

TRANSPORTATION COMMITTEE REPORT relative to implementing Transit Service Analysis Phase One recommendations to expand Los Angeles Department of Transportation (LADOT) DASH, Commuter Express and other transit services.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, LADOT, to amend the DASH and Commuter Express contracts, subject to the approval of the City Attorney as to form and legality, to reflect the new recommended service level to implement the following:
 - a. Extend PM hours of service for DASH service in downtown, extend hours of service for all existing routes, and add weekend service to all DASH routes.
 - b. Realign select routes and increase DASH bus frequency to every 15 minutes Monday thru Friday and 20 minutes on weekends to improve service delivery for all existing routes.
 - c. Add four new DASH routes in Boyle Heights West, Pacoima, Sylmar and Canoga Park.
 - d. Add a new Playa Vista spur to the existing Commuter Express Line 437 route.
2. AUTHORIZE a one-year micro-transit shared used pilot program in West Los Angeles, and INSTRUCT the LADOT to report to the Mayor and Council on results.
3. INCREASE subsidies for the Cityride program from \$42 to \$84 per quarter, APPROVE the implementation of Taxi overflow service to meet the demand for increased service, and DIRECT the LADOT to report on the results.
4. APPROVE the findings of the Federal Transit Department's report Attachment Eleven of the City Administrative Officer (CAO) report dated August 9, 2018.
5. APPROVE the recommended new transit performance metrics as described in Attachment Six of the CAO report dated August 9, 2018, and INSTRUCT the LADOT to report on ridership, service headways improvements and customer satisfaction after implementation of Phase One.
6. AUTHORIZE the use of up to \$25 million in Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper (CP) for the LADOT bus purchase program through Fiscal Year (FY) 2024-25, subject to awarded grant receipts available for reimbursement.
7. AUTHORIZE the Controller to:
 - a. Establish a new interest bearing Fund entitled Bus Purchase Program within Department No. 94, to receive and disburse authorized funds, including those received from both the State and Federal governments as reimbursements for capital purchases authorized by Council.

- b. Establish new accounts within the Bus Purchase Program, Fund No. TBD, Department No. 94, pursuant to instructions to be provided by the CAO, and expend funds directly from these newly created accounts within the project budgeted amounts.
- c. Upon proper documentation from the department and approval of the CAO to advance up to \$25 million from the MICLA CP Fund No. 298 to the Bus Purchase Program Fund No. TBD, on a revolving basis through FY 2024-25 to be repaid from State and Federal reimbursements.
- d. Reduce appropriations and disencumber \$1,070,498 in FY 2016 in Proposition A, Fund No. 385, Account No. 94MA00 Community DASH Bus Purchase Expansion.
- e. Reappropriate a total of \$147,932,907.48 in various accounts to a new account entitled Transit Operations Expansion as specified in Attachment D of the CAO report dated August 9, 2018.

8. DIRECT the LADOT to:

- a. Report in three years (FY 2021-22) on the status of anticipated and awarded grant receipts to address the fleet replacement needs beginning in FY 2022-23 to FY 2024-25.
- b. Report relative to potential DASH, Commuter Express fare and advertising increases to support the overall increased cost of Phase One operations and maintenance.
- c. Report relative to the potential for additional Metro formula revenue allocations upon completion of the implementation of Phase One.
- d. In conjunction with the CAO, to:
 - i. Renegotiate the Metro Measure R Three Percent Local Match Contribution and seek credit for the regional projects constructed within City limits which meet the first/last mile criteria and report back.
 - ii. Explore the funding options presented and report to Council.

9. AUTHORIZE the LADOT to:

- a. Make any technical adjustments as necessary and consistent with this action, subject to the approval of the CAO; and, REQUEST the Controller to implement these instructions.
- b. Enter into a contract with Proterra to purchase 25 battery electric buses as part of the No-Low Grant.
- c. Enter into contracts with selected bus manufacturers to purchase up to 130 battery electric buses as part of the Transit Intercity Rail Capital Program grant award.

10. DIRECT the LADOT to:

- a. In conjunction with the CAO to report in 90 days with a 10-year forecast of revenues and expenditures, including ongoing operational and foreseeable one-time capital expenses, for Propositions A and C and Measures R and M Local Return.
- b. Report after completion of Metro's NextGen bus realignment study and prior to implementation of new DASH routes to ensure that the Transit Service Analysis recommendations do not provide duplicative transit service.
- c. In consultation with the Department of Aging and the Department on Disability, to report in 180 days with a comprehensive analysis of transit services for senior and/or disabled populations, including the identification of overlapping services, gaps in services, and opportunities to more effectively and efficiently meet the mobility needs of these populations through new partnerships and technologies.

