

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	08/08/11	Open	Action	08/02/11

Subject: Holding a Public Hearing to Consider Potential Service Restoration Pending Determination of Sufficient Revenue

ISSUE

Opening a public hearing and receiving public comments on a proposal for bus and light rail service restoration.

RECOMMENDED ACTION

Open the public hearing and receive public comments.

FISCAL IMPACT

There is no fiscal impact from holding a hearing. The following discussion provides an estimate of fiscal impacts to the Fiscal Year 2012 budget of adopting the proposed service restoration plan.

DISCUSSION

On Monday, July 25, 2011, the RT Board of Directors was presented with a draft bus and light rail service restoration plan for implementation in Fiscal Year 2012. At that time, the Board voted to set a public hearing for Monday, August 8, 2011, to receive public comment on the proposed restoration plan.

As required by RT's public notice requirements, the hearing was advertised in the *Sacramento Gazette*, *Daily Recorder*, *Sacramento Observer*, *Nichi Bei Times*, and *El Hispano* newspapers. Passengers were also notified of the proposed changes via an announcement on RT's web page, an article in RT's *Next Stop News* newsletter, interior mini-posters in all buses and light rail vehicles, and Facebook page. The full staff report was made available to the public via RT's web site on July 22, 2011, when all documents were posted for the July 25, 2011 Board meeting. Public comments have been received by phone, mail, and email. At this time, staff recommends the Board open the public hearing and receive public comments.

Resolution 94-09-2214 describes what constitutes a major service change, for which a public hearing is required. Customarily, major service changes require at least three Board meetings: one to set the public hearing (an action that requires Board approval), one to hold the public hearing, and at minimum, one subsequent meeting to review any adjustments to the service change package based on public comments and to obtain Board approval for the final plan.

Staff has targeted the August 22, 2011 Board meeting for consideration of the service restoration plan. However, given the current uncertainty of federal funding, action on service restoration may be delayed until sufficient information is available regarding federal funding in FY 2012. At this

Approved:

Presented:

Final 8/2/11
General Manager/CEO

AGM of Planning and Transit System Development
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point, information regarding federal funding is not likely to be available until September or October 2011.

Attachment 1 describes the proposed service restoration plan, including estimated fiscal impacts, and is essentially the same as was presented to the Board and made available to the public on July 25, 2011.

Title VI of the Civil Rights Act of 1965 requires an equity assessment for all major transit service changes. Although the magnitude of the proposed service restoration plan is slightly below RT's official definition of a major service change, staff prepared this assessment, which is included as Attachment 2, in order to identify any disparate impacts on protected groups and as a safeguard in the event that adjustments to the plan put it into the range of a major service change.

Staff believes that the service restoration plan is exempt from the California Environmental Quality Act (CEQA). Consequently, a Notice of Exemption will also be prepared for the Board's approval at the time of adoption of the final plan.

Attachment 1 PROPOSED CHANGES

In June of 2010, RT underwent a large-scale service reduction as part of its response to a fiscal emergency that began in January 2010. RT noticed that significant and imminent revenue shortfalls would occur by the end of Fiscal Year 2010. The anticipated shortfall required the official declaration of a fiscal emergency by the Board. Meeting the revenue shortfall required RT to take a number of swift actions to cut costs. Included in those actions was a service reduction that included layoffs and other administrative cost reductions. The cost containment and reduction strategies implemented in response to the fiscal crisis, allowed RT to close the funding gap and place the organization in a fiscally stable position by the end of FY 2011.

Recent financial projections for FY 2012 indicate potential increases in funding available for RT operations, which may allow for modest increases in service levels in FY 2012. Sales tax based revenues are coming in at a level that is approximately four percentage points above the one percent increase anticipated in the FY 2012 Operating Budget. If sustained over time, an increase at this level could provide support for early service additions.

However, as RT monitors potentially positive funding trends at the local level, uncertainty remains with regard to federal funding levels in FY 2012. Several bills are in play that could adversely affect all federal funding levels for the next six years. If the most severe of the bills prevails, it would result in a funding loss to RT in the magnitude of \$6.4 million to \$7.7 million.

Concurrently, RT is in the process of developing a comprehensive service restructuring and investment plan (TransitRenewal), which provides an in-depth look at markets and system performance to develop a cohesive service improvement strategy that could begin as early as January 2012. Preliminary data analysis from TransitRenewal and the improved budget outlook provided the basis to review service performance for “early action” recommendations. Particularly, services that were discontinued or reduced in frequency during the 2010 reductions were evaluated for possible implementation in FY 2012. The process and results of this analysis are described below.

Data and input used in this analysis included:

- RT ridership, operating and performance data from before and after the 2010 service reductions
- Input from stakeholders and the general public

The evaluation process involved several principles and assumptions that guided the development of recommendations, including the overarching consideration that TransitRenewal will provide a set of service recommendations that work together as a cohesive network of transit mobility. Special consideration was given to not reintroducing service that might be changed as part of the TransitRenewal recommendations. Other notable themes included:

- Focusing on services reduced or eliminated during the 2010 reductions to determine whether to reinstate service
- Evaluating whether services could be reinstated in their prior form, without requiring structural changes that will be covered in TransitRenewal recommendations
- Considering retaining some of the increases in funding availability for other TransitRenewal improvements
- No major reductions in service were considered at this stage

During review, recommendations for reinstating reduced or discontinued service focused on the following criteria:

- Total passenger boardings affected by service reductions
- Performance of discontinued service (passengers per revenue hour)
- Improving service quality for customers (service availability, span, frequency, connectivity)
- Maintaining and improving RT's long-term financial sustainability

Overall, the 2010 service reductions targeted the least productive routes, service modes, and times of day, where the cuts would impact the fewest number of passengers. Service reductions that involved substantial ridership losses or targeted higher-performing services have been identified as candidates for reinstating service. It is important to note that while every attempt has been made to recommend early action service improvements that will not be changed within the TransitRenewal service plan, further adjustments may occur.

Light Rail Service

During the 2010 service reductions, LRT service was discontinued in the late evening (with no outbound trips starting after 9:00 p.m.) and headways were reduced from 15 to 30 minutes on weekends. The team reviewed ridership counts from before and after the service reductions to the most detailed level possible (ridership by hour, and by individual trip if available.) LRT data was reviewed first as many stakeholder comments focused on restoration of evening and weekend service.

Weekday

Ridership. Since the reductions, LRT ridership dropped from 55,300 boardings on an average weekday to 43,200 – a reduction of 12,100, or 22 percent. Service hours, by comparison, dropped by less than 7 percent, showing a disproportionate effect on ridership. Even though only evening LRT service was affected, substantial amounts of ridership were lost throughout the day.

Total ridership loss on discontinued evening trips totaled 886 boarding passengers per day. The remaining 11,214 boardings that were lost came from earlier in the day. Restoring evening service should result in increased ridership both from the restored trips as well as from trips earlier in the day made by passengers needing a return trip after 9:00 p.m. In its previous configuration, the Gold Line ran slightly later than the Blue Line, with trips as late as 12:13 a.m. The very last round trip on the Gold Line showed very low ridership, with

only 25 total passengers.

Productivity. Since the service changes, weekday LRT service dropped from almost 240 passengers per revenue train hour to just under 200, showing that despite the reduction in service hours, weekday LRT service now carries fewer passengers per hour of service provided. By comparison, the RT system as whole experienced a net gain in productivity since the service reductions were implemented.

Weekend

Ridership. Following the reductions, Saturday LRT ridership dropped from 21,500 boardings to 16,200 (5,300 or 25 percent), and Sunday dropped from 16,900 to 11,300 (5,600 or 33 percent). Meanwhile, service hours were reduced by 41 percent on Saturday and 39 percent on Sunday, showing a more proportionate ridership response than on weekdays.

Productivity. Overall productivity increased on weekend LRT service. Saturday LRT productivity increased from approximately 100 passengers per revenue train hour to over 125, while Sunday increased from 87 to 91.

Summary and Recommendation

Based on this analysis, weekday LRT service suffered large reductions in both ridership and productivity, placing it in a priority position for service renewal. The recommendation is to restore evening service on LRT at its previous schedule on the Blue Line and all but the last round trip on the Gold Line. Restoration of Saturday evening service is recommended in order to facilitate later-night weekend travel. LRT weekend frequency restoration is not recommended for early action but will be considered as part of the full TransitRenewal recommendations.

Table 1. Light Rail Recommendations.

Service	Route	Day	Recommendation
LRT	Blue Line	Weekday	Restore all 4 evening round trips
LRT	Gold Line	Weekday	Restore 4 evening round trips; do not restore last round trip due to low ridership
LRT	Both	Saturday	Restore 4 evening round trips; discontinue first morning trip due to low ridership
LRT	Both	Sun/Hol	Discontinue first morning trip due to low ridership and to match Saturday service

Bus Service

Bus service reductions took several forms during the 2010 service reductions: all-week discontinuation of service, weekend discontinuation, and service span and frequency reduction. To correspond with LRT, all bus trips starting after 9:00 p.m. were discontinued. The team is currently reviewing each reduction strategy as part of the TransitRenewal process for its potential for reinstated or reconfigured service. As part of the early action recommendations, the team focused first on weekday evening bus service in order to

complement the recommended extended service span on LRT.

Service Span

Twenty-two RT bus routes saw weekday trips discontinued after 9:00 p.m. Ridership patterns were carefully reviewed on these trips. By and large, later-evening trips included much lower ridership than their daytime counterparts; these trips included estimated 738 daily boardings, or 1.5 percent of total weekday pre-reduction bus ridership. However, evening bus-to-rail connections are highly important to those who depend on the service, and important in building a network of services to serve markets with evening ridership demand. Routes which serve destinations with evening activity (universities, retail centers) are important candidates for later-evening service.

Table 1 shows the pre-reduction ridership on each RT route with discontinued evening trips. The routes with the highest amount of pre-reduction evening ridership include Routes 1, 51, 56 and 81, which also connect to LRT. Together, these routes accounted for roughly 330 of the 738 evening boardings and are priorities for reinstated evening service.

Table 2.
Boardings on Discontinued Evening Trips.

Route	Boardings	Route	Boardings
51	95	82	23
1	89	88	23
81	72	62	21
56	71	87	20
23	45	14	18
67	44	86	17
15	38	68	16
80	36	72	16
21	26	13	9
93	25	61	6
30	24	38	4

Route 1 - Greenback. This route serves American River College and Sunrise Mall, two centers of evening activity, and connects with the Blue Line. Prior evening ridership on this route indicates consistent use of the service.

Route 51 - Broadway/Stockton. This route serves downtown Sacramento and Florin Mall, and is also the highest-ridership bus route in the RT system.

Route 81 - Florin/65th Street. This route serves both Blue and Gold Line LRT stations and Florin Mall. It is among the highest-ridership routes in the RT system, with consistently strong evening ridership.

Route 56 - Pocket/CRC. This route provides a well-used link between the Meadowview LRT station and Kaiser Hospital, Methodist Hospital, and Cosumnes River College.

These four routes posted the highest total ridership for discontinued evening service; however, other routes were also considered for restoration based on strong ridership on

individual discontinued trips.

Route 23 - El Camino. This route serves Arden Fair Mall, a major retail center, and connects with Blue Line LRT service. The two trips which were discontinued carried an average of 46 total passengers, and were among the strongest individual discontinued trips.

Route 80 - Watt/Elkhorn. This route connects to both the Blue Line and Gold Line and provides service along Watt Avenue, one of the highest-ridership corridors in RT's system. The final discontinued northbound trip was one of the strongest individual discontinued trips.

Frequency

During the service reduction process, several bus routes underwent weekday frequency reductions in order to reduce the amount of discontinued services and maintain bus coverage, including Routes 1, 2, 6, 34, 38 and 61. Most frequency reductions mainly involved changing routes from 30 to 60-minute service.

