

STAFF REPORT

DATE: July 24, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: SMART RIDE UPDATE

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

No Recommendation – For Information Only.

FISCAL IMPACT

SacRT's June 16, 2023 grant agreement with the Sacramento Transportation Authority (STA) commits SacRT to expected expenditures of \$20,774,871 on SmaRT Ride for the three-year period ending on June 30, 2026. The STA grant will cover \$2,401,200. Additional secured funding includes \$1,637,343 of State of California Low Carbon Transit Operations Program (LCTOP) funds, \$1,600,000 of American Rescue Plan funds and \$101,454 from Sacramento County. The remaining \$15,034,874 for the three-year period will be covered by other state, local, and federal funds, including California Transportation Development Act (TDA) funds, and Sacramento County Measure A funds. SacRT's Fiscal Year 2024 operating budget includes these revenues and expenditures.

DISCUSSION

Effective Monday, August 28, 2023, three changes will be made to the SmaRT Ride system, including a size reduction to the Citrus Heights-Antelope-Orangevale and Downtown-East Sacramento-CSUS zones, an enlargement of the Franklin/Gerber zone, and a reduction in service hours to 7:00 am to 7:00 pm across the board, in response to reduced funding levels for SmaRT Ride. The table on Page 5 provides a more detailed description. Maps of the three zones with changes are included on Pages 6 to 8.

SacRT's expanded SmaRT Ride program dates to 2018, when a \$12 million contribution from the Sacramento Transportation Authority's Neighborhood Shuttle program allowed SacRT to begin scaling the initial single-zone pilot project in Citrus Heights to today's system of nine on-demand microtransit zones, encompassing over 165 square miles and serving a population of almost 788,000.

As one of the largest and most successful microtransit projects in the industry, SmaRT Ride has brought nationwide acclaim and recognition to SacRT. More importantly, it has brought transit to underserved residents throughout SacRT's service area—yielding benefits both in terms of personal mobility as well as public support for transit.

Since 2018, a total of \$14 million in Neighborhood Shuttle funds have covered most of the operational costs of SmaRT Ride, which today operates a fleet of 45 cutaway buses and battery-electric vans, all funded by SacRT. However, with the failure of Measure A at the ballot in November 2022, SmaRT Ride remains without a permanent full-funding source.

June 30, 2023, marked the end of Cycle 1 of STA's Neighborhood Shuttle funding program, which provided \$1,800,808 for SmaRT Ride for Fiscal Year 2023. With that funding source coming to an end, staff has been considering major service reductions or complete elimination of the SmaRT Ride pilot program, while at the same time seeking new grants and other funding sources, to support continued operation of SmaRT Ride over at least another three years.

On June 16, 2023, the STA Board approved an award of \$2,401,200 for SmaRT Ride operations for the three-year period ending on June 30, 2026, amounting to approximately \$800,000 per year, from Cycle 2 of the Neighborhood Shuttle program.

SacRT's application for Cycle 2 discussed the need to reduce costs through service reductions, including reductions to the Citrus Heights-Antelope-Orangevale and Downtown-East Sacramento-CSUS zones, the splitting in two of the Natomas-North Sacramento and Citrus Heights-Antelope-Orangevale zones, and the reduction of service hours to 7:00 am to 7:00 pm across the board. At the same time, SacRT's application and its grant agreement commit SacRT to continuing service to all nine existing zones and maintaining six of the zones unchanged.

In addition to the Cycle 2 Neighborhood Ride funds, SacRT has also been awarded \$1,637,343 in State of California Low Carbon Transit Operations Program (LCTOP) funds for the two-year period ending June 30, 2025 for the Downtown, Natomas/North Sacramento, and Rancho Cordova zones. SacRT also has an agreement with Sacramento County providing approximately \$50,727 per year to support the cost of SmaRT Ride service to the Vineyard area (part of the Florin-Gerber zone).

California Transportation Development Act (TDA) funds that flow to SacRT through the City of Citrus Heights and the City of Folsom have also been designated for SmaRT Ride in the amounts of \$651,031 and \$949,421 per year, respectively, plus annual cost escalation. For Citrus Heights, this represents a commitment to maintain SmaRT Ride or a comparable service at least within the city limits, where it was originally being operated with the same funds, before SacRT's large Neighborhood Shuttle grant. For Folsom, this represents a commitment to maintain a city-wide general public demand response service, because the City of Folsom was already operating a general public dial-a-ride, prior to SacRT's takeover, which was eliminated because of redundancy with SmaRT Ride.

A detailed discussion on SmaRT Ride's performance to date as well as the basis for SacRT's changes can be found in Agenda Item No. 9 of the Sacramento Transportation Authority's May 11, 2023 Board of Directors packet and has been included for reference as Attachment 1.

