

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SHAWN SOSA, ADMINISTRATIVE ANALYST
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: AUTHORIZATION TO CONTINUE PARTICIPATION IN THE
CLIPPER START LOW-INCOME TRANSIT FARE SUBSIDY
PILOT PROGRAM

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, authorize continued participation in the Clipper START Pilot Program, at a 20% discount rate for adult single ride fares, for the duration of the reimbursement of discounted fees by Metropolitan Transportation Commission under the Clipper START program (MTC) which is currently approved through June 2023 or to a maximum reimbursement of \$102,420.

EXECUTIVE SUMMARY

Since 2015 City has been a participant in the Clipper regional transit fare card program, accepting the Clipper Card for fare payment on the Santa Rosa CityBus system. The Metropolitan Transportation Commission (MTC) has initiated a Regional Means-Based Transit Fare Discount Pilot Program ("Clipper START") to improve access to opportunity and affordability for adults earning lower incomes. The Transit Division began participation in the Clipper START pilot program in February 2021, with Council approval to provide a 20% discount on single-ride fares for eligible low-income adults riding CityBus through January 2022. With the extension of the pilot by MTC the Transit Division wishes to continue participation as long as MTC approves the pilot program.

BACKGROUND

In July 2020 the MTC launched a new Means-Based Fare Discount Pilot Program called Clipper START. The goals of the pilot are to: 1) make transit more affordable to individuals earning low incomes; 2) develop a low-income fare program that is financially viable and administratively feasible; and 3) move toward a more consistent regional standard for fare discounts.

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The Clipper START program launched as an 18-month pilot in July 2020 with four of the region's 22 transit operators participating at either a 20% or 50% discount rate for adult single-ride fares. In response to the COVID-19 pandemic and interest from transit operators and the MTC Blue Ribbon Transit Recovery Task Force, MTC approved approximately \$5 million from federal CARES Act funding to subsidize additional transit operators' participation in the Clipper START Pilot Program and expanded the call for participation to include all Bay Area transit operators. Santa Rosa CityBus began participation in the pilot program at the 20% discount rate in February 2021 in conjunction with Sonoma County Transit and Petaluma Transit, to allow a consistent discount among the three local Sonoma County transit agencies.

With the COVID-19 pandemic and subsequent shelter-in-place causing a major transit ridership decline for the Bay Area transit agencies, rider participation in the Clipper START pilot has been low, not meeting the program goals of active users. After a 12-month evaluation of the program, MTC staff has opted to extend the program for an additional 18 months.

PRIOR CITY COUNCIL REVIEW

On January 27, 2015, the City Council, by Resolution No. 28600, approved a Memorandum of Understanding to participate in the Clipper Card transit fare media program.

On January 19, 2016, the City Council, by Resolution No. 28733, approved an amended and restated Memorandum of Understanding continuing the Clipper Card transit fare media program.

On October 13, 2020, the City Council, by Resolution No. 2020-164, approved the participation in the Clipper START Pilot Program for the initial 18-month period (through Jan. 2022).

ANALYSIS

The Clipper START Pilot Program provides a discount, via Clipper Card, for adults 18-64 years old whose annual earnings are up to 200% of the federal poverty level. Applicants to the program provide proof of identity and proof of income to Clipper, and those approved receive a personalized Clipper card that can be used for adult, single-ride discounts on participating transit agencies' systems according to a discount rate adopted by that agency. The program does not offer discounts on top of already discounted rides, such as monthly passes or Youth or Senior rides.

An eligible participant in the program will see their single-ride Adult fare on Santa Rosa CityBus discounted by 20%, from the normal fare of \$1.50 to \$1.20.

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MTC has approved approximately \$5 million in one-time CARES Act funding to expand the original Clipper START pilot program to operators beyond the original four participating agencies. MTC provides a reimbursement equivalent to 50% of the lost farebox revenue resulting from the applied eligible fare discount, with the participating transit agency absorbing the remainder of the lost fare revenue. MTC has developed a formula based on each transit agency's low-income ridership and fare revenue to identify amounts to be programmed in support of the Clipper START Pilot Program. For Santa Rosa, MTC will reimburse lost fare revenue related to Clipper START ridership (currently through June 2023) up to a ceiling of \$102,420.

The extent of revenue loss to be offset by the program and the City is dependent on overall ridership and the rate of program participation by eligible riders. Based on current ridership projections and assumptions related to program participation for the remainder of the Clipper START Pilot Program period, the Transit Division expects to absorb between \$15,000 and \$35,000 in lost fare revenue resulting from the continued participation in the pilot program.

Despite this lost fare revenue, it is the belief of the Transit Division that the benefits of participating in the Clipper START Program outweigh the costs. These benefits include:

- Providing an immediate, tangible financial benefit for economically vulnerable Santa Rosa residents during the COVID-19 pandemic
- Filling a gap in the current discount program for low-income adults who are ineligible for existing discount programs for youth, seniors, and people with disabilities
- Participating in a consistent regional means-based fare program as a fare integration strategy to improve the seamlessness of the regional transit system
- Improving access to transit for low-income riders to increase both mobility and transit ridership as the transit system and community recover from the pandemic
- Increasing participation by low-income riders in the Clipper program, which reduces cash handling and related operational costs.

Following conclusion of the Clipper START Pilot Program (currently June 2023), the Transit Division will assess both the costs and benefits of program participation and return to Council for consideration of extending participation beyond the pilot program period.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. Based on current assumptions related to scenarios for overall ridership and rate of participation by eligible riders, the Transit Division expects to absorb between \$15,000 and \$35,000 in lost fare revenue resulting from continued participation in the pilot program.

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Program administration will be conducted by MTC and its contractor for the Clipper system, with a minimal amount of City staff time required to request reimbursements from MTC's 50% share of the lost fare revenues resulting from the program.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

This item was discussed at the Sonoma County Transportation Authority Transit – Technical Advisory Committee on September 9, 2020.

ATTACHMENTS

Resolution

CONTACT

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