



City of Arts & Innovation

Mobility and Infrastructure Committee

TO: MOBILITY AND INFRASTRUCTURE COMMITTEE MEMBERS

DATE: JUNE 11, 2020

FROM: PUBLIC WORKS DEPARTMENT

WARDS: ALL

SUBJECT: RIVERSIDE GO TRANSIT PROGRAM UPDATE - DIRECT SUBMITTAL

ISSUE:

Receive and file an update on the Riverside Go Transit Program and provide input and direction on the future of the Riverside Go Transit Program.

RECOMMENDATIONS:

That the Mobility and Infrastructure Committee:

1. Receive and file an update on the Riverside Go Transit Program; and
2. Provide input and direction on the future of the Riverside Go Transit Program.

LEGISLATIVE HISTORY:

In September 1990, California AB 2766 was signed into law (Health & Safety [H&S] Code Sections: 44220 - 44247). Section 44223 of the H&S Code authorized a \$2 motor vehicle registration fee surcharge, effective April 1991, to fund the implementation of programs designed to reduce air pollution from motor vehicles and to implement the California Clean Air Act of 1988. H&S Code Section 44225 authorized a subsequent increase in this fee to \$4, effective April 1992. In 2004, an additional \$2 surcharge was added pursuant to H&S Code 44229 to provide a long-term source of funding for expansion of the Carl Moyer Memorial Air Quality Standards Attainment Program. Of this \$6 combined motor vehicle registration fee surcharge, AB 2766 requires that 40% of the first \$4 be distributed on a quarterly basis to South Coast Air Basin cities and counties based upon their prorated share of population to implement projects that reduce emissions from mobile sources.

Through AB 2766, the City currently receives approximately \$400,000 annually into its Air Quality Improvement Fund to use on programs and purchases that will reduce vehicle emissions from motor vehicles. Over the years, the City has used this funding for clean air vehicle purchases, the Alternative Fuel Vehicle Rebate Program, the CityPass program, BikeRiverside, ProjectDox, Computronix, bicycle infrastructure, and more. In addition, City Council has directed certain funding to be set aside as matching funds for larger scale projects with a nexus to vehicle emissions reduction.

BACKGROUND:

In September 2009, the City Council approved the Riverside Go Transit Program (Program) and allocated \$160,000 from the Air Quality Improvement Fund Budget to create software for the program and fund the purchase of Riverside Transit Agency (RTA) bus passes. The City purchases bus passes in bulk from RTA at a 5% discount of the normal cost. Those passes are then sold by the City to City residents at a greater discount. Passes for 30-Day General, Senior/Disabled, and Youth are discounted by 30% of the normal RTA price while 7-Day passes are discounted by 20%.

Since the initial allocation in 2009, annual allocations ranging from \$67,000 to \$100,000 have maintained the Program. In total, over 8,400 residents have signed up for the Program and over 96,000 subsidized passes have been sold. The following table shows the annual pass sales for each calendar year from 2015-2019.

Pass Type	CY2015	CY2016	CY2017	CY2018	CY2019
30 Day General	3,031	2,349	2,268	2,154	1,822
30 Day Youth	1,376	1,163	1,126	1,006	928
30 Day Senior/Disabled	6,366	6,159	6,351	5,843	5,512
7 Day General	446	295	246	258	266
Total	11,219	9,966	9,991	9,261	8,528

Passes are sold online, at the Utilities Plaza at 3901 Orange Street, and at the Customer Resource Center at 3025 Madison Street. Significant staff hours and resources are required to maintain the Program. On average, Public Utilities and Public Works staff spend 650 and 200 hours each year, respectively, administering the Program. The Finance Department also has costs associated with Program administration. Due to funding restrictions, no AQMD funds are used for staff costs.

In May 2019, RTA announced fare increases for all pass types. This was RTA's first fare increase in more than a decade. RTA stated the increase is due to rising operational costs, expanded service, and a state requirement that passenger fares pay a certain percentage of overall operational costs. A second fare increase will occur in July 2021. The table below illustrates costs before and after RTA's price increases for RTA's retail cost, the City's cost, and participant cost.

Pass Type	RTA Retail			City Cost			Resident Cost		
	Old	Jul-19	Jul-21	Old	Jul-19	Jul-21	Old	Jul-19	Jul-21
30 Day General	\$50.00	\$60.00	\$65.00	\$47.50	\$57.00	\$61.75	\$35.00	\$42.00	\$45.50
30 Day Youth	\$35.00	\$45.00	\$50.00	\$33.25	\$42.75	\$47.50	\$24.50	\$31.50	\$35.00
30 Day Senior/Disabled	\$23.00	\$30.00	\$35.00	\$21.85	\$28.50	\$33.25	\$16.10	\$21.00	\$24.50
7 Day General	\$16.00	\$20.00	\$25.00	\$15.20	\$19.00	\$23.75	\$12.80	\$16.00	\$20.00

The RTA fare increase has a significant effect on the Program. The City subsidizes bus passes based on a percentage of the fare costs. As costs increase, the difference between what the City pays to RTA and the amount the City brings in from participants also increases. For example, a 30-Day General bus pass purchased from RTA in 2018 would have cost the City \$47.50 and the City would have sold it for \$35.00. As such, the City, through the Air Quality Improvement Fund, subsidized \$12.50 of each pass sold. After the July 2019 fare increase that same pass costs

\$15.00 to subsidize and after July 2021 it will cost \$16.25 to subsidize. The table below shows the amount subsidized by the Air Quality Improvement fund for each year since Fiscal Year (FY) 2014-15. Passes are purchased in bulk from RTA and inventories overlap from year to year which can cause fluctuations in expenditures from one year to another. On average, however, the Air Quality Improvement Fund subsidizes about \$85,000 in bus passes each year (including projections for the current fiscal year).

Pass Type	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Projected)
Revenue	\$252,957	\$230,328	\$207,986	\$206,680	\$182,038	\$211,054
Expenditures	\$332,815	\$335,155	\$278,257	\$291,221	\$303,932	\$259,946
Air Quality Funds	\$79,859	\$104,827	\$70,272	\$84,541	\$121,894	\$48,891

While RTA's fare increase has increased the cost per pass, this is partially offset by the steady decrease in demand seen in recent years. Staff is uncertain if this trend will continue and how it might be impacted by the July 2021 fare increase. To ensure adequate funding for future years, staff requested increased budget amounts for the forthcoming two fiscal years.

DISCUSSION:

The purpose of this report is to inform this committee of the current status of the Program and the challenges and uncertainties brought about as a result of RTA's fare increases. While pass sales have declined, the Program is still popular among many residents of the City. Notwithstanding this, the funds available in the Air Quality Improvement Fund are finite and any project or purchase funded through this Fund comes at the opportunity cost of another emission reducing project or purchase that may benefit the City and its residents in other ways. Staff invites direction/input on the program from this committee. The committee may consider establishing a spending cap for the program, adjusting the percentage rate discount of passes, and/or requesting that staff return to the committee after the impact of the July 2021 fare increase is better understood.

FISCAL IMPACT:

There is no fiscal impact for Fiscal Year 2019/20. Budgets for subsequent fiscal years are evaluated during the budgeting process and included in the Department's Budget submissions to be presented to the City Council for approval.

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 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation