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# ***Joint Presentation to the California Air Resources Board & California Transportation Commission***

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***December 2018***

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# *Preview of Presentation*

- Partner Agencies
- Relationship to CTP
- What's Required of the RTP/SCS
- Need for Equitable Sustainable Revenue

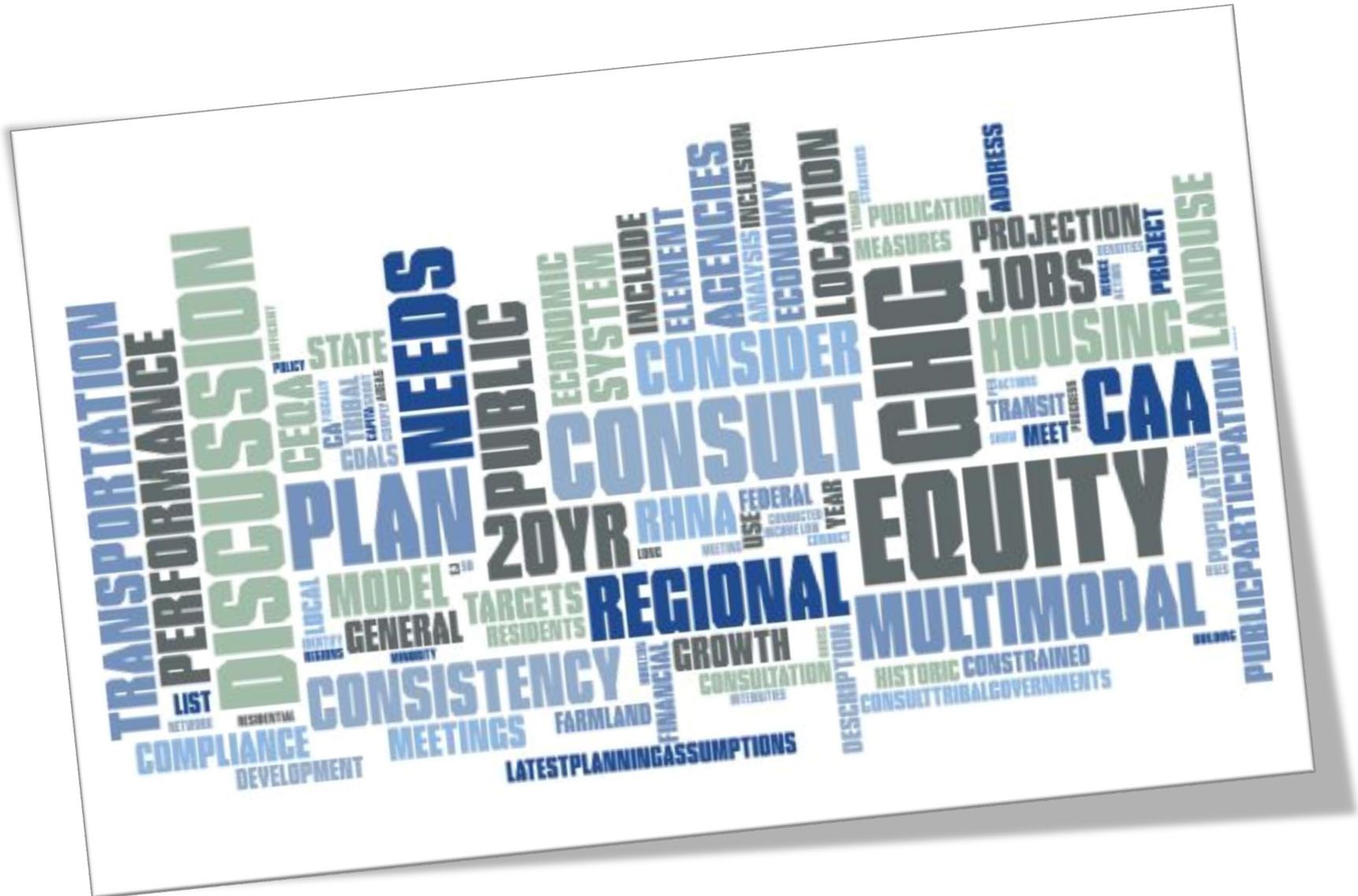
# Partners Along the Way...



