



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 21-1110, **Version:** 1

**Item #:** A-6.

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**CC - (1) Authorization to Negotiate and Enter Into Fareless Service Initiative Pilot Program Agreements, Including (A) Partnership Agreement with Culver City Unified School District for a Pilot K-12 Fareless Service Program Commencing August 19, 2021 for Two School Years, Ending June 30, 2023; and/or (B) Agreement(s) Required with Los Angeles County Metropolitan Transportation Agency to Participate in the LA Countywide Fareless Service Initiative; and (2) Direction to the City Manager as Deemed Appropriate**

**Meeting Date:** June 28, 2021

**Contact Person/Dept:** Rolando Cruz/Transportation Department

**Phone Number:** (310) 253-6593

**Fiscal Impact:** Yes ☒ No ☐ **General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☐ **Attachments:** ☐

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (06/23/2021)

**Department Approval:** Rolando Cruz, Chief Transportation Officer (06/17/2021)

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### **RECOMMENDATION**

Staff recommends the City Council (1) authorize the negotiation and execution of (a) a partnership agreement with Culver City Unified School District (CCUSD) for the provision of a pilot K-12 fareless service program to commence August 19, 2021 for two school years ending June 30, 2023; and/or (b) an agreement(s) with Los Angeles Metropolitan Transportation Agency (LA Metro) for participation in the LA Countywide Fareless Service Initiative (FSI) Pilot Program; and (2) provide other direction to the City Manager as deemed appropriate.

### **BACKGROUND**

Beginning in late 2019, the Transportation Department began initial discussions with the Culver City Unified School District (CCUSD) and Culver City leadership to determine the feasibility of creating a

fareless service for CCUSD students. However, given the pandemic's suspension of fare collection until September 2020, additional discussion was tabled until immediate impacts of the pandemic receded.

Commencing in August 2020, LA Metro launched its own task-force to study the possibility of a FSI pilot program which drove additional discussions within Culver City and the region around the potential benefits, costs, and implications for the introduction of FSI on a local and regional level. An LA County Municipal Operator FSI Ad Hoc Committee was then put together in September 2020 to help flush out a plan and roll out a county-wide solution, that would include all the municipal bus operators, including Culver City. Rolando Cruz, the Culver City Chief of Transportation was a member of this second task force since October 2020 and has been updating the Culver City Mobility Subcommittee on the program.

The LA Metro task-force emerged with a recommendation for a pilot program which was authorized by the LA Metro Board of Directors at the May 2021 meeting-subject to approval of the Financial Plan -and will provide fareless service to students of all LA County K-12 students, Community College students (first two years) and participants in the Low Income Fare Equity Program (LIFE). FSI would commence in August of 2021 for students and January 2022 for LIFE program participants with an end date of June of 2023. Metro estimates that 70 percent of its ridership is eligible for FSI and will participate. There has been no formal authorization of municipal operator participation in the program and communication is ongoing. Within that dialogue, a discussion of reimbursement to municipal operators for lost fare revenue continues. Reimbursement has been pegged at various rates of replacement. The initial Metro offer of 35 percent was countered by the LA County Municipal Operators Association (LACMOA) countered at 50 percent and awaits an answer.

The Transportation Department has been engaged in discussions with LA Metro, CCUSD, and other regional operators to determine the feasibility of participating in a regional FSI Pilot Program or if Culver City should engage with CCUSD to form a standalone pilot as was the original proposition formed in 2019.

## **DISCUSSION**

After several months of ongoing discussions, the Transportation Department would like to move forward with a partnership agreement with CCUSD that leverages the anticipated regional FSI program that will provide students with customized service for short school trips as addendums to fixed route service, and if provided the opportunity, participate in the regional FSI program with LA Metro.

The Transportation Department will provide CCUSD with a student tap card to be distributed by CCUSD during school registration. Additionally, the Transportation Department will work with CCUSD to improve our student service by mapping potential pickup locations for middle and high school students based on data provided by the school district and commence service on August 19, 2021 to align with the school calendar. The service will be provided using existing department vehicles and personnel, including the use of new electric CityRide vehicles.

