

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: CITYBUS FARE POLICY OPTIONS

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

This item is provided for Council's information only and no action will be taken, except for possible direction to staff.

EXECUTIVE SUMMARY

As a follow-up to the August 2020 Study Session on Santa Rosa CityBus' COVID-19 Recovery Strategy, Transit Division staff will present a series of options related to fare policy for Council feedback and direction. These include options for restoration of fares suspended due to the pandemic as well as a suite of unlimited access pass (fare-free) and discount programs to support COVID-19 recovery, transit ridership growth, and Council goals for downtown development, affordability, and reduction of greenhouse gases.

BACKGROUND

CityBus' current fare structure has been in place since 2013, with new fare-free programs added in the last few years. Current single-ride cash fares are \$1.50 for adults, \$1.25 for youth 5-18, and \$.75 for seniors (65+) and people with disabilities. The CityBus \$1.50 base fare is consistent with Petaluma Transit's single-ride fare and Sonoma County Transit's single-zone fare. Sonoma County's local bus fares are among the lowest transit fares in the Bay Area. CityBus 31-day passes are available for \$50 for adults, and \$25 for youth, seniors, and people with disabilities.

CityBus has a liberal transfer policy, with transfers issued free of charge for unlimited travel for two hours from the time they are issued. Through a longstanding reciprocal transfer policy among Sonoma County transit operators, CityBus transfers are good for a free single-zone ride on Sonoma County Transit, and a \$1.50 fare credit on Golden Gate Transit and SMART. CityBus accepts transfers from these operators for one free ride.

CityBus typically collects between \$1.4-\$1.5 million in fare revenue, which in recent years has equated to around 12% of total operating costs. The State Transportation Development Act (TDA) requires that transit agencies maintain at least 20% farebox recovery as a condition of receiving TDA funds. CityBus has met this farebox recovery requirement by counting local sales tax revenue from Measure M as farebox revenue, as allowed by the TDA statute. In FY 18-19, CityBus was just shy of 20% farebox recovery even with Measure M included. In FY 19-20 farebox revenue recovered and CityBus was on track to exceed the 20% farebox recovery requirement prior to the pandemic. As a result of the COVID-19 pandemic, fare revenue has plummeted statewide, leading the state legislature to act to temporarily suspend TDA farebox recovery requirements.

Since adoption of the base fare structure in 2013, the following unlimited access (fare-free) programs have been added:

- Santa Rosa Junior College (SRJC) Unlimited Access Pass Program (2017): Provides unlimited free rides for SRJC students. CityBus is reimbursed for lost fare revenue from a student transportation fee. Prior to the pandemic, approximately 18,000 rides were taken monthly by SRJC students.
- Veterans Fare-Free Program (2018): Provides unlimited free rides for Veterans. Reimbursed by the General Fund following Council action to initiate the program. Pre-pandemic ridership was approximately 3,200 rides per month.

Santa Rosa Paratransit registrants, children under 5, and City employees also ride CityBus fare-free with about 8,600 free rides taken each month prior to the pandemic.

CityBus' unlimited access pass programs have been very successful, with significantly higher rates of ridership growth than overall system ridership. In response to the impacts of the COVID-19 pandemic on CityBus riders and ridership, and in recognition of City Council goals related to climate change, downtown development, and affordability, the Transit Division proposes that additional fare policy changes be considered to support community and transit system recovery as well as Council goals.

PRIOR CITY COUNCIL REVIEW

On September 19, 2017, Council authorized the launch of the SRJC Unlimited Access Pass pilot program. Council subsequently authorized extensions of this program on December 19, 2017 and June 5, 2018.

On June 19, 2018 Council allocated funding from the General Fund to establish the Veterans Fare-Free Program as part of the FY 2018-19 O&M budget adoption. Council made General Fund allocations to continue the program in FY 19-20 on June 18, 2019, and for FY 20-21 on June 24, 2020.