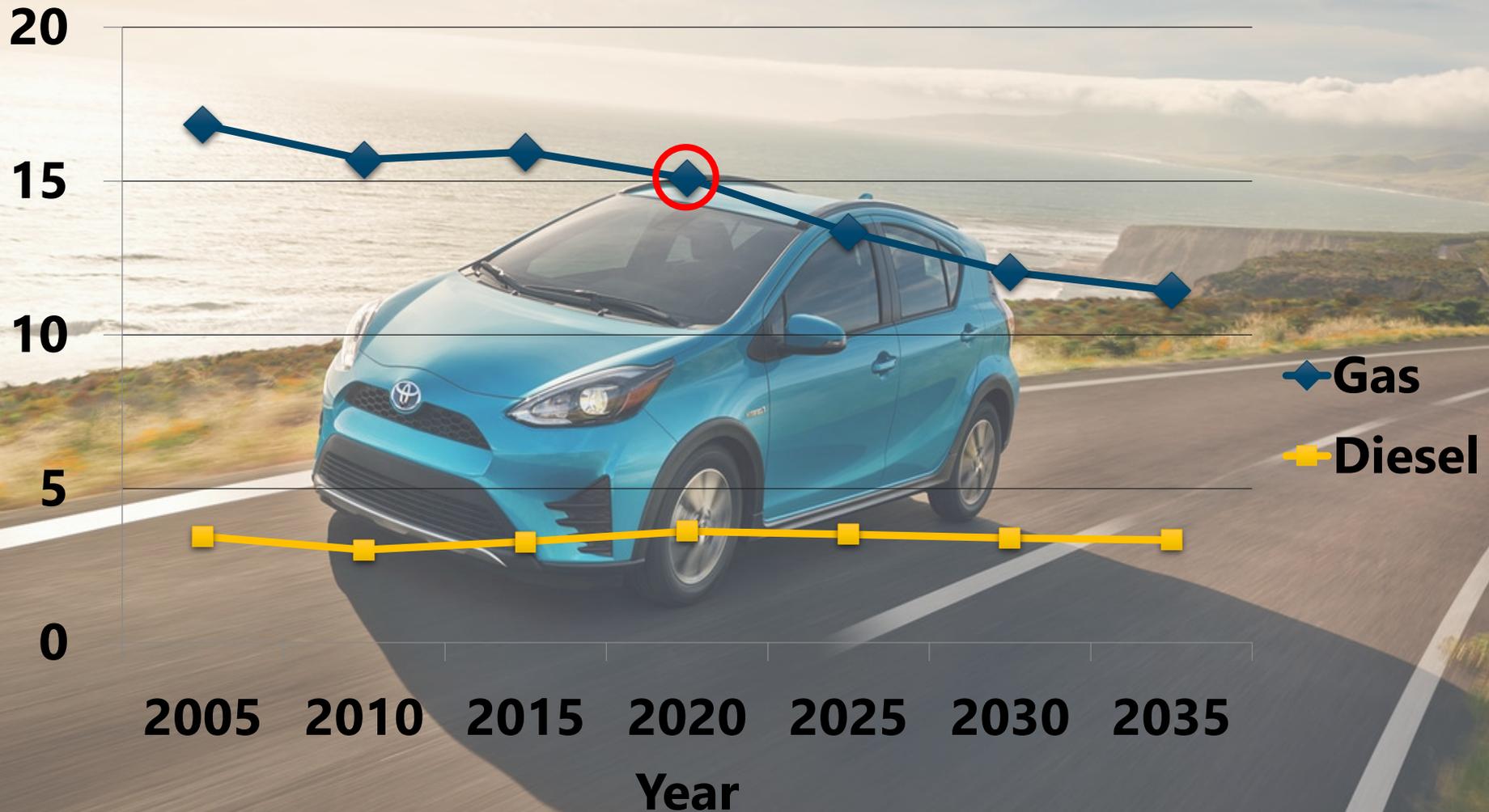


Provides and **unconstrained aspirational** statewide transportation system **vision** that lays out the role for the State in partnering with regions to deliver a transportation system right for California today and tomorrow.

# 70+ Federal & State Requirements



# ~ 30% less gas consumed by 2035 (Billions of Gallons)



**Proposals for Highway Trust Fund Accounts – CBO's Estimate of the President's Fiscal Year 2018 Budget**  
 (Billions of dollars, by fiscal year)

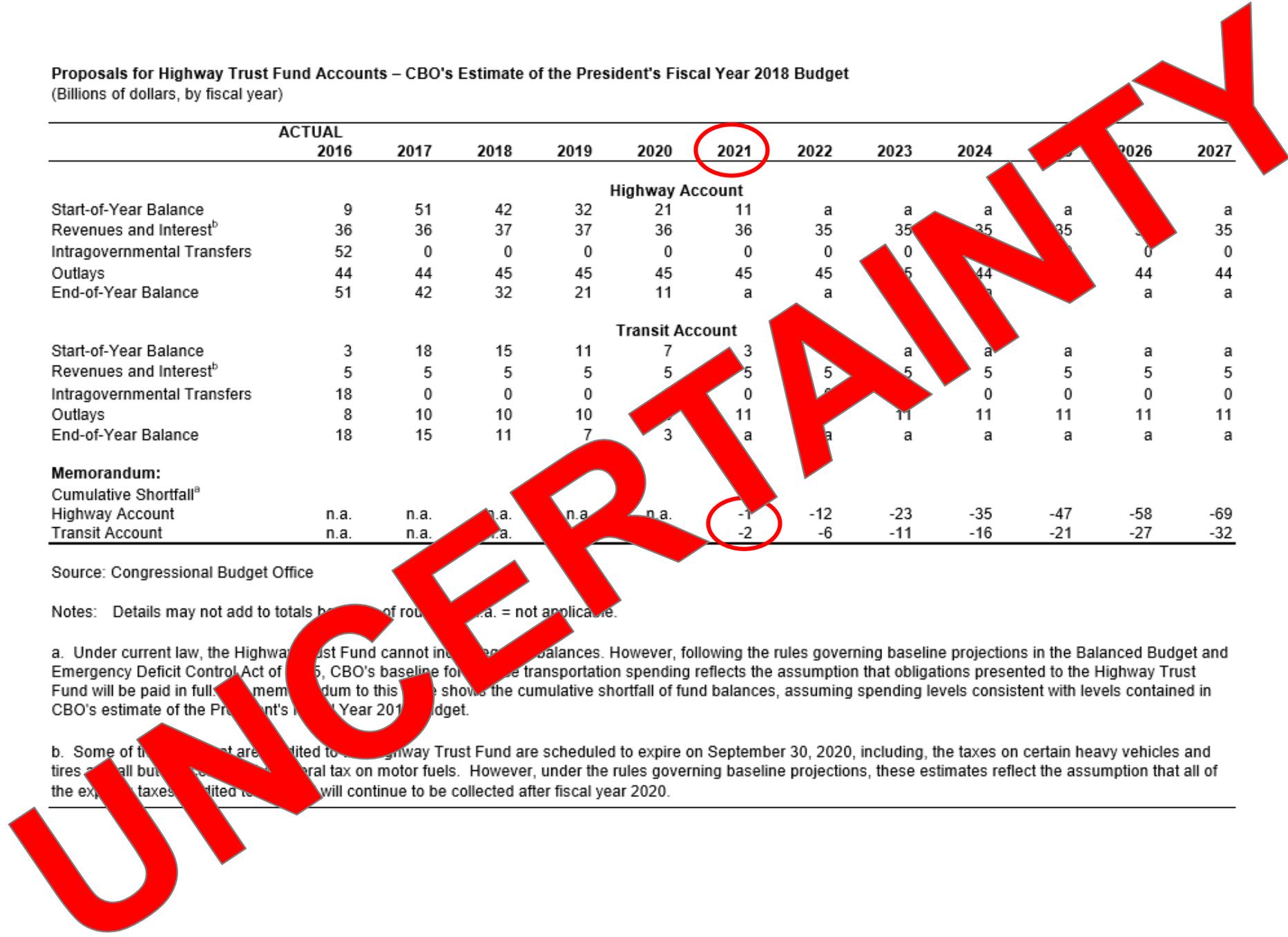
	ACTUAL 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Highway Account</b>												
Start-of-Year Balance	9	51	42	32	21	11	a	a	a	a	a	a
Revenues and Interest <sup>b</sup>	36	36	37	37	36	36	35	35	35	35	35	35
Intragovernmental Transfers	52	0	0	0	0	0	0	0	0	0	0	0
Outlays	44	44	45	45	45	45	45	45	44	44	44	44
End-of-Year Balance	51	42	32	21	11	a	a	a	a	a	a	a
<b>Transit Account</b>												
Start-of-Year Balance	3	18	15	11	7	3	a	a	a	a	a	a
Revenues and Interest <sup>b</sup>	5	5	5	5	5	5	5	5	5	5	5	5
Intragovernmental Transfers	18	0	0	0	0	0	0	0	0	0	0	0
Outlays	8	10	10	10	10	11	11	11	11	11	11	11
End-of-Year Balance	18	15	11	7	3	a	a	a	a	a	a	a
<b>Memorandum:</b>												
Cumulative Shortfall <sup>a</sup>												
Highway Account	n.a.	n.a.	n.a.	n.a.	n.a.	-1	-12	-23	-35	-47	-58	-69
Transit Account	n.a.	n.a.	n.a.	n.a.	n.a.	-2	-6	-11	-16	-21	-27	-32

