

SUBJECT

Discounted Pass Program Providing Economic Relief (Staff Representative: Kenneth McDonald)

RECOMMENDED ACTION

To authorize the President and CEO to initiate a discounted pass program to provide customers' economic relief in conjunction with the Los Angeles County Metropolitan Transportation Authority for no more than six months from the date Long Beach Transit resumes normal service delivery practices.

BACKGROUND

On March 4, 2020, the City of Long Beach declared a local health emergency due to the possible spread of the COVID-19. The emergency was declared to strengthen the City's preparedness and ability to respond to the COVID-19 threat. Los Angeles (LA) County declared a state of emergency the same day.

On March 13, 2020, the President of the United States declared a National Emergency over COVID-19, and Long Beach Unified School District; California State University, Long Beach; and Long Beach City College suspended in-person classes.

Subsequently, on March 15, 2020, California Governor Newsom called for statewide actions to reduce the spread of COVID-19. The Mayor of Long Beach followed suit.

As of June 12, 2020, the City of Long Beach and LA County remain under a "Safer at Home" Order with phased reopening. The City of Long Beach is transitioning to Stage 3 of the California's COVID-19 "Resilience Roadmap," which includes the reopening of higher-risk businesses with modifications, such as, but not limited to:

- Campgrounds and recreational vehicle parks
- Day camps
- Gyms and fitness facilities
- Hotels and lodging for tourism and individual travel
- Museums, cultural centers, galleries

Following the first reported COVID-19 cases in the United States, Long Beach Transit (LBT) activated its response to the threat, implementing various safety measures. On March 25, 2020, LBT implemented rear-door boarding, asking customers to board and exit through the rear doors of all buses, except for customers who need additional assistance boarding.

This safety measure, along with its skip a seat, skip a row campaign, was put into place to promote social distancing. As a result of these measures, LBT discontinued enforcing fare collection and has seen ridership levels decrease an average of 80% per week.

LBT recognizes that many customers within its service area have experienced the adverse economic impacts of the COVID-19 pandemic. The economic impact upon county residents has been swift and severe. In May 2020, The Los Angeles Economic Development Company (LAEDC) forecasted that the LA area (LA-Long Beach-Anaheim) would lose 1.7 million jobs and reach an unprecedented unemployment rate of 31.7%.

County agencies are working aggressively to lessen the impact of this economic distress. LA County, the City of Long Beach and many other jurisdictions are providing eviction and tax relief, small business support and financial assistance.

In alignment with the actions taken within the region, LBT, along with other LA County municipal operators and LA Metro, are initiating a discounted pass program to provide economic relief and to encourage transit usage. The recommended pass program is as follows:

Transit Pass Type	LBT Current Price	LBT Proposed Discounted Price	LA Metro Discounted Price
30-Day Pass	\$65.00	\$50.00	\$50.00
5-Day Pass	\$18.00	\$12.50	\$12.50
Day Pass	\$4.00	\$3.50	\$3.50

Staff is also developing a communications and marketing plan to educate and inform customers about this limited duration discounted pass program.

Under the Federal Transit Administration (FTA) Title VI Requirements and Guidelines for Federal Transit Administration Recipients Circular 4702.1B – Fare Equity Analysis guidelines, LBT may provide promotional fare products for up to six months without a public hearing.

Under Title VI, the FTA considers any promotional fare (reduction) that lasts more than six months as permanent and requires an agency to conduct a fare equity analysis. Should LBT consider these promotional fare products for more than six months, per LBT's Title VI Program and policies, LBT shall conduct a fare equity analysis and public hearing to determine whether the promotional fares becoming permanent will have a discriminatory impact on minority and low-income populations in the LBT service area.

ALTERNATIVES CONSIDERED

Staff considered two alternatives:

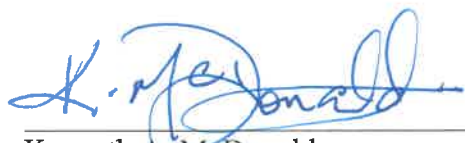
1. Retaining its current pass prices; however, staff believes this alternative would have a negative impact on regional economic recovery, as well as transit ridership recovery.
2. A limited-duration pass program discounted at 50%; however, the economic impact will be detrimental to the agency's long-term financial health.

BUDGETARY/FISCAL IMPACT

Staff is requesting LBT's Board of Directors to authorize the President and CEO to initiate a discounted pass program to provide customers' economic relief in conjunction with LA Metro for no more than six months from the date LBT resumes normal service delivery practices.

The proposed limited-duration discounted pass prices translates to a budgetary shortfall of approximately \$250,000 during a six-month period. This variance could be offset by non-expended budget line items such as fuel, scheduled overtime, as well as community outreach activities and events.

The discounted pass prices will be planned in the Fiscal Year 2021 Budget.



Kenneth A. McDonald
President and Chief Executive Officer