

CITY OF OAKLAND

AGENDA REPORT

TO: Elizabeth Lake
Acting City Administrator

FROM: Josh Rowan
Director, Department of
Transportation

SUBJECT: REAP 2.0 HIT Funds for the West
Oakland UBM Pilot

DATE: June 22, 2026

City Administrator Approval


Betsy Lake (Jul 1, 2026 11:26:48 PDT)

Date: Jul 1, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Finalize And Execute A Purchase Agreement With The Metropolitan Transportation Commission, As Administrator Of The Clipper Regional Transit Fare-Payment Program, In An Amount Not To Exceed Four Hundred Thousand Dollars (\$400,000), Using Previously Appropriated REAP 2.0 HIT Grant Funds, To Purchase And Distribute Approximately 1,000 Prepaid Clipper Cards For The West Oakland Universal Basic Mobility Pilot; And Making Findings To Waive The City's Formal Advertising, Competitive Bidding, And Request For Proposals/Qualifications.

EXECUTIVE SUMMARY

Universal Basic Mobility (UBM) refers to a range of programs that offer financial subsidies for selected participants to spend on transportation services, through physical or virtual transit passes, pre-paid debit cards, and other forms of payment.

The West Oakland UBM Pilot (Project) refers to a program offering financial subsidies for eligible participants living or working in West Oakland to spend on transportation services via Clipper Cards and is funded by the State of California Department of Housing And Community Development (State HCD). Phase 1 was implemented with physical pre-paid debit cards through a contract with Usio, Inc. and was funded by the Alameda County Transportation Commission. The City of Oakland (City) received \$10,000,000 in funds from the Regional Early Action Planning 2.0 Higher Impact Transformative (REAP 2.0 HIT) grant program, which includes \$450,000 for UBM. Those funds need to be expended by December 31, 2026.

Oakland Department of Transportation (OakDOT) staff recommend pursuing Phase 2 of the Project through an exclusive agreement with MTC (in its capacity as the administrator of Clipper Card services) for the City to purchase pre-paid Clipper cards and distribute them to qualifying West Oakland residents (using the same eligibility requirements as in the first phase of the pilot). Staff request that the City Council execute a purchasing agreement with MTC for 1,000 Clipper Cards, preloaded with \$400 each, for a total of \$400,000. The remaining \$50,000 of the \$450,000 allocation would be used to cover associated administrative costs in OakDOT.

BACKGROUND / LEGISLATIVE HISTORY

In 1996, the City Council adopted a resolution supporting public transit and alternative modes, known as Oakland's Transit First Policy (Resolution No. 73036 C.M.S). This policy favors transit and alternative modes over private vehicles to reduce congestion and improve air quality, improve safety for people walking and bicycling, decrease parking demand, reduce individual transportation costs, and provide a balanced transportation system that supports many modes, making communities more livable.

In September 2017, the City Council adopted [Resolution No. 86894 C.M.S](#) authorizing \$243,000 in funding for the [OakMob Transportation Demand Management project](#) (later renamed the East Oakland UBM Pilot) in East Oakland. This project was the City's first UBM pilot, intended to increase ridership on the newly built TEMPO rapid bus project by distributing transit passes with up to \$300 to East Oakland residents living within one-half mile of the TEMPO line. The funding was spent between 2020 and 2021.

In November 2021, the City Council adopted [Resolution No. 88882 C.M.S](#) to accept and appropriate \$1.9 million in funding from the Alameda County Transportation Commission's 2022 Comprehensive Investment Program for the West Oakland Transit Improvements project. This project includes expanding low-income transit and mobility passes and upgrading fourteen bus stops in West Oakland. The Project builds on OakMob TDM and recommendations included in the [Transit Action Strategy](#) and [West Oakland Community Action Plan \(WOCAP\)](#).

In July 2022, the City Council adopted [Resolution No. 89294 C.M.S](#), waiving competitive bidding requirements and executing a contract purchasing agreement with Usio Inc. for \$350,000 worth of restricted, prepaid debit cards funded by the WOTI project. Staff has since distributed these prepaid debit cards to qualifying West Oakland residents and workers.

In February 2023, the City Council adopted [Resolution No. 89575 C.M.S](#) accepting and appropriating \$10,000,000 from the REAP 2.0 HIT program to support the transit-oriented development of the West Oakland TOD project, which included a UBM component with \$450,000.

