

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: YURI KOSLEN, TRANSIT PLANNER
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: CITYBUS UNLIMITED PASS PROGRAM AND YOUTH
UNLIMITED ACCESS PILOT PROGRAM

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, 1) establish the CityBus Unlimited Pass Program allowing the Transit Division to seek additional community partnerships to provide fare-free transit access, 2) adopt a methodology for calculating Unlimited Pass Program costs for participating entities, 3) delegate authority for executing Unlimited Pass Program partnership agreements up to \$100,000 to the City Manager or designee, and 4) authorize the Transit Division to initiate an 18 month grant-funded unlimited pass pilot program for TK-12th grade youth.

EXECUTIVE SUMMARY

Given the success of the existing unlimited pass program for Santa Rosa Junior College students and other fare-free ridership programs across the region and state, the Transit Division seeks Council approval to establish an Unlimited Pass Program to pursue additional partnerships with employers, housing developers, and institutions to provide fare-free transit access, and to establish a grant-funded pilot program to provide fare-free transit access for TK-12th grade youth.

BACKGROUND

In October 2020 the Transit Division conducted a Study Session with the City Council to review fare policy options related to community economic recovery and transit system recovery from the COVID-19 pandemic. These options included restoration of fares following fare suspension at the onset of the pandemic, initiation of the Clipper START Discount Program for Low-income Riders, and expansion of CityBus unlimited access (fare-free) programs to include an EcoPass program and pilot program to provide fare-free transit access for TK-12th grade youth. Subsequently, per Council direction and action, fares were restored on February 1, 2021, and the Clipper START program was

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initiated. Transit Division staff now seek the Council's approval to establish an Unlimited Pass Program (formerly identified as an EcoPass program) and the pilot program providing fare-free access to TK-12th grade youth.

Unlimited transit pass programs involve entities paying a discounted bulk rate for an entire population of participants (employees, residents, or students) to have unlimited fare-free access to a transit system. Unlimited pass programs have been successful across the country as well as in California by increasing transit ridership; reducing vehicular trips and parking demand; improving transportation equity; supporting densification and affordability initiatives; expediting bus boarding; improving school attendance; and increasing transit's profile within the community. These programs are most widely utilized in university settings but have been implemented for a range of groups, including youth, employees, and residents of both affordable and market-rate housing developments. Examples include:

- Santa Clara Valley Transportation Authority's SmartPass, a deeply-discounted annual unlimited ridership pass for institutions including colleges, employers, residential housing, and non-profit institutions.
- Denver Area Regional Transportation District's EcoPass program providing universal transit access for groups including employers, business districts, neighborhoods, and colleges.
- Sacramento Regional Transit District's RydeFreeRT, a fare-free transit pass program for TK-12 grade youth.

Santa Rosa CityBus currently provides fare-free access for five groups, with fare-free ridership making up about 17% of total ridership in 2019:

1. SRJC students: SRJC students passed a Student Transportation Fee in 2017 to fund a countywide unlimited pass program for Santa Rosa CityBus, Sonoma County Transit, and Petaluma Transit. Program ridership on CityBus had grown to about 15,000 riders per month prior to the pandemic.
2. Paratransit Registrants: Santa Rosa Paratransit registrants can ride CityBus free of charge by showing a Paratransit ID Card. This program has been in place for over a decade and provided about 4,200 free trips per month during FY19. This program provides an affordable alternative to paratransit for individuals living with a disability and reduces paratransit demand.
3. Veterans: The City Council initiated the Veterans fare-free program in July 2018. Veterans ride free by showing a Veterans identification card. This program provided about 3,000 free trips per month during FY19.
4. City employees and children 4 and under ride CityBus free of charge. This ridership accounted for about 3,400 riders per month in FY 2019.

The above fare-free access programs 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.

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To build on this success, promote recovery of the transit system and our community recovery from the COVID-19 pandemic, and to better support Council goals for housing development and greenhouse gas reduction, the Transit Division proposes establishing a formal Unlimited Pass Programs to support new unlimited pass partnerships. In addition, the Transit Division proposes initiation of a new unlimited pass pilot program for TK-12 grade youth.

PRIOR CITY COUNCIL REVIEW

On September 19, 2017, December 19, 2017, June 5, 2018, and November 27, 2018, the City Council authorized the launch and extensions of the Unlimited Access Pass program for the Santa Rosa Junior College students.

On June 19, 2018, as part of the City's 2018-2019 Program Budget, City Council approved the Veterans ride free program.

On October 13, 2020 at a City Council Study Session on Santa Rosa CityBus' COVID-19 Recovery Strategy, Council directed staff to return with implementation options including unlimited access pass (fare-free) and discount programs.