A key fact to note is that SacRT proposed to match \$800,000 per year of Neighborhood Shuttle funds with \$5.9 to \$7.2 million of other funds, for each of the three years in the application. SacRT's FY 2024 budget reflects these assumptions.

Reducing hours of service to 7:00 am to 7:00 pm was deemed to be the least harmful way to save money, overall. This affected only the Downtown and Citrus Heights zones, which currently operate from 6:00 am to 9:00 pm.

As SacRT's application to the Neighborhood Shuttle describes, all nine SmaRT Ride zones have compelling reasons to continue service, including strong ridership and lack of other transit options, for parts of many zones. Ultimately, equity was one of the top deciding factors in shaping SacRT's proposal. The part of East Sacramento where SmaRT Ride will be eliminated is only 8 percent low-income. For the parts of Orangevale and Fair Oaks that will be eliminated, only 7 percent and 8 percent of households are low-income. This compares to 15 percent of households in SacRT's overall service area being low-income.

Following the May 11, 2023 presentation to STA, a few minor changes were made to the plan, based on input from stakeholders. First, service to the Antelope area, which was originally slated for elimination, was retained as its own new zone. Second, the Florin-Gerber zone was enlarged, to cover approximately two more square miles between Fruitridge Road and 14th Avenue. Third, the Downtown zone, which had been planned to be eliminated east of 16th Street, was revised to be eliminated only east of Alhambra Blvd. These three changes were reflected in the grant agreement approved by STA on June 16, 2023.

Two additional changes were made following this grant award. First, instead of Antelope becoming its own new zone, it will continue to be part of the Citrus Heights zone. Second, the planned division of the Natomas and North Sacramento zones into two separate zones was found to be infeasible. Natomas/North Sacramento will remain one zone, without any changes to boundaries or destinations. Initially, SacRT had proposed divisions in these two zones, to require riders to use SmaRT Ride as a feeder to fixed-route service, rather than making long-distance trips entirely on SmaRT Ride. Staff reversed this recommendation after consultation with SacRT's software provider, who indicated there might be technical difficulties implementing the split with the shared corridors and hot spots that SacRT wanted to retain between the two neighboring zones.

To date, SmaRT Ride remains a pilot program, not subject to the approval requirements that fixed-route service is subject to, such as a 30-day public review and a Title VI service equity analysis prior to major changes, with all changes approvable solely by the General Manager/CEO. Federal law and grant conditions similarly exempt non-fixed route service from the public involvement and equity analysis requirements imposed on fixed-route changes. SacRT may in the future introduce service standards and formal approval procedures (with or without a federal requirement to do so); however, with SmaRT Ride

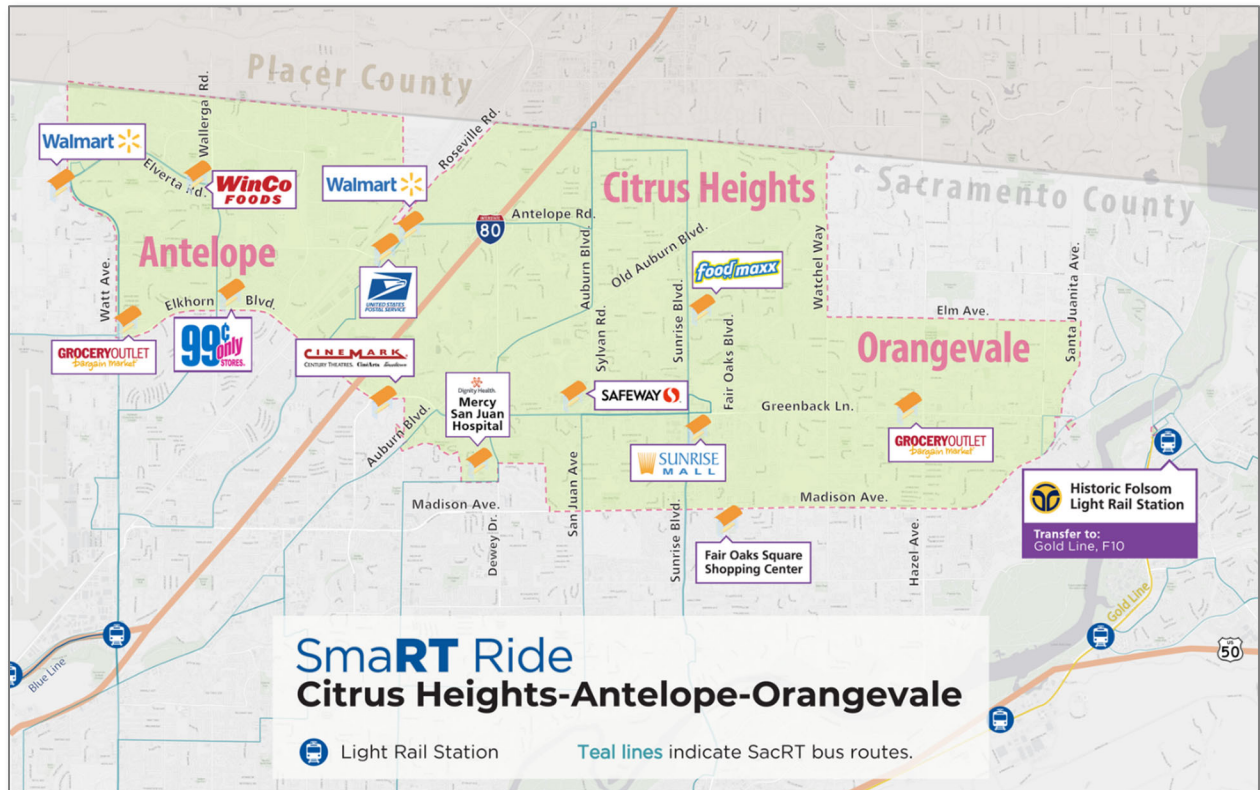
still lacking permanent funding, staff does not believe that it is inappropriate for SmaRT Ride to lack more formal approval requirements at this time. If and when permanent funding is secured, as a matter of fiscal prudence, consistency with public involvement expectations, and assurance of non-discrimination, SacRT will at that time develop more formalized approval procedures.