ANALYSIS AND POLICY ALTERNATIVES

Project Description

UBM Programs offer financial subsidies for selected participants to spend on transportation services, most often through physical or virtual transit passes, pre-paid debit cards, and other forms of payment. UBM programs can increase ridership and usage of alternative modes of transportation, which can in turn reduce traffic congestion and parking demand while improving air quality. UBM programs can also reduce the cost burden of transportation, especially for low-income households. Households experience transportation poverty when they spend more than 10% of their income on transportation. Findings from the East Oakland and West Oakland UBM Pilots discussed below, demonstrate that implementing the recommendations from this report would allow the City to increase public transit usage while providing financial relief to low-income households experiencing transportation poverty.

Rationale for Recommended Council Action

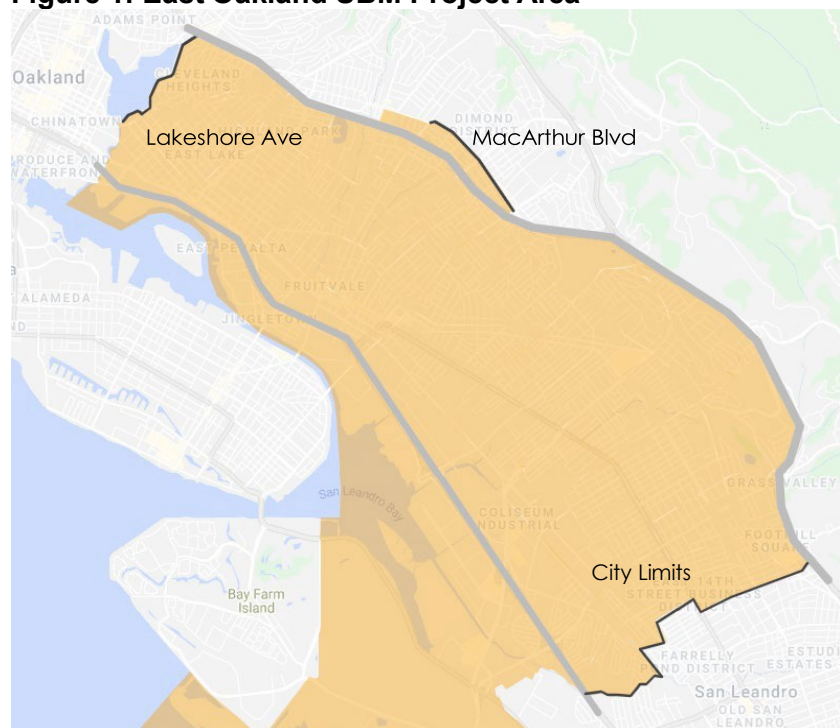
In February 2023, the City Council appropriated \$10,000,000 in REAP 2.0 HIT grant funds, which included \$450,000 of UBM funds. State HCD requires that the City expend these funds related to the UBM component of the larger affordable housing and transit-oriented development project by December 31, 2026.

The REAP 2.0 HIT allocation would be used to implement a second phase of the West Oakland UBM pilot. Given the results from the East Oakland UBM pilot, and from the nearly complete first phase of the West Oakland UBM pilot, it is anticipated that this Project would continue to offer the same valuable transportation benefits to Oakland residents and workers.

Project Structure and Evaluation

Participants in the East Oakland UBM Pilot received \$150 on restricted pre-paid debit cards after taking an online intake survey with questions related to travel patterns and demographics. Participants received a second disbursement of \$150 after they took a mid-program survey to evaluate how they changed their travel after receiving the benefit.

Figure 1: East Oakland UBM Project Area



Staff used the same program structure for the West Oakland pilot but gave participants \$160 for each disbursement for a total of \$320 of subsidy per participant. In the West Oakland pilot, eligibility was limited to low-income participants earning less than the area median household income (\$103,550) who live or work in the study area as shown in **Figure 2**.

