

## Transportation Best Practices for Serving Low-Income Residents National Resource Network - 311 for Cities

In August 2015, a city submitted a request for assistance to the National Resource Network's [311 for Cities](#) feature with a question about best practices pertaining to transportation policies and programs, with a specific focus on serving low-income residents. The following write-up was researched, developed, and shared with the city by the Network to highlight a variety of resources, programs and best practices the city could use to improve transportation options in their community.

### **Background Information Collected:**

The City has embarked on an effort to better understand local poverty challenges and identify best practices and strategies that could be replicated successfully. One of the salient findings from this process has been the importance of public transit, without which many low-income residents struggle to connect with employment opportunities, education, social services, and basic retail needs. As a relatively low-density community with limited state and local funding to support public transit, the City is interested in optimally allocating its transportation resources so as to best serve the needs of its most vulnerable residents.

### **Analysis and Recommendations**

#### *Overview of the Challenge and Key Strategies for Local Leaders*

According to a HUD publication entitled, [Creating Connected Communities: A Guidebook for Improving Transportation Connections for Low- and Moderate-Income Households in Small and Mid-Sized Cities](#), on average, transportation is the second largest household expenditure for U.S. families. Providing access to alternative modes of transit is particularly important for households without a car, a category that includes 9 percent of all U.S. households and 18 percent of households earning less than \$35,000 a year.

The *Creating Connected Communities Guidebook* is tailored for local leaders and focuses on the specific housing and transportation challenges that small and mid-sized cities face. As part of their recommendations, they emphasize state, regional, federal, and private-sector partnerships that can help expand local capacity and making incremental, relatively low-cost changes. Ultimately, the authors recommend several key strategies for local leaders to consider:

1. Convene decision makers from the wide variety of departments and organizations that play a role in providing affordable housing and transportation services.
2. Provide multiple transportation options to ensure access to employment, schools, parks, and other daily destinations.
3. Promote accessible affordable housing in parts of your community that are already well-connected to services and employment centers.
4. Support established neighborhoods that provide medical care, fresh food, daycare, etc. to build on the city's existing assets and improve the efficiency of municipal services.
5. Refocus financial resources to prioritize public dollars on critical needs and improving alignment between housing and transportation investments.

The guidebook provides tactics for each of these strategies and also features case studies from communities around the country that have been successful in improving the connectedness of their low- and moderate-income residents.

#### *Insights from National Resource Network Cities*

At the National Resource Network's Second Annual Peer Convening, held in June 2015, attendees took part

in a session on the topic of connecting residents to employment opportunities with transportation. During the discussion, several innovative new initiatives were highlighted; participants also brainstormed important factors in designing public transit to be more appealing across income levels.

- Kansas City, KS: With \$1.2 million in TIGER funding, the Kansas City region has launched [Workforce Connex](#) to double the number of people who have access to jobs through transit options over the next ten years. The eighteen month planning grant will focus on: identifying high-priority areas where improvements will have the most impact; expanding the region’s existing corridor to connect with more suburban centers; engaging employers and community organizations in planning with public outreach; and using technology to evaluate strategies and recommendations.
- Waco, TX: As of July 1, 2015 the city [expanded transit options to rural routes](#) in neighboring counties. This service picks up where a federally funded initiative left off, expands the service area to six counties, and lengthens the operating hours to include the weekends. Residents can schedule pick-ups to get to college classes, jobs, or errands. Using data from the rides requested and provided, the city will gain insight into where permanent transit lines should go in the future.
- Baltimore, MD: As the City of Baltimore began planning for a new mass transit corridor – the Red Line – they created the [Red Line Community Compact](#). The development of the Compact engaged more than 300 community, business, and advocacy groups leaders to define collectively what success would look like for the project and determine how the new transit line would be integrated into the impacted communities. While the Red Line is no longer moving forward, the Community Compact is still a worthwhile model to consider for community engagement.
- Improving appeal of transit across income levels: While many factors contribute to the success of a transit system, key areas to focus on – especially for residents relying on public transit to get to and from work – are timeliness, frequency, and coverage of the options presented. To achieve critical coverage, cities should look at mobility networks that help residents get to main transit lines. One example of this is providing bike lanes to, and bike racks at, major bus stops. Participants in the session also noted the importance of designing transit stops to be safe (e.g. well-lit), comfortable (e.g. shaded benches), inviting (e.g. featuring local artists’ work) and, when possible, a center of activity (e.g. offering other amenities). Cities can also design simple fare structures and systems that make it easy for riders to calculate the cost of a trip and submit payment. Lastly, participants noted the possibility of working with local employers to set up payroll deductions, subsidize transport, or find other ways to support residents’ use of public transit.

