

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

"Pickard, Gail" <Gail.Pickard@vancouver.ca>

"LaClaire, Lon" <lon.laclaire@vancouver.ca>

"Wittgens, Margaret" <Margaret.Wittgens@vancouver.ca>

Date: 8/31/2020 4:39:18 PM

Subject: Memo - Employer Transit Subsidy Study Findings - RTS 14026

Attachments: Memo - Employer Transit Subsidy Study Findings.pdf

Dear Mayor and Council,

Please see the attached memo from Margaret Wittgens. A short summary of the memo is as follows:

This memo provides a summary of the key findings from the 'Employer Transit Subsidy Study' conducted by SFU and can inform City's ongoing work in providing equitable access to sustainable transportation and access to employment opportunities (RTS 14026):

- It explored the impact of varying levels of employer provided transit subsidy on the commuting behaviors of workers in the hotel industry
- This is relevant for Vancouver, given the city's location as the primary employment centre of the region, with many low paid service workers residing outside of the downtown core.
- The research was funded by the City and conducted by SFU, with in-kind contributions from Unite Here Local 40, TransLink, and seven participating Downtown Vancouver hotels within the study area.
- The research overall showed that employer-based transit subsidies can be an effective tool, particularly when the subsidy levels are well calibrated, and target equity seeking groups that have a higher propensity to have long transit commutes.
- Other key findings include:
 - Study hotel workers were highly engaged with the transit system.
 - Transit commuting increased at the hotels where the experimental transit subsidies were offered.
 - The bigger the subsidy, the more uptake of transit by employees.
 - About one-quarter of those who accepted the new or enhanced transit subsidies became new transit riders.
 - Subsidy acceptance was particularly high among specific groups of workers with lower incomes, such as house keepers, food and beverage workers, and front of house workers as well as those who lived farther from downtown and immigrants.
- The study's findings will inform City's ongoing efforts, alongside other work in progress including the #AllOnBoard pilot campaign endorsed by Council in 2019.

If you have any questions, please feel free to contact Margaret Wittgens at 604-673-8227 or margaret.wittgens@vancouver.ca

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
Office of the City Manager | City of Vancouver
604.873.7627 | sadhu.johnston@vancouver.ca

Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

August 31, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Rosemary Hagiwara, Acting City Clerk
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office

FROM: Margaret Wittgens
Deputy General Manager, Engineering Services

SUBJECT: RTS14026 - Employer Transit Subsidy Study Findings

Purpose

The purpose of this memo is to provide a summary of the key findings from the *'Employer Transit Subsidy Study'*, developed through a research partnership between the City of Vancouver (the City) and Simon Fraser University (SFU), with support from TransLink. These results can inform the City's ongoing efforts in promoting equitable access to transit and employment opportunities within the city core, alongside other work in progress including the *#AllOnBoard* pilot campaign, funded by Union of BC Municipalities (UBCM). This is outlined in more depth in Council Report 14024, 'Low Income Transit Pilot; UBCM grant fund approval', currently scheduled to be presented to Council on September 15th 2020.

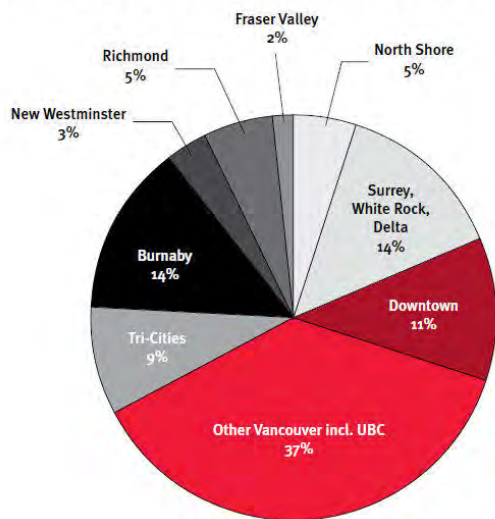
Background

The City has been exploring a variety of tools to support equitable access to employment opportunities and sustainable transportation options for workers from across the region. This is especially relevant for Vancouver, given the city's location as the primary employment centre of the region. These efforts are intended to help alleviate pressures from increasing housing costs, while addressing the City's sustainability and mode share goals and supporting equity and the local economy. Service workers in the Downtown, many of whom are lower paid hourly wage earners residing outside of the Downtown core, are a key part of the economic wellbeing and

vibrancy of the city. Transit subsidy programs, including those offered by employers, can be an important tool in supporting service workers to access employment and other opportunities.