Figure 2: West Oakland UBM Project Area

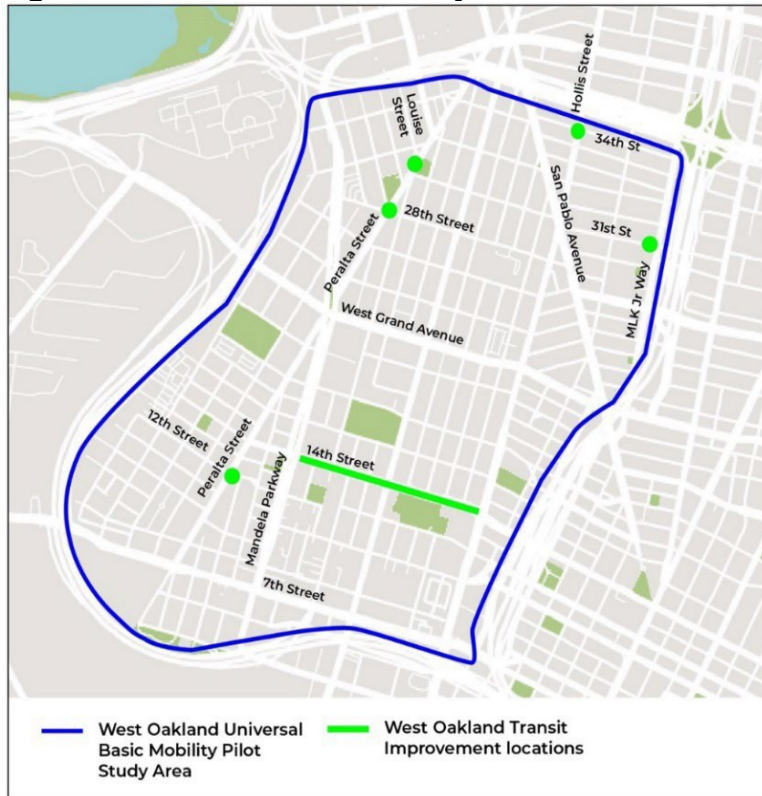
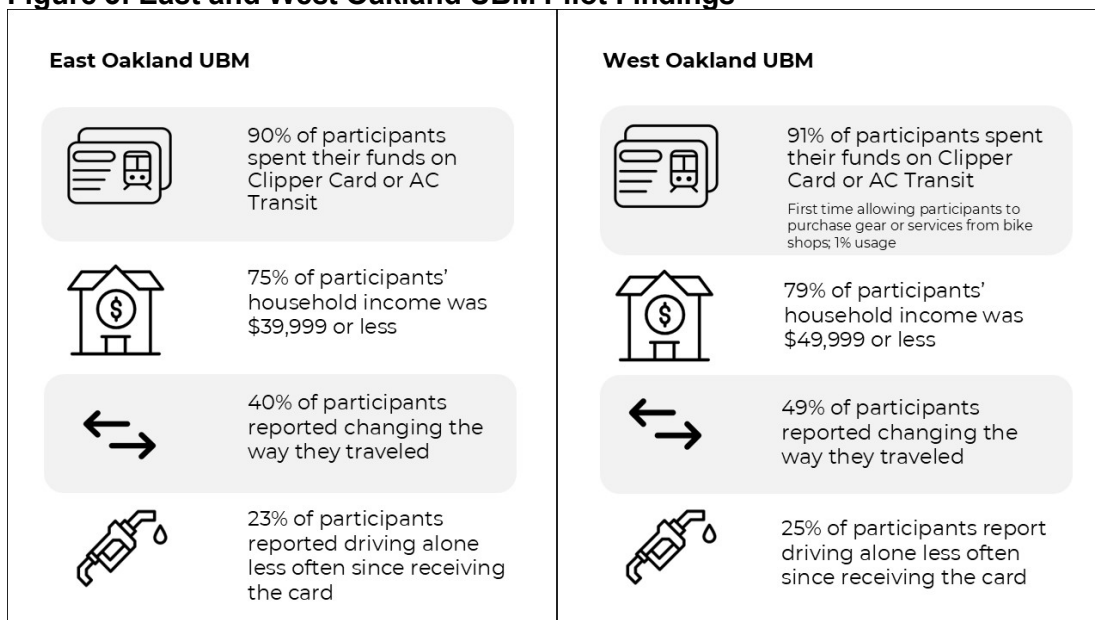


Figure 3 shows survey findings from the East Oakland UBM Pilot, and nearly complete findings from the West Oakland UBM Pilot (at this time, around \$10,000 in funds remain to be spent).

