



Metro

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

Agenda - Final

Thursday, April 20, 2023

9:00 AM

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Executive Management Committee

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Janice Hahn, Vice Chair

Kathryn Barger

Karen Bass

James Butts

Hilda Solis

Gloria Roberts (Interim), non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at <https://www.metro.net> or on CD's and as MP3's for a nominal charge.

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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Requests can also be sent to boardclerk@metro.net.

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x2 *Español (Spanish)*

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x5 *Tiếng Việt (Vietnamese)*

x6 *日本語 (Japanese)*

x7 *русский (Russian)*

x8 *Հայերէն (Armenian)*

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

Live Public Comment Instructions:

Live public comment can be given by telephone or in-person.

The Committee Meeting begins at 9:00 AM Pacific Time on April 20, 2023; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter
English Access Code: 8231160#
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 9:00 AM, hora del Pacifico, el 20 de Abril de 2023. Puedes unirme a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-251-2949 y ingrese el codigo
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Los comentarios del público se tomara cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting. Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

Post Office Mail:

Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER**ROLL CALL**

APPROVE Consent Calendar Items: 16 and 17.

Consent Calendar items are approved by one vote unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR**16. SUBJECT: SYSTEM ADVERTISING POLICY [2023-0165](#)****RECOMMENDATION**

ADOPT the System Advertising Policy 2023 (Attachment A) that includes revisions made in response to a recent ruling by the U.S District Court in First Amendment litigation brought by People for the Ethical Treatment of Animals (PETA) against Metro.

Attachments: [Attachment A – Proposed Metro System Advertising Policy 2023](#)
[Attachment B - Current Metro System Advertising \(COM6\)-2017](#)
[Attachment C – Redlined Version of Metro System Advertising Policy](#)

17. SUBJECT: FY2024 COMMITTEE AND BOARD MEETING CALENDAR [2023-0097](#)**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the FY2024 Committee and Board Meeting Calendar (Attachment A); and
- B. AMENDING the Los Angeles County Metropolitan Transportation Authority Board Rules and Procedures Section 1.1 to establish that August will be the recess month annually.

Attachments: [Attachment A - FY24 Committee Board Calendar Presentation](#)

NON-CONSENT**18. SUBJECT: END OF LINE POLICY MOTION RESPONSE [2023-0214](#)****RECOMMENDATION**

RECEIVE AND FILE the report back on:

-
- A. Metro's End of Line Policy and strategies to better serve unhoused riders at end of line stations and regional coordination efforts;
 - B. Potential benefits to Metro resulting from an emergency declaration; and
 - C. Strategies to increase interim housing on Metro property.

Attachments: [Attachment A - End of Line Motion- Item 20 - Oct 2022](#)
[Attachment B - LAHSA 2022 PIT Count Results](#)
[Attachment C - Motion 19.1 - End of Line Motion Amendment Feb 2023](#)
[Attachment D - Motion 31 - Long Beach Service Hub Concept Feb 2023](#)
[Attachment E - End of Line Station Survey Data Summary April 2023](#)
[Attachment F - A Line Station Parking Lot Feasibility Analysis Presentation](#)

19. SUBJECT: FARELESS SYSTEM INITIATIVE (FSI) [2023-0095](#)

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING report on funding feasibility strategies to facilitate the Fareless System Initiative (FSI); and
- B. APPROVING an extension of the Pilot GoPass Program (FSI Phase1) through FY24.

Attachments: [Attachment A - Board Motion 45](#)
[Attachment B - Board Motion 40](#)
[Attachment C - FSI Schools Within EFCs](#)
[Attachment D - GoPass Pilot Cost Summary](#)
[Attachment E- Gopass Survey Findings](#)
[Attachment F - LIFE Survey Findings](#)
[Attachment G - Key Funding Findings and Recommendations](#)
[Attachment H - Potential Funding Sources](#)
[Presentation](#)

20. SUBJECT: EXPRESSLANES PAY-AS-YOU-GO PILOT EVALUATION [2022-0799](#)

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings;

-
- B. AUTHORIZING the Pay-As-You-Go Program permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program's "processing fee" (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZING staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned; and
- D. AUTHORIZING staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.

Attachments: [Attachment A - Violation Fees & Time Frames Among FasTrack Operators](#)
[Attachment B - Motion 42](#)
[Attachment C - Analysis Findings](#)
[Attachment D - Fee Adjustment Policy](#)
[Attachment E - Pay-As-You-Go Equity Analysis](#)

(ALSO ON OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE)

21. **SUBJECT: STATE AND FEDERAL REPORT** [2023-0212](#)

RECOMMENDATION

RECEIVE AND FILE April 2023 State and Federal Legislative Report.

SUBJECT: GENERAL PUBLIC COMMENT [2023-0233](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment



Board Report

File #: 2023-0165, File Type: Policy

Agenda Number: 16.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2023**

SUBJECT: SYSTEM ADVERTISING POLICY

ACTION: ADOPT REVISED POLICY

RECOMMENDATION

ADOPT the System Advertising Policy 2023 (Attachment A) that includes revisions made in response to a recent ruling by the U.S District Court in First Amendment litigation brought by People for the Ethical Treatment of Animals (PETA) against Metro.

ISSUE

Pursuant to Metro's current advertising policy, Metro accepts only advertising of commercial content, subject to two exceptions: ads by government agencies (Exception 1 in Attachment B) and ads from non-profits containing non-commercial content that are co-sponsored by a government agency (Exception 2 in Attachment B). In 2021, PETA filed a lawsuit against Metro, alleging that Metro's prohibition against non-commercial advertising and its exception for ads co-sponsored by a government agency violate the First Amendment. The U.S. District Court granted summary judgment in favor of PETA, and entered its final judgment and permanent injunction in January 2023. The injunction prohibits Metro from enforcing its prohibition against non-commercial advertising and its exception for ads from non-profits who are co-sponsored by a government agency. Metro conducted a global review of its advertising policy in response to the District Court's ruling.

BACKGROUND

Metro's System Advertising Policy addresses both agency assets and advertising content. The scope of assets covered by Metro's advertising policy has grown over the years. Metro's initial advertising policy was adopted in 2000, and at that time its scope was limited to Metro's bus fleet. The policy was revised several times thereafter to increase its scope: in 2005 to include rapid transit bus vehicles; in 2008 to include trains and stations, and in 2017 to include Orange Line bus vehicles. As a result of those revisions, Metro's advertising policy covers all Metro systemwide assets.

Regarding content, the policy was revised multiple times in 2013. The first 2013 revision prohibited

messages injurious to Metro's interests. This revision followed the blanketing of the system with ads from personal injury law firms, many of which targeted Metro passengers involved in bus accidents. The second revision included the exception for non-profit organizations to partner with a governmental agency in submitting advertising that advances the joint purpose of the non-profit organization and the governmental agency (Exception 2 in Attachment B). In 2017, the policy language was expanded to address new products and advertising technologies. E-cigarettes and vaping were added to the list of prohibited advertising content, while digital platforms (web, mobile, and social media) were added as channels where Metro may display digital advertising. Metro's current advertising policy allows only commercial advertising content, with exceptions for advertising by government entities and advertising by non-profits that are co-sponsored by a government entity.

In 2021, PETA filed a lawsuit against Metro, alleging that Metro's non-commercial advertising prohibition and the exception to that prohibition for ads co-sponsored by a government agency (i.e., "Exception 2") violated the First Amendment. On December 19, 2022, the court granted summary judgment in favor of PETA. The court found that: (1) Metro's non-commercial advertising prohibition was reasonable but not sufficiently definite and objective to prevent arbitrary or discriminatory enforcement; and (2) Metro's Exception 2 to its non-commercial advertising prohibition for ads co-sponsored by a government agency was unreasonable and viewpoint discriminatory. A final judgment and permanent injunction was entered on January 4, 2023. The injunction prohibits Metro from both enforcing its non-commercial advertising prohibition and Exception 2.

Metro appealed on February 2, 2023. On February 10, 2023, Metro moved to stay the injunction pending appeal or, in the alternative, for a three-month period to allow Metro to complete its review of its advertising policy. On March 17, 2023, the District Court granted a three-month stay of its injunction to allow Metro time to modify its advertising policy to address the issues identified in the Court's order on summary judgment. During the three-month stay, Metro may continue enforcement of the current non-commercial advertising prohibition and Exception 2. In response to the ruling by the U.S. District Court, staff has revised Metro's advertising policy to address the issues raised by the Court and implement other updates and improvements. Staff recommends that the Board consider and adopt the revised advertising policy discussed herein.

DISCUSSION

Metro's display of advertising carries with it a responsibility to protect the agency from potential litigation and to be cognizant of the association that can potentially be drawn by the public between advertising images posted on Metro assets and Metro services, while also complying with the rights of advertisers under the First Amendment. Metro's acceptance of transit advertising does not provide or create a general public forum for expressive activities, and Metro does not intend its acceptance of transit advertising to convert its buses, trains, and facilities into public forums for public discourse and debate. The purpose and intent are to accept advertising as an additional means of generating revenue to support Metro's transit operations.

When adopted in 2000, the Policy's Advertising Content Guidelines included a prohibition on non-commercial advertising. The prohibition against noncommercial advertising serves several policy purposes, including but not limited to: (1) maximizing advertising revenue and preserving the value of

the advertising space; (2) maintaining a position of neutrality and preventing the appearance of favoritism or endorsement by Metro; (3) preventing harm or abuse that may result from imposing views on a captive audience; (4) avoiding vandalism and preserving aesthetics; (5) maximizing ridership and maintaining a safe environment for riders and the public; (6) avoiding claims of discrimination and maintaining a non-discriminatory environment for riders; (7) reducing administrative burden and the diversion of resources from transit operations; and (8) preserving Metro's business reputation as a professional, effective and efficient provider of public transit services. The prohibition against noncommercial advertising is also intended to minimize the risk that Metro buses, trains, and facilities will be designated a "public forum." If Metro advertising space were designated a public forum, Metro could be required to accept and display any type of message from any source. Furthermore, Metro has always reserved the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Metro also monitors First Amendment litigation against public transit authorities to mitigate risk and identify best practices, which informs its policy revisions.

The proposed policy changes will address the issues raised in the District Court's ruling and relevant First Amendment jurisprudence, and allow staff to continue to operate and generate revenue from commercial advertising with an objective, neutral policy that is capable of reasoned application. The revised language refines the definition of commercial advertising and mitigates risks of running afoul of First Amendment protections by clarifying that its policy applies regardless of whether the proponent is a commercial or nonprofit organization, and by providing objective guidelines to determine whether an ad qualifies as commercial. The revised procedure clarifies the roles and responsibilities of those involved in the content review process. The policy also eliminates subject matter restrictions and further refines definitions for prohibited categories in order to minimize Metro's potential exposure to First Amendment litigation. A redline copy has been provided to compare the current and proposed policy changes (Attachment C).

Commercial advertising revenues are an important supplemental revenue source supporting Metro's transportation operations. Metro's purpose in allowing advertising to be displayed in and on Metro property is to maximize supplemental revenues by monetizing Metro-owned assets. The System Advertising Policy provides programmatic structure for multiple revenue programs at Metro, consisting of:

- Commercial advertising on bus and rail, generating over \$300 million into 2030;
- Transportation Communications Network (TCN), estimated to earn \$300 million to \$500 million over 20 years;
- Commercial Sponsorship and Adoption, estimated to earn \$150 million over 25 years.

Policy Language: Key Proposed Changes

The key proposed changes to Metro's System Advertising Policy, include the following:

1. Elimination of government sponsored ad exception for non-commercial ads.

2. Clarification that Commercial Advertising is the only permitted form of advertising, unless advertiser is a federal, state, LA County governmental entity, or Metro.
3. Inclusion of:
 - a. Revised Policy Purpose statement and objectives
 - b. Disclaimer of Endorsement
4. Excludes advertising that “expresses or advocates an opinion, position or viewpoint on a matter of public debate.”
5. General reorganization and clarification.

Policy Application: Key Proposed Changes

The Procedures have been revised to clarify the role and responsibilities of stakeholders in the advertising content review process:

- A. Advertising Vendors** sell, post and maintain all commercial advertising on Metro properties. All proposed transit advertising must be submitted to the Advertising Vendor for initial compliance review. The Advertising Vendor will perform a preliminary evaluation of the submission to assess its compliance with this policy. If, during its preliminary review of a proposed advertisement, the Advertising Vendor is unable to make a compliance determination, it will forward the submission to the Metro’s advertising panel for further evaluation. The Advertising Vendor may at any time discuss with the entity proposing the advertisement one or more revisions to an advertisement, which, if undertaken, would bring the advertisement into conformity with this Advertising Policy. The Advertising Vendor will immediately remove any advertisement that Metro directs it to remove.
- B. Metro’s Advertising Panel** will review the proposed advertisement for compliance with the guidelines set forth in this policy and will direct the Advertising Vendor as to whether the proposed advertisement will be accepted. In the discretion of the advertising panel, any proposed transit advertising may be submitted to Metro’s Marketing Executive for review.
- C. Metro’s Marketing Executive or Designee** shall conduct a final review of proposed advertising at the request of Metro’s advertising panel. The decision of the Marketing Executive to approve or reject any proposed advertising shall be final.
- D. Metro’s Advertising Panel or the Marketing Executive** may consult with other appropriate Metro employees, including Metro’s legal counsel, at any time during the review process.

DETERMINATION OF SAFETY IMPACT

There is no safety impact by adopting this policy.

Staff will manage the advertising program and ensure contractors work in compliance with Metro Safety policies and certifications.

FINANCIAL IMPACT

There is no financial or budgetary impact by adopting this policy.

...Equity_Platform

EQUITY PLATFORM

Advertising revenues are an important supplemental revenue source supporting Metro's transportation operations, including providing service in Equity Focus Communities to serve customers who rely on our system. The advertising program accepts multi-cultural and multi-language advertisements that provide alignment and inclusion of Metro's diverse communities. The proposed changes are necessary to address issues found by the U.S. District Court in Metro's current advertising policy.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization. A current Policy provides structure to responsibly manage a commercial advertising program and generate revenue that provide long-term supplemental revenue to support Metro's transportation operations.

ALTERNATIVES CONSIDERED

If the recommended revisions are not adopted, Metro will remain subject to the permanent injunction issued by the U.S. District Court's ruling in PETA vs. LACMTA., and required to accept non-commercial advertisement, potentially including advertisements regarding controversial political and social issues. Not having a compliant policy will delay advertising business decisions and content approvals, and result in loss of revenue. Furthermore, delayed business action may bring on further litigation against Metro.

NEXT STEPS

Upon Board approval, staff will update internal processes and procedures to meet U.S. District Court compliance requirements. The revised Policy will be distributed to advertising vendors and made publicly available for advertisers on Metro's website.

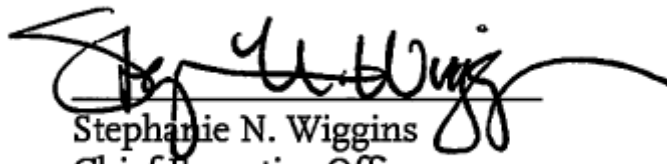
ATTACHMENTS

Attachment A - Proposed Metro System Advertising Policy 2023
Attachment B - Current Metro System Advertising (COM6)-2017

Attachment C - Redline Version of Metro System Advertising Policy

Prepared by: Lan-Chi Lam, Director of Communications, (213) 922-2349
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Reviewed by: Jennifer Vides, Chief Customer Experience Officer, (213) 922-4060



Stephanie N. Wiggins
Chief Executive Officer



Metro™

**COMMUNICATIONS
Metro System Advertising**

(COM 6)

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (Metro) has determined that allowing commercial advertising to be placed in designated areas on its properties, which includes the Metro bus and rail systems, is a responsible means of generating revenue by maximizing the use of Metro’s capital investments. Further, informational advertising on Metro properties is a valuable means for Metro and other governmental entities to communicate with the public and advance specific governmental purposes.

POLICY PURPOSE

To clearly define the use of Metro’s advertising space by fulfilling the following important goals:

- Maximize advertising revenue and preserving the value of the advertising space;
- Maintain a position of neutrality and preventing the appearance of favoritism or endorsement by Metro;
- Prevent the risk of imposing objectionable, inappropriate or harmful views on a captive audience;
- Preserve aesthetics and avoiding vandalism;
- Maximize ridership and maintaining a safe environment for riders and the public;
- Avoid claims of discrimination and maintaining a non-discriminatory environment for riders;
- Prevent any harm or abuse that may result from running objectionable, inappropriate or harmful advertisements;
- Reduce the diversion of resources from transit operations that is caused by objectionable, inappropriate or harmful advertisements;
- Preserve Metro’s business reputation as a professional, effective, and efficient provider of public transit services.

Disclaimer of Endorsement: Metro's acceptance of an advertisement does not constitute express or implied endorsement of the content or message of the advertisement, including any person, organization, products, services, information or viewpoints contained therein, or of the advertisement sponsor itself.

APPROVED: County Counsel or N/A

Department Head

ADOPTED: CEO

Effective Date: _____

Date of Last Review: _____



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COMMUNICATIONS

Metro System Advertising

(COM 6)

1.0 GENERAL

The display of commercial advertising to generate revenue carries with it a responsibility to protect Metro from potential litigation, preserve its nonpublic forum status, and to recognize the potential association of advertising images with Metro services. The agency addresses these issues through the responsible, consistent, and viewpoint neutral application of its advertising policy.

Governmental entities may advance specific governmental purposes through advertising under this policy.

Los Angeles County contains significant tourism destinations accessible through public transportation, which may be promoted under this policy.

Metro uses designated areas on its properties to directly provide transit and agency information to the public.

2.0 POLICY

2.1 Permitted Advertising Content

2.1.1 Commercial Advertising

Metro will only accept paid commercial advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution or availability of goods, property, products, services, or events that anticipate an exchange of monetary consideration for the advertiser's commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce or similar organizations that promote the commercial interests of its members, and museums that offer admission to the public.

- A. Metro's policy that it will accept only commercial advertising applies regardless of whether the proponent is a commercial or nonprofit organization. To determine whether an ad qualifies as commercial, Metro considers the following nonexclusive factors: (a) whether a commercial product or service is apparent from the face of the ad; (b) whether the commercial product or service is incidental to the public interest content of the ad; (c) whether the sale of commercial products or services is the primary source of the advertiser's total annual revenue; and (d) whether the advertiser is a for-profit entity.
- B. This exclusion does not apply to Government Advertising under 2.1.2.



Metro

COMMUNICATIONS

Metro System Advertising

(COM 6)

2.1.2 Government Advertising

Metro will accept advertising that advances specific government purposes from a federal, State of California, or Los Angeles County local governmental entity. The governmental entity must be clearly identified on the face of the advertising.

2.2 Prohibited Content and Subject Matter

Metro retains content control of advertising on the transit system by restricting content; content described below may not be displayed on the Metro transit system and/or agency assets:

- Alcohol and Spirits – Imagery of open or closed alcoholic containers, consumption of any alcohol and spirits, or alcohol product brands is prohibited and may not be shown. Services and events for food and beverage, including alcohol and wine events may be shown if the image is compliant with the restrictions stated herein.
- Tobacco and Cannabis – Imagery that portrays, simulates, or encourages recreational smoking, vaping, or ingesting of tobacco or cannabis products is prohibited. Services and events for cannabis products, services, and events are prohibited and may not be shown.
- Illegal Activity – Content that promotes or relates to an illegal activity.
- Violence – Images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- Obscene Matter – Obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- Indecency – Images, copy or concepts that describe, depict, suggest or represent sexual or excretory organs or activities in a manner that a reasonably prudent person, knowledgeable of Metro’s ridership and using prevailing community standards, would find inappropriate for the public transit environment, including persons under the age of 18.
- Adult Entertainment and Content – Content that promotes or displays images associated with adult bookstores, video stores, dance clubs, or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.



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COMMUNICATIONS

Metro System Advertising

(COM 6)

- Adult Rated Media – Adult/mature rated films, television, video games, or theatrical presentations, such as adult films rated "X" or "NC-17" or video games rated "AO."
- Profanity – Contains any profane language.
- Political Speech – Advertising that promotes or opposes (a) a political party; (b) any person or group of persons holding federal, state or local government elected office; (c) the election of any candidate or group of candidates for federal, state or local government offices; or (d) initiatives, referendums or other ballot measures.
- Public Issue Speech – Advertising that primarily expresses or advocates an opinion, position or viewpoint on a matter of public debate about economic, political, public safety, religious or social issues. This exclusion does not apply to Government Advertising under 2.1.2.
- Religion – Promotes or opposes any identifiable or specific religion, religious viewpoint, belief, message or practice.
- Unsafe Transit Behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- Injurious to Metro's interests – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests. Prohibited content includes but is not limited to images, copy or concepts that actively denigrate public transportation.
- Metro's Endorsement – Contains images, copy or concepts that inaccurately state or imply Metro's endorsement of the subject of the advertisement.
- Harmful or Disruptive to Transit System – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.
- Symbols - Miscellaneous characters, images or symbols used as a substitute for prohibited content.

2.3 Metro's Government Speech

The provisions of this policy do not apply to Metro's government speech, which includes advertising sponsored solely by Metro or by Metro jointly with another entity to communicate any message deemed appropriate by Metro.

2.4 Metro's Right of Rejection



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Metro System Advertising

(COM 6)

Metro, and its advertising vendors, will screen and review all advertising content on the transit system, and in all contracts Metro reserves the right to:

- Reject any advertising content submitted for display on its properties, and/or
- To order the removal of any advertising posted on its properties.

Decisions regarding the rejection or removal of advertising are made by the Marketing Executive or their designee based upon the criteria in this policy statement.

2.5 Informational Advertising

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no “space” cost (the fee charged for advertising space). Informational advertising space is limited and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Marketing Executive or their designee.

Acceptable information for these distribution channels is categorized as follows:

2.5.1 Transit Information

Transit information includes, but is not limited to: campaigns promoting ridership, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

2.5.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro’s Marketing Department may use Metro’s distribution channels to participate in cross-promotional opportunities (a cooperative partnership in which Metro and one or more entities work together with the goal of jointly promoting their respective services) that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., Metro Ridership Promotion such as, “Go Metro to CicLAvia”). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro’s Marketing Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.).



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2.5.3 “Added Value” Materials

On an occasional basis and only when space is available, Metro’s Marketing Department may use Metro’s distribution channels to provide “added value” materials to its riders. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail riders (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro’s Marketing Department to indicate that the offer is specifically designed for Metro bus and Metro Rail riders. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro’s Marketing Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Marketing Executive, or their designee based upon the criteria in this policy statement.

2.6 Advertising Vendors

Metro may contract with outside vendors to sell and display advertising on its transit system and related properties for the sole purpose of generating revenue. Vendors for such contracts are solicited through competitive bids, which must conform to Metro’s procurement procedures and be approved by Metro’s Board of Directors.

Such agreements may dedicate up to, but no more than 90% of the available space covered by the contract for commercial advertising, reserving the remaining available space for Metro’s own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro’s information, will be negotiated as part of any contract with an outside advertising space vendor.

2.7 Placement of Advertising

Locations for commercial advertising may include, but are not limited to: the exterior and interior of all Metro’s transit fleet (buses, trains, rideshare cars, and non-revenue cars); the exterior and interior of all Metro’s stations and hubs (rail and bus stations, bus stops, and mobility hubs); digital channels (agency websites, mobile apps, and social media channels); printed materials (brochures, timetables); Metro property (buildings, facilities and parking structures); and any other location approved by Metro’s Marketing Executive. Metro and its advertising contractors will obtain necessary permits as required to comply with local jurisdiction. Specific locations and properties may be exempt and excluded, in which case Marketing will coordinate with the agency project manager as advertising inquiry arises.



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2.7.1 Graphics on Window and Glass

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ window graphics are restricted from fully obscuring the window surfaces on any Metro vehicles (trains, buses, ride share, and non-revenue vehicles). The front window, however, may not be covered in any manner.

If an advertising employs window graphics, the materials must be perforated with a 50/50 coverage-to-visibility ratio. The perforated material applies to all glass surfaces such as vehicle windows, buildings windows, and glass elevators. Metro may provide materials and technical specifications to each vendor.

3.0 PROCEDURES

Action By:

Advertising Vendors

Action:

A. Sell, post and maintain all commercial advertising on Metro properties. All proposed transit advertising must be submitted to the Advertising Vendor for initial compliance review. The Advertising Vendor will perform a preliminary evaluation of the submission to assess its compliance with this policy. If, during its preliminary review of a proposed advertisement, the Advertising Vendor is unable to make a compliance determination, it will forward the submission to the Metro's advertising panel for further evaluation. The Advertising Vendor may at any time discuss with the entity proposing the advertisement one or more revisions to an advertisement, which, if undertaken, would bring the advertisement into conformity with this Advertising Policy. The Advertising Vendor will immediately



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remove any advertisement that Metro directs it to remove.

Metro Advertising Panel

B. Metro’s advertising panel will review the proposed advertisement for compliance with the guidelines set forth in this policy and will direct the Advertising Vendor as to whether the proposed advertisement will be accepted. In the discretion of the advertising panel, any proposed transit advertising may be submitted to Metro’s Marketing Executive for review.

Metro’s Marketing Executive

C. Metro’s Marketing Executive or designee shall conduct a final review of proposed advertising at the request of Metro’s advertising panel. The decision of the Marketing Executive to approve or reject any proposed advertising shall be final.

Metro Advertising Panel and Marketing Executive

D. Metro’s advertising panel or the Marketing Executive may consult with other appropriate Metro employees, including Metro’s legal counsel, at any time during the review process.

4.0 PROCEDURE HISTORY

- 03/23/00 Original policy adopted by Metro’s Board of Directors.
- 01/27/05 Policy amended by Board of Directors to permit advertising on Metro Rapid vehicles.
- 09/26/08 Biennial review and update. Policy updated to include Board of Directors amendment to permit all forms of non-traditional advertising displays as well as advertising on rail car exteriors and other types of transit service with the exception of Orange Line vehicle exteriors.
- 6/27/13 Content Guidelines amended by Metro’s Board of Directors to add an exception for non-profit organizations pertaining to the non-commercial advertising prohibition, and to expand language regarding various other types of prohibited content.



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- 12/5/13 Content guidelines amended by Metro's Board of Directors to prohibit messages that are injurious to Metro's interests and to clarify restrictions regarding vulgarity.
- 02/23/17 Review and update: Board approved, Feb. 23, 2017 (Item 40). Streamlined policy for an easier read; removed defined vinyl window graphics prohibitions: now just may not fully wrap a bus; added definitions; clarified outreach channels; may advertise on Orange Line vehicles; added items to advertising ban; removed "wine festival" advertising allowance; advertising may not engage in public debate.

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1. GENERAL

The display of paid (revenue-generating) advertising carries with it a responsibility to protect Metro from potential litigation and to recognize the potential association of advertising images with Metro services, while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not Metro's intent to create a public forum through the acceptance of advertising.

Metro's ability to directly reach customers is crucial in order to provide transit and agency information. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space; on-board "take-one" boxes; and in-station Variable Message Signs) for purposes unrelated to customer information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.

2. PROCEDURES

2.1. Revenue-Generating Advertising

Metro contracts with outside vendors to sell and display short-term advertising on its transit-related properties for the sole purpose of generating revenue. Metro does not sell or post advertising directly. Vendors for such contracts are solicited through competitive bids, which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors.

Such agreements may dedicate up to, but no more than, 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro's information, will be negotiated as part of any contract with an outside advertising space vendor.

Locations for revenue-generating advertising may include, but are not limited to: exterior surface areas of buses and rail cars (see restrictions in section 2.1.1 below); interior display frames in bus and rail vehicles; back-lit map cases, at stations and transit hubs; automated public toilets and other fixed outdoor displays on Metro property; electronic Variable Message Signs (VMS) on station platforms; banner ads



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on Metro's website; Metro-owned/run social media channels, Metro-sponsored computer/phone apps; space in Metro's printed brochures, timetables and other publications and printed materials, interior and exterior of Metro buildings, facilities and parking structures; and any other location approved by Metro's Board of Directors. Metro and its advertising contractors will obtain necessary permits as required to comply with local jurisdiction.

Content restrictions for advertising displayed through these arrangements are as follows:

2.1.1 Alcohol, Tobacco, and Cannabis Advertising

Advertising of all alcohol, tobacco, and cannabis products, services, and events is prohibited. Advertisements that simulate or encourage drinking, smoking, vaping, or ingesting of alcohol, tobacco and cannabis are prohibited.

2.1.2 Non-Commercial Advertising

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote a for-sale, lease or other form of financial benefit for a product, service, event or other property interest in primarily a commercial manner and purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. It is Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. The non-profit organization must also provide a Statement of Approval (attached) from the Governmental Agency describing the joint purpose



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to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. Any message displayed under this exception must adhere to all other content restrictions stated in this policy, including that this advertising will not be used for comment on issues of public debate.

2.1.3. Other Subject Matter Restrictions

Advertising may not be displayed if its content involves:

- Illegal activity - Promotes or relates to an illegal activity.
- Violence - Contains images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- Demeaning or disparaging matter - Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.
- Vulgarity - Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.
- Obscene matter - Contains obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- Adult entertainment and content – Promotes or displays images associated with adult book stores, video stores, dance clubs or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- Political endorsements – Contains messages that are political in nature, including messages of political advocacy, that support or oppose any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions on issues of public debate.
- Religion - Contains images, content or copy related to religion or religious ideas or viewpoints.
- Negative connotations of public transit - Contains images, copy or concepts that actively denigrate public transportation.
- Unsafe transit behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- Injurious to Metro's interests – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests. Metro's



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- endorsement – Contains images, copy or concepts that inaccurately state or imply Metro’s endorsement of the subject of the advertisement.
- Harmful or disruptive to transit system – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.

2.1.4. Metro’s Right of Rejection

Beyond the above, Metro’s vendors may review advertising content according to their own guidelines of acceptability. Metro will screen and in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

2.1.5. Vinyl Window Graphics

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ vinyl window graphics are restricted from fully obscuring window surfaces on Metro vehicles as follows. (Note: this excludes the front window surface, which may not be covered in any manner.)

2.2 Informational Advertising

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no “space” cost (the fee charged for advertising space). These distribution channels include, but are not limited to: “take-one” boxes onboard Metro buses and Metro Rail trains; “take-one” racks at Metro Customer Centers; back-lit and non-lit map cases inside Metro Rail stations and on Metro bus stop poles; advertising kiosks at select Metro Rail stations; electronic Variable Message Signs (VMS) on station platforms digital advertising kiosks; interior rail posters on board Metro Rail trains; Metro’s website; Metro-owned/run social media channels; and Metro-sponsored computer/phone apps.

As specified in section 2.1, Metro has the use of an allotment of exterior and interior bus advertising space at no charge by agreement with the vendor that sells all remaining interior and exterior bus advertising space under a revenue-generating agreement.



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Informational advertising space is limited, and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Chief Communications Officer or their designee.

Acceptable information for these distribution channels is categorized as follows:

2.2.1 Regular Transit Information

Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process, as well as upon request from other internal departments. Regular transit information includes, but is not limited to: campaigns promoting ridership, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

2.2.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., Metro Ridership Promotion such as, "Go Metro to Fiesta Broadway"). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

2.2.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to provide "added value" materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail customers (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro's Communications



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Department to indicate that the offer is specifically designed for Metro bus and Metro Rail customers. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

3.0 DEFINITION OF TERMS

Added Value Materials – Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

Cross-Promotion – A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

Digital Advertising Kiosks - A small physical structure (often including a computer and a display screen) that displays information for people walking by. Kiosks are common near the entrances of shopping malls in North America where they provide shoppers with directions.

Exterior King Ad – Large ad measuring 144" x 30" displayed on the sides of Metro buses. King ads are directly applied to the bus with adhesive vinyl.

Exterior Tail Light or "Tail" Ad – Smaller ad measuring 48" x 15 ½" or 72" x 21" displayed on the rear of Metro buses. Tail ads are directly applied to the bus with adhesive vinyl.

Governmental Entities – Public entities specifically created by government action.

Interior Bus Car Card – A 28" x 11" poster that mounts above the seats in Metro buses to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Interior Rail Poster – A 21" x 22 ¼" poster that mounts in frames on the walls of Metro Rail cars, used to display Metro Rail System Maps and provide information on fares,



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routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Map Cases – Fixed cases in Metro Rail stations that hold a 46¾” x 46¾” display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Metro Transit-Related Properties – Metro Bus and Rail systems; Metro facilities; Metro electronic outreach channels (websites, social media, computer/phone apps, etc.).

Non-Commercial Advertising – A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.

Social Media Channels – Online/digital communications channels dedicated to community-based input, interaction, content-sharing collaboration.

Take-One – A printed brochure measuring 3½” x 8½” placed inside Metro buses or Metro Rail trains, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Take-One Box – A metal rack or plastic holder installed on the interior of Metro buses and Metro Rail trains designed to hold approximately 40 take-ones. Many Metro buses have a multi-pocket rack in addition to 2 plastic take-one boxes; most Metro Rail cars have from 2 to 6 plastic take-one boxes.

Variable Message Signs (VMS) – Electronic sign boards in Metro Rail stations controlled from the Rail Operations Control Center that scroll through a series of written messages. Used to provide information on safety, pass & token sales locations, service changes, emergency announcements and other matters relevant to the use of the Metro System.

Vinyl Window Graphics – An adhesive vinyl super-graphic which covers a portion of the window surface of a bus or rail vehicle. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.



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4.0 RESPONSIBILITIES

Communications Department prepares all messages and materials for dissemination on board Metro buses and Metro Rail trains; administers the distribution/display of transit information; tracks/coordinates the availability and use of Metro's unique information distribution channels.

Mailroom distributes quantities of take-ones to Metro Operating Divisions and Customer Centers according to distribution list prepared by project managers in Communications.

Operators and Service Attendants physically place take-ones on buses/trains for distribution to the public.

Advertising Vendors sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from the Metro Marketing Department.

Chief Communications Officer (or designee) reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.



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POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (Metro) has determined that allowing revenue-generating-commercial advertising which does not compromise public or employee safety to be placed in designated areas on its transit properties ~~(, which includes~~ the Metro Busbus and Railrail systems; ~~Metro facilities; and Metro-owned electronic outreach channels (websites, social media, computer/phone apps, etc.),~~ is a responsible means of generating revenue by maximizing the use of the authority's Metro's capital investments. ~~Informational~~ Further, informational advertising on ~~its own~~ Metro properties is a valuable means of communicating for Metro and other governmental entities to communicate with ~~its riders, wherein Metro disseminates information that explains the public and promotes its transit services.~~ advance specific governmental purposes.

POLICY PURPOSE

To clearly define the use of ~~both~~ Metro's revenue-generating advertising space by fulfilling the following important goals:

- Maximize advertising revenue and informational preserving the value of the advertising space on its transit-related properties.;

APPLICATION

~~This policy applies to all employees, consultants, vendors, and Board Members.~~

- Maintain a position of neutrality and preventing the appearance of favoritism or endorsement by Metro;
- Prevent the risk of imposing objectionable, inappropriate or harmful views on a captive audience;
- Preserve aesthetics and avoiding vandalism;
- Maximize ridership and maintaining a safe environment for riders and the public;
- Avoid claims of discrimination and maintaining a non-discriminatory environment for riders;
- Prevent any harm or abuse that may result from running objectionable, inappropriate or harmful advertisements;



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- Reduce the diversion of resources from transit operations that is caused by objectionable, inappropriate or harmful advertisements;
- Preserve Metro's business reputation as a professional, effective, and efficient provider of public transit services.

Disclaimer of Endorsement: Metro's acceptance of an advertisement does not constitute express or implied endorsement of the content or message of the advertisement, including any person, organization, products, services, information or viewpoints contained therein, or of the advertisement sponsor itself.

APPROVED: County Counsel or N/A

Department Head

ADOPTED: CEO

Effective Date: _____

Date of Last Review: _____



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1.0 GENERAL

The display of ~~paid (revenue-generating) commercial~~ advertising to generate revenue carries with it a responsibility to protect Metro from potential litigation, preserve its nonpublic forum status, and to recognize the potential association of advertising images with Metro services, ~~while simultaneously respecting First Amendment principles.~~ The agency addresses these issues through the responsible ~~and~~, consistent, and viewpoint neutral application of ~~written criteria for its~~ advertising acceptability. ~~It is not Metro's intent to create a public forum through the acceptance of policy.~~

Governmental entities may advance specific governmental purposes through advertising— under this policy.

~~Metro's ability to directly reach riders is crucial in order to provide transit and agency information. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space; on-board brochures; and in-station static and digital signs) for purposes unrelated to rider information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.~~

2.0 PROCEDURES

~~Revenue-Generating~~ Los Angeles County contains significant tourism destinations accessible through public transportation, which may be promoted under this policy.

Metro uses designated areas on its properties to directly provide transit and agency information to the public.

2.0 POLICY

2.1.2.1 Permitted Advertising Content

~~Metro may contract with outside vendors to sell and display advertising on its transit-related properties for the sole purpose of generating revenue. Vendors for such contracts are solicited through competitive bids, which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors.~~

~~Such agreements may dedicate up to, but no more than 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro's information, will be negotiated as part of any contract with an outside advertising space vendor.~~



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~~Locations for revenue-generating advertising may include, but are not limited to: the exterior and interior of all Metro's transit fleet (buses, trains, rideshare cars, and non-revenue cars); the exterior and interior of all Metro's stations and hubs (rail and bus stations, bus stops, and mobility hubs); digital channels (agency websites, mobile apps, and social media channels); printed materials (brochures, timetables); Metro property (buildings, facilities and parking structures); and any other location approved by Metro's Board of Directors. Metro and its advertising contractors will obtain necessary permits as required to comply with local jurisdiction.~~

2.1.1 Commercial Advertising

Metro will only accept paid commercial advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution or availability of goods, property, products, services, or events that anticipate an exchange of monetary consideration for the advertiser's commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce or similar organizations that promote the commercial interests of its members, and museums that offer admission to the public.

A. Metro's policy that it will accept only commercial advertising applies regardless of whether the proponent is a commercial or nonprofit organization. To determine whether an ad qualifies as commercial, Metro considers the following nonexclusive factors: (a) whether a commercial product or service is apparent from the face of the ad; (b) whether the commercial product or service is incidental to the public interest content of the ad; (c) whether the sale of commercial products or services is the primary source of the advertiser's total annual revenue; and (d) whether the advertiser is a for-profit entity.

B. This exclusion does not apply to Government Advertising under 2.1.2.

2.1.2 Government Advertising

Metro will accept advertising that advances specific government purposes from a federal, State of California, or Los Angeles County local governmental entity. The governmental entity must be clearly identified on the face of the advertising.

2.2

~~Specific locations and properties may be exempt and excluded, in which case Communications will coordinate with the agency project manager as advertising inquiry arises.~~

Prohibited Content restrictions for and Subject Matter



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Metro retains content control of advertising on the transit system by restricting content; content described below may not be displayed through these arrangements as follows on the Metro transit system and/or agency assets:

2.1.1 Alcohol, Tobacco, and Cannabis

- Alcohol and Spirits – Imagery of open or closed alcoholic containers, consumption of any alcohol and spirits, or alcohol product branding brands is prohibited and may not be shown. Services and events for food and beverage, including alcohol and wine events may be shown if the image is compliant with the restrictions stated herein.
- Tobacco and Cannabis – Imagery that portray, simulate portrays, simulates, or encourage encourages recreational smoking, vaping, or ingesting of tobacco and/or cannabis products are is prohibited. Services and events for medical marijuana cannabis products, services, and events are prohibited and may not be shown.

2.1.2 Non-Commercial

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote a for-sale, lease or other form of financial benefit for a product, service, event or other property interest in primarily a commercial manner and purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. It is Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. The non-profit organization must also provide a Statement of Approval (attached) from the Governmental Agency describing the joint purpose to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. Any message



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~~displayed under this exception must adhere to all other content restrictions stated in this policy, including that this advertising will not be used for comment on issues of public debate.~~

~~2.1.3 Other Subject Matter Restrictions~~

~~Advertising may not be displayed if its content involves:~~

- ~~Illegal activity~~ Promotes Activity – Content that promotes or relates to an illegal activity.
- Violence ~~– Contains images~~ Images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- ~~Demeaning or disparaging matter – Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.~~
- ~~Vulgarity – Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.~~
- ~~Obscene matter~~ – Contains obscene Matter – Obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- Indecency – Images, copy or concepts that describe, depict, suggest or represent sexual or excretory organs or activities in a manner that a reasonably prudent person, knowledgeable of Metro’s ridership and using prevailing community standards, would find inappropriate for the public transit environment, including persons under the age of 18.
- ~~Adult entertainment and content~~ – Promotes Entertainment and Content – Content that promotes or displays images associated with adult ~~book stores~~ bookstores, video stores, dance clubs, or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- ~~Political endorsements~~ Adult Rated Media – Adult/mature rated films, television, video games, or theatrical presentations, such as adult films rated "X" or "NC-17" or video games rated "AO."
- Profanity – Contains ~~messages~~ any profane language.



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- Political Speech – Advertising that promotes or opposes (a) a political party; (b) any person or group of political advocacy, that support or oppose persons holding federal, state or local government elected office; (c) the election of any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions group of candidates for federal, state or local government offices; or (d) initiatives, referendums or other ballot measures.
- Public Issue Speech – Advertising that primarily expresses or advocates an opinion, position or viewpoint on a matter of public debate, about economic, political, public safety, religious or social issues. This exclusion does not apply to Government Advertising under 2.1.2.
- Religion – Promotes or copy related to opposes any identifiable or specific religion or, religious ideas viewpoint, belief, message or viewpoints.practice.
- ~~Negative connotations of public transit - Contains images, copy or concepts that actively denigrate public transportation.~~
- Unsafe transit behavior Transit Behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- Injurious to Metro’s interests – Promotes products, services or other concepts that are adverse to Metro’s commercial or administrative interests. Prohibited content includes but is not limited to images, copy or concepts that actively denigrate public transportation.
- Metro’s endorsement Endorsement – Contains images, copy or concepts that inaccurately state or imply Metro’s endorsement of the subject of the advertisement.
- Harmful or disruptive Disruptive to transit system Transit System – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.
- Symbols - Miscellaneous characters, images or symbols used as a substitute for prohibited content.

2.3 Metro’s Government Speech



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The provisions of this policy do not apply to Metro's government speech, which includes advertising sponsored solely by Metro or by Metro jointly with another entity to communicate any message deemed appropriate by Metro.

2.4 Metro's Right of Rejection

Metro, and its advertising vendors, will screen and review all advertising content on the transit system, and in all contracts Metro reserves the right to:

- Reject any advertising content submitted for display on its properties, and/or
- To order the removal of any advertising posted on its properties.

Decisions regarding the rejection or removal of advertising are made by the Executive Marketing Officer or their designee based upon the criteria in this policy statement.

2.5

~~2.2~~ Informational Advertising

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no "space" cost (the fee charged for advertising space). ~~As specified in section 2.1, Metro has the use of an allotment at no charge by agreement with the vendor that sells all remaining advertising space under a revenue-generating agreement.~~ Informational advertising space is limited, and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the ~~Chief Communications~~ Executive Marketing Officer or their designee.

Acceptable information for these distribution channels is categorized as follows:

2.25.1 ~~Regular~~ Transit Information

~~Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process, as well as upon request from other internal departments.~~ Regular transit ~~Transit~~ information includes, but is not limited to: campaigns promoting ridership, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

2.25.2 Cross-Promotional Information



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On an occasional basis and only when space is available, Metro's CommunicationsMarketing Department may use Metro's distribution channels to participate in cross-promotional opportunities (a cooperative partnership in which Metro and one or more entities work together with the goal of jointly promoting their respective services) that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., Metro Ridership Promotion such as, "Go Metro to CicLAvia"). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's CommunicationsMarketing Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). ~~Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.~~

2.25.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's CommunicationsMarketing Department may use Metro's distribution channels to provide "added value" materials to its riders. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail riders (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro's CommunicationsMarketing Department to indicate that the offer is specifically designed for Metro bus and Metro Rail riders. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's CommunicationsMarketing Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Chief CommunicationsExecutive Marketing Officer or their designee based upon the criteria in this policy statement.

2.6 Advertising Vendors

Metro may contract with outside vendors to sell and display advertising on its transit system and related properties for the sole purpose of generating revenue. Vendors for such contracts are solicited through competitive bids, which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors.



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Such agreements may dedicate up to, but no more than 90% of the available space covered by the contract for commercial advertising, reserving the remaining available space for Metro's own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro's information, will be negotiated as part of any contract with an outside advertising space vendor.

2.3 — Metro's Right Placement of Rejection Advertising

Locations for commercial advertising may include, but are not limited to: the exterior and interior of all Metro's transit fleet (buses, trains, rideshare cars, and non-revenue cars); the exterior and interior of all Metro's stations and hubs (rail and bus stations, bus stops, and mobility hubs); digital channels (agency websites, mobile apps, and social media channels); printed materials (brochures, timetables); Metro property (buildings, facilities and parking structures); and any other location approved by Metro's Board of Directors. Metro and its advertising contractors will obtain necessary permits as required to comply with local jurisdiction. Beyond the above, Metro's vendors may review advertising content according to their own guidelines of acceptability. Metro will screen and in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

Specific locations and properties may be exempt and excluded, in which case Marketing will coordinate with the agency project manager as advertising inquiry arises.

2.4 — 7.1 Graphics on Window and Glass

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ window graphics are restricted from fully obscuring the window surfaces on any Metro vehicles (trains, buses, ride share, and non-revenue vehicles). The front window, however, may not be covered in any manner.

If an advertising employs window graphics, the materials must be perforated with a 50/50 coverage-to-visibility ratio. The perforated material applies to all glass surfaces such as vehicle windows, buildings windows, and glass elevators. Metro may provide materials and technical specifications to each vendor.

3.0 — DEFINITION OF TERMS



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~~**Added Value Materials** — Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining riders (i.e., a money-saving discount).~~

~~**Cross-Promotion** — A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.~~

~~**Governmental Entities** — Public entities specifically created by government action.~~

~~**Map Cases** — Fixed cases in Metro Rail stations that hold a 46³/₄" x 46³/₄" display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.~~

~~**Metro Transit-Related Properties** — Metro Bus and Rail systems; Metro facilities; Metro electronic outreach channels (websites, social media, computer/phone apps, etc.).~~

~~**Non-Commercial Advertising** — A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.~~

~~**Social Media Channels** — Online/digital communications channels dedicated to community-based input, interaction, content-sharing collaboration.~~

~~**Take-One** — A printed brochure measuring 3¹/₂" x 8¹/₂" placed inside Metro vehicles or rail stations, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.~~

~~**Glass and Window Graphics** — An super-graphic which covers a portion of the window surface of a bus or rail vehicle, building window, or glass elevator. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.~~

4.0 RESPONSIBILITIES

~~**Chief Communications Officer (or designee)** reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.~~

~~**Communications Department** prepares all messages and materials for dissemination on board Metro buses and trains; administers the distribution/display of transit~~



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~~information; tracks/coordinates the availability and use of Metro's unique information distribution channels.~~

~~Advertising Vendors sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from the Metro Marketing Department.~~

~~5.0 FLOWCHART~~

~~Not Applicable~~

~~6.0 REFERENCES~~

~~Not Applicable~~

~~7.0 ATTACHMENTS~~

~~Statement of Approval form pertaining to advertising from Non-Profit organizations partnered with a Governmental Agency.~~

3.0 PROCEDURES

Action By:

Advertising Vendors

Action:

A. Sell, post and maintain all commercial advertising on Metro properties. All proposed transit advertising must be submitted to the Advertising Vendor for initial compliance review. The Advertising Vendor will perform a preliminary evaluation of the submission to assess its compliance with this policy. If, during its preliminary review of a proposed advertisement, the Advertising Vendor is unable to make a compliance determination, it will forward the submission to the Metro's advertising panel for further evaluation. The Advertising Vendor may at



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any time discuss with the entity proposing the advertisement one or more revisions to an advertisement, which, if undertaken, would bring the advertisement into conformity with this Advertising Policy. The Advertising Vendor will immediately remove any advertisement that Metro directs it to remove.

Metro Advertising Panel

B. Metro's advertising panel will review the proposed advertisement for compliance with the guidelines set forth in this policy and will direct the Advertising Vendor as to whether the proposed advertisement will be accepted. In the discretion of the advertising panel, any proposed transit advertising may be submitted to Metro's ~~Executive Officer of Marketing~~ Marketing Executive Officer for review.

Metro's ~~Executive Officer of Marketing~~ Marketing Executive Officer

C. Metro's ~~Executive Officer of Marketing~~ Marketing Executive Officers shall conduct a final review of proposed advertising at the request of Metro's advertising panel. The decision of the ~~Executive Officer of Marketing~~ Marketing Executive Officer to approve or reject any proposed advertising shall be final.

Metro Advertising Panel and ~~Executive Officer of Marketing~~ Marketing Executive Officer

D. Metro's advertising panel or the ~~Executive Officer of Marketing~~ Marketing Executive Officer may consult with other appropriate Metro employees, including Metro's legal counsel, at any time during the review process.

8.04.0 PROCEDURE HISTORY

- 03/23/00 Original policy adopted by Metro's Board of Directors.
- 01/27/05 Policy amended by Board of Directors to permit advertising on Metro Rapid vehicles.
- 09/26/08 Biennial review and update. Policy updated to include Board of Directors amendment to permit all forms of non-traditional advertising displays as well as advertising on rail car exteriors and other types of transit service with the exception of Orange Line vehicle exteriors.



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- 6/27/13 Content Guidelines amended by Metro's Board of Directors to add an exception for non-profit organizations pertaining to the non-commercial advertising prohibition, and to expand language regarding various other types of prohibited content.
- 12/5/13 Content guidelines amended by Metro's Board of Directors to prohibit messages that are injurious to Metro's interests and to clarify restrictions regarding vulgarity.
- 02/23/17 Review and update: Board approved, Feb. 23, 2017 (Item 40). Streamlined policy for an easier read; removed defined vinyl window graphics prohibitions: now just may not fully wrap a bus; added definitions; clarified outreach channels; may advertise on Orange Line vehicles; added items to advertising ban; removed "wine festival" advertising allowance; advertising may not engage in public debate.



Board Report

File #: 2023-0097, File Type: Plan

Agenda Number:

EXECUTIVE MANAGEMENT COMMITTEE APRIL 20, 2023

SUBJECT: FY2024 COMMITTEE AND BOARD MEETING CALENDAR

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the FY2024 Committee and Board Meeting Calendar (Attachment A); and
- B. AMENDING the Los Angeles County Metropolitan Transportation Authority Board Rules and Procedures Section 1.1 to establish that August will be the recess month annually.

ISSUE

Staff has prepared the Committee and Board meeting schedule for FY2024 to maintain a regular meeting schedule and improve the ability of the agency, external stakeholders, and the public to plan for upcoming actions needed by the Board of Directors.

Standardization of the recess month will improve the agencies' ability to plan procurements and remove uncertainty for upcoming contracts and strategic initiatives that require Board approval.

BACKGROUND

Regular Board Meetings are scheduled for the fourth Thursday of the month, per the Los Angeles County Metropolitan Transportation Authority Administrative Code Section 2-01-020, and Committees are scheduled for the week prior. For FY2024, exceptions occur in August, November, and December.

In accordance with the Brown Act, Special Board Meetings can be scheduled, and the agenda posted 24 hours before the meeting date. Additionally, items that are not on a posted agenda that either constitute an emergency or a matter that came to the attention of the agency after posting of the agenda and need immediate action, may be considered at a regular meeting under conditions set forth in the Act. Also, an emergency meeting may be held, in conformance with requirements under the Act, in the event of a crippling activity, work stoppage, or other activity which severely impairs

public health, safety, or both.

California's COVID-19 State of Emergency was lifted on March 1, 2023, and therefore, all meetings subject to the Brown Act have returned to a fully in-person format with Committees and Board Meetings still offering the public the option to participate via telephone.

DISCUSSION

The FY2024 Committee and Board Meeting Calendar (Attachment A) improves the ability of the agency, external stakeholders, and the public to plan for upcoming actions needed by the Board of Directors. The meeting dates on the Calendar were selected with consideration of government and religious holidays throughout FY2024, and were scheduled to prevent possible conflicts when necessary.

Working with Board leadership, the following determinations have been made for FY2024, with changes bolded below:

- **Ad Hoc 2028 Olympic and Paralympic Games Committee - 9/20/23, 1/17/24, 4/17/24 or as needed at 9:30 a.m., *time change***
- **Finance, Budget, and Audit Committee - 3rd Wednesday at 11:00 a.m., *time change***
- **Planning and Programming Committee - 3rd Wednesday at 1:00 p.m., *time change***
 - Please note that Wednesday Committees may fall on the 2nd or 3rd Wednesday, depending on what day of the week the month begins. They are scheduled for the week prior to the Regular Board Meeting unless otherwise noted on the meeting schedule (Attachment A).
- **Construction Committee - 3rd Thursday at 9:30 a.m., *time change***
- **Executive Management Committee - 3rd Thursday at 11:00 a.m., *time change***
- Operations, Safety, and Customer Experience Committee - 3rd Thursday at 12:30 p.m., *no change*
- Regular Board Meeting - 4th Thursday at 10:00 a.m., *no change*

Considerations

August will be a recess month with no Committees or Board Meeting held.

Due to November having five Thursdays, Committees will occur during their regular pattern on November 15th and 16th, with the November Board Meeting occurring on the 5th Thursday, November 30. This will allow December to be a recess month.

EQUITY PLATFORM

The calendar improves agency transparency with the public by setting the Board Meeting schedule for the fiscal year in advance. It will be used to plan contract approvals, hold public hearings, and schedule other major items for Board consideration. Providing this calendar to the public improves the public's ability to engage with the Board on these crucial items.

Once approved, the calendar will be posted on boardagendas.metro.net, and shared with our external stakeholders and internal Metro staff.

Boardagendas.metro.net utilizes Google Translate, enabling the site to be translated into 110 different languages. It has been tested to ensure screen readers and other accessibility tools are compatible in compliance with international legislation and standards for accessibility.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #5 to provide responsive, accountable, and trustworthy governance within the Metro organization. By formally adopting a Committee and Board meeting calendar for FY2024, internal and external stakeholders can mitigate any conflicts in their schedules far in advance.

ALTERNATIVES CONSIDERED

The Board may choose alternative dates for Committee and Board meetings, but this is not recommended as the current meeting pattern is complementary with the other meeting schedules of the members of the Board.

NEXT STEPS

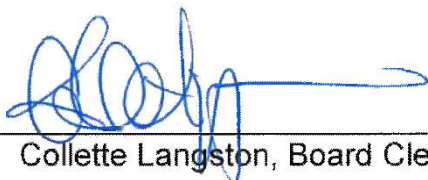
Upon approval, the calendar will be posted on boardagendas.metro.net, and shared with our external stakeholders and internal Metro staff. The Board Rules and Procedures will be amended to establish August as the recess month annually.

ATTACHMENTS

Attachment A - FY2024 Board Meeting Calendar

Prepared by: Jessica Gamez, Administrative Analyst, (213) 922-4827

Reviewed by: Collette Langston, Board Clerk, (213) 922-2837



Collette Langston, Board Clerk

FY2024 Committee & Board Meeting Calendar

July 2023						
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IMPORTANT DATES AND HOLIDAYS
July 4: Independence Day
September 4: Labor Day
September 15 – 17: Rosh Hashanah
September 24 – 25: Yom Kippur
September 29 – October 6: Sukkot
November 10: Veterans Day Observed
November 11: Veterans Day
November 23: Thanksgiving Day
November 24: HQ Offices Closed
December 7 – 15: Hanukkah
December 25: Christmas
December 26 – January 1: Kwanzaa
January 1: New Year's Day
January 15: Martin Luther King Jr. Day
February 19: Presidents' Day
March 29: Good Friday
March 31: Easter
March 31: Cesar Chavez Day
April 1: Cesar Chavez Day Observed
April 22– 30: Passover
May 27: Memorial Day
June 11 – 13: Shavuot

November 2023						
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- Ad Hoc 2028 Olympic and Paralympic Games Committee* – 9:30 a.m.
* 9/20/23, 1/17/24, 4/17/24 or as needed.
- Board of Directors Meeting – 10:00 a.m.
- Construction Committee – 9:30 a.m.
- Metro HQ Offices Closed
- Executive Management Committee – 11:00 a.m.
- Operations, Safety, and Customer Experience Committee – 12:30 p.m.
- Finance, Budget, & Audit Committee – 11:00 a.m.
- Planning & Programming Committee – 1:00 p.m.

FY2024 Committee & Board Calendar



Metro

Executive Management Committee
April 20, 2023

FY2024 CALENDAR

FY2024 Committee & Board Meeting Calendar

July 2023						
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January 2024						
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


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-  Ad Hoc 2028 Olympic and Paralympic Games Committee* – 9:30 a.m.
* 9/20/23, 1/17/24, 4/17/24 or as needed.
-  Board of Directors Meeting – 10:00 a.m.
-  Construction Committee – 9:30 a.m.
-  Metro HQ Offices Closed
-  Finance, Budget, & Audit Committee – 11:00 a.m.
-  Executive Management Committee – 11:00 a.m.
-  Planning & Programming Committee – 1:00 p.m.
-  Operations, Safety, and Customer Experience Committee – 12:30 p.m.



CHANGES and DETAILS – Wednesday Committees

- Ad Hoc 2028 Olympic and Paralympic Games Committee – 9/20/23, 1/17/24, 4/17/24 or as needed at 9:30 a.m., ***time change***
- Finance, Budget, and Audit Committee - 3rd Wednesday at 11:00 a.m., ***time change***
- Planning and Programming Committee - 3rd Wednesday at 1:00 p.m., ***time change***

Please note that Wednesday Committees may fall on the 2nd or 3rd Wednesday depending on what day of the week the month begins. They are scheduled for the week prior to the Board Meeting unless otherwise noted on the meeting schedule.

CHANGES and DETAILS – Thursday Committees

- Construction Committee - 3rd Thursday at 9:30 a.m., *time change*
- Executive Management - 3rd Thursday at 11:00 a.m., *time change*
- Operations, Safety, and Customer Experience Committee - 3rd Thursday at 12:30 p.m., *no change*

CONSIDERATIONS

August will be a recess month with no Committees or Board Meetings held.

Due to November having five Thursdays, Committees will occur during their regular pattern on November 15 and 16 with the November Board Meeting occurring on the 5th Thursday, November 30.

This will allow December to be a recess month.

RECOMMENDATION

In addition to receiving and filing the FY24 meeting calendar, we ask the Board to approve the amendment of Section 1.1 of the LACMTA Board Rules and Procedures to establish August as the recess month annually.

This standardization will improve the agencies' ability to plan procurements and remove uncertainty for upcoming contracts and strategic initiatives that require Board approval.

NEXT STEPS

Upon approval, the calendar will be posted on boardagendas.metro.net, and shared with our external stakeholders and internal Metro staff.

The Board Rules and Procedures will be amended to establish August as the recess month annually.

Thank You!



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Board Report

File #: 2023-0214, **File Type:** Motion / Motion Response

Agenda Number: 18.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2023**

SUBJECT: END OF LINE POLICY MOTION RESPONSE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the report back on:

- A. Metro's End of Line Policy and strategies to better serve unhoused riders at end of line stations and regional coordination efforts;
- B. Potential benefits to Metro resulting from an emergency declaration; and
- C. Strategies to increase interim housing on Metro property.

ISSUE

In October 2022, the Metro Board adopted Motion 20 by Directors Hahn, Najarian, Solis, Barger, Dutra, and Krekorian (Attachment A) that directed the Chief Executive Officer (CEO) to evaluate Metro's End of Line policy and its impacts on communities that have a station at the end of a Metro rail line. The motion also directed staff to work with the regional social service leads, the County, and LAHSA on strategies to address homelessness on the transit system. In February 2023, the Metro Board adopted Motion 28 by Directors Bass, Hahn, Najarian, Mitchell, Solis, and Krekorian that directed a report back on strategies to streamline the production of temporary housing. This report provides a status update on the progress of the end of line evaluation, regional coordination efforts, potential benefits of an emergency declaration, and strategies to increase interim housing on Metro property.

BACKGROUND

The most recent available data from the Los Angeles Homeless Services Authority (LAHSA) 2022 Point in Time Count estimates that 69,144 people are experiencing homelessness throughout LA County, an increase of 4.1% since 2020 (Attachment B). In 2022, Metro estimated that there are 800 people experiencing homelessness sheltering on the system on any given night. The City of Long Beach, which conducts a separate annual point-in-time count, identified 3,296 people experiencing homelessness in their local jurisdiction in 2022. In January 2023, LAHSA conducted its annual point-in-time count, which included Metro's highest impacted rail and bus stations. The 2023 count data will be released later this year.

Addressing the homelessness crisis on transit continues to be a top priority for Metro and the local

jurisdictions within Metro’s service area. The County of Los Angeles and the cities of Los Angeles, Santa Monica, and Long Beach declared homelessness a State of Emergency to expedite the review and approval process of interim and permanent housing projects and to deliver housing solutions and supportive housing services more quickly.

On January 26, 2023, staff provided the board with the preliminary status update on the end of line evaluation. The report introduced initial strategies to improve Metro’s coordination with local jurisdictions on homeless response, including resources available to serve people experiencing homelessness (PEH) at end of line stations during late-night hours when the system closes, and trains go out of service for required maintenance and cleaning.

The Board adopted Motion 19.1 in January 2023 by Directors Sandoval, Solis, Bass, Najarian, Hahn, and Horvath (Attachment C), directing the CEO to examine full-service outreach models for end of line stations, support for recent emergency declarations, and to update Metro’s inventory of properties that are vacant or underutilized. In February 2023, the Board adopted Motion 31 by Directors Hahn, Bass, Solis, and Dutra (Attachment D), directing the CEO to engage LAHSA, the County CEO Homeless Initiative, and local jurisdictions on the implementation of a navigation service hub.

DISCUSSION

In January 2023, Metro commenced an evaluation at Metro end of line stations and an assessment of impacts on nearby local communities. This evaluation included point-in-time counts of PEH at the end of line rail stations and a demographic survey to better identify the need for social services to support unhoused riders. The point-in-time count and survey data were collected at the end of line rail station as the last two trains were being cleared at the end of rail service operations. The nightly count and survey were conducted between midnight to 2:00 a.m. over the course of five nights.

End of Line Survey and Point-in-Time Count Key Findings

As of April 7, 2023, staff completed point-in-time counts and demographic surveys for 12 of 13 End of Line Metro Rail Stations. Attachment E summarizes the data collected and highlights the stations with the highest observations of people experiencing homelessness. This evaluation was conducted from December 2022 - April 2023.

<i>Rail Corridor</i>	<i>Station</i>	<i>Point in Time Count (Avg Count of PEH/night)</i>	<i>Total Number of PEH Surveyed</i>	<i>Interested in S Housing</i>	<i>Homeless 1 year or more</i>
B/D Line (Red/Purple)	7 th Street/Metro Center	93	30	77%	73%
A Line (Blue)	Downtown Long Beach	39	44	66%	50%
B Line (Red)	Union Station	137	30	63%	80%
B Line (Red)	North Hollywood	112	56	80%	80%
D Line (Purple)	Wilshire/Western	55	8	38%	88%
C Line (Green)	Redondo Beach	17	26	73%	69%
C Line (Green)	Norwalk	18	17	47%	71%
E Line (Expo)	Downtown Santa Monica	59	46	65%	70%

L Line (Gold)	APU/Citrus College	17	41	66%	41%
L Line (Gold)	Atlantic	4	11	64%	55%
L Line (Gold)	Pico Aliso		Not completed. Survey/Count Scheduled May 2023.		
K Line (Crenshaw)	Expo/Crenshaw	2	7	86%	71%
K Line (Crenshaw)	Westchester/Veterans	2	5	40%	80%
Total Average PEH Observed at 12 End of Line Stations		555	Total PEH Surveyed		321

Metro B/D (Red/Purple) Line stations the highest reported PEH offloading at end of line stations. Union Station, North Hollywood, and 7th Street/Metro Center Station are significant “hot spots” for homelessness between midnight - 3:00 am.

- Union Station has the highest reported PEH at the end of service, with a nightly average of 137 individuals observed.
- North Hollywood Station receives 112 PEH on average nightly at the end of service.
- 7th Street/Metro Center data shows 93 PEH on average nightly at the end of service nightly.

This data will be useful for the County, local jurisdictions, and the Service Planning Areas (SPA) to plan social services and resource allocation better. It will also help to coordinate future LAHSA point-in-time counts. The survey data collected will be shared with LAHSA and the affected local jurisdictions for further evaluation. As noted in Attachment B (2022 LAHSA Point in Time Count Data), Service Planning Area (SPA) 4 has the highest concentration of unsheltered homelessness in LA County, with 13,047 people experiencing homelessness on a given night.

- SPA 4 includes the Downtown Los Angeles Metropolitan Area, where Union Station and 7th Street/Metro Center end of line stations are located.

Metro surveyed a total of 321 people experiencing homelessness during the five-day evaluation period.

- Most individuals surveyed were single adults, and the survey data indicates that over 80% are male.

Unhoused Metro riders on board trains going out of service are more likely to be open to moving inside, off of Metro trains, if shelter or services are available. There is a common misconception that people experiencing homelessness are resistant to services and housing - that is not the case with people experiencing homelessness on Metro. Staff notes that individuals surveyed experienced a broad range of homelessness, from newly homeless and housing insecure (unhoused for less than 30 days, sleeping on friends/families’ couches, in seek of stable housing), to chronic homelessness, with some individuals noting that they have experienced homelessness for over ten years. Of the 321 individuals surveyed:

- 64% noted that they were willing and ready to be connected to services and/or housing.
- 69% have experienced unsheltered homelessness within the last 30 days, sleeping in an

outdoor location, such as a city sidewalk, alley, bus stop, or train station.

- 69% have experienced homelessness for at least a year or more.

Peer Review of Transit Agency Strategies and Best Practices

Transit agencies nationwide are facing the impacts of rising homelessness while exploring new strategies to meet the needs of the returning ridership.

SEPTA Strategies:

In March 2023, representatives from Director Hahn's office and Metro staff visited the Southeastern Pennsylvania Transportation Authority (SEPTA) in Philadelphia, PA, to learn about their homeless outreach program, operations control center, and how the agency is addressing the safety and cleanliness at stations that are considered "hot spots." While SEPTA currently contracts with a social service agency to conduct outreach on the system, their representatives made it clear that, first and foremost, they are a transit services provider.

1. Agency prioritizes a coordinated enforcement and outreach response to homelessness.

SEPTA has established SCOPE, (Safety, Cleaning, Ownership, Partnership, and Engagement) to connect PEH with social services and provide a safe, clean transit system for riders and employees.

- The Program includes a combination of strategies, including enhanced enforcement, a cleaning regimen, and homeless outreach.
- Outreach providers focus on hot spot locations and coordinate closely with transit police.
- Utilizes medical students for a "Health Navigator" outreach practicum program.

2. Agency relies heavily on enforcement. SEPTA relies heavily on transit police enforcement of criminal activity, including trespassing at its transit station properties. Loitering in SEPTA station areas is not allowed.

- The agency utilizes a law enforcement and homeless outreach end of line offloading program modeled after Metro's previously enacted "Operation Shelter the Unsheltered."
 - Metro's Operation Shelter the Unsheltered was established at the height of the pandemic to effectively clear trains at the end of line stations throughout the day during service. Following lifting several pandemic-related public health restrictions, security, and outreach staff feedback, the operation concluded in late 2021.

3. Outreach workers are easily identifiable to the public, and their role is clearly defined. It was noted that outreach teams wear brightly colored vests to allow for better recognition of their role and the services available.

- If an individual declines services or assistance, the individual is guided out of the station or subject to transit police citation for fare evasion or trespassing.
- Outreach workers educate PEH that fare payment is required to ride transit during their engagements.
- SEPTA notes that this effort - the process of contacts and removals are directly aligned with a reduction in the number of PEH seeking shelter on the system.
- SEPTA has converted some small, enclosed spaces within transit stations for outreach workers to use as “wellness/intake rooms” for engaging PEH who require privacy and/or intensive assessment.

Staff has determined that some strategies that SEPTA utilizes align with Metro’s current approach to homelessness on the transit system. Staff will further examine the use of transit enforcement strategies to discourage loitering and the feasibility of using wellness rooms at strategic locations within transit stations to deliver better services.

Similar to SEPTA’s Health Navigator student program, Metro is developing a social work student practicum outreach program. To date, staff has contacted several schools of social work, including USC, UCLA, Cal State Northridge, Cal State Dominguez Hills, Cal State Long Beach, and UMass Global, to request a partnership with MSW student field placements at Metro. At this time, USC has expressed interest in a partnership, and staff has meetings scheduled with UMass, Cal State Long Beach, and Cal State Dominguez Hills. Under the supervision of an experienced social worker, staff will integrate MSW interns within the outreach teams to provide them with intensive field practicum experience.

City of Philadelphia Hub of Hope Strategies:

The Metro delegation also visited the City of Philadelphia’s Hub of Hope, a day-time drop-in resource and navigation center open to the public. The hub is open for services Monday-Friday, 6:00 am - 4:00 pm, and is located within a large, converted office space in a subway terminal owned by the City. The hub is managed and operated by a service provider, Project Home, and additional clinical staff.

1. The Hub of Hope offers a full-service solution for increasing access to social services.

The hub services include a full medical clinic offering primary, mental health, and women’s health care services.

- It also includes transportation to local overnight shelters, referrals to interim housing programs, and access to showers, meals, and laundry facilities.
- Project Home staff have established relationships with shelters to reserve a limited number of beds at nearby locations based on specific client needs.

- The hub is only open for services during weekdays until 4:00 pm.

2. The Hub was established in partnership with the local jurisdiction and homeless services agency. The Hub was initially funded through a partnership between SEPTA, the City of Philadelphia, and the City's Homeless Services Agency. SEPTA invested \$3 million for the initial capital project.

- SEPTA does not currently fund the operations of this service hub.
- Project Hub relies on public funding and private support via donations to continue operations.

3. The hub's model has a low barrier to access. PEH can stay in the hub all day without pressure to accept services. Individuals can walk-in and do not require a direct referral from SEPTA or any other agency.

- The hub can accommodate up to 70 people per day, which is the site's current capacity.
- Based on discussions with SEPTA representatives, it was clear that there are no plans to expand services at the Hub.
- A number of PEH congregate around the hub. There is limited service capacity within the facility, and its underground location creates limitations on the ability to make a positive service-delivery environment. The space is a re-purposed subway station location and is not a trauma-informed design space.

The City of Philadelphia Hub model offers an example of a full-service navigation hub that could be replicated in Los Angeles County. Key determinations for feasibility include location, operations (staffing and hours of operations), long-term funding, and capacity.- The Philadelphia Hub of Hope offers a good example of what could be established using existing city property/infrastructure to deliver social services and support within the transit environment.

Bay Area Rapid Transit (BART) and New York MTA (NYMTA) Strategies:

Staff also interviewed key personnel at the Bay Area Rapid Transit and New York MTA to determine the agency approaches to addressing homelessness at the end of line stations within their respective service areas. Staff reports a consistent presence of law enforcement and customer service staff, bright lighting at stations, and a high cleanliness standard at the New York City subway stations. Coordinated outreach and law enforcement operations are primarily focused on hot spot stations during late-night hours.

1. BART and NYMTA conduct regular point-in-time counts to estimate the number of PEH sheltering on the transit system.

- BART conducts a monthly hot spot point in time count. BART utilizes the Rail station

survey team to conduct a monthly point-in-time count and observations of PEH on platforms at 16 hot spot stations (the entire rail system is approx. 50 stations). Their average count shows approximately 30 PEH observed daily across the hot spot stations.

- NYMTA conducts an annual point in time count, reporting that the exact number of PEH sheltering on the subway system is unknown. However, estimates in 2022 show that nearly 1,300 PEH seek shelter on the subway system on any given night.

2. BART relies on a locally-funded end of line outreach partnership. The agency notes that there are five end of line stations.

- Only one end of line BART station has a dedicated outreach team, operating from 2:00 pm - 10:30 pm, Monday - Friday.
- This outreach program at this end of line station is funded entirely by the local jurisdiction in San Mateo County.

3. NYMTA has a strong enforcement approach to address safety issues and a coordinated offloading program that includes homeless outreach and/or mental health social services.

- The agency implemented a zero-tolerance policy for code of conduct and illegal activities to direct the transit policing strategy. This includes strict code of conduct enforcement and an increased number of mental health workers who have the ability to conduct psychiatric evaluations for people experiencing severe mental crisis in public spaces.
- The agency has an off-loading and station closure program that prioritizes deep cleaning at specified hot spot stations.
- NYMTA recently released an RFP for a program to provide transport services to local shelters.

From the peer review, all transit agencies do some form of point-in-time count to estimate the number of PEH. Local shelter/housing options and Social Service connections are key to successful end of line outreach programs. Each transit agency stresses the importance of having access to available shelter beds in the local jurisdictions where the end of line station is located. Outreach without adequate bed availability and access to resources during late night hours will not reduce the number of people sheltering near or on the transit system.

Local Partnerships and Regional Coordination

In coordination with the County's Homeless Initiative, Metro is standing up a task force with social service agencies to better coordinate resource deployment on the transit system. Metro staff continues to engage with cities experiencing high numbers of PEH exiting the Metro system at the end of service in pursuit of partnerships. Each community has unique challenges and the solution to

Metro's end of line offboarding for stations within those communities will not be one-size-fits all. Different strategies will need to be developed for end of line stations for subway and light rail systems, given their different infrastructure. Effective end of line strategies will require leadership at the local level.

Staff established a partnership with the Los Angeles County Department of Health Services, Housing for Health Program's Mobile Care Clinic, to deliver on-site medical and mental health resources at the Westlake MacArthur Park station. The mobile clinic offers a variety of services, including (but not limited to) medical & mental health, such as women-focused care, wound care, blood work, behavioral health care, psychiatry, enhanced care management, field-based medically assisted treatment, and care transition to unhoused riders and members of the public.

Metro's outreach teams and Metro Ambassadors will distribute flyers to alert riders when the clinic is on-site and will work closely with the DHS team to refer unhoused riders to this resource. As we continue this partnership, we aim to collect referral data to demonstrate the level of engagement/need with the intention of replicating this strategy at other Metro hot spots and stations.

Long Beach

Metro staff has engaged representatives from the County CEO Homeless Initiative, LAHSA, Department of Mental Health (DMH), Department of Health Services (DHS), and the City of Long Beach in an effort to identify a potential service hub program and location to serve individuals who are deboarding from the Downtown Long Beach Station.

LAHSA provided a preliminary estimate for annual operational costs of \$1 million for a hub that would serve up to 50 individuals, with a small number of short-term crisis beds and 24-hour resource navigation services. This budget does not include capital costs which would require the acquisition of temporary structures and any sewer or water infrastructure upgrades that would be needed. LAHSA and the County will determine the anticipated budget for capital and operational costs and plan for operations.

Metro prepared a feasibility analysis of the two Metro parking lots, Wardlow and Willow, in the City of Long Beach for use as a homeless services navigation hub. See Attachment E (A Line End of Line Station Parking Lot Feasibility Analysis - March 2023). The City has noted that the community has serious concerns about the location of the potential navigation hub at the Willow or Wardlow parking lots. Analysis showed that the Willow parking lot is feasible for establishing a navigation hub program if challenges are mitigated. Wardlow parking lot is not feasible for a navigation hub program due to the inherent challenges of the site.

Metro remains committed to providing Metro property at the Willow Station should the City of Long Beach decide to move forward with a navigation hub. Should the city decide to forgo the hub, Metro will look for other suitable locations at end of line station to establish a navigation hub.

Santa Monica

Metro staff met with City of Santa Monica representatives to review the end of line evaluation findings from the Downtown Santa Monica E Line (Expo) station in February 2023. The City of Santa Monica expressed willingness to support people experiencing homelessness through several strategies,

including providing access to a city family reunification program. Staff will be engaging further with the City to collaborate on other strategies and resources.

Metro Homeless Emergency Declaration

The City of Los Angeles, followed by the County of Los Angeles and the cities of Santa Monica and Long Beach, declared the magnitude of the homelessness crisis to be a State of Emergency in order to expedite the review and approval process of interim and permanent housing projects and to quickly deliver social services and housing solutions and supportive services. At the January meeting, the Metro Board requested a report back regarding any streamlining that could take place under a similar emergency declaration by the Metro Board.

Public Utilities Code section 130234 allows Metro, by a 2/3 vote of the Board, to declare to and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in the emergency without observance of competitive bidding requirements otherwise required under the Public Utilities Code.

By declaring a state of emergency Metro's efforts to alleviate the impact of homelessness on its transit system would be streamlined and expedited by suspending competitive bidding requirements otherwise required under the Public Utilities Code, including soliciting competitive bids for supplies, materials, equipment, and the award of contracts for services. In the event that the Metro Board would want to adopt its own emergency declaration, the Board would need to make the appropriate findings. In previous reports to the Board, staff has documented the overwhelming impacts of the profound homeless crisis on the Metro system.

Strategies for Pursuing Interim Housing on Metro-owned Property

Los Angeles County is experiencing a severe housing shortage. One of the leading factors of homelessness is the lack of affordable housing. In February 2023, the Metro Board adopted Motion 28 by Directors Bass, Hahn, Najarian, Mitchell, Solis, and Krekorian that directed staff to identify potential property owned by Metro that could be used for shelter, services, or interim housing. In March 2023, staff presented an updated inventory of Metro-owned property that is vacant, surplus, or underutilized. Staff is exploring strategies to streamline the production of temporary housing via the Metro Housing Lab.

Previously, Metro has been active in supporting interim housing on Metro property in recent years. There are four existing interim housing developments on Metro properties: Bridge Home facility - Division 6 in Venice; Bridge Home Facility - Van Nuys G Line (Orange) Park and Ride; Tiny Home Village - Reseda G Line; and LAHSA Safe Parking Program - L Line (Gold) Atlantic Station.

In response to the February Board Motion, Housing Lab staff have analyzed the list of available Metro sites and determined preliminary capacity estimates for common modular construction typologies that could be pursued on such sites. Staff has also surveyed and assessed modular building techniques, and companies identified quick-build foundations and utilities to further accelerate the delivery of modular and panelized construction and explored partnerships with local

jurisdictions to support funding applications.

Key findings include:

- Several modular products are re-useable and re-locatable.
- Metro sites are sometimes characterized by environmental challenges such as soil contamination or freeway adjacency or will ultimately need to be returned to use for other purposes. Temporary foundations can be used over existing parking lots and provide a crawl space where utilities can be run above ground. By using such a foundation, the expensive process of site excavation can sometimes be avoided entirely.
- Operational funding for service providers continues to be a barrier to the implementation of interim housing.

To advance interim housing on Metro-owned property and overcome the operational funding barrier, Metro can partner with local jurisdictions coupled with agencies and nonprofits that are seeking land to include in funding applications for the construction and operation of interim housing.

DETERMINATION OF SAFETY IMPACT

The current end of line deboarding policy is necessary to maintain efforts to improve the safety of the Metro system for our customers and employees. Receiving and filing this report will not directly impact Metro's system safety.

EQUITY PLATFORM

By collaborating with other agencies to address homelessness, Metro will be able to help serve LA County's unsheltered population, who are severely disenfranchised members of our communities. A way to reduce the number of unhoused riders seeking shelter on Metro is to increase the interim and permanent housing supply and access to social services at the end of line stations in communities with higher concentrations of homelessness. Metro data shows that key demographics of unhoused riders that we currently serve are African American (49.3%), older adults (17%), and/or youth (11%).

Metro's current homelessness response program provides access to social services and housing for Metro riders throughout the county.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The report back supports Strategic Plan Goal #3.4: Metro will play a strong leadership role in efforts to address homelessness in LA County.

NEXT STEPS

Staff will complete the counts and surveys at the remaining end of line stations. Staff will also continue collaborative discussions with local jurisdictions, LAHSA, and the City and County of Los Angeles to develop partnership opportunities, specifically focused on delivering services and resources to unhoused riders onto Metro's properties. Staff will provide regular updates to the Board on these efforts.

The Housing Lab will continue to coordinate with Metro departments to confirm the sites that may be used for interim housing and to identify any controls required to protect Metro's interest in the

property, including the ability to repurpose the property, protection of adjacent infrastructure, additional safety and security measures, etc.

ATTACHMENTS

Attachment A - End of Line Motion October 2022 - Item 20

Attachment B - LAHSA 2022 PIT Count Results

Attachment C - End of Line Motion Amendment February 2023 - Item 19.1

Attachment D - Long Beach Service Hub Concept Motion February 2023 - Item 31

Attachment E - End of Line Station Survey Data Summary April 2023

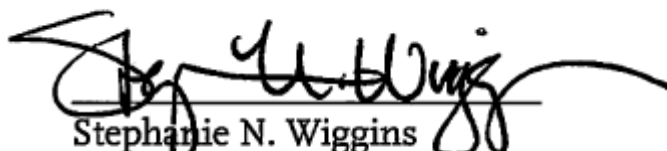
Attachment F - A Line Station Parking Lot Feasibility Analysis

Prepared by: Desarae Jones, Senior Director, Special Projects (213) 922 - 2230

Craig Joyce, DEO, Homeless Initiatives (213) 418 - 3008

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Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie N. Wiggins
Chief Executive Officer



Board Report

File #: 2022-0734, File Type: Motion / Motion Response

Agenda Number: 20.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 20, 2022

Motion by:

DIRECTORS HAHN, NAJARIAN, SOLIS, BARGER, DUTRA, AND KREKORIAN

End of Line Policy and Unhoused Riders Motion

Each night, Metro requires all passengers to disembark at the end of every line once the train goes out of service to ensure that the trains are returned to the railyard properly for cleaning. For example, between midnight and 1AM in downtown Long Beach, four A Line trains go out of service, each in turn requiring that all remaining passengers exit the train so it can return to the rail yard empty of any non-Metro personnel.

While this policy makes sense for purposes of cleaning the trains before they return to service each morning, it also results in kicking unhoused riders off the train and onto city streets at an hour when housing and services are generally not available to assist these individuals. As a result, the Long Beach City Council recently submitted a letter to the Metro CEO requesting an evaluation of this long-standing policy and its impact to cities like Long Beach that have a station that is the end of a Metro rail line.

In order to best address the concerns that cities have regarding this end of the line policy, this Board also needs a clear-eyed look at just how many unhoused riders Metro serves every day, on what lines, times of day, and in what communities.

SUBJECT: END OF LINE POLICY AND UNHOUSED RIDERS MOTION

RECOMMENDATION

APPROVE Motion by Directors Hahn, Najarian, Solis, Barger, Dutra, and Krekorian that the Chief Executive Officer:

- A. Evaluate Metro's end of the line policy and its impacts on communities that have a station that is the end of a Metro rail line;
- B. Conduct a thorough evaluation of the unhoused populations exiting trains at night and boarding trains in the morning at the ends of rail lines, to better understand the impact of the end

of line policy and to inform future resource deployment;

- C. Coordinate with the Los Angeles Homeless Services Authority (LAHSA) for its annual Point-In-Time Count, to determine the numbers of unhoused riders on Metro's bus and rail system; and
- D. Report back on the above three directives no later than January 2023 with recommendations for what we can do differently.



**2022 Greater Los Angeles Homeless Count
Countywide Point-In-Time Homeless Population by Geographic Areas**

Geographic Area	Sheltered	Unsheltered	Total	Total Percent Change 2020-2022
Los Angeles County*	20,596	48,548	69,144	+4.1%
LA Continuum of Care	19,233	45,878	65,111	+2.2%
City of Los Angeles	13,522	28,458	41,980	+1.7%

* Los Angeles County includes PIT data from 4 Continuums of Care: LA, Glendale (G), Long Beach (LB), and Pasadena (P).

Service Planing Areas (SPA) - Data includes all Continuums of Care in Los Angeles County.

	Sheltered	Unsheltered	Total	Total Percent Change 2020-2022
SPA 1	1,028	3,570	4,598	-3.3%
SPA 2 ^G	2,801	7,028	9,829	+6.0%
SPA 3 ^P	1,908	3,265	5,173	+1.8%
SPA 4	4,773	13,047	17,820	+4.1%
SPA 5	1,111	3,493	4,604	-23.4%
SPA 6	5,653	8,945	14,598	+12.2%
SPA 7	1,269	3,512	4,781	+4.3%
SPA 8 ^{LB}	2,053	5,688	7,741	+17.4%

County Supervisorial Districts (SD) using 2012-2021 boundaries prior to redistricting Dec 2021 - Data

includes all Continuums of Care in Los Angeles County.

	Sheltered	Unsheltered	Total	Total Percent Change 2020-2022
SD 1	4,383	11,365	15,748	+8.4%
SD 2	7,956	15,637	23,593	+3.7%
SD 3	3,901	9,531	13,432	-7.4%
SD 4 ^{LB}	2,340	5,881	8,221	+21.9%
SD 5 ^{G,P}	2,016	6,134	8,150	+3.1%

City of Los Angeles Council Districts (CD) using 2012-2021 boundaries prior to redistricting Dec 2021

	Sheltered	Unsheltered	Total	Total Percent Change 2020-2022
CD 1	825	2,570	3,395	+20.2%
CD 2	236	1,128	1,364	-21.6%
CD 3	300	970	1,270	+80.4%
CD 4	316	887	1,203	+12.2%
CD 5	465	787	1,252	+3.9%
CD 6	1,638	1,590	3,228	-2.4%
CD 7	262	1,484	1,746	+21.3%
CD 8	2,245	1,334	3,579	-18.4%
CD 9	2,697	2,943	5,640	+15.3%
CD 10	323	1,348	1,671	-13.4%
CD 11	308	1,704	2,012	-38.5%
CD 12	87	964	1,051	+43.0%
CD 13	682	2,310	2,992	-23.4%
CD 14	2,681	6,523	9,204	+20.8%
CD 15	457	1,916	2,373	+5.1%



**2022 Greater Los Angeles Homeless Count
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* Los Angeles County includes PIT data from 4 Continuums of Care: LA, Glendale (G), Long Beach (LB), and Pasadena (P).

County Supervisorial Districts (SD) using 2022 boundaries after redistricting Dec 2021 - Data includes all Continuums of Care in Los Angeles County.

	Sheltered	Unsheltered	Total	Percent change from redistricted to prior boundaries
SD 1	5,669	13,391	19,060	+21.0%
SD 2	6,915	12,621	19,536	-17.2%
SD 3	3,873	9,612	13,485	+0.4%
SD 4 ^{LB}	2,357	6,612	8,969	+9.1%
SD 5 ^{G,P}	1,782	6,312	8,094	-0.7%

City of Los Angeles Council Districts (CD) using 2022 boundaries after redistricting Dec 2021

	Sheltered	Unsheltered	Total	Percent change from redistricted to prior boundaries
CD 1	825	2,511	3,336	-1.8%
CD 2	236	1,087	1,323	-3.1%
CD 3	242	844	1,086	-16.9%
CD 4	298	858	1,156	-4.1%
CD 5	467	834	1,301	+3.8%
CD 6	1,638	1,590	3,228	+0.0%
CD 7	262	1,484	1,746	+0.0%
CD 8	2,245	1,334	3,579	+0.0%
CD 9	2,697	2,943	5,640	+0.0%
CD 10	323	1,420	1,743	+4.1%
CD 11	308	1,704	2,012	+0.0%
CD 12	80	944	1,024	-2.6%
CD 13	763	2,330	3,093	+3.3%
CD 14	2,681	6,659	9,340	+1.5%
CD 15	457	1,916	2,373	+0.0%



Board Report

File #: 2023-0055, **File Type:** Motion / Motion Response

Agenda Number: 19.1

**REGULAR BOARD MEETING
JANUARY 26, 2023**

Motion by:

DIRECTORS SANDOVAL, SOLIS, BASS, NAJARIAN, HAHN, AND HORVATH

Amendment to Item 19 End of Line Policy Motion

SUBJECT: AMENDMENT TO ITEM 19 END OF LINE POLICY MOTION

RECOMMENDATION

APPROVE Motion by Directors Sandoval, Solis, Bass, Najarian, Hahn, and Horvath that the Board supports all the staff recommendations, additionally direct CEO and her designee to report back at the next reporting cycle in April with responses on the following items:

- A. Assess the ability to provide a full-service homeless outreach plan as part of the daily operations for all 13 end of the line rail stations and continue to add new stations as Metro completes capital projects, by identifying in-house and outside key partnerships with Federal, State, County, and local cities and community-based organizations to assist the unhoused riders with the services needed at the end of service hours.
- B. Formally endorse the recent emergency declarations regarding homelessness by the City of Los Angeles, the County, and the City of Long beach.
- C. Report back in April regarding any Metro streamlining that would need to take place to fully support the emergency declarations.

DUTRA AMENDMENT: Work with cities to provide Mental Evaluation Team (MET) teams to provide mental health services at end of line station.

HAHN AMENDMENT: Update its inventory of potential properties that could be used for interim shelter. With the emergency directives in LA and Long Beach and at the County, and with opportunities like the parking lot at Willow Street Station in mind, Metro has a responsibility to be a partner.

**Board Report**

File #: 2023-0130, **File Type:** Motion / Motion Response**Agenda Number:** 31.

**REGULAR BOARD MEETING
FEBRUARY 23, 2023****Motion by:****DIRECTORS HAHN, BASS, SOLIS, AND DUTRA**

Blue Line Service Hub in Long Beach

In October 2022 (File No. 2022-0734) the Metro Board approved the “End of Line Policy and Unhoused Riders Motion.” Among other things, the motion sought recommendations from staff for what could be done differently to address challenges associated with Metro’s end of the line policy and its impact on communities with a station at the end of a Metro rail line. The motion also noted a letter from the Long Beach City Council that requested an evaluation of this policy.

The January 2022 (File No. 2022-0744) initial response to this motion found that in the City of Long Beach, an average of 39 unhoused riders total exited the last two trains taken out of service every night, at a time when housing and services are unavailable for these individuals. During Board discussion on that report back, staff indicated that it may be possible to keep trains in service on their route to the Metro Blue Line Division 11 in Long Beach, just north of Wardlow Street Station, in order to enforce the End of Line Policy at another location, where services could be located for unhoused riders.

Board discussion on a possible service hub along the Metro Blue Line has focused on Willow Street Station, because Metro owns land that could be leased out to provide services at that location; however, the primary objective is a location that best serves the population, where Metro can be a partner in providing space, with minimal disruption to operations requirements, while relying on the appropriate agencies to operate the hub. Therefore, staff, in coordination with the Los Angeles Homeless Services Authority (LAHSA), County, and City of Long Beach, should make the determination for where best a service hub could be located to ensure that End of Line challenges noted above can be addressed.

The City of Long Beach, County of Los Angeles, and City of Los Angeles have all declared states of emergency around homelessness, and the need to provide services and housing on an expedited basis. These declarations allow for a more rapid response to a humanitarian crisis that demands creative thinking and coordination across several agencies and jurisdictions.

SUBJECT: BLUE LINE SERVICE HUB IN LONG BEACH MOTION

RECOMMENDATION

APPROVE Motion by Directors Hahn, Bass, Solis, and Dutra that the Board direct the Chief Executive Officer to engage the Los Angeles Homeless Services Authority (LAHSA), as well as the County of Los Angeles and City of Long Beach, in order to implement a new homeless service hub in Long Beach along the Metro Blue Line that can address issues associated with the End of Line policy. Further, we direct the CEO to provide an update on this effort in the April 2023 report back, including a public summary document that offers (a) a rationale for a selected service hub location, (b) a plan for operations, and (c) strategies for addressing anticipated challenges.

Attachment C - End of Line Survey and Point and Time Count Data Summary

Rail Corridor	Station Name	Dates of Evaluation	Average PEH Observed Per Night	Number of Survey Participants	Unsheltered at outdoor location in past 30 days		Shelter available in the past 30 days	Last known city of residence was the local jurisdiction of station	Reported at some point they resided in local jurisdiction of station	Homeless for 1 or more years		Interested in services and/or housing	
1 B/D Line (Red/Purple)	Union Station	3/20/23-3/24/23	137	30	19	63%	11	14	16	24	80%	19	63%
2 B Line (Red)	North Hollywood	3/13/23-3/17/23	112	56	44	79%	12	15	16	45	80%	45	80%
3 B/D Line (Red/Purple)	7th Street/Metro Center	3/27/23-3/31/23	93	30	23	77%	6	9	4	22	73%	23	77%
4 E Line (Expo)	Downtown Santa Monica	1/11/23-1/15/23	59	46	32	70%	10	4	16	32	70%	30	65%
5 D Line (Purple)	Wilshire/Western	3/20/23-3/24/23	55	8	7	88%	1	2	0	7	88%	3	38%
6 A Line (Blue)	Downtown Long Beach	12/7/22-12/13/22	39	44	30	68%	10	9	24	22	50%	29	66%
7 C Line (Green)	Norwalk	3/13/23-3/17/23	18	17	13	76%	4	2	2	12	71%	8	47%
8 L Line (Gold)	APU/Citrus	1/11/23-1/15/23	17	41	30	73%	11	1	2	17	41%	27	66%
9 C Line (Green)	Redondo Beach	3/13/23-3/17/23	17	26	11	42%	15	0	2	18	69%	19	73%
10 L Line (Gold)	Atlantic	3/27/23-3/31/23	4	11	4	36%	7	2	5	6	55%	7	64%
11 K Line (Crenshaw)	Expo/Crenshaw	3/13/23-3/17/23	2	7	5	71%	2	3	4	5	71%	6	86%
12 K Line (Crenshaw)	Westchester/Veterans	3/27/23-3/31/23	2	9	4	44%	2	2	2	4	44%	2	22%
	Indicates 50+ average at station PEH per night												

Attachment B

A Line End of Line Station Parking Lot Feasibility Analysis – March 2023

Willow Station Parking Lot Feasibility Analysis showed that the location is feasible for the establishment of a navigation hub program if challenges are mitigated.

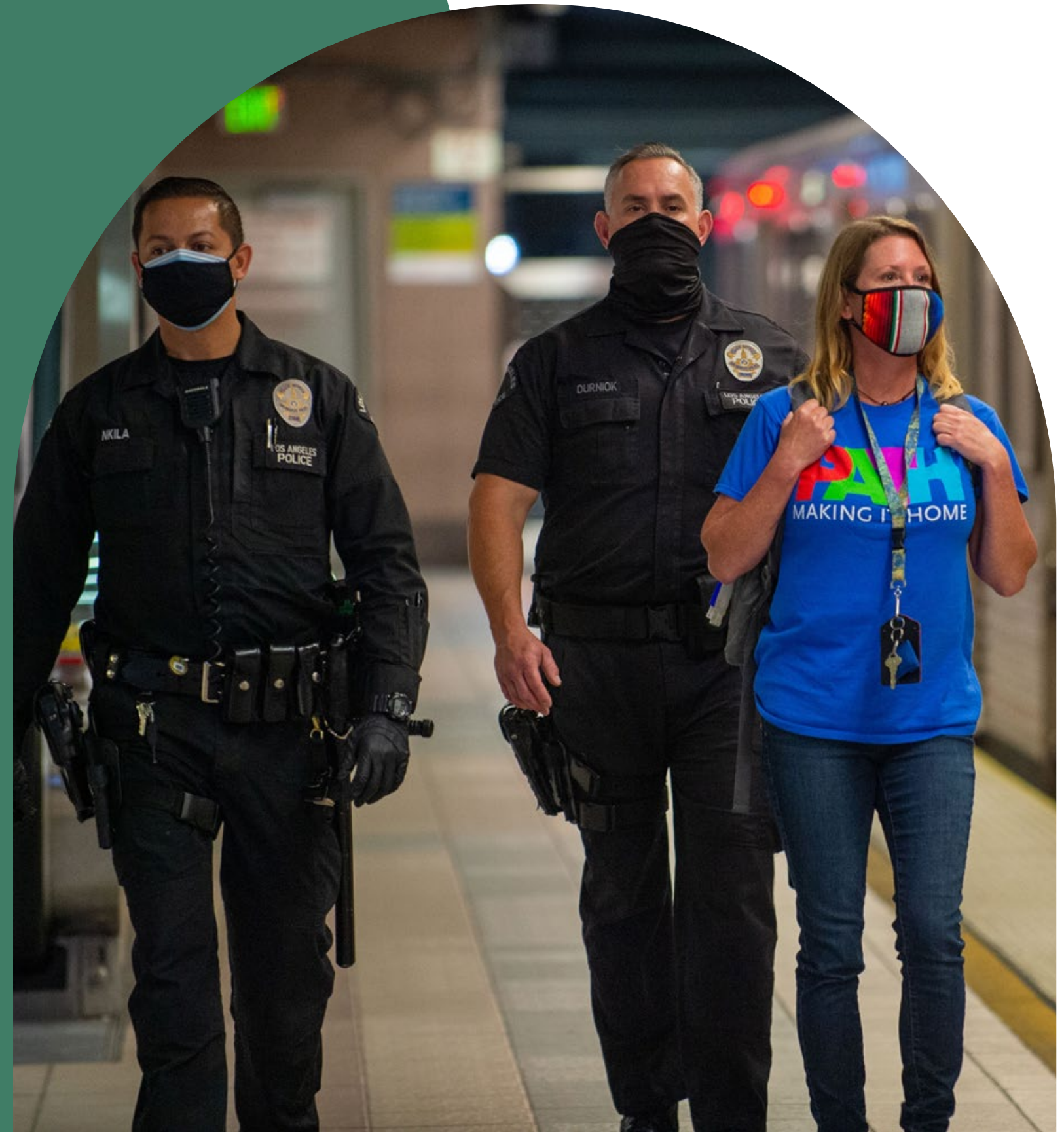
Opportunities:	Challenges:
The available north parking lot is sizable, and there is little parking demand.	The location has sensitive uses adjacent to this lot. It is located within 100 feet of an elementary school and a park with a community recreation center.
The layout of the parking lot is flat and rectangular shaped making it easy to layout a navigation hub.	There is no Water or Sewage infrastructure.
The parking lot is quite isolated and slightly further away from the station.	The property is very close to the rail track, which may raise safety and noise concerns by the operator of a homeless services hub.
Closing the parking lot will not interrupt transit parking or the station's traffic flow.	Encampments (tents) observed in the vicinity of the parking lot, within the park.
Transit parking users currently only use the parking structure and the first parking lot closer to the station.	No community support for program at this site.
Electricity should be available without significant infrastructure investment.	

Wardlow Station Parking Lot Feasibility Analysis: Location is not feasible for a navigation hub program given the inherent challenges.

Opportunities:	Challenges:
Electricity should be available without significant infrastructure investment.	The parking occupancy is 47% and continues to recover. Pre-COVID these lots were full daily.
Both parking lots are located slightly away from residences, commercial areas, and other high-foot traffic destinations, which could cause fewer impacts to the neighborhood.	The layout of these lots is long and narrow, with only one-way traffic with one way in and one way out. This configuration would make it very difficult to maintain parking while accommodating a homeless services navigation hub.
	Smaller usable square footage. Smaller parking capacity.
	Slightly sloped land.
	Entrance and exit immediately merge into a highway speed street and are close to freeway access. Access safety would need to be addressed, especially for pedestrians.
	There is no Water or Sewage infrastructure.
	The property is very close to the rail track, which may raise safety and noise concerns by the operator of a homeless services hub.
	No community support for program at this site.

Metro's End of Line Status Update

Executive Management
Committee
April 2023



Receive and File

Report Back on:

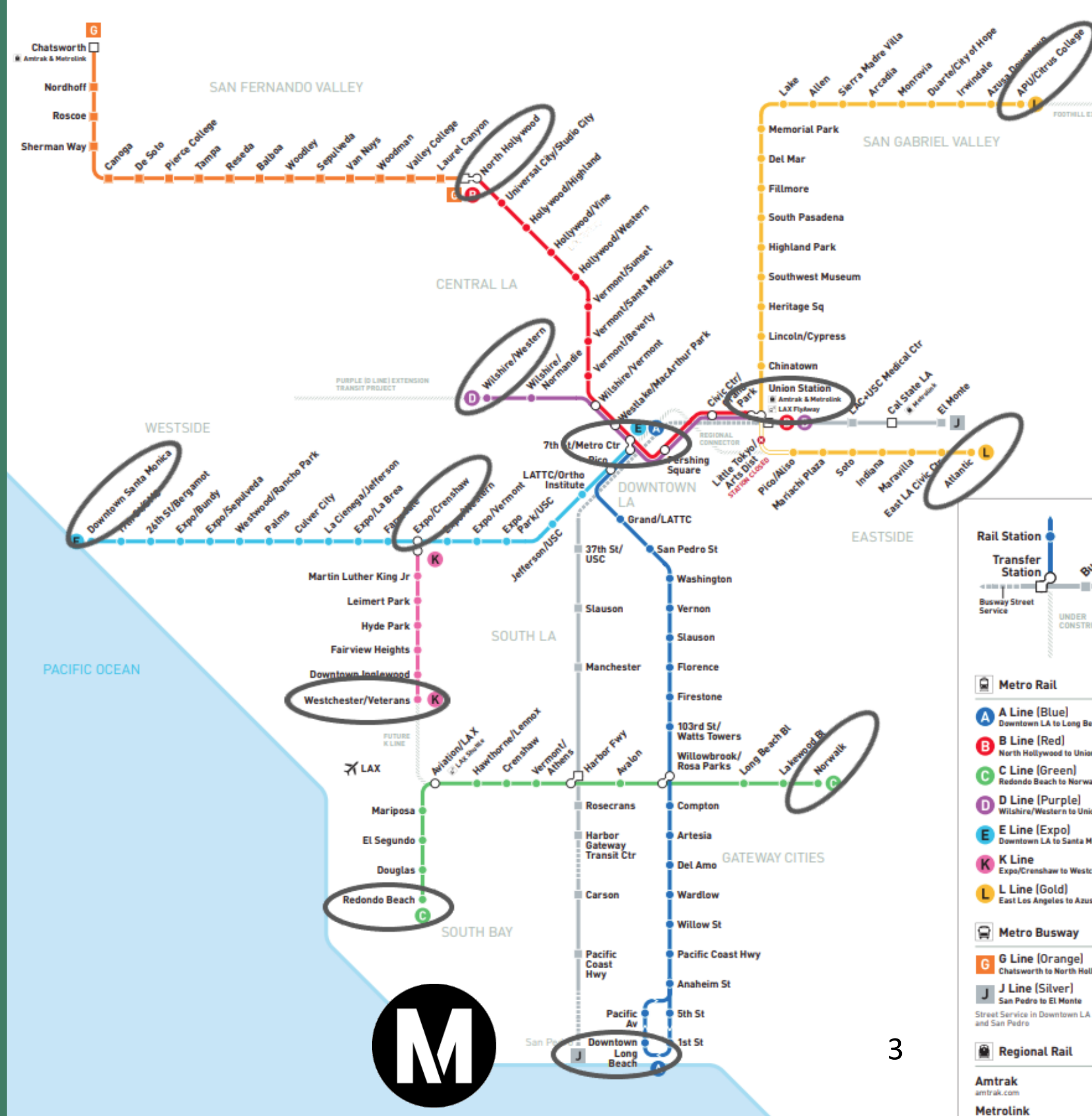
1. Metro's End of Line Policy and strategies to better serve unhoused riders at end of line stations and regional coordination efforts.
2. Potential benefits to Metro resulting from an emergency declaration.
3. Strategies to increase interim housing on Metro property.

- Motion 19.1 in January 2023 directed the CEO to examine full-service outreach models for end of line stations, support for recent emergency declarations, and to update Metro's inventory of properties that are vacant or underutilized.
- In February 2023, the Board adopted Motion 31 directing the CEO to engage LAHSA, the County CEO Homeless Initiative, and local jurisdictions on the implementation of a navigation service hub.



Understanding Impacts – Point in Time Counts

- Dec, 2022 – April 2023 Conducted point-in-time (PIT) counts and demographic surveys at 12 of 13 EOL stations
 - Pico-Aliso EOL station scheduled for May 2023
- Average of **555** Persons Experiencing Homelessness (PEH) each night across all EOL
- In 2022, Metro estimated that there are 800 people experiencing homelessness sheltering on the entire rail system on any given night.



Point in Time Counts – Key Findings

- ***Metro B/D (Red/Purple) Line stations within the city of Los Angeles have the highest reported PEH offloading at end of line stations.***
- Union Station, North Hollywood, and 7th Street/Metro Center Station are significant “hot spots” for homelessness between midnight – 3 am.
 - Union Station has the highest reported PEH at the end of, with a nightly average of 137 individuals observed.
 - North Hollywood Station notes 112 PEH on average nightly.
 - 7th Street/Metro Center data shows 93 PEH on average nightly.
- ***Metro will use share this data with local jurisdictions to better plan social services and resource allocation. It will also help to coordinate LAHSA’s future annual point in time counts.***



End of Line Survey – Key Findings

321 people experiencing homelessness surveyed at end of line stations between December 2022 and April 2023:

- 64% noted that they were willing and ready to be connected to services and/or housing.
- 69% have experienced unsheltered homelessness within the last 30 days, sleeping in an outdoor location, such as a city sidewalk, alley, bus stop, or train station.
- 69% have experienced homelessness for at least a year or more.

To reduce the number of PEH sheltering on Metro, there needs to be a concentrated effort for local jurisdictions, LAHSA, and the county to increase the inventory of available shelter beds and/or extend the hours of operation for social services near stations.



Transit Agency Strategies: Peer Review

- Transit agencies across the country are experiencing a prevalence of PEH, drug use, untreated mental health, and concern over safety. Metro visited and/or reviewed homeless strategies from:
 - Southeastern Pennsylvania Transportation Authority (SEPTA)
 - City of Philadelphia
 - Bay Area Rapid Transit (BART)
 - New York MTA
- Primary commonality across each regional approach: Coordinated Enforcement & Outreach
- Strategies of note: Homeless Hub, recurring PIT counts & data collection, partnerships with locally funded outreach, sufficient shelter availability within reasonable proximity to stations

Navigation Hub Concept

- Metro staff, County CEO Homeless Initiative, LAHSA, Departments of Mental Health (DMH), Health Services (DHS), and the City of Long Beach are working to identify a location for a navigation hub to serve individuals who are deboarding from the Downtown Long Beach Station.
 - Evaluated the two parking lots in Long Beach and found that Willow Station parking lot is feasible for the establishment of a navigation hub program if challenges are mitigated.
- LAHSA estimates annual operational costs to be \$1 million (does not include capital costs) for a hub that would serve up to 50 individuals, with a small number of short-term crisis beds and 24-hour resource navigation services.
- City has expressed considerable concerns and has indicated informally that it is not interested in moving forward at this time.
- Metro is committed to providing Metro property near an end of line station for a hub and will continue to look for other possible locations.



Emergency Declarations

- Public Utilities Code section 130234 allows Metro, by a 2/3 vote of the Board, to declare to and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in the emergency without observance of competitive bidding requirements otherwise required under the Public Utilities Code.
- Would allow procurement streamlining for social service contracts as part of Metro's effort to alleviate the impact of homelessness on its transit system.
- Board would need to make the findings that a state of emergency caused by homelessness in the County exists and declare such an emergency.



Future Interim Housing on Metro Property

- Metro Housing Lab is working on strategies to streamline production of temporary housing.
- Staff analyzed the list of available Metro sites and determined preliminary capacity estimates for common modular construction typologies that could be pursued on such sites.
- Staff also assessed modular building techniques, and companies to identify quick-build foundations and utilities to further accelerate the delivery of modular and panelized construction.

Key findings include:

- Several modular products are re-useable and re-locatable.
- Temporary foundations can be used over existing parking lots and provide a crawl space where utilities can be run above ground. By using such a foundation, in some cases the expensive process of site excavation can be avoided entirely.



Future Interim Housing on Metro Property

Key findings continued:

- Operational funding for service providers continues to be a barrier to the implementation of interim housing.
- To advance interim housing on Metro-owned property and overcome the operational funding barrier, Metro can partner with local jurisdictions coupled with agencies and nonprofits that are seeking land to include in funding applications for the construction and operation of interim housing.

10



Regional Coordination on Homeless Response Efforts



- Metro's multi-disciplinary teams (MDTs) conduct intensive outreach and engagement at the hot spots systemwide daily beginning at 3 am.
- Metro has partnered with the Department of Health Services (DHS) to provide their mobile clinic services at the Westlake MacArthur Park Station twice a month with the goal of expanding to other identified hot spot stations.
- MSW Internships:
 - Metro is developing a social work student practicum outreach program. To date, staff has reached out to several schools of social work, including USC, UCLA, Cal State Northridge, Cal State Dominguez Hills, Cal State Long Beach, and UMass Global, to request a partnership with MSW student field placements at Metro.
- Standing up a regional task force consisting of LAHSA, County Homeless Initiative, Social Service Departments, and other providers.

Next Steps

- Staff will complete the counts and surveys at the remaining end of line station and continue collaborative discussions with local jurisdictions.
- Staff will continue to work with LAHSA, the City, and the County of Los Angeles to develop partnership opportunities, specifically focused on delivering services and resources to unhoused riders onto Metro's properties, including a potential navigation hub.
- The Metro Housing Lab will continue to coordinate with Metro departments to confirm the sites that may be used for interim housing and to identify any controls required to protect Metro's interest in the property, including the ability to repurpose the property, protection of adjacent infrastructure, additional safety and security measures, etc.





Board Report

File #: 2023-0095, File Type: Motion / Motion Response

Agenda Number: 19.

EXECUTIVE MANAGEMENT COMMITTEE APRIL 20, 2023

SUBJECT: FARELESS SYSTEM INITIATIVE (FSI)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING report on funding feasibility strategies to facilitate the Fareless System Initiative (FSI); and
- B. APPROVING an extension of the Pilot GoPass Program (FSI Phase1) through FY24.

ISSUE

Metro has actively pursued the implementation of a Fareless pilot in LA County since 2020. Recognizing the benefits of a Fareless program while also considering the financial constraints, the Board approved phase 1 of the FSI pilot (GoPass) program in September 2021, to provide K-14 students free transit, and enhancements to the LIFE program. The report provides a recommendation to extend the GoPass pilot program for another fiscal year as staff continues to identify and pursue funding for the program.

BACKGROUND

In August 2020, Metro initiated a study of free fare service as a recovery strategy for the COVID-19 pandemic. The study confirmed that Metro riders are overwhelmingly low-income people of color for whom transit fares are an economic burden. The pandemic exacerbated inequalities pushing many further into poverty, resulting in low-income residents making difficult decisions about what necessities they can afford, such as food, housing, transportation, or healthcare. The key objective of the pilot FSI program is to alleviate some of the financial pressure by removing the transit cost and enabling greater economic stability for those who need it the most.

A fareless system can provide several benefits to Metro and LA County.

- Increased ridership: Cost is often a barrier for many low-income LA County residents; the frequency of usage and new riders will increase. The increased ridership can help reduce traffic congestion and air pollution throughout the County.

- Improved access to essential services: Metro is a lifeline for low-income riders. Metro provides reliable transit services to places of employment, healthcare, education, and other essential services. The cost of transportation can be cost prohibitive for some low-income residents, particularly if they need to use it frequently.
- Promote social equity: Reducing the impact of poverty on residents and communities by removing the financial barrier to ensure equal access to transportation.
- Economic benefits: Providing free public transit can stimulate local economies by making it easier for people to access jobs, goods, and services. It reduces the financial burden on LA County residents, who may be spending a significant portion of their income on transportation.
- Environmental benefits: Positive impact on public health with reduced greenhouse gas emissions and improved air quality.

On May 27, 2021, the Board approved Motion 45 by Directors Garcetti, Mitchell Krekorian, Bonin, and Solis (Attachment A) directing the Chief Executive Officer to implement the FSI, subject to a final financial plan while pursuing cost-sharing agreements.

At its September 2021 meeting, the Board approved a phased approach to FSI implementation - Phase 1 fareless for K-14 students and Phase 2 fareless for low-income residents, once funding has been identified. The Board approved the implementation of FSI Phase 1 (GoPass), which was funded with one-time American Recovery Plan Act (ARPA) funding. With this action, the Board also approved improvements to Metro's Low-Income Fare is Easy (LIFE), such as an easier application process and a reduction in cost. Increasing enrollment in the LIFE program is an important interim step to FSI Phase 2 as staff continues to identify potential federal, state, and local funding for FSI Phase 2. At the same meeting, the Board approved Motion 40 by Directors Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker directing streamlined and accessibility improvements to the LIFE program that provides transit discounts to qualifying low-income residents. (Attachment B)

In November 2021, under the direction of Board Motion 40, Metro launched an even more streamlined LIFE program aimed at doubling enrollment in the program. The effort expanded the LIFE program to reach more eligible riders and acts as a bridge to FSI Phase 2 low-income fareless as Metro actively seeks funding for the pilot program. The LIFE program surpassed the double enrollment goal of 182,172 by the end of 2022 and a total of 217,554 life participants as of April 2023.

The GoPass Program was officially launched on September 23, 2021, as a two-year pilot.

DISCUSSION

A fareless transit system in Los Angeles County is both an investment in social mobility and an important tool to assist in the fight against income and health inequality. The cost barrier to transit disproportionately impacts low-income households. Transportation costs limit mobility and access to employment, education, medical care, and social services.

By expanding mobility access, the FSI Program supports a range of interlocking economic, climate, and equity objectives. The Program's key objective is to remove barriers to mobility. Public transit provides access to jobs, economic opportunities, education, and healthcare resources while decreasing greenhouse gas emissions and congestion in the LA Metro area.

GOPASS

GoPass is paving the path towards a better quality of life and future job opportunities for the most disadvantaged students in LA County. Free access to public transportation increases students' mobility, school attendance, graduation rates, and access to social activities, promoting a better quality of life and better job opportunities.

GoPass has helped to promote educational equity by ensuring that all students, regardless of financial circumstances, have equal access to the educational opportunities they need. GoPass program supports young Angelenos with greater access to higher education and better jobs. A Metro study showed that students receiving a free transit pass have up to 27% higher graduation rates, which leads to expanded academic and employment opportunities. Currently, GoPass is expanding transit options for youth to attend post-school activities.

Prior to GoPass, Metro issued 93,956 K-12 Reduced Fare passes in FY19, which accounted for 10.1 million TAP boardings on Metro and Munis. All reduced-fare college programs accounted for 57,721 passes and 7.7 million TAP boardings on Metro and participating Munis. The total reduced-fare student participation in FY19 was 151,677 passes and 17.8 million boardings.

GoPass Program 2-Year Pilot Overall Stats (as of 4/7/23)

1. Registration Stats
 - 237,067 participants of the 2,016,043 students in LA County. About 18% of the student population
 - 101 participating districts
 - 1415 Participating schools
 - 16.6M boardings
 - 1.2M TAP cards provided to schools
 - 723 schools (52.74%) are within an EFC (Attachment C)
2. Applicant Stats
 - 86% of GoPass participants are over the age of 13
 - Average age is 18 years
 - 64% are Latino, 8% are Black, 14% preferred not to say, 7% are white, 7% are Asian or Pacific Islander, and 0.45% are American Indian
 - Though 48% of participants preferred not to provide household income, for those who did, 79% of participants reported a household income under \$35,000 and 89% reported a

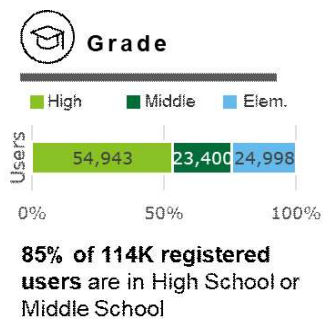
household income under \$50,000 annually.

3. Transaction Stats
 - 16.62M Boardings
 - Avg Boardings 1.2 m per month
 - 90% of Boardings are on Bus
 - 88% of Boardings during the week M-F

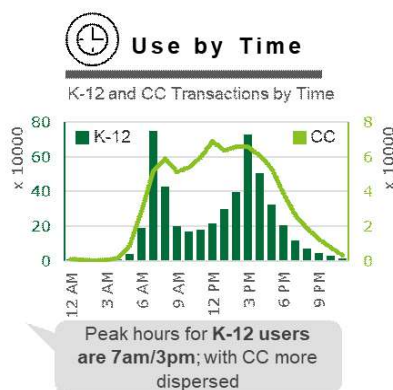
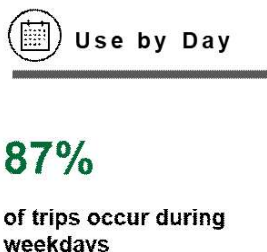
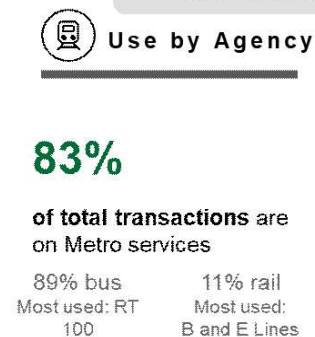
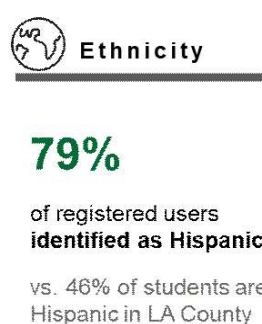
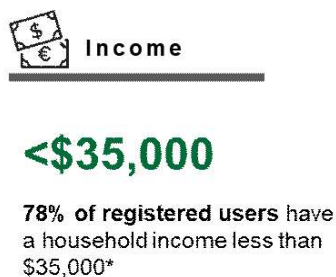
In the first 8 months of Year 2, the GoPass pilot program has recovered 63% of the pre-COVID student pass ridership and is estimated to reach 14M (79%) boardings by the end of FY23.

The GoPass program has also provided an additional 85,390 (56%) students with access to public transit. Families of K-12 students who participate in the GoPass program see an annual savings of \$288 per student by not having to purchase a reduced-fare student monthly pass. Community college students save \$516 per year participating in GoPass. Some community college participants are parents with children who also participate in GoPass, saving the family over \$800 per year.

GoPass first year findings:



Community college users are about 10% of K-12



GoPass Costs

For the initial 2-year GoPass Pilot, Metro used ARPA funds to mitigate the cost of the program, including the loss in student fare revenues, which ensured that it did not reduce existing transit operations or state of good repair expenditures or use regional funding typically committed to bus and rail transit operations or intended for Metro’s capital program. ARPA funds were used by Metro, other transit agencies, and many participating school districts to cover the cost of the initial GoPass pilot program, which ends June 30, 2023. The cost for K-12 districts to partner with Metro is \$3 per enrolled student per year, and the cost for community colleges and adult/vocational schools is \$7 per student per year.

Factoring in estimated fare revenue losses, reimbursements from the schools/districts, reimbursements to other agencies, and TAP card and administrative costs, Metro anticipates a total annual cost of \$12.8 million for Year 2 that includes the revenue from school cost-sharing agreements. Metro Year 1 costs were \$7.8 million. The increase in Year 2 cost is driven by an increase in the number of participants and boardings and the projected loss of farebox revenue for Metro and the other participating transit agencies.

State Assembly Bill (AB) 1919, which would have provided statewide funding for student transit pass programs, was vetoed by Governor Newsom last year because the appropriate funding was not available in the state budget to support the program. Metro is continuing to work with a statewide

coalition supporting new legislation for potential statewide funding in support of student pass programs as AB 610.

Although AB1919 was vetoed, new Home-to-School (HTS) Transportation Reimbursement for school districts was implemented through AB 181 (Chapter 52, Statutes of 2022) and amended by AB 185 (Chapter 571, Statutes of 2022). It provides public school districts and county offices of education (COEs) with reimbursement of up to 60% of their transportation program costs and requires a district Transportation Plan to be reviewed by a local transit agency and adopted by the school district's governing body by April 1, 2023. Metro has assisted over 40 school districts with information, participation data, and plan reviews to meet this requirement.

Because of the availability of this new funding source, staff will negotiate increasing the GoPass cost-sharing rate for K-12 districts from \$3 to \$7 per student per year. After the 60% reimbursement, the net cost to public school districts would be \$2.80 per student, which is less than the current rate. This would result in \$3.4 million in additional funding to Metro for Year 3 of the GoPass Program and reduce the projected cost of Year 3 from \$20 million to \$16.6 million, without increasing the net cost to public school districts. (Attachment D)

Therefore, staff recommends extending the GoPass pilot program an additional year.. No increase to the cost for community colleges or adult/vocational schools will take place. This will make the cost the same for all categories of students.

SURVEY

In February 2023, Metro conducted an online GoPass participant survey. The purpose of the survey was to help develop an advocacy plan for the fare program, specifically around free fares. The survey allowed Metro to collect qualitative information about the people who use the free fare program and visualize the impact of the program.

TAP sent out an online survey to 102.7k GoPass participants who were eligible and reduced-fare students using their 90 days of free fares under the LIFE Program. The survey was available in English and Spanish and was live for ten days in February 2023. 1,524 GoPass surveys were collected with a 38% response rate.

Key Findings (Attachment E)

- 62% of GoPass survey participants said they ride more frequently now than before enrolling.
- Over 45% of GoPass survey participants ride Metro multiple times a day compared to only 27% before enrolling in the program.
- Over 60% of GoPass survey participants are female compared to Metro systemwide at 46%, *Customer Experience Survey 2022*
- More than 50% of GoPass survey participants previously had to choose between spending money to ride LA Metro or spending it on other important needs.
 - When having to choose between spending money to ride Metro or spending it on other important needs, 29% of survey respondents said they used their money to pay the fare.

- When asked about how they spent the money they saved under GoPass, survey participants spent the money they saved on schoolbooks and supplies, and food.
- 85% of GoPass survey participants express feeling more independent and relying less on family/friends for rides.
- 97% of GoPass survey participants feel better or much better after receiving free fares.

- Sample of responses when asked to “Please describe in your own words the impact of free transportation fares on your life.”
 - It's the reason why I attend college
 - Kids feel more secure riding the bus instead of walking to school or home.
 - Sometimes, I didn't have money in high school to take the metro bus, so I would have to walk like 35 minutes, but then my school gave out tap cards.
 - The impact that free transportation fares had on me were eye opening. I am now able to go to more school/community events. I don't rely so much on my parents for transportation since they can only do so much. I am very fortunate to have received this opportunity.
 - The impact free transportation fares have had on me is being able to get to school without having to worry if I will or won't have money for my bus fare there and back, as well as being able to save money to use for school or other needs I may have. It has saved me a ton since I have to take 4 buses to school and back, making it 8 buses a day
 - The free transportation fares impacted my life as I'm able to go to school every day without worrying about spending money each time I take the bus, which helps with the hardships of my financial situation I'm currently living.
 - Without free transportation fares, I literally would not be able to afford lunch. (i.e. Bread, cheese, lettuce, and meat that can last me a week) Free transportation fares have literally changed my life in more ways than one.

FSI-Phase 2 Low-Income

As a bridge to a low-income fareless program, Metro has taken various steps to dramatically expand the number of individuals served by the LIFE Program, Metro's fare discount program that supports low-income residents' access to transportation. In 2022, registrants completed about 800,000 boardings a month on average. Currently, 78% of LIFE riders have annual incomes lower than \$41,000. 53% of LIFE riders are female.

Over the past year, Metro has specifically worked with the Los Angeles County Department of Public

Social Services (DPSS) to increase enrollment in the program. Similarly, Metro staff has reached out to the City of Los Angeles WorkSource Centers, the Los Angeles County Department of Mental Health, and labor unions to discuss cross-promotional efforts. Metro intends to pursue other co-enrollment partnerships with the LA County Department of Children and Family Services and the LA County Development Authority's Section 8 and Public Housing participants.

In February 2023, Metro also conducted an online LIFE participant survey with the same objective as the GoPass, to collect qualitative information about the people who use the free fare program and visualize the impact of the program.

TAP sent out an online survey to 28,000 LIFE program participants who were eligible/are using 90 days of free fares. The survey was available in English and Spanish and was live for ten days in February 2023. 1661 LIFE surveys were collected with a 41% response rate.

Key Findings (Attachment F)

- 50% of LIFE survey participants are female compared to systemwide 46%, *Customer Experience Survey 2022*
- 55% of LIFE survey participants are riding Metro multiple times a day.
- 72% rode Metro more frequently when using the free fares.
- More than 50% of LIFE survey participants have had to choose between spending money to ride Metro or spending it on other important needs.
 - When having to choose between spending money to ride Metro or spending it on other important needs, 29% of survey respondents used their money to pay the fare.
- When receiving free fares, LIFE survey participants spent the money they saved on food, housing cost, and home items.
- 95% of LIFE survey participants feel better or much better after receiving free fares.
 - The top three reasons why survey respondents felt better were because they worried less about money, felt less stressed, and were able to plan their day more easily.
- Sample of responses when asked to "Please describe in your own words the impact of free transportation fares on your life."
 - Facilita la vida y es una gran ayuda (makes life easier and is a great help)
 - I was able to schedule medical appointments at VA Hospital without worrying if I had the bus fare. I was able to travel to big food stores and not have to use local high price all stores near me
 - I am grateful for the Life Program being on a limited income and having to do other things like washing clothes, grocery shopping and getting back and forth to work during the week and on the weekends using public transportation has helped tremendously.
 - Helps a lot in paying other bills. Being part of a low income family, this was a

relief, money wise, with the 90 day free bus ride

- I get limited money on welfare. This made it easier to spend more on my children and worry less about bus rides. I take 2 busses to get them to school, then 2 more buses to get me home. Then when the day is done, another 2 busses to go pick them up and another 2 busses home. I ride the bus at least 8 times or more a day. This saves me greatly.