ANALYSIS

Unlimited Pass Program Benefits

The State and our region are facing challenges related to affordability, greenhouse gas reduction, and housing development, as well as recovery from the COVID-19 pandemic. A CityBus Unlimited Pass Program has the potential to address these challenges while directly meeting the transportation needs of residents, students, and employees. In addition to growing ridership and supporting community and transit system recovery from the COVID-19 pandemic, the CityBus Unlimited Pass Program will support the City's efforts related to the following programs and planning initiatives:

- State of California Affordable Housing and Sustainable Communities (AHSC) Program: AHSC guidelines require developers to provide three years of free transit passes to all residents of the housing project supported by AHSC funds. Under the current City of Santa Rosa/MidPen Housing/SMART AHSC award, unlimited access to CityBus will be provided to all Roseland Village residents.
- Bay Area Commuter Benefits Program (SB 1128): The proposed program would provide a new option for employers of 50 or more employees to comply with requirements for commuter benefits supporting use of alternative transportation.
- Downtown Station Area Specific Plan: The Unlimited Pass Program will provide employers and housing developers with an easy and efficient way to participate in providing improved access to transit. This program can also be utilized

outside of the Downtown core, including by developers and employers located on CityBus' high frequency transit corridors.

- **SB 743 Implementation:** Transit pass subsidy programs can be a highly effective way for individual developments to mitigate their vehicle miles travelled (VMT) impacts under SB 743. The proposed Unlimited Pass Program can be built into Santa Rosa's menu of VMT mitigation strategies for use by developers.
- **Climate Action Plans:** The Unlimited Pass Program directly implements recommended strategies within both the Sonoma County Regional Climate Action Plan and the City's Community-Wide Climate Action Plan (CCAP). The program will support an improved mode split for transit by incentivizing ridership and removing barriers to accessing transit.

Proposed Unlimited Pass Program Design

Overall approach: The initial goal of the proposed Unlimited Pass Program is primarily ridership growth and not revenue generation. While the program is designed to provide universal transit access at a deep discount to participating partner entities, CityBus will be reimbursed for lost revenue, making the program revenue-neutral at the outset. Over time, with increased ridership, revenue increases may be expected.

In order to incentivize participation as the program is initiated, the Transit Division proposes creating a Year 1 cost ceiling for participating entities, and "seeding" the program with Transportation Fund for Clean Air (TFCA) grant funds to reduce the financial risk to the participating entities during the first three years of their participation, as described below. This strategy has been found to be effective in other communities initiating unlimited pass programs.

Eligible participants: The Unlimited Pass Program will be open to any entity seeking to provide universal fare-free transit access to a group of 50 or more participants (e.g., full-time employees, residents, or students).

Cost methodology: The annual cost to the partner entity would be based on actual ridership by individuals participating in that entity's unlimited pass program (e.g., full-time employees) multiplied by CityBus' average systemwide fare (all farebox revenue divided by total ridership) from the prior fiscal year. Historically the average fare per CityBus ride falls between \$0.75 and \$0.85.

In Year 1, a maximum cost ceiling would be established to giving the partner entity more certainty about program costs. This ceiling would be based on the assumption that 4% of the entity's participants (employees/residents/students) would ride the bus five days a week (two trips per day) for the year. The partner entity would be billed for actual ridership taken by its participants, up to this ceiling.

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For example, an entity with 1,000 employees and 4% riding the bus twice a day for the year would likely see about 20,000 CityBus trips over the course of a year. Multiplying this figure by a prior-year average fare of \$0.80 would result in a charge of \$16,000 for universal free access to transit for all participants (20,000 rides x \$0.80). By comparison, the cost of purchasing a CityBus 31-day pass for all 1,000 participants over the course of the year would be \$600,000. The Unlimited pass program model enables entities to provide a transit benefit that is both financially feasible to the entity and valuable to those employees that need it most, while also incentivizing transit for all employees.

In addition to the cost per trip, the Transit Division proposes to charge a one-time administrative charge of approximately \$3,000 in Year 1, to include the cost of programming fare media specific to the entity, marketing activities, and associated administrative time.

