

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/08/19	Open	Information	04/04/19

Subject: SACOG’s Green Means Go Pilot Program

ISSUE

Update the Board on the Sacramento Area Council of Government’s (SACOG’s) Green Means Go Pilot Program.

RECOMMENDED ACTION

None at this time. The Board may direct staff to return with an Action Item on this topic at a later meeting.

FISCAL IMPACT

None.

DISCUSSION

SACOG is making efforts to secure implementation funding in the 2019-20 State Budget for a new *Green Means Go* pilot project in the Sacramento region. Toward that end, Senator Dr. Richard Pan, Sixth District, and Assemblymember Ken Cooley, Eighth District, have submitted a budget request letter to the relevant Senate and Assembly Subcommittees seeking funding in the amount of \$400 million for such a program (see Attachment 1 – Budget Request Letter).

In summary, the initiative proposes to move the region from an 18% greenhouse gas (GHG) reduction target by 2035 to a 19% target by accelerating infill development, reducing vehicle trips, and electrifying remaining vehicle trips in specific areas identified as “Green Zones” (see Attachment 2 – Green Means Go Fact Sheet).

Developments of the Green Means Go Pilot Program

Activities that have already taken place:

- SACOG member jurisdictions (cities, counties, etc.) were invited to submit pre-applications for proposed Green Zones.
- SACOG member jurisdictions were asked to submit letters of support.
- Although SacRT is not a member jurisdiction and was not invited to submit a formal pre-application, SacRT was encouraged to submit ideas for Green Zones regardless of jurisdiction, and submitted a pre-application despite the initial indication that it was for member entities only. As the program is currently proposed, SacRT will be unable to apply to the program, directly should it be funded, and would have to partner with a member

Approved:

Presented:

Final 04/04/19

General Manager/CEO

VP, Finance/Chief Financial Officer

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organization on an application. However, SacRT was invited to submit a supportive resolution passed by the SacRT Board.

Activities that would take place if the pilot program receives funding in the state budget:

- SACOG will administer the *Green Means Go* funds through an application process open to SACOG’s member jurisdictions in the six county region.
 - Transit providers cannot apply on their own. Transit providers would need to partner with SACOG member jurisdictions on applications.
- Transit providers may establish a Transit Green Zone within a city or county Green Zone.
 - Transit Green Zones must focus on transit investments that support efforts within the larger Green Zone.

Potential funding impacts on SacRT

Given the limited information we have at this time, it is not certain how much funding SacRT or transit projects in general would receive through the Green Means Go pilot project. Staff’s primary concern is that, while SACOG is requesting funding for Green Means Go through a state budget bill, it is not clear as to how this project funding might impact the existing level of funding SacRT receives or how it might impact any future opportunities to increase much needed funding for SacRT. Without clear guidelines or pre-established funding percentages for transit, a large state investment in the Sacramento region through Green Means Go could have unintended consequences on SacRT’s funding.

SacRT has been very successful in securing SB1 competitive funds, including \$64.3 million in the 2018 Transit and Intercity Rail Capital Program (TIRCP) funding round and \$20.3 million in the 2018 Congested Corridors funding round for the Light Rail Modernization and Gold Line Frequency Enhancements projects. Staff is concerned that, in upcoming TIRCP and Congested Corridors competitive funding rounds, if the committees scoring the applications or administering the programs perceive that some of the Sacramento region’s transit needs are being met—or should be met—through Green Means Go, SacRT’s needs could be viewed as less urgent or deserving than other needs statewide.

Staff believes that one way to ensure transit is not disadvantaged by this pilot program is to set aside a share of the pilot program funds for public transit operators, and further believes that setting aside 30 percent of the Green Means Go funds for public transit providers is a reasonable request given the information below.

Determining a reasonable share for transit

SacRT staff conducted an analysis to see how the SACOG region’s flexible funds, including Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) and State

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Transportation Improvement Program (STIP) apportionments, have been distributed over the past decade.¹

The following are the key findings from that analysis:

- During FY11-FY19, the average annual apportionment to the **SACOG region** was approximately **\$75 million**
- During FY11-FY19, the region’s **transit providers**, including SacRT, received an annual average of **\$12 million** of these funds (approx. 16%)
- During FY11-FY19, **SacRT** received an annual average of **\$6.7 million** of these funds (approx. 9%)

Note: Of the \$12 million of transit funding, SacRT only received 58% of the funds, despite providing nearly 74% of the passenger trips in the four-county region covered by the Regional Funding competition. Because SacRT carries the majority of ridership, it has the ability to have the most significant impact on reducing greenhouse gas emissions and therefore would like to see this percentage be increased.