Route 1 was the highest-frequency route to undergo reduction, from 15 to 20 minutes during peak periods. This route had fairly strong pre-reduction productivity at 31 passengers per hour, and many other RT services in its geographic area were discontinued, such as Routes 9 and 10, as well as multiple express routes which connected to LRT at the Watt/I-80 light rail station. Weekday LRT service runs at 15-minute frequencies, making it harder to connect to a 20-minute bus route. Based on on-board survey data gathered just prior to service reductions, Route 1 showed a high percentage of transfers to LRT, at 28 percent. As discussed above, this route serves American River College and Sunrise Mall.

Following the service reductions, Route 1 ridership remained strong, likely due to strong student ridership and the reduction or elimination of nearby routes. Service productivity is now over 41 passengers per hour, which is over 150 percent of RT system average. This high level of productivity confirms the need for investment in this route.

Summary and Recommendation

Staff recommends that RT restore 15-minute peak frequency on Route 1 to enable more convenient connections to LRT and to provide improved quality of service on a strong route. In addition, staff recommends that RT restore evening trips on Routes 1, 23, 51, 56, 80, and 81 in order to provide a network of evening service which responds to areas of highest demand.

Table 3. Bus Recommendations.

Service	Route	Day	Recommendation
Bus	1	Weekday	Restore to previous 15-minute peak frequency.
Bus	1	Weekday	Restore 4 inbound evening trips and 3 outbound evening trips.
Bus	23	Weekday	Restore last inbound and last outbound trips.
Bus	51	Weekday	Restore 2 inbound evening trips and 3 outbound evening trips.
Bus	56	Weekday	Restore 3 inbound evening trips and 2 outbound evening trips. These evening trips will only operate from CRC to Meadowview LRT station. Coordinate schedules to allow for convenient connections with LRT service at Meadowview LRT station.
Bus	80	Weekday	Restore last inbound evening trip. Coordinate schedules to allow for convenient connections with LRT service at Manlove LRT station.
Bus	81	Weekday	Discontinue first outbound morning trip (5:28 a.m.); Restore two outbound evening trips after 9:00 p.m.

Fiscal Impact

The net cost after fare revenues for the proposed service restoration plan is estimated at \$1.28 million for the first year. Ridership is expected to take approximately one year to return to previous levels and is expected to total 203,855 boardings in the first year, and over 400,000 per year in subsequent years. Fare revenue is expected to be less affected, based on RT’s experience since the June 2010 service cuts. While ridership decreased by approximately 5 million boardings in the first year after service cuts, fare revenue decreased less than \$2.5 million, or \$0.50 per passenger boarding.

Table 4. First Year Fiscal Impact.

	Revenue Hours	Ridership	Gross Cost	Fare Revenue	Net Cost
Light Rail	3,617	123,355	\$764,427	\$61,600	\$702,827
Bus	8,228	80,500	\$616,489	\$40,300	\$576,189
Total	-	203,855	\$1,380,916	\$101,900	\$1,279,016

While light rail is projected to carry more passengers per revenue hour, it will also cost more per hour to restore due to greater security and complementary ADA paratransit requirements, which effectively balances the two modes in terms of efficiency.

TITLE VI EQUITY ANALYSIS
OF
FY 2012 SERVICE RESTORATION PLAN

In order to comply with 49 CFR Section 21.5(b)(2), 49 CFR Section 21.5(b)(7) and Appendix C to 49 CFR part 21, Regional Transit (RT) is required to evaluate major system-wide service changes and proposed improvements to determine whether those changes have a discriminatory impact.

The Federal Transit Administration (FTA) recommends following a four step process for meeting this requirement:

- (1) Assess the effects of the proposed service change on minority and low-income populations.
- (2) Assess the alternatives available for people affected by the service change.
- (3) Describe the actions the agency proposes to minimize, mitigate, or offset any adverse effects on minority and low-income populations.
- (4) Determine which, if any of the proposals under consideration would have a disproportionately high and adverse effect on minority and low-income riders.

