



# Powering Microtransit: A Guide to Funding Strategies

*Helping Cities and Agencies launch clean, connected, and on-demand solutions to solve their last-mile transit gaps*

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# Introduction

Transportation is one of the most powerful investments cities can make. When done well, it seamlessly connects people to jobs, schools, healthcare, and the community overall, but designing transportation systems that meet modern needs is not an easy task.

Across the country downtowns are being revitalized, but their growth can be constrained by congested roads and limited parking due to the absence of last-mile transit options. Shifting travel preferences and climate goals are pushing cities to rethink how people move within their communities - prioritizing clean, accessible transportation for residents and visitors.

Circuit is the largest 100% EV microtransit provider in the United States. We deliver convenient and zero-emission transit services that bridge the gap between people and the places they need to go. Trusted by over 50 partners, we work with local governments, transit agencies, and private entities to design, implement, and operate mobility solutions tailored to exceeding their transportation goals. Whether it be helping to stimulate economic activity or reduce the demand for parking in a downtown, we take pride in connecting communities.

**The flexibility of Circuit’s electric microtransit model makes it eligible for a wide range of funding sources.**



## Key Takeaways

- Circuit’s services align with a wide range of local funding sources—including parking revenues, tourism dollars, and special district contributions.
- State, federal and regional grants can support microtransit, especially when tied to climate or transit equity and access goals.
- Funding is often mixed, allowing contributions from multiple partners to collectively support a full-service zone
- Mixed funding builds momentum, opening doors to future grants and long-term sustainability.
- Public-private partnerships add flexibility, helping cities scale and adapt over time.

# Funding Strategies for Microtransit

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This guide is designed to help cities navigate the wide range of funding opportunities available for microtransit. Across the country, cities have implemented and grown Circuit programs by combining local funding streams, grant opportunities, and contributions from the private sector.

**Below are a few examples of cities Circuit has partnered with, each using different strategies to launch and sustain electric microtransit service:**

- In **Pompano Beach, FL**, the city secured an FDOT grant before issuing an RFP, using it to launch a Circuit service that supports beach access, downtown mobility, and redevelopment goals.
- In **Trenton, NJ**, a community development and environmental organization, Isles, won a state grant to fund an affordable service in one of the state's most underserved communities.
- In **Boca Raton, FL and Orlando, FL**, CRAs funded downtown circulators focused on promoting economic activity and supporting their downtown repositioning strategies.
- In **Bellevue, WA**, a tourism agency, Visit Bellevue, utilized their lodging tax dollars to launch a pilot program. Immense success in the first year led to the City of Bellevue and Amazon contributing to expand the program's size to serve commuters & tourists alike.
- In **Chula Vista, CA** a state grant and non-profit donation unlocked the freedom for seniors to make free, on-demand trips to grocery stores, pharmacies, medical appointments, and other key places.
- In **New Rochelle, NY**, Circuit was initially funded through the city's Industrial Development Agency (IDA) to support downtown economic development. Since then, additional federal grant funds have helped double the fleet and expand access within the city.

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## Funding Pathways Covered

### Local Funding Strategies

Discover how locally controlled funding sources—like parking revenues, transportation budgets, tourism taxes, special district contributions, and private sector partnerships—can support microtransit. Learn how cities are leveraging mechanisms like CRA funds, lodging taxes, Prop A/C dollars, and private investment to launch and grow electric shuttle programs.

### Public Grant Funding Opportunities

Explore how regional and state-level partners have directly supported Circuit deployments—like FDOT in Florida and CMO in California—as well as guidance on how cities can pursue federal funding sources through agencies like the FTA and USDOT.

# Local Funding Sources

Microtransit programs are more frequently being funded directly from municipal budgets. These can also be backed by the creative use of locally controlled public funding, allocated for goals that can be achieved through on-demand, last-mile connections. These funds may be managed by city departments or special districts.