#### Public Transportation Route Design

In the late 1990s, the U.S. Department of Transportation launched the [Job Access and Reverse Commute Program](#) (JARC), which offered funds to states and other public bodies to improve transportation options for welfare recipients and low-income persons seeking employment in suburban areas and/or at jobs that required travel at times transit doesn’t usually run (e.g. early or late in the day, during weekends). Between FY1999 and 2009, JARC and its follow-on legislation Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), authorized nearly \$1.5 billion to improve public transportation options for low-income residents. [This website](#) provides an overview of programs around the country that were implemented with JARC funding.

In 2011, the Brookings Institution issued a report called, “[Missing Opportunity: Transit and Jobs in Metropolitan America](#)” that profiled the country’s 100 largest metro areas with the goal of developing “a comprehensive database that provides the first comparable, detailed look at transit coverage and connectivity across and within the nation’s major metro areas.” One key finding from their research is that

only a quarter of jobs in low- and middle-skill industries are accessible via transit within 90 minutes, while one-third of the jobs are accessible in high-skill industries. As part of this project, Brookings developed [profiles on all 100 metro areas](#) and highlighted each area’s overall public transportation coverage, service frequency, and job access, and how these three factors break down by income in each community.

#### *Fare Reductions for Low-Income Residents*

Cities around the country have taken different approaches to making existing public transit options more affordable for low-income residents. In [Portland, Oregon](#), the transit authority set aside \$1.3 million to fund the Fare Assistance Program and Fare Relief Program. The Fare Assistance Program provides fares to eligible 501(c)(3) organizations at 20 percent discount; the Fare Relief Program provides grants of up to \$25,000 in the form of fares to eligible non-profits and community based-organizations to increase the assistance that these organizations can provide to residents.

While Portland offers discounted fares to local organizations, many transit systems offer discounted fares directly to low-income residents. One example of this is [Seattle, WA](#), where individuals making less than \$23,340 a year and families of four making less than \$47,700 a year qualify for a program called ORCA (One Regional Card for All) LIFT. To offset this expense, the King County Department of Transportation Metro Transit Division will increase fares for other groups by roughly 25 percent per trip. San Francisco offers a similar discount through its Low Income (Lifeline) Pass. The Lifeline Pass is available to low-income residents at a 50% discount from the standard adult pass price. Qualification is determine based on annual income and household size and is detailed online [here](#).

Discounted fares for senior citizens are mandated by the federal government under [49 U.S.C. Section 5307\(d\)\(1\)\(D\) of the Federal Transit Act](#), which states that “federally subsidized transit providers may not charge more than half of the peak fare for fixed route transit during off-peak hours for seniors, people with disabilities, and Medicare cardholders.” For further information on this requirement, the Federal Transit Administration offers an online question feature [here](#).

In Cleveland, OH, the Greater Cleveland Regional Transit Authority (RTA) offers seniors and persons with disabilities [fares discounted more than 50%](#), but they also focus on increasing ridership among professionals and students. Through their [Commuter Advantage](#) program, more than 700 organizations offer pre-tax transit benefits to 14,000 employees. By promoting qualified transportation fringe benefits, employers save on payroll related taxes and employees save on federal income taxes. Information, including details on incentive levels and the tax benefits, on these types of programs more generally can be found [here](#). The RTA also offers a [discounted pass to students](#) at local participating colleges and universities. For \$25 a semester – charged directly to the student’s bursar account – students can use their U-Pass anywhere, any time.