In 2017, the City entered into a research partnership with SFU's Urban Studies Program to conduct a study on **the impact of varying levels of transit subsidy on the commuting behaviors of workers in the hotel industry**. The research was funded by the City and conducted by Dr. Peter Hall and his team at SFU, with in-kind contributions from Unite Here Local 40, TransLink, and seven participating downtown hotels within the study area. Hotel occupations encompass a full range of service sector jobs, from lower hourly wage earners to supervisory and management roles. About half of the workers at the study hotels lived in the City of Vancouver and, on average, hotel workers reflected in the study experienced longer commute times than those reported by City of Vancouver and Metro Vancouver residents in the 2016 Census. Moreover, a quarter of the hotel workers did not have regular shift start and end times. These characteristics made hotel workers a relevant case study for the wider service sector within Vancouver.

Half of hotel workers live in Vancouver, March 2018



Hotel workers have long commutes: duration of commute to work

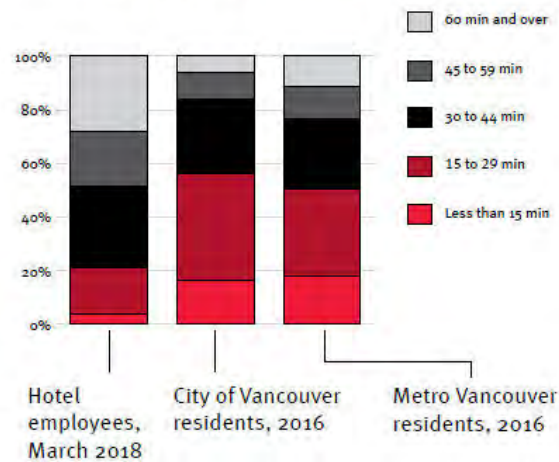


Figure 1 - Characteristics of hotel workers: Place of residence (left) and Commute times compared to City and Metro averages (right)

The research was conducted as follows:

- Seven hotels were divided into 3 groupings with comparable locations and existing subsidy levels.
- Hotel workers were surveyed in March 2018 (Wave 1), September 2018 (Wave 2), and March 2019 (Wave 3).
- The Wave 1 survey established baseline travel behaviours of hotel workers, prior to the provision of a new or enhanced subsidy.
- Wave 2 and 3 follow-up surveys examined what happened to workers' travel behaviours after the transit subsidy changes:
 - Prior to Wave 2, at least one hotel in each grouping received an enhanced subsidy, while another stayed at the existing level for comparison purposes.

- Prior to Wave 3, workers at two of the hotels were offered further enhanced subsidies of 50%, while the subsidy levels at the other hotels were unchanged.
- The survey data was supplemented with:
 - Organizational interviews
 - Aggregated TransLink ridership data
 - Distance mapping
 - A scan of parking availability and pricing.

The results of the study are summarized below and can inform ongoing and future policy and advocacy efforts by the City, alongside other work in progress including an *#AllOnBoard* campaign pilot funded by UBCM.