## Parking and Transportation Funds

One approach is to use **parking revenues or local transportation budgets** to support microtransit. Cities can redirect parking meter revenues to fund shuttle services that help reduce parking demand in downtowns - either encouraging people to leave their car at home or park outside of the congested area. In California, San Diego used its parking revenue fund to launch a microtransit program in 2015 and has sustained the program entirely through parking revenues ever since. They originally considered expanding their fixed-route trolley network, but instead chose an on-demand shuttle service as a better solution to their parking constraints. Cities like Long Beach and Whittier use voter-approved sales tax measures in Los Angeles County dedicated to funding transportation programs. These funds can be used at the city’s discretion for transit-related projects and help provide relief to downtown congestion.

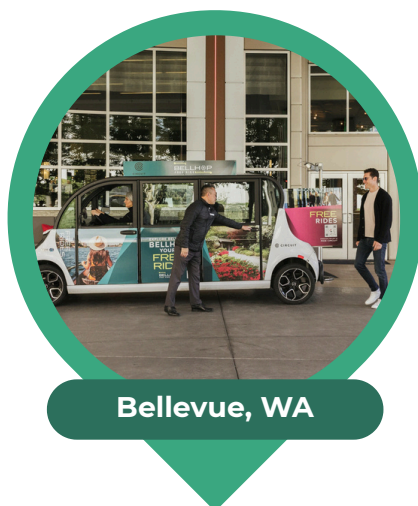


San Diego, CA

## Tourism

Transportation is a crucial element of any travel plan, and cities are frequently looking for ways to make it easier for tourists & visitors to spend more time in their downtown. Tax dollars generated through tourism can serve as a strong funding source for cities considering microtransit services and the benefits will extend to local residents by improving access and connectivity.

Visit Bellevue, with a mission “to stimulate economic growth and development in Bellevue’s visitor economy and inspire memorable visitor experiences”, utilized their allocation of local **3% hotel-motel tax dollars** to fund a microtransit service. Unlocking the freedom for visitors to connect to retail centers and cultural districts like Old Bellevue and Meydenbauer Bay has directly supported their mission, with ~\$900k in monthly economic impact measured following implementation.



Bellevue, WA

## Special Districts

Another local funding pathway comes through **special districts like Community Redevelopment Agencies (CRAs), Business Improvement Districts (BIDs) or Downtown Development Authorities (DDAs)**. While their specific goals can vary, they often share common missions of **redevelopment, economic vitality, and supporting local businesses**. Many of our special district partners have seen providing last-mile connections as an effective method to support local shops, restaurants, and community events.

**CRAs** have increasingly chosen to fund microtransit as part of their economic revitalization strategies. Cities like Orlando, Hollywood, Boca Raton, and Lake Worth Beach have partnered with their local CRA's to bring Circuit's service to their urban cores. In Orlando, the program aligned with efforts to reposition the downtown district toward a more visitor-friendly environment. In Boca Raton, the goal was to improve downtown access and reduce parking strain - Circuit helped design a service that encourages time spent in the downtown by exclusively allowing rides to be requested to or from the designated redevelopment zone.

**BIDs** utilize microtransit to pursue their goal of increased economic activity within their commercial zones. In Washington D.C., the Southwest Business Improvement District (SWBID) launched the Mobility Innovation District (MID) to bring advanced and sustainable solutions to the area. With a focus on infrastructure, sustainability, and economic development, the MID initiative aims to make the district more accessible and connected. Circuit plays a key role in this effort, delivering 100% electric mobility that supports community needs.

**DDAs** have also invested in microtransit, viewing it as a key driver in achieving their downtown development goals. In West Palm Beach, FL, the DDA partnered with the city's parking department and CRA to co-fund the program and expand downtown access.



Orlando, FL



Washington DC



West Palm Beach, FL

## Nonprofits

Community organizations have played major roles in funding microtransit projects from coast to coast. Their service goals are generally focused on transit access & equity within their specific communities. For example, in **Chula Vista, CA**, a local church group contributed **\$1 million** to support the launch of a microtransit service focused on serving seniors.

