Agenda Item 11

METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Elderly and Disabled Advisory Commmittee   DATE: October 30, 2009

FR: Craig Goldblatt, MTC Staff

RE: New Federal Transportation Act — Update on Proposal for Cycle 1 Programming and Cycle 2 Framework

This memorandum provides an update on the development of the New Federal Transportation Act Cycle 1 programming and Cycle 2 framework proposal. Staff proposes deferring approval of the overall proposal until December to provide additional time for stakeholder review.

Background

In September, staff presented a proposal to the Committee presenting an overall framework to direct roughly $1.4 billion of estimated funds over the six-year New Surface Transportation Authorization Act (New Act). At that meeting, the Committee heard numerous requests from a broad spectrum of stakeholders for higher levels of funding, especially for rehabilitation needs and for the Climate Initiatives Program – both major emphasis areas in the of Transportation 2035 (T2035). Additionally, the Committee directed that a subcommittee be established to explore the specific needs and objectives of the Climate Initiatives Program, in order to better inform overall New Act investment decisions.

In October, the Commission approved the roughly $100 million for Cycle 1 regional planning and operations programs to move forward, because of ongoing cash flow needs and the non-controversial nature of these investments.

Comments Received

Since the staff proposal was presented in September, several additional comments (Attachment A) have been received and are summarized below:

- More Funding for "Fix-it-First": The Local Streets and Roads Working Group offered a "fix-it-first" alternative proposal, which would shift an additional funding increment to the Local Streets and Roads Program and Transit Capital Rehabilitation Program from other core programs, as well as partially defer the Freeway Performance Initiative. The City of Orinda sent a letter, as well, asking that MTC shift as much funding as possible to streets and roads rehabilitation needs.
- More Funding for Transportation for Livable Communities (TLC): MTC's Advisory Council recommended an increase of Cycle 1 TLC grants from $78 million to a minimum of $100 million.
- Postpone Commission Action until December 2009: The Partnership Technical Advisory Committee requested a deferral of the approval of Cycle 1 and the New Act framework until the December meeting. This would allow them the opportunity to respond further to any decisions coming from the Climate Initiatives Working Group.

Further, other letters supported: 1) more funding for Climate Initiatives; 2) funding for the Freeway Performance Initiative (FPI) at the staff proposed level of $222 million; and 3) new strategic investments to fund the next phase of the I-80/I-680/SR 12 Interchange project in Solano County and the third segment of the Route 4 Bypass in Contra Costa County.

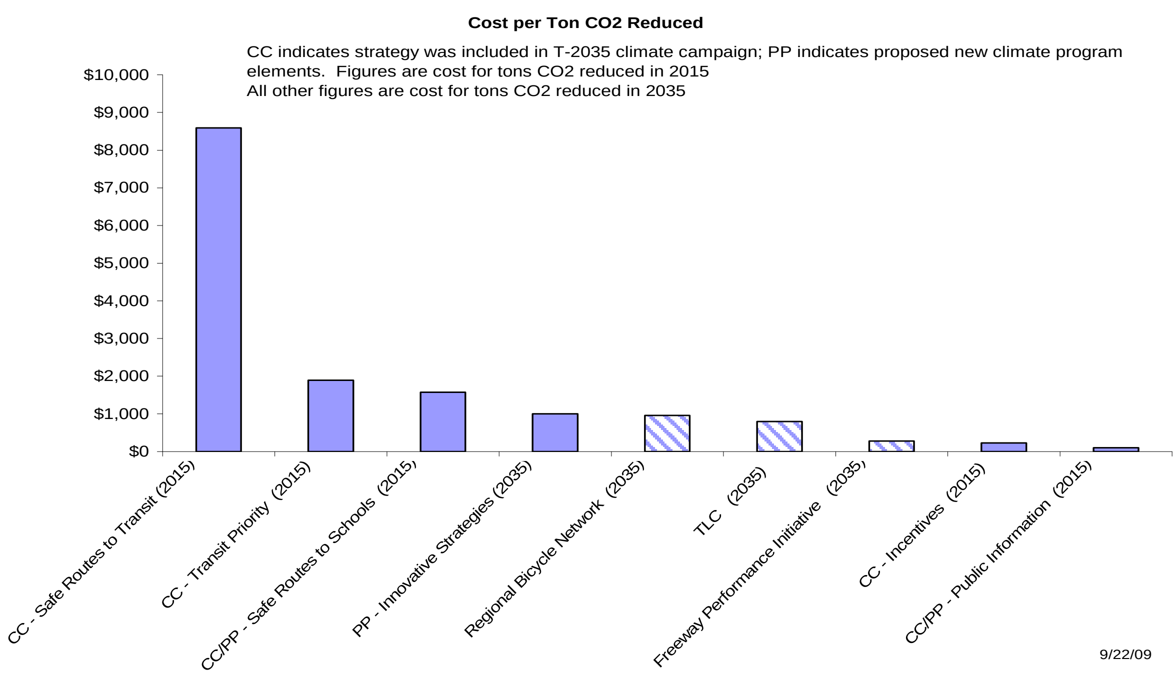
Climate Initiatives Working Group

The Climate Initiative Working Group met twice during October to develop a scope and funding proposal for the Climate Initiatives Program. The working group includes Commissioners Haggerty and Kinsey, MTC staff, and staff representatives from the Air District, Solano Transportation Authority (representing CMAs), County Connection (representing the transit operators), Transform, and Joint Policy Committee.