Figure 3: East and West Oakland UBM Pilot Findings



Project Benefits

As a result of both pilots, participants drove less and took transit more often; 23% of participants drove alone less during the East Oakland UBM Pilot, and 25% of participants drove alone less often during the West Oakland UBM Pilot. Both pilots also provided economic relief to very low-income Oakland residents and workers. Nearly all participants (98%) earn less than half of the median area household income (\$103,550); almost 80% of participants earn \$49,999 or less. Eighty percent (80%) of West Oakland participants already rely on BART and bus as their primary mode of travel, therefore this program reduces their transportation costs, freeing up income to be spent on other necessities, such as housing, food, and medical care. These outcomes met the grant-defined goals of increasing transit ridership and promoting more equitable access to transportation services for Oakland residents and employees.

In addition to economic relief, the program expands participants' social and economic opportunities. During outreach at St. Mary's, St. Andrew's Manor, and other social service providers in West Oakland, participants told Staff that they used their cards to take trips that they previously couldn't afford, including Amtrak train trips to see family members.

Proposed Project Structure and Administration

Staff reviewed options for continuing the existing, ACTC-funded West Oakland UBM Pilot and recommend pursuing an exclusive agreement with MTC to purchase pre-paid Clipper cards and distribute them to qualifying West Oakland residents. Staff request that the City Council execute a purchasing agreement with MTC to purchase \$400,000 worth of Clipper Cards. The remaining \$50,000 of the \$450,000 allocation would be used to cover associated OakDOT administrative costs.

Distributing funds solely via Clipper Cards will provide better protection against fraud, reduce Staff time costs, and respond to participants' preferences for using the benefit to take transit. These Clipper cards will be registered to the City of Oakland, preventing them from being unloaded to cash. Moreover, restricting the program to Clipper will have limited impact on program benefits, as over 90 percent of funds in Phase 1 and Phase 2 were used for public transit.

In the Project, \$50,000 of the \$450,000 grant will be reserved to cover administrative costs of running and marketing the program (staff time). This iteration of the program requires about .25 full time equivalent Transportation Planner II to process surveys for eligibility, fulfill card orders, and troubleshoot customer service requests.

MTC has agreed to waive the costs of physical cards. Therefore, the remaining \$400,000 will be distributed via 1,000 Clipper cards loaded with \$400 each to West Oakland residents and workers. To provide this benefit to paratransit users who are not currently able to use Clipper Card to pay for their rides, Staff will set aside \$10,000 of remaining funds available within Usio's contract to provide physical debit cards directly to users via the Center for Independent Living.

WAIVER RATIONALE

Oakland Municipal Code (OMC) section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or combination thereof required by the City which exceeds \$50,000.00. OMC section 2.04.050 I.5 permits the Council to waive these

requirements upon a finding and determination that it is in the best interests of the City to do so. OMC section 2.04.051.A requires Staff to conduct a competitive RFP/Q selection process for the procurement of professional services. OMC section 2.04.051.B authorizes the City Council to waive the RFP/Q requirement upon a finding that it is in the best interests of the City to do so; Staff recommend that the City Council find and determine that it is in the best interest of the City to waive the competitive bidding requirements based on the following:

Clipper:

- **Unique Service:** MTC, in its capacity as the administrator of Clipper services, is the only provider of prepaid cards for public transit services in Oakland that are usable across all public transit providers in Oakland, including AC Transit and BART.

- **Efficiencies:** Clipper is willing to provide physical Clipper cards free of charge and to allow UBM participants to contact their customer service Staff to support the Project. Staff consulted other public sector providers such as AC Transit's EasyPass program and found that Clipper offers better cost savings and fewer administrative requirements for the provision of transit passes.

For these reasons, Staff is requesting that City Council waive any advertising, bidding and competitive selection requirements.

Not waiving these advertising, bidding and competitive selection requirements would compromise the City's ability to deliver the scope that was promised in the grant, undermine our ability to win additional grant funding from ACTC and bring additional investment to Oakland, and delay the delivery timeline.

The alternative, which Staff does not recommend, would be developing a new contract with Usio Inc. This alternative would fail to make use of Clipper's service efficiencies, and the additional administrative work needed to arrange this contract would likely require pursuing an additional extension of the grant timeline beyond December 31, 2026, which the State, the grantor, has indicated may not be approved.

