

Climate Initiatives Program - Investment Options

Subject:

Overview of programs recommended for investment to implement Plan Bay Area 2050 (PBA 2050) greenhouse gas emissions (GHG) reduction climate strategies leveraging near-term funding from MTC's One Bay Area Grant (OBAG 3) Program and the federal Carbon Reduction Program (CRP), a new formula-based program established through the Bipartisan Infrastructure Law (BIL).

Background:

This item focuses on strategies that reduce transportation-related GHG emissions, specifically PBA 2050 Environmental (EN) Strategy 8 – expand clean vehicle initiatives and EN 9 – expand transportation demand management initiatives. These strategies, combined with all the strategies in the Plan, contribute to helping the region achieve its 19% statutory per capita GHG emissions reduction target set by the California Air Resources Board for PBA 2050.

While implementing PBA 2050 environmental strategies will help reduce GHG emissions, recent state and federal policy and funding programs also align to address transportation-related GHG emissions. In July 2021, the California State Transportation Agency adopted the Climate Action Plan for Transportation Infrastructure (CAPTI), which will help the state to guide and prioritize sustainable transportation projects in its funding decisions and reinforce the environmental and other strategy implementation actions outlined in PBA 2050. At the federal level, the BIL, enacted in November 2021, will invest billions in transportation-related investments to reduce GHG emissions, including creating the CRP with an emphasis on electric vehicle charging infrastructure. And most recently, the Inflation Reduction Act, signed into law last month, is the country's most ambitious legislation to address climate change to date.

There is an opportunity to advance both EN 8 and EN 9 through new OBAG 3 and CRP program funding. The OBAG3 framework includes a \$44 million investment in the Climate Initiatives Program. Coupled with a \$9 million OBAG2 Climate Initiatives balance, OBAG funding for the Climate Program totals \$53 million. MTC also anticipates receiving over \$60 million through FY 2026 from the formula-based CRP, which is focused on supporting projects that reduce transportation emissions. Together, these sources offer a \$113 investment opportunity in MTC's Climate Initiatives Program.

Climate Initiatives Investment Proposal

To advance EN 8 and EN 9, staff propose augmenting several existing Climate Initiatives Program strategies and exploring new directions related to electric vehicles and charging infrastructure. Launched in 2013 with the initial Plan Bay Area, the Climate Initiatives Program focuses on strategies that directly reduce transportation-related GHG emissions, contributing to achieving the region’s statutory per capita GHG emissions reduction target. Staff’s proposal is summarized as follows:

Program Category	Amount
Mobility Hubs	\$33 million
Parking Management	\$15 million
Electric Vehicles and Infrastructure	\$65 million
Total:	\$113 million*
*Includes \$9 million OBAG2 balance	

Additional detail for each program category follows below.

Mobility Hubs (\$33 million)

Mobility hubs are community anchors that enable travelers of all backgrounds and abilities to access multiple transportation options - including shared scooters, bicycles and cars, and transit and supportive amenities – in a cohesive space. MTC developed a [Mobility Hubs Playbook](#) to advance this strategy, which defined mobility hub typologies, best practice elements, and mobility hub locations throughout the Bay Area. To encourage hub implementation based on the Playbook, MTC launched a Mobility Hubs pilot program, awarding \$2.7 million in September 2021 to seven mobility hub projects representing various hub typologies throughout the region. Staff recommends scaling the program to implement more hubs and increasing the grant amount available to project sponsors. Not only does the Mobility Hubs program help to implement PBA 2050 strategy EN 9, it directly supports the implementation of MTC’s Transit Oriented Communities (TOC) and Complete Streets policies.

Parking Management (\$15 million)

MTC has long provided technical assistance and guidance to local jurisdictions to advance parking management policies through planning and capital grants. In July 2021, staff updated the committee on its most recent effort to support local parking management. The update focused on highlighting the recently-completed [Parking Policy Playbook](#), which outlines twelve parking management policies, how to implement them, and examples of where they are underway or operational. Effective parking management can help to reduce vehicle miles traveled, resulting in less traffic, fewer emissions, and increased safety. Staff recommends continuing to support jurisdictions with planning to develop parking management policies and capital grants for expenses related to parking management implementation (e.g., smart parking meter installation, enforcement mechanisms, etc.). In addition to advancing PBA 2050 strategy EN 9, investment in parking management also supports the implementation of MTC's TOC Policy parking requirement.

Electric Vehicles (EV) and Infrastructure (\$65 million)

MTC has previously engaged in advancing EVs and charging infrastructure, primarily through investment in existing Bay Area Air Quality Management District EV programs. Given the increased urgency to reduce GHG emissions, staff recommends investing in new ways to expand and accelerate EV implementation at the local level. To better understand the type of support that may be most helpful to jurisdictions, in June, staff issued a letter of interest (LOI) open to public agencies to better understand transportation electrification needs, such as assistance related to establishing policies or permitting processes, advancing established local projects or programs (e.g. fleet conversions), or help with charging infrastructure. MTC received over 80 submittals in response to the LOI, with at least one from every county. The top needs identified through the LOI include help with charging infrastructure installation, fleet conversion, electric mobility (i.e., ebikes, electric carshare, etc.), and planning or policy adoption. LOI respondents also identified key barriers to implementation, including lack of staff capacity and expertise to advance electrification, uncertainty about electrical upgrades at both the project and grid levels, uncertainty about new technologies, and difficulty resolving charging infrastructure issues at multi-family developments. Staff will develop a call for applications for release in 2023 based, in part, on responses to the letters of interest received.

Next Steps:

Following committee feedback, staff will recommend programming amounts at MTC's Programming and Allocations Committee for approval later this fall. Staff will also refine program concepts and develop program guidelines to advance the Climate Initiatives program categories described above, returning to the committee before releasing grant opportunities. In addition, staff will monitor forthcoming guidance to be issued through Caltrans for the CRP for Climate Initiatives Program consistency and will assess the new Inflation Reduction Act for program alignment.

Issues:

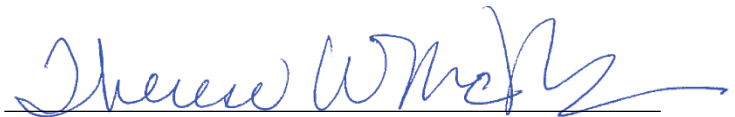
None anticipated

Recommendations:

Information

Attachments:

- Attachment A: Presentation



Therese W. McMillan