



# **P1 BayArea Plan**

## **Draft Bay Area Cap and Trade Funding Framework**

November 13, 2013

Programming &  
Allocations Committee

# Cap and Trade Reserve

## - Investment Principles

- 1. Funds must have a strong nexus to Greenhouse Gas (GHG) reduction**
- 2. Distribution will serve to strategically advance the implementation of Plan Bay Area**
- 3. Investment Categories will be structured to provide co-benefits and leverage investments across categories and from multiple sources**
- 4. All Investment Categories should include funding that benefits disadvantaged communities – defined as MTC’s Communities of Concern**

# Cap and Trade Funding Categories

<b>Funding Category</b>	<b>Amount (\$ millions)</b>
<b>1. Core Capacity Challenge Grants (Transit Capital Program)</b>	<b>800</b>
<b>2. Transit Operating and Efficiency Program</b>	<b>450</b>
<b>3. One Bay Area Grants</b>	<b>1,050</b>
<b>4. Climate Initiatives</b>	<b>400</b>
<b>5. Goods Movement</b>	<b>450</b>
<b>TOTAL</b>	<b>\$3,150</b>

# 1. Core Capacity Challenge Grants -Transit Capital

a.) accelerates fleet replacement and other state of good repair projects from Plan Bay Area, including “greening” the fleet

b.) focuses on BART, SFMTA, and AC Transit – transit operators that carry 80% of region’s passengers, and serve PDAs that are expected to accommodate much of the region’s growth

c.) achieves roughly \$7 billion in total state of good repair investment by leveraging other regional funds and requiring a minimum 30% local match

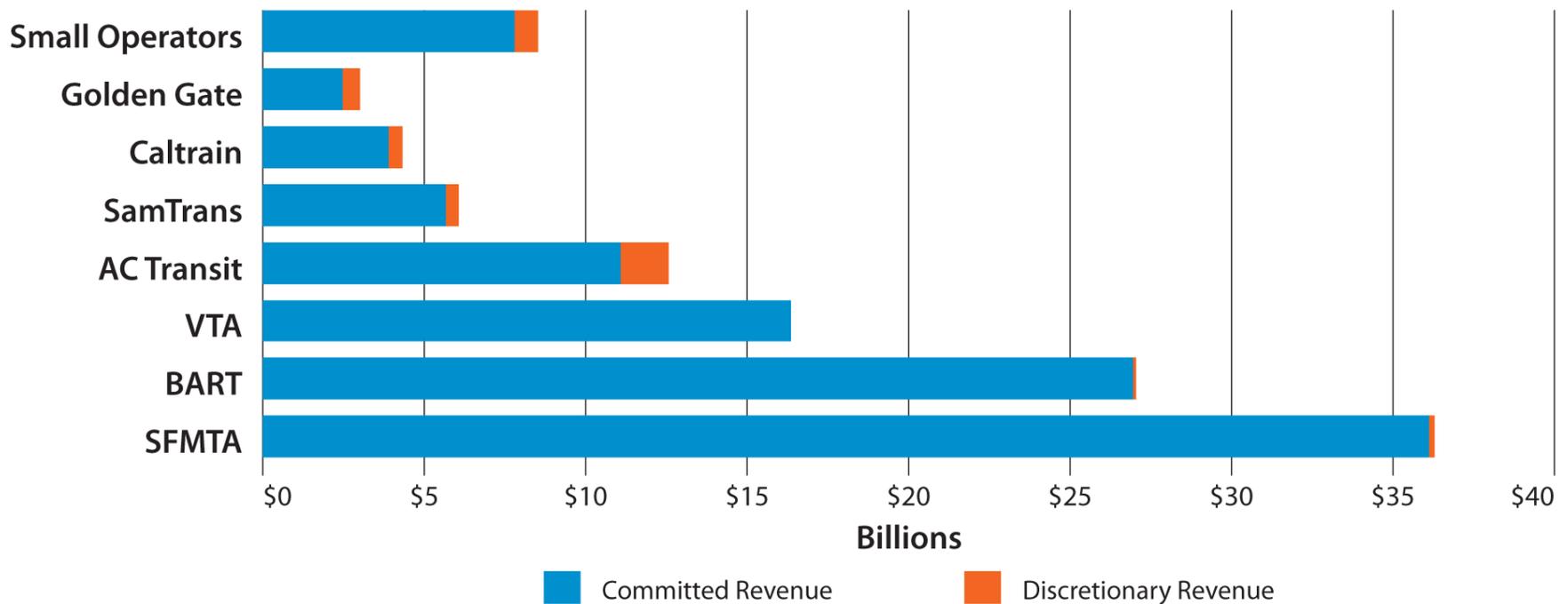
d.) participating operators must meet the Transit Sustainability Project’s performance objectives