11. DIRECT the CAO to report with an implementation plan and realistic deadline for Phase II of LADOT's transit service expansion.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The Proposition A Fund provides special funds to support the City transit services and programs. The annual base cost of current transit operations (DASH, Commuter Express and Cityride) is \$76 million. The cost of the proposed increase in service is \$62.3 million annually, and would increase the overall annual cost to \$138.8 million. No increase to DASH or Commuter fares is proposed to support the increased costs. The use of MICLA CP as a cash flow mechanism to support current and future bus purchases is appropriate. The use of one-time funds, to support on-going programs is not in compliance with City fiscal policy, but will allow for the implementation of this Mayor and Council priority.

Community Impact Statement: Yes.

For: Greater Valley Glen Neighborhood Council

SUMMARY

In a report to the Mayor and Council dated August 9, 2018, the CAO recommends the approval of various actions relative to the implementation of Phase One of LADOT's Transit Service Analysis of DASH, Commuter Express, and Cityride Dial a Ride services. The study was conducted over a two year period (from 2015 to 2017) to assess and evaluate the change in demographics, population, new and planned bus and rail transit lines, and the changing uses of business and residential areas. Phase One service enhancements include:

- Extending PM hours of DASH service in Downtown LA, and extend hours of service for all existing routes and weekend service.
- Realigning select DASH routes and improve service headways (time between buses) for all existing routes.
- Adding four new routes for DASH services in Boyle Heights West, Pacoima, Sylmar, and Canoga Park.
- Adding a new Playa Vista spur to Commuter Express Line 437.

- Increasing subsidies for Cityride clients back to 2010 levels and implement a Taxi Overflow Program.
- Implementing a one-year micro shared transit pilot in West LA.

The CAO further reports that the annual base cost of current operations for DASH, Commuter Express and Cityride is \$76 million. Overall Phase One changes require an increase in annual operating costs of \$62.38 million, for a total new annual cost of \$138.8 million. In addition, \$129 million in one-time capital costs will be incurred for fleet purchases to support Phase One, with \$103 million being grant reimbursable. No increase to DASH or Commuter fares is proposed to support the increased costs.

According to the CAO, the current funding plan for Phase One capital purchases assumes the use of prior year fleet replacement (\$40.6 million), and current Reserve for Future Transit Service (\$61.8 million) appropriations as front funding. This expense will be reimbursed by awarded grants and deposited as revenue into Proposition A. Additional, regular future fleet replacement needs are estimated at \$137.1 million and grant awards are assumed in the forecast as reimbursements. As proposed, the fund will have a deficit of \$15.3 million in 2020-21, increasing to \$284.8 million in 2032-33, assuming no additional on-going revenue or increased costs beyond CAO estimates.

The CAO goes on to discuss funding options to defer the project deficit, including dedicating funds already dedicated for transit expansion and maintenance and grant awards, or use short-term financing and various special purpose and reserve fund appropriations. Budget shortfalls still exist under both scenarios, however the impact to outlying years is reduced. Included in the above recommendations are instructions for the CAO and LADOT to report on possible revenue enhancements.

At its meeting held September 26, 2018, the Transportation Committee discussed this matter with a representative of the CAO. Proposed enhancements of DASH, Commuter Expresses, and other LADOT transit services were listed. It was stated that an operating budget deficit will exist in 10 years. However, the CAO believes future conditions could change this forecast. Committee members discussed future funding sources including Propositions A and M.

During the public comment period, support for LADOT's transit service enhancements was given by Downtown Los Angeles business and residential community stakeholders, as well as a representative of the American Association of Retired Persons.

The Transportation Committee recommended that Council approve the CAO's recommendations. Committee further recommended that Council authorize LADOT to enter into contracts to purchase additional battery electric buses, and to direct LADOT to report with an implementation plan for Phase II of the Transit Service Analysis, a more clear definition of the micro-transit shared used pilot program in West Los Angeles, potential overlapping or duplicative services, and related matters.

Respectfully Submitted,

TRANSPORTATION COMMITTEE

MEMBER VOTE
BONIN: YES
MARTINEZ: YES
KORETZ: ABSENT

A handwritten signature in black ink, appearing to be the initials 'MB' or similar, written in a cursive style.

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-