



CITY COUNCIL STAFF REPORT



June 11, 2024

ITEM TITLE

Agreement Amendments: Approve a First Amendment to the Agreement with Circuit Transit Inc. and a First Amendment to the Agreement with CALSTART, Inc. for the Chula Vista Community Shuttle Pilot Program

Report Number: 24-0069

Location: No specific geographic location

Department: Economic Development

G.C. § 84308: Yes

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Notwithstanding the foregoing, the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

Recommended Action

Adopt a resolution authorizing the City Manager to execute the necessary agreement amendments to enhance the Chula Vista Community Shuttle Pilot program.

SUMMARY

To support Chula Vista’s efforts of reducing greenhouse gas emissions and meeting public transportation needs for all ages, the City of Chula Vista, in partnership with Circuit Transit Inc., applied for the Clean Mobility Options (“CMO”) grant in October of 2020. In June 2021, the City of Chula Vista was awarded \$997,833 through the CMO program to launch the Chula Vista Community Shuttle Pilot program to provide clean transportation to seniors in northwest Chula Vista. In addition, the City of Chula Vista received a grant award of \$1,000,000 as supplemental funding from Community Congregational Development Corporation to expand the original project service area and add an additional sedan to the service. On October 12, 2021, the City Council accepted both grant awards. The City of Chula Vista received \$502,167 supplemental grant funding from the CMO program in November 2023 to enhance the program and add a new accessible van. This item authorizes the City Manager to execute necessary agreement amendments to enhance the Chula Vista Community Shuttle pilot project.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed Project for compliance with the California Environmental Quality Act (CEQA) and has determined that the Project qualifies for a Class 8 Categorical Exemption pursuant to Section 15308 (Actions by Regulatory Agencies for Protection of the Environment) of the state CEQA Guidelines. The proposal seeks to help address the local threat of climate change by reducing greenhouse gas (GHG) emissions and lowering vulnerability to anticipated climate change impacts. Thus, no further environmental review is necessary. In addition, notwithstanding the foregoing, the Development Services Director has also determined that the Project qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

In September 2017, City Council adopted the 2017 Climate Action Plan (“CAP”) to help address the local threat of climate change by reducing GHG emissions. The CAP encourages the expansion of car-sharing services in the City and includes strategies to incentivize clean transportation and vehicle charging with the goal to increase citywide alternative commute rates to 9% by 2035. The CAP also has goals for the City to review “last mile” transportation infrastructure (including technology-based solutions) and propose needed programs or policies to City Council for consideration. The CAP further directs staff to explore opportunities to expand use of alternative fuels and high efficiency/alternative fuel vehicles (“AFV”) including electric, biodiesel, ethanol, hybrid, hydrogen, and compressed natural gas (“CNG”) based on appropriateness for vehicle task, fueling infrastructure, petroleum displacement, overall cost, and environmental benefit.

To support efforts of reducing GHG emissions while meeting public transportation needs, the City of Chula Vista and Circuit Transit Inc. applied for the CMO grant in October of 2020. The CMO program is a statewide initiative funded by California Climate Investments and administered by California Air Resource Board’s Program Administrator team to provide funding for zero-emission shared mobility options to under-resourced communities in California. In June 2021, the City of Chula Vista was awarded \$997,833 through the CMO program to launch the Chula Vista (“CV”) Community Shuttle Pilot program to provide clean transportation to seniors in northwest Chula Vista.

The City participated in various needs assessment efforts to identify transportation needs for seniors across Chula Vista which helped provide guidance for the CV Community Shuttle Pilot Program. In 2016, the City of Chula Vista adopted a Healthy Chula Vista Action Plan identifying strategy to promote overall wellness and address public health issues within the community. That same year the City was the 99th jurisdiction in the U.S. to join the Age-Friendly Communities network through the World Health Organization and AARP. Transportation was a key issue addressed in both plans, with a specific interest identified by the community to provide neighborhood-based shuttle services for both daily trips and for access to community events.

The initial goal of the CV Community Shuttle Pilot program was to improve mobility options for the senior communities, provide connections to public transit and key community services, improve social determinants of health related to transportation accessibility, reduce greenhouse gas emissions, improve air

quality, and reduce congestion. The CV Community Shuttle was designed with the community's input and participation to provide safe, convenient, affordable, and accessible first/last mile connections.

