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*Memorandum*

TO: MCAC 2035 Equity Analysis Subcommittee

DATE: May 22, 2008

FR: Lisa Klein, Senior Planner

W. I. 1114

RE: Project Performance Assessment Draft Results: Affordability Measure

Earlier this year, the Commission approved an approach to the Transportation 2035 Project Performance Assessment that included a trial quantitative measure for the Affordability performance objective. The trial measure approved by the Commission is cost per low-income household served. This memo reports back with the draft results for this measure as the subcommittee requested.

**Background**

The overall approach to the quantitative evaluation was to compare project costs with benefits, where the benefits measured are correlated with the adopted Performance Objectives. Through discussions with this subcommittee and others, we debated the merits of various measures. Ultimately, staff recommended and the Commission approved “Cost per Low-Income Household Served” as a trial measure for the transit projects subject to the performance assessment. There was general agreement this measure posed some challenges but also offered a reasonable first step.

The impact of various types of projects (not limited to transit) on affordability and the other RTP goals was also assessed on a qualitative basis. The draft results of the complete performance assessment (both quantitative and qualitative) as presented to the MTC Planning Committee on May 9 are available online at <http://apps.mtc.ca.gov/events/agendaView.akt?p=1067>

**Approach and Assumptions**

- Applied only to transit projects subject to the quantitative project assessment (13 total).
- By Commission policy, projects considered “Committed” were not subject to the project assessment. This includes Resolution 3434 transit expansion projects and projects that are fully funded.
- Trial Measure = [Annualized Project Cost]/[Low-Income Households Served]
- Low-income households served is the number of transit-using low-income households within walking distance of transit stops. This is calculated as follows:
  - (a) Transit-using low-income households were estimated based on MTC’s year 2000 Bay Area Household Travel Survey (BATS2000). The share of households reporting transit used in a two-day period were estimated by county-of-residence, by income

- level, and by urban density levels. These fractions were then applied to ABAG's year 2035 estimates of low-income households at the MTC travel analysis zone level.
- (b) Geographic Information Systems (GIS) software was used to create one-half mile walkable buffers around the transit project stops. The software was then used to extract the number of transit-using low-income households within a one-half mile walkable buffer of the transit route.
- Annualized project cost is one year of the net operating costs plus the total capital cost divided by the expected life of the project capital assets (14 years for buses and 20 years for rail projects).

### **Draft Findings and Next Steps**

The attached slides and tables summarize the draft findings. Some general observations include:

1. Results fall into four main tiers of Cost per low-income household served:
  - Less than \$1,000 – Low-cost, urban transit with numerous stops such as transit priority and bus rapid transit (5 projects)
  - Between \$1,000 and \$5,000 – Moderate-cost urban/suburban transit with fewer stops (3 projects)
  - Between \$5,000 and \$40,000 – Services with higher cost and less infrequent stops (4 projects)
  - Higher than \$40,000 – Services with stops in areas with little housing (1 project)
2. This measure is probably reasonable for frequent bus service
3. It may be overly simple to look at walk distance only, especially for rail projects
  - Omits transfers from feeder service
  - Omits drop-off
4. It may be worthwhile to seek refinements for future analyses. Such refinements could be explored in the RTP Equity Analysis.

I will attend your May 29 meeting to discuss the results in more depth and gather your feedback.