

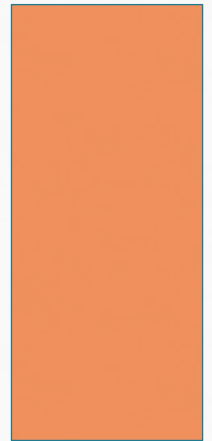


Mile High Connects

Opportunity for all through transit

AFFORDABLE FARES IN THE DENVER METRO REGION

2017 UPDATE



WHY AFFORDABLE FARES?

WHY? LISTEN TO OUR COMMUNITY.

- **RTD's low-income riders** tell us...
the cost of fares is too high and that they are **forced to make choices** between riding the bus and **paying for meals, medicine and other necessities**
- **Employers** tell us....
transit prices are too high for their lower wage workers and many employees do not take transit, creating **congestion and parking pressures** in job centers
- **Neighborhood residents** tell us...
fares are unaffordable and that they **might choose to ride** transit if it were more cost effective, but currently use poor quality vehicles or rely on others for transportation
- **Nonprofits** tell us...
their limited resources can only go so far and they **can only meet a small fraction of the need** for subsidized transit for those experiencing homelessness, the unemployed searching for jobs, and others who cannot afford to pay anything at all



WHY? A DISPROPORTIONATE NUMBER OF RTD RIDERS ARE LOW-INCOME.

| | Percent of RTD riders | Percent of individuals in the district |
|------------------------|------------------------------|---|
| Less than \$15K | 26.8% | 7.2% |
| \$15 to \$20K | 6.2% | 3.2% |
| \$20 to \$25K | 7.1% | 3.7% |
| \$25K to \$30K | 7.9% | 4.0% |
| \$30 to \$35K | 6.2% | 3.7% |

Source: 2011 RTD Customer Satisfaction and U.S. Census 2012 PUMS

These riders are RTD's customers.

WHY? FARES ARE GOING UP FOR THOSE LIVING IN THE CORE URBAN AREAS AND GOING DOWN FOR WEALTHIER PEOPLE LIVING IN SUBURBS.

15.5% increase for previously "2 zone" and 35% decrease for previously "3 zone"

12.5% increase for routes previously "3 zone" and 10% decrease for routes previously "4 zone"

| | Rail (local) | Rail (regional) | DIA |
|-----------------|--------------|-----------------|--------|
| single boarding | \$2.60 | \$4.50 | \$9.00 |
| Day Pass | \$5.20 | \$9.00 | \$9.00 |
| Monthly Pass | \$99 | \$171 | \$171 |

25.3% increase for "2-zone" and 29.3% decrease for previously "3-zone"

22% increase for previously "3-zone" and 3% decrease for previously "4-zone"

*SkyRide moves to a flat \$9.00 from the current \$9 from Stapleton, \$11 from downtown Denver, and \$13 from suburbs

15.5% increase for previously "local" and 35% decrease for previously "express"

12.5% increase for routes previously "express" and 10% decrease for routes previously "regional"

| | Bus (local) | Bus (regional) | DIA* (SkyRide) |
|-----------------|-------------|----------------|----------------|
| single boarding | \$2.60 | \$4.50 | \$9.00 |
| Day Pass | \$5.20 | \$9.00 | \$9.00 |
| Monthly Pass | \$99 | \$171 | \$171 |

25.3% increase for "local" and 29.3% decrease for previously "express"


22% increase for previously "express" and 3% decrease for previously "regional"

\$0.25 discount per one way fare with smartcard

All fares are cut in half for seniors, students, and disabled


WHY? MORE ACCESSIBLE TRANSIT LEADS TO BETTER ECONOMIC AND SOCIAL OUTCOMES.


 social inclusion and enhanced quality of life

 emergency room visits for routine medical care

 access to employment opportunities

 use of non-emergency Medicaid transport

 retention/lower frequency of unemployment

 no-show rates at medical appointments such as primary and prenatal care

BACKGROUND:
AFFORDABLE FARES TASK FORCE



SUPPORTED BY MILE HIGH CONNECTS

Mile High Connects

To ensure that the Metro Denver regional transit system fosters communities that offer all residents the opportunity for a high quality of life.



Engaging Residents

Influencing Policy

Leveraging Resources



MileHighConnects.org

www.milehighconnects.org



MileHighConnects

WORK OF AFFORDABLE FARES TASK FORCE

- Worked with RTD staff to create and host education sessions on budget, structure, programs, governance and other elements of transit agency for nonprofits
- Participated in all 11 public input opportunities in fare study in 2014 and hosted four focus groups with nonprofit partners for RTD staff
- Engaged in extensive research and vetting of program alternatives through partner Colorado Fiscal Institute
- Participated in 15 of 16 public input opportunities in fare study in 2015, as well as Local Government Committee
- Put forward specific low-income fare and pass program recommendation to RTD in February 2015
- Also provided sub-recommendations for improvements to Nonprofit Program, EcoPass, Neighborhood EcoPass and Student Pass
- Began working in partnership with staff in late March 2015 on pursuing low-income fare and pass program
- Attended all Customer Service and Operations Committee and RTD Board Meetings to follow conversation
- Supported improvements to Nonprofit Program
- Began active fundraising outreach in September 2015
- Began outreach around income-verification and data partners December 2015

WORK OF AFFORDABLE FARES TASK FORCE 2016

- Task Force members met with 13 of 15 RTD Board members to update on progress and work to secure support (2 declined to meet)
- Delegation continued to meet with RTD staff regarding program details
- Came to agreement with RTD regarding estimated foregone revenue from program: \$7.4 million (\$3.7 million for 5 years to be raised externally)
- Hosted King County representative for learning about OrcaLIFT program
 - Affordable Fares Task Force
 - Dave Genova, RTD General Manager
 - 7 RTD Board Members, 2 Denver City Council and 4 State Legislative Aides
 - MHC Advisory Council
- Educated City of Denver about Affordable Fares through Smart Cities Challenge Grant process and elected officials in City of Lakewood
- Engagement with State of Colorado Department of Health Care Policy and Financing to explore funding, income verification and data partnership
- Continued fundraising activities, including grant proposals to Transit Center, Robert Wood Johnson Foundation and conversations with CHFA
- Engaged with state and county agencies on income-verification plan, including exploration of Peak system

REGIONAL AND DIVERSE TASK FORCE MEMBERSHIP

| | | | | |
|--|--|--|--|--|
| AARP | Energy Outreach Colorado | | | |
| Adams 12 | Enteprise Community Partners | | | |
| Adams 50 School District | Federal Partnership for Sustainability, Region 8 | | | |
| Bayaud Enterprises | Focus Points Family Resource Center | | | |
| Boulder County Local Coordinating Council | FRESC: Good Jobs Strong Communities | | | |
| Boulder County Transportation | Gary Community Investments/Piton Foundation | | | |
| Boulder Valley School District | Groudwork Denver | | | |
| Broomfield County Local Coordinating Council | Jefferson County Department of Human Services | | | |
| BuCu West Development Association | Jefferson County Local Coordinating Council | | | |
| Center for Work Education and Employment | Livable Places | | | |
| City of Lakewood Probation Division | Mi Casa Resource Center | | | |
| Colorado Center on Law and Policy | Mile High Business Alliance | | | |
| Colorado Coalition for the Homeless | Mile High Connects | | | |
| Colorado Cross Disability Coalition | Montbello Organizing Committee | | | |
| Colorado Fiscal Institute | National Multiple Sclerosis Society | | | |
| Colorado Jobs with Justice | 9to5 Colorado | | | |
| Community Enterprise | P2P Ability Connection | | | |
| Denver Department of Environmental Health | Rocky Mountain Communities | | | |
| Denver Housing Authority | Rocky Mountain MicroFinance Institute | | | |
| Denver Human Services | SEIU Local 105 | | | |
| Denver American Indian Commission | Servicios de la Raza | | | |
| Denver Indian Health and Family Services | St Charles Town Company | | | |
| Denver Indian Family Resource Center | St. Francis Center | | | |
| Denver Kids | The Arc of Aurora | | | |
| Denver Office of Immigrant and Refugee Affairs | The Delores Project | | | |
| Denver Office of Anti-Discrimination | The Denver Foundation | | | |
| Denver Office of Strategic Partnerships | The Starting Place, Our Center | | | |
| Denver Office on Aging | Together Colorado | | | |
| Denver Public Schools | Transportation Solutions Arapahoe County | | | |
| Denver Shared Spaces | Urban Peak | | | |
| Denver Regional Mobility and Access Council | Via Mobility Services | | | |
| Denver's Road Home | Volunteers of America | | | |
| Douglas County Transportation | West Colfax Business Improvement District | | | |
| eGo Car Share | WorkLife Partnership | | | |
| 14 Community Representatives, Involved with Nonprofit Boards and Committees But Representing Themselves | | | | |
| 16 Nonprofit, Foundation and Public Sector Agencies Who For Organizational Policy Reasons Could Not Be Listed Individually | | | | |