Source: Congressional Budget Office

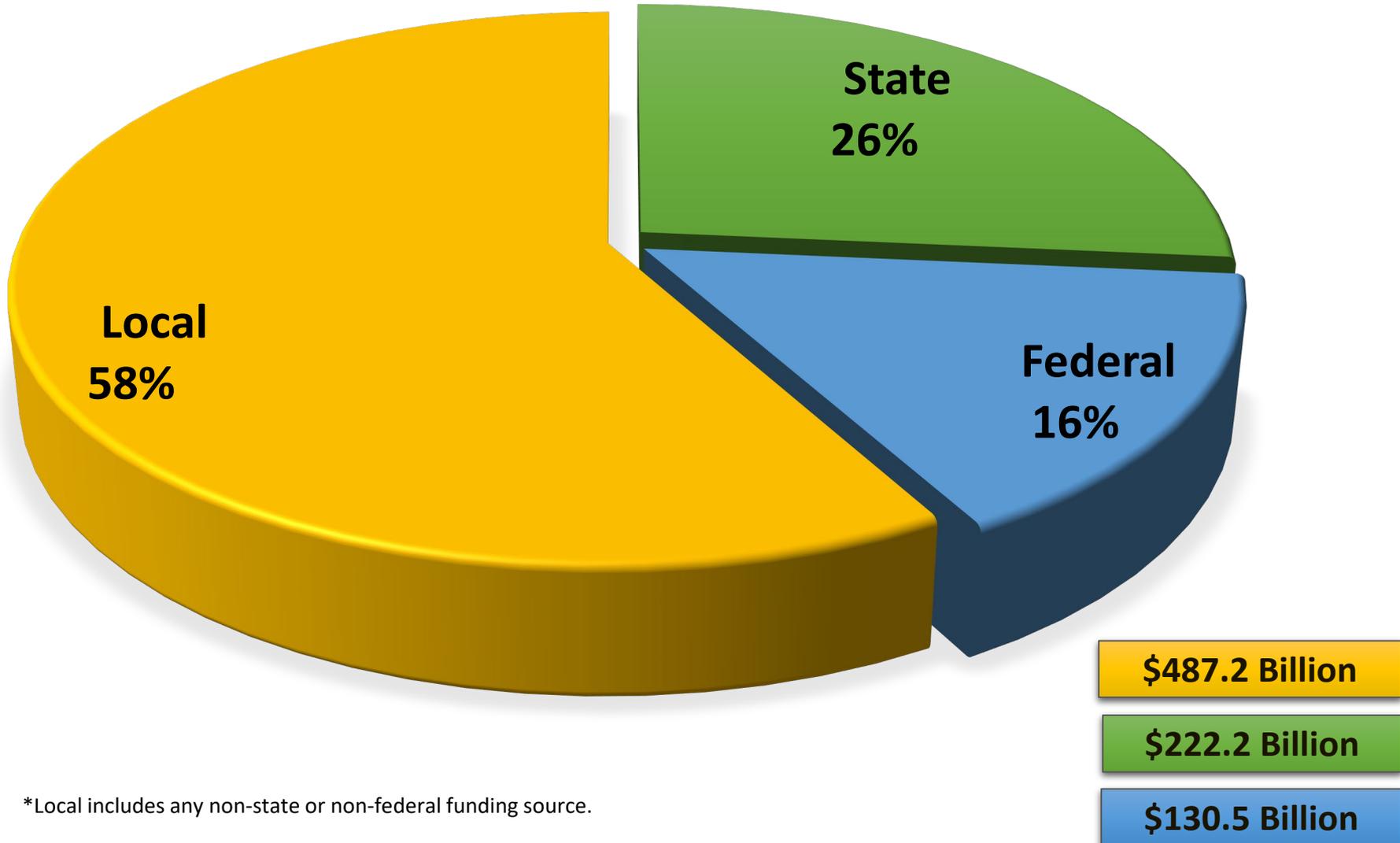
Notes: Details may not add to totals because of rounding. n.a. = not applicable.

a. Under current law, the Highway Trust Fund cannot increase its balances. However, following the rules governing baseline projections in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline for transportation spending reflects the assumption that obligations presented to the Highway Trust Fund will be paid in full. This memorandum to this table shows the cumulative shortfall of fund balances, assuming spending levels consistent with levels contained in CBO's estimate of the President's Fiscal Year 2018 Budget.

b. Some of the taxes that are credited to the Highway Trust Fund are scheduled to expire on September 30, 2020, including, the taxes on certain heavy vehicles and tires and all but one cent of the federal tax on motor fuels. However, under the rules governing baseline projections, these estimates reflect the assumption that all of the expired taxes credited to the Highway Trust Fund will continue to be collected after fiscal year 2020.

