and notes that the project may be eligible but not highly competitive for discretionary grant programs may; and

WHEREAS, The Study recommends pursuing funding for a pilot project, following the service design, implementation strategy, and funding strategy outlined in the attached final report and notes that if a pilot performs well and is recommended for permanent service, then other revenue sources could be considered that take a longer lead time to develop and that would benefit from the learnings and support generated by the pilot such as Business Improvement Districts, Parking Benefit Districts, or a new local revenue source; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the attached District 4 Community Shuttle Study Final Report; and be it further

RESOLVED, That the Executive Director is hereby authorized to prepare the document for final publication and distribute the document to all relevant agencies and interested parties.

Attachment:

1. District 4 Community Shuttle Study Final Report