ANALYSIS

Restoration of Fares Suspended due to COVID-19 Pandemic

On March 18, 2020, the Transit Division, with City Manager approval, acted to suspend fares and implement rear-door boarding as a measure to meet COVID-19 social distancing requirements onboard transit vehicles. By April 2020 the majority of Bay Area transit agencies were operating fare-free and with rear-door boarding, though some have restored fares after installing barriers between driver compartment and fareboxes to reduce the possibility of COVID-19 transmission between drivers and riders. CityBus continues to operate fare-free, as do Sonoma County Transit and Petaluma Transit. (Golden Gate Transit and SMART have continued to charge fares during the pandemic.) Most of the remaining Bay Area transit operators operating with suspended fares plan to restore fares by January 1, 2021.

At this time Transit Division staff believe it is appropriate to consider restoration of CityBus and Santa Rosa Paratransit fares. Based on current ridership, CityBus' lost revenue from fare suspension is estimated at \$40,000 monthly. In addition, operations staff have expressed concern about the incidence of individuals riding buses without a destination due to the current fare-free environment placing additional strain on the ability to maintain social distancing onboard buses.

Transit Division staff propose that fare restoration occur sometime between November 1, 2020 and January 1, 2021 taking into account the following considerations related to safety, coordination with partner transit operators, and community benefits:

- **Safety:** The Centers for Disease Control (CDC) and California Department of Public Health/CalOSHA recommend installation of physical barriers between driver compartments and fareboxes as a social distancing measure for transit agencies. The Transit Division plans to install barriers in all vehicles in keeping with these recommendations prior to restoring fare collection.
- **Coordination with Partner Operators:** Ideally, fares should be restored by all Sonoma County local bus operators at the same time to avoid rider confusion and ensure that one system would not receive an influx of riders due to maintaining fare-free service while another system has resumed fare collection. Sonoma County Transit currently anticipates resuming fare collecting no earlier than January 1, 2021. Petaluma Transit has expressed its intention to align fare restoration with that of Sonoma County Transit and CityBus.
- **Community Benefits:** Ongoing fare-free service provides a financial benefit to CityBus' many low-income riders who may be experiencing additional economic challenges due to the pandemic. However, the discount and fare-free programs discussed at today's study session are intended in part to reduce the economic impact of fare restoration on our most vulnerable riders.

Clipper START Discount Fare Program for Low-Income Riders

In July 2020 the Metropolitan Transportation Commission (MTC) launched a new Means-Based Fare Discount Pilot Program to provide discounted single-ride fares for low-income adult riders via Clipper Card. The pilot program was initiated with four large Bay Area transit operators participating. However, 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. The Transit Division proposes joining the program at a 20% discount rate for adult single-ride fares in conjunction with Sonoma County Transit and Petaluma Transit.

If adopted in Santa Rosa, the Clipper START program would be available to adults 18-64 years old whose annual earnings are up to 200% of the federal poverty level. Applicants to the program would provide proof of identity and proof of income to Clipper, and those approved would receive a personalized Clipper card that can be used to receive the discount. An eligible participant in the program would see their single-ride Adult fare on Santa Rosa CityBus discounted by 20%, from the regular fare of \$1.50 to \$1.20. Participants would also receive 20% discounts on single rides on Sonoma County Transit and Petaluma Transit, and 50% discounts on Golden Gate Transit and SMART.

MTC will provide a reimbursement equivalent to 50% of the lost farebox revenue resulting from the applied eligible fare discount, with CityBus absorbing the remainder of the lost fare revenue. The pilot program will be initiated as early as November 2020 (if fares have been restored on CityBus) and is scheduled to run through January 2022. Transit Division staff estimate \$15,000-35,000 in lost revenue from participation in the pilot program depending on the timing of fare restoration, the rate of ridership recovery, and rate of participation by eligible riders. Despite this lost revenue, staff feel that the benefits of participation in the regional Clipper START pilot program outweigh the costs. Staff has prepared an item for Council's consideration on the October 13, 2020 consent calendar recommending participation in the Clipper START pilot program.

Expansion of Unlimited Access Pass Programs

Unlimited Access Pass programs provide free access to transit for specific groups of riders to meet a variety of transit system and community goals. They have been successful across the country and in California in increasing ridership, reducing parking demand, improving transportation equity, expediting bus boarding, increasing transit's profile within the community, reducing vehicular trips, and supporting affordability initiatives. Within Sonoma County, Sonoma County Transit's new fare-free local services have seen significant percentage increases in ridership.