The following assessment pertains to the service restoration package presented to the RT Board of Directors on July 25, 2011 and scheduled for public hearing on August 8, 2011.

Project Description

The proposed service restoration package consists primarily of improvements to bus and light rail service, including two additional hours of evening service on light rail on weekdays and Saturdays, additional evening service on six bus routes, and an improvement in frequency on one bus route. Weekend light rail service would be reduced in the morning, due to low ridership, with the first round trip on both lines being eliminated, resulting in approximately 30 minute later start times for both lines. The proposed restoration plan is anticipated to increase ridership by 203,855 boardings in the first year and by 413,211 boardings per year in subsequent years. Figure 1 summarizes the proposed changes.

**Figure 1.
Proposed Bus and Light Rail Service Changes.**

Service	Route	Day	Recommendation
Bus	#1 Greenback	Weekday	Restore to previous 15-minute peak frequency.
Bus	#1 Greenback	Weekday	Restore 4 inbound evening trips and 3 outbound evening trips.
Bus	#23 El Camino	Weekday	Restore last inbound and last outbound trips.
Bus	#51 Stockton - Broadway	Weekday	Restore 2 inbound evening trips and 3 outbound evening trips.
Bus	#56 Pocket -CRC	Weekday	Restore 3 inbound evening trips and 2 outbound evening trips. These evening trips will only operate from CRC to Meadowview LRT station. Coordinate schedules to allow for convenient connections with LRT service at Meadowview LRT station.
Bus	#80 Watt - Elkhorn	Weekday	Restore last inbound evening trip. Coordinate schedules to allow for convenient connections with LRT service at Manlove LRT station.
Bus	#81 Florin - 65th Street	Weekday	Discontinue first outbound morning trip (5:28 a.m.); Restore two outbound evening trips after 9:00 p.m.
LRT	Blue Line	Weekday	Restore all 4 evening round trips
LRT	Gold Line	Weekday	Restore 4 evening round trips; do not restore last round trip due to low ridership
LRT	Both	Saturday	Restore 4 evening round trips; discontinue first morning trip due to low ridership
LRT	Both	Sun/Hol	Discontinue first morning trip due to low ridership and to match Saturday service

Geographical Analysis

RT’s service area totals 220.7 square miles and 965,114 persons.¹ An estimated 15.7 percent of persons in RT’s service area live in a low-income household.² Minority persons make up an estimated 48.6 percent of the population in RT’s service area.³

Figure 2. Disadvantaged Populations in RT Service Area.

	Population	Percent
All Persons	965,114	100.0%
Low-Income Persons	151,523	15.7%
Minority Persons	469,045	48.6%