Summary

- **Study hotel workers were highly engaged with the transit system.** At the time of the baseline survey, over 90% of participating hotel workers already had a Compass Card, two-thirds had commutes that involved some transit and over half were transit-only commuters (transit-only commuting almost always includes some walking).
- **Transit commuting at the hotels increased overall during the study, but increased more at the hotels where the experimental transit subsidies were offered.**
- **The bigger the subsidy, the more uptake of transit by employees.** It was found that the likelihood of a hotel worker changing from not using transit for any purpose to becoming a transit user between survey waves 1 and 3 increased by 4.4% with every percentage point increase in the subsidy level offered to them. This means that increasing a transit subsidy by 23 percentage points can double the chances of someone becoming a new transit user.
- **About one-quarter of those who accepted the new or enhanced transit subsidies became new transit riders.** As a comparison, this is a larger percentage than was found in a study on the effects of the Canadian Public Transit Tax Credit, which was available from 2006 to 2017, revealing that only 3%–9% of those accepting the 15% tax credit were new transit riders.
- **As the level of the transit subsidy increased, subsidy acceptance was particularly high among specific groups of workers with lower incomes, such as house keepers, food and beverage workers, and front of house workers (Figure 2).** The specific groups of hotel workers that were more likely to accept the subsidy also had regular shift start and end times, lived farther from downtown or were immigrants. The equity enhancing benefits of the transit subsidy are further underscored by the fact that those living in households with children and those who are renters were more likely to accept the subsidy.
- **Perceived inconvenience of transit relative to auto and active transport modes was a major barrier to subsidy acceptance and to switching to transit commuting.**
- **Contextual factors such as lower parking prices and distance from rapid transit at hotel sites were associated with increased auto commuting.**
- **Those who used transit or accepted the subsidy were more likely to report improvements in quality of life, including in their physical health, level of stress and commute predictability, in contrast with overall reports of small declines in quality of life.**

Most housekeeping and back of house workers commute by transit only

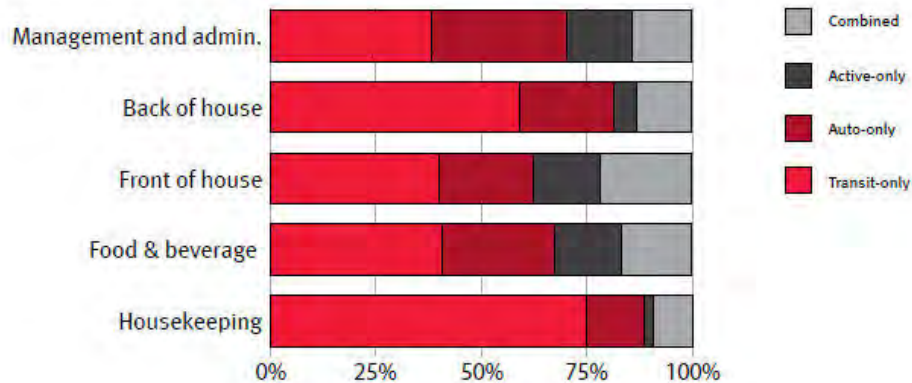


Figure 2: Different types of hotel workers have different commute patterns by mode

Next Steps

Overall this study shows that employer-based transit subsidies can be an effective tool, particularly when the subsidy levels are well calibrated, and target equity seeking groups that have a higher propensity to have long transit commutes. Moreover, this tool can be more effective in concert with other policies that promote sustainable transportation, including adequately priced parking, provision of high quality transit and effective first and last mile connectivity for walking and cycling. The study's findings will inform broader planning processes, including the Climate Emergency Response and the Vancouver Plan, as well as the City's inputs into TransLink's Transport 2050 Regional Transportation Strategy process and other advocacy initiatives with TransLink.

Near term next steps include presenting a summary of this report at TransLink's Regional Transportation Advisory Committee in October, as the first stage in continuing to promote and advocate the benefits of targeted transit subsidies. This will also inform the City's response to ongoing travel demand strategies being explored by the City through partnerships with other organizations and employers. This includes advancing the #AllOnBoard campaign that Council endorsed in January 2019.

If you have any questions, please do not hesitate to contact me directly.

Margaret Wittgens, MCIP, RPP
 Acting General Manager, Engineering Services
 604.673.8227 | margaret.wittgens@vancouver.ca