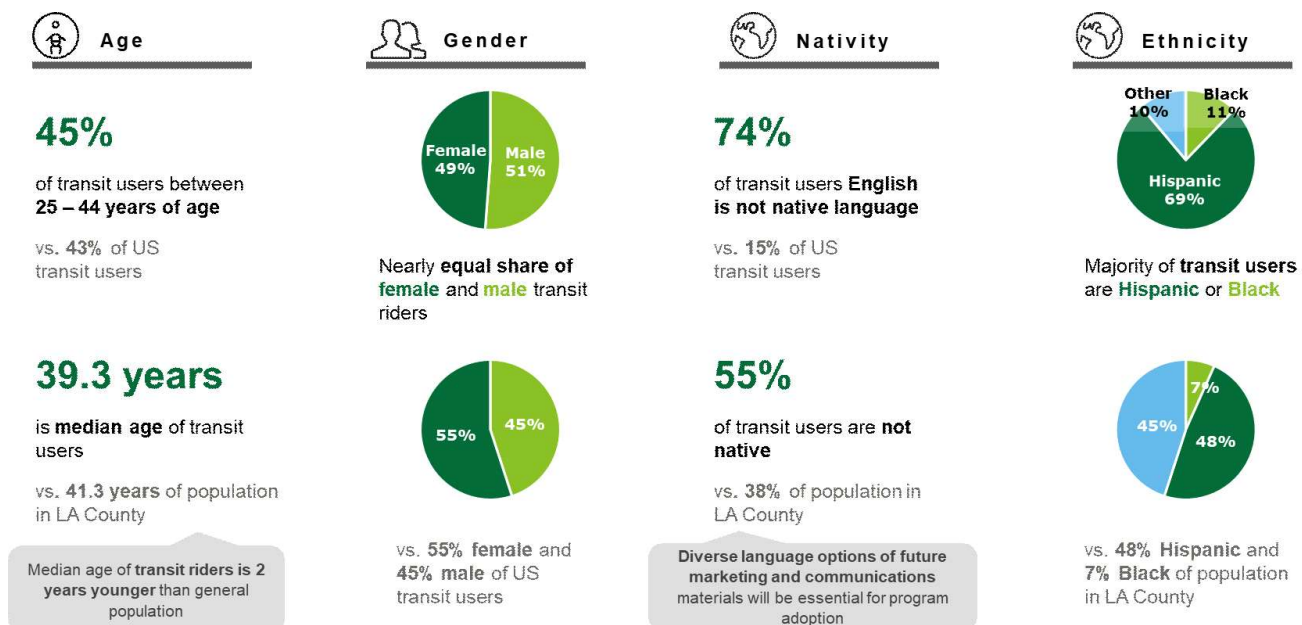
FSI PILOT PROGRAM NEXT STEPS

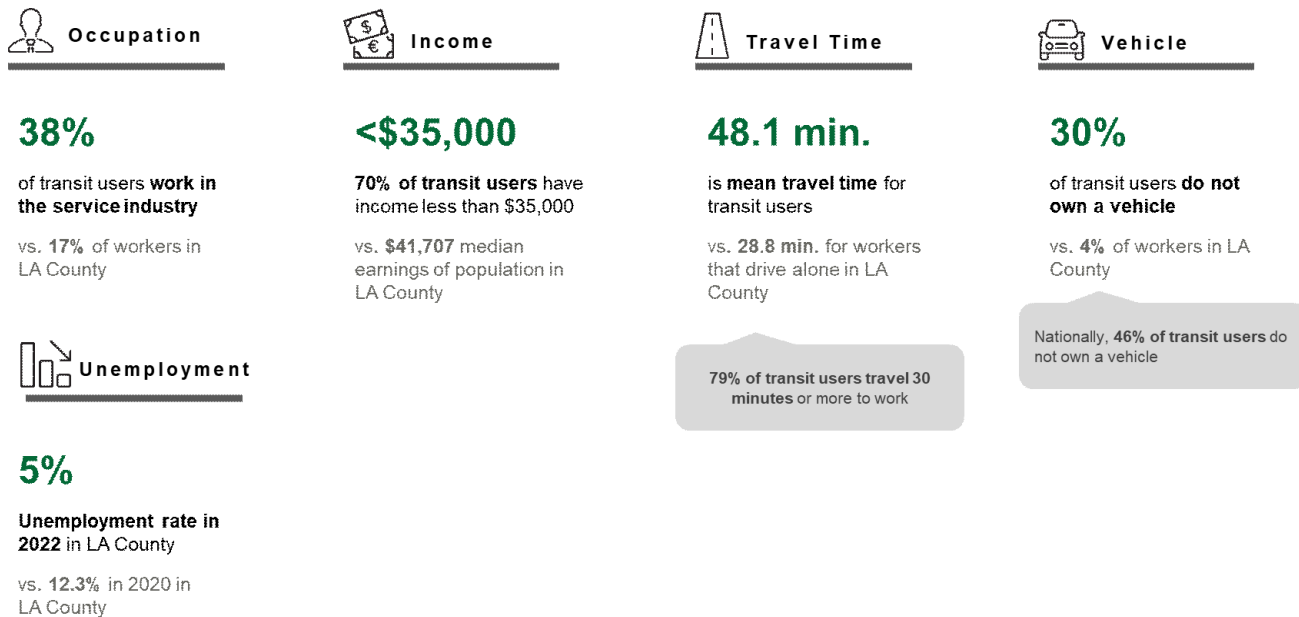
LA County has 9.8 million residents, about 25% of the entire State of California. Among Los Angeles County residents, approximately 13% live in poverty. Seventy percent of Metro customers have an annual household income of less than \$35,000. 80% of the customers are Latino/Hispanic or Black. The expansion of FSI to Phase 2 would eliminate transportation costs for extremely low-income riders and reduce equity disparities, promoting a better quality of life for LA County residents.

LA County Transit Users:

LA County transit users are diverse and younger than the general population in LA County. They primarily work in the service industry, make less than \$35k annually, and on average, have longer commute times than drivers.

LA County Transit Users Overview





Metro’s next step is to identify funding opportunities to expand its fareless system initiative. Metro has been actively pursuing funding but also recently engaged Deloitte to evaluate the FSI Phase 2 Program and develop a comprehensive funding feasibility plan including Federal, State, Local, and non-governmental sources and an advocacy plan.

The advocacy plan identifies three (3) priority audiences for tailored outreach with customized propositions around the impacts on equity, economic opportunities, and climate change. Creating a broad coalition of support and securing funds from multiple sources will be critical and will require an innovative approach that highlights the equitable public transit outcomes from the FSI Phase 2 Program.

Consistent with our Board-approved Federal Legislative Program for 2023, Metro continues to be a national leader in advocating for federal programs that would establish grants in support of fare-free and reduced-fare transit programs. Previously, Metro successfully advocated for the inclusion of such funding as part of a new discretionary grant program (Affordable Housing Access Program) included in the Build Back Better Act. Unfortunately - the Build Back Better Act did not become law, and the Bipartisan Infrastructure Law - which did become law - failed to embed the language we sought to have the federal government support fare-free and reduced-fare transit programs. During the current 118th Congress, staff will continue to explore all possible legislative efforts to create a new federal discretionary grant program to support fare-free and reduced-fare transit programs.

At present, staff is working with a diverse number of stakeholders across Los Angeles County to aggressively pursue federal funding for fare-free and reduced-fare transit services in the 118th Congress through the congressionally directed Community Funding Project process - previously known as earmarks. Staff has submitted Community Funding Project requests with members of the Los Angeles County Congressional delegation (including our U.S Senators) to support Metro’s Go

Pass Program - with strong support from members of the Metro Board and other groups, like MOVE LA, the Paramount Unified School District, the Los Angeles Unified School District, Long Beach Unified School District, Santa Monica College, Long Beach City College, among other educational institutions.

Metro staff is continuing to advocate for state funding to support the roll out of Phase 2 of FSI. The agency is supporting AB 610 by Assemblymember Holden, which would create a statewide Youth Transit Pass Pilot Program. The Department of Transportation would administer the Program to award grants to transit agencies to create and implement free youth transit pass programs. AB 610's proposed grant program would allow Metro to continue the GoPass program beyond its initial pilot phase. AB 610 builds upon the Assemblymember's similar bill from last year, AB 1919, which passed the legislature and was formally supported by Metro but was ultimately vetoed by the Governor for not having an associated appropriation. AB 610 is contingent upon an allocation of funds in the state budget and would be repealed on January 1, 2029. This bill is in line with our board-approved legislative program that seeks state funding for the implementation of a fareless transit system.

FSI Phase 2 Funding Sources:

The advantages and benefits of a fareless initiative are numerous. However, the key to success for FSI is to document the program data and messaging materials so they become compelling and impactful in the funding and policy decision-making processes. With a focus on providing equitable mobility and better quality of life for Angelenos with the lowest incomes, the key funding findings and recommendations are summarized in (Attachment G)

A broad collection of funding opportunities that are potentially viable and suitable to support Metro's budget requirements for expansion of the FSI program were assessed to the degree to which various funding options provide achievable, sufficient, and sustainable support for the FSI project as scoped by Metro.

The overall scope and primary purpose of the FSI program are about affordability and access to transit for students and low-income residents, however, the program's implementation approach and timeline are areas where the funding challenges loom largest. The current implementation plan for low-income is based on an estimated cost of \$439 million over eighteen months and more than 1 million eligible residents. These program assumptions, costs, and timeline will lead to a weaker funding feasibility plan and a lower probability of a sustainable program.

The FSI feasibility funding plan requires leveraging a combination of federal, state, local, philanthropic, and non-profit sources. Contributing sources may vary significantly throughout the years and are dependent on numerous and unpredictable variances that will present challenges for a sustainable fund source. A summary of all programs can be found in Attachment H.

Federal Funds: 69 specific programs were evaluated, including 56 from IIJA, 7 from USDOT, and six from HUD. Three federal programs with "High" alignment were identified, all through the Infrastructure Investment & Jobs Act. The Plan identified the Department of Transportation RAISE Grant Program, the FTA's Enhanced Mobility of Seniors & Individuals w/ Disabilities, and the FTA

Research Development, Demonstration, and Deployment Projects grant opportunities.

Federal Funding Challenges

- Federal programs do not directly list fare assistance as an eligible use of funds
- Regulations are not clear around the use of funds for fare revenue replacement
- Most Federal programs require cost sharing of 20% to 50% with awarded agencies

Federal Funding Opportunities

- Federal program awards are generally higher in value
- An award for FSI could create a use case for federal support for funding fareless transit
- Metro could have the opportunity to help shape legislation for fareless programs at the federal level leveraging data from GoPass

State Funds: 16 programs were evaluated. Two state programs with “High” alignment were identified, namely the Air Resource Board’s Sustainable Transportation Equity Project (STEP) and Caltrans’ Low Carbon Transit Operations Program (LCTOP)*. Categories used to support the state ranking alignment were transportation, education, growth, climate, resource, and workforce.

State Funding Challenges

- Majority of State programs are for competitive grants, with several oversubscribed in recent fiscal years
- Reduction of greenhouse gas emissions is a top priority for capital investments compared to fareless initiatives

State Funding Opportunities

- Share the FSI vision of success with stakeholders and highlight two years of GoPass and LIFE actual data as proof that fareless programs will create a significant community and transit impact.
- Use media and communications channels to keep stakeholders informed with data. One of the challenges to obtaining multiple years of funding for fareless initiatives is the lack of data to support political decisions. FSI can change this scenario by providing updated data for Los Angeles, the second largest transit market in the country.
- Build political support for future fareless legislation and policy development.

Local Funds: Local measures and potential funds from local municipalities were evaluated, in addition to 26 alternative revenue options. Two measures and two propositions with “High” alignment were identified that have designated allocations that may fund operational expenses and transit related programs such as FSI.

Local Funding Challenges

- Creating local stakeholder buy-in to fund the program
- Competing funding priorities with major local issues such as housing
- Elevating the importance of fareless initiatives to top of local conversations to emphasize and raise the priority to allocate local funds for fareless initiatives

Local Funding Opportunities

- Define a unique value proposition that will resonate with local community aspirations
- Gather political support for legislative solutions that could drive new sources of revenue to be directed to fareless initiatives
- Eliminate transit cost barrier from the most needed parcel of the population
- Review existing congestion pricing policies that are designed to maintain free flow traffic conditions in the managed lanes. Amplify the local voice for policy changes that allocate a portion of toll revenue to the fareless initiative as a congestion reduction measure to incentivize people to use transit, thereby reducing the number of personal vehicles in the managed lanes
- Take the opportunity to serve as a pathway to create a transit model that fights against climate, poverty and increases ridership

NGO/Philanthropy and Private Sector Funds: 46 organizations were evaluated as potential supporters of FSI Phase 2. 15 potential supporters with “High” alignment with the goals of a fareless program for low-income riders,

Alternative Revenue Options: In addition to government funding sources, the FSI Phase 2 Funding Plan identified potentially innovative options to generate revenue from local, nongovernmental, and private sector partners that align with the objectives, benefits, and outcomes for low-income riders envisioned through FSI Phase 2. Upon initial review, Metro staff believe that the following concepts are worthy of further investigation:

- o **Employer Certification Program** - Develop a "Transit Friendly Employer" program that requires a % of fare purchases to be donated to FSI
- o **Congestion Pricing** - Allocating or competing for a portion of the revenue generated

from congestion pricing on toll lanes

- o **Cost Sharing with Health Insurance Companies** - Insurance will cover the cost of trips to/from health care appointments
- o **Toll Round-Up** - Institute a toll “round up” feature to allow Express Lane drivers to round up their tolls

Funding Key Considerations:

The FSI Phase 2 funding plan should take a funding compilation approach since there is no clear single funding source that can meet the total needs of the program. The FSI Program size and scope make it necessary to anticipate and overcome potential barriers or limiting factors. Defining and advocating around the program benefits are essential to making the fareless initiative a viable program for the future. Finding a dedicated, evergreen funding source will be a challenge. One time money may start a program but may not be available to sustain the program creating an ongoing operating expense. It is more detrimental to riders to start and end a program abruptly because there is no funding. It may be even more detrimental to cut service because of the lack of funding.

However, there are a considerable number of funding sources and opportunities with federal, state, local, private sector, and NGO philanthropic organizations with strong program alignment. The limited budget and the competitions between programs are real and require strong, consistent, and long-term advocacy efforts combining transit agencies, political support, organizational encouragement, and community allyship to move FSI forward.

FSI Phase 2 Inter-locking Objectives



- Federal and State funding sources can be unpredictable unless fareless legislation is in place.
- Federal programs are generally for capital program investments and do not directly list fare assistance under eligibility criteria. However, the reduction of greenhouse gas emissions and other Justice40 grant opportunities can support the FSI Phase 2 funding strategy.
- Most federal funding program awards require cost sharing of 20% to 50%.
- A majority of state programs are for competitive grants, with several oversubscribed in recent fiscal years.
- Measure A, Measure R, Proposition A, and Proposition C have designated allocations that may be leveraged to fund FSI.
- Many philanthropic institutions do not make recurrent donations. Dedicated year-over-year funding is not guaranteed unless it is specified in an existing agreement.
- Sustainable funding support is vital to the success of the program, and we have identified various high-alignment alternative revenue sources that can contribute significantly to the program. These alternative revenue sources, such as a partnership program (pay-it-forward), a toll roundup program (new concept), and philanthropic bulk purchases, are further explored in the report.
- Metro is well positioned to partner with large private-sector companies that have strong Diversity, Equity and Inclusion (DEI) commitments and substantial budget allocations towards social programs, such as FSI, that bring positive impact to the county's economy, well-being, environment, and sense of community.
- Metro can advocate and lobby for legislative appropriation and policy mandate to fund the fareless program long-term

DETERMINATION OF SAFETY IMPACT

This action will not have an impact on safety standards at Metro

FINANCIAL IMPACT

Impact to Budget

The GoPass Pilot program years 1 and 2 were partially funded by the cost sharing agreements with the schools. The loss in revenues from K-14 students was absorbed by the ARPA funding in FY23, which allowed transit agencies to use ARPA to mitigate the loss in fare revenues. Metro has exhausted all ARPA funding in FY23. Extending the pilot to year 3 requires the identification of funding to continue the pilot into FY24. The estimated cost of extending the pilot is \$20 million, which

includes the loss in fare revenues expected from K-14 riders.

Metro will set aside \$20-\$25 million in operating eligible funds to cover the cost of the program in the FY24 budget.

EQUITY PLATFORM

At its core, the goal of the FSI Pilot Program is to achieve greater equity by reducing barriers to mobility and improving access to transit for all communities. Increased transit ridership adds social and environmental benefits to the LA region. For students, access to transit increases the probability of students becoming long-term transit riders, improves school attendance and academic performance, and increases participation in extracurricular activities and employment.

Transportation is a basic need for the Los Angeles region, and the GoPass program makes Metro more accessible while providing financial relief from transportation costs for students and families. Data analysis of boardings in September and October 2022 showed that 61% of GoPass boardings occurred in Equity Focus Communities (EFCs), and 22% of GoPass boardings occurred in areas designated as food deserts by the United States Department of Agriculture (USDA). Further, as shown in the most recent GoPass Program surveys, the program has directly improved student access to education, extracurricular activities, school supplies, and even food, while alleviating transportation logistics and cost burden on households and families.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #3, Enhancing communities and lives through mobility and access to opportunity, “by reducing the cost of riding transit for K-12 and Community College Students in Phase 1 and low-income riders in Phase 2.

ALTERNATIVES CONSIDERED

The Board can choose not to approve staff recommendations to extend the pilot period for GoPass through FY24 or to pursue funding strategies. This is not recommended as it will not support Metro’s goal to achieve greater equity by reducing barriers to mobility and improving access to transit for all communities.

NEXT STEPS

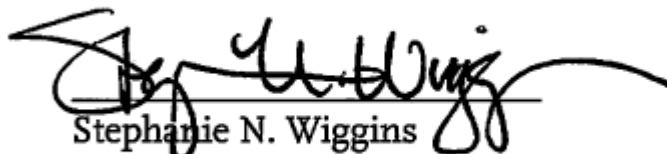
Staff will further assess and pursue, where applicable, potential funding sources as described in the FSI Phase 2 funding feasibility plan to support ongoing costs associated with the GoPass Program and future implementation of FSI Phase 2, which seeks to provide a fareless program to low-income riders.

ATTACHMENTS

- Attachment A - Board Motion 45
- Attachment B - Board Motion 40
- Attachment C - FSI Schools Within EFCs
- Attachment D - GoPass Pilot Cost Summary
- Attachment E - GOPass Survey Findings
- Attachment F - LIFE Survey Findings
- Attachment G - Key Funding Findings and Recommendations
- Attachment H - Potential Funding Sources

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Stephanie N. Wiggins
Chief Executive Officer



Board Report

File #: 2021-0372, File Type: Motion / Motion Response

Agenda Number: 45.

REVISED
REGULAR BOARD MEETING
MAY 27, 2021

Motion by:

DIRECTORS GARCETTI, MITCHELL, AND KREKORIAN

Fareless System Initiative

Metro’s Fareless System Initiative (FSI) is one of the most transformative efforts Metro can take to help Los Angeles County emerge from the pandemic, advance equity, reduce transportation emissions, simplify students’ return to school, and increase ridership.

The pandemic has hit students hard. Once the Department of Public Health and schools deem it safe for students to fully return to in-person learning, Metro, municipal operators (munis), and school districts should do everything possible to make the transition back effortless for these families. Studies across the country have shown that the lack of access to transportation is a barrier to student attendance and, therefore, academic success.

Moreover, Metro riders’ median household income is \$19,325 systemwide, with approximately 70 percent of Metro riders considered low-income under federal Department of Housing and Urban Development definitions. Many of our riders depend on Metro to reach their jobs as essential workers, and during the pandemic they suffered unavoidable financial impacts. Fareless transit would alleviate some of this burden, helping Los Angeles County get back on its feet.

As the FSI pilot has been developed, the following items remain to be finalized:

1. An efficient implementation process, as well as agreements with the school districts, needs to be put in place to distribute fareless K-12 and Community College student passes.
2. A final funding plan needs to be created.
3. A key concern of municipal operators is the continuation of existing funding agreements with community colleges. These funding agreements have, in many cases, taken years to negotiate. While FSI remains a pilot, these agreements and processes should be kept in place.
4. A mission statement and goals are necessary to help communicate the need for this program.
5. The existing FSI Task Force that developed the pilot should be re-formed to focus on implementation.

Board action is required to ensure these key areas of risk can be addressed and to provide clarity on

FSI's advancement and next steps.

SUBJECT: FARELESS SYSTEM INITIATIVE

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Mitchell, and Krekorian that the Board direct the Chief Executive Officer to implement the Fareless System Initiative, subject to a final financial plan and while pursuing cost-sharing agreements.

WE FURTHER MOVE that the Board direct the Chief Executive Officer to:

Administrative Coordination

- A. Develop strategies to streamline and simplify the eligibility process for participants, striving to remove as many barriers to entry as possible;
 - 1. Include an evaluation of a self-attestation process for low-income riders;
- B. Partner with school districts on administrative coordination to enable availability at pilot launch to all LA County school and community college districts (based on each district's interest), including but not limited to any required Memoranda of Understanding or TAP coordination;

Funding

- C. In partnership with implementation partners and key stakeholders, pursue and support federal and state opportunities and legislation to fund the Fareless System Initiative, both the pilot phase and any permanent program (should the Board decide to continue past the proposed pilot period), including but not limited to the federal Freedom to Move Act;
- D. Pursue reasonable cost-sharing agreements with school districts;
 - 1. Seek to take advantage and leverage any existing student transportation fee programs (e.g., student-approved LACCD fees);
 - 2. Seek to preserve existing funding agreements between school districts and transit operators;
 - a. Wherever municipal operators have existing fareless agreements with community college districts, consider accepting muni student transit passes on Metro for the duration of the pilot;
 - 3. Seek new funding agreements for districts without any existing discounted or fareless student pass programs (e.g., U-Pass);
- E. Consider pursuing private funding opportunities, including but not limited to philanthropic partnerships;

Follow-Up

F. Report to the Board monthly on the development, launch, and performance of the Fareless System Initiative. The first update should include:

1. A mission statement and goals for the FSI pilot;
2. Lists of interested municipal operators, school districts, and community college districts;
3. An update on the refined FSI financial plan; and
4. Identification of a cross-departmental implementation team.

HAHN AMENDMENT: Direct the Chief Executive Officer to prepare a financial plan for the implementation of a Fareless System Initiative that meets the conditions provided below to the Board's satisfaction:

1. Municipal and local operators that choose to participate will be fully included and provided the same type of fare subsidy as Metro transit operations, in order to ensure a seamless rider experience regardless of geographic location or transit provider;
2. The initiative is funded without reducing existing transit operations or state of good repair expenditures or by using regional funding typically committed to bus and rail transit operations or intended for the capital program;
3. Opportunities to expand or adjust existing fare subsidy programs to maximize community benefit have been studied and presented to the Board; and,
4. An initiative can be scaled and/or targeted in a manner that best aligns with Metro's Equity Platform, adopted by the Board in March 2018.

MITCHELL AMENDMENT: Direct Metro CEO to Continue the current fare collection policy in perpetuity until the Metro Board is satisfied with a financial plan for Fareless.

BONIN AMENDMENT:

1. Report back in the financial plan with information on the costs, including administration, technology, and enforcement, of the proposed pilot program compared to a universal fare-free system.
2. Include in the overall final program evaluation:
 - a. Reach of the program, including student and low-income participation rates.
 - b. Effectiveness of the program in improving mobility, increasing student attendance and performance, shifting travel behavior, reducing automobile use, and increasing transit ridership.

- c. The net cost of the program and cost per rider.

SOLIS AMENDMENT: Report back on the feasibility of using the Federal American Rescue plan funding for the pilot.

MetroLos Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA**Board Report****File #:** 2021-0627, **File Type:** Motion / Motion Response**Agenda Number:** 40.**REVISED
REGULAR BOARD MEETING
SEPTEMBER 23, 2021****Motion by:****DIRECTORS MITCHELL, SOLIS, GARCETTI, SANDOVAL, BONIN, AND DUPONT-WALKER**

Related to Item 35: Fareless System Initiative (FSI)

Effective March 23, 2020, former LA Metro CEO Phil Washington ordered that all passengers shall board the rear door when entering an LA Metro bus and, accordingly, removed the requirement for bus passengers to use the fare box. This practice was established to reduce the risk of COVID-19 transmissions on transit and to protect transit operators at the front of the bus from potential exposure to COVID-19. While put in place as a health pandemic response, this practice has been one of the most effective strategies in our region to respond to the economic pandemic our communities face.

Riders and community advocates quickly embraced LA Metro's fare free bus service and in August 2020, CEO Washington announced the formation of the Fareless System Initiative (FSI) Task Force to study the potential for continuing fare-free service as a recovery strategy to continue after the pandemic. The Task Force's research confirmed what riders already know; that LA Metro's riders are overwhelmingly low-income people of color for whom transit fares are an economic burden and for whom fare enforcement perpetuates racial disparities. Furthermore, the Task Force found that a fareless system would grow ridership and help the region meet its mobility, congestion reduction, and sustainability goals more effectively than almost any other LA Metro initiative. Buoyed by these findings, on May 27, 2021, the Board directed staff to proceed with FSI, subject to a final financial plan, which is before the Board for consideration today.

The financial plan identifies funding for free student passes as Phase 1 of FSI. Staff has moved quickly to build on the previously existing U-Pass program to expand free student passes to students in every participating school district throughout the county. However, the financial plan does not identify the funding needed to move forward and launch Phase 2 of FSI, which would serve all low-income riders. In the interim, staff proposes to build on the existing LIFE Program as a first step toward FSI Phase 2, until additional funding can be secured.

Increasing enrollment in the LIFE Program is an important interim step for an expansion of FSI. If implemented, it will create a pre-qualified pool of applicants for FSI Phase 2. While enrollment has grown since its launch in 2019, the LIFE Program still falls far short of its intended impact, largely due

to intimidating, restrictive, and tedious enrollment barriers. The current LIFE Program design will require an overhaul to meet the needs of eligible low-income riders. Namely, the LIFE Program must be far easier to enroll in, more accessible, easier to pay for, and truly affordable for low-income riders.

Our communities are still faced with a dual economic and health pandemic that racial and economic inequalities have further exacerbated. Programs across this region-created to support families in need-will be expiring later this year, despite evidence that these programs have collectively spurred a record drop in poverty (as much as half according to the Urban Institute). Costs will quickly escalate for families, many of whom are still unemployed, taking care of children and loved ones at home, and paying off rental debt. LA Metro must do more to prevent the resumption of fares from exacerbating economic distress among economically vulnerable people in our communities. Removing financial barriers for those who cannot afford transportation creates a lifeline for those who need access to essential travel.

Revamping the LIFE Program will alleviate the impact of fares on low-income riders while preparing LA Metro to implement FSI Phase 2.

SUBJECT: AMENDMENT TO FARELESS SYSTEM INITIATIVE (FSI)

RECOMMENDATION

APPROVE Motion by Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker that the Board direct the Chief Executive Officer to:

- A. Develop a plan to double the number of LIFE Program enrollees by the end of 2022.
- B. Expedite a streamlined application system that enables on-the-spot enrollment and the immediate issuance of LIFE Program benefits through a process that allows applicants to self-certify qualification in the program. Applicants should attest that their information and eligibility in the program is accurate under penalty of fine.
- C. Ensure the fare capping pilot approved by the Board in March 2021 applies to LIFE Program participants.
- D. Expand partnerships with local, state, and federal public benefit programs to automatically enroll members in LIFE upon qualification.
- E. Partner with community-based organizations to canvass LA Metro buses and trains to enroll qualifying riders.
- F. Provide three months of fareless transit to new enrollees as an incentive to enrollment, beginning upon the resumption of fare collection.
- G. Evaluate whether qualified applicants can enroll in the LIFE Program with the next generation of touch screen TAP Vending Machines.

WE, FURTHER MOVE, that the Board direct the Chief Executive Officer to:

- H. Continue the current boarding practices until prospective participants can enroll-on-the spot and self-certify their eligibility, with no less than 90 days for promotion and 45 days for enrollment before fare collection resumes. The resumption of fare collection should also be subject to a 45-day awareness-building period that fares collection will resume as detailed in Attachment I of the September 2021 FSI report (Board File 2021-0574).
- I. Return to the Board in January 2022 with an update on LIFE Program changes.
- J. Conduct a LIFE Program evaluation - in partnership with community-based organizations -- to:
 - 1. Develop additional strategies that support the enrollment of new participants in the LIFE Program.
 - 2. Survey and convene current and prospective LIFE Program enrollees on how well the current program meets the needs of eligible applicants.
 - 3. Review current benefit levels and recommend changes, as appropriate.

BONIN AMENDMENT:

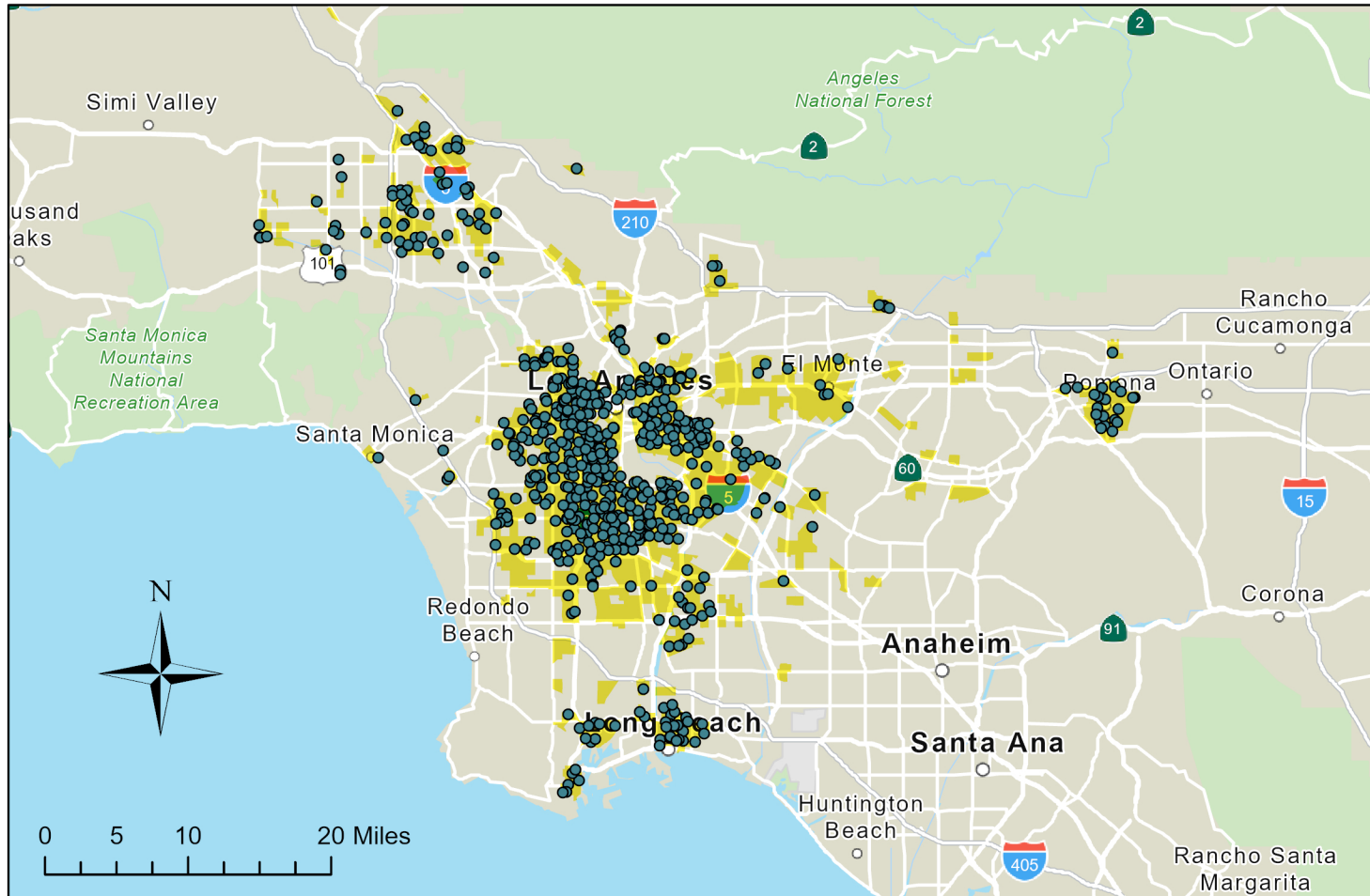
I would like Metro staff to come back to us in your next report with a more reasonable evaluation of the benefits and costs of going truly fareless. This analysis needs to consider:

- A. A phased approach that winds down contracts rather than breaching them.
- B. The cost of anticipated upgrades and maintenance of our fare collection system that could be avoided.
- C. Realistic ridership and fare revenue forecasts that take into account actual ridership trends, use today's ridership as a baseline, and factor in already Board-approved discounts, including today's actions.
- D. Operational savings from reduced bus dwell times and reduced staff needs for fare collection and enforcement.
- E. Validating cost assumptions from munis.
- F. Looking more holistically at Access Services, including potential savings from Federal waivers and coordination with Microtransit; and
- G. Look at universal \$26 pass proposal from Bus Riders Union.

KUEHL AMENDMENT:

Report back on the communication plan.

FSI Schools Within EFCs



Legend

- FSI Schools Within EFCs
- EFCs (Updated 2022)

GoPass Pilot Cost Summary				
STATISTICS				
				Projected Year 3
				7/2023 - 6/2024
Boardings				25,091,606
Monthly Boardings				2,090,967
RESULTS				
		Actual Year 1	Estimated Year 2	Projected Year 3
School Districts Enrollment				
K-12		636,714	736,597	854,453
Community College		152,455	252,887	252,887
Adult/Vocational		-	52,798	52,900
Total GoPass Enrollment		789,169	1,042,282	1,160,240
GoPass Boardings				
Metro (84%)		4,516,731	11,780,815	21,076,949
Other Transit Agencies (16%)		837,372	2,243,965	4,014,657
Total GoPass Boardings		5,354,103	14,024,780	25,091,606
Revenues: GoPass Cost-Sharing Agreements				
Amounts Collected From				
K-12	\$3	\$ 1,910,142	\$ 2,209,791	\$ 2,563,358
Community College	\$7	687,815	598,668	598,668
Adult/Vocational	\$7	-	369,586	370,300
Total Collected from School Districts		\$ 2,597,957	\$ 3,178,045	\$ 3,532,326
TAP Cards		\$ (1,447,090)	\$ (605,218)	\$ (600,000)
Revenues to be shared		\$ 1,150,867	\$ 2,572,827	\$ 2,932,326
GoPass Program Costs				
Metro Administrative Costs				
Technical Support, Administrative Support, Outreach				
Metro Administrative Costs		\$ 4,330,616	\$ 3,888,735	\$ 3,888,735
Fare Revenue Loss		\$ 3,387,548	\$ 8,835,611	\$ 15,807,712
Metro Costs		\$ 7,718,164	\$ 12,724,346	\$ 19,696,447
Cost Sharing Agreements		(696,710)	(1,620,881)	(1,847,365)
Metro GoPass Costs		\$ 7,021,454	\$ 11,103,465	\$ 17,849,082
Other Transit Agencies				
Total Administrative Costs		\$ 281,010	\$ 266,590	\$ 297,529
Fare Revenue Loss		\$ 925,223	\$ 1,682,974	\$ 3,010,993
Other Transit Agencies Cost		\$ 1,206,233	\$ 1,949,564	\$ 3,308,522
Cost Sharing Agreements		(414,619)	(951,946)	(1,084,960)
Other Transit Agencies GoPass Costs		\$ 791,614	\$ 997,618	\$ 2,223,561
TOTAL GoPass Costs		\$ 7,813,068	\$ 12,101,083	\$ 20,072,643
Potential new funding (increasing K-12 School District rate to \$7) for Year 3				\$ (3,417,810)
				\$ 16,654,833

Executive Summary – GoPass Program Survey

Background

In February 2023, LA Metro conducted an online GoPass participant survey. The purpose of the survey was to help develop an advocacy plan for the fare program, specifically around free fares. The survey allowed LA Metro to collect qualitative information about the people who use the free fare program and visualize the impact of the program.

Methodology

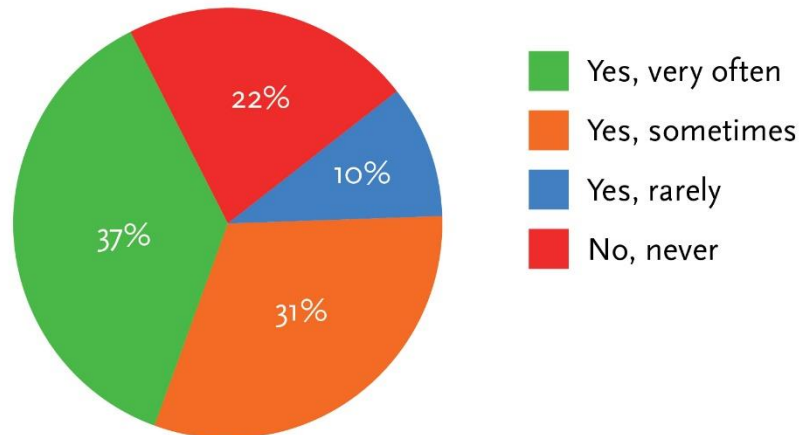
TAP sent out an online survey to 102.7k GoPass participants who were eligible and/or using 90 days of free fares. The survey was available in English and Spanish and was live for 10 days in February 2023. 1,524 GoPass surveys were collected with a 38% response rate.

Key Findings

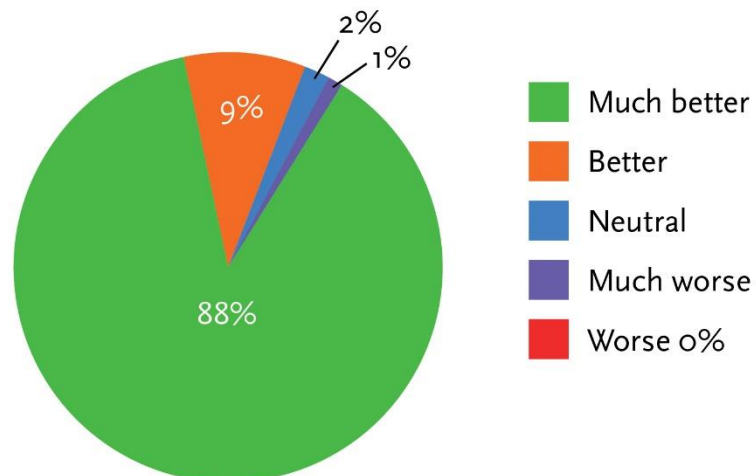
- 62% of GoPass survey participants ride more frequently now than before enrolling.
- Over 45% of GoPass survey participants ride LA Metro multiple times a day compared to only 27% before enrolling in the program.
- Over 60% of GoPass survey participants are female compared to Metro systemwide at 46%, *Customer Experience Survey 2022*
- More than 50% of GoPass survey participants have had to choose between spending money to ride LA Metro or spending it on other important needs.
 - When having to choose between spending money to ride LA Metro or spending it on other important needs, 29% of survey respondents used their money to pay the fare.
- When asked about how they spent the money they saved, GoPass survey participants spent the money they saved on schoolbooks and supplies and food.
- 85% of GoPass survey participants express feeling more independent and rely less on family/friends for rides.
- 97% of GoPass survey participants feel better or much better after receiving free fares.

GoPass Survey Summary

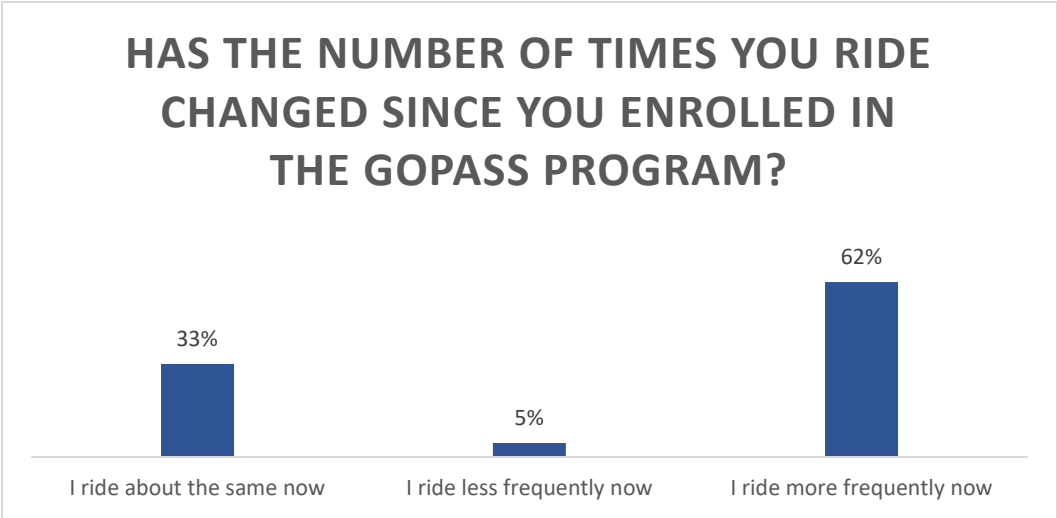
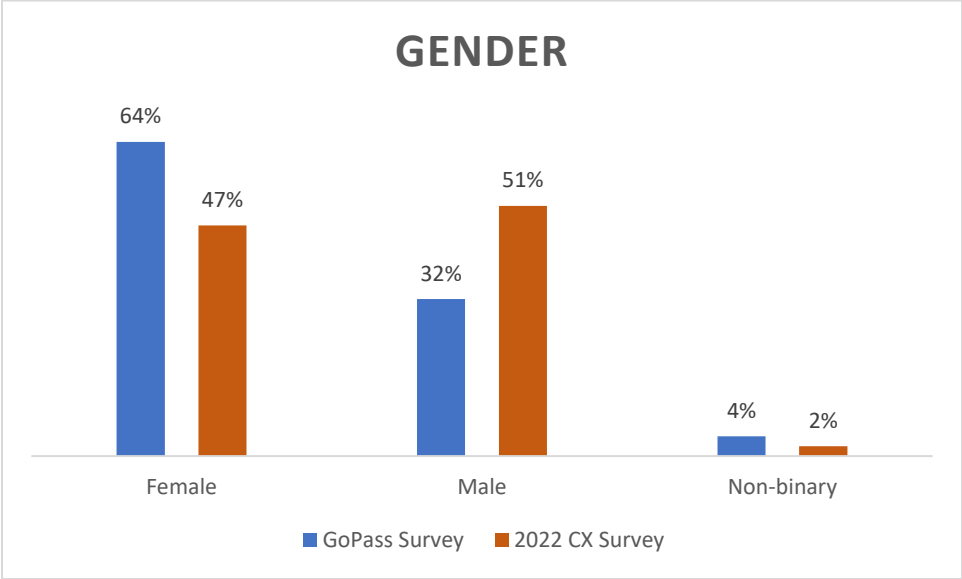
Before enrolling in the GoPass Program, did you ever have to choose between spending your money to ride Metro or spending it on other important needs (like food, rent, childcare, health services, etc.)?



