

## Regional Transportation District

*Our mission:*

*To meet our constituents' present and future public transit needs by offering safe, clean, reliable, courteous, accessible and cost-effective service throughout the District.*



**To:** Board of Directors

**From:** Bruce Abel, AGM, Customer & Contracted Services *Bruce /BA*

**Date:** October 7, 2008

**Subject:** Pilot Pass Program for Housing Authorities

The RTD Board Executive Committee has requested that staff investigate the possibility of offering a pilot pass program for low income residents of area housing authority properties. There are a number of ways in which such a pilot project could be implemented. Two options are described below.

### Option 1 – New College Pass pricing model

This is the pricing methodology RTD uses when approached by area colleges and universities considering offering transit passes as a benefit to their students. The steps we use are:

**Step 1** Conduct a benchmark student transit utilization survey to collect data on the number of one-way transit trips (school and non-school) taken per week by the students by service type (local, express, regional, skyRide)

**Step 2** Use the survey data to determine RTD's current revenue from the student population using the following methodology:

- Extrapolate the one-way trips per week taken by service type (as reported by the survey) to the total student population to estimate the total number of student boardings by service type by payment method.
- Multiply the total number of one-way trips per week by the type of payment method (cash, 10-Ride Ticket, monthly pass) per service type (local, express, regional).
- Multiply the estimated current weekly total farebox revenue by the number of weeks in the academic year to arrive at the total contract cost for the academic year.
- Divide the total contract amount by the total number of students enrolled to arrive at the annual cost per student.

**Step 3** Update the contract annually based on:

- Changes in enrollment and/or RTD fare structure

This approach would require that residents of the housing units obtain RTD photo ID cards and that annual decals be used to validate the cards for a calendar year. Because of the value associated with the cards, it would be recommended that a process be put in place to collect cards from individuals no longer living at housing authority residences.

#### Option 2 – Utilize existing reduced fare program

RTD already has a program in place to allow 501(c)3 non-profit organizations the opportunity to purchase RTD fare media at discounted prices for distribution to their low income clients. There are three components to the program.

60 percent discount tokens – Agencies purchase tokens valued at 25 cents for 10 cents each (a 60 percent discount) and provide them to their clients at no cost.

40 percent discount monthly pass – Agencies purchase regular local monthly passes at a 40 percent discount and provide them to their clients at no cost.

25 percent discount monthly pass – Agencies purchase any of RTD pass products, including regular and discount local, express and regional passes at a 25 percent discount and can recuperate up to 50 percent of the pass cost from their clients.

This approach would require that a system be set up at the pilot housing authorities to distribute tokens and monthly passes to their residents. This approach might not be perceived as having the same convenience to end users as an annual type pass, but would provide flexibility to both the housing authority management and their residents to determine which fare product(s) work best for their residents. This approach also reduces the financial risk associated with distributing annual pass products.

Should the Board conclude that it would like to pursue a pilot program in conjunction with local housing authority locations, we would suggest that staff identify no more than three (3) housing authority facilities (high rise housing etc) to serve as pilot locations. Staff would suggest that the housing authority locations be dispersed throughout the metro area (Denver location, suburban location etc.) We would suggest that staff have the latitude to work with the management of the pilot housing authority locations to determine which of the above approaches best fits the needs of the selected pilot location(s).