



City of Culver City

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Staff Report Details (With Text)

File #: 21-1018 **Version:** 1 **Name:** Presentation on the LA County Free Fare Proposals
Type: Presentation **Status:** Informational Item
File created: 5/18/2021 **In control:** Mobility, Traffic & Parking Subcommittee
On agenda: 5/25/2021 **Final action:**
Title: (1) Receive a Presentation on the LA County Free Fare Proposals Being Discussed as a Result of LA Metro's Fareless System Initiative; (2) Discuss the Impacts and Consideration on Culver CityBus Operations; and (3) Provide Direction to Staff on Next Steps and Recommendation to City Council.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Meeting Date: May 25, 2021

Contact Person: Rolando Cruz, Chief Transportation Officer /Transportation

Phone: (310) 253-6500

Action Item: Yes [] No [X] **Attachments:** Yes [] No [X]

Fiscal Impact: Yes [X] No [] **General Fund:** Yes [] No [X]

Public Notification: (E-Mail via GovDelivery) Meetings and Agendas - Mobility, Traffic & Parking Subcommittee; Notify Me - Construction, Street Maintenance and Closures; Stay Informed - Bicycle & Pedestrian / Culver CityBus / Construction, Street Maintenance and Closures (05/24/21)

Department Approval: Rolando Cruz, Chief Transportation Officer (05/18/2021)

BACKGROUND/DISCUSSION

As part of its economic recovery planning, the Los Angeles County Metropolitan Transportation Authority (LA Metro) initiated an exploratory task force to develop a proposal to eliminate fares for all

riders on LA Metro buses and trains. The effort is being called the Fareless System Initiative (FSI).

Realizing that this initiative would significantly impact all LA County riders of Metro and the other municipal transit agencies operating in the region, the LA County Municipal Operator's Association (LACMOA) requested that the study also consider the entire LA County region and created a FSI Ad-hoc committee. As a result, Culver City Chief Transportation Officer, Rolando Cruz, has been appointed to this committee to ensure that Culver CityBus interests are considered. Culver CityBus is working towards the participation in a pilot program and, if possible, a county-wide implementation of the FSI program.

The LA Metro Executive Management Committee will consider staff recommendations for approval and funding of the FSI pilot on Thursday, May 20, 2021. Final approval will be brought to the Board of Directors at the meeting on Thursday, May 27, 2021. The final recommendation includes approving the leading concept - a pilot for K-12 students, community college students, and low-income riders. The pilot period would begin with free fares for students in August 2021. In January 2022, the pilot would expand to include low-income riders who meet Metro's existing low-income qualifications (metro.net/LIFE). The pilot would end in June 2023. The pilot would provide these groups of riders with access to free fares on Metro's buses and trains. Participation in the fareless pilot by other transit operators within LA County is being evaluated.

Staff will be presenting an update to the Mobility, Traffic and Parking Subcommittee on steps taken to prepare for such a program and the cost impact to Culver CityBus service. Staff is seeking feedback on next step plans, including addressing the entire City Council with a recommendation.

FISCAL ANALYSIS

Staff conducted a cost analysis to determine the impact of a fareless system initiative over the 23-month pilot program from August 1, 2021 to June 30, 2023 in alignment with LA Metro and the LA County Municipal Operators. This analysis was presented at the April 27, 2021 Mobility subcommittee. The calculation considered losses in fare revenues and potential added operational, security and data collection costs. Culver CityBus anticipates that the 23-month pilot would cost approximately \$4.4 million - approximately \$1.1 million in Fiscal Year 22 and \$3.3 million in Fiscal Year 23. Of this amount, \$2.6M is the anticipated loss in farebox revenue. The remaining amount is anticipated increase in operational costs that could be addressed with operational efficiencies.

LA Metro and its board are exploring how to fund the countywide fareless system for K-12, community college students and low-income riders through its own local funding, external partnerships, and through state and federal opportunities. One of those considerations is partial support of farebox losses for the entire county. Culver CityBus has done an analysis of its own sources and will update the subcommittee on potential funding sources.

ATTACHMENTS

None

RECOMMENDED MOTION

That the Mobility, Traffic and Parking Subcommittee:

1. Receive a Presentation on the LA County Free Fare proposals being discussed as a result of LA Metro's Fareless System Initiative;
2. Discuss the impacts and consideration on Culver CityBus operations: and
3. Provide direction to staff on next steps and recommendation to City Council.