The CV Community Shuttle operates as an on-demand service using a fleet of dedicated all-electric vehicles funded by the CMO grant. Riders can request rides within a geo-fenced coverage zone through a mobile ride request app available on iOS and Android, by call in or text, by kiosks available at key destinations and public spaces, or by waving down a vehicle. Caregivers, senior living community staff, and others can also make requests on behalf of riders. The service includes an ADA accessible vehicle for riders requiring ADA assistance, which can be indicated in the ride request app, the kiosk, or when requesting by phone. The focus of the service territory is on key destinations for this population, including healthcare, grocery, senior living facilities and senior centers, and other destinations as determined through community feedback.

On June 24, 2021, the City of Chula Vista received an additional grant award of \$1,000,000 as supplemental funding from CCDC to expand the original service area and add an additional sedan to the service. The main conditions for the additional \$1,000,000 pledge from CCDC was to (1) allow seniors to ride free so long as CCDC is funding the program; (2) allow program shuttles to operate seamlessly between the geographic areas funded by the CMO grant and the CCDC grant; and 3) service the greatest number of seniors possible within operating parameters. The City continues to work with CCDC to meet these conditions.

The CV Community Shuttle is administered by the City and operated by Circuit Transit Inc. ("Circuit"). Circuit provides a turn-key service, including employing and training a team of local driver ambassadors, providing and maintaining electric vehicles for service, providing technology for the service, and insuring the service. The City provides assistance, as part of the agreement, with the appropriate storage and charging facilities. Circuit has 10 years of experience providing last mile transportation services. They have operated in California since 2013 and in San Diego since 2016. In addition to Chula Vista Community Shuttle, Circuit currently has a contract for neighborhood electric vehicle ("NEV") services for Downtown San Diego with the City of San Diego.

In April 2024, the City of Chula Vista opened up the program to riders under 55 years old for a fee of \$2 per trip. The Community shuttle remains a free transportation service to seniors and all ADA rides.

In November 2023 the City of Chula Vista received \$502,167 additional grant funding through the CMO program to enhance the Community Shuttle program and add an additional ADA van. This item authorizes the City Manager to execute the following necessary agreement amendments to enhance the CV Community Shuttle:

1. Additional funding is increased from \$997,833 to an amount not to exceed \$1,500,000
2. Replace Exhibit C (Project Milestone Schedule) in its entirety per revised Exhibit C (Attachment 2)
3. Replace the Financial Sustainability Plan in its entirety per revised Financial Sustainability Plan (Attachment 2)
4. Except as provided herein, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The first three years of the CV Community Shuttle Pilot program are funded through CMO and CCDC grants. We are currently in year two of the grant program, thus there is no new current-year General Fund impact as a result of this action.

ONGOING FISCAL IMPACT

The first three years of the CV Community Shuttle Pilot program are funded through CMO and CCDC grants. The CV Community Shuttle Pilot program must be operational through June 2026 because CMO funded programs must be operational for at least 4 years. Any revenue generated via fares/advertising through the first three years will be applied to fund operations in year four.

Based on the current operating model, it costs approximately \$670,000 annually to run the shuttle service.

To ensure continuation of the shuttle service, the City will work collaboratively with stakeholders to identify revenue generation opportunities through fares, advertising, and other grant opportunities. The program began charging \$2 per trip for riders under the age of 55 in April of 2024. In addition, CALSTART has hired a new Funding and Partnership Manager to work with awardees in identifying funding opportunities to maintain their pilot programs. Staff will continue to work with this resource and continue to pursue any other potential funding opportunities from the state to help with future funding of the shuttle program.

The City is providing assistance to Circuit Transit Inc. for appropriate storage of vehicles and charging facilities.

ATTACHMENTS

1. City of Chula Vista Circuit Amended Agreement
2. City of Chula Vista CMO Voucher Amended Agreement
3. City of Chula Vista Circuit Original Agreement

Staff Contact: Stacey Kurz, Director of Housing and Homeless Services