CityBus' existing Unlimited Access Pass programs for SRJC students, Veterans, Paratransit registrants, children under five, and City employees carried as many as

30,000 riders monthly prior to the pandemic. These programs have seen a rate of growth greatly exceeding that of the system as a whole, with a 19% increase in ridership between 2018 and 2019. To build on this success, promote recovery of the transit system and community from the COVID-19 pandemic, and to better support Council goals for housing development and greenhouse gas reduction, the Transit Division proposes consideration of the following expansions of current Unlimited Pass Programs:

1) EcoPass Program

EcoPass programs provide universal fare-free access to transit for a population of participants through an agreement between an institution and transit provider. EcoPass programs have been most widely implemented in university settings, but there are several examples of programs that encompass employers, residential developments, business development districts, or other groups or entities. In these examples, the entity pays a discounted bulk rate for their entire population of participants (employees, residents or students) to ride the agency's service without paying at time of boarding.

The current SRJC Unlimited Access Pass program is an example of a university EcoPass application. Based on local interest within the development community, and in alignment with City Council goals for downtown development, affordable housing, and greenhouse gas reduction, the Transit Division has begun to develop a residential EcoPass application modeled on the successful SRJC program. Funding has been set aside in the City's recent successful Affordable Housing and Sustainable Communities (AHSC) grant award to provide unlimited access to residents of the Roseland Village project for a three-year period, and other developers have expressed interest in building an EcoPass program into their projects as a way to promote transit ridership, support affordability, and reduce demand for parking. In addition, Transit Division staff envision the potential for EcoPass programs for large employers or business districts, an "Equity EcoPass" providing unlimited access for clients of homeless services organizations or recipients of Section 8 vouchers, or even neighborhood-based EcoPasses.

The Transit Division has secured grant funding to support initial implementation of new EcoPass programs to reduce the risk to participating entities while the model is tested. Staff propose that the initial focus of program development be entities with a population of participants of 50 or more, and that the estimated fee to the participating entities be based on an initial estimate of the annual rides to be taken by participants, with trips billed on a per ride basis at the CityBus average fare (as is done in the SRJC program). This approach lowers the risk to the participating entity in that they are only paying for the rides actually taken.

Staff anticipate returning to Council to present more detailed information on the proposed program and seek Council action in December.

2) Youth Unlimited Access (Fare-Free) Pilot Program

Over the past several years the Council has expressed interest in establishing a fare-free transit program for youth. Fare-free programs for youth have proliferated in recent years through partnerships among transit agencies, cities, and school districts, with positive outcomes including increased transit ridership, reduced household expenses for families, and improved school attendance. (In February 2020 Sacramento Regional Transit reported that youth ridership increased by 106% within one year of implementing an unlimited access program for youth.) The primary barriers to establishing this program in the past have been identifying a sustainable funding source and ensuring CityBus can continue to meet the TDA 20% farebox recovery requirement. The (pre-pandemic) annual cost of providing fare-free service for K-12 youth was estimated at \$275,000 in lost fare revenue.

Despite the Transit Division's current financial challenges, the pandemic has created a unique opportunity to pilot this type of program to provide an immediate financial benefit to families and support ridership recovery. If such a program is implemented, the Transit Division will work with partner organizations to evaluate impacts and identify options for sustaining the program beyond the pilot period. Due to reduced transit ridership, the "cost" of the program in lost revenue is anticipated to be significantly less in the short-term, and the Transit Division has identified \$100,000 in TFCA grant funds that can be reprogrammed to support the proposed pilot program since the original grant scope cannot be fully delivered due to the pandemic. Beyond this pilot period, additional longer-term funding would need to be identified to sustain the program.

The need to maintain social distancing onboard buses is an important consideration in evaluating timing and implementation of a Youth Unlimited Access program. Maintaining reduced onboard capacity during the pandemic is a significant challenge and strain on resources that could be exacerbated by an influx of youth riders in response to an unlimited access program. This issue as well as strategies for long-term sustainability of the program will be the focus of additional work by Transit Division staff in developing this concept.

FISCAL IMPACT

This study session does not have a fiscal impact on the General Fund or the Transit Enterprise.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under 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

Not applicable.

ATTACHMENTS

None.

CONTACT

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