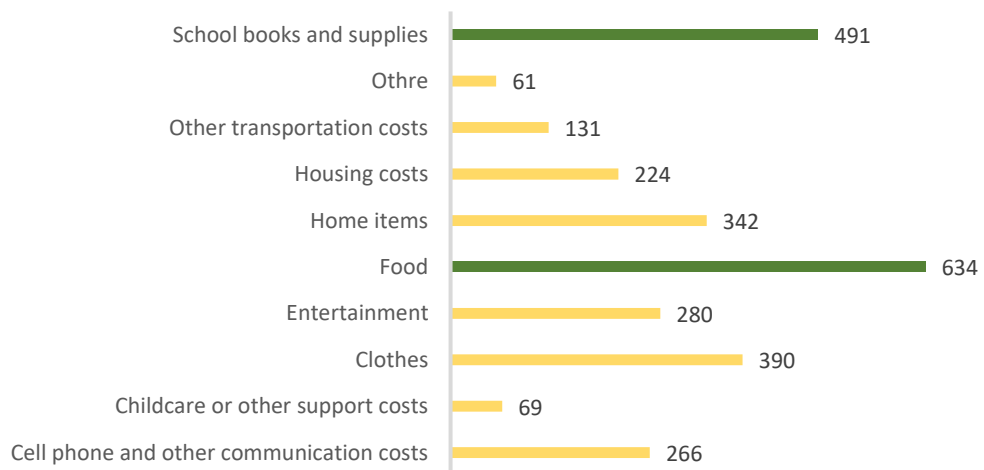
How does receiving a free pass impact how you feel?



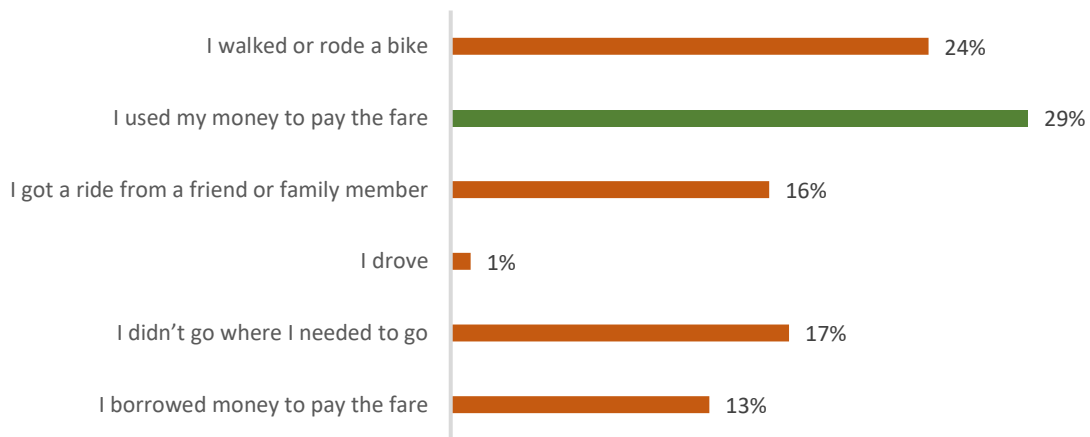
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**WHERE DO YOU SPEND THE MONEY
YOU SAVED? *PLEASE SELECT ALL THAT
APPLY***



WHEN YOU HAD TO CHOOSE BETWEEN PAYING TO RIDE LA METRO OR PAYING OTHER IMPORTANT NEEDS, WHICH STATEMENT BEST DESCRIBES YOUR DECISION?



YOU MENTIONED YOU FELT BETTER WITH FREE FARES. **PLEASE SELECT ALL THE WAYS THAT YOU FELT BETTER**



Executive Summary – LIFE Survey

Background

In February 2023, LA Metro conducted an online LIFE participant survey. The purpose of the survey was to help develop an advocacy plan for the fare program, specifically around free fares. The survey allowed LA Metro to collect qualitative information about the people who use the free fare program and visualize the impact of the program.

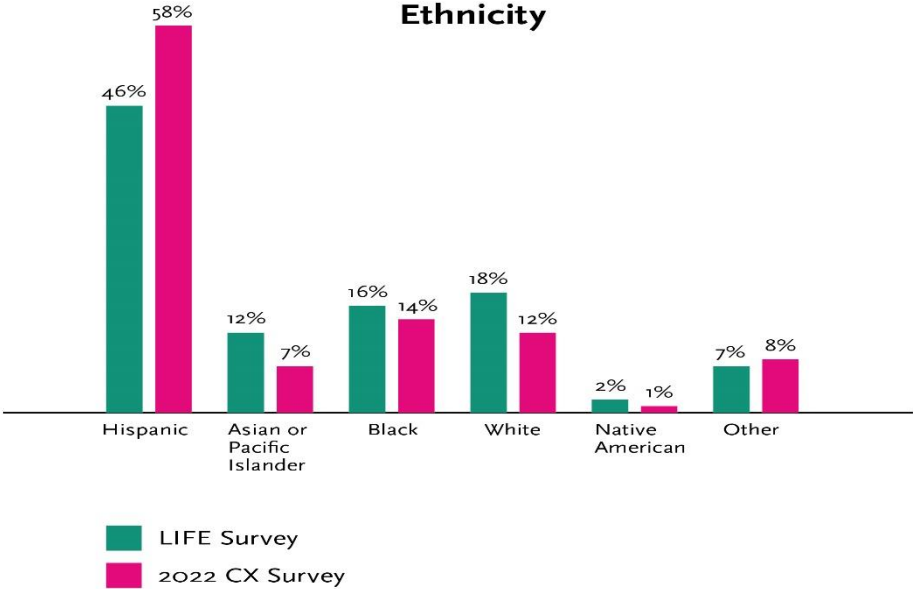
Methodology

TAP sent out an online survey to 28.04k LIFE program participants who were eligible/are using 90 days of free fares. The survey was available in English and Spanish and was live for 10 days in February 2023. 1661 LIFE surveys were collected with a 41% response rate.

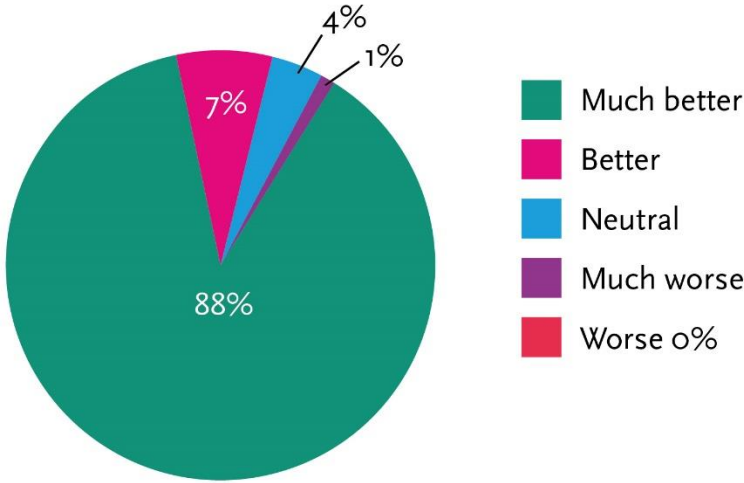
Key Findings

- 50% of LIFE survey participants are female compared to systemwide 46%, *Customer Experience Survey 2022*
- 55% of LIFE survey participants are riding Metro multiple times a day.
- 72% rode Metro more frequently when using the free fares.
- More than 50% of LIFE survey participants have had to choose between spending money to ride LA Metro or spending it on other important needs.
 - When having to choose between spending money to ride LA Metro or spending it on other important needs, 29% of survey respondents used their money to pay the fare.
- When receiving free fares, LIFE survey participants spent the money they saved on food, housing cost, and home items.
- 95% of LIFE survey participants feel better or much better after receiving free fares.
 - The top three reasons why survey respondents felt better were because they worried less about money, felt less stressed, and were able to plan their day more easily.

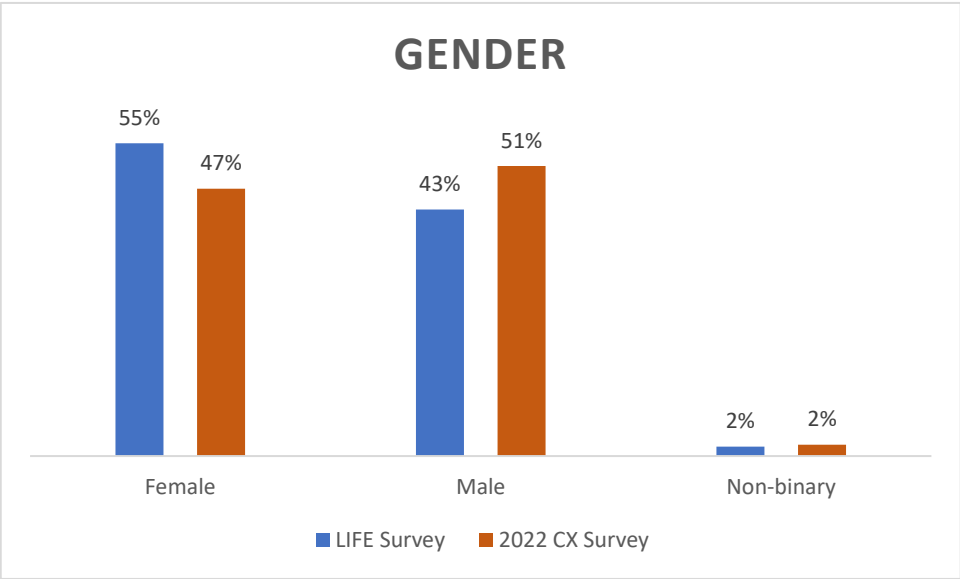
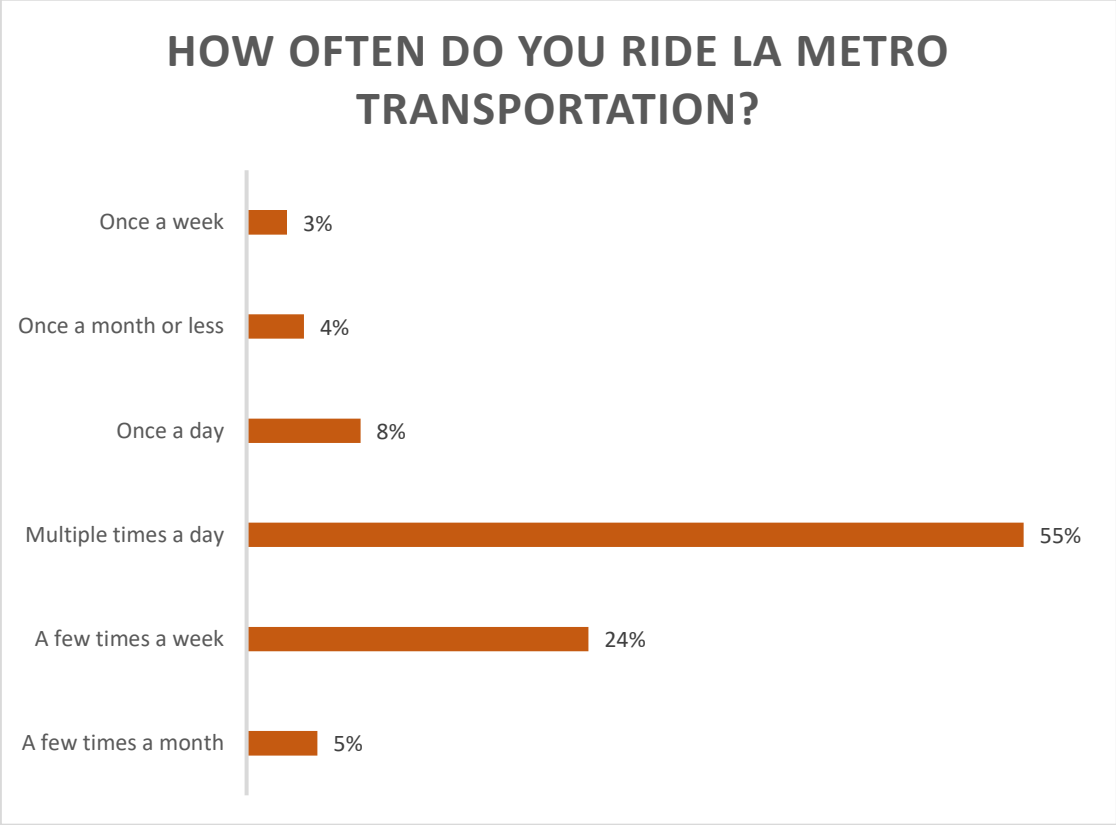
LIFE Survey Summary



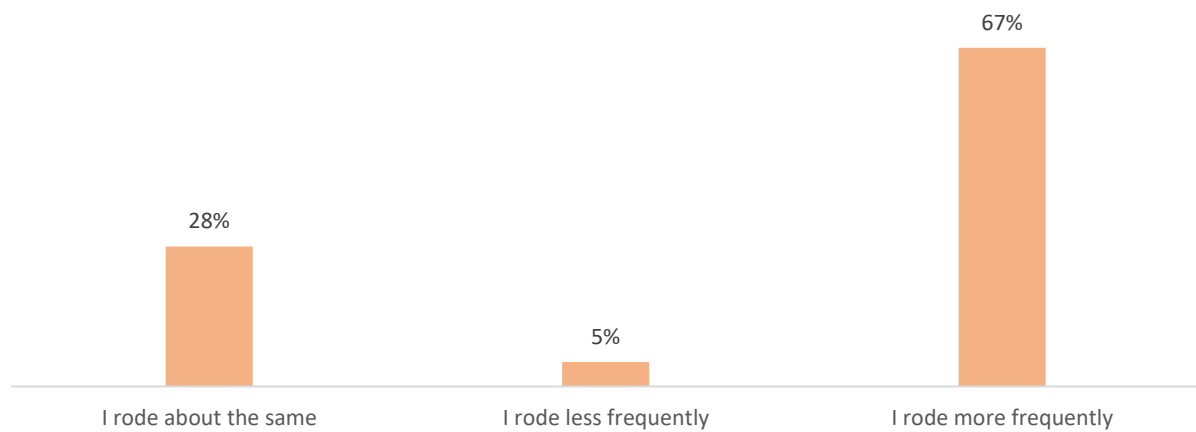
After receiving free fares, how did you feel?



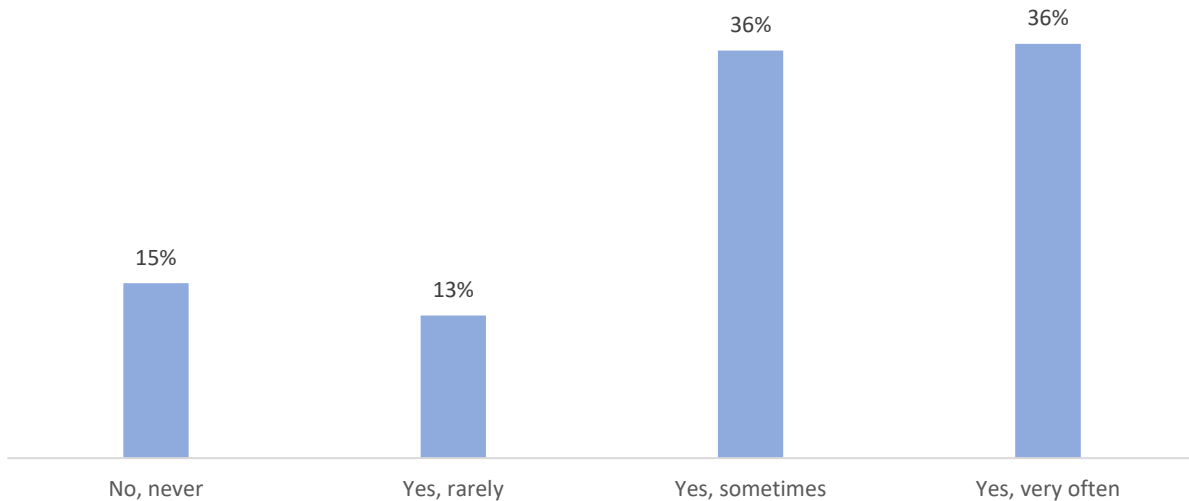
Unformatted Graphics



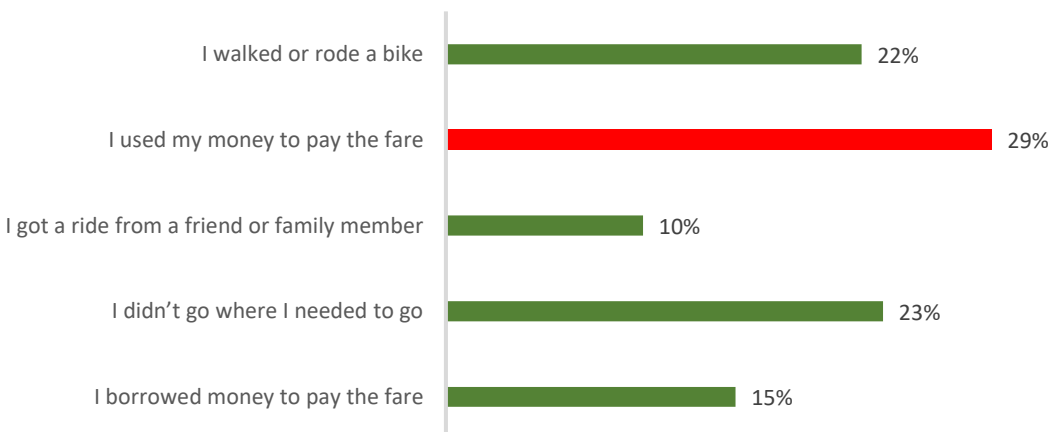
**PLEASE THINK ABOUT THE TIMES WHEN YOU
HAVE RECEIVED FREE FARES, AND DID NOT
HAVE TO PAY TO RIDE LA METRO
TRANSPORTATION. DID THAT AFFECT HOW
FREQUENTLY YOU RODE LA METRO
TRANSPORTATION?**



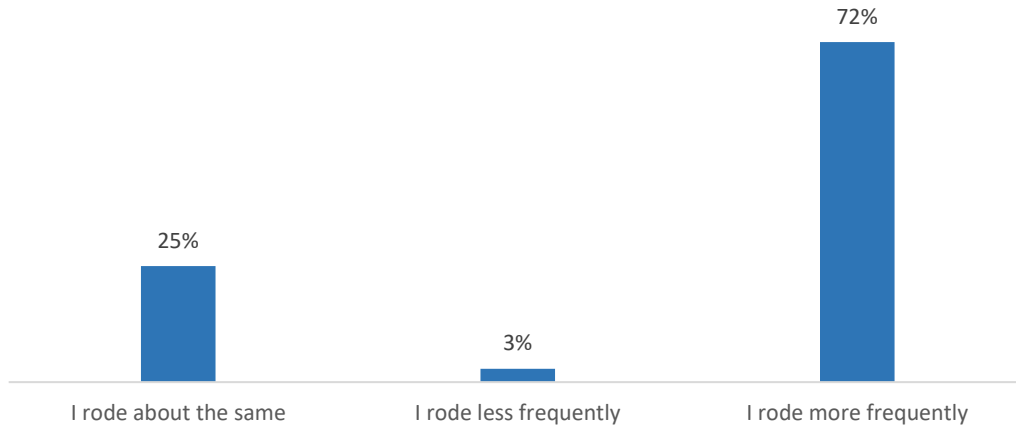
HAVE YOU EVER HAD TO CHOOSE BETWEEN SPENDING YOUR MONEY TO RIDE LA METRO OR SPENDING IT ON OTHER IMPORTANT NEEDS (LIKE FOOD, RENT, CHILDCARE, HEALTH SERVICES, ETC.)?



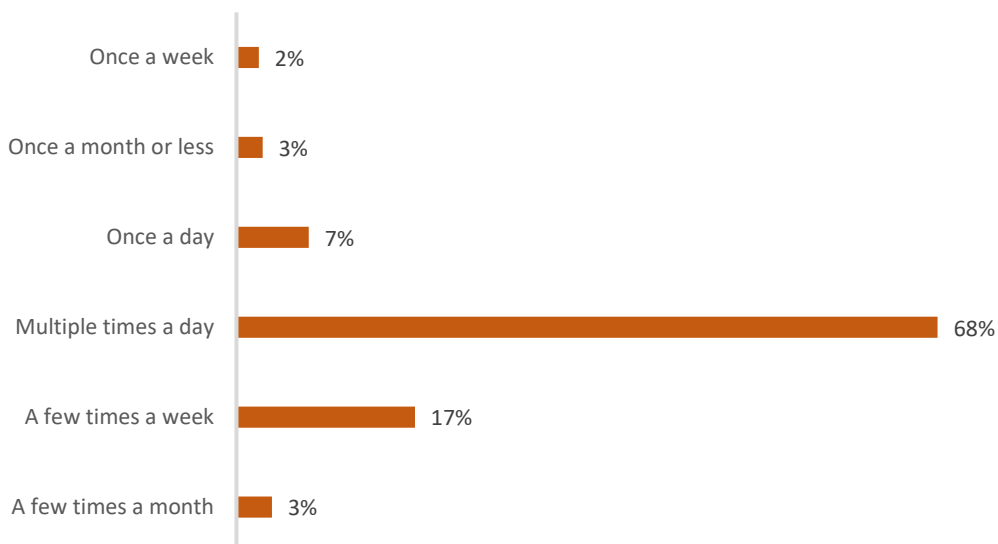
WHEN YOU HAD TO CHOOSE BETWEEN SPENDING MONEY TO RIDE LA METRO OR SPENDING IT ON OTHER IMPORTANT NEEDS, WHICH STATEMENT BEST DESCRIBES YOUR DECISION?



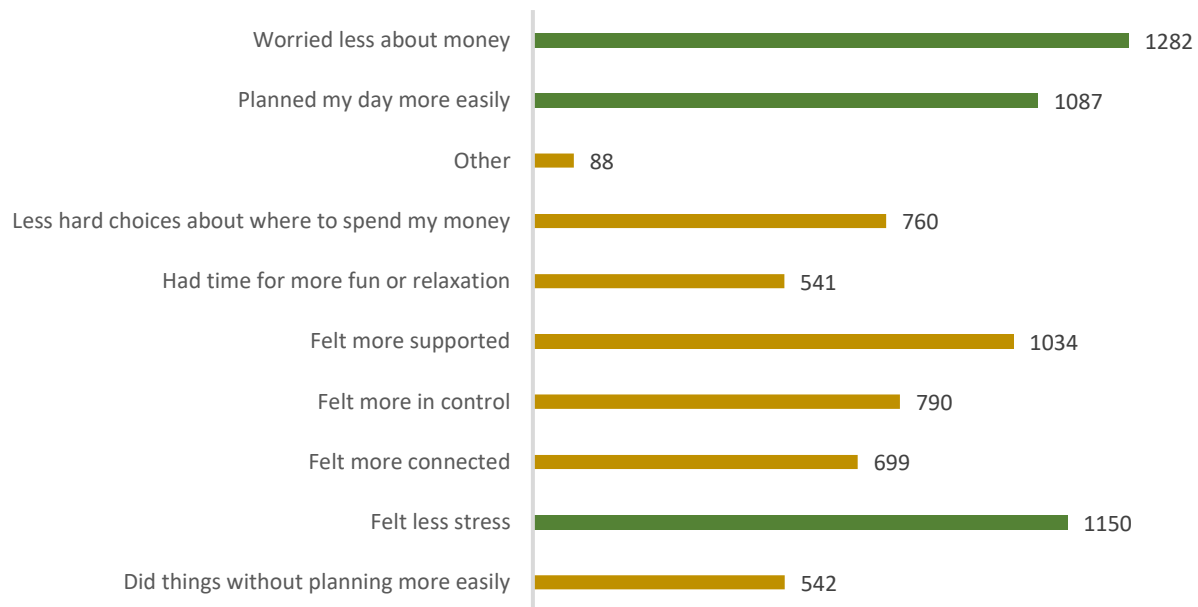
PLEASE THINK ABOUT THE TIMES WHEN YOU RECEIVED FREE FARES, SUCH AS THE 90-DAY PROMOTIONAL PASS YOU RECEIVED WHEN YOU ENROLLED IN THE LIFE PROGRAM. DID THAT AFFECT HOW FREQUENTLY YOU RODE LA METRO TRANSPORTATION?



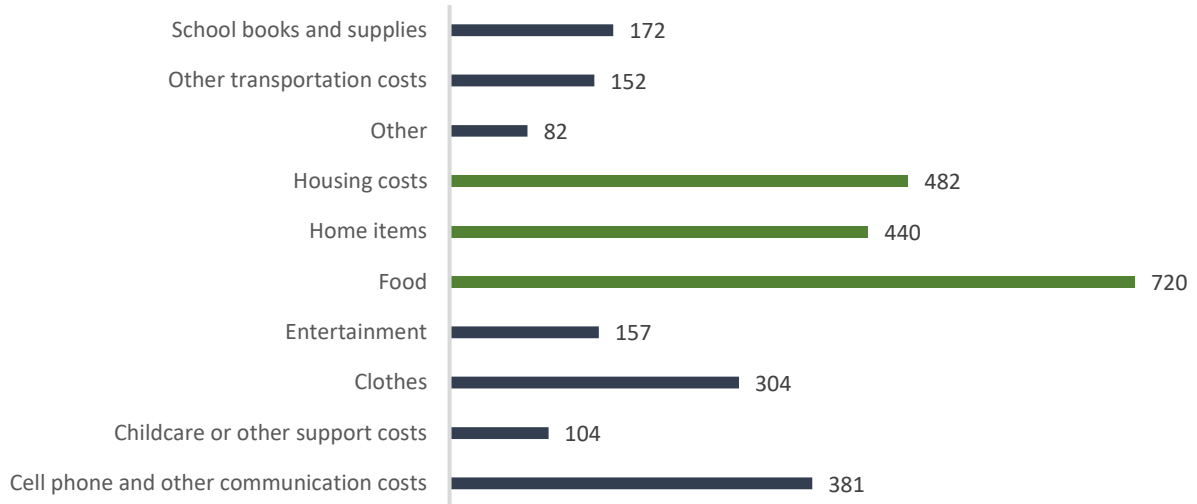
HOW OFTEN DID YOU RIDE LA METRO TRANSPORTATION WHEN YOU RECEIVED FREE FARES?



**YOU MENTIONED YOU FELT BETTER WITH
FREE FARES. *PLEASE SELECT ALL THE WAYS
THAT YOU FELT BETTER***



WHEN YOU RECEIVED FREE FARES, WHERE DID YOU SPEND THE MONEY YOU SAVED? *PLEASE SELECT ALL THAT APPLY*



Key Findings and Recommendations

Key Findings		Recommendations
Overall Data Plan	Data informed stakeholders are better able to advocate for FSI continuity and success. FSI message documentation can make a significant difference in supporters for FSI.	<ol style="list-style-type: none"> 1. Document GoPass and LIFE data into a lessons-learned format, vet internally the FSI Goals and Objectives, and coordinate media release 2. Utilize graphics and data visualizations to show the results of GoPass and LIFE programs. It increases community buy-in and program visibility, which can be translated into fund opportunities 3. Elaborate a cost-scenario analysis for FSI roll-out 4. Develop socio-economic benefit analysis followed by FSI business case (including return on investment) 5. Define FSI unique value proposition and initiate a community outreach campaign
Federal & State	FSI requires a combination of federal and state government grants, that together can form a funding mosaic for FSI Phase 2.	<ol style="list-style-type: none"> 6. Continue efforts on monitoring and shaping legislation towards fare-free programs such as Inflation Reduction Act (IRA) that are aligned to FSI benefits and outcomes 7. Watch for federal and state funding application deadlines, Notice of Funding Opportunities (NOFO) coming from Rebuilding American Infrastructure with Sustainability and Equity (RAISE), Infrastructure Investment and Jobs Act (IIJA), Sustainable Transportation Equity Projects (STEP), Caltrans Low Carbon Transit Operation Program (LCTOP) and Housing and Urban Development grants (HUD). 8. Explore remaining ARPA budget availability from other municipalities and the willingness to fund FSI 9. Seek FTA waivers or exemptions to use FTA awards or grants for operating program expenditures – redefine portions of the FSI pilot program which may be eligible for capital funding to cover start-up expenses 10. Submit grant applications with transit equity impact related language or cost projections that can be earmarked for projects supporting disadvantaged communities as well as operational compliance with key Federal Justice40 requirements
LA Metro	FSI can leverage alternative revenue sources, such as toll round-up, pay-it-forward partnerships and philanthropic bulk purchases, as methods to achieve sustainable funding for fare-free programs.	<ol style="list-style-type: none"> 11. Leverage multiple fund sources and rebalance allocations as needed to align with shifting priorities within budget guidelines 12. Tailor outreach to gather support from legislators who will be champions and allies for the FSI Program 13. Further explore alternative revenues sources to support FSI (e.g., pay-it-forward program, toll round-up) 14. Revisit designated budget allocations for projects, such as projections for estimated fare revenue loss, that can subsidize operational expenses for equity-related programs like FSI 15. Continue to monitor compliance requirements for FTA Title VI Fare and Service Equity Analysis or Waiver
NGOs & Others	FSI can benefit from strong local coalition support that may drive political actions and long-term incentives for LA community (e.g. philanthropic donations, and industry partnerships)	<ol style="list-style-type: none"> 16. Foster a marketing coalition with local business partners to gather awareness and pay-it-forward agreements to purchase bulk fares for low-income program enrollees. Connect with private sector companies that have large philanthropy and DEI budgets which align very well with opportunities to subsidize equitable travel and environmental justice initiatives to benefit their customer community. 17. Partner with NGO's and 501(c)(3) philanthropies who will purchase bulk fares for low-income enrollees using donations they collect. An example would be New York, MTA (Expanded MetroCard Bulk Sales Program).

Attachment H-

Potential Funding Sources

Multiple Funding Sources for FSI Phase 2 and Key Fund Options

FEDERAL (69 sources evaluated)	STATE (16 sources evaluated)	LOCAL GOVERNMENT (7 measures & propositions in addition to 26 alternative revenue sources evaluated)	NGO, PHILANTHOPY and OTHERS (46 local organizations evaluated)
<ul style="list-style-type: none"> Investment & Jobs Act (IIJA) Inflation Reduction Act (IRA) American Rescue Plan Act (ARPA) Department of Transportation (DOT) Infrastructure Housing & Urban Development (HUD) 	<ul style="list-style-type: none"> California Climate Investments (CCI) Road Repair and Accountability Act (SB 1) California Clean Energy Jobs Act (Prop 39) Greenhouse Gas Reduction Fund (GGRF) 	LA Metro: <ul style="list-style-type: none"> Measure M Measure R Proposition A Proposition C Alternative revenue options LA County:* <ul style="list-style-type: none"> Measure H Measure HHH Measure J 	<ul style="list-style-type: none"> Philanthropic organizations Private corporations and foundations Non-profit organizations Cost sharing with healthcare industry leaders, incl. Medi-Cal Expanded employer fare-subsidy programs Expanded advertising policy

*These funding sources presents budget limitations and is dependent on partnering with service providers and/or receiving discretionary funding from elected officials.

FSI Phase 2 Federal Fund Options

FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

FSI Phase 2 Federal Funding Sources

Legislation or Agency	Preliminary Findings	National Funding	Impact for LA Metro
Infrastructure Investment & Jobs Act (IIJA)	56 Programs Evaluated 3 High Alignment 29 Medium Alignment 24 Low Alignment	High: \$10 B Med: \$34 B ¹	<ul style="list-style-type: none"> Apply for funding to offset capital expenditures Request waivers to use the funding for operational expenditures
Department of Transportation (DOT)	7 Programs Evaluated 7 Medium Alignment	Med: \$70 M	<ul style="list-style-type: none"> Apply for funding to offset capital expenditures Request waivers to use the funding for operational expenditures

¹ National funding amounts for FY22 - 26

Housing and Urban Development (HUD)	4 Programs Evaluated 2 Medium Alignment	Med: \$6 M ²	<ul style="list-style-type: none"> LA Metro must partner with a public housing authority to receive funds
American Rescue Plan Act (ARPA)	\$27 Billion to California \$3.3 Billion to LA Area Counties \$2.8 Billion to LA Area Municipalities Medium Alignment	N/A	<ul style="list-style-type: none"> Money must be allocated by Dec 2024 Inquire about remaining ARPA funds in LA area
Inflation Reduction Act (IRA)	Program data not yet fully released Low Alignment	Climate & Energy: \$137 B ³	<ul style="list-style-type: none"> Possible alignments: Lowering consumer costs Lowering emissions & greenhouse gases

Represents an overall list of multiple fund sources researched.

Federal Funding Sources Overall Matrix

#	Alignment	Program Name	Agency
1	High	Local and Regional Project Assistance Grants (RAISE)*	DOT
2	High	Pilot Program for Transit Oriented Development	DOT – FTA
3	High	Research, Development, Demonstration and Deployment Projects	DOT – FTA
4	Medium	Advanced Transportation Technologies & Innovative Mobility Deployment (ATTIMD)	DOT – FHWA
5	Medium	All Stations Accessibility Program*	DOT – FTA
6	Medium	Bridge Investment Program*	DOT – FHWA
7	Medium	Bus and Bus Facilities Competitive Grants*	DOT – FTA
8	Medium	Capital Investment Grants*	DOT – FTA
9	Medium	Charging and Fueling Infrastructure Grants (Corridor Charging)*	DOT – FHWA
10	Medium	Commercial Motor Vehicle Operators Grant Program	DOT – FMCSA
11	Medium	Congestion Relief Program*	DOT – FHWA
12	Medium	Consolidated Rail Infrastructure and Safety Improvement Grants*	DOT – FRA
13	Medium	Enhanced Mobility of Seniors and Individuals with Disabilities*	DOT – FTA
14	Medium	Federal - State Partnership for Intercity Passenger Rail Grants*	DOT – FRA
15	Medium	Metropolitan Planning*	DOT – FHWA
16	Medium	Metropolitan Transportation Planning Program*	DOT - FTA
17	Medium	National Infrastructure Project Assistance (Megaprojects)*	DOT
18	Medium	Nationally Significant Freight and Highway Projects (INFRA)*	DOT
19	Medium	Pilot Program for Enhanced Mobility	DOT - FTA
20	Medium	Pollution Prevention Grants	EPA
21	Medium	Prioritization Process Pilot Program	DOT - FHWA
22	Medium	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Discretionary	DOT - FHWA
23	Medium	Rail Vehicle Replacement Grants*	DOT - FTA
24	Medium	Railroad Crossing Elimination Grants*	DOT - FRA
25	Medium	Reconnecting Communities Pilot Program*	DOT - FHWA
26	Medium	Restoration & Enhancement Grant Program	DOT - FRA
27	Medium	Safe Streets and Roads for All	DOT
28	Medium	State Incentives Pilot Program (Set-aside within Nationally Significant Freight and Highway Projects- INFRA)	DOT
29	Medium	Statewide Transportation Planning	DOT - FTA
30	Medium	Strategic Innovation for Revenue Collection (Set -aside)	DOT - FHWA
31	Medium	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants	DOT
32	Medium	Transportation Infrastructure Finance and Innovation Act*	DOT
33	Medium	Thriving Communities Technical Assistance	HUD
34	Medium	Authority to Accept Unsolicited Proposals for Research Partnerships	HUD
35	Medium	Areas of Persistent Poverty	DOT - FTA

² National funding amounts for FY22 – 23

³ National funding amounts for a 10-year period

#	Alignment	Program Name	Agency
37	Medium	Enhancing Mobility Innovation	DOT - FTA
38	Medium	Innovative Coordinated Access & Mobility Grants	DOT - FTA
39	Medium	Integrated Mobility Innovation	DOT - FTA
40	Medium	Public Transportation Innovation	DOT - FTA
41	Medium	Safety Research & Demonstration Program	DOT - FTA
42	Medium	California State Funding	ARPA
43	Low	Accelerated Implementation and Deployment of Advanced Digital Construction Management Systems (Set aside)	DOT - FHWA
44	Low	Bridge Formula Program*	DOT - FHWA
45	Low	Bus and Bus Facilities Formula Grants*	DOT - FTA
46	Low	Carbon Reduction Program	DOT - FHWA
47	Low	Commercial Driver's License Implementation Program	DOT - FMCSA
48	Low	Congestion Mitigation and Air Quality Improvement Program	DOT - FHWA
49	Low	Grants for Planning, Feasibility Analysis, and Revenue Forecasting (Bridge Investment Program Set - aside)*	DOT - FHWA
50	Low	Growing State Apportionments*	DOT - FTA
51	Low	Growing States and High-Density States Formula*	DOT - FTA
52	Low	High Priority Activities Program*	DOT - FMCSA
53	Low	Highway Safety Improvement Program*	DOT - FHWA
54	Low	Highway Safety Programs*	DOT - NHTSA
55	Low	Intelligent Transportation Systems Program*	DOT - FHWA
56	Low	Low or No Emission (Bus) Grants*	DOT - FTA
57	Low	National Culvert Removal, Replacement, & Restoration Grant*	DOT
58	Low	National Priority Safety Programs*	DOT - NHTSA
59	Low	On-the-Job Training Program	DOT - FHWA
60	Low	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Formula	DOT - FHWA
61	Low	Public Transportation Technical Assistance and Workforce Development*	DOT - FTA
62	Low	Railway-Highway Crossings Program*	DOT - FHWA
63	Low	State of Good Repair Formula Grants*	DOT - FTA
64	Low	Surface Transportation Block Grant Program*	DOT - FHWA
65	Low	Technology & Innovation Deployment Program	DOT - FHWA
66	Low	Urbanized Area Formula Grants*	DOT - FTA
67	Low	Choice Neighborhoods Planning Grants	HUD
68	Low	Jobs Plus	HUD
69	Low	Neighborhood Access & Equity Grants	DOT - FHA

*Indicates 35 Federal capital programs. Note that competition with Federal capital program will be hard since FSI may not be the top priority, however the agency may leverage existing efforts for future changes in legislation that tie to fare free language in capital funding application.

Overview of High-Alignment Federal Funding Programs

Federal Program	Program High-Level Information	Funding Value	Potential Next Steps
IIJA – DOT RAISE Program	<ul style="list-style-type: none"> Program invests in surface transportation that will have a significant local or regional impact. Eligible projects include projects the Secretary considers to be necessary to advance the goals of the program. Strong focus on Community Connectivity, Justice 40, Quality of Life, and Sustainability 	FY23: \$5-25 M Per Award IIJA Total: \$7.5 B	Apply for FSI Funding <u>FY 2023 NOFO</u> Applications due: 2/28/2023
IIJA – FTA Enhanced Mobility of Seniors & Individuals w/ Disabilities	<ul style="list-style-type: none"> Grants to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services FTA's program goal for grants is to identify and test promising, innovative, coordinated mobility strategies other communities can replicate. 	IIJA Total: \$2.2 B	Monitor FTA and Grants.gov for FY 23 NOFO Release
IIJA – FTA Research Development, Demonstration, and Deployment Projects	<ul style="list-style-type: none"> Provides funding to assist innovative projects and activities that advance and sustain safe, efficient, equitable, climate-friendly public transportation. Eligible research and demonstrations under this program explore novel approaches to improve public transportation service, especially for transit-dependent individuals Data to be used to enhance insights and help transit agencies undertake activities that help meet equity, safety, climate change, and transformation goals for a safer, environmentally cleaner, socially just and connected public transportation system. 	IIJA Total: \$132 M	Monitor FTA and Grants.gov for NOFO Release

FSI Phase 2 State Fund Options

FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

16 programs were identified to have high and medium alignment with FSI Phase 2.