RECOMMENDATION FOR
AFFORDABLE FARES AND PASSES

AFFORDABLE FARES TASK FORCE CORE RECOMMENDATION

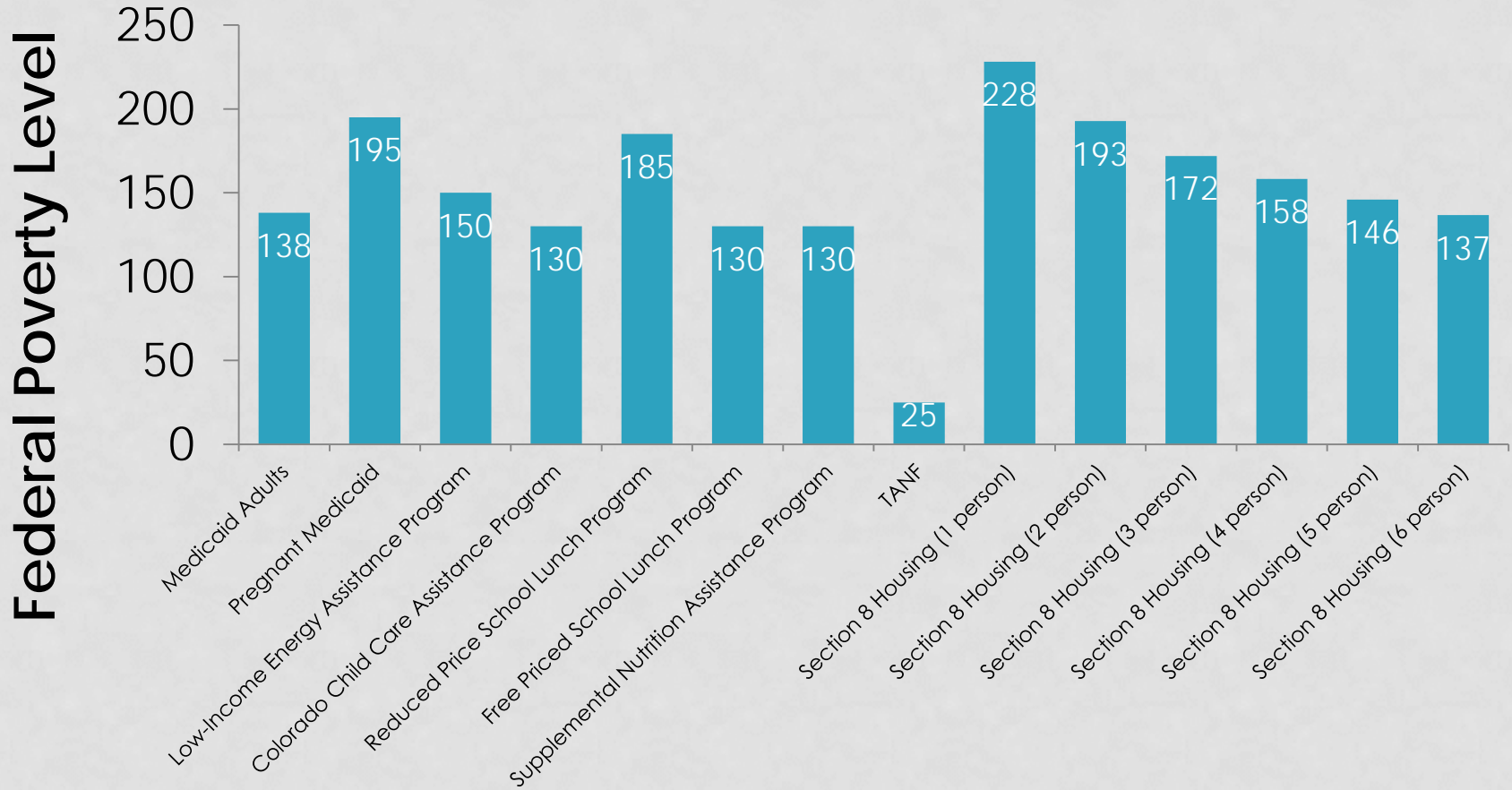
Offer 50% Discount Fares and Passes to Riders Making 150% of Federal Poverty Level or less, matching the discount currently offered to seniors, students and those with disabilities