When a similar modal analysis was done of the major funding sources (STP, CMAQ and STIP) programed by our peer Metropolitan Planning Organizations (MPOs) in California, **SacRT staff found that the share of funds programmed to transit was 27%**. (See Attachment 3 – Peer Review). Having 27% of the region’s flexible funding for transit would allow SacRT to really attract and retain new riders by providing reliable service, updating our fleets, and making necessary investments in state of good repair.

SACOG’s most recent long range plan, the 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), calls for **30% of the region’s transportation investments over the 20 year period, or \$10.6 billion of the \$35.2 billion total, to go toward transit operations and transit capital**. This is in addition to a 5% or \$1.7 billion investment in transit supportive activities such as transportation demand management (TDM), traveler information, transportation enhancements, Community Design, and Air Quality programs.

Next steps and other ideas to consider

Staff is seeking guidance from the SacRT Board related to SACOG’s *Green Means Go* pilot project. Some options have been provided for the Board’s consideration:

- Submitting a resolution in support of the *Green Means Go* pilot program, contingent upon one or more of the following:

¹ This analysis was performed using SACOG’s Metropolitan Transportation Improvement Program (MTIP), which is a comprehensive database that tracks the projects and project sponsors that received certain federal and state funds. The MTIP is required by state and federal regulations to be an accurate accounting of programming activity.

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- As one of the largest contributors to reducing greenhouse gas (GHG) emissions for the region, SacRT must be eligible to apply on its own for projects that would reduce GHG.
 - The region's transit providers must be guaranteed a certain percentage of the Green Means Go pilot funds. Staff believes that setting aside 30% of the funds for transit would be a reasonable request.
 - This new funding source must not replace or negatively impact our existing funding.
- Submitting a resolution in support of the Green Means Go pilot program, as is.

Conclusion

Staff is seeking guidance from the Board on whether the steps discussed above should be progressed or if there are other approaches or recommendations to pursue.

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California State Senate

SENATOR
DR. RICHARD PAN
SIXTH SENATE DISTRICT



CHAIR
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& HUMAN SERVICES
COMMITTEES
BUDGET & FISCAL REVIEW
EDUCATION
BUSINESS, PROFESSIONS
& ECONOMIC DEVELOPMENT
HUMAN SERVICES
LABOR, PUBLIC EMPLOYMENT
& RETIREMENT

Senator Bob Wieckowski
Chair, Subcommittee 2 on Resources,
Environmental Protection, Energy and
Transportation
State Capitol, Room 5050

Assemblymember Richard Bloom
Chair, Subcommittee 3 Resources and
Transportation
State Capitol, Room 6026

Re: SACOG Green Means Go Funding

Dear Chairs Weickowski and Bloom,

We write to request funding in the amount of \$400 million for the Green Means Go program to pair targeted housing and transportation investments together to spur catalyst infill projects in the Sacramento region and reduce greenhouse gas (GHG) emissions.

Green Means Go is a four-year pilot program to accelerate infill development in the Sacramento region and compliment that development with transportation changes to reduce and electrify passenger vehicle trips. The Sacramento Area Council of Governments (SACOG) forecasts its six-county region (El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba) will need 11,000 housing units a year to meet projected demand, with about 7,000 of those units needed in infill areas in order to help the region meet its ambitious SB 375 GHG reduction goals. This is significantly less than the region's current average, despite efforts by local jurisdictions to attract infill development. The state's investment, paired with additional local policy changes, will help spur the infill needed to meet these targets. Additionally, pairing that investment with funding to provide additional travel options will further reduce vehicle trips and reduce GHG emissions.

With Green Means Go, local jurisdictions will designate Green Zones, in which they must take specific actions to promote infill development and reduce existing barriers, while also providing new transportation options. Examples include reducing impact fees, zoning and other policy changes, infrastructure investments, transit improvements, micro transit programs, and enhanced bike and pedestrian infrastructure.