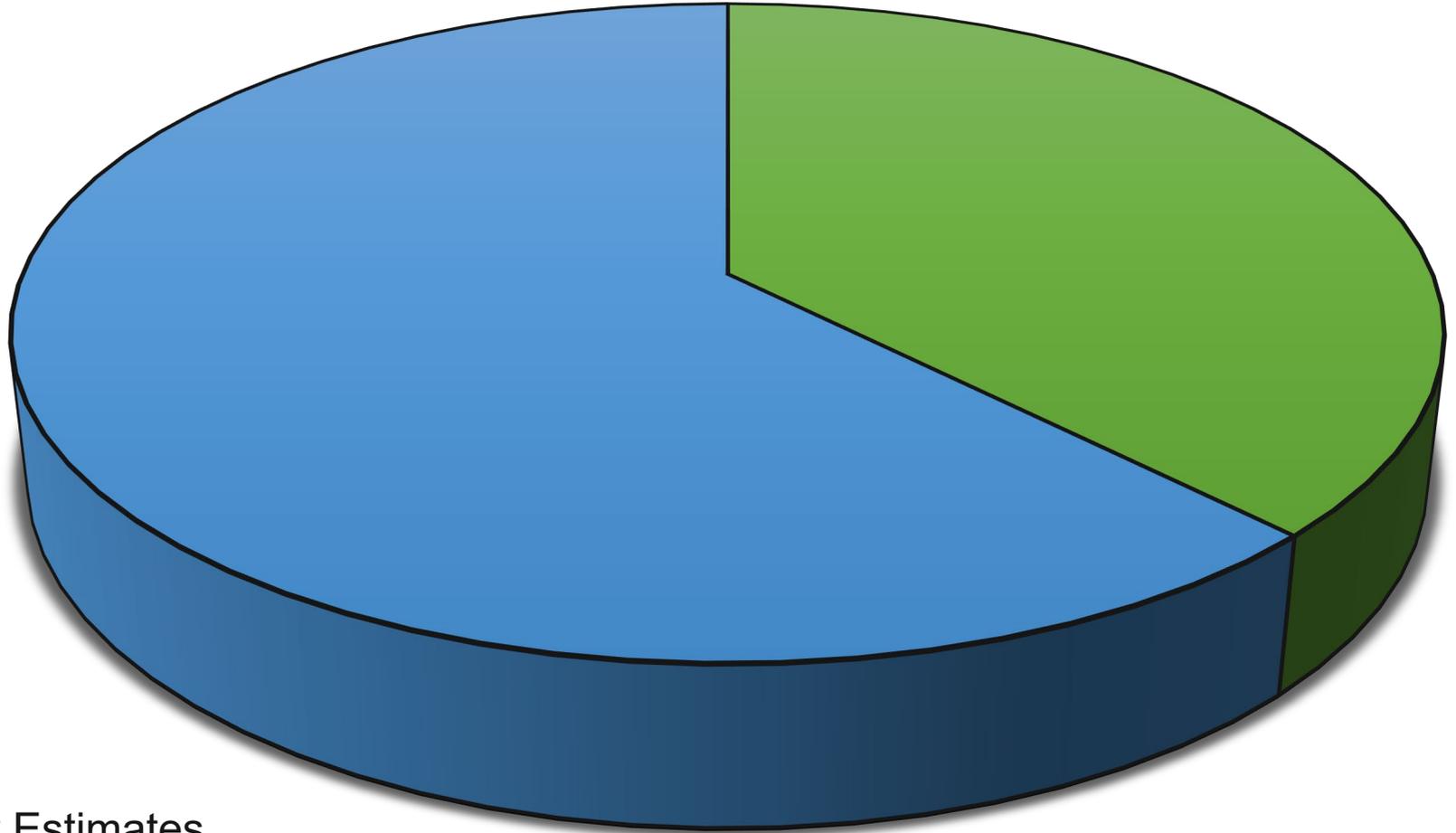


# *\$130 Billion from Federal Sources*



\*Local includes any non-state or non-federal funding source.

# *Maintenance Funding Needs Remain*



## 10-year Estimates

- Estimated SB 1 Funding (\$52 Billion)
- Ongoing Unmet Maintenance Need (\$86 Billion)

# *Funding for Affordable Housing Needed*



***\$2 Billion Shortfall***  
*(Last 3 Fiscal Years AHSC)*

# *Stay Tuned... What's after lunch*

- RTP/SCS successes and challenges
- What we learned
- What we need



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# ***Presentation Overview***

- Who we are
- What we thought when SB 375 passed
- RTP/SCS Highlights, Challenges and Needs

