

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 9, 2021

To: The Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager 
Department of Transportation

Subject: **ON-DEMAND MOBILITY PROGRAM UPDATE (CF #17-1125)**

SUMMARY

The Los Angeles Department of Transportation (LADOT) presents four updated On-Demand Mobility Program (Program) geographies: Equity-Focus Mobility Development Districts, Mobility Development Districts, Standard Permitted Districts, and Special Operations Zones. The four updated Program geographies will replace the two geographies previously presented in the August 2020 report which included Mobility Equity Zones and Mobility Disadvantaged Zones. This report also provides an update on the status of Program requirements including lock-to, scanning drivers' licenses, and overlaying bike network information into operator applications.

RECOMMENDATIONS

That the City Council:

1. APPROVE the four updated Program boundaries: Equity-Focus Mobility Development Districts, Mobility Development Districts, Standard Permitted Districts, and Special Operations Zones;
2. APPROVE the proposed Trip Fee updates to the Rules and Guidelines of the Program related to the four updated Program geographies;
3. DIRECT LADOT to report back to Council with a parking infrastructure plan that can allow for effective implementation of a lock-to device requirement.

BACKGROUND

In August 2020, Council authorized LADOT to administer the On-Demand Mobility Program (Program) and approved the updated Rules and Guidelines. At that time, LADOT introduced two equity-focused Program geographies to achieve more equitable service in Los Angeles: Mobility Equity Zones and Mobility Disadvantage Zones. Council directed LADOT to revise the initially proposed designations to represent more coherent neighborhood boundaries, socioeconomic barriers to mobility, access to high-quality transit, and community-based organization capacity and support. Based on further stakeholder engagement, research, and analyses, LADOT presents its updated Program geographies, recommendations for geography-based policies and Program features, and recommends other revisions to the Program Rules and Guidelines.

In January 2021, Council approved a three-month extension of the existing pilot permits for 90 days. LADOT provided an extension to all operators who met permitting requirements with the period ending on March 31, 2021. Based on the data collected during that time, it is clear that on-demand mobility ridership declined during the COVID-19 pandemic as a result of regional public health protections implemented to reduce the spread of the virus. However, LADOT notes that no public health order or direction from the City compelled any permitted on-demand mobility provider to suspend citywide operations since August. More importantly, LADOT observed that on-demand mobility usage and ridership increases during time periods when the City allows for businesses to open at limited capacity and permits outdoor dining. We expect ridership to increase further once businesses reopen to include indoor dining.

DISCUSSION

Informed by findings from the one-year Dockless On-Demand Mobility Pilot Program (Pilot Program) evaluation, Council approved the City's On-Demand Mobility Program (Program) in August 2020. The Program establishes the permitting framework, including Rules and Guidelines that will apply to new and emerging modes of transportation permitted by LADOT. As part of the Program, LADOT proposes to establish four geographic designations to assign policy tools based on community context.

Updated Program Geographies

For these updated Program geographies, LADOT identified four neighborhood-level designations, tied to community needs and environmental characteristics:

- **Mobility Development Districts** are neighborhoods where people on average travel short periods of time, have access to comfortable bicycle infrastructure and high-frequency transit, and have a lower rate of crashes.
- **Equity-Focus Mobility Development Districts** are neighborhoods that meet the same criteria as Mobility Development Districts, but where many households also experience economic hardship based on a high concentration of households living in poverty, overcrowded housing, high rates of unemployment, and low educational attainment
- **Standard Permitted Districts** are neighborhoods where people take longer trips on average, have less access to physically-separated bicycle infrastructure, are not served by high frequency transit, and where more crashes occur. These areas of the City are less suitable for personal on-demand mobility. They would benefit from built environment improvements and may be more appropriate for other modes of transportation for longer trips.
- **Special Operations Zones** are areas where specific rules are necessary due to high on-demand mobility demands within finite boundaries, an oversaturation of deployed devices, or specific geographic characteristics that prohibit dockless devices. Special Operation Zones require additional rules that supersede base Program Rules and Guidelines and apply to all permitted operations.