Staff recommends that, based on the reasons and circumstances set forth above, the Council pursuant to OMC Section 2.04.50 I.5 and Section 2.04.051 B, respectively, finds and determines that it is in the best interests of the City to: 1) waive the formal advertising, competitive bidding, and the RFP/Q requirements, and authorize the City Administrator to enter into a purchasing agreement with MTC and 2) to pay Clipper up to \$400,000 inclusive of direct subsidies to implement the Project. Staff would work through the purchasing agreement and pay Clipper the cost of procuring cards, shipping and handling costs, and direct subsidies for program participants through wire transfer.

RELATED PLANNING EFFORTS

This agenda item supports the City's Equitable Climate Action Plan (ECAP) Action Transportation + Land Use action #4, "Abundant, Affordable, and Accessible Public Transit." In describing the efforts related to implementing this action, the ECAP acknowledges that "Reducing transit costs is an important equity concern." This Project directly supports the implementation of this ECAP action by subsidizing transportation costs for low-income residents living and working in West Oakland. This

outcome, in turn, helps residents take more sustainable modes of transportation, which aligns with the City's approach to equitably reducing greenhouse gas emissions.

FISCAL IMPACT

The recommended City Council action will enable staff to spend \$450,000 on REAP 2.0 HIT grant funds already appropriated and available in California Housing and Community Development Fund (2144), REAP UBM W Oak Project (1008018). This is a critical step to ensure that the funds are spent by the grant expenditure deadline of December 31st, 2026, with final invoices due by June 30th, 2027.

\$400,000 will be used to purchase and distribute Clipper Cards, with \$50,000 allocated to Staff labor costs in the Mobility Management Organization (35247). No matching funds are required.

PUBLIC OUTREACH / INTEREST

Staff conducted extensive outreach to enroll people living and working in West Oakland as participants in the West Oakland UBM Pilot. In this phase, Staff will make the availability of Clipper cards known through similar outreach methods used during previous pilots and phases, including mailed postcards, in-person tabling at the West Oakland BART station and other bus stops, attendance at local events, by announcement at public outreach events in West Oakland, and marketing through online channels and social media.

COORDINATION

The Office of the City Attorney and Budget Bureau have reviewed this report and resolutions.

RACE AND EQUITY

Staff did not complete a full Racial Equity Impact Analysis on the recommended action, although evaluating equity impacts is a core part of the UBM program. Staff will continue to collect demographic information and report travel changes from participants via pilot surveys to measure the impacts of subsidizing participants' transit and mobility services as part of the West Oakland UBM Pilot.

Data collected from Phase 1 of the West Oakland UBM Pilot demonstrated that the program directly benefited low-income, non-white households in Oakland. 79% of participants in this pilot earned less than \$49,000 and the remaining 21% earned between \$50,000 and \$103,000 (median area income). 49% of participants were Black, 15% were Asian, 10% were Latine, 3% were Native American, and 19% were White.

The recommended Project would likely have similar beneficial outcomes focused on low-income households of color in West Oakland as 78% of West Oakland residents are non-white,

compared to 71.5% of residents city-wide¹. OakDOT will coordinate with local community organizations to share the news about this Project with as many eligible West Oakland residents as possible.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

These actions are statutorily exempt under the California Environmental Act (“CEQA”) pursuant to Public Resources Code Section 21080(b)(13) and CEQA Guidelines Section 15276 (Transportation Improvement And Congestion Management Programs). CEQA does not apply to preparation and adoption of a congestion management program by a county congestion management agency pursuant to Government Code Section 65089, et seq.

¹ 2020 American Community Survey, Table B3002

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To:

Finalize And Execute A Contract Purchasing Agreement with The Metropolitan Transportation Commission/ Clipper In Support Of The West Oakland Universal Basic Mobility Pilot's (Project) Financial Incentives In The Form Of 1,000 Prepaid Clipper Cards At A Total Cost Of \$400,000; Providing The Necessary Spending Authority For The Agreement; And Waiving The Advertising, Bidding And The Request For Qualifications/Proposal Competitive Selection Requirements

For questions regarding this report, please contact Colin Piethe, Transportation Planner II, at 510-238-6109.

Respectfully submitted,


Josh Rowan (Jun 29, 2026 11:40:26 PDT)

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