In **Trenton, NJ**, a community development and environmental organization, **Isles**, won a state grant and partnered with the city to launch a city-wide microtransit service focused on addressing last-mile transit gaps, workforce development, and GHG reduction in their underserved community.



Trenton, NJ



Dallas, TX

## Corporate Sponsors

Private-sector contributions can complement public funding by expanding service levels to promote local connectivity for their workforce or corporate engagement in the community.

In **Dallas, TX**, **Toyota** provided funding for an initial on-demand pilot in an underserved area with the goal of connecting residents to DART's fixed-route system. Success of the pilot helped gain long term additional financial support from the transit agency itself, building a public-private funding source to sustain the program for years to come.

In **Bellevue, WA**, the tourism-focused program also served a last-mile need for Amazon's corporate offices in the area. This service led to Amazon agreeing to cover nearly 50% of the costs in partnership with VisitBellevue & the City of Bellevue.

# Regional, State, & Federal Funding Sources

Regional, state, and federal grants can also play a vital role in supporting the launch and scaling of microtransit programs. These funding sources are often structured to support broader goals such as expanding transit access in underserved areas or reducing air pollution.

## Regional Grants

Regional planning agencies—like **Metropolitan Planning Organizations (MPOs)**, **air quality districts**, and **county governments** offer flexible funding options that cities can leverage to support their transit plans. In many cases, they distribute federal dollars (such as CMAQ) through competitive or formula-based programs tailored to regional mobility goals.

Stoneham, MA secured **\$330,000/year for two years** through the Boston MPO to fund a microtransit service. The funding came from the MPO’s competitive regional mobility grant program, aimed at reducing congestion and improving air quality.



Stoneham, MA

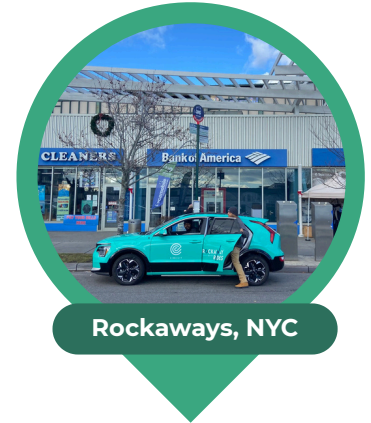
## State Grants

Many states offer powerful funding opportunities for cities looking for new ways to move people around - especially when projects align with state goals. While programs vary, common themes include emissions reduction, first/last mile connectivity to public transit, mobility innovation, and serving disadvantaged communities. These grants are typically administered through state departments of transportation, or energy innovation/special authorities dedicated to advancing clean technologies. In many cases, they can fund planning, operations, vehicles, or infrastructure for 100% electric mobility.

- The Florida Department of Transportation **Service Development Grant** has supported on-demand transportation services in **Florida** by covering up to 50% of operating costs for up to three years. Several Florida cities, such as Pompano Beach, have used this program to support their last-mile connectivity efforts.
- In California, programs like the **Clean Mobility Options (CMO) Voucher Pilot** offer up to \$1 million in funding for community-driven zero-emission transit projects. **Chula Vista** successfully secured CMO grants to launch Circuit-operated services. Additional California programs like **MSRC** (via South Coast AQMD), the **Sustainable Transportation Equity Project (STEP)**, and the **Affordable Housing and Sustainable Communities (AHSC)** grants funds transportation projects that reduce greenhouse gas emissions by improving transit access and zero-emission mobility options in communities. Several cities have secured grant funding from MSRC like Long Beach and Huntington Beach to maintain and expand Circuit operations.