In Chicago, seniors, Medicare recipients, and persons with disabilities are [eligible for reduced fares](#); the city also offers free fares to active military personnel. One way the city is serving low-income residents is by offering discounted annual memberships to their bikesharing program. Funded through a grant from the Better Bike Share Partnership, with matching money from Blue Cross Blue Shield of Illinois, the program ([Divvy for Everyone](#)) decreases the annual fee from \$75 to \$5. Eligibility for the program is determined by family size and household income. New York City offers a [similar program](#): all New York City Housing Authority Residents qualify for a \$60 annual membership, an \$89 savings off the regular price.

#### *Funding Transit and Transit Oriented Development Projects*

There are several websites that provide general information on financing options for transportation projects. [This one](#), from the American Association of State Highway and Transportation Offices, highlights the differences in traditional, innovative, and private sources financing. The [Federal Highway Administration](#) delves deeper into innovative financing options, while Reconnecting American [provides a list](#) of relevant federal grant opportunities.

The American Public Transportation Association [published a report](#) in 2012 that identifies non-traditional funding sources used by transit agencies to fund ongoing operations, maintenance, and capital needs, as well as new or expansion projects. Their research identified several potential funding sources that cities have leveraged, including tax increment financing; private sector funding; naming rights; energy cost savings; and toll revenues. They also explored innovative partnerships that transit agencies are developing to reduce costs, increase revenues, or both. Their research details collaborations with healthcare institutions, retail businesses, utility companies, and schools, among others.

Many cities use local sales tax revenue to finance their transportation projects. In 2014, Transit for Livable Communities, which works to transform Minnesota's transportation systems into a more equitable service, conducted an analysis of tax rates in metro regions across the United States to assess how much of the local sales tax is allocated for transportation projects. In [their study](#) of fourteen locations, they found that, on average, cities dedicated \$0.886 of every taxable dollar to transportation.

[This report](#) in the Network's Resource Library was published by Living Cities, Enterprise Community Partners, and the Low Income Investment Fund and uses case studies to explore financing options for equitable transit oriented development (TOD) projects. They define equitable TOD as aiming to ensure that all people along a transit corridor, including those who are low income, have the opportunity to reap the benefits of easy access to employment opportunities offering living wages, health clinics, fresh food markets, human services, schools and childcare centers. The authors note that, by developing or preserving affordable housing and encouraging locating jobs near transit, equitable TOD can generate healthier residents, vibrant neighborhoods and strong regional economies.

In the report, the authors define the actors and behaviors they believe lead to successful equitable TOD outcomes; identify key project level challenges and financing gaps; and recommend solutions for overcoming these challenges and gaps.

#### *Alternatives to Public Transportation*

While public transportation options are top of mind for most cities when thinking about connecting residents with jobs, there are other alternatives. This is especially important in communities where public transportation does not reach neighborhoods in need, or does not offer frequent or consistent enough routes in these communities to be relied upon for transport to employment opportunities.

[This report](#), from the Urban Institute, looks at data from two HUD housing voucher programs and notes that families with access to cars generally had better employment outcomes. The Annie E. Casey Foundation released [a report](#) that highlights 160 programs that have emerged across the country to help low-income families afford cars. Included in this report are programs like [JumpStart](#), which assists eligible, low-income families in Wisconsin in buying a reliable car for work or employment training, and [Good News Garage](#), which collects car and van donations in the northeast and provides them to low-income families who need transportation to gain access to employment, shopping, school, and medical facilities.

The rise of the sharing economy presents several other options for residents. Cities across the country have seen an increase in both car-sharing and bike-sharing services in recent years, with programs like [Car2Go](#), [Zipcar](#), and [Capital Bikeshare](#).

In July 2015, the City of Los Angeles, in collaboration with the Shared-Use Mobility Center and California Air Resources Board launched a car-sharing program focused on serving low-income residents. The project is being funded by \$1.6 million in state cap-and-trade revenues, will last three years, and strives to reduce greenhouse gas emissions by introducing electric carsharing fleets in disadvantaged communities. While the primary purpose of the project is to reduce environmental impacts, a significant secondary impact is increased mobility and a reduced financial burden for residents.

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