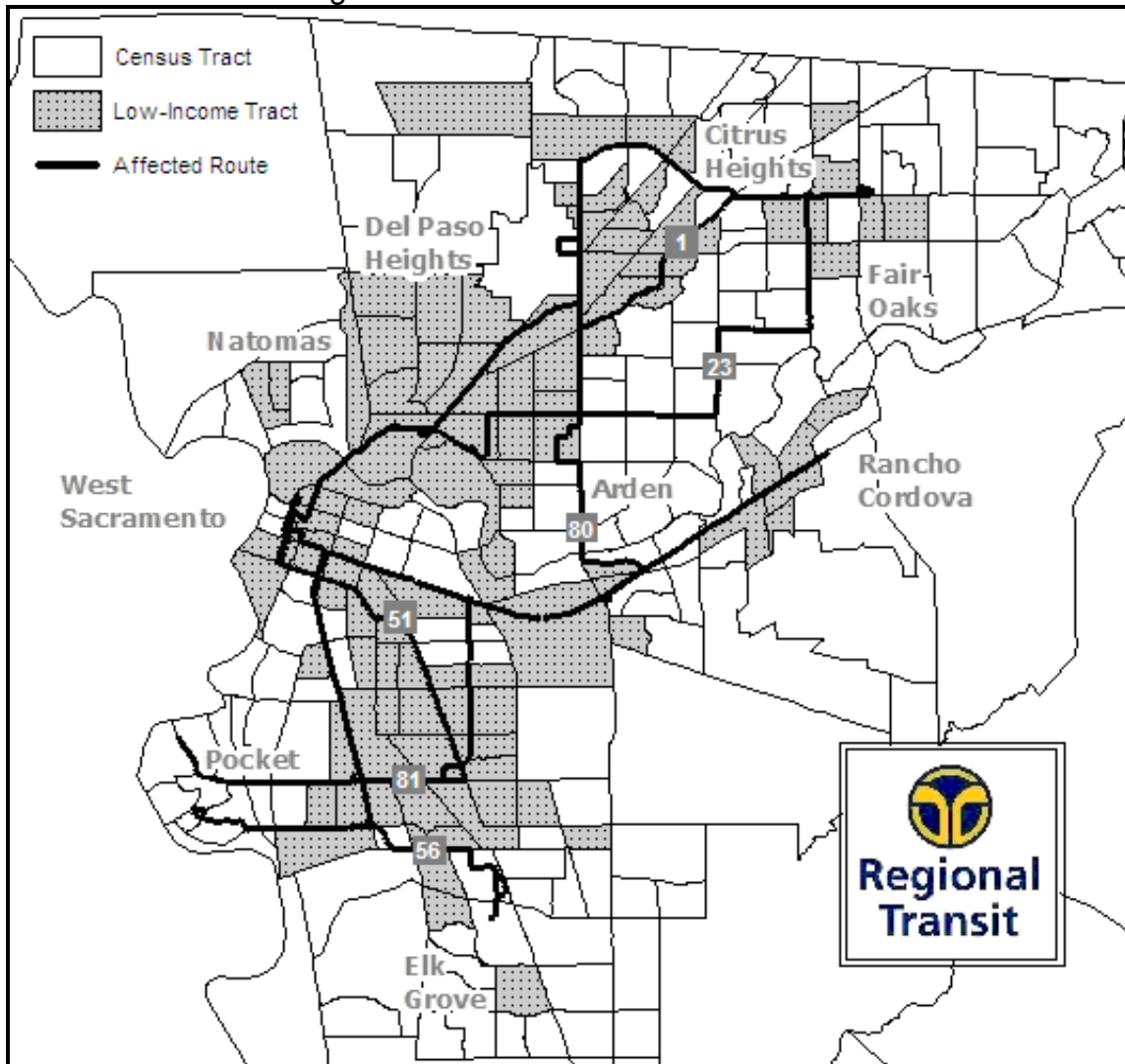
¹ RT’s service area is defined as the area within three quarters of a mile of a bus route or a light rail station, less areas outside of RT’s jurisdiction, e.g., Yolo County or Placer County. Population figures are from the U.S. Census Bureau’s 2005-2009 American Community Survey.

² Low-income status depends on the size of the household and is established by the U.S. Department of Health and Human Services. As an example, a family of four with annual household income less than \$22,350 is considered low-income.

³ Minorities include all non-White/Caucasian persons as well as White/Caucasian persons who self-identify as Hispanic.

Figure 3 identifies low-income census tracts within RT’s service area. The official thresholds for low-income status are defined by the U.S. Department of Health and Human Services, and vary based upon household size. For example, in 2011, a family of four with annual household income less than \$22,350 is considered low-income. A low-income census tract is defined as a census tract in which the percent of residents in low-income households exceeds the average for the overall area. In the case of RT’s service area, this means that a low-income census tract (shaded gray on the map) is any census tract where over 15.7 percent of the population resides in a low-income household.

