



Plan BayArea

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

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

1. Core Capacity Challenge Grants -Transit Capital

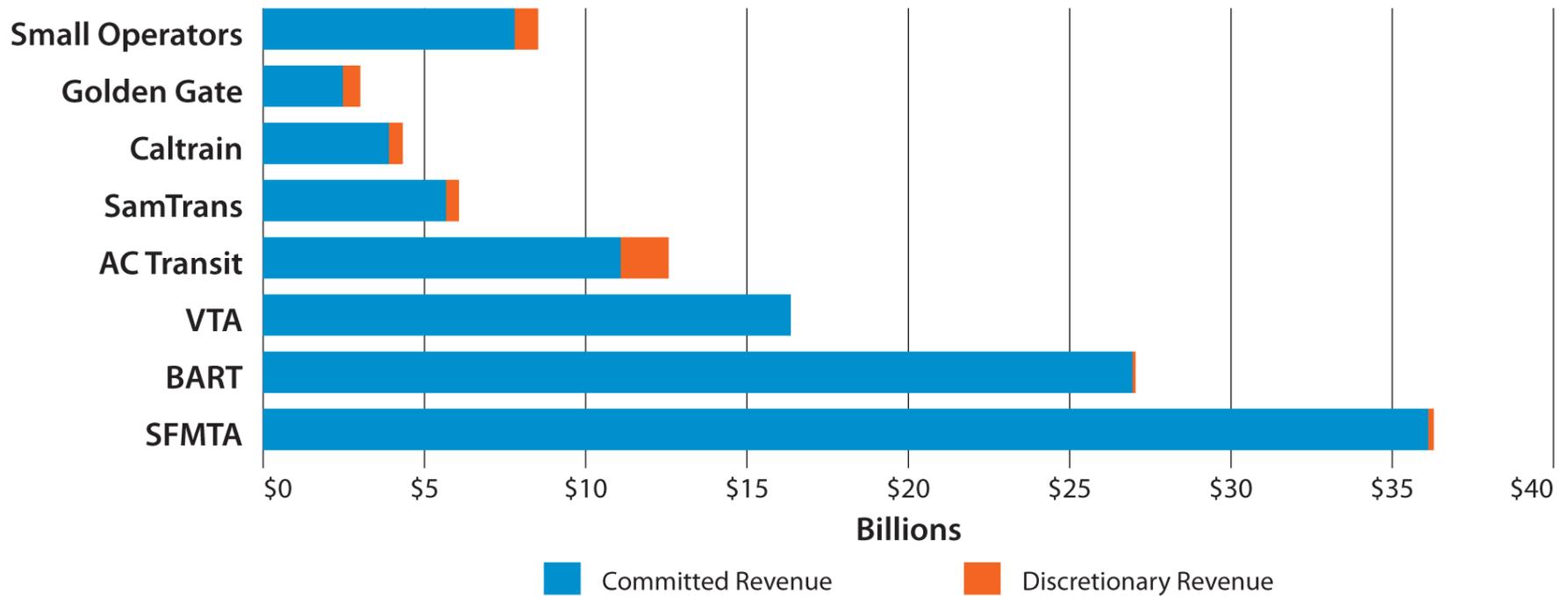
- a.) accelerates fleet replacement and other state of good repair projects from Plan Bay Area, including “greening” the fleet
- b.) focuses on BART, SFMTA, and AC Transit – transit operators that carry 80% of region’s passengers, and serve PDAs that are expected to accommodate much of the region’s growth
- 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

