

# Metro Climate Card (MCC) Pilot Program

EXECUTIVE MANAGEMENT COMMITTEE

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# Objective

- Create a Metro Climate Card (MCC) 3-year Pilot Program that meets California Environmental Quality Act (CEQA) requirements for Vehicle Miles Traveled (VMT) mitigation that would apply to new private construction development projects under Senate Bill (SB) 743

# Issue

- A VMT Mitigation Program (VMP) is a framework that allows cities, counties, or regional agencies to offset or reduce the added driving that comes from new development projects, while also:
  - Reducing transportation-related greenhouse-gas emissions
  - Encouraging sustainable transportation (transit, walking, biking)
  - Complying with state environmental laws (e.g., in California: CEQA with SB 743)
  - Reducing infrastructure costs by lowering long-term dependency on car travel
  - Supporting smart growth and infill development
- Local real estate developers have requested Metro's help in making VMP projects available to offset project VMT reduction requirements that remain after other efforts have been exhausted.

# Background

- Research and practice from around the globe shows incentivizing people to take transit, carpool, walk, or bike can meaningfully reduce driving trips — and that lower car ownership reduces both miles traveled and time spent in traffic
- SB 743 (2013) changed transportation mitigation required for new construction from Level of Service (traffic delay) to Vehicle Miles Traveled (VMT).
- 2018 SCAG summit on SB743 implementation, Metro presented on how bill could be applied to offset the cost of transit pass programs for students and employer.
- In 2019 and 2020, Metro and LADOT applied for and were chosen to receive a SCAG SB743 Implementation Assistance Grant to show how a VMT Bank could be established using the U-Pass Program as an example.
- The final report was published in 2021.



# Background (Cont.)

- **LA Metro One Car Challenge**

- Phase 1 offered 300 households up to \$120 per week + \$50 TAP transit pass and 5 free rides on bike share if they agreed to keep a car parked at home for five weeks.
- Outcomes measured through weekly odometer readings for each household vehicle.

- **Seoul Climate Card (SCC)**

- A monthly/unlimited pass for public transportation within Seoul city limits which includes subways, Seoul-licensed buses, and Seoul's public bike system (Ttareungi).
- Seoul launched their pilot program in January 2024 and sold more than 62,000 cards on their official launch day, July 1, 2024. By September 2024, 11.8% of public transport riders used SCC.
- Goal in the creation of this card is to encourage public transit use and reduce carbon emissions.
- The city is also expanding discounts to make it more accessible to its residents.

- **Germany also offers a monthly unlimited passes for various modes.**

# Discussion

- **Metro’s Highway Vehicle Miles Traveled (VMT) Mitigation Program**
  - In line with SB 743 and CEQA, program evaluates how Metro’s highway projects may increase driving and develops strategies to offset those impacts.
  - Metro has chosen specific cost-effective investments, such as expanded transit service, bike infrastructure, and affordable housing near rail, to reduce the need to drive.
  - Different programs would need to be chosen for investment under this new pilot.
- **Metro Climate Card (MCC) Pilot**
  - Develop a multi-modal transit pass that private developers can sponsor, enabling measurable VMT reductions that participating developers can apply toward meeting their CEQA mitigation and sustainability objectives.
  - Sponsored passes could be provided at no cost to riders who agree to reduce their vehicle trips and track their progress, and additional VMT savings could come from other VMT-reducing projects not already being used for Metro’s highway mitigation.
  - Total VMT savings would need to match the total VMT credits purchased by developers.
  - If pilot is successful, it would be one of the first public-private VMT exchange programs in the state and could lead to establishing a regional VMT bank, one outcome studied in the 2021 SCAG report.

# Pricing

- Would include unlimited rides for all modes – Bus, rail, bike, micro
- Rate would be 40-50% higher than existing (limited) fare
- Additional 10% fee to participating developers to cover Metro’s program administration costs, including monitoring and reporting of VMT savings to meet CEQA compliance
- Other VMT-reducing activities may need to be included to generate enough VMT credits to satisfy developer mitigation requirements
- The cost-per-VMT-reduced would need to be averaged across all VMT-reducing projects included in the pilot program.
- Payment amounts and options will be further studied during the implementation phase and will be brought back to the Board for approval before pilot launch.

# Next Steps

- Finalize program design, including pricing, developer participation agreements, and the methodology for measuring and verifying VMT reductions.
- Coordinate with local jurisdictions and developers to establish participation processes and prepare the Metro Climate Card pilot for launch.
- Report back to the Board prior to program launch with final implementation details
- Return at the end of the pilot with an evaluation of program outcomes and recommendations on whether to continue or expand the program.