FSI State Funding Sources

Agency or Legislation	Preliminary Findings	CA Funding	Impact for LA Metro
Air Resource Board	5 Programs Evaluated 1 High Alignment 2 Medium Alignment 2 Low Alignment	\$164 M	May fund programs that: <ul style="list-style-type: none"> • Prioritize Transportation Equity and Mobility • Needs Assessment targeting CBOs • Fleet electrification • Truck Loan Assistance Program
California Transportation Commission	4 programs 3 Medium Alignment 1 Low Alignment	\$3.57 B	<ul style="list-style-type: none"> • <i>Metro is currently receiving funds for Active Transportation Program and State Transportation Improvement Program</i>
Caltrans	2 programs 1 High Alignment 1 Medium Alignment	\$224 M	<ul style="list-style-type: none"> • <i>Metro is currently receiving funds for LCTOP</i> • May fund wide range of mobility programs
California State Transportation Agency	1 Medium Alignment	\$800 M	<ul style="list-style-type: none"> • Fund capital projects
California Strategic Growth Council	1 Medium Alignment	\$350 M	<ul style="list-style-type: none"> • <i>Metro is currently receiving funds from Transit and Intercity Rail Capital Program</i>
Strategic Growth Council and Department of Conservation	1 Medium Alignment	\$105 M	<ul style="list-style-type: none"> • <i>Metro currently receiving funds for Neighborhood-level transformative climate community plans</i>
California Natural Resources Agency	1 Low Alignment	\$50 M	<ul style="list-style-type: none"> • Expand access • Meet sustainability goals
California Workforce Development Board	1 Low Alignment	\$90.25 M	<ul style="list-style-type: none"> • Develop a workforce development partnership

Overview of High-Alignment State Funding Programs

State Program	Program Information	Funding Value	Potential Next Steps
Air Resource Board	<ul style="list-style-type: none"> • Transportation equity pilot that aims to address community residents' transportation needs, increase access to key 	\$35 million proposed	California Air Resource Board (CARB) is currently planning upcoming solicitations

State Program	Program Information	Funding Value	Potential Next Steps
Sustainable Transportation Equity Project (STEP)	<ul style="list-style-type: none"> destinations, and reduce greenhouse gas emissions by funding planning, clean transportation, and supporting projects. STEP's overarching purpose is to increase transportation equity in disadvantaged and low-income communities throughout California via two types of grants: Planning and Capacity Building Grants and Implementation Grants LADOT was awarded \$7m for its South Los Angeles Universal Basic Mobility Pilot Program 	for FY22-23	for \$35 million of Fiscal Year 2022-23 Planning and Capacity Building, Clean Mobility in Schools, and STEP funds.
Caltrans Low Carbon Transit Operations Program (LCTOP)*	<ul style="list-style-type: none"> The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services to expand intermodal transit facilities and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. 	\$140 million (2020)	Caltrans posts LCTOP guidelines in early 2023 Transit agencies submit final allocation requests to Caltrans in Q1 2023

Overall list of multiple fund sources researched and contains information on program alignment, name, and lead agency.

#	Alignment	Program Name	Agency
1	High	Sustainable Transportation Equity Project (STEP)	Air Resource Board
2	High	Low Carbon Transit Operations Program (LCTOP)*	Caltrans
3	Medium	Clean Mobility Options (California Climate Investments)	Air Resource Board
4	Medium	Clean Truck and Bus Vouchers (HVIP)	Air Resource Board
5	Medium	Transit and Intercity Rail Capital Program*	California State Transportation Agency
6	Medium	Affordable Housing and Sustainable Communities	California Strategic Growth Council
7	Medium	Local Partnership Program	California Transportation Commission
8	Medium	Active Transportation Program	California Transportation Commission
9	Medium	State Transportation Improvement Program	California Transportation Commission
10	Medium	Sustainable Transportation Planning Grants	Caltrans
11	Medium	Transformative Climate Communities	Strategic Growth Council and Department of Conservation
12	Low	Air Quality Improvement Program (AQIP)	Air Resource Board
13	Low	Community Air Protection Program	Air Resource Board
14	Low	Urban Greening	California Natural Resources Agency
15	Low	Solutions for Congested Corridors	California Transportation Commission
16	Low	Resilient Workforce Fund (RWF) Program	California Workforce Development Board

- Considered that the two high alignment funding options are not impacted by Article XIX. Low and medium alignments indicate there might be some restrictions and challenges for funding application.













Local Funding Summary – Government Organizations

Overview of High Alignment Local Funding Programs

Local Source	Program high level Information	Funding Value	Potential Next Steps
Measure M	<ul style="list-style-type: none"> No sunset half-cent sales tax measure approved by voters in 2016 Rate of this tax will increase to one percent on July 1, 2039, following the expiration of Measure R Consists of four sub-funds: Transit Operating and Maintenance; Transit, First/Last Mile (Capital); Highway, Active Transportation, Complete Streets (Capital); Local Return/Regional Rail 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$20.3 million for 2% rider discount allocation)</p>	Explore local return as a viable fund source.
Measure R	<ul style="list-style-type: none"> 30-year, half-cent sales tax approved by voters in 2008 Consists of four sub funds: Transit Capital (40%); Highway Capital (20%); Operations (25%); Local Return (15%) LA Metro has used Operations sub fund to freeze fare increases for Student, Senior, Disabled, and Medicare riders from 2009-2013 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$254.1 million for 25% Operations allocation)</p>	
Prop A	<ul style="list-style-type: none"> No sunset, half-cent sales tax approved by voters in 1980 Consist of three sub funds: Local Return (25%); Rail Development (35%); Discretionary (40%) Currently, the "Discretionary" bucket is being used solely for Bus Transit operations and part of FAP with municipal operators 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$392.1 million for 40% Discretionary allocation)</p>	
Prop C	<ul style="list-style-type: none"> No sunset, half-cent sales tax approved by voters in 1990 Consists of five sub funds: Local Return (20%); Rail and Bus Security (5%); Commuter Rail, Transit Centers and Park & Ride (10%); Transit-related Highway Improvements (25%); Discretionary (40%) The City of Commerce received \$766K in FY 21 for its zero-fare service from Proposition C 40% discretionary funds. 	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$406.5 million for 40% Discretionary allocation)</p>	

Alternative Revenue Options and Non-Government & Philanthropic Partnerships







Alternative Revenue Options

Funding Alternative	Description	Type ⁴
Ads & Sponsorship Management Program	Expand advertisement & sponsorship policy, including working with the private sector	
	Other transit agency examples: Washington (DC) – WMATA(expanded digital ad network in partnership with OUTFRONT), Tokyo (created in-house Metro Ad Agency)	 
Asset Recycling/Real Estate Transactions	Sale or lease of underutilized public assets, including joint development agreements	
	Other transit agency example: New South Wales - Sydney Metro	 
Battery Storage	Lease excess storage capacity from EV fleets to utilities.	
Carbon Offsets Credit	Sell credits to corporations for GHG reduction achieved from transitioning from vehicle use to transit options.	
Charge Fee on Contracts with LA Metro	Charge % of billings that would be paid back to the FSI program on contracts	
Congestion Pricing	Congestion pricing on toll lanes and in urbanized areas ⁵	
	Other transit agencies examples: Orange County – Orange County Transportation Authority (OCTA)	
Cost Sharing with Health Insurance Companies	Insurance will cover the cost of trips to/from health care appointments.	
Philanthropic: create an LA Metro 501(c)(3) or Partner with existing 501(c)(3)	Encourage/solicit donations/hold fundraising events to raise money for the 501(c)(3)	
	Other transit agencies examples: New York - MTA	 
Density Bonuses	Monetize permitting developers to build more density, height, or floor area than is allowed as of-right	
	Other transit agency examples: New York; Atlanta; Baltimore; Washington (DC); Denver; San Diego (air rights lease)	 

⁴  Policy or legislation efforts may be required  Implemented by other transit agency (agencies mentioned in appendix)

⁵ [91 Express Lanes - Toll Policies](#)

Funding Alternative	Description	Type ⁴	
Digital Billboards	Expand digital billboards on LA Metro facilities Other transit agency examples: Washington (DC) - WMATA; New York		
Distance-Based fare option	Charge transit fees based on distance and/or time of day Other transit agency examples: Washington (DC)		
Electricity Generation	Utilize available space to install power generation equipment such as solar panels. Other transit agency examples: Atlanta - MARTA		
Employer Certification Program	Develop a "Transit Friendly Employer " program that requires a % of fare purchases to be donated to FSI Other transit agency example: Vancouver, BC		
Grocery Rewards Points or Similar Program	Use grocery points towards fare credits, shoppers can donate points to fund FSI		
Leverage Central Maintenance Facility	Sell maintenance capacity and power swaps by leveraging LA Metro infrastructure to support transit partners.		
Network Partnership (Wi-Fi & Broadband)	Privatize management of Wi-Fi or broadband/dark fiber Other transit agency example: New York - MTA (expanded Wi-Fi and cell service across the entire subway network in partnership with Transit Wireless)		
Parking & EV Charging Fee Structure	Establish a paid fee structure for parking and EV charging Other transit agency examples: Paid parking – Chicago; Washington (DC); Denver		
Partnership Program – Pay-it-forward	Partners/investors pay for rides. Other transit agency examples: Boston, MBTA (partners: MIT, Target, large retail shopping mall, City agencies, others)		
Privatization of Managed Lanes	Managed lanes privatization to gather sustainable funds for fareless initiative Other transit agency examples: Texas, California, Colorado, Minnesota, and Florida		
Refund Existing Transit Bonds or Issue Toll Revenue Bonds	Evaluate existing and future bonds.		

Funding Alternative	Description	Type ⁴
Retailer rewards	Retailers provide fare credit when shoppers spend more than \$x	
Site/License Fees	Charge royalties anytime LA Metro assets are used in movie production Other transit agency example: Chicago - CTA	
Start Transit Certification Program	Similar to LEED, transit authorities pay fee to certify their environmental and social commitments.	
TNC Rideshare Fee	Charge flat per trip fee for TNC, taxi, and limo trips Other transit agency examples; Boston - MBTA; State of CA	 
Toll Round-Up	Institute a toll "round up" feature to allow Express Lane drivers to round up their tolls	
Value Capture Towards TOD	Earmark property tax revenue from increased property values for TOD Other transit agency examples: Impact Fees - Broward County (FL); Portland (OR); San Francisco Special Tax Districts - Washington (DC); Los Angeles; Denver	 

Metro's Fareless System Initiative (FSI)

Fareless System Initiative (FSI)

April 2023

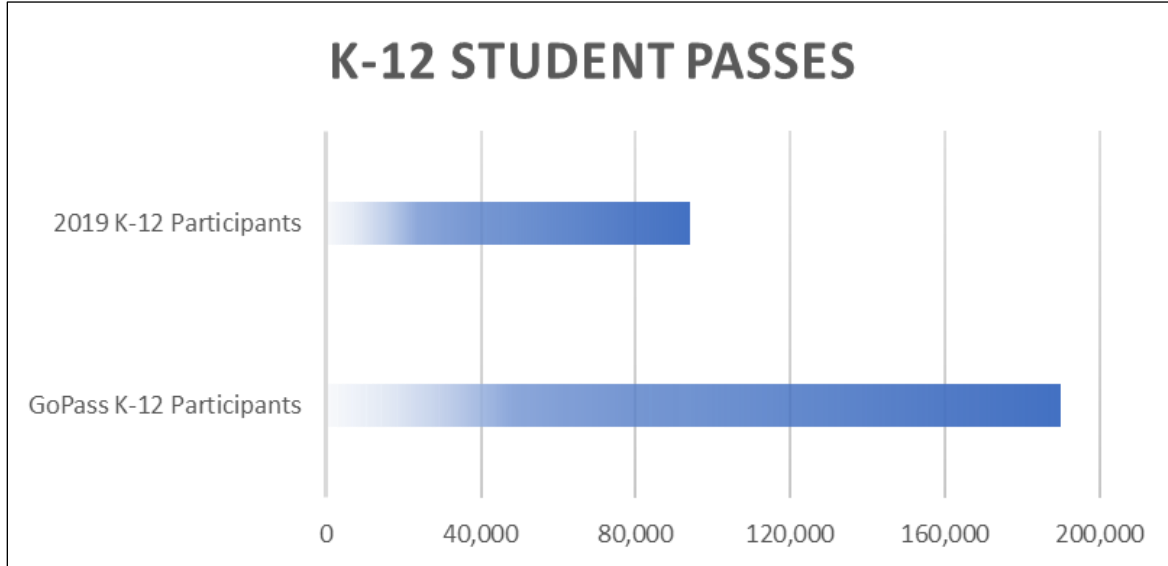


FSI – Background

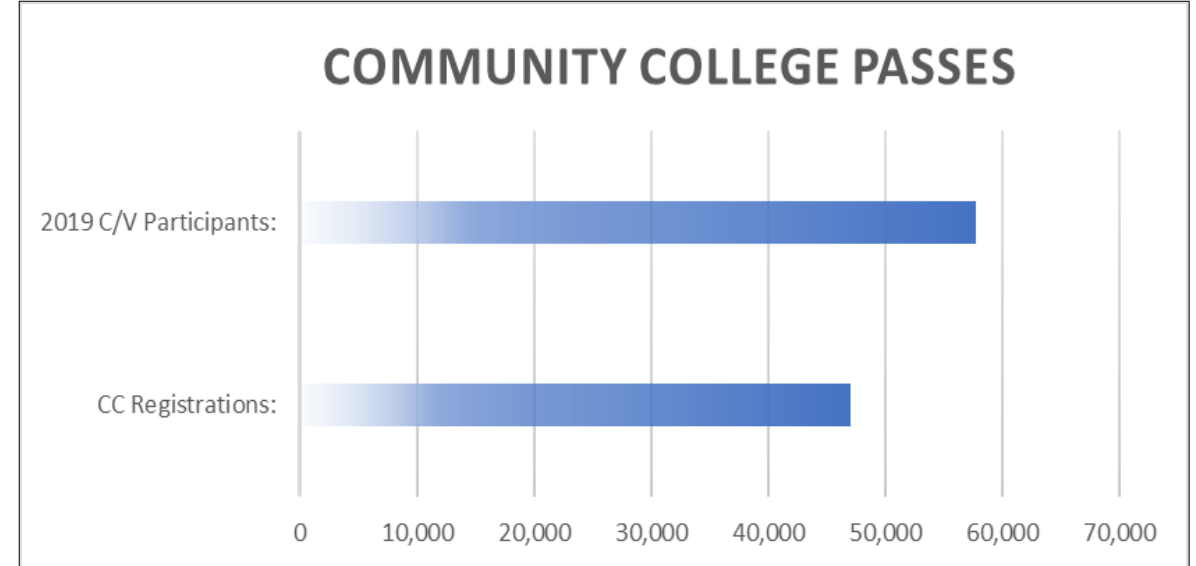
- In August 2020, Metro initiated the Fareless System Initiative (FSI) Task Force to study free fare service as a recovery strategy for the COVID-19 pandemic.
- In September 2021, the Board approved a phased approach to FSI implementation — Phase 1 fareless for K-14 students and Phase 2 fareless for low-income residents, once additional funding has been identified.
- The original two-year GoPass Pilot Program for K-14 students was approved through June 30, 2023.
- This report provides a recommendation to continue the GoPass pilot program for another fiscal year (FY24) as staff continues to identify and pursue funding for FSI.



GoPass Participation



As of 4/7/2023, K-12 GoPass participants are 202% above all 2019 K-12 cardholders 190,069 in FY23 vs. 93,956 in FY19



As of 4/7/2023, Community College participants are 81% of 2019 cardholders 46,998 in FY23 vs. 57,721 in FY19

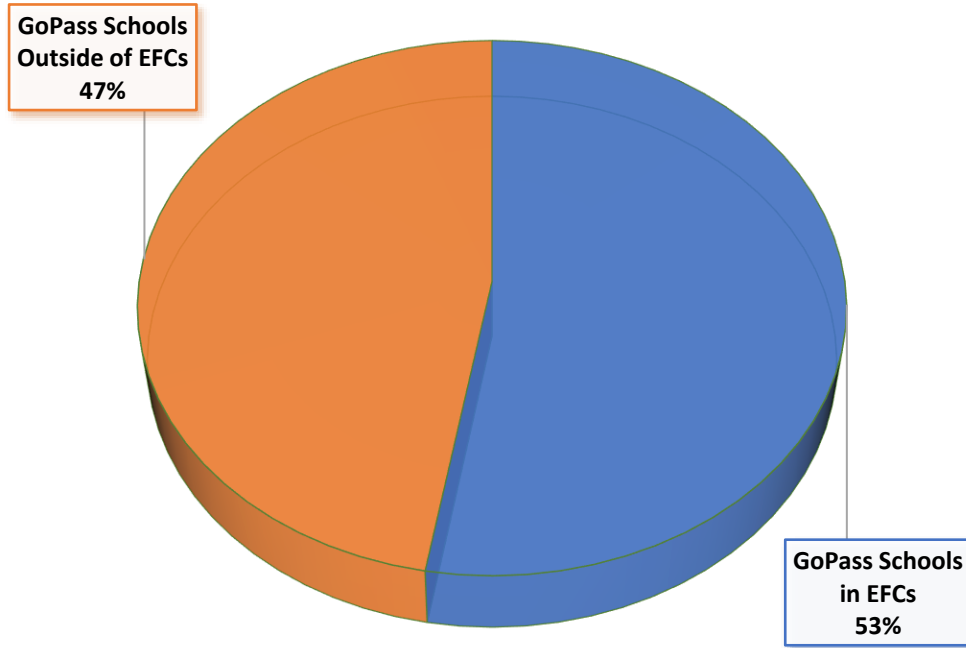
GoPass Participation (as of 4/7/2023)

	Year 1	Year 2 New*	Total	Increase
Participating Districts	56	45	101	80%
Community Colleges	14	2	16	14%
GoPass Schools	1162	253	1415	22%
Average Boardings per Card	58	103	81	40%
Students in GoPass Schools*	1,000,000	300,000	1,300,000	30%
TAP Cards Distributed*	920,000	280,000	1,200,000	30%
Percent of Cards Distributed	92%	93%	92%	
Boardings	5,440,000	11,180,000	16,620,000	206%
*Schools, students, TAP Cards that were added in Year 2. Continuing participants used existing cards.				

GoPass program has recovered 63% of the pre-covid student boardings (11.18M of 17.8M) and is estimated to reach 14M (79%) boardings by end of FY23.

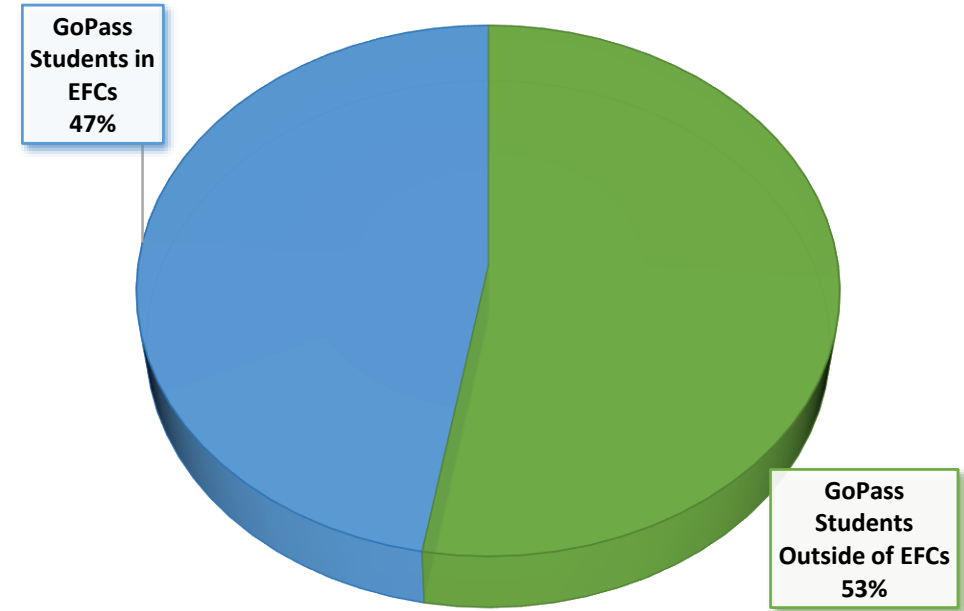
GoPass in Equity Focus Communities

723 of the 951 (76%) schools in EFCs have registered GoPass participants.



As of 3/2/2023

53% GoPass Schools in EFCs (723)
47% GoPass Schools Not in EFCs (1371)



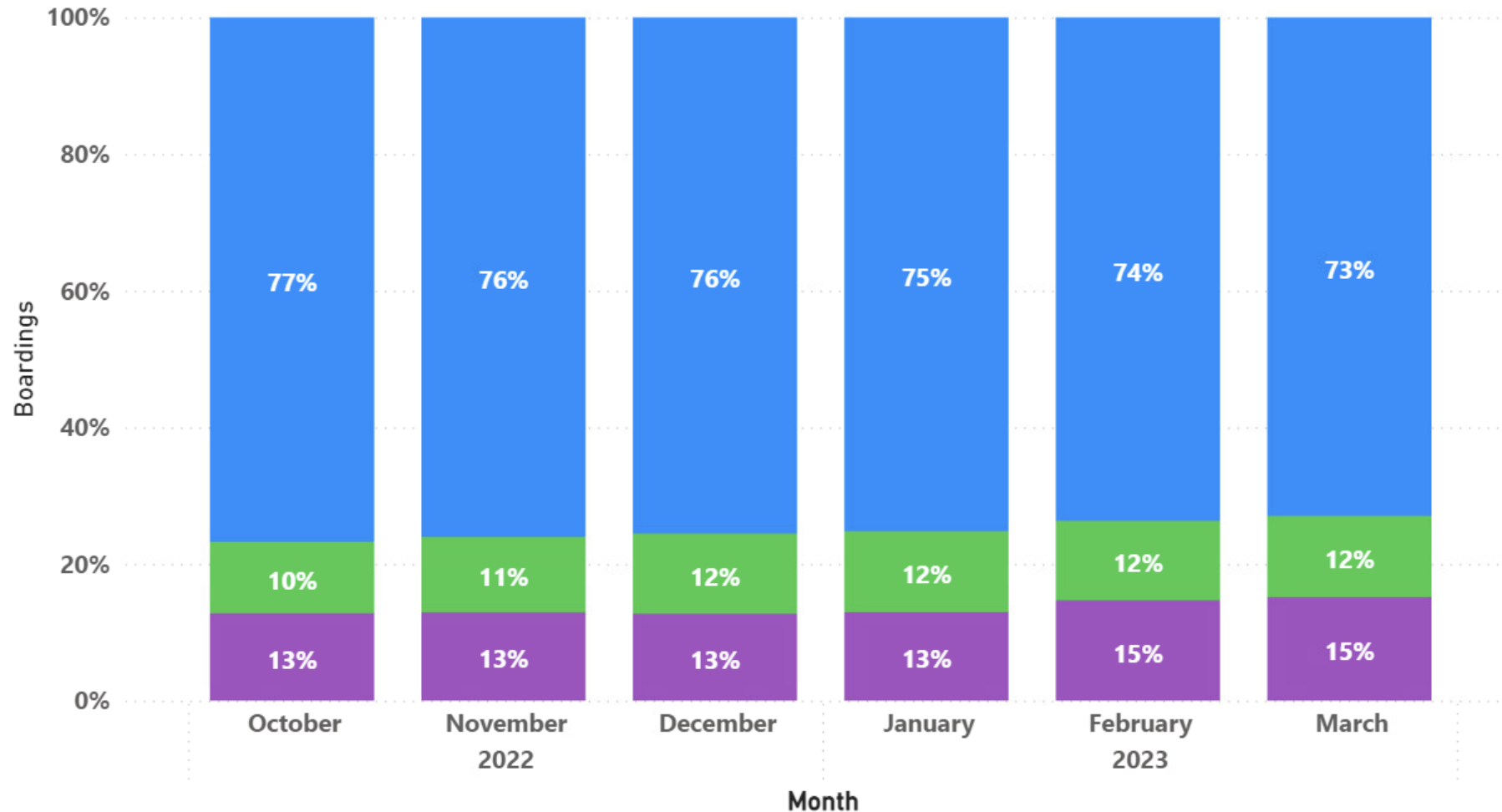
As of 3/2/2023

47% GoPass Students in EFCs (105,510)
53% GoPass Students Not in EFCs (120,112)

TAP Boardings for GoPass/LIFE on Metro

Boardings by Year, Month and Fare Product Type

Fare Product Type ● FSI Transaction ● LIFE Transaction ● Other



February 2023

FSI/LIFE: 2,027,918 (27%)

Up from 18% in Feb 22

TAP (Other): 5,678,450

March 2023

FSI/LIFE: 2,422,815 (27%)

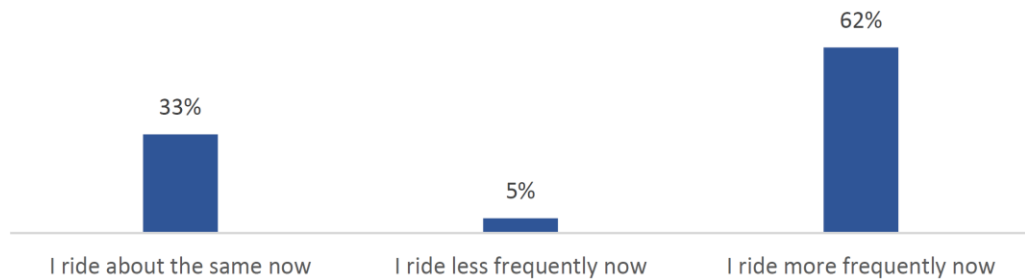
TAP (Other): 6,540,490

Up from 20% in Mar 22

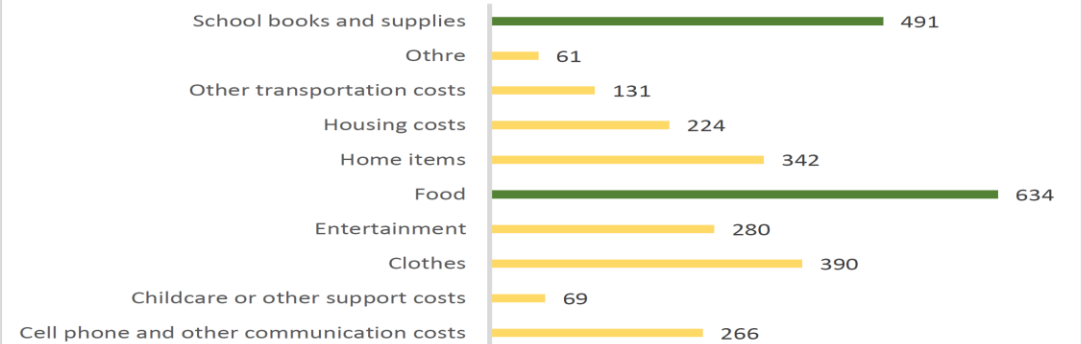
Boardings only include TAP (not cash)

GoPass Survey

HAS THE NUMBER OF TIMES YOU RIDE CHANGED SINCE YOU ENROLLED IN THE GOPASS PROGRAM?



WHERE DO YOU SPEND THE MONEY YOU SAVED? *PLEASE SELECT ALL THAT APPLY*



GoPass Student Feedback

- “It's the reason why I attend college!”
- “The free transportation fares impacted my life as I'm able to go to school every day without worrying about spending money each time I take the bus, which helps with the hardships of my financial situation I'm currently living.”
- “Without free transportation fares, I literally would not be able to afford lunch. (i.e. Bread, cheese, lettuce, and meat that can last me a week) Free transportation fares have literally changed my life in more ways than one.”



GoPass Costs

- Projected cost for Metro for year 3 is \$19.7 million without school participation. The cost for other participating transit agencies is \$3.3 million.
- AB 181 New Home-to-School (HTS) Transportation Reimbursement for school districts
 - Provides public school districts and county offices of education (COEs) with reimbursement of up to 60% of their transportation program costs
- Staff will negotiate increasing the current per-student district cost sharing to **\$7**
 - After the 60% reimbursement, the net cost to public school districts would be \$2.80 per student.
 - This could provide an additional \$3.4 m in new funding for the program while not increasing the net cost to public school districts that are currently paying \$3.
 - No increase to the cost for community colleges or adult/vocational schools will take place.
- Total projected Cost for year 3 **\$16.7 million** with an increase to the per student cost district cost sharing to **\$7**

RESULTS			
	Actual Year 1	Estimated Year 2	Projected Year 3
School Districts Enrollment			
K-12	636,714	736,597	854,453
Community College	152,455	252,887	252,887
Adult/Vocational	-	52,798	52,900
Total GoPass Enrollment	789,169	1,042,282	1,160,240
GoPass Boardings			
Metro (84%)	4,516,731	11,780,815	21,076,949
Other Transit Agencies (16%)	837,372	2,243,965	4,014,657
Total GoPass Boardings	5,354,103	14,024,780	25,091,606

Revenues: GoPass Cost-Sharing Agreements				
Amounts Collected From				
K-12	\$3	\$ 1,910,142	\$ 2,209,791	\$ 2,563,358
Community College	\$7	687,815	598,668	598,668
Adult/Vocational	\$7	-	369,586	370,300
Total Collected from School Districts	\$	2,597,957	\$ 3,178,045	\$ 3,532,326
TAP Cards	\$	(1,447,090)	\$ (605,218)	\$ (600,000)
Revenues to be shared	\$	1,150,867	\$ 2,572,827	\$ 2,932,326

GoPass Program Costs				
Metro Administrative Costs				
Technical Support, Administrative Support, Outreach				
Metro Administrative Costs	\$	4,330,616	\$ 3,888,735	\$ 3,888,735
Fare Revenue Loss	\$	3,387,548	\$ 8,835,611	\$ 15,807,712
Metro Costs	\$	7,718,164	\$ 12,724,346	\$ 19,696,447
Cost Sharing Agreements		(696,710)	(1,620,881)	(1,847,365)
Metro GoPass Costs	\$	7,021,454	\$ 11,103,465	\$ 17,849,082
Other Transit Agencies				
Total Administrative Costs	\$	281,010	\$ 266,590	\$ 297,529
Fare Revenue Loss	\$	925,223	\$ 1,682,974	\$ 3,010,993
Other Transit Agencies Cost	\$	1,206,233	\$ 1,949,564	\$ 3,308,522
Cost Sharing Agreements		(414,619)	(951,946)	(1,084,960)
Other Transit Agencies GoPass Costs	\$	791,614	\$ 997,618	\$ 2,223,561
TOTAL GoPass Costs	\$	7,813,068	\$ 12,101,083	\$ 20,072,643
Potential new funding (increasing K-12 School District rate to \$7) for Year 3				\$ (3,417,810)
Cost of Year 3 pilot w/increased fee				\$ 16,654,833

FSI Funding Advocacy Plan



FSI – State Funding

State Funds: 16 programs evaluated. Two state programs with “High” alignment were identified, namely the Air Resource Board’s Sustainable Transportation Equity Project (STEP) and Caltrans’ Low Carbon Transit Operations Program (LCTOP)*. Categories used to support the state ranking alignment were transportation, education, growth, climate, resource, and workforce.

Challenges

- Majority of State programs are for competitive grants, with several oversubscribed in recent fiscal years
- Reduction of greenhouse gas emissions is a top priority for capital investments compared to fareless initiatives
- AB 1919 – Student Transportation Bill, Vetoed (Not funded)
- AB 610 – Currently in budget/legislative process

Opportunities

- Share the FSI vision of success with stakeholders and highlight two years of GoPass and LIFE actual data as proof that fareless programs will create a significant community and transit impact.
- Use media and communications channels to keep stakeholders informed with data. One of the challenges to obtaining multiple years of funding for fareless initiatives is the lack of data to support political decisions.
- FSI can change this scenario by providing updated data for Los Angeles, the second largest transit market in the country.
- Build political support for future fareless legislation and policy development.
- AB 181 – Home to School Transportation reimbursement up to 60%

FSI – Federal Funding

Federal Funds: 69 specific programs were evaluated, including 56 from IIJA, 7 from USDOT, and six from HUD. Three federal programs with “High” alignment were identified, all through the Infrastructure Investment & Jobs Act. The Plan identified the Department of Transportation RAISE Grant Program, the FTA’s Enhanced Mobility of Seniors & Individuals w/ Disabilities, and the FTA Research Development, Demonstration, and Deployment Projects grant opportunities.

- \$1 million grant through the Congressional Directed Funding (Feinstein) to help expand the GoPass at all community colleges in LA County (~143,000 students)
- Community Funding Project requests with members of the Los Angeles County Congressional Delegation (including our U.S Senators) to support Metro’s Go Pass Program
- **Federal Funding Challenges**
 - Federal programs do not directly list fare assistance as an eligible use of funds
 - Regulations are not clear around the use of funds for fare revenue replacement
 - Most Federal programs require cost sharing of 20% to 50% with awarded agencies
- **Federal Funding Opportunities**
 - Federal program awards are generally higher in value
 - An award for FSI could create a use case for federal support for funding fareless transit
 - Metro could have the opportunity to help shape legislation for fareless programs at the federal level leveraging data from GoPass

Other Funding Opportunities

- **NGO/Philanthropy and Private Sector Funds:** 46 organizations were evaluated as potential supporters of FSI Phase 2. 15 potential supporters with “High” alignment with the goals of a fareless program for low-income riders,
- **Alternative Revenue Options:** In addition to government funding sources, the FSI Phase 2 Funding Plan identified potentially innovative options to generate revenue from local, nongovernmental, and private sector partners that align with the objectives, benefits, and outcomes for low-income riders envisioned through FSI Phase 2. Upon initial review, Metro staff believe that the following concepts are worthy of further investigation:
 - **Employer Certification Program** - Develop a "Transit Friendly Employer" program that requires a % of fare purchases to be donated to FSI
 - **Congestion Pricing** - Allocating or competing for a portion of the revenue generated from congestion pricing on toll lanes
 - **Cost Sharing with Health Insurance Companies** - Insurance will cover the cost of trips to/from health care appointments
 - **Toll Round-Up** - Institute a toll “round up” feature to allow Express Lane drivers to round up their tolls

Next Steps

- Continue GoPass Program (FSI Phase1) through FY24.
- Continue to identify funding opportunities to expand FSI to Phase 2 for low-income riders.



Fareless System Initiative



Board Report

File #: 2022-0799, File Type: Program

Agenda Number: 20.

EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2023
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023

SUBJECT: EXPRESSLANES PAY-AS-YOU-GO PILOT EVALUATION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings;
- B. AUTHORIZING the Pay-As-You-Go Program permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program’s “processing fee” (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZING staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned; and
- D. AUTHORIZING staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.

ISSUE

The Pay-As-You-Go (PAYG) Pilot was approved by the Board in January 2019 as a time-limited pilot to evaluate the effects of reducing the penalties associated with using the ExpressLanes for drivers without FasTrak transponders. At the time of approval, Metro staff committed to conducting an evaluation of the Pilot’s impacts and to report back to the Board at the conclusion of the Pilot period with findings. This Board Report addresses the impacts of the Pilot, and its associated recommendation regarding the future of the PAYG Program.

BACKGROUND

The PAYG pilot reduces the cost of using the ExpressLanes without a FasTrak transponder by

temporarily removing the \$25 violation penalty and replacing it with a significantly lower \$4 processing fee for non-FasTrak trips. This \$4 fee was designed and intended to match the costs of processing each PAYG notice, thereby keeping the PAYG pilot cost-neutral. For PAYG trips, the Roadside Toll Collection System captures photos of the vehicles as they traverse toll points, and the registered vehicle owners receive notices by mail to pay the tolls and fees due. These PAYG notices can be paid through the ExpressLanes website, over the phone, at neighborhood Pay-Near-Me locations (participating 7-Eleven locations), or in person at an ExpressLanes service center (Torrance and El Monte).

California Streets and Highways Code 149.9 and the Ordinance for Enforcement of Toll Violations (“Toll Ordinance”) jointly establish the requirement that all vehicles in the Metro ExpressLanes carry FasTrak transponders. As part of the PAYG Pilot, CHP stopped issuing citations for those driving the ExpressLanes without a transponder as of January 2020; if the Board elects to make this Pilot permanent, CHP would continue to follow this course of action with respect to transponders moving forward. Consistent with ExpressLanes regulatory requirements, under the new PAYG Pilot anyone using the ExpressLanes without FasTrak still receives a PAYG Notice of Toll Evasion Violation that includes the toll amount for the trip and a \$4 processing fee as opposed to the original \$25 penalty. If the balance due on a PAYG notice is not paid by the date indicated on the notice, it incurs penalties for delinquency as shown in Attachment A.

The Metro Board approved the PAYG Pilot in January 2019 and subsequently approved the necessary changes to the Toll Ordinance to enact the Pilot in January 2020. Public outreach and education about the PAYG Pilot was conducted primarily through the website and roadside signage along the I-10 and I-110 ExpressLanes corridors, due to the targeted nature of those communications and the constraints imposed by the COVID-19 pandemic at the time. The Pilot was initially intended to have a duration of one year, effective as of January 5, 2020. However, in 2021 the Pilot period was extended to allow sufficient time for the disruptive and unprecedented effects of the COVID-19 pandemic on ExpressLanes traveler behaviors, traffic patterns, and revenue trends to subside before conducting the Pilot evaluation.

The evaluation specifically seeks to address the following questions regarding the PAYG Pilot’s impact. These are consistent with the stated objective of seeking “ways that the ExpressLanes can be made available to more drivers” as provided in the original Board Motion #42 by Director Hahn as amended by Director Dupont-Walker (Attachment B) along with the considerations raised in the January 2019 Board Report that produced the authorization to proceed with the Pilot.

1. How effective was the Pilot at making the ExpressLanes available to more drivers?
2. How effective was the Pilot at reducing the fees/penalties paid by non-FasTrak users to offer more opportunities for access to the ExpressLanes?
3. How effective was the Pilot at reducing revenue losses associated with non-payment of notices for non-FasTrak trips?
4. How effective was the Pilot at opening up the ExpressLanes to occasional users?
5. What effect did the pilot have on congestion/mobility in the ExpressLanes?

DISCUSSION

Pilot Evaluation

To assess the pilot's effectiveness at making the ExpressLanes available to more drivers, the evaluation considered the changes that occurred to ExpressLanes trip volumes by non-FasTrak users (i.e., PAYG users) after the Pilot was implemented. In the "Before PAYG" period, 3.70% of all ExpressLanes trips were made by drivers without FasTrak. In the "With PAYG" period, this percentage increased to 5.98%. This difference was statistically significant at a 95% confidence level. Over the same period, FasTrak trip volumes declined by 16.1% while non-FasTrak trip volumes increased by 38.9%. This translates into an estimated 899,954 additional ExpressLanes trips as a result of the PAYG Pilot in the one-year "With PAYG" period. The data support the conclusion that the PAYG Pilot resulted in more ExpressLanes trips by drivers that did not have FasTrak, and suggest that the PAYG Pilot resulted in a 2.4% increase in ExpressLanes trip volumes.

To assess the Pilot's effectiveness at reducing the penalties paid by non-FasTrak users, the evaluation considered the changes that occurred to ExpressLanes trip revenue collected from non-FasTrak users after the Pilot was implemented. In the "Before PAYG" period, an estimated \$11.7 million in revenue was collected from non-FasTrak users of the Metro ExpressLanes across all Notice escalation stages prior to DMV hold, representing 18.6% of all revenues collected over that time period. In the "With PAYG" period, this percentage fell to 17.1%. Over the same period, FasTrak account revenue grew by 18.9%. Based on these data, the expected revenue in the "With PAYG" period would have been an estimated \$2.6 million higher in the absence of the PAYG Pilot, representing an approximate reduction in revenue of 3.8% as a result of the Pilot. Therefore, the data provides no evidence that the PAYG Pilot had any significant effect on the total revenue obtained from non-FasTrak trips in the ExpressLanes.

To assess how effective the Pilot was at reducing revenue losses associated with non-payment of notices for non-FasTrak trips, the evaluation considered the changes in on-time payment rates for non-FasTrak trips that occurred after the Pilot was implemented. In the "Before PAYG" period, non-FasTrak Notice payments that were submitted on time constituted 78.4% of all payments made at any Notice escalation stage prior to DMV hold. In the "With PAYG" period, this percentage decreased to 77.6%. Based on these data, the expected number of on-time payments in the "With PAYG" period would have been an estimated 6,620 higher in the absence of the PAYG Pilot. This difference was not statistically significant at a 95% confidence level (paired Student's t-Test, p-value 0.104). Therefore, the data provides no evidence that the PAYG Pilot had any meaningful effect on the relative frequency of on-time payments for non-FasTrak trips in the ExpressLanes.

To assess the pilot's effectiveness at opening up the ExpressLanes to occasional users, the evaluation considered changes in the number of non-FasTrak trips made by infrequent or occasional users of the ExpressLanes after the PAYG Pilot was implemented. In the "Before PAYG" period, 73% of non-FasTrak drivers made just one trip in the ExpressLanes, while in the "With PAYG" period this percentage declined to 63%. However, the number of non-FasTrak drivers in every other trip count bin increased in the "With PAYG" period. The average number of trips made per non-FasTrak driver increased from 2.5/year in the "Before PAYG" period to 3.7/year in the "With PAYG" period, with over 90% of non-FasTrak drivers using the ExpressLanes six times a year or fewer. The difference in the two distributions was statistically significant at a 95% confidence level. These findings indicate that the vast majority of non-FasTrak drivers typically use the lanes on an infrequent/occasional basis

only, and that such users felt more comfortable continuing to use the ExpressLanes without FasTrak following implementation of the PAYG Pilot.

To assess the effect of the Pilot on congestion and mobility in the ExpressLanes, the evaluation considered the changes in end-to-end travel times. The analysis revealed that the travel times decreased by an average of 2.6 minutes in the AM Peak and increased by an average of 4.2 minutes in the PM Peak, after controlling for pandemic-related effects. Note, however, that these results reflect the cumulative effect of all changes to the ExpressLanes between the “Before PAYG” and “With PAYG” periods, including transit service changes or roadway configuration changes that occurred over the same period. The data available for this analysis could not support isolating the specific impact of the PAYG Pilot alone.

The evaluation also considered the distribution of PAYG trips throughout the day and found that the greatest proportions of PAYG travelers use the ExpressLanes during off-peak periods, with 25.6% of all trips during the off-peak periods being PAYG trips, compared to 22.5% during the peak periods. These findings suggest that non-FasTrak drivers are having a proportionally greater influence on overall trip volumes during non-peak periods.

The full evaluation results and detailed findings, including charts and data tables, are provided in Attachment C. Unless otherwise noted in the analysis details, the “Before” period is September 2018 - August 2019, and the “After” period is September 2021 - August 2022.