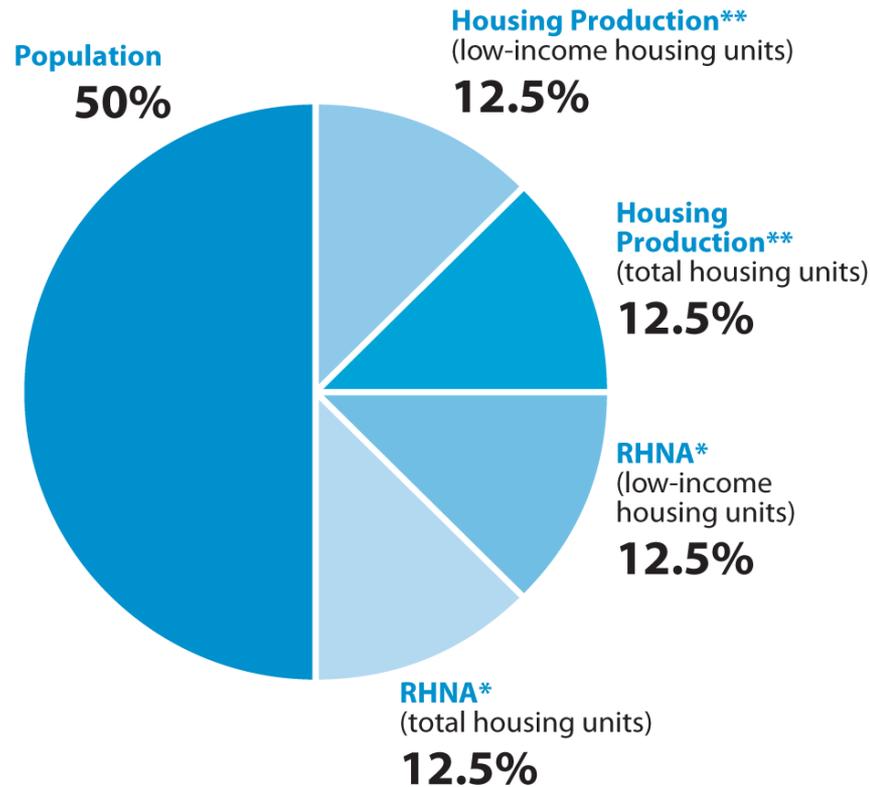
- Operating Investments:
 - Consistent with the Transit Sustainability Project
 - Focused on improving service and attracting riders
 - Cost Effective
- **Investments will be constrained by the availability of cap and trade funds on a predictable, ongoing basis.**

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
Regional Total	\$320

* 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

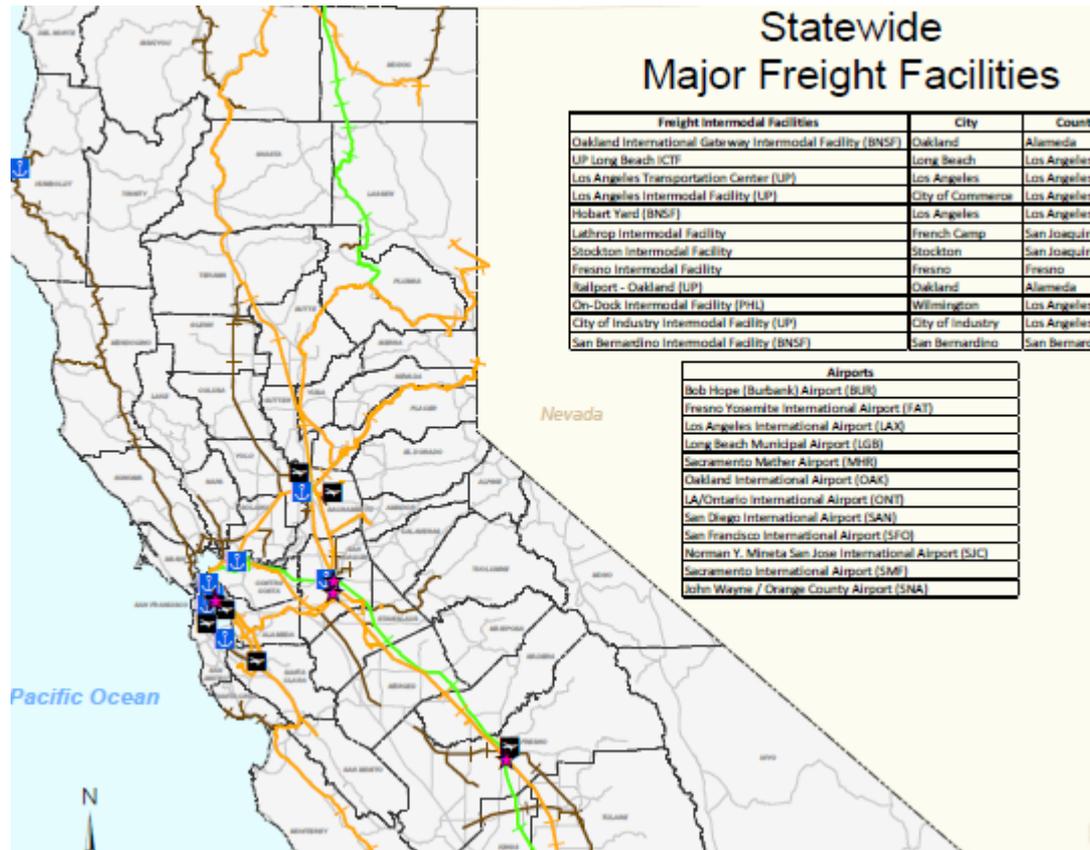
Climate Initiatives Innovative Grants

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