# 6 Million More Californians in Our Regions by 2035



Metropolitan  
Transportation  
Commission



San Joaquin  
Council of  
Governments



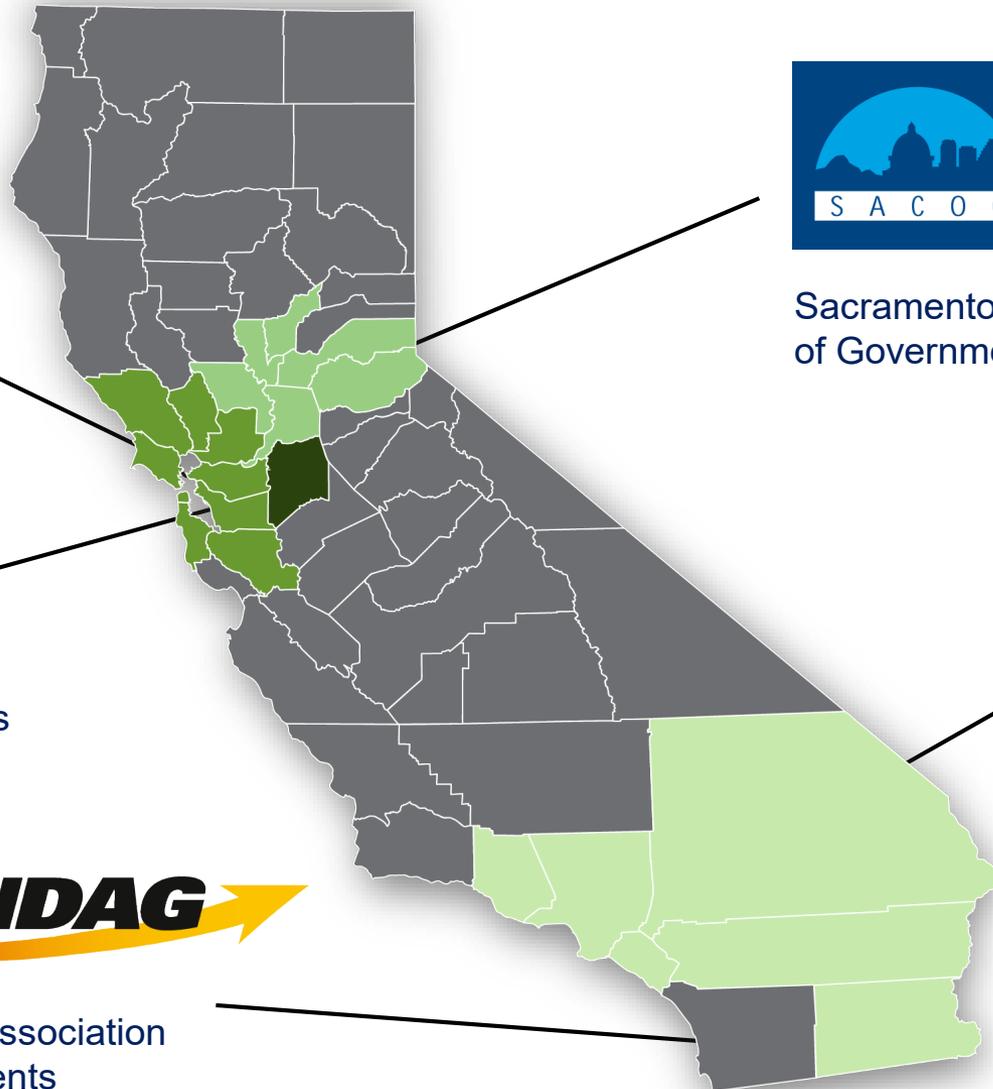
San Diego Association  
of Governments



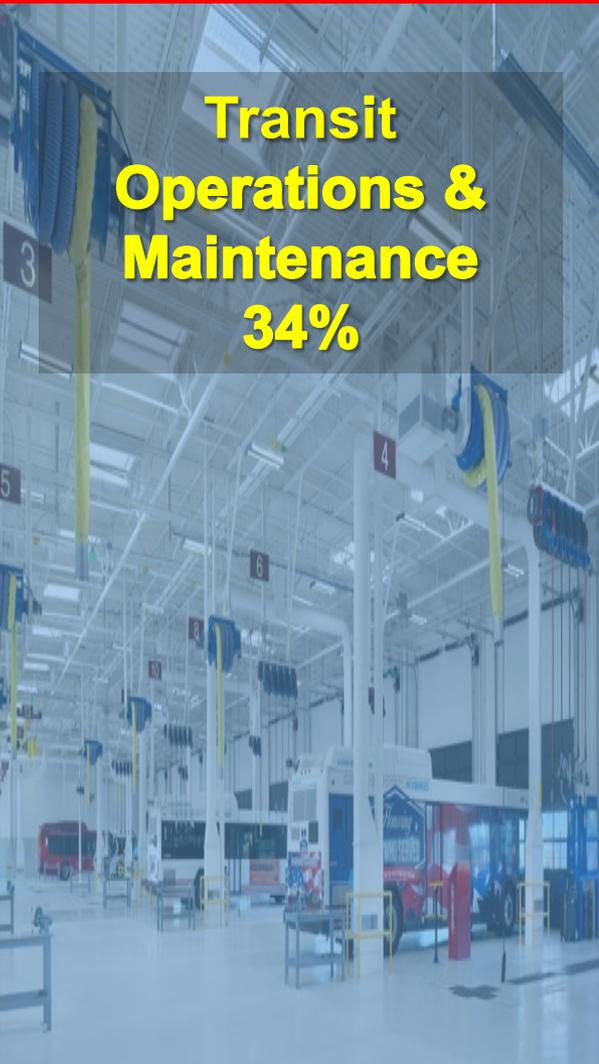
Sacramento Area Council  
of Governments



Southern  
California  
Association of  
Governments



# Invested Through 2035



**Transit  
Operations &  
Maintenance  
34%**



**Roadway  
Maintenance/  
Operations  
24%**



**Goods  
Movement\*  
8%**



**Priced/  
Managed  
Lanes  
5%**



**Transit  
Capital  
21%**



**New General  
Purpose  
Lane  
5%**



**Bike/Ped  
3%**

\*This box is an underestimate of goods movement projects as only SCAG identifies goods movement projects through separate category.  
Excludes – Debt service, some environmental mitigation and landscaping, and other support cost

# *In 2008, When SB 375 Passed*

## **We thought...**

1. The economy would continue to grow
2. The state's population would continue to grow in similar ways
3. More housing would be built
4. Redevelopment would play a vital role in success
5. We had significant questions about the impact of technology, but never envisioned TNCs
6. We would find a way to capture choice transit riders
7. Gas prices would continue to climb



# Plan Bay Area 2040 Highlights



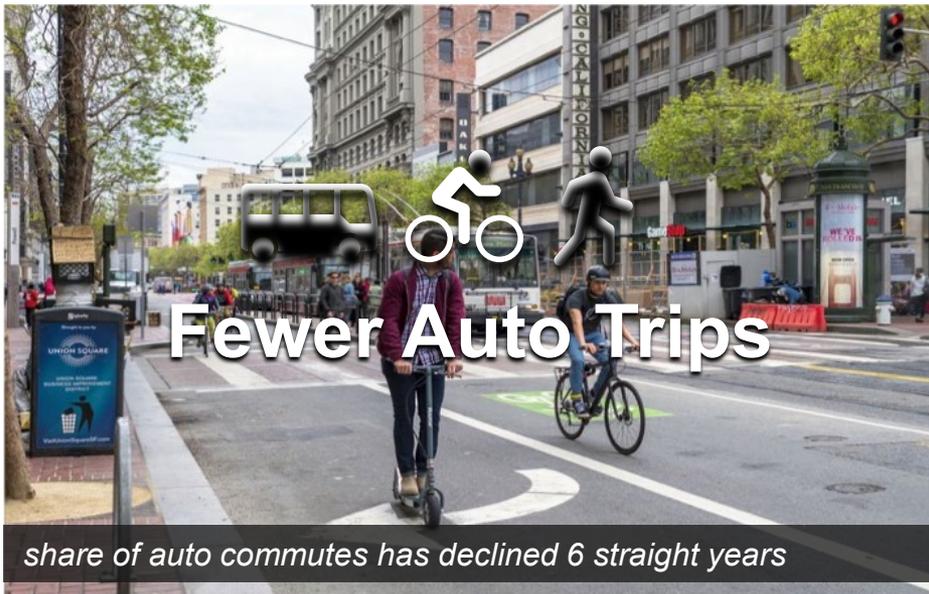
**Focusing Growth**

77% of growth is forecasted in PDAs 46% in Big 3 Cities

This panel features a background image of a city skyline with an American flag. Overlaid on the image are white icons of three buildings and a train. The text 'Focusing Growth' is prominently displayed in the center, and a dark grey bar at the bottom contains the statistics.

**Reinvesting in our System**

90% of forecasted revenues operate, maintain, and modernize

This panel shows a BART train stopped at a station platform. A woman is leaning out of the train door. A white icon of a train is positioned above the text 'Reinvesting in our System'. The BART logo is visible on the side of the train. A dark grey bar at the bottom contains the percentage statistic.

**Fewer Auto Trips**

share of auto commutes has declined 6 straight years

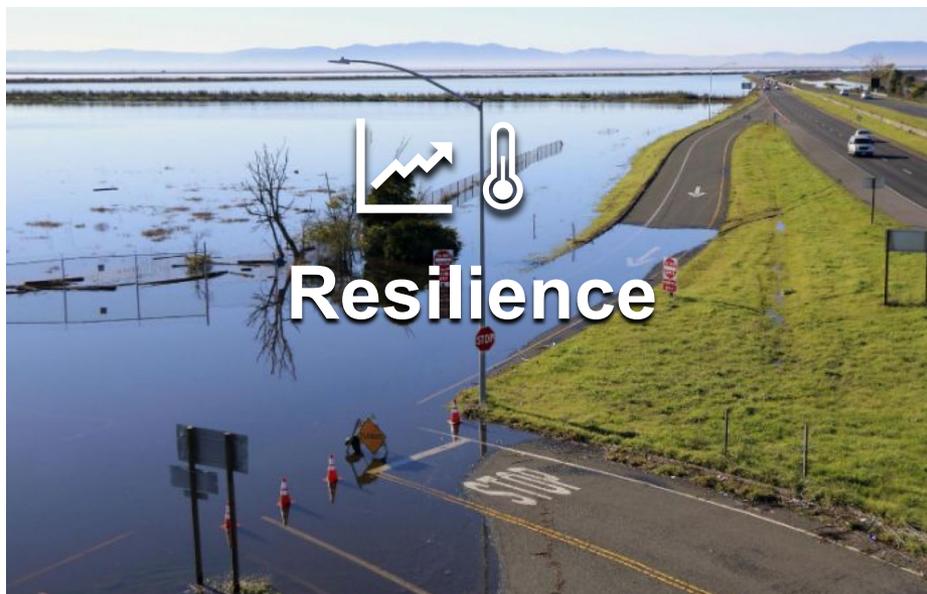
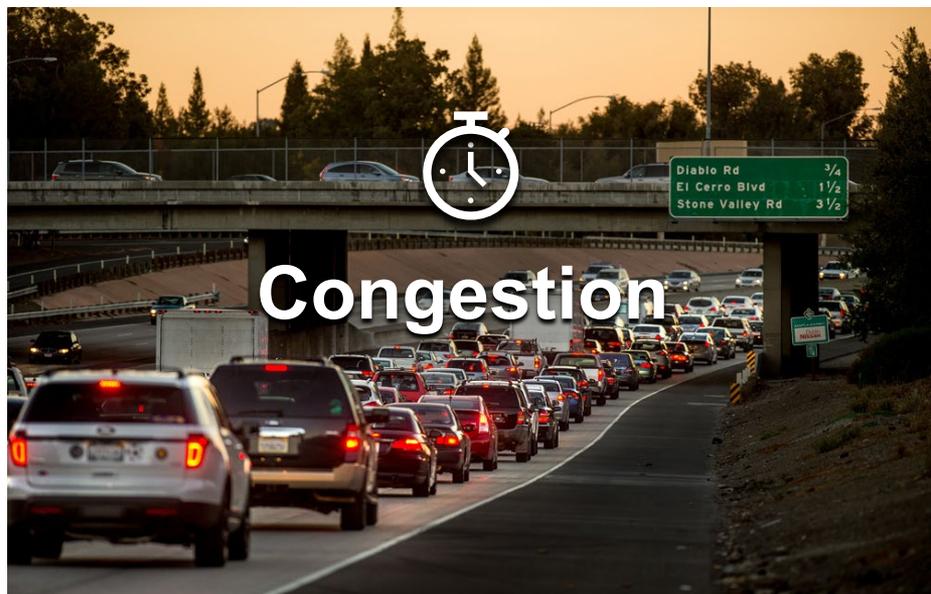
This panel depicts a city street scene with a bus, a cyclist, and a pedestrian. White icons of a bus, a bicycle, and a person walking are overlaid on the image. The text 'Fewer Auto Trips' is centered, and a dark grey bar at the bottom contains the statistic.