## 2. Transit Operating and Efficiency Program

- **Plan Bay Area fully funds existing transit service levels at nearly \$115 billion over the three decade period.**
- **GHG Nexus: The plan identifies the importance of a more robust and expanded public transit network as a key ingredient for success of Plan Bay Area's growth strategy**
- **Proposal: Invest \$450million over the life of Plan Bay Area**

## 2. Transit Operating and Efficiency Program

Transit Operating Funding by Operator 2013-2040, YOES\$



## 2. Transit Operating and Efficiency Program

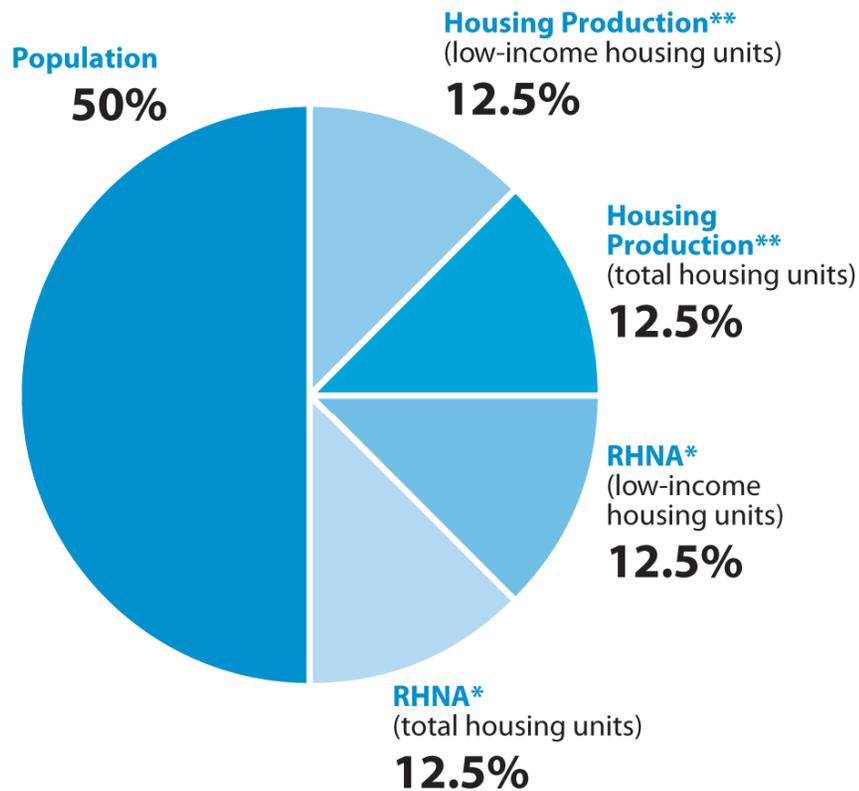
- Operating Investments:
  - Consistent with the Transit Sustainability Project
  - Focused on improving service and attracting riders
  - Cost Effective
- **Investments will be constrained by the availability of cap and trade funds on a predictable, ongoing basis.**

### 3. One Bay Area Grants

- **Funding supports focused housing and employment growth through:**
  - Complete Streets
  - Bicycle and Pedestrian Facilities
  - Infrastructure and Streetscapes
- **GHG Nexus: Plan Bay Area invests over \$14bl in transportation improvements near high quality transit to support infill housing – key strategy to attain the Plan’s GHG Targets**
- **Proposal: Invest \$1.05 billion over the life of Plan Bay Area**

# 3. One Bay Area Grants

OneBayArea Grant Distribution Formula:  
FY 2012-13 through FY 2015-16



## OBAG County Fund Distribution

(Millions \$, rounded)

County	Total Funds
Alameda	\$63
Contra Costa	\$45
Marin	\$10
Napa	\$6
San Francisco	\$38
San Mateo	\$26
Santa Clara	\$88
Solano	\$18
Sonoma	\$23
<b>Regional Total</b>	<b>\$320</b>

\* RHNA 2014-2022

\*\* Housing Production Report 1999-2006, ABAG

### 3. One Bay Area Grants

#### OBAG Funding:

- **Congestion Management Agencies will administer funds**
- **The existing OBAG program –with the addition of transit-oriented workforce housing as an eligible use of funds**
- **PDA Investment and Growth Strategies will serve as a guide to investment priorities**

