Testimony before
Metropolitan Transportation Authority (MTA) Board of Directors
Proposed Fare and Toll Changes

December 8th 2016

Thank you for the opportunity to comment on the MTA’s plans to raise bus and subway fares. My name is Edward Ubiera, Director of Policy for the Local Initiatives Support Corporation’s New York City Program. I am submitting this brief written testimony on behalf of LISC New York City.

About LISC
LISC is a national nonprofit community development financial institution (CDFI) supporting local champions of equitable development with financing, capacity building, and technical assistance. For almost 40 years, we’ve been on the ground building affordable housing and improving communities in collaboration with corporate leaders, mission-driven organizations and government partners. Since our founding in 1979, we’ve helped to rebuild neighborhoods across New York City by investing over $2 billion in capital, resulting in over 40,000 units of affordable housing and over 2 million square feet of retail and community space.

Mass Transit Makes Inclusive & Resilient Communities Possible
At LISC, we understand the critical importance of strong regional transportation systems in creating vibrant and inclusive communities. The rich array of infrastructure and service options of mass transit in the New York metropolitan region has informed how we work and engage with local partners elsewhere in the country. Over the last few years, LISC has invested over $222 million in affordable housing and community facilities located near subway, rail and bus lines in places like Boston, Philadelphia, St. Paul, and Phoenix. These transit oriented developments (TODs) have provided residents the ability to efficiently and affordably travel from their homes to work, school, shopping and other services. Fundamentally, we believe transportation lays an important foundation for sustained, economic growth, particularly for low-income residents seeking to tap into emerging job centers.

We Support Fair Fares Campaign
Historically, low-income residents in New York City have benefited from the incredible value of the transit infrastructure system through both the system’s reliability as well as its affordability. Access to an affordable mass transit system has always supported the prospects of economic mobility for working New Yorkers. At LISC we are keenly aware of the expensive cost of living burdens faced by low-income New Yorkers in regards to housing, food, healthcare, and increasingly transportation. Particularly in regards to
housing, our key investment area, we are sobered by the fact that more than 50 per cent of renter households are cost-burdened paying more than a third of their household income on housing-related costs. Concerning transportation burdens, recent surveys by the Community Survey Society (CSS) have found that one in four working age, low-income New Yorkers often has trouble paying for subway and bus fares. Further, our partners at the Association for Neighborhood and Housing Development (ANHD) report in their 2016 Equitable Economic Development Indicators report that roughly 60 per cent of New Yorkers lacked sufficient savings to pay for expenses like food, housing, and rent in an emergency.

With these sobering facts in mind, we believe that affirmative steps must be taken by New York City and the MTA to alleviate the burden of transportation on the household budgets of working age, low-income New Yorkers. In this regard, we support the Fair Fares proposal introduced by the CSS and the Riders Alliance which would offer half-priced MetroCards to New York City residents between the ages of 18 and 64 living at or below the federal poverty line.

Whether the MTA chooses to raise the single-ride fare from $2.75 to $3.00, or increase the cost of unlimited passes and bonus cards, the outcome will be the same for cash-strapped New Yorkers who are already struggling with the existing high cost of mass transit. For low-income families, a fare increase represents a major financial burden. Middle-class and more affluent New Yorkers will be able to absorb the proposed increase. They can take advantage of pre-tax benefits and purchase monthly MetroCards to offset the increase. But such benefits and subsidies don’t exist for those with lesser incomes and assets. Increased fares will simply make it harder for low-income families to get to work, to take their kids to school, to access healthcare, and to remain civically engaged in their communities. We must guard against unintentionally isolating low-income families from opportunities that can improve their economic status and lead to a brighter future.

Across the country, transit and anti-poverty advocates have proposed discounting bus and subway fares for low-income residents. It's an idea that has caught on in other cities such as London, San Francisco, and Seattle where governments have determined that transportation has become too expensive for those who rely on it the most.

For these reasons, I urge the MTA Board and New York City to consider how within its budgetary planning process it can formulate a program to offer half-priced fares to the City's lowest-income New Yorkers as is it does for seniors, students and people with disabilities. Let’s make our turnstiles the entry point -- not the barrier -- to upward mobility.

Thank you for the opportunity to testify.

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