**Supporting Disadvantaged Communities**

40% of Plan expenditures benefit low income persons

This panel shows a person looking at a smartphone while sitting on a train. A white icon of a bus and a house are overlaid on the image. The text 'Supporting Disadvantaged Communities' is centered, and a dark grey bar at the bottom contains the percentage statistic.

# Plan Bay Area 2050 Challenges

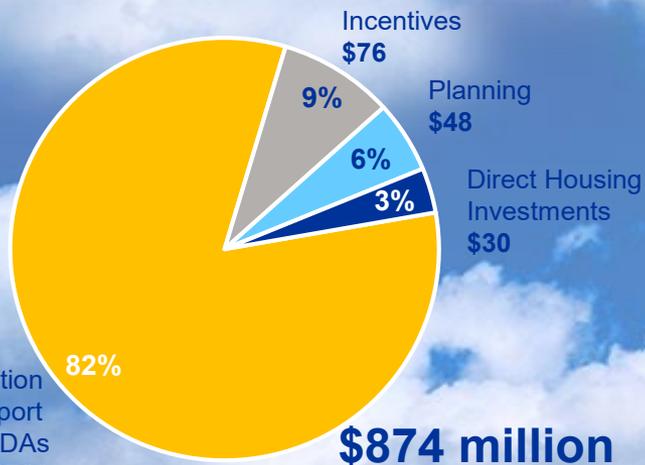


# Taking Action for Success



## Programs to Support PDAs & Affordable Housing

FY13-FY22, in millions



### OBAG: Linking Transportation Investments to Housing Outcomes

## *DRAFT* CASA Compact Framework



### CASA: Creating a Bold Regional Housing Compact

# Policy Recommendations



**Partner with regions on bold housing actions**

*\$2.5 billion annually needed to address Bay Area housing affordability crisis*

**Increase reliable funding for regions to connect housing, transportation and equity goals**

*MTC has relied on federal formula funds for its OBAG program*

**Modernize program administration**



*Means-based programs & emerging mobility projects require new streamlined approaches*

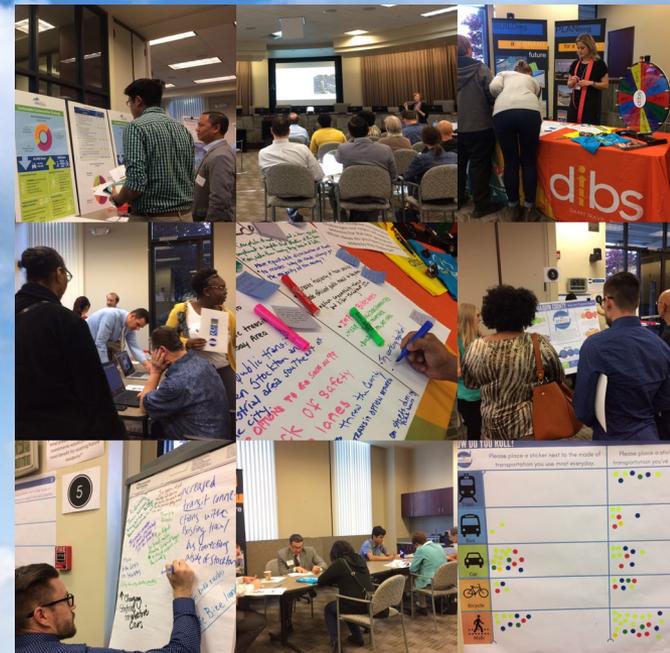
# RTP/SCS Highlights

## Goal – balancing mobility needs:

- Housing to meet future need
- Regional transit expansion
- Strategic roadway improvements
- Enhance goods movement
- Improve public health outcomes

## Approach – Solicit feedback:

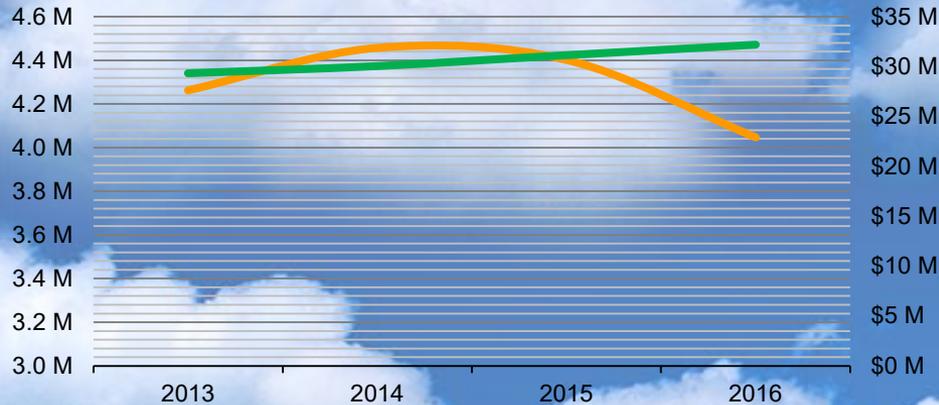
- Mini-grants awarded to community-based organizations serving low-income communities
- 400% increase in public participation