Fee Adjustment Policy

The PAYG processing fee is designed to make the PAYG Program cost-neutral, such that it does not constitute a potential financial liability on the rest of the ExpressLanes program. Among other things, this helps protect the availability of funds for such things as net toll revenue grant reinvestments, which are used to fund transportation programs that promote more equitable outcomes on the corridors, such as investments in transit station improvements, bicycle infrastructure, Complete Streets programs, and first/last mile connections. When first calculated in 2018, the estimated processing cost per PAYG trip was \$4. This was calculated to cover the costs associated with processing PAYG notices, including: license plate image processing, notice printing, notice mailing, payment processing, customer service/support engagements, and back-end system management.

After collecting additional data over the course of the PAYG Pilot on revenue associated with non-pursuable PAYG notices (e.g., vehicles with no license plates), PAYG non-payment rates, and processing costs (including the effects of inflation since 2018), an updated PAYG processing fee of \$8 is recommended to sufficiently cover PAYG Program costs. This accounts for the joint effects of inflation, PAYG trip non-payment rates, and non-pursuable PAYG trip rates, which collectively reflect a fee increase of 92% (calculation details are provided in Attachment D). Put another way, the original fee will be increased by \$1 to account for the cumulative effect of inflation since 2018, and by another \$3 to account for the prevailing non-payment rates that occurred over the course of the Pilot. Furthermore, to allow for ongoing coverage of PAYG Program costs moving forward, this fee would be subject to Consumer Price Index (CPI) adjustments on an annual basis as described in Attachment D.

For added interpretive support with respect to this fee increase through an equity lens, the equity analysis found that ZIP codes with lower EFC concentrations had relatively higher PAYG utilization rates whereas ZIP codes with higher EFC concentrations had relatively lower PAYG utilization rates. Additional detail is provided in the Equity Platform section.

Prior to PAYG, a \$25 penalty of notice of toll evasion was assessed. During the pilot, this penalty was suspended. If PAYG is made permanent, the \$25 penalty for toll evasion is eliminated. Per the Toll Ordinance, if a PAYG Notice is not paid within 30 days, it escalates to a “Past Due Notice” and incurs an additional “Past Due Penalty” on top of the previous balance due. The current Past Due Penalty is \$21, meaning that the total amount due at the Past Due Notice escalation stage is the toll plus \$25 in fees and penalties (i.e., the sum of the \$4 processing fee and the \$21 Past-Due Penalty). As part of the Fee Adjustment Policy as described in Attachment D, any changes to the processing fee will be accompanied by corresponding adjustments to the Past-Due Penalty to keep their sum fixed at \$25. For example, if the PAYG processing fee were increased from \$4 to \$8, the Past Due Penalty would be adjusted from \$21 to \$17 such that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties.

For added context, an \$8 fee is still the lowest out of all such fees among other Express Lanes operators in the state, which range from \$10 to \$40 and are \$25 on average (see Attachment A for a complete comparison table). Metro continues to be a national leader in this regard as more facilities across the country start to evaluate their own programs to make it easier for occasional, infrequent, or inadvertent users to access their lanes.

Any such changes to the PAYG fee would require corresponding updates to the Toll Ordinance, which was last updated on January 5, 2020, to include the current \$4 PAYG fee. When updates to the Toll Ordinance are limited to routine PAYG fee amount adjustments only, as defined in Attachment D, they will be communicated to the Metro Board by official Board Correspondence at least 30 days in advance, and will subsequently be publicly announced through the website and/or other communications channels consistent with the existing customer notification practice.

Interpretive Support for Revenue Findings

Although the PAYG processing fee is specifically designed such that the added costs of supporting the PAYG Program are recovered by the fee, there are nevertheless additional revenue impacts to the ExpressLanes program associated with PAYG given that it reduced the former \$25 violation fee for non-FasTrak trips to a lower \$4 processing fee instead. This translated into reduced revenue for the ExpressLanes program as compared to the pre-PAYG period by an estimated 3.8%, which lowers the amount of funding available.

No portion of a PAYG notice is designed to function as a revenue generator for ExpressLanes. The toll portion of the PAYG notice that is posted on the lanes is set according to the price needed to keep the lanes moving, and is a function of road capacity and demand at any given time. The fee portion of the PAYG notice is a function of processing/handling costs, and is designed specifically to cover those program expenses ; it is not designed to be punitive. While any non-zero fee amount would also act as a financial disincentive to some extent, this is not the intent of the fee portion of the PAYG

notice; rather, the purpose of PAYG is to minimize this disincentivizing effect by lowering the PAYG fee to the minimum level necessary to cover processing costs. Finally, the penalty portion of the PAYG notice is triggered only if the user does not pay the balance owed by the due date, and is designed to be a deterrent to encourage timely payment of the amount due.

It should be noted that while non-FasTrak user revenues declined between the pre-implementation and post-implementation data used for this analysis, these reductions in violation revenue were more than offset by broader revenue increases program-wide that resulted from growing demand for the ExpressLanes - particularly in the PM Peak period-and a corresponding rise in toll rates necessary to effectively manage that increasing demand during those peak times. More precisely, program-wide revenue increased overall by 4.8% between the "Before PAYG" and "With PAYG" periods, though the analysis suggests that revenue growth would have been 3.8% higher over the same period in the absence of the PAYG Pilot.

DETERMINATION OF SAFETY IMPACT

This recommended action is not anticipated to have an impact on the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The toll revenue and fees collected are recognized as ExpressLanes revenues. The toll revenue will fund the existing and future ExpressLanes operations. The PAYG fees will cover the program expenses such as processing/handling costs.

Impact to Budget

No impact to FY23 Budget. If approved, the change in fees/fares will be factored into future year budgets. The Toll revenues are eligible only for activities (operation/capital) within the toll regions.

EQUITY PLATFORM

The ongoing PAYG Pilot would continue to reduce the costs of using the ExpressLanes without FasTrak by as much as 68% by lowering the fee portion of such trips from \$25 (i.e., the original pre-Pilot fee amount that would be reinstated if the PAYG Program were discontinued) to \$8. This benefit therefore necessarily extends to drivers that may have inadvertently entered the lanes without intention of doing so as well. Other ExpressLanes programs already exist to target other equity-related issues, such as emissions reductions (i.e., the Carpool Loyalty Program and Transit Rewards Program), and improved transit access (i.e., the incremental transit service funding program).

When considering the utilization rates of the PAYG Pilot, ZIP codes with the lowest EFC concentrations had the highest relative PAYG utilization rates (4.87% of all trips made), whereas ZIP codes with the highest EFC concentrations had the lowest relative PAYG utilization rates (2.62% of all trips made). PAYG utilization is defined as a ZIP code's total count of PAYG trips paid before escalation, normalized by the total trip count for that ZIP code. The focus on trips paid before

escalation is necessary to account for the fact that the PAYG Pilot only modified that fee level of the escalation process (i.e., reducing it from \$25 to \$4). Additional detail is available in Attachment E: Pay-As-You-Go Equity Analysis.

It is also notable that for frequent ExpressLanes travelers with low incomes that want to avoid the PAYG processing fees entirely, there is the option of opening Low Income Assistance Plan (LIAP) accounts with Metro ExpressLanes instead. Eligible households that meet the income requirements for LIAP accounts receive initial credits of \$25 each upon account activation and have the monthly \$1 account maintenance fees waived on an ongoing basis. As of August 2022, there were 17,060 active LIAP accounts with an estimated 8,018 (47%) living in EFCs (see Attachment E). Recent data analysis by staff has offered strong evidence that having access to LIAP accounts effectively addresses the cost-related barriers to use of the ExpressLanes among low-income households.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The ongoing PAYG Pilot supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling, by reducing the costs of accessing the ExpressLanes for non-FasTrak users. Over the past 12 months, the ExpressLanes have offered travelers an average time savings of 32% and an average travel time reliability improvement of 54% when compared to the adjacent general purpose lanes on I-10 and I-110 in the weekday peak periods and directions. Since the ExpressLanes first opened in 2012, they have cumulatively saved users an estimated 26.6 million hours of time.

The ongoing PAYG Pilot supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by reducing the costs of accessing the ExpressLanes for non-FasTrak users. When traffic shifts from the general-purpose lanes to the ExpressLanes, that can help free up additional capacity in the general-purpose lanes and achieve performance improvements for those travelers as well.

ALTERNATIVES CONSIDERED

As an alternative to this recommended action, the Board may instead elect not to continue the PAYG Program. This is not recommended, as the PAYG Pilot has generated significant tangible benefits for the traveling public by making the lanes more accessible to infrequent and occasional users, and by increasing on-time payment rates among non-FasTrak users of the ExpressLanes.

NEXT STEPS

Upon Board approval of this recommended action, staff will update customer materials and messaging to indicate that the PAYG Program and its associated benefits are now a permanent feature of the Metro ExpressLanes, will make updates to the Toll Ordinance and PAYG Notice fee as described in the Fee Adjustment Policy, and will take additional action as needed on the backend systems to make the PAYG Program permanent. To further promote awareness about the PAYG Program among non-FasTrak users of the I-10 and I-110 corridors, staff will also implement a billboard strategy to educate freeway users about the new policy.

ATTACHMENTS

Attachment A - Violation Fees and Timeframes Among FasTrak Operators

Attachment B - Board Motion 42

Attachment C - Analysis Findings

Attachment D - Fee Adjustment Policy

Attachment E - Pay-As-You-Go Equity Analysis

Prepared_by

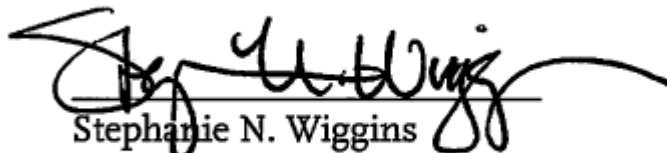
Prepared by: Robert Campbell, Sr. Manager, Transportation Planning, (213) 418-3170

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Reviewed_By

Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

among FasTrak Operators

	Metro ExpressLanes	SANDAG Express Lanes	91 Express Lanes	RCTC Express Lanes	TCA Toll Roads ¹	Golden Gate Bridge ¹	BATA Express Lanes	BATA State-Owned Bridges ¹
First Violation Notice Fee/Penalty ²	\$4	\$40	\$25	\$25	\$57.50	\$25	\$10	\$5
First Violation Notice Due After ³	30 days	24 days	30 days	30 days	30 days	30 days	30 days	30 days
Second Violation Notice Fee/Penalty ²	\$21	\$60	\$30	\$30	\$42.50	\$45 ⁴	\$20 ⁴	\$10 ⁴
Second Violation Notice Due After ³	30 days	24 days	60 days	60 days	30 days	30 days	30 days	30 days
Third Violation Notice Fee/Penalty ²	\$30	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Third Violation Notice Due After ³	60 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eligible for DMV Registration Hold ⁵	After deadline for 3 rd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice

TABLE NOTES:

- For single-plaza toll facilities (i.e., bridges and toll roads), a Notice of Toll Evasion Violation is sent out after a short pre-violation stage (2–5 days) wherein customers can alternatively pay the toll amount online by license plate. This functionality is not supported for trip-based toll facilities (i.e., all Express Lanes facilities).
- Amounts are in addition to the toll amount and any fees/penalties associated with prior notices.
- Timeframes are an approximate guideline only. Refer to violation notice for precise due date associated with a given violation.
- If the second violation notice is paid within the first 15 days, the second violation notice penalty is waived (i.e., only the toll and penalty from the first violation notice are due).
- Some agencies may also send violations to collections at this stage depending on the circumstances.

SOURCES:

- Metro ExpressLanes:
 - Web Site Frequently Asked Questions: <https://www.metroexpresslanes.net/frequently-asked-questions/#elementor-tab-content-da4151b> (accessed 2022-11-28)
- SANDAG:
 - Web Site Frequently Asked Questions: <https://www.myfastrak.511sd.com/en/learn/faq> (accessed 2022-11-28)
 - Conversation with SANDAG Customer Service Representative at (888) 889-1515 on 2022-11-28.
 - Email conversation with SANDAG Express Lanes staff at [email addresses withheld] on 2022-12-01.
- OCTA (91 Express Lanes):
 - Web Site Frequently Asked Questions: <https://www.91expresslanes.com/faqs/> (accessed 2022-11-28)
 - Ordinance No. 2020-01 Amending Ordinance No. 201-01 Relating to the Administration of Tolls and the Enforcement of Toll Violations for OCTA
 - Conversation with 91 Express Lanes Customer Service Representative at (800) 600-9191 on 2022-11-28.
- RCTC:
 - Ordinance No. 19-001 Amending and Restating the RCTC Ordinance Relating to the Administration of Tolls and the Enforcement of Toll Violations for the RCTC Express Lanes
 - Conversation with RCTC Express Lanes Customer Service Representative at (855) 951-1500 on 2022-11-28.
- TCA:
 - Web Site Frequently Asked Questions: <https://www.thetollroads.com/help/faqs/what-is-the-penalty-for-a-toll-road-violation/> (accessed 2022-11-28)
 - Conversation with TCA Customer Service Representative at (949) 727-4800 on 2022-11-28.
- Golden Gate Bridge and BATA:
 - Web Site Frequently Asked Questions: <https://www.bayareafastrak.org/en/support/tv-general-information-faq1.shtml> (accessed 2022-11-28)
 - Conversation with BATA Customer Service Representative at (877) 229-8655 on 2022-11-28.



Board Report

File #: 2018-0194, **File Type:** Motion / Motion Response

Agenda Number: 42.

**REGULAR BOARD MEETING
APRIL 26, 2018**

Motion by:

HAHN as amended by DUPONT-WALKER

Metro ExpressLanes officially began with a US Department of Transportation Grant in April 2008, which would convert existing High Occupancy Vehicle (HOV) lanes into dynamically-priced high-occupancy toll (HOT) lanes. This initial congestion pricing pilot project was specifically designed to reduce congestion along two of the Los Angeles region's most impacted freeways: the I-110 and I-10. Metro ensures the ExpressLanes maintain traffic flow, prevent them from being overloaded, and maintain a federally mandated minimum speed of 45 miles per hour.

Many of Metro's goals - expanding the rail and bus network, investing in active transportation, and connecting us throughout the Los Angeles region, aim to achieve some level of reduced congestion and fewer vehicle miles traveled. Metro is now looking at expanding the ExpressLanes to the I-105 Freeway.

I believe that Metro should continue to review the Express Lanes program and ensure it continues to meet its commitment to ease freeway congestion and improve the quality of life for Los Angeles County residents. Metro should also study toll systems in other large jurisdictions, giving priority to those with similar demographics; and explore ways that the Express Lanes can be made available to more drivers.

**SUBJECT: MOTION BY HAHN AS AMENDED BY DUPONT-WALKER
FEASIBILITY STUDY ON EXPRESSLANES**

APPROVE Motion by Hahn as amended by Dupont-Walker that the CEO report back in 180 days to the Board on:

- A. The current performance of the ExpressLanes;
- B. A comparison of the Metro ExpressLanes system to other major congestion-pricing toll systems in the country; and
- C. The viability of Metro ExpressLanes implementing a "Pay-as-You-Use" model for all drivers.

ATTACHMENT C:

Quantitative Evaluation of Pay-As-You-Go Pilot

This data analysis considers the quantitative impact of the Pay-As-You-Go (PAYG) Pilot in six areas:

1. End-to-End Travel Times in the ExpressLanes
2. Flow fractions for Non-transponder Trips by time of day
3. Volume of ExpressLanes Trips by Non-FasTrak Users
4. ExpressLanes Revenue
5. On-Time Payments for Trips by Non-FasTrak Users
6. ExpressLanes Access by Infrequent or Occasional Users

END-TO-END TRAVEL TIMES IN THE EXPRESSLANES

In this section, we consider changes in end-to-end travel times on the ExpressLanes.

Data Source: Caltrans Performance Measurement System (PeMS) 5-minute traffic data for all detectors that were at least 70 percent observed (i.e., less than 30 percent imputed in a given aggregation interval). Data were collected for all weekdays in calendar year 2019 and calendar year 2022, with 2019 constituting the “Before PAYG” period and 2022 constituting the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Data were collected for the I-10 ExpressLanes between I-605 and Alameda Street. There were insufficient data available in PeMS for the I-110 ExpressLanes to support this analysis, so only I-10 travel times were evaluated.

Additional data were collected from the HOV lanes on the following corridors to function as experimental controls for the I-10 ExpressLanes:

- SR 91 between I-110 (Abs PM 0.5) and I-605 (Abs PM 11)
- I-210 between I-605 (Abs PM 36.71) and SR 57 (Abs PM 44.77)
- I-210 between SR 134 (Abs PM 25) and I-605 (Abs PM 36.71)
- SR 60 between I-605 (Abs PM 11.84) and SR 57 (Abs PM 25.67)

I-105 between I-110 (Abs PM 7.34) and I-605 (Abs PM 18) was also considered as a candidate control corridor, but was found to have insufficient data available in PeMS and subsequently excluded.

Method: In this analysis, travel times are estimated from point measurements along a given corridor (e.g., from inductive loop data) by simulating the progress of virtual vehicles from one end of the corridor to the other. In the case of this analysis, these vehicles are dispatched from the upstream end of the corridor every 5 minutes and their progress is re-evaluated every 45 seconds or every 30 feet along the corridor—whichever occurs first. The time between successive re-evaluations is called the simulation time-step. Generally, the distance threshold will govern, and vehicle progress will be re-evaluated every 30 feet. However, if traffic speeds drop very low, the time threshold of 45 seconds will be reached first, and progress will be re-evaluated after that amount of time. This is included as a protection to ensure that time steps do not grow excessively long when speeds are particularly low. At the start of each simulation time-step, the speed of the vehicle is calculated using the exact location and timestamp of the vehicle at that moment, using linear interpolation between the nearest 5-minute detector data in time and space. The vehicle is then assumed to proceed at that speed for the duration of the simulation time-step.

Due to the expected interaction and correlation between congestion patterns on the I-10 ExpressLanes and one or more of the other managed lanes on nearby parallel routes, a predictive model for I-10 ExpressLanes travel times is built using a linear regression model where the response variable is the end-to-end travel time on the I-10 ExpressLanes in either the eastbound or westbound direction at any given time, and candidate input variables are the travel times on a combination of the control corridors in the same direction as the response variable at that same time. Only data from the “Before PAYG” period were used for model training. Additionally, only data from the peak periods (5-9 AM for westbound travel, 4-7 PM for eastbound travel) were used for model training, to allow for more targeted performance in the area of peak period travel time predictions on the I-10 ExpressLanes—which is specifically what this model will be used for. Model specification was performed by first including all applicable control variables, then incrementally removing those with counterintuitive signs (i.e., those exhibiting an apparent inverse correlation), then incrementally removing those that were not significant at a 95% level starting with the least significant variable, and finally testing all combinations of the remaining significant variables to identify the set that minimizes the Adjusted R-Squared value of the model.

The resultant travel time prediction models for the I-10 ExpressLanes in each direction are specified below.

$$y_{10e} = 5.669 + 0.270x_{210e1} + 0.396x_{60e}$$

$$y_{10w} = 4.165 + 0.305x_{91w} + 0.230x_{210w2} + 0.298x_{60w}$$

where:

y_{10e} = Predicted end-to-end travel time on eastbound I-10 ExpressLanes (weekdays 4–7 PM)

y_{10w} = Predicted end-to-end travel time on westbound I-10 ExpressLanes (weekdays 5–9 AM)

x_{91w} = Calculated travel time on westbound SR 91 HOV lane between I-110 and I-605.

x_{210e1} = Calculated travel time on eastbound I-210 HOV lane between I-605 and SR 57.

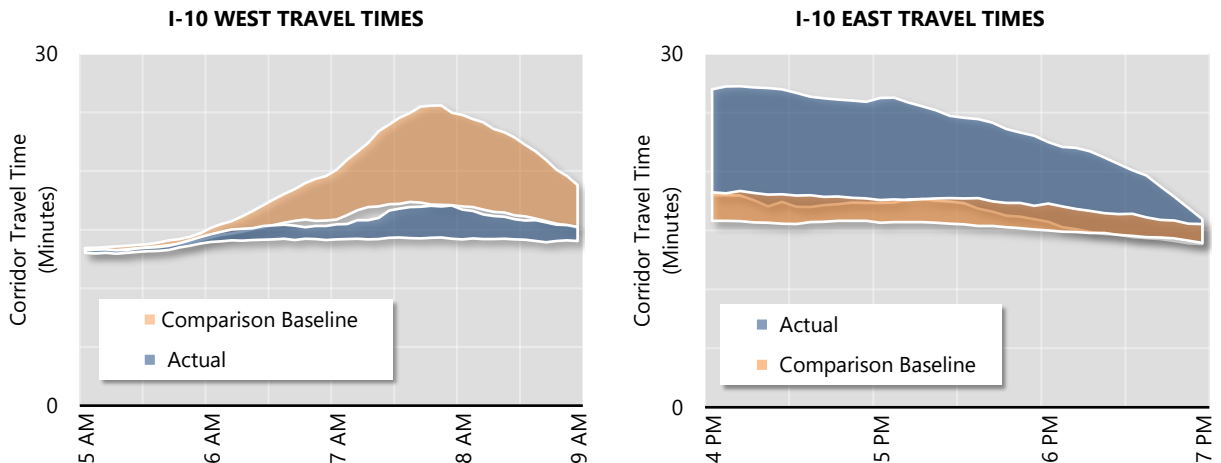
x_{210w2} = Calculated travel time on westbound I-210 HOV lane between SR 134 and I-605.

x_{60e} = Calculated travel time on eastbound SR 60 HOV lane between SR 57 and I-605.

x_{60w} = Calculated travel time on westbound SR 60 HOV lane between SR 57 and I-605.

With these models, it was possible to predict the counter-factual (comparison baseline) travel times in the “With PAYG” period based on the observed performance on the applicable control corridors over the same period. The Adjusted R-Squared value for the westbound AM Peak model is 0.580 (n=10,140), and the Adjusted R-Squared value for the eastbound PM Peak model is 0.230 (n=7,296).

Findings: Observed travel times in the “With PAYG” period were an average of 4.18 minutes higher than the comparison baseline for the eastbound I-10 ExpressLanes between 4 PM and 7 PM, whereas observed travel times were 2.63 minutes lower than the comparison baseline for the westbound I-10 ExpressLanes between 5 AM and 9 AM. Time-of-day distributions are shown in the charts below, represented as inter-quartile ranges for every 5-minute aggregation interval across the applicable peak period for the direction indicated.



Trends in the deviations between the predicted and observed travel times on the I-10 ExpressLanes are attributed to localized changes to the I-10 corridor, including but not limited to the institution of PAYG. These differences may also be influenced by other corridor-specific factors that occurred during the analysis period such as:

- The recent extension of the I-10 HOV lanes east of I-605.

- Changes to transit service along I-10 (i.e., Silver Line, Metrolink) since 2020.
- Pandemic-related changes to commuter patterns that affected the employment centers and industries along I-10 (e.g., downtown LA) differently than employment centers and industries along the control corridors (e.g., Pasadena, West LA, South Bay).

Also note that the eastbound regression model had relatively low prediction accuracy (Adjusted R² value of 0.23), indicating that the eastbound results are not as reliable as the westbound results.

Assumptions: Travel times calculated using spot speed measurements from PeMS detector data are a valid approximation of actual travel times on the corridor.¹

¹ Margulici, J.D; Ban, X. Benchmarking travel time estimates. *Intelligent Transport Systems*, IET, Vol 2, #3, Sept. 2008, p228–237.

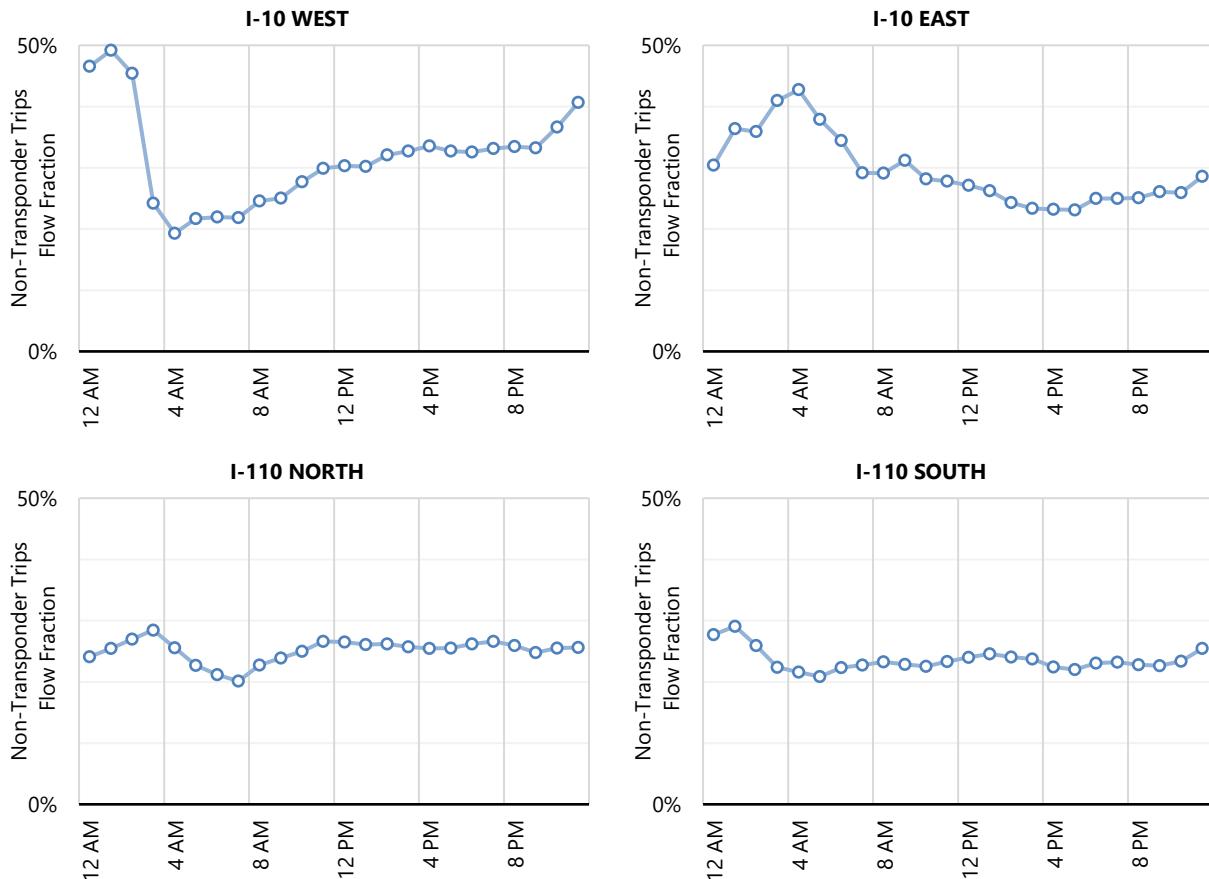
FLOW FRACTIONS FOR NON-TRANSPONDER TRIPS BY TIME OF DAY

In this section, we consider time-of-day patterns in the flow fractions for non-transponder trips in the ExpressLanes to gain insight into the times of day where PAYG travelers are having the greatest proportional impact on trip volumes in the ExpressLanes.

Data Source: Trip records for weekdays in the period between 1/1/2022 and 12/24/2022. This period was selected to characterize non-transponder trip trends because it aligns closely with the "With PAYG" period used for the travel time analysis, which facilitates comparison between the two sets of results.

Method: Trip records are aggregated by hourly bin according to the trip start time. Each is categorized as either a transponder-based trip or a non-transponder trip. Results are examined separately by corridor and direction.

Findings: The overall flow fraction for non-transponder trips during off-peak periods was 25.6%, while the overall flow fraction was 22.5% during peak periods. These findings suggest that non-FasTrak drivers are having a proportionally greater influence on overall trip volumes during non-peak periods.



DATA TABLE

Hour	Transponder Trip Counts				Non-Transponder Trip Counts			
	I-10 East	I-10 West	I-110 North	I-110 South	I-10 East	I-10 West	I-110 North	I-110 South
12 AM	14,504	5,138	39,058	31,690	6,344	4,479	12,402	12,133
1 AM	6,062	3,042	21,129	15,581	3,468	2,944	7,211	6,389
2 AM	4,432	3,137	11,709	13,976	2,480	2,609	4,327	4,895
3 AM	3,255	14,547	13,254	23,092	2,260	4,648	5,275	6,662
4 AM	6,814	132,422	51,663	64,763	5,085	31,670	17,752	17,829
5 AM	19,123	397,899	270,629	160,136	11,676	110,277	79,405	42,196
6 AM	40,158	520,096	534,378	318,511	21,075	146,308	143,488	91,571
7 AM	88,239	560,692	619,670	540,771	36,324	156,746	155,986	159,346
8 AM	108,881	474,946	511,819	458,345	44,687	154,578	150,697	138,988
9 AM	76,325	368,865	444,732	289,321	34,593	123,312	139,677	85,818
10 AM	91,355	241,345	382,753	269,331	35,780	92,513	127,592	78,439
11 AM	126,452	172,394	338,015	292,454	48,718	73,463	122,448	88,935
12 PM	204,290	153,354	336,713	344,746	75,952	66,649	121,371	108,730
1 PM	337,306	144,401	358,039	414,816	120,007	62,563	126,375	135,348
2 PM	490,113	133,524	408,888	550,563	157,106	63,060	145,113	174,432
3 PM	566,454	131,018	432,930	637,376	172,857	63,718	150,147	198,175
4 PM	571,108	135,358	456,705	690,035	172,515	68,383	155,945	199,522
5 PM	566,483	171,070	464,024	673,369	170,322	83,173	158,833	189,897
6 PM	444,222	138,163	374,915	534,404	147,762	66,650	132,910	160,390
7 PM	266,428	69,542	249,743	343,471	88,612	34,486	90,500	103,913
8 PM	159,674	53,417	171,286	216,686	53,488	26,823	59,968	63,929
9 PM	106,699	45,238	140,329	171,888	37,680	22,508	46,198	50,332
10 PM	82,834	25,881	103,757	150,681	28,975	14,956	35,544	46,003
11 PM	43,991	12,270	69,343	81,321	17,602	8,399	23,902	27,756

Assumptions: Non-transponder trip patterns are a reasonable proxy for non-FasTrak trip patterns.

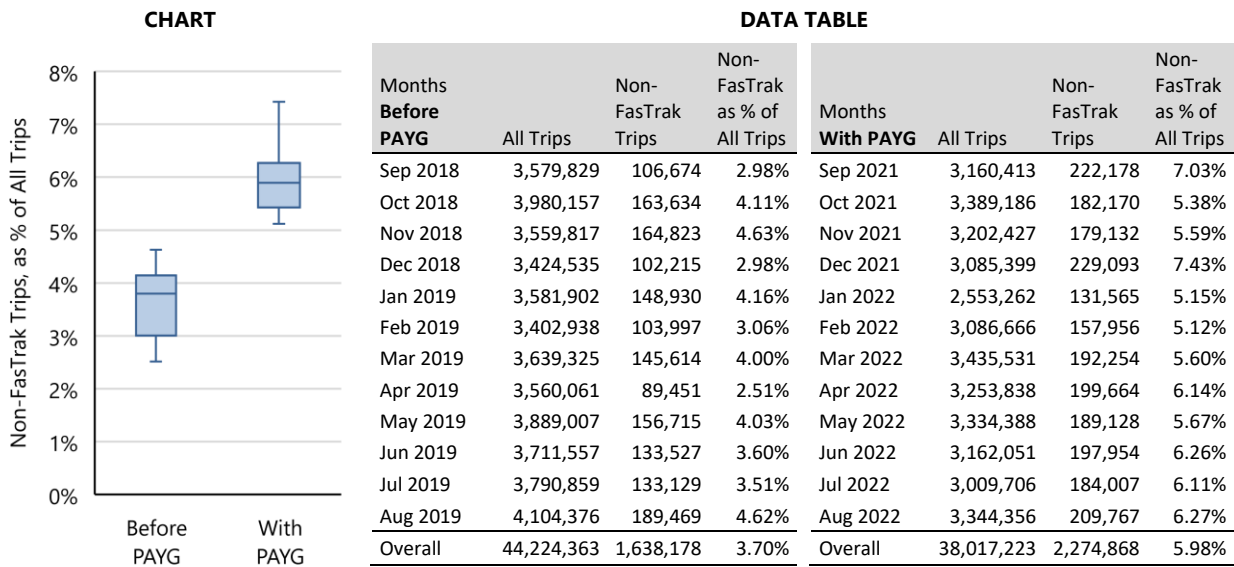
VOLUME OF NON-FASTRAK TRIPS

In this section, we consider changes in trip volume for drivers that do not have FasTrak.

Data Source: Monthly ExpressLanes trip records. The 12 months between September 2018 and August 2019 constitute the “Before PAYG” period. The 12 months between September 2021 and August 2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020.

Method: Data are binned by month, allowing for an evaluation of variance in the overall percentages of non-FasTrak trips before and after the PAYG Pilot began. To control for pandemic-related effects on overall trip volumes, the non-FasTrak trips are reported as a percent of all trips.

Findings: In the “Before PAYG” period, 3.70% of all ExpressLanes trips were made by drivers without FasTrak. In the “With PAYG” period, this percentage increased to 5.98%. This difference was statistically significant at a 95% confidence level (Student’s t-Test, p-value 0.000). Over the same period, FasTrak trip volumes declined 16.1% while non-FasTrak trip volumes increased 38.9%. This translates into an estimated 899,954 additional ExpressLanes trips as a result of the PAYG Pilot in the one-year “With PAYG” period. The data support the conclusion that the PAYG Pilot resulted in more ExpressLanes trips by drivers that did not have FasTrak, and suggest that the PAYG Pilot resulted in a 2.4% increase in ExpressLanes trips.



Assumptions: In the absence of the PAYG Pilot, non-FasTrak trip volumes would have exhibited the same percent change as observed FasTrak trip volumes between the “Before PAYG” and “With PAYG” periods.

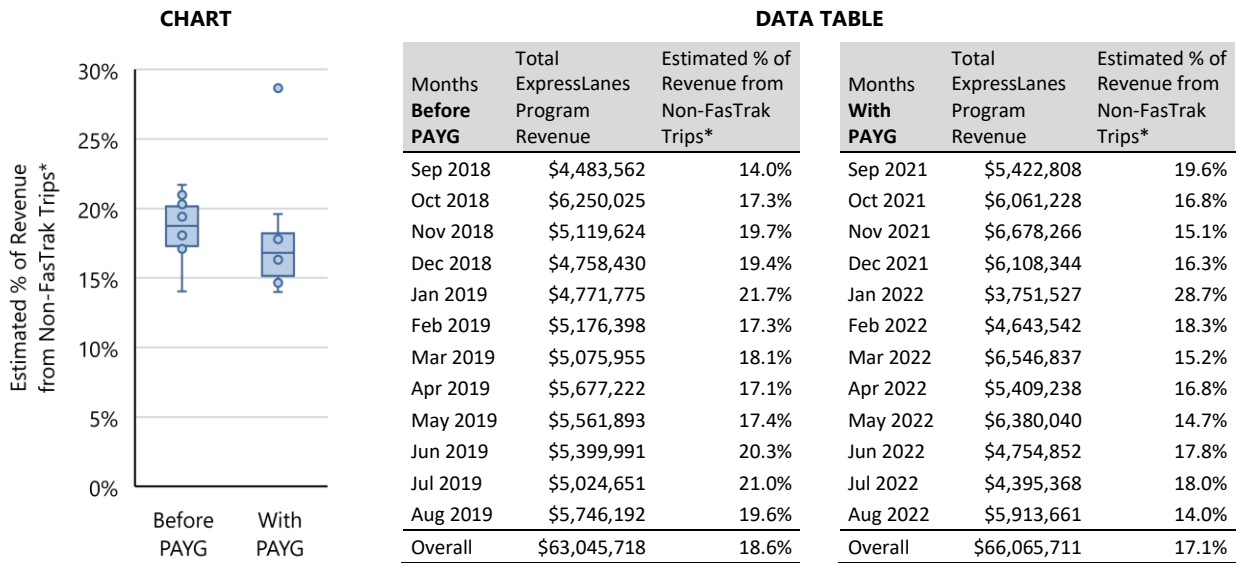
REVENUE IMPACTS

In this section, we consider changes in ExpressLanes revenue that occurred after the PAYG Pilot was implemented, and fees for using the ExpressLanes without FasTrak were reduced from \$25/trip to \$4/trip.

Data Source: Monthly ExpressLanes accounting records. The 12 months between September 2018 and August 2019 constitute the “Before PAYG” period. The 12 months between September 2021 and August 2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Supplemental data from FY2018 were used to estimate the revenues associated specifically with all stages of notice escalation prior to DMV hold.

Method: Data are binned by month, allowing for an evaluation of variance in the overall percentages of non-FasTrak trip revenue before and after the PAYG Pilot began. To control for pandemic-related effects on overall program revenues and trip volumes, the revenues originating from non-FasTrak trips paid at any Notice of Toll Evasion Violation escalation stage prior to DMV hold are reported as a percent of all revenues for the program.

Findings: In the “Before PAYG” period, an estimated \$11.7 million in revenue was collected from non-FasTrak users of the Metro ExpressLanes across all Notice escalation stages prior to DMV hold, representing 18.6% of all revenues (\$63.0 million) collected over that time period. In the “With PAYG” period, this percentage fell to 17.1%. Based on these data, the expected revenue in the “With PAYG” period would have been an estimated \$2.6 million higher in the absence of the PAYG Pilot, representing an approximate reduction in revenue of 3.8% as a result of the Pilot. This difference was **not** statistically significant at a 95% confidence level (Student’s t-Test, p-value 0.399). Therefore, we conclude that the data provide no evidence that the PAYG Pilot had any meaningful effect on the total revenue obtained from non-FasTrak trips in the ExpressLanes.



*Includes revenues from all Notice escalation stages prior to DMV hold.

Assumptions: In the absence of the PAYG Pilot, the revenue for non-FasTrak trips would have experienced the same percent change as the observed revenue for FasTrak trips/accounts between the “Before PAYG” and “With PAYG” periods. Also, PAYG revenue impacts would not have affected other program revenue aspects outside of the payments made during notice escalation across all stages prior to DMV hold.

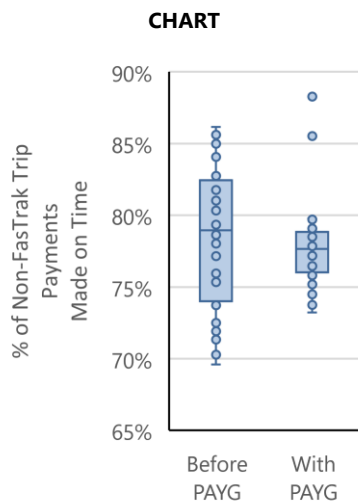
TIMELY PAYMENTS FOR NON-FASTRAK TRIPS

In this section, we consider changes in on-time payments for non-FasTrak trips that occurred after the PAYG Pilot was implemented, and fees for such trips were reduced from \$25 per trip to \$4 per trip.

Data Source: Weekly ExpressLanes payment records. The 53 weeks between 8/26/2018 and 8/31/2019 constitute the “Before PAYG” period. The 53 weeks between 8/29/2021 and 9/3/2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Supplemental data from FY2018 were used to estimate the payment volumes associated specifically with all stages of notice escalation prior to DMV hold in 2018 and 2019, as those disaggregate data were not immediately available.

Method: Data are binned by week, allowing for an evaluation of variance in the overall percentages of non-FasTrak trip payments received on time, before and after the PAYG Pilot began. For the purposes of this analysis, an “on time” payment is defined as one that occurred before the notice/fees escalated. To control for pandemic-related effects on non-FasTrak trip volumes and payments, the volume of on-time payments for non-FasTrak trips are reported as a percent of all non-FasTrak trip payments made at any Notice of Toll Evasion Violation escalation stage prior to DMV hold.

Findings: In the “Before PAYG” period, non-FasTrak Notice payments that were submitted on time constituted 78.4% of all payments made at any Notice escalation stage prior to DMV hold. In the “With PAYG” period, this percentage decreased to 77.6%. Based on these data, the expected number of on-time payments in the “With PAYG” period would have been an estimated 6,620 higher in the absence of the PAYG Pilot. This difference was **not** statistically significant at a 95% confidence level (paired Student’s t-Test, p-value 0.104). Therefore, we conclude that the data provide no evidence that the PAYG Pilot had any meaningful effect on the relative frequency of on-time payments for non-FasTrak trips in the ExpressLanes.



DATA TABLE
See full data table at end of this section

Assumptions: In the absence of the PAYG Pilot, the volume of on-time payments made for non-FasTrak trips as a proportion of all non-FasTrak trip payments received would have remained unchanged between the “Before PAYG” and “With PAYG” periods. Additionally, any potential influence of the PAYG Pilot on the total number of non-FasTrak trip payments received in the “With PAYG” period (i.e., 823,401) was assumed to be negligible. Finally, the proportion of payments that occurred after escalation to DMV hold in the “Before PAYG” period is assumed to be consistent from week to week.