These updated Program geographies are based on community-level characteristics that dockless mobility users said influenced their decision to use these options, as revealed by MDS data analysis and pilot program user survey results. The policy outcome is to provide abundant affordable mobility choices where people experience economic hardship in order to improve connection to economic or

educational opportunities or to save people time when making short trips. Program geographies in this report are based on a community-level analysis of the following metrics:

User Criteria	Metric
Economic Equity	Urban Economic Hardship Index that combines unemployment, income level, education, crowded housing, and poverty
Access	Type of bikeway within 1/8 mile
	Type of transit stop present within certain distances
	Metro Bike Share station within 1/8 mile
	Blue LA EV car share station is within 1/8 mile
Comfort	Area-weighted average of Transit-Oriented Community (TOC) Tier
	Percent of roadway within 1/8 mile with high speed limits
	Average time of trips starting and ending in the block group
Perceived Safety	Number of severe or fatal collisions per roadway mile within 1/8 mile
	Percent of streets within 1/8 on the High Injury Network

By refocusing the approach to Program geography designations based on community-level built environment and socioeconomic factors, LADOT will regulate in a way that equitably distributes and promotes on-demand personal mobility services based on community needs.

Geography-based requirements and incentives

To encourage deployment in these need-based geographies and better manage high market demand Special Operations Zones, LADOT recommends geography-based per-trip fees as follows:

Geography	Applicability	Per Trip Fee*
Equity-Focus Mobility Development District	Trips that begin or end in the Equity Focus Mobility Development District	\$0.00/ No Cost
Mobility Development District	Trips that begin or end in a Mobility Development District	\$0.06
Standard Permitted Districts	Trips that begin and end in a Standard Permitted District	\$0.20
Special Operations Zone	Trips that begin or end in Special Operations Zone	\$0.40

*The lower per trip fee will apply for trips that begin in one geography and end in another.

In addition to these geographic per trip fees, LADOT recommends permit requirements that accommodate variability in community needs and environmental conditions that exist throughout the City. LADOT proposes specific operations and deployment terms assigned by Program geography type to consider built environment conditions and help assess community compatibility with specific modes and target users.

- In Equity-Focus Mobility Development Districts,
 - LADOT will require operators to engage in at least one financial partnership with a community-based organization (CBO) to develop and implement a culturally relevant customer engagement plan that, at a minimum, promotes mobility services and available discounts. LADOT requires operators to establish partnerships with CBOs, and compensate them accordingly for their expertise, labor, and resources provided.
 - If vehicles exceed 1.5 trips per vehicle per day in these zones, LADOT may increase the operator’s authorized citywide fleet size.
- In Mobility Development Districts,
 - LADOT will require operators to work with at least one Transportation Management Organization and/or certified Employee Transportation Coordinator (ETC) at a major

employer in a Mobility Development District to raise awareness of on-demand personal mobility and promotions. To align with the Air Quality Management District (AQMD) Rule 2202 on mobile-source emissions reduction ([attach](#)), LADOT defines major employers as employers that employ 250 or more employees on a full or part-time basis.

- In Standard Permitted Districts,
 - LADOT will focus revenue on investing in the built environment characteristics needed to support personal on-demand mobility. These characteristics include, but are not limited to: installing physically separated bikeways, traffic calming street improvements, non-vehicle priority traffic control measures, like leading pedestrian interval (LPI) signal timing phase or new bicycle signal phase, bike corral and bike rack, and drop/parking zones for on-demand mobility. LADOT will focus these investments in neighborhoods within Standard Permitted Districts that meet the economic hardship criteria used to identify Equity Focus Mobility Development Districts.
- In Special Operations Zones,
 - LADOT requires operators that deploy in a Special Operations Zone to also deploy at least 5% of their daily deployed fleet in an Equity Focus Mobility Development District.
 - LADOT requires compliance with place-specific rules and regulations, such as Venice Boardwalk deployment regulations and Hollywood Walk of Fame end/start trip restrictions that include daily deployment limits, rebalancing requirements, and geofenced parking locations

In response to Council, operator, and stakeholder feedback, LADOT removed the requirement for geography-based fare caps. These fare caps may not ultimately serve users who need economic assistance the most and have potential unintended consequences on an emerging industry. Many of the Operators encouraged a more individually based program, which we feel can best be developed through and with local organizations within these areas. LADOT will work directly with communities to better understand the need for financial assistance before recommending additional permit requirements. In the interim, LADOT will continue to focus on marketing and enforcing the Operator’s low income programs which are included in the table below:

Operator	Low-Income Programs	Plan Details
Bird	Bird Access	Unlimited rides \$5/mo. for low-income riders
	Community Pricing Plan	50% discount for low-income riders, Pell grant recipients, select local nonprofit, and community organizations, veterans and senior citizens.
	Military/Student Discount	Removes unlock fee
Lime	Lime Access	5 free rides (under 30 minutes) a day. After that, the standard Lime Access rate of \$.07/minute applies.
Lyft	Community Pass	Low-income program offering \$5 monthly membership fee, (\$.05/minute for Community Pass riders, instead of \$0.34/minute for bikes and \$0.39/minute for scooters for

		those without a membership) and no unlock fee (regularly \$1 for non-members).
Spin	Spin Access	Free unlimited 30 minute rides
Sherpa	Transportation Equality	Free to unlock. \$0.20/min.
Wheels	Wheels-for-All	First 30 minutes are free for riders in the Wheels-for-All program

Dockless On-Demand Mobility Program: Program Funding

The dockless personal on-demand program requires \$2,982,749 in annual funding for general program operations, which includes City staff direct and indirect costs, contractual services, training, material supplies, as-needed temporary hiring, field enforcement activities, and infrastructure investment. The proposed fees detailed below will ensure the program is cost recoverable.

Proposed Fees

Based on an analysis of total trips in the pilot year, a scan of peer city pricing models, discussions with the industry, and an understanding of the volatility of the market, LADOT recommends the following fee structure:

Up-Front Administration Fee	\$20,000
Per trip fee	\$0.00 - \$0.40

LADOT proposes an annual permit administration fee of \$20,000 per operator which will cover costs related to permit issuance and technical and operational compliance for the first two months of each permit year. Along with the annual administration fee, LADOT proposes to institute a fee for all trips occurring in Los Angeles, to be billed monthly.

LADOT determined the per-trip fee rates based on the cost of administering the Program. These fees will not only incentivize trips taking place in Equity-Focus Mobility Districts and Mobility Development Districts, but will also ensure that high demand areas like Special Operations Zones incur higher revenue to account for their greater impact on Program administration. Furthermore, LADOT plans to re-invest some of these fees back into the City’s infrastructure to improve Standard Permitted District suitability for personal on-demand mobility

Status of Amendments to Program Rules and Guidelines

In response to Council feedback, LADOT investigated the feasibility of the following amendments to the Rules and Guidelines:

- Delay the lock-to requirement and require the LADOT to report back before implementation while investigating the tip-over detection technology;

- Add a requirement for dockless vehicle operators to implement the quarterly rescanning of driver's licenses, or other forms of identification, used to verify that the mobile application (app) and vehicles are being used legally by a person 18 years of age or older;
- Require operators to provide information about nearby bicycle lanes in the app for navigation purposes, if and when the LADOT determines whether such information is held digitally and in a transferable format; and
- Feasibility of implementing a minimum requirement of rides at reduced fares for low-income riders with a removal of the rate cap in Mobility Disadvantaged Zones.

LADOT will not implement a lock-to requirement at this time, and will report back to Council with a parking infrastructure plan to ensure future recommendations can be effectively implemented. As other cities continue to move toward lock-to requirements, and operators upgrade their fleets with lock-to devices, LADOT anticipates implementing a similar requirement in the next few years. LADOT will continue to investigate tip over detection technology as an alternative approach to managing sidewalk clutter, but this technology remains unavailable at scale at this time.

LADOT does not find it feasible to implement requirements to periodically re-scan licenses at this time. This requirement poses potential risks to personal privacy without clearly providing the intended benefit of reducing underage riding. LADOT will continue to work with operators to address underage riding and improve safety for dockless mobility users.

Currently, dockless operators do not integrate bike facilities into their apps but mapping apps offered by Google provide detailed bike facility information that LADOT finds sufficient for safe dockless operations. LADOT will continue to monitor operators' ability to show bicycle facility information in their app interface and will adjust its rules and regulations accordingly once it is certain that the technology is widely available and implementable.

FISCAL IMPACT

Staff developed a cost recovery mechanism whereby projections were made related to ridership that would help to ensure that the Program remains cost neutral for the City. As ridership increases for the operators, more revenue would flow to the City to support management of the additional trips as permit fee revenue will primarily be obtained through geography based trip fees that are enforced throughout the City.

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Attachments

- A. Map of On-Demand Mobility Program Geographies

ATTACHMENT A: Map of On-Demand Mobility Program Geographies