# RTP/SCS Challenges

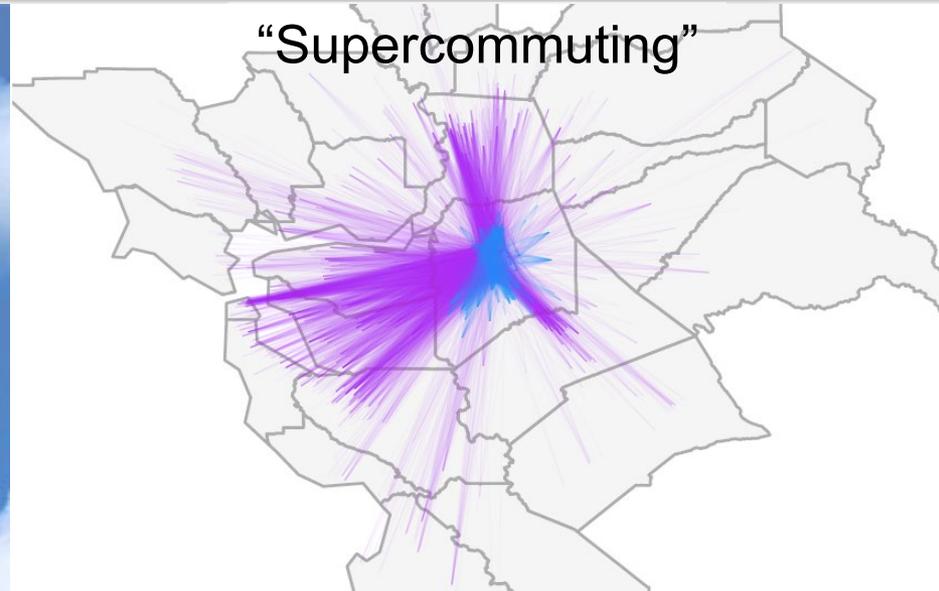
## Bus Ridership vs. Operating Expense

Trips Operating Cost



Note: Ridership for regional rail continues to increase

## “Supercommuting”



## Income Levels

### Bay Area

Household Income = \$120,000  
 Median Home Value = \$657,000

### San Joaquin Valley

Household Income = \$67,000  
 Median Home Value = \$201,000

## Rural & Urban



# Success Stories

- Bus Transit: All-electric BRT by 2025, TNC-style alternative
- Rail Transit: Expansion into Sacramento and Merced
- Public Health: Pilot project to integrate public health metrics into the latest RTP/SCS, incorporate into action steps
- Housing: Assisting local groups in their efforts to secure funding for affordable housing



# *Policy Recommendations*



- Redevelopment is our largest missing tool
- Mobility is evolving – fund sources must become flexible enough to support this evolution
- Accelerate the development and improvement of technologies that reduce emissions
- Statewide pricing strategies

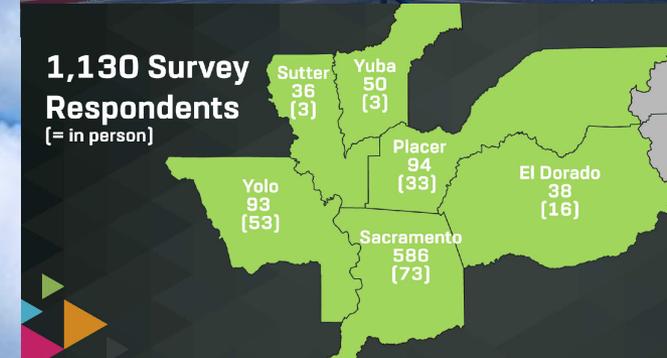
# Highlights



- **CEQA streamlining for development projects (10 to date)**
- **Robust public engagement (more online than in person)**
  - Equity Working Group
- **Civic Lab – incubator for cities and counties**
  - Year 1 focus on first/last mile mobility & P3s
  - Year 2 focus on revitalizing suburban retail corridors
- **Changes to local general plans – TOD policies adopted**
- **Leverage opportunities**
- **Technical assistance for small towns & rural main streets**
- **Rural-Urban Connection Strategy supporting ag economies**



**1,130 Survey Respondents**  
(= in person)



## CIVICLAB

SACRAMENTO REGION



RURAL - URBAN  
CONNECTIONS STRATEGY

# *Challenges*



- **SB375 adopted right as we hit the Great Recession**
- **Loss of redevelopment as key fiscal tool**
- **TOD requires new infrastructure (water/sewer etc.)**
- **Infill development economics in our region & valley wide**
- **State level programs and criteria not geared for smaller communities**

# Project Success Stories



- Megaregional rail improvements from Roseville/Natomas to Silicon Valley
- Downtown/Riverfront Streetcar supports housing for 34,000 and 77,000 jobs
- New electric shuttles from SMF Airport to Downtown, UC Davis to Downtown
- Electric carshare, bikeshare, & shuttles with emphasis on low-income communities
- On demand transit to carry low-income youth to summer construction jobs



# ***Policy Recommendations***



- **Replacement mechanism for redevelopment**
- **Flexible infrastructure funds to support infill**
- **Support for “next generation transit” in suburbs & small towns**
- **Pilot programs for innovative pricing**
- **More favorable GGRF criteria so smaller communities can compete**

# Highlights

- Incentives for smart growth and active transportation
- Habitat conservation
- Regional Mobility Hub Strategy
- Electric Vehicle Promotion
- Bike Early Action Program
- Community Based Organizations and Equity Guidelines



# Challenges



- Changes in land use patterns will be incremental
- Integration of technology and new mobility services in an uncertain and evolving space
- Potential pricing policies and equity considerations
- Housing affordability



# Successes I-5 North Coast Corridor



Trail at San Elijo Lagoon Bridge



San Elijo Lagoon Highway Bridge



San Elijo Lagoon rail bridge

# Policies to Support SCS Implementation



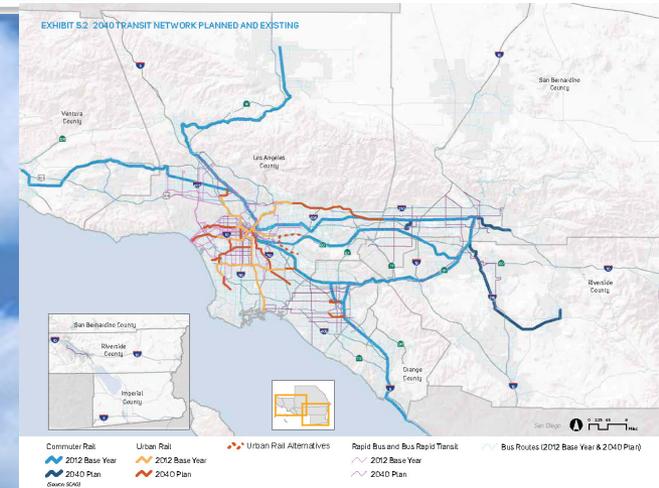
- More emphasis on best practices and less emphasis on modeling green house gas emissions
- Pricing legislation
- Incentives for Smart City initiatives
- Partnerships for EV charging programs and climate planning