DATA TABLE

Weeks Before PAYG, by Start Date	Non-FasTrak Trips Paid*	Non-FasTrak Trip Payments	Weeks Before PAYG, by Start Date	Non-FasTrak Trips Paid*	Non-FasTrak Trip Payments	Weeks With PAYG, by Start Date	Non-FasTrak Trips Paid*	Non-FasTrak Trip Payments	Weeks With PAYG, by Start Date	Non-FasTrak Trips Paid*	Non-FasTrak Trip Payments
8/26/18	1,625	1,285	3/3/19	7,795	6,082	8/29/21	12,022	9,190	3/6/22	16,228	12,603
9/2/18	6,696	4,661	3/10/19	7,786	5,928	9/5/21	16,802	12,914	3/13/22	15,934	12,402
9/9/18	10,056	7,078	3/17/19	6,388	5,244	9/12/21	18,053	13,858	3/20/22	16,935	13,068
9/16/18	10,576	7,634	3/24/19	3,702	3,189	9/19/21	17,378	13,239	3/27/22	14,259	12,586
9/23/18	11,200	8,119	3/31/19	6,093	4,768	9/26/21	18,056	13,624	4/3/22	16,463	12,749
9/30/18	10,031	7,558	4/7/19	6,520	5,158	10/3/21	17,803	13,619	4/10/22	17,123	13,305
10/7/18	10,030	7,395	4/14/19	8,297	6,443	10/10/21	17,588	13,368	4/17/22	17,267	13,750
10/14/18	12,074	8,951	4/21/19	10,803	8,362	10/17/21	17,760	13,372	4/24/22	16,195	12,920
10/21/18	12,138	8,965	4/28/19	9,793	7,886	10/24/21	18,099	13,552	5/1/22	18,872	14,979
10/28/18	11,711	8,399	5/5/19	10,175	8,585	10/31/21	17,055	12,586	5/8/22	14,983	11,940
11/4/18	9,295	6,533	5/12/19	10,363	8,597	11/7/21	17,503	12,907	5/15/22	13,129	10,378
11/11/18	8,861	6,440	5/19/19	10,354	8,708	11/14/21	18,160	13,527	5/22/22	15,632	12,301
11/18/18	8,549	6,098	5/26/19	7,975	6,812	11/21/21	16,005	11,860	5/29/22	15,036	11,807
11/25/18	10,239	7,401	6/2/19	9,136	7,503	11/28/21	16,659	12,198	6/5/22	15,279	12,083
12/2/18	10,244	7,367	6/9/19	11,933	9,716	12/5/21	17,734	13,483	6/12/22	15,432	12,298
12/9/18	11,466	8,467	6/16/19	10,484	8,572	12/12/21	20,108	15,621	6/19/22	14,452	11,366
12/16/18	11,543	8,765	6/23/19	8,750	6,952	12/19/21	15,171	12,975	6/26/22	15,505	12,212
12/23/18	8,387	6,775	6/30/19	7,734	6,399	12/26/21	9,804	7,422	7/3/22	13,380	10,629
12/30/18	7,457	6,338	7/7/19	8,423	6,996	1/2/22	10,061	7,666	7/10/22	14,121	11,145
1/6/19	8,115	6,176	7/14/19	10,694	9,035	1/9/22	9,424	7,085	7/17/22	15,040	11,739
1/13/19	7,113	5,514	7/21/19	10,933	9,359	1/16/22	10,870	8,240	7/24/22	15,177	11,752
1/20/19	5,714	4,629	7/28/19	10,684	9,009	1/23/22	12,508	9,447	7/31/22	15,202	11,733
1/27/19	5,271	4,074	8/4/19	11,123	9,533	1/30/22	14,181	10,855	8/7/22	16,242	12,649
2/3/19	6,934	5,474	8/11/19	10,618	8,927	2/6/22	17,357	13,542	8/14/22	17,263	13,521
2/10/19	8,982	7,126	8/18/19	11,280	9,183	2/13/22	17,741	13,927	8/21/22	16,831	13,306
2/17/19	10,272	8,077	8/25/19	10,748	8,635	2/20/22	16,493	12,785	8/28/22	7,612	6,009
2/24/19	9,068	6,996				2/27/22	13,414	10,505			

**Includes Notices paid at all escalation stages prior to DMV hold. Numbers are approximate for 2018-2019.*

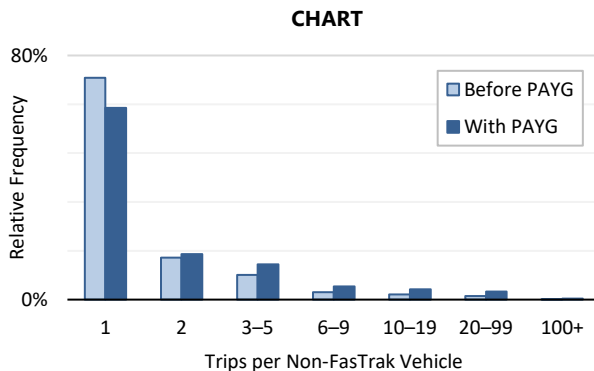
EXPRESSLANES ACCESS BY INFREQUENT OR OCCASIONAL USERS

In this section, we consider changes in the amount of non-FasTrak trips made by infrequent or occasional users of the ExpressLanes after the PAYG Pilot was implemented, and fees for such trips were reduced from \$25 per trip to \$4 per trip.

Data Source: Trip records for the period between 9/1/2018 and 8/31/2019 (constituting the “Before PAYG” period), and trip records for the period between 9/1/2021 and 8/31/2022 (constituting the “With PAYG” period). These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020.

Method: Data consider the number of trips made for each non-FasTrak vehicle that appeared at least once in the ExpressLanes during the “Before PAYG” and “With PAYG” analysis periods. These data are aggregated into bins as shown in the “Findings” section. To control for pandemic-related effects on overall ExpressLanes trip volumes, the number of trips made by each vehicle are reported as relative frequencies.

Findings: In the “Before PAYG” period, 73% of non-FasTrak drivers made just one trip in the ExpressLanes, while in the “With PAYG” period this percentage declined to 63%. However, the number of non-FasTrak drivers in every other trip count bin increased in the “With PAYG” period. The average (arithmetic mean) number of trips made per non-FasTrak driver increased from 2.5 in the “Before PAYG” period to 3.7 in the “With PAYG” period. The difference in the two distributions was statistically significant at a 95% confidence level (Chi-Squared Test, p-value 0.000). These findings indicate that non-FasTrak drivers were more likely to continue using the ExpressLanes without setting up FasTrak accounts in the “With PAYG” period compared to the “Before PAYG” period. Conversely, drivers in the “Before PAYG” period were more likely to set up FasTrak accounts or stop using the ExpressLanes altogether after their first trips as compared to the “With PAYG” period.



DATA TABLE

Trips Per Non-FasTrak Vehicle	Vehicle Count Before PAYG	Vehicle Count With PAYG	Relative Frequency Before PAYG	Relative Frequency With PAYG
1	443,473	420,018	72.7%	62.9%
2	83,975	99,449	13.8%	14.9%
3-5	49,309	77,084	8.1%	11.5%
6-9	14,757	29,165	2.4%	4.4%
10-19	10,323	22,828	1.7%	3.4%
20-99	7,367	17,465	1.2%	2.6%
100+	831	2,057	0.1%	0.3%

Assumptions: In the absence of the PAYG Pilot, the distribution of trip counts per non-FasTrak driver in the ExpressLanes would have remained unchanged between the “Before PAYG” and “With PAYG” periods.

ATTACHMENT D:

Fee Adjustment Policy for Pay-As-You-Go Program

Background

Board Report 2018-0703, Attachment E, established a baseline unit cost estimate for processing Pay-As-You-Go (PAYG) notices of \$4 per notice. This was based on the known or forecasted costs associated with supporting the PAYG program that were available at that time, including but not limited to: postage, manual image review, customer service labor, payment processing, and other accounting/logistics. That Board Report attachment also indicated that the fee amount would need to be reassessed after one year, with the intention of ensuring that it remains appropriately set to sufficiently cover the PAYG program's costs on an ongoing basis.

Purpose

This fee adjustment policy more precisely establishes the framework that will be used to make such adjustments to the PAYG fee periodically over time in an effort to ensure it remains properly aligned with the program's costs. This policy is designed to include appropriate adjustments to account for the effects of inflation, economic climate conditions, an evolving labor/wage landscape, and other factors that contribute to the program's costs. It also takes into consideration the proportion of violations that have gone unpaid (i.e., the non-recovery rate).

Method

The formula below will be used to calculate the updated fee amount (x_{n+1}) based on the existing fee (x_n) as established on a given reference date, and the degree of inflation (i_n) that occurred between that reference date and the date of the most recent inflation data available.

$$x_{n+1} = (1 + \max(0, i_n))x_n \quad \text{for } n = 1, 2, 3 \dots$$

The *max* operator in the formula above protects against the influence of transient deflationary effects that can arise in more volatile or unpredictable economic periods.

Furthermore, a one-time revaluation will be made upon initial adoption of this fee adjustment policy to account for the non-recovery rate, which is a fundamental factor affecting cost recovery for PAYG notices that was not considered when calculating the original \$4 fee in 2018 (x_0). This one-time revaluation amount (x_1) will jointly account for inflation to date (i_0) and the current prevailing non-recovery rate (r_0) according to the following formula.

$$x_1 = \left(\frac{1 + i_0}{1 - r_0} \right) x_0$$

Inflation is evaluated according to the monthly data published by the US Bureau of Labor Statistics on Consumer Price Index for all Urban Consumers reported for the Los Angeles area. Non-recovery rate is calculated based on PAYG data between January 2020 (i.e., the start of the program) and July 2022 (i.e., the latest available data at the time of policy adoption).

When an update to the fee becomes warranted as described in this policy, the new fee amount will be rounded up to the nearest dollar to simplify messaging to users while also ensuring that it remains sufficient to cover the ongoing costs of the program.

Escalation Considerations

Per the ExpressLanes Ordinance for Enforcement of Toll Violations, if a Pay-As-You-Go (PAYG) Notice is not paid within 30 days, it escalates to a "Past Due Notice" and incurs an additional "Past Due Penalty" on top of the previous balance due. If a Past Due Notice is not paid within 30 days, it escalates further to a "Delinquent Notice" and incurs an additional "Delinquent Penalty" on top of the previous balance due. As of January 5, 2020, the escalation penalty structure is as follows.

NOTICE ESCALATION STAGE	TOTAL AMOUNT DUE
Initial PAYG Notice	Toll + \$4 Processing Fee
Past Due Notice	Toll + \$4 Processing Fee + \$21 past-due penalty
Delinquent Notice	Toll + \$4 Processing Fee + \$21 past-due penalty + \$30 delinquent penalty

Altogether, the total amount due at the Past Due Notice escalation stage is the toll plus \$25 in fees and penalties, while the total amount due at the Delinquent Notice escalation stage is the toll plus \$55 in fees and penalties.

As the PAYG processing fee is adjusted in accordance with the procedures described above, the past-due penalty will be adjusted down by an equivalent amount such that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties, and the total amount due at the Delinquent Notice stage remains the toll plus \$55 in fees and penalties.

Escalation Example

When the PAYG processing fee is increased from \$4 to \$8 in accordance with the procedures above, the Past Due Penalty would be adjusted from \$21 to \$17 so that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties, and the total amount due at the Delinquent Notice stage would remain the toll plus \$55 in fees and penalties. The table below summarizes the new escalation penalty structure in this example.

NOTICE ESCALATION STAGE	TOTAL AMOUNT DUE IN THIS EXAMPLE
Initial PAYG Notice	Toll + \$8 Processing Fee
Past Due Notice	Toll + \$8 Processing Fee + \$17 past-due penalty
Delinquent Notice	Toll + \$8 Processing Fee + \$17 past-due penalty + \$30 delinquent penalty

ATTACHMENT E:

Pay-As-You-Go Equity Analysis

This analysis uses ZIP code data to examine the association between PAYG utilization and equity-focus communities in Los Angeles County.

Data:

The data sources used are:

1. Metro Equity Focus Communities (EFCs) shapefile data.
2. ExpressLanes PAYG trip counts by ZIP code, between September 1, 2021 and August 31, 2022.
3. ExpressLanes total trip counts by ZIP code, between September 1, 2021 and August 31, 2022.

Note that the total trip counts used here is the sum of all PAYG trips and all trips made by Metro ExpressLanes account holders.

Calculation of Pay-As-You-Go Utilization

Only Non-FasTrak trips that were paid at the \$4 notice escalation level were considered to be utilizing the new PAYG policy. Non-FasTrak trips that were paid at later escalation levels were not considered to be taking advantage of the new PAYG policy, since the fees at those stages are equivalent to the escalation levels already in place before the PAYG policy was implemented.

To account for the fact that ZIP codes closer to the corridors are expected to produce more ExpressLanes trips in general, the number of trips utilizing the new PAYG policy in any given ZIP code was normalized by the total number of ExpressLanes trips made by that ZIP code. The resultant percentage is referred to as the "PAYG Utilization Rate" for that ZIP code.

Assigning EFC Values by ZIP Code

Because trip data are available only at the ZIP code spatial aggregation level, whereas EFC data are available on a finer spatial resolution, the overall analysis is done at the ZIP code level. To accommodate this, the EFC tract data had to be translated into ZIP code areas. The process used to perform this conversion was as follows:

1. Assign a numeric EFC value between 0 and 1 for each EFC tract:
 - a. "Very Low Need" areas = 0.00
 - b. "Low Need" areas = 0.25
 - c. "Moderate Need" areas = 0.50
 - d. "High Need" areas = 0.75
 - e. "Very High Need" areas = 1.00
2. Calculate the area of each EFC tract (by area) that falls within a given ZIP code, and multiply that area by the EFC's numeric value from (1) above. This constitutes that tract's proportional EFC contribution to the ZIP code.
3. Sum the contributions from (2) for all of the tracts within a given ZIP code to obtain a composite EFC value, which we will refer to as the "EFC Concentration" for the ZIP code.

As illustrative conceptual examples of the above procedure:

- a ZIP code composed entirely of "very high" EFC tracts would receive an overall EFC concentration value of 1.00 or 100%.
- a ZIP code composed of an even split of "high" and "low" EFC tracts by area would receive an overall EFC concentration value of 0.50 or 50%.

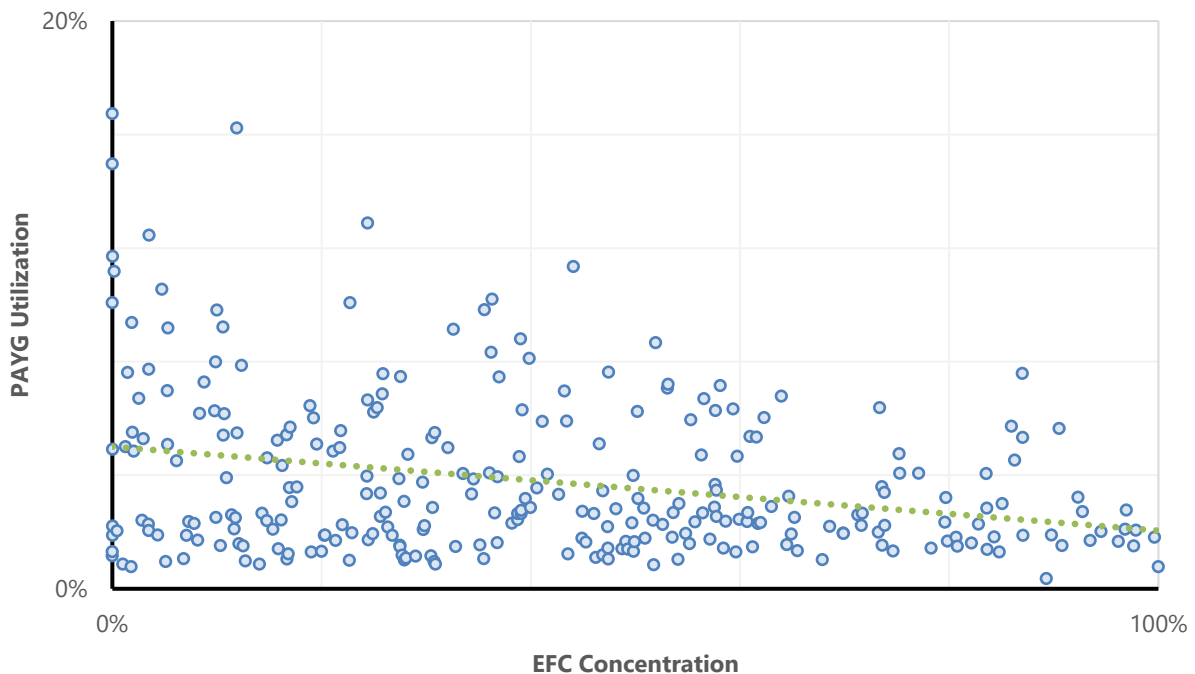
- a ZIP code comprised of entirely “very low” EFC tracts would receive an overall EFC concentration value of 0.00 or 0%.

Because EFCs are only defined for Los Angeles County, any portions of ZIP codes that extended beyond the LA County border were truncated at the county line. Trip counts for those ZIP codes were reduced according to the proportion of the total ZIP code’s area that was within LA County.

Findings

Once each ZIP code was assigned an “EFC Concentration” value, it was possible to explore the quantitative correlation between that value and PAYG trip utilization on a ZIP-code basis. A chart showing the relationship between these two variables is shown below. ZIP codes with less than 1,000 trips were excluded from the analysis due to low sample sizes. Out of 321 ZIP codes, only 44 had to be excluded as a result of this filtering criterion.

Figure 1: PAYG Utilization and EFC Status by ZIP code



A linear regression revealed a slightly negative correlation between the two variables:

$$y = -0.0396x + 0.0501$$

where:

x = the ZIP code’s EFC concentration value

y = the ZIP code’s PAYG utilization rate

The correlation was very weak, however, with an R² value of 0.080. These results also assume that all the prerequisite conditions for linear regression are satisfied by the underlying data.

The table below provides PAYG Utilization averages by ZIP code, according to the ZIP code’s EFC Concentration value.

EFC Concentration Range for ZIP Code	EFC Equivalent Label	Total ZIP Codes*	Average PAYG Utilization Rate (averaged across all ZIP codes)
0-20%	Very Low Need	77	4.87%
20-40%	Low Need	72	3.94%
40-60%	Moderate Need	62	3.45%
60-80%	High Need	36	2.91%
80-100%	Very High Need	30	2.62%

**After filtering out ZIP codes with fewer than 1,000 trips, as explained earlier.*

METRO EXPRESSLANES

Pay-As-You-Go Pilot Evaluation

APRIL 20, 2023



Metro

ExpressLanes Background

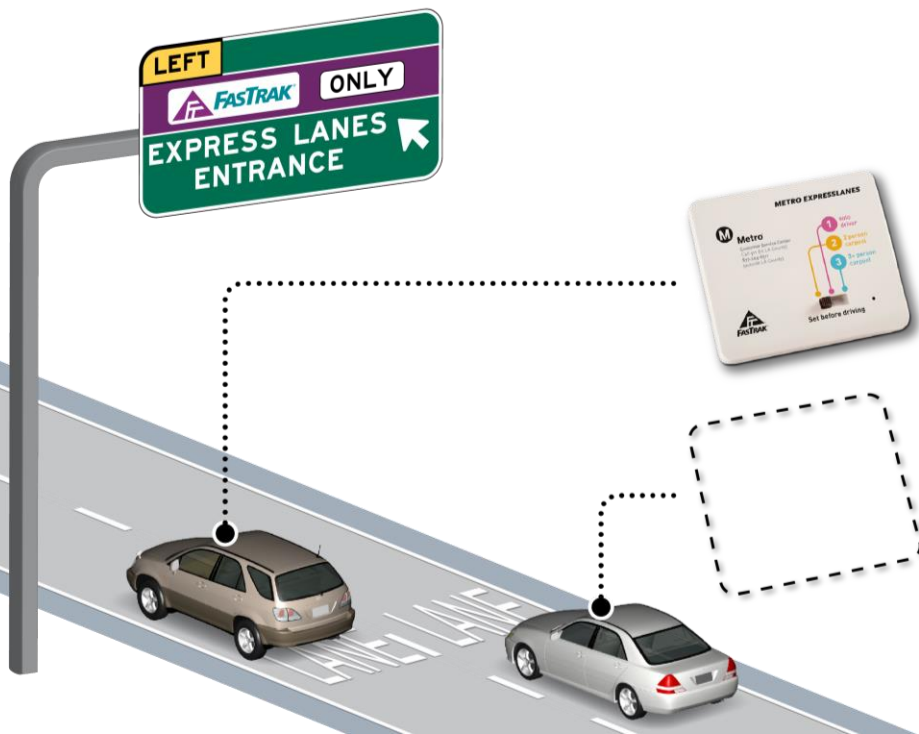
- ExpressLanes are about improving mobility, relieving congestion.
- Converted the underutilized HOV lanes in 2012 (I-110) and 2013 (I-10) into ExpressLanes.
 - HOVs continue traveling toll-free.
 - Others can use spare capacity for a toll.
 - Offers a fast, reliable option for all.
- All drivers are required by law to have FasTrak.
 - HOVs must have switchable transponders (FasTrak Flex) to travel toll-free.
 - Before the Pay-As-You-Go program, violations for using ExpressLanes without FasTrak included the toll and a \$25 penalty.



Pay-As-You-Go Background

Objectives based on Board Motion by Hahn as amended by Dupont-Walker:

- Make ExpressLanes available to more drivers—including occasional users—without adversely impacting congestion/mobility.
- Reduce fees paid by non-FasTrak users.



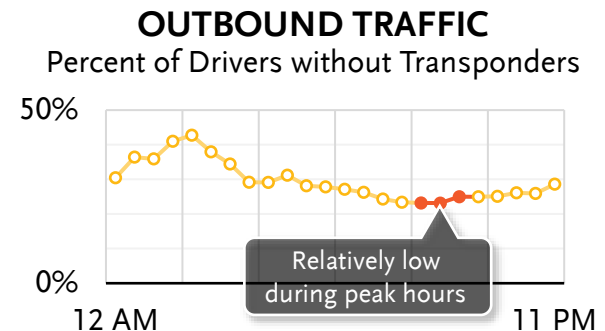
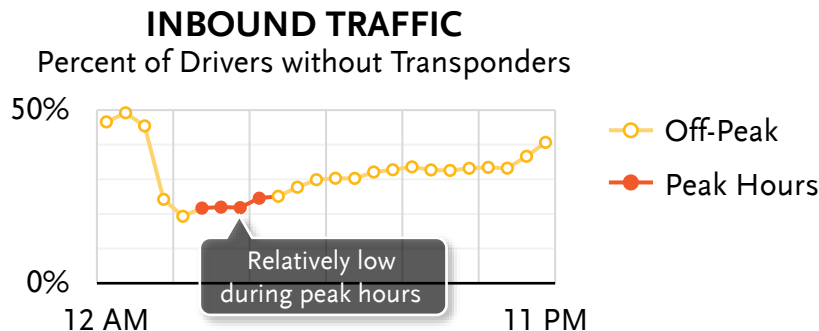
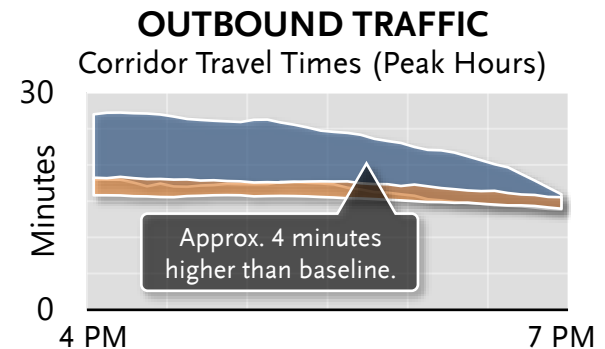
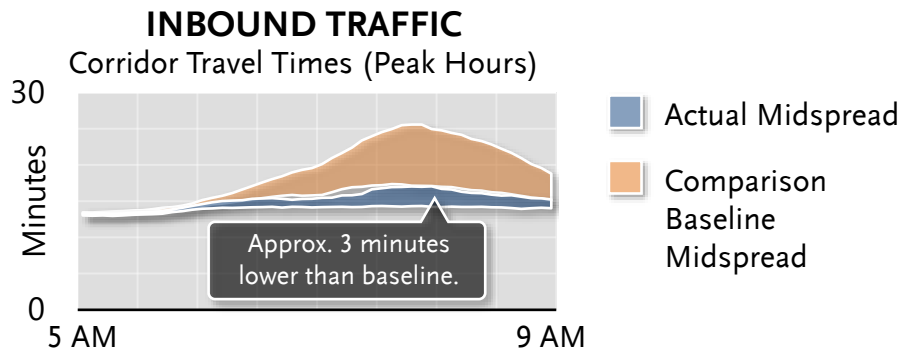
FasTrak Account Holder?

- Toll debited automatically from account.
- Eligible HOVs travel for free with FasTrak Flex.
- No processing fee.

No FasTrak? Pay As You Go

- Registered vehicle owner gets notice by mail.
- Includes toll and processing fee.
- No HOV discount possible. HOV declaration requires switchable transponder.

Pay-As-You-Go: Congestion and Mobility Impacts



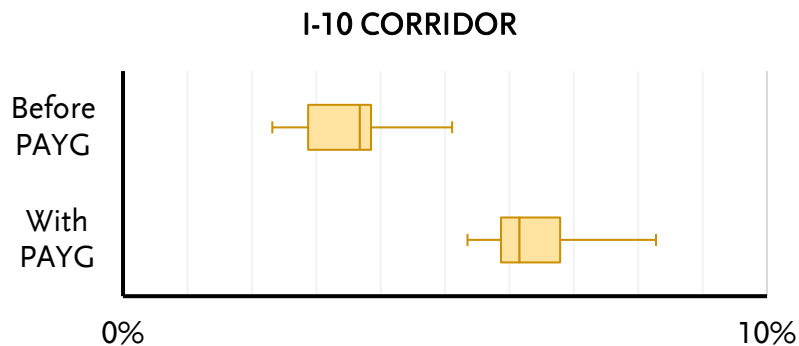
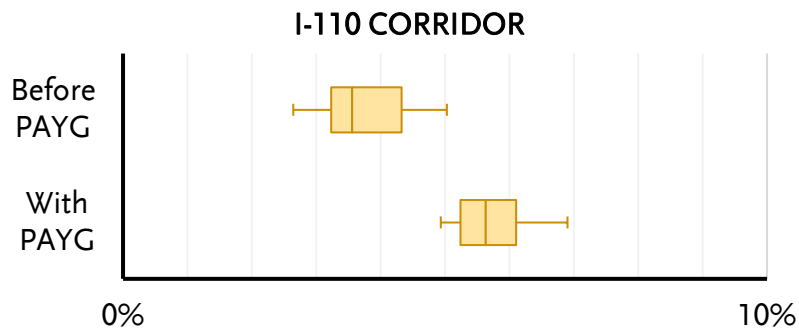
Key Takeaway: Congestion improved in the AM Peak and got worse in the PM Peak. However, Pay-As-You-Go trips are more prevalent during off-peak periods, and are contributing relatively little to peak period traffic and congestion.

Analysis Notes: Controlling for pandemic-related impacts required data from nearby control corridors, which were not available in the case of I-110. Therefore, the above results reflect outcomes for I-10 only. Travel times are also affected by localized corridor changes that occurred during the analysis period (e.g., transit service changes, roadway configuration changes, commuter pattern changes).

Pay-As-You-Go: Outcomes

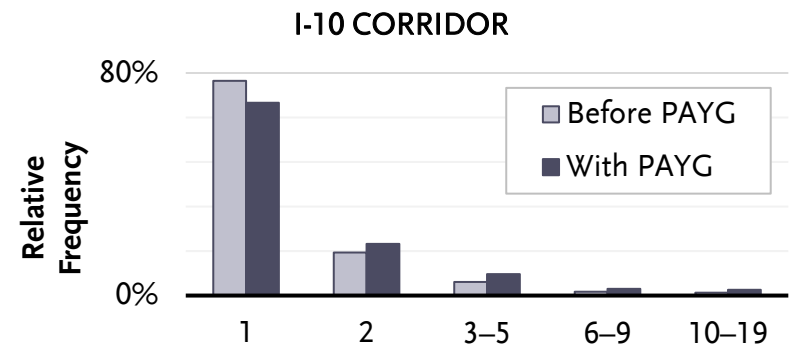
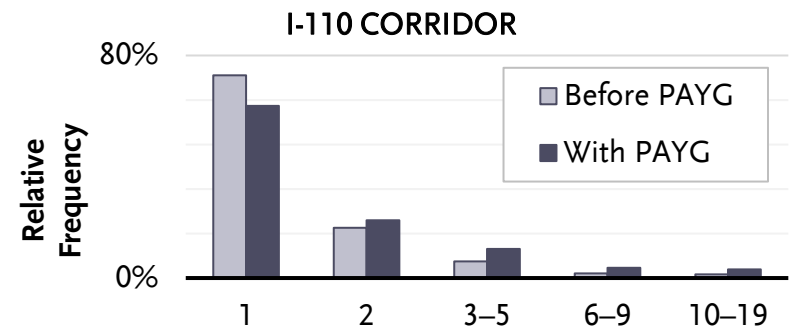
Non-FasTrak Trip Volumes

As Percent of All Trips



Trips per Non-FasTrak Vehicle

On an Annual Basis



Non-FasTrak trip volumes grew by 900,000 over one year.

Non-FasTrak drivers use the ExpressLanes more with PAYG.

Other analysis outcomes:

- Revenue from non-FasTrak drivers exhibited no statistically significant change.
- On-time payments for non-FasTrak trips exhibited no statistically significant change.

Pay-As-You-Go: Processing Fee

- Purpose: cover costs of processing PAYG notices and ensures efficient operations.
- Removes the \$25 violation penalty and replaces it with a significantly lower \$8 processing fee for non-FasTrak trips.
- Allows ExpressLanes to provide additional services, including the Low-Income Assistance Calculated amount and considerations:

ORIGINAL PROCESSING FEE: \$4

- License plate image review costs
- DMV lookup costs
- Mailing/printing costs
- Customer service costs
- Backend system costs

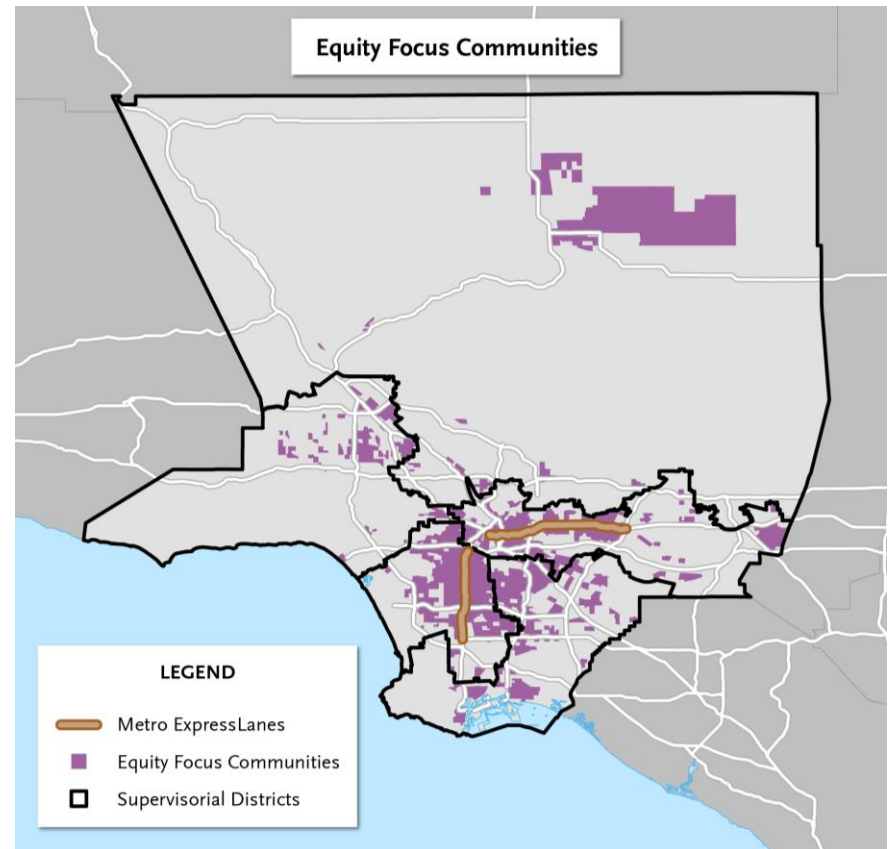
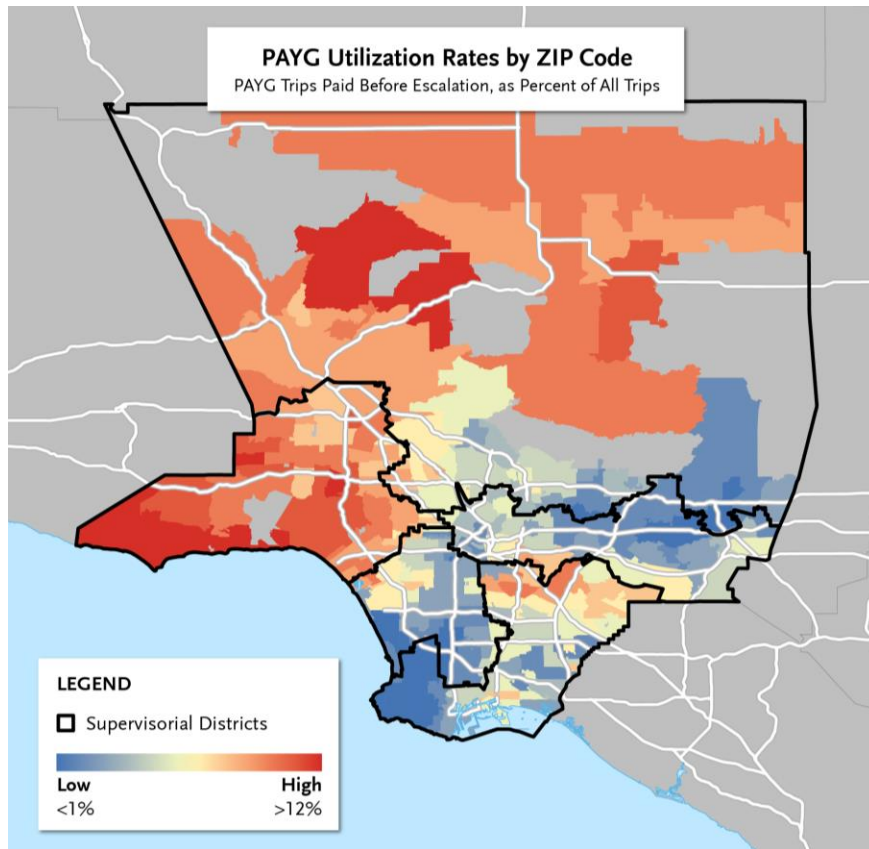
UPDATED PROCESSING FEE: \$8

- All considerations of original fee
- Adjustment for non-recovery rate
- Incremental adjustments over time based on Consumer Price Index

- Lowest fee of all Express Lanes in the state. Minimizes cost to non-FasTrak users.
- Past-Due (Second Notice) Penalty for late payments will be lowered as the processing fee is increased, so that the total remains a constant \$25.

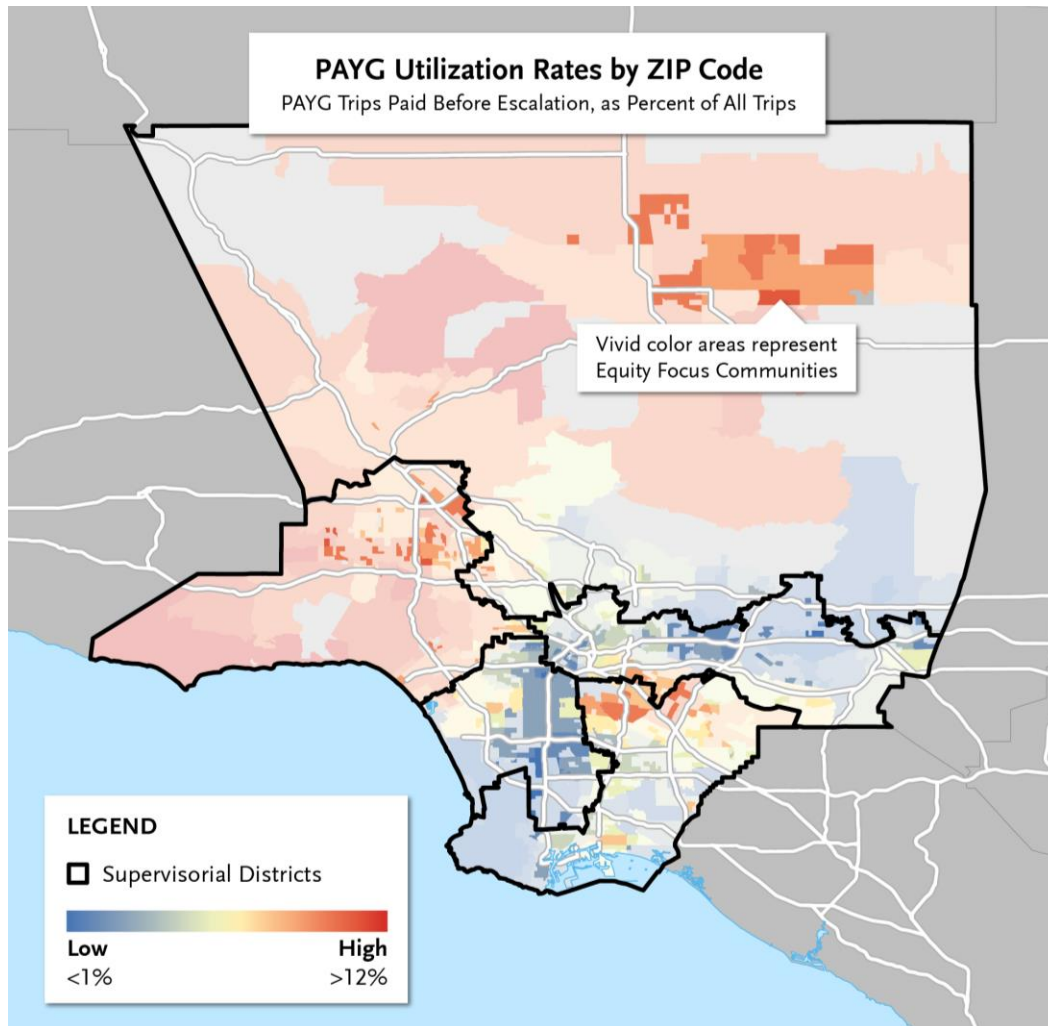
	Metro ExpressLanes	SD Express Lanes	91 Express Lanes	RCTC Express Lanes	Bay Area Express Lanes
First Notice Fee/Penalty	\$8	\$40	\$25	\$25	\$10
Second Notice Penalty	\$17	\$60	\$30	\$30	\$20
Final Notice Penalty	\$30	(second notice is the last chance to pay at all other agencies)			

Pay-As-You-Go Trip Rates in Equity Focus Communities



On average, ZIP codes with the lowest EFC concentrations had the highest relative PAYG utilization rates (**4.87% of all trips made**), whereas ZIP codes with the highest EFC concentrations had the lowest relative PAYG utilization rates (**2.62% of all trips made**).

Pay-As-You-Go Trip Rates in Equity Focus Communities



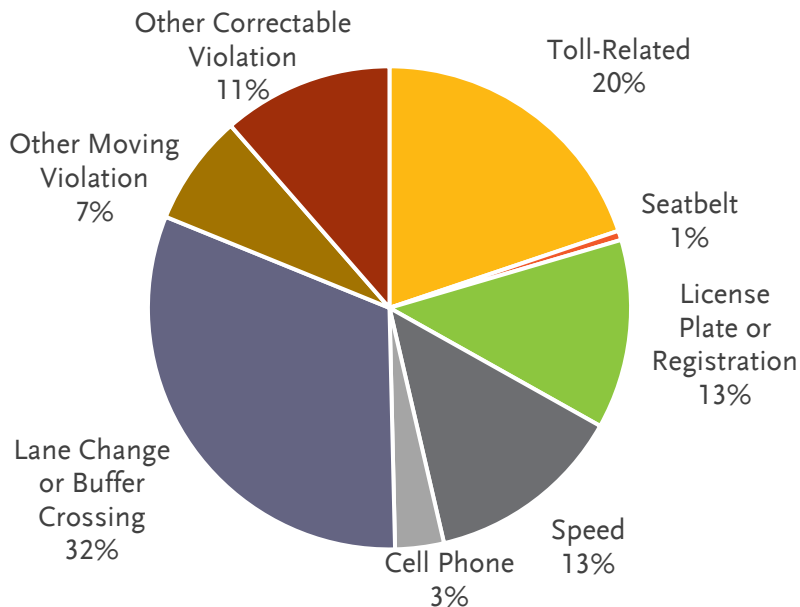
PAYG Utilization by Supervisorial District

District	PAYG Utilization Rate	Annual PAYG Trip Count
1	1.8% of all trips	537,557
2	1.7%	740,977
3	5.7%	136,856
4	2.1%	301,568
5	2.4%	216,109

Enforcement Trends During Pay-As-You-Go Pilot

- Note that CHP enforcement was reduced during 2021-2022 due to the COVID-19 pandemic.

CHP Citations by Type
September 2021 to August 2022



CITATION TYPE	COUNT	SPECIFIC CITATION EXAMPLES
Lane Change or Buffer Crossing	2,564	Crossing the double-white lines to enter/exit ExpressLanes.
Toll-Related	1,613	Transponder switch setting incorrectly set.
Speed	1,077	Unsafe speed, exhibition of speed.
License Plate or Registration	1,031	Obstructed license plate, or no license plate.
Other Correctable	928	Brake lamp not functional.
Other Moving Violation	605	Following too closely, reckless driving.
Cell Phone	265	Texting, using phone without hands-free setup.
Seatbelt	51	Not wearing seat belt.

Pay-As-You-Go Outreach

- Targeted messaging via billboards near the ExpressLanes corridors.
- Overhead electronic message signs on the ExpressLanes.
 - Other roadside signage options are limited due to public road signage regulations.
- Engagement with COGs, other partners.
- Details on web site front page, which gets 200,000 visitors per month.

Want to use the ExpressLanes?

Don't have Fastrak?

Pay As You Go instead!

WE MAIL YOU A NOTICE. YOU PAY TOLL + PROCESSING FEE.

METRO EXPRESSLANES

Recommendation

- A. RECEIVE AND FILE the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings.
- B. AUTHORIZE the Pay-As-You-Go Program to be permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program's "processing fee" (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZE staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned;
- D. AUTHORIZE staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.