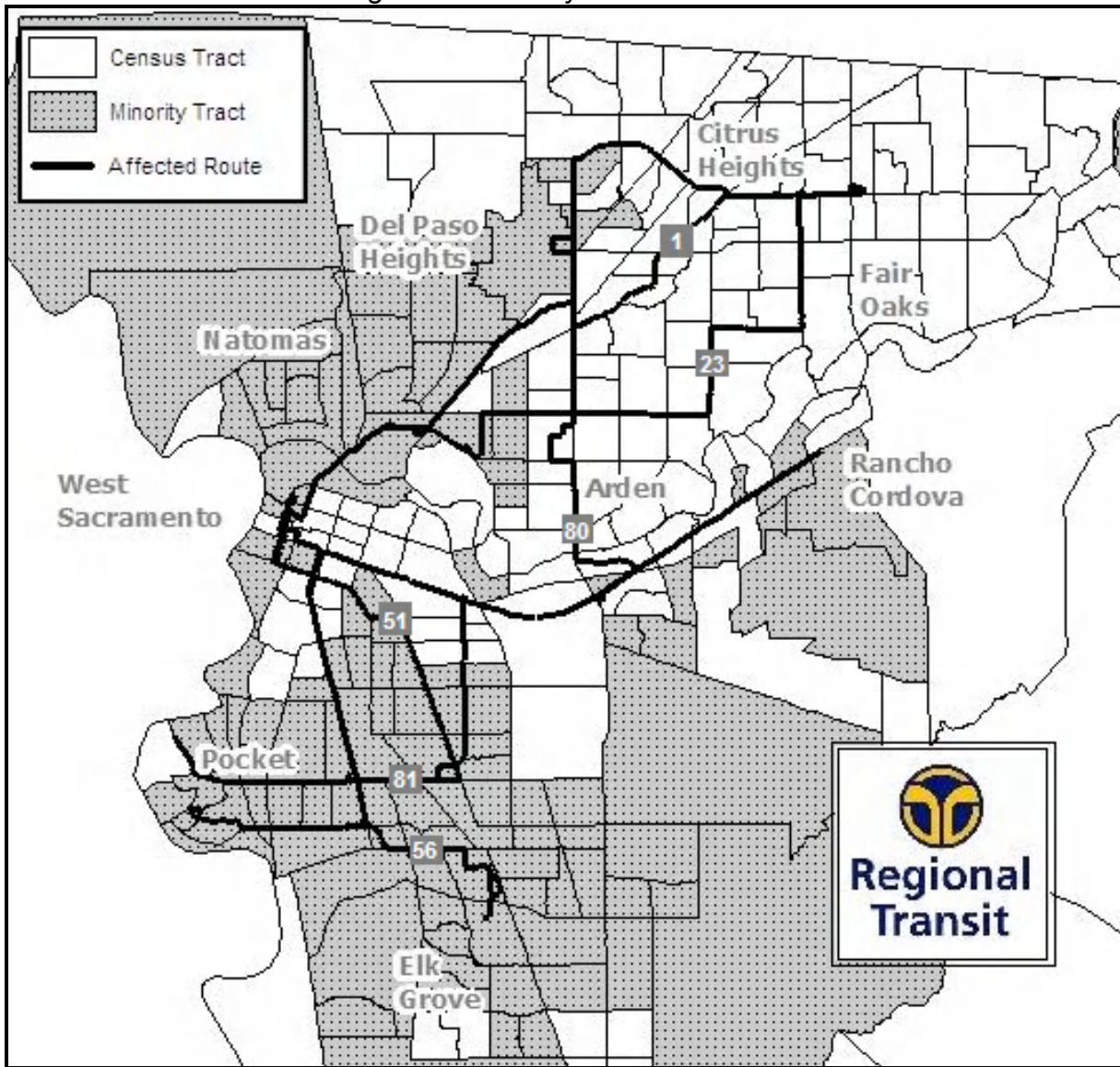
Figure 3. Low-Income Census Tracts.



Affected bus and light rail routes are shown on the map in a heavy black line. Note that light rail is shown going only to Sunrise, as the segment from Sunrise to Folsom is unaffected by evening service restoration. As the figure also shows, low-income census tracts as well as service improvements are spread out geographically throughout the RT service area.

Figure 4 identifies minority census tracts within RT’s service area. A minority person is defined as any person that is either not White/Caucasian or any White/Caucasian person self-identified as Hispanic. A minority census tract is defined as a census tract in which the percent of minority residents exceeds the average for the overall area. In the case of RT’s service area, this means that a minority census tract (shaded gray on the map) is any census tract where over 48.6 percent of residents are minorities.