QUALIFY IF YOU ARE BELOW 150% OF FEDERAL POVERTY LEVEL

| Persons in Household | Maximum Income to Qualify |
|----------------------|---------------------------|
| 1 | \$17,655 |
| 2 | \$23,895 |
| 3 | \$30,135 |
| 4 | \$36,375 |
| 5 | \$42,615 |
| 6 | \$48,855 |
| 7 | \$55,095 |
| 8 | \$61,335 |

There are 390,000 adults in the RTD that would qualify, assuming that 26 percent are RTD users and a take up rate of 60% then RTD would offer about 40,000 discount passes.

OUTSIDE AGENCIES CONDUCT INCOME VERIFICATION AND ISSUE DISCOUNT CARD





Students, ages 6-19: current student ID or proof of current school enrollment. Applies only to students in elementary, middle and high school



Seniors, age 65+: photo ID showing passenger's age, Medicare card or RTD-issued Special Discount Card



Individuals with disabilities: RTD-issued Special Discount Card or Medicare card



Income-qualified

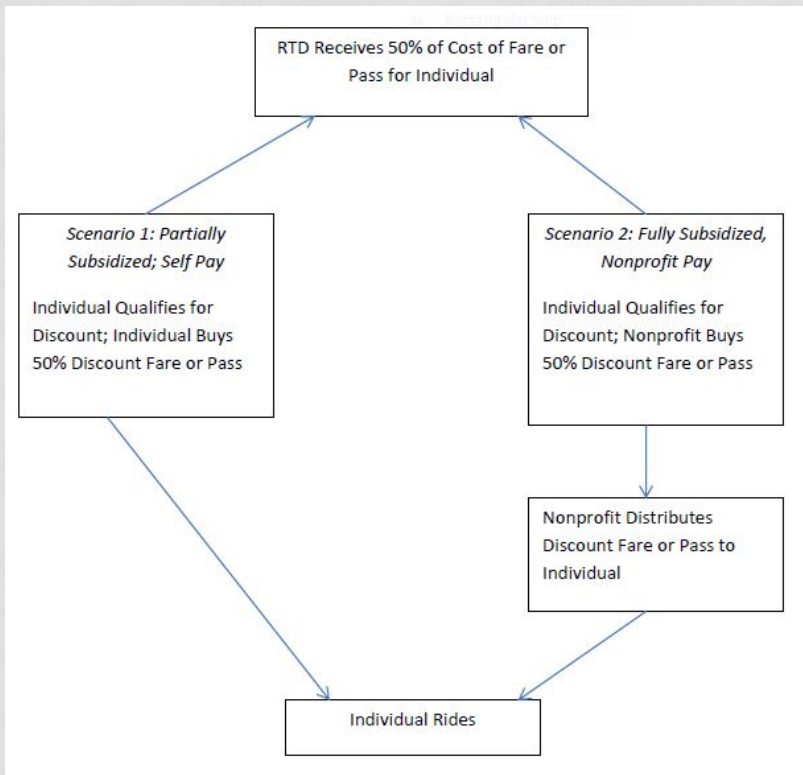
HOW DO RIDERS BUY THEIR FARES AND PASSES?