State funding is needed to help implement these actions and further incentivize local development and housing production. \$400 million, spread over four years, will help spur catalyst infill development projects in the six-county region that pair accelerated infill

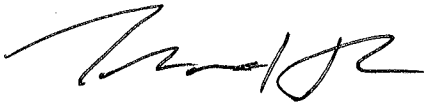


development with accelerated transportation options. Green Zones, in a partnership of state funding and local government action, create areas targeted for infill and compact development, increasing housing and transportation options and promoting shorter, fewer, and cleaner vehicle trips.

SACOG developed Green Means Go to enhance implementation of its SB 375 Sustainable Communities Strategy (SCS) and help the region achieve its new GHG emission reduction target of 19% by 2035. In early 2018, the California Air Resources Board (CARB) established the 19% target and, acknowledging the challenges for the SACOG region to meet this target, directed SACOG to develop a pilot program to help it reach a 19% reduction. SACOG developed the pilot in partnership with CARB in order to effectively coordinate growth with transportation investments within SACOG's unique region to achieve the 19% goal.

Green Means Go provides an opportunity to identify the impacts of targeted infill investments and local policy changes on the development of new housing and infill projects when paired with targeted investments in additional travel options. As CARB's recent SB 150 report noted, we need to make significant changes to how we build and invest in communities if we are going to meet our climate goals. Across all levels of government, we must recognize the "interconnected relationship of land use, housing, economic and workforce development, transportation investments, and travel choices." Green Means Go does this and provides an opportunity to learn how to best to make the investments needed to meet our state's climate goals.

Sincerely,



Dr. Richard Pan
Senator, Sixth District



Assemblymember Ken Cooley
Eighth District



Christina Lokke
Policy Manager
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Sacramento Region Greenhouse Gas Reduction Program

Green Means Go is a multi-year pilot program to lower greenhouse gas emissions in the six-county Sacramento region by accelerating infill development, reducing vehicle trips, and electrifying remaining trips. Local jurisdictions will designate Green Zones, in which they must take specific actions to promote infill development and reduce existing barriers and provide new transportation options. State funding is needed to help implement these actions and further incentivize local development and housing production. Green Zones, in a partnership of state funding and local government action, create areas targeted for infill and compact development, increasing housing and transportation options and promoting shorter, fewer, and cleaner vehicle trips.

Green Zones:

- Established by local jurisdictions; must have infill capacity, be in an area planned for intensification, and in a SACOG identified center/corridor or established community
- Transit providers may work with a city or county to establish a Transit Green Zone within the city/county's Green Zone
- Jurisdictions must make targeted actions in Green Zones in at least one of the three program areas to qualify for funding

Program Areas

Accelerate Infill	Accelerate Travel Options	Accelerate EV Deployment
Accelerate development within areas of existing communities by prioritizing incentives and removing barriers.	Increase transit, bicycle and walking trips through programs, infrastructure improvements, and new mobility options.	Expand options for zero emissions transportation options by increasing access to EV charging, and shared EV programs and fleets.



Illustrative Local Green Zone Actions

Accelerate Infill

- Implement tools in SACOG housing policy toolkit
 - Reduce impact fees
 - Reduce parking requirements
 - Increase density
 - Incentivize Accessory Dwelling Units
 - Expedite zoning variances
- Establish a land bank
- Develop or implement specific plans or studies
- Develop or implement specific infrastructure plan
- Establish a Transportation Demand Management program

Accelerate Travel Options

- Transportation Demand Management program
 - Incentivize alternative transportation options
- Safety improvements that encourage walking
- Bicycle and pedestrian improvements and plans
- Microtransit
- Car share
- Fare prepay system
- Express buses serving the Green Zone
- Additional increased transit options

Accelerate EV Deployment

- Electric Vehicle infrastructure investment
- Electric Vehicle carshare program
- Electric Vehicle TNC/ride hailing fleet

Potential State-Funded Green Zone Investments

Accelerate Infill

- Financial support of specific local actions
- Infrastructure improvements that serve a Green Zone
- Financial assistance directed at small, infill projects (e.g. guaranteeing or facilitating low interest construction loans or gap funding for qualifying projects)
- Land acquisition fund to prepare for an impending recession to help communities rebound more quickly
- Grants to enhance infill markets (e.g. building façade renewal or building community assists such as a park, community center, or library)