TFCA grant support: The Transit Division receives an annual formula allocation of Bay Area Air Quality Management District Transportation Fund for Clean Air (TFCA) grant funds for programs and projects that improve air quality in the region. TFCA revenue is generated by a \$4 per vehicle surcharge collected by the California DMV on motor vehicle registrations in the nine-county Bay Area region and is programmed to fund a restricted set of activities through a process managed locally by the Sonoma County Transportation Authority (SCTA). TFCA funds are available to “seed” participation in the Unlimited Pass Program. Staff proposes providing partner entities with up to a 50% match in the first year of participation, 25% match in Year 2, and 10% in Year 3, subject to funding availability. This initial subsidy would provide the opportunity for ridership to grow and the benefits of the program to be demonstrated, with a reduced financial risk to partner entities. Up to \$75,000 in TFCA funds are available for the Unlimited Pass Program.

Fare media and ridership tracking: Ridership for each partner entity’s program will be tracked either manually using a dedicated key on the farebox (as is done with the existing SRJC unlimited pass program) or via a unique magnetic strip fare product programmed for that entity. In the future, the next generation of the Clipper Card program may enable the Transit Division to transition unlimited pass programs to Clipper. The partner entity will be responsible for distributing passes as well as collecting/canceling cards as necessary to minimize fraudulent activity. The CityBus Unlimited Pass cards will be valid for one year from activation (matching the contract period). Transit Division staff will be able to de-activate a card based on the entity’s request in order to prevent fraud.

The Transit Division proposes to initiate the program on July 1, 2021. The Transit Division will reach out to entities that have expressed interest in the past as well as promote the program during development project review.

Proposed Youth (TK-12th Grade) Unlimited Pass Pilot Program

Over the past several years the Council has expressed interest in establishing a fare-free transit program for youth 12th grade and under, including those still seeking certificate of completion from high school or youth not currently affiliated with the school system. 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 \$175,000 in lost revenue.

Program funding: The pandemic has created a unique opportunity to pilot this program to provide an immediate financial benefit to families and support ridership recovery. Due to reduced transit ridership, the “cost” of the program in lost revenue is anticipated to be reduced in the short-term, and the Transit Division has identified approximately \$175,000 in existing Transportation Fund for Clean Air (TFCA) grant funds that can be programmed within the current grant scope for youth fare subsidy to support an 18-month pilot program. These funds are available due to suspension of fares and regular grant-funded activities during the past year. Beyond the pilot period, longer-term funding would need to be identified to sustain the program.

Program design: Because the Transit Division proposes to self-fund this pilot program using existing grant revenues, there is no need to enter into financial agreements with other entities. However, Transit staff have reached out to the seven school districts serving Santa Rosa and will pursue partnerships with districts and community youth organizations to promote the program and evaluate outcomes. Staff have been working closely with the Santa Rosa City Schools District in particular to develop the program and discuss how it can be promoted and evaluated in partnership with the District. Transit Division staff have also reached out to the Sonoma County Office and Education and Social Advocates for Youth (SAY) to ensure that youth 18 and under who are not currently affiliated with the school system will have a mechanism for participating in the program.

High school youth participating in the program will be required to show their student ID upon boarding the bus to ride free of charge. For youth who do not attend school or attend schools that do not issue a student ID, the Transit Division will provide an annual pass product the students can use instead. To ensure the program does not become unnecessarily complicated for younger students, their families, and bus operators, elementary and middle school aged youth will not be required to show ID, as it will be apparent to bus operators that these younger youth qualify to ride free by virtue of their age. Bus operators will tally each youth rider using a designated farebox key so that

program ridership can be tracked.

The Transit Division proposes to initiate the program on July 1, 2021 to provide ample time for families and riders to learn about the program prior to the start of the 2021-22 academic year in August. The Transit Division will conduct a promotional campaign as well as well as distribute information and promotional materials through school districts and community partners.

Program Evaluation and Future Opportunities

As discussed above, outcomes in the form of ridership and ridership changes will be tracked for each unlimited pass program initiated. As required by the TFCA program, a cost-effectiveness evaluation will be conducted annually for all TFCA funds dedicated to the overall Unlimited Pass Program as well as the Youth Unlimited Pass pilot program. Transit Division staff will work with school districts to survey students and families on program impacts to provide information useful in establishing a long-term funding source for the program. Transit Division staff will also work closely with partner transit operators in Sonoma County to seek opportunities to expand the program beyond Santa Rosa CityBus. For example, Measure DD (Go Sonoma) funds may be used to support discounted and fare-free ridership programs beginning in 2025, as provided in the Measure DD expenditure plan.

FISCAL IMPACT

The CityBus Unlimited Pass Program will have no impact on the General Fund. The program will be funded by Transportation Fund for Clean Air (TFCA) grant funds and new revenue from participating organizations. Over time, the CityBus Unlimited Pass Program is expected to expand transit revenues.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A (Costing Methodology for the Unlimited Pass Program)

CONTACT

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