The group has discussed guiding principles, including the need to take immediate action to reduce transportation-related emissions with a focus on strategies that reduce vehicle miles traveled and encourage the use of cleaner fuels. The principles also identified the importance of building a knowledge base through evaluation that informs the most effective Bay Area strategies for the Sustainable Communities Strategy and next long-range plan; encouraging innovation and partnerships among business, academic and government sectors; and increasing public awareness and encouraging specific actions to reduce greenhouse gas emissions.

To follow-up on requests at the September Committee meeting, the working group also reviewed background information regarding the cost effectiveness of various programs for reducing CO2 emissions. The chart on the next page illustrates the cost per ton of CO2 reduced as analyzed in the Transportation 2035 project performance assessment. This analysis projected tons of CO2 reduced in 2035 for most investments and tons of CO2 reduced in 2015 for the climate campaign, which was proposed as a 5-year program. The chart on the following page shows the disaggregated results for the various elements of the T2035 climate campaign. To clarify, the analysis for FPI captures any short trips that might be stored on the ramps or diverted from the freeway to local roads due to the increased time it takes to get on a freeway with metered ramps. The assumptions underlying this analysis are based on data collected by FHWA from ramp metering and freeway traffic operation systems around the country.

It is worth noting that several programs not bearing the “climate change” label – such as TLC and FPI – fall in the same general range for cost-effective CO2 reduction as programs that are being considered for formal inclusion in the new Climate Initiative Program.



The four Climate Initiative program components currently under consideration include: 1) Outreach; 2) Safe Routes to Schools; 3) Innovation Grants; and 4) Program evaluation including a focus on Safe Routes to Transit. The scope and funding amount by program element is still being refined and will be presented in December. The Working Group will meet one more time in November to finalize the approach and recommend funding levels for the program.

<u>Revised New Act Proposal</u>

In response to comments heard from the Partnership and our transportation stakeholders, Attachment B presents a revised proposal. The table below illustrates the changes from the September proposal for both Cycle 1 and the ARRA Backfill in the near-term (FY2010 through FY 2012) and the total new commitment, including anticipated revenues.

	Cycle 1 and ARRA Backfill			Total New Commitment		
T 2035 Core Programs	**September**	**Revised**	**Change**	**September**	**Revised**	**Change**
Freeway Performance Initiative (FPI)	136	105	(31)	222	222	-
Climate Initiatives	59	80	21	148	162	14
Regional Bicycle Program	24	27	3	67	67	-
Transportation for Livable Communities (TLC)	78	85	7	223	223	-
Transit Capital Rehabilitation	-	-	-	164	164	-
Local Streets and Roads Rehabilitation*	86	100	14	232	232	-
Total	**383**	**397**	**14**	**1,056**	**1,070**	**14**

*$6 million of this increase is directed to Transit Capital Rehabilitation in Cycle 2 to align with the timing of the need.

The good news is that an additional $14 million is available as a result of this region's success in delivering STP/CMAQ funded projects relative to other regions in California. This has reduced the obligation authority carryover, which the revised proposal makes available to advance a larger portion of the Climate Initiatives Program during the Cycle 1 period.

Staff also proposes moving $31 million for the Freeway Performance Initiative (FPI) from Cycle 1 to "anticipated" funding, thereby freeing up additional Cycle 1 capacity for all core programs distributed on a RTP pro-rata share basis. This change responds attempts to strike a balance between the objective of accelerating benefits from the FPI program and comments that FPI should also rely, in part, on anticipated revenues similar to other core program areas. Because of the timing of the need, transit rehabilitation receives its pro-rata share during Cycle 2. The result will be more resources for all core programs, except FPI, during Cycles 1 and 2. In terms of the total commitments proposed, the commitments are maintained for all core programs with the additional capacity directed to the Climate Initiative Program to better align with the Transportation 2035 assumed front loading of this program in the first five years.

The revised staff proposal addresses each of the stated programming principles noted below:

- **Required payback of Obligation Authority ($54 million)**
- **Maintain on-going programs ($206 million)**
- **Seize opportunity to deliver system-wide improvements ($222 million)**
- **Fund other core Transportation 2035 categories ($848 million)**
- **Fund strategic investments and regional commitments ($71 million**

Next Steps

Staff will present this information to EDAC, MCAC and Advisory Council in November, continuing consultation that began in June. In December, staff will bring the overall New Act funding framework and Cycle 1 funding commitments, including more detail on the Climate Initiative Program, to this Committee. The proposal will then be presented to the Programming and Allocations Committee on December 9, with a request to refer the program to the Commission for approval.

Attachments

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