To promote and market the program, the Transportation Department will be present at student registration events where staff will provide public transportation information, help on using the City's

NextCCBus app, and show students how to register their issued TAP cards. Additionally, a student media campaign from August 19 through August 31 will be coordinated with CCUSD and include promotional items (pens, pencils, and the like) in efforts to promote the free student trips.

Should LA Metro approve a regional program, then Culver City would have to enter into an agreement to allow all riders / transfers that have the TAP card to ride for free. CCUSD would also have to enter into an additional agreement with LA Metro, allowing our students to ride on LA Metro buses and rail as well. In the unlikely event that the Metro Board does not approve the financial plan and FSI does not move forward. The Transportation Department will work with CCUSD to facilitate aspects of the program such as TAP card fulfillment or other administrative matters.

## **FISCAL ANALYSIS**

The impacts of the full LA Countywide FSI to the Transportation Department are estimated to be \$4,547,674 using the model Metro provided and assuming no subsidy is provided to offset fare losses. This total also assumes an estimated 70 percent of ridership qualifying based on service data from 2019. The estimated \$4.5 million is split between increased operating costs and lost fare revenue. The impacts are outlined in the table below.

A proposal currently awaiting Metro board approval could offset lost revenue with a 50 percent fare replacement subsidy. The program's costs would be then be \$3,381,424. This includes a contribution by CCUSD of \$96,500 over the next two fiscal years to Culver City Transportation and \$42,000 to LA Metro. Alternatively, if no regional program moves forward, the city's partnership with CCUSD would be significantly less costly to implement at a total cost of \$586,500, which includes a total contribution of CCUSD to Culver City Transportation of \$138,500 over the next two fiscal years

<b>FY22</b>	<b>Regional FSI</b>	<b>CCUSD Partnership</b>
Increased Operating Cost	772,476	250,000
Lost Revenue		
Low Income	99,750	
K-12	56,250	112,500
Community Colleges	35,000	
<i>Additional Fare Recovery</i>	<i>(48,250)</i>	<i>(69,250)</i>
<b>Total</b>	<b>915,226</b>	<b>293,250</b>
<b>FY23</b>		
Increased Operating Cost	1,635,698	250,000
Lost Revenue		
Low Income	787,500	
K-12	56,250	112,500
Community Colleges	35,000	
<i>Additional Fare Recovery</i>	<i>(48,250)</i>	<i>(69,250)</i>
<b>Total</b>	<b>2,466,198</b>	<b>293,250</b>
<b>Total FSI Program</b>	<b>3,381,424</b>	<b>586,500</b>

To meet the relatively large reduction in revenues in a regional program, the Transportation

Department will utilize one-time funding from the American Rescue Plan Act (ARPA) allocated to the Transportation Department by the FTA as offsetting source to ensure the Municipal Bus Operations Fund (Fund 203) is not adversely affected by the implementation of the pilot FSI.<sup>1</sup>

## **ATTACHMENTS**

None.

## **MOTIONS**

That the Culver City Council:

1. Authorize the Chief Transportation Officer to negotiate a Partnership Agreement with Culver City Unified School District for a pilot K-12 fareless service program commencing August 19, 2021 for two school years, ending June 30, 2023 at an anticipated budget cost of \$586,500 over FY22 and FY23; and/or
2. Authorize the City Manager to negotiate an Agreement(s) with Los Angeles County Metropolitan Transportation Agency to participate in the LA Countywide Fareless Service Initiative at an anticipated budget cost of \$3,381,424 over FY22 and FY23; and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City; and
5. Provide other direction to the City Manager as deemed appropriate.

## **NOTES**

<sup>1</sup> Regional allocations for ARPAA Funding have yet to be established by the Regional Administrator, LA Metro, and ratified by the Metropolitan Planning Organization, Southern California Association Governments (SCAG).