Riders show card and purchase discount wherever fare media are sold

- On the bus
- At rail stations
- At RTD
- Grocery stores

HOW WOULD THE NONPROFIT PROGRAM AND DISCOUNT WORK TOGETHER?

Recommendation of Program Interaction



Other RTD Programs Already Work This Way

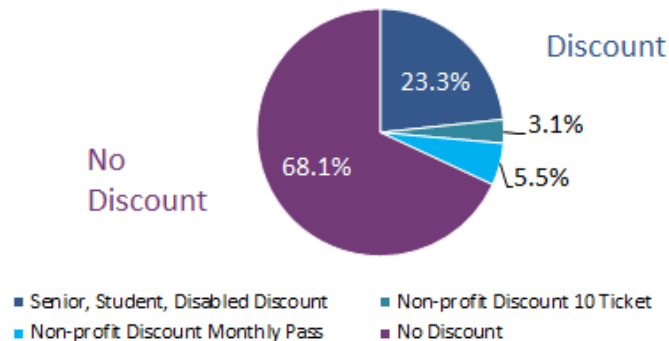
- Students are able to access 50% discount fares and passes wherever fare media are sold
- Schools are able to purchase discount fares and passes and distribute to “free and reduced lunch students” through the Nonprofit Program, so students can access for free

WHY NOT JUST HAVE THE NONPROFIT PROGRAM?

Existing Nonprofit Program

Current Discounts Only Cover a Fraction of Rides Taken by Low-Income RTD Users

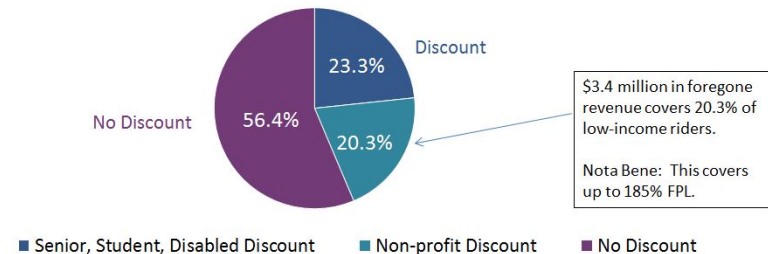
4,247,523 Rides a Month on RTD by Low Income Users



Improved Nonprofit Program

The 2016 Non-Profit Discount Program Still Leaves More Than Half Of Low Income Rides without Discounts

Total Monthly Boardings Made by Riders with HH Income Less than \$35,000



Nonprofit program is still not sufficient in scale and does not address the needs of working adults not receiving other assistance

NONPROFITS CANNOT BE POINT OF SALE FOR FARE MEDIA

- Just as RTD is not set up to do income verification, nonprofits and social service agencies are not set up to be the sales outlet for fare media
- Riders should be able to access the discount on both fares and passes – to go to a nonprofit each time they need a bus fare prohibits access
- All other discount programs (senior, student, disability) have the ability to buy fares and passes at all places where RTD fare media are sold

OTHER MEANS OF AFFORDABILITY

The Affordable Fares Task Force continues to believe that other existing RTD programs can also be part of the solution to affordability challenge and have specific recommendations around:

- EcoPass and FlexPass
- Neighborhood EcoPass
 - Student Passes

We have shared these in the past with RTD staff and look forward to participating in broader conversations regarding pass and discount programs.