Figure 4. Minority Census Tracts.



Most of RT’s service area north of Interstate 80 and south of Broadway is made up of minority census tracts. East Sacramento and the area north of the American River and east of Watt Avenue have few minority census tracts. The routes that are being proposed for restoration are spread out geographically throughout RT’s service area in both minority and non-minority census tracts. As in Figure 3, affected bus and light rail routes are shown in a heavy black line.

Demographics by Route

Using demographic data from the U.S. Census Bureau's 2005-2009 American Community Survey, a demographic analysis was prepared for each affected route, based on the population residing within three quarters of a mile of the route.

As shown in Figure 5, six out of eight affected routes serve areas in excess of 15.7 percent low-income residents (the RT system average). Most routes were fairly close to the system average, with Route 51 (Stockton/Broadway) serving the highest percent of low-income residents at 23.0 percent and Route 23 (El Camino) serving the lowest percent of low-income residents at 14.2 percent. Four out of eight affected routes serve areas in excess of 48.6 percent minority residents (the RT system average). There was more variation among the routes in terms of minority concentration, with Route 81 (Florin/65th Street) serving the highest percent of minority residents at 70.0 percent and Route 1 (Greenback) serving the lowest percent of minority residents at 31.9 percent.

Figure 5. Low-Income/Minority Populations by Route.

Route	Population Served	Low-Income Population	Percent Low-Income	Minority Population	Percent Minority
#1 - Greenback	75,554	12,504	16.5%	24,121	31.9%
#23 - El Camino	111,611	15,815	14.2%	36,418	32.6%
#51 - Stockton/Broadway	82,645	18,988	23.0%	51,125	61.9%
#56 - Pocket/CRC	85,435	16,003	18.7%	66,108	77.4%
#80 - Watt/Elkhorn	105,136	16,443	15.6%	38,019	36.2%
#81 - Florin/65th Street	96,095	19,237	20.0%	67,243	70.0%
Blue Line	106,048	24,036	22.7%	63,962	60.3%
Gold Line	110,543	17,798	16.1%	44,302	40.1%
Total Area Affected	540,059	95,449	17.7%	272,955	50.5%
RT Service Area	965,114	151,523	15.7%	469,045	48.6%

Overall, the total area affected included a population of 540,059 and was 17.7 percent low-income and 50.5 percent minority, exceeding the average for the RT service area in both categories.⁴

Demographics of Evening Riders

In 2005, an on-board survey was conducted of over 8,800 bus and light rail passengers was conducted which included questions on household income and ethnicity. The survey found that approximately 44 percent of bus passengers and 37 percent of light rail passengers have household incomes below \$15,000 and that approximately 61 percent of bus passengers and 55 percent of light rail passengers are minorities, as shown in Figure 6.

⁴ Note that many of these routes have overlapping service areas. The population of the total area affected has been calculated so as not to double-count any persons.

Figure 6.
Income and Ethnicity of RT Riders (2005).

	Bus	Light Rail
Income Less Than \$15,000	44%	37%
Minority	61%	55%

The on-board survey found that compared to the system average, riders boarding after 7:00 p.m. were at least as likely to be from disadvantaged populations, and in some cases, more likely. Bus passengers after 7:00 p.m. were more likely to have household incomes less than \$15,000 and light rail passengers after 7:00 p.m. were more likely to be minorities. Based on these differences, improvements to evening service are therefore more beneficial to low-income and minority riders.

Figure 7.
Income and Ethnicity of RT Riders After 7:00 p.m. (2005).

	Bus	Light Rail
Income Less Than \$15,000	55%	38%
Minority	62%	72%

Findings

The proposed service restoration plan would provide benefits to a total population of over 540,000 persons, mostly from expanded evening service hours. The concentration of low-income and minority persons in the affected population exceeds the average for RT’s system area. Moreover, low-income and minority persons are likely to receive a more than proportionate share of the benefits from expanded evening hours. Collectively, the proposed restoration plan has no adverse disparate impacts on low-income or minority persons.