# 2016 RTP/SCS Highlights



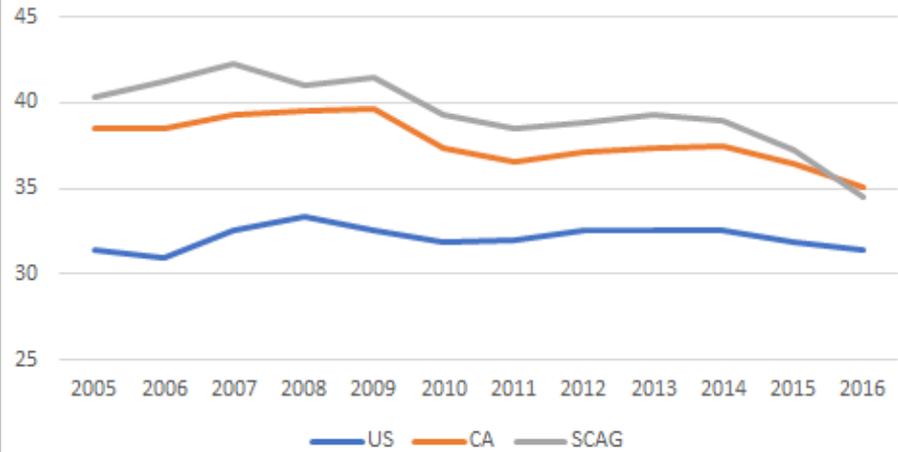
- Rail Transit System Expansion
- Strategic Highway Investments (e.g., HOV/HOT)
- Sustainable Land Use Strategies (e.g., HQTAs)
- Short Trip and First/Last Mile Strategies
- Improving Public Health
- Investing in Goods Movement Infrastructure
- Expanding EJ Outreach



# 2020 RTP/SCS Challenges



## Transit Use per Capita



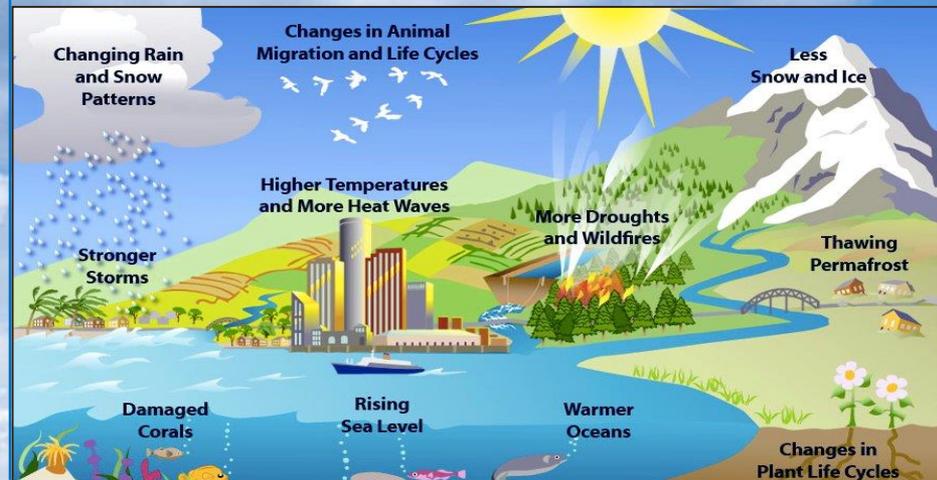
## Housing Crisis



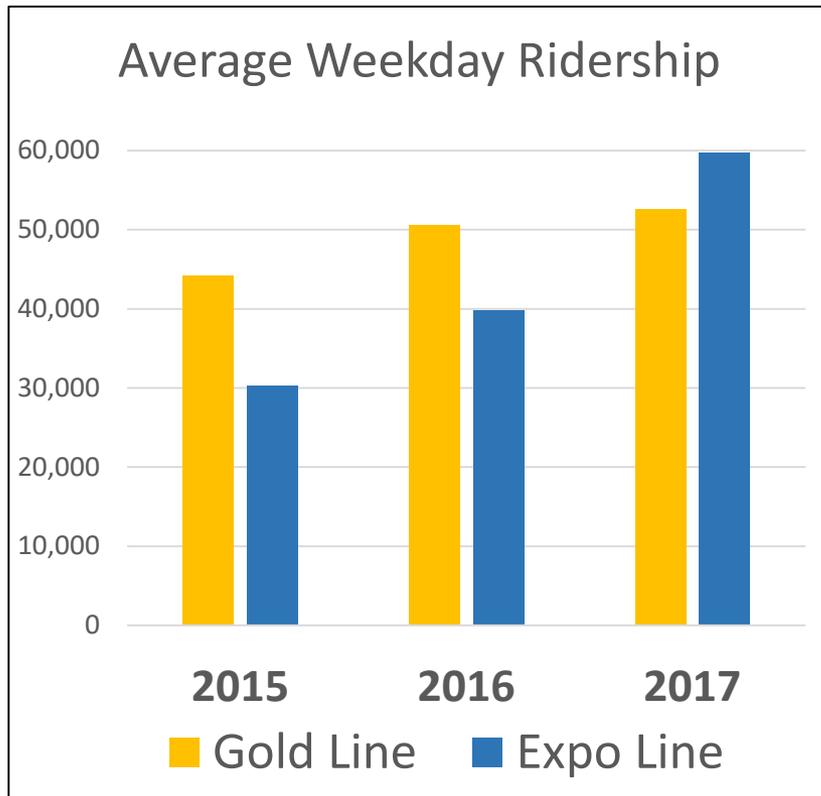
## New Technology



## Climate Resilience



# Successes in Transportation, Environment, and Equity



Source: <http://isotp.metro.net/MetroRidership/Index.aspx>

## SB 535 Disadvantaged Communities Around Expo Line



## SB 535 Disadvantaged Communities Around Foothill Gold Line



# *Policy Recommendations*



- Greater and sustainable funding and tools to support RTP/SCS implementation
- Re-establishing the Redevelopment Agency (RDA) with GHG reduction strategy emphasis
- State leadership roles in deploying new transportation technologies with VMT reductions
- State leadership roles in implementing pricing strategies with VMT reductions & equity outcomes
- CEQA streamlining for pivotal RTP/SCS projects



- **Reinvent Redevelopment.** Establish location-efficient Redevelopment with GHG reduction strategy emphasis
- **Adapt to Evolving Mobility & Technology.** Funds must be flexible enough to support this evolution and EV infrastructure
- **Embrace Innovation.** State leadership roles in deploying new transportation technologies with VMT reductions
- **Pricing Should Account for Equity.** State leadership roles in implementing equitable pricing strategies with VMT reductions
- **Reliable & Consistent Funding.** Greater and sustainable funding and tools to support RTP/SCS housing, transportation, and equity outcomes
- **Incentivize Bold Housing Actions.** Incentives to encourage innovative GHG reducing housing solutions and infill



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