Accelerate Travel Options

- Financial support of specific local actions

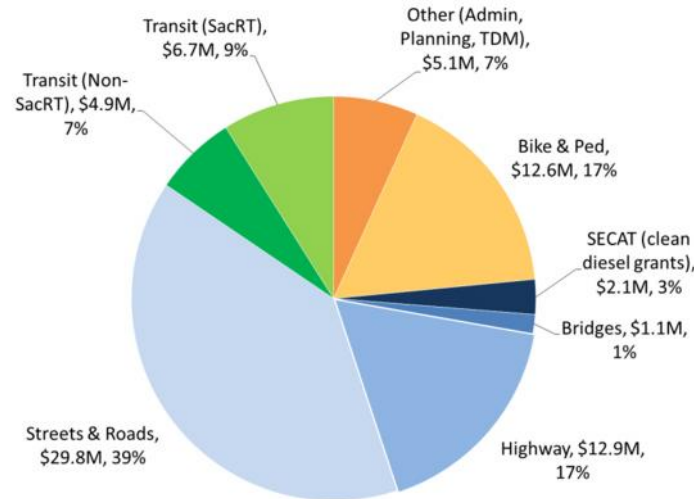
Accelerate EV Deployment

- Financial support of specific local actions

MPO/RTPA Peer Review:
STP, CMAQ & STIP Programming by Mode

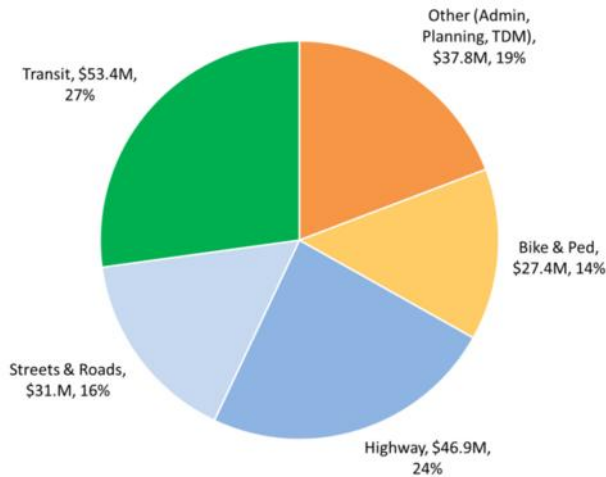
SACOG 9-Year Annual Average (FY11-FY19)

Average Annual Apportionment: \$75.4M*



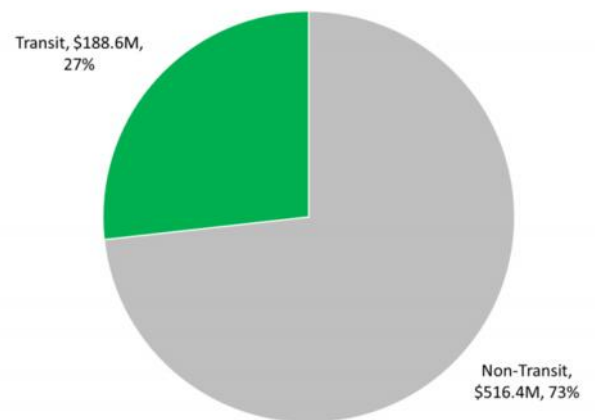
MTC (9-County SF Bay Area Region) Annual Amounts

Average Annual Apportionment: \$196M



SCAG (6-County So. Cal. Region) Annual Amounts

Average Annual Apportionment: \$705M



Data Sources:

- SACOG: 2011, 2013, 2015, 2017 MTIP data from SacTrak plus CMAQ amounts programmed to transit operators in December 2018 as part of 2015 Round Tier 2 Transit Lump Sum Programming
- MTC: CTC 2018 STIP; MTC Resolution No. 4035 (STP/CMAQ)
- SCAG: CTC 2018 STIP; SCAG's "Summary of FFY 2016-17 Annual Listing of Obligations" (STP/CMAQ)