**SmaRT Ride Changes
Effective August 28, 2023**

Zone	Changes
Arden Carmichael	No changes
Citrus Heights Antelope Orangevale	Eliminate service south of Madison Ave Eliminate service north of Elm Ave and east of Wachtel Way Shorten hours to 7am to 7pm
Elk Grove	No changes
Folsom	No changes
Downtown Midtown	Eliminate east of Alhambra Blvd Maintain service to Marisol Village and Science Museum Shorten hours to 7am to 7pm
Franklin	No changes
Natomas North Sacramento	No changes
Rancho Cordova	No changes
Florin Gerber	Expand zone north from Fruitridge Rd to include area bounded by 14th Ave, Power Inn Rd, and Stockton Blvd

New Smart Ride Boundaries Citrus Heights – Antelope – Orangevale

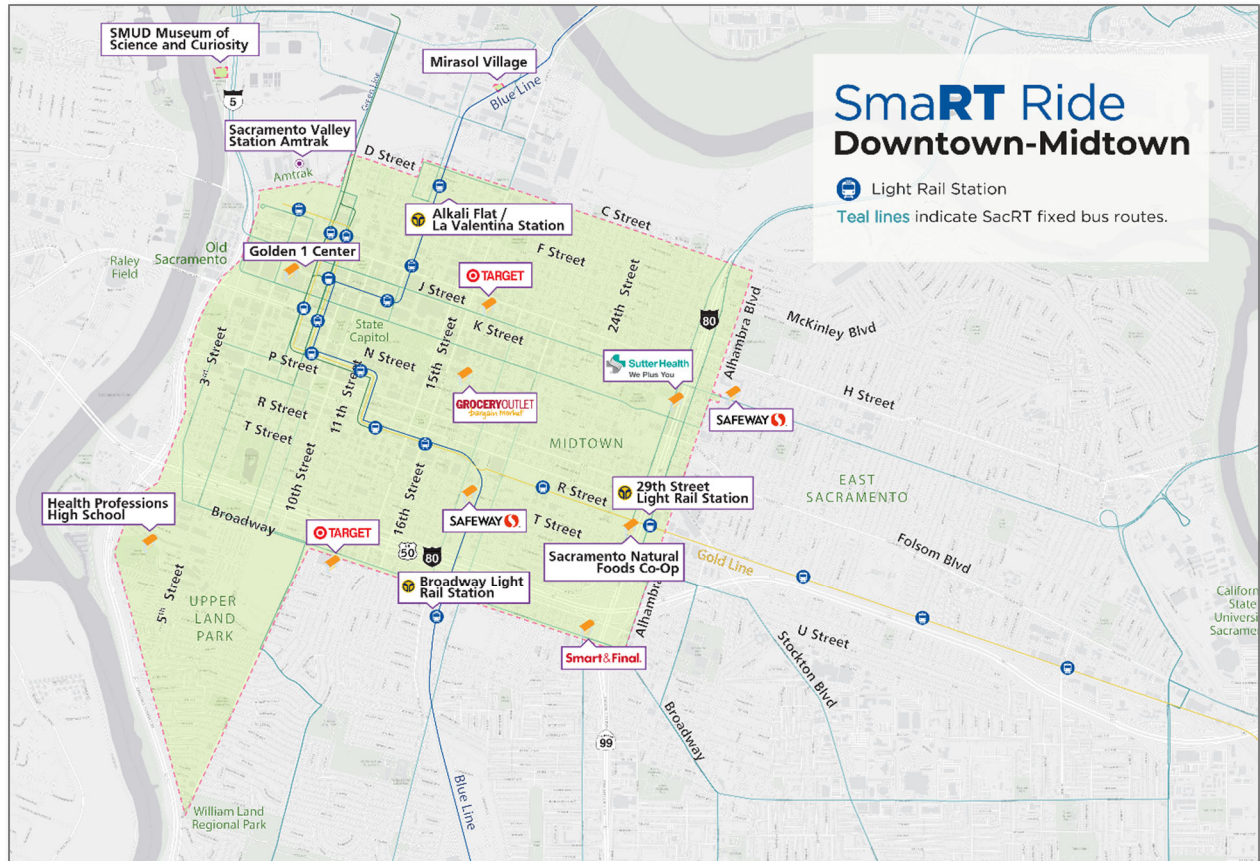
Effective August 28, 2023



- Eliminate service south of Madison Ave
- Eliminate service north of Elm Ave and east of Wachtel Way
- Shorten hours to 7am to 7pm

New Smart Ride Boundaries Downtown – Midtown

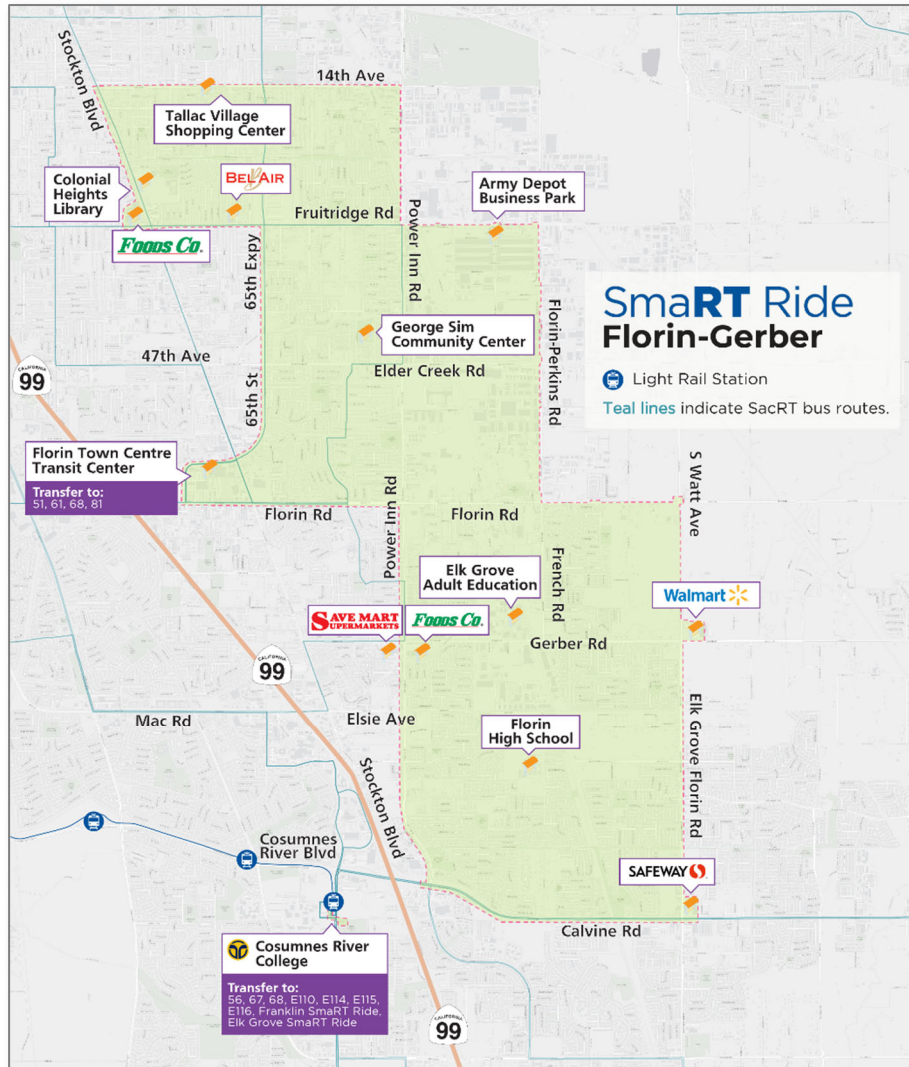
Effective August 28, 2023



- Eliminate east of Alhambra Blvd Maintain service to Marisol Village and Science Museum
- Shorten hours to 7am to 7pm

New Smart Ride Boundaries Florin – Gerber

Effective August 28, 2023



- Expand zone north from Fruitridge Rd to include area bounded by 14th Ave, Power Inn Rd, and Stockton Blvd