Attachment A

Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

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REVISED
EXECUTIVE MANAGEMENT COMMITTEE
APRIL 18, 2024

Motion by:

DIRECTORS BASS, BUTTS, DUTRA, DUPONT-WALKER, MITCHELL, AND SOLIS

Bridge To Farelessness

Los Angeles County public transit users are primarily low-income people of color who are disproportionately and negatively impacted by the high cost of housing and transportation associated with living in our region. The 2022 Metro Customer Survey revealed that 43% of bus riders report household incomes under $15,000, 89% earn less than $50,000 annually, and 63% and 15% identify as Latino/a and Black, respectively. For comparison, that year's US Census found Los Angeles's median household income as $83,411, and 47% and 8.3% identified as Latino/a and Black, respectively.

Removing transit fares for those in need will make public transportation accessible and ensure that low-income individuals and families can afford public transit, promoting social equity. A reliable, frequent, and accessible public transit system improves access to economic and education opportunities, enhances social connections, and reduces isolation, especially for those who may face mobility challenges.

As of February 2024, Metro has seen ridership increase to approximately 80% of pre-pandemic levels, marking the 15th consecutive month of year-over-year ridership growth. To continue this upward trend, Metro must maintain these ridership gains and increase ridership throughout the system. Cost is often a barrier to using public transportation, and removing this barrier can encourage more people to choose sustainable and efficient modes of transit. Increased ridership can have positive economic effects by boosting local businesses around transit hubs.

Encouraging more people to use public transportation instead of driving single-occupancy private vehicles contributes to reducing traffic congestion, leading to smoother traffic flow, minimizing the need for extensive road infrastructure, and reducing carbon emissions. This aligns with environmental sustainability goals and will help Metro and the region's efforts to address climate change concerns. Metro has several targeted fareless initiatives that provide the most dependent transit riders with free and reduced fares to eliminate cost burdens and create a bridge to a fully fareless system.

Metro's Low-Income-Fare-is-Easy (LIFE) Program provides free and reduced fares to Metro's most dependent riders. In December 2023, the program recruited nearly 8,000 new participants and hosted 33 rail line pop-ups and special events in the same month. In 2023, the LIFE program reached a total of 300,000 participant enrollees. Metro could explore additional opportunities to expand initiatives that provide fareless transit access. Examples include but are not limited to exploring opportunities for local municipalities to fund transit fare subsidies for the residents within their jurisdiction, similar to a fareless transit program implemented through the collaboration of the City of Boston and the Massachusetts Bay Transportation Authority.

In September 2020, Metro's Fareless System Initiative (FSI) Task Force embarked on an intensive process of studying and identifying facts, challenges, and opportunities for eliminating fares on Metro buses and trains.

After studying and evaluating ways to implement a fareless system internally and externally, the FSI Task Force developed several strategic recommendations for the Metro Board of Directors to consider in May 2021. The leading concept included fareless transit for adult riders. In September 2021, the Board unanimously approved staff recommendations for implementing a pilot initiative known as the GoPass Fareless Pilot Program and approved a funding plan.

SUBJECT: BRIDGE TO FARELESSNESS MOTION

RECOMMENDATION

APPROVE Motion by Directors Bass, Butts, Dutra, Dupont-Walker, Mitchell, and Solis that the Board direct the Chief Executive Officer to:

A. Make the GoPass Fareless Pilot Program permanent and provide a report back to the Board annually at the September Board Meeting, beginning September 2024, on program implementation, including but not limited to:

1. An analysis reflecting the prior 12 months of data;

2. Identifying additional funding sources to help offset the program's cost to the Agency, including philanthropic and commercial partnerships;

3. Identifying barriers to cost sharing that educational institutions, particularly those in or serving Equity-Focused Communities, face in implementing the program;

4. The Program's impact on Metro ridership and other outcomes for students; and

5. Report on the feasibility of enhancements to the program.

B. Report back by June 2024 on opportunities to expand the Low-Income-Fare-is-Easy program enrollment and utilization, including but not limited to:

1. Creating a cost-benefit analysis to provide unlimited free rides for all who qualify for the

program

2. Identifying revenue impacts;

3. Identifying permanent sources of replacement revenues;

4. Feasibility of enabling the TAP app to accept applications;

5. Allowing program recipients to utilize the TAP app in lieu of the physical card to allow for direct program access to those receiving/signing up for Aid to Families with Dependent Children, or cash assistance and other benefits through the Los Angeles County Department of Public Social Services;

6. Coordination with open loop upgrades on the TAP system so qualified individuals can use other social benefit cards in lieu of Metro fare media; and

7. Outreach and engagement efforts led by Community-Based Organizations that include active and direct engagement with customers

C. Direct Metro to conduct outreach with local cities and Councils of Government within Los Angeles County to express the importance of subsidized transit and provide examples of how a local fare subsidy program could be instituted to support their respective constituents.

<u>**HAHN AMENDMENT:** report back to include:</u>

A. <u>how we are including our municipal and local operators;</u>

B. <u>how we will preserve existing transit service; and</u>

C. <u>any impact a broader fareless system could have on ACCESS paratransit services.</u>