COST AND FUNDRAISING

GOALS

Long Term

Create a permanently sustainable affordable fares program in which RTD offers persons earning 150% of the FPL or less 50% Discount Fares and Passes (matching the discount currently offered to seniors, students and those with disabilities)

Immediate

Secure commitment from public sector partners to allocate \$3.7 million annually to launch and initially sustain the program

AFFORDABLE FARES PROGRAM TIMELINE

Q1 2017

- Cultivate and secure regional and local investors
- Secure participation of approximately 3 income qualification/administration partners
- Work with RTD Staff and Board members to continue support for program

Q2 2017

- Cultivate and secure regional and local investors
- Develop income-qualification and administration plan and host focus groups to provide resident feedback

Q3 2017

- Secure funding partner/s to support program evaluation
- Secure full \$7.4 million annual funding

Q4 2017

- Work with RTD and partners to finalize administration plan of income-based discount fare and pass program

Q1 2018

- Affordable Fares Program instituted

2021

- Affordable Fares Program fully funded by RTD and/or other transit partners, ensuring long-term sustainability

PROJECTED COST

Support for 57,000 riders =
\$7.4 million in lost revenue annually
+
\$3.4 million already being paid by
nonprofits/philanthropy through
Nonprofit Program

Total Cost for Low-Income
Programs: \$10.8 million

\$3.7 million RTD
investment in program

\$3.7 million philanthropic,
private and other public
sector investment match

External investment goal:
\$18.5 million over 5 years

LOCAL FUNDRAISING PROGRESS

Potential Funders

- DRCOG
- All counties within RTD's service area

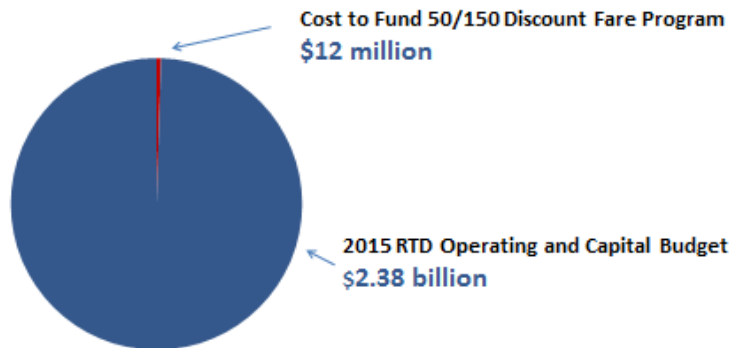
Prospective Funders

- HCPF (\$1-1.5 mm goal)
- CHFA (\$1-1.5 mm goal, may include additional investors aligned with CHFA)

WHAT IS THE SCALE OF THIS COST?

RTD Total Budget

Less than 1 percent of RTD's Operating and Capital Budget

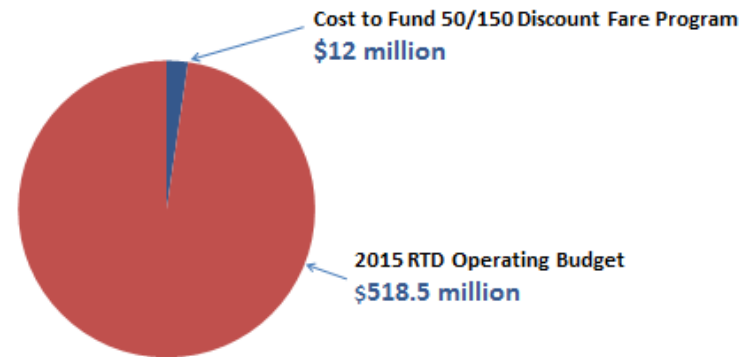


Source: Overview of Adopted 2015 Budget
Available at <http://www.rtd-denver.com/documents/financialreports/rtd-adopted-budget-2015.pdf>



RTD Operating Budget

2 percent of RTD's Operating Budget



Source: Overview of Adopted 2015 Budget
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