## State Grants (continued)

- Trenton, NJ was funded through a \$883,000 grant from the state Department of Environmental Protection. They later received an additional \$2 million dollar grant from NJDOT
- In New York, the Rockaways and Brentwood microtransit services were funded through the NYSERDA Clean Transportation Prize - a \$7 million award for community-level projects that deliver innovative clean transportation solutions. Beyond this one-time prize, NYSERDA continues to offer other competitive grants for mobility innovation, EV infrastructure, and clean transportation pilots across the state.
- In Long Beach, CA, the Mobile Source Air Pollution Reduction Review Committee (MSRC) funded the expansion of Circuit’s fully electric fleet in Long Beach, enabling the city to expand services. This allowed for improved connections between dense neighborhoods, the waterfront, and major transit hubs—boosting access while directly contributing to the region’s air quality and greenhouse gas reduction goals. As part of the South Coast AQMD’s broader climate strategy, the grant recognized Long Beach’s commitment to zero-emission transportation and its role in advancing cleaner transportation options.



Rockaways, NYC



Long Beach, CA

These programs demonstrate how states are supporting locally driven, low-emission transit solutions. From climate investments to innovation grants and equity-focused initiatives, state-level funding is making it possible for cities to bring microtransit to life.

## Federal Grants

The federal government offers several funding programs to support public transportation—including microtransit— through both **formula-based** and **competitive grant programs**.

**Formula funding** is recurring federal funds allocated to states, transit agencies, or metropolitan planning organizations based on population, service area, and other criteria. These include well known programs such as:

- **FTA Section 5307:** Urbanized Area Formula Program
- **FTA Section 5311:** Rural Transit Formula Grants
- **FTA Section 5310:** Enhanced Mobility of Seniors and Individuals with Disabilities



## Federal Funding Programs (continued)

### Want to explore formula funding?

To tap into these recurring federal programs, cities can begin by working with their local transit agency, Metropolitan Planning Organization (MPO), or state department of transportation.

**Competitive grants** are awarded based on proposals that align with federal goals that often surround innovation, equity, climate and infrastructure. Some examples include:

- **RAISE Grants (Rebuilding American Infrastructure with Sustainability and Equity)** – large, flexible grants that can support complete mobility solutions, including microtransit, when bundled with infrastructure or access projects.
- **SMART Grants (Strengthening Mobility and Revolutionizing Transportation)** – funding for advanced transportation technologies, including data integration and on-demand solutions.
- **AIM Grants (Accelerating Innovative Mobility)** – past funding aimed at piloting emerging mobility models like microtransit.
- **FTA Section 5312 (Public Transportation Innovation)** – supports research, demonstration, and deployment of novel transit concepts.



Many of these programs were expanded or introduced under the **Infrastructure Investment and Jobs Act (IIJA)**—a historic federal funding package that allocates billions toward clean transportation, safety, and innovation. While microtransit projects can be eligible under many IIJA-aligned programs, success often depends on strong local partnerships and clear alignment with federal priorities such as emissions reduction and equitable access.

# Combining Funding Sources

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Launching microtransit isn't about finding *one perfect funding source*—it's about stacking a few complementary ones. A tourism board may fund the launch, while a local grant helps it expand, and a local private partner can help sustain it. This approach doesn't require complicated financial maneuvers—it simply means using the tools you already have at your disposal and aligning with the goals of your local partners.

The examples you've read about throughout this guide demonstrate that by blending local dollars, grants, or private contributions, cities can create a strong foundation—and when a service like Circuit proves its value, it often unlocks new funding opportunities. This can help build momentum, demonstrate commitment to the community, and open doors for long-term investment.

## Suggested Next Steps

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### **Define the problem you're solving**

Identify your area's mobility pain points, whether it's downtown parking constraints, first/last-mile gaps in transit, or limited access for seniors or low-income residents.

### **Set clear service goals**

What's your top priority? Economic Development, emissions reduction, equity/accessibility, or visitor experience?

### **Identify Funding Source(s)**

With service goals established - use this guide to help identify sources that would align.

### **Connect with Circuit with any Questions**

From service planning to finding funding, there are a lot of steps to implementing a successful microtransit service on your own. But it doesn't have to be - we are here to help! Circuit has over 10 years of experience helping cities plan, secure funding, and launch successful microtransit programs from Rockaways, NY to Oceanside, CA to Fort Lauderdale, FL. We are excited to learn about your vision for the future of mobility in your city!