## 4. Climate Initiatives Program

- **MTC will partner with the Air District, other regional and local partners, and the private sector to build upon successful existing programs and leverage other funds**
- **GHG Nexus: Investments will be focused on those programs that prove most cost-effective at reducing emissions based on evaluations of the existing programs**
- **Proposal: Invest \$400million over the life of Plan Bay Area**

# 4. Climate Initiatives Program

**Focused on investments in technology advancements and incentives for travel options that help the Bay Area meet the GHG emission reduction targets related to SB375**

Summary of Current Climate Program Initiatives

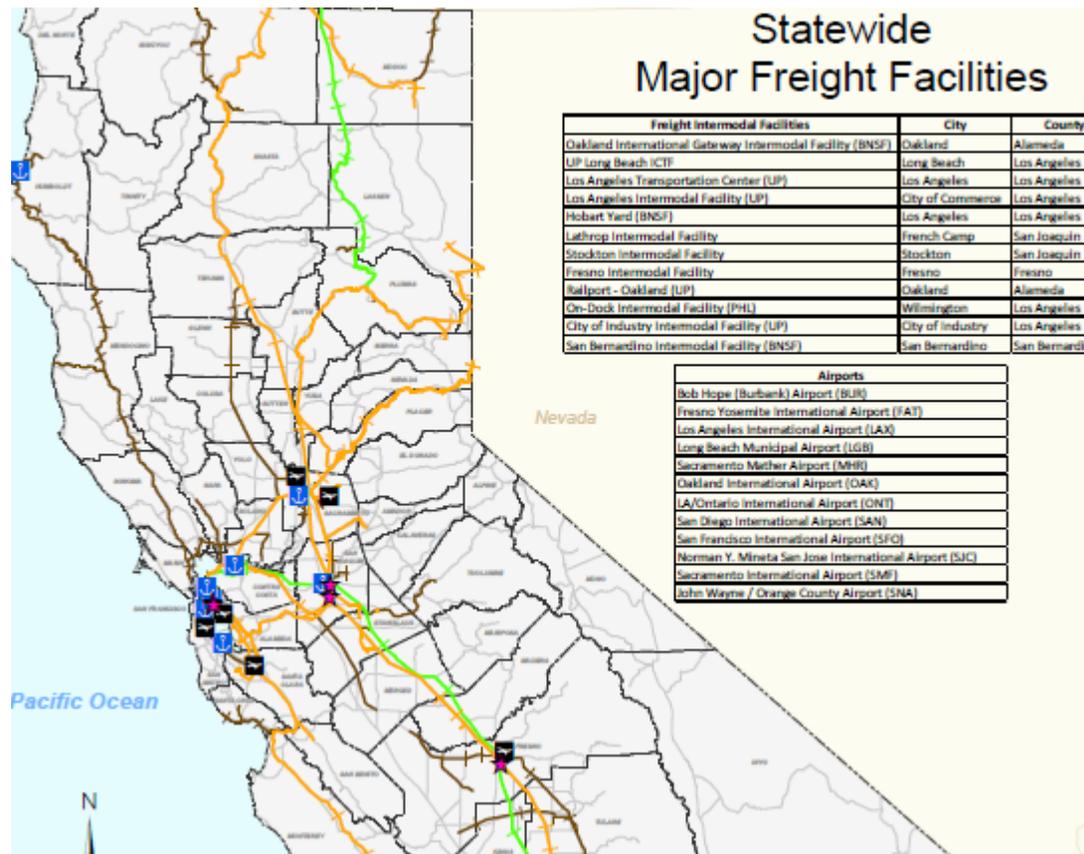
Policy Initiative
Commuter Benefit Ordinance
Car Sharing
Vanpool Incentives
Clean Vehicles Feebate Program
Smart Driving Strategy
Vehicle Buy-Back & Plug-in or Electric Vehicle Purchase Incentive
Regional Electric Vehicle Charger Network
Climate Initiatives Innovative Grants

## 5. Goods Movement Program

**MTC is currently working with Caltrans and selected Congestion Management Agencies to: update the regional goods movement program and to inform the California Freight Mobility Plan.**

- **GHG Nexus: Leverage existing funds and seek additional funds to accelerate programs aimed at retrofits and replacements of trucks and locomotives including:**
- **Proposal: Invest \$450million over the life of Plan Bay Area**

# 5. Goods Movement Program



# Other Program Features

- **25% set-aside for Disadvantaged Communities would apply to each funding category**
- **Evaluation of potential GHG benefit to occur during project development and selection**
- **Approved funding categories and program features will serve as template for legislative advocacy to secure funds**

# Next Steps

- Information and discussion this month
  - Seeking Commission, Advisory Council, and Partnership feedback
  - Timing of final action to be determined by Commission