

**Metropolitan Transportation Commission and Association of Bay Area Governments  
Joint MTC ABAG Legislation Committee**

April 9, 2021

Agenda Item 4a

**Federal Update: Infrastructure Plan, Transportation Bill, and Priority Projects**

---

**Subject:** Update on the Biden Administration’s infrastructure proposal and other federal funding opportunities.

**Overview:** With the third, and likely final COVID relief bill enacted, national leaders are turning to a post-COVID agenda. Economic recovery is high on the list, and big infrastructure investment is both a Biden Administration and Congressional priority. At the same time, Congress is developing a surface transportation reauthorization proposal and getting very serious about bringing back earmarks.

**Recommendation:** Information

**Discussion:** **Biden Administration’s Infrastructure Bill**  
The Biden Administration on March 31 unveiled a \$2 trillion infrastructure proposal, which is expected to be part one a two-part comprehensive infrastructure and jobs package (rumored to have a \$3 trillion price tag) that could deliver President Biden’s campaign promise to tackle the climate crisis and narrow economic inequality while stimulating the economy. Large-scale investments in transportation and resilience (\$621 billion), housing (\$213 billion), clean energy (\$100 billion), and broadband (\$100 billion) are included in the infrastructure portion of the package, among other categories. The White House Fact Sheet on the proposal is available at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>. As more details of the proposal are released, staff will analyze them and share an update at your committee meeting.

**Transportation and Infrastructure on Capitol Hill**

Congressional leaders are working closely with the Biden Administration on crafting an infrastructure bill that reflects the Administration’s agenda. In addition, Congress is facing a September deadline to pass a new federal transportation policy and funding bill before the current transportation law (the FAST Act) expires. The committees responsible for drafting the transportation bill are working on it now and we have supplied them with our top policy requests. The House Transportation & Infrastructure Committee is also requesting earmarks—coined “community based projects”—for the bill, due April 23. With regards to earmark size and scope, we expect that most Member requests will fall in the range of \$100,000 to single-digit millions. There is also a chance that Congress may reintroduce larger programmatic earmarks for transportation mega-projects, but it is more likely that Congress targets funds for mega-project priorities through revising (or creating new) discretionary grant programs in a manner that clearly makes them eligible.

Given this dynamic environment, the Congressional and Administration staff are taking an “all of the above” approach and are drafting all of the following so as to be prepared for whichever legislative vehicle gains traction:

- Stand-alone infrastructure package, which would include housing, transportation, and other broad infrastructure investment
- Stand-alone transportation reauthorization proposal, which would include transportation-related climate initiatives and earmarks

- Infrastructure package that includes a multi-year transportation bill as the main transportation portion of the infrastructure bill.

### **Federal Fiscal Year 2022 Appropriations and Earmarks**

Congress is also preparing the fiscal year 2022 federal spending bill (FY 2022 appropriations) and has also opened the door again to earmarks. This is another avenue for Congress to deliver resources to address local needs, including in the transportation and housing realm. Members of Congress are capped at 10 earmark requests each in the House FY 2022 spending bill. The deadline for House members to submit their housing and transportation project requests is April 30.

### **MTC's Role in Bay Area Priority Transportation Projects**

In early March, MTC shared with our partners some principles included in Attachment A to guide their transportation earmark requests. Upon request, we have also reviewed whether proposed transportation projects are included within the Transportation Investment Plan (TIP) or otherwise consistent with Plan Bay Area in order to provide a letter indicating this to accompany earmark requests.


With regard to regional priorities, staff is proposing three earmark requests to our Congressional delegation that fall into the category of both “regional” and “small” and are consistent with the attached principles and Plan Bay Area priorities. These three projects are candidates for inclusion in either the appropriations bill or House T&I’s reauthorization proposal:

- **Bay Bridge Forward:** \$5 million for I-80/Powell Street transit access and I-80 westbound bus lane extension.
- **Regional Advance Mitigation Program:** \$5 million fund the implementation of an advance environmental mitigation program for transportation projects in the San Francisco Bay Area
- **Bay Trail Connectivity:** \$1.8 million to fund the Vista Point Bay Trail

As for potential mega-projects, staff is aiming to build consensus within the region, and potentially the mega-region, around mega-project priorities that could be highlighted to help send a clear message about the types of eligible expenditures and project priorities our Congressional delegation should include in the creation of any large new discretionary funding programs.

### **Attachments**

**Attachment A:** Proposed Bay Area Principles to Guide “Community-Based Project” Requests

  
Therese W. McMillan

**Proposed Bay Area Principles to Guide “Community-Based Project” Requests**

**March 9, 2021**

The following principles should guide the prioritization of Bay Area community-based project funding requests.

**Deliver Mobility Benefits:** Ensure the funding amounts provided to projects can deliver actual projects within a reasonable timeframe. To the extent practicable, congressionally directed funds should be the “last dollars in” to pull a project over the goal line, with significant local and state dollars behind it. Prioritize funding requests for Regional Measure 3 projects that were promised to voters but are being delayed due to the litigation.

**Performance Matters:** Financial resources are limited and therefore must be directed to projects that provide the best bang for the buck in terms of cost/benefit analysis and toward meeting other important regional goals. To the extent practicable, utilize the rigorous Plan Bay Area 2050 project performance assessments to identify high-performing projects.

**Support Job Creation:** Capital project funding should be directed to projects that are able to begin construction or other critical phases within two years.

**Strong Equity Focus:** Prioritize projects and programs that improve outcomes for the most vulnerable populations and communities in the Bay Area. If a project presented equity challenges in the Plan Bay Area 2050 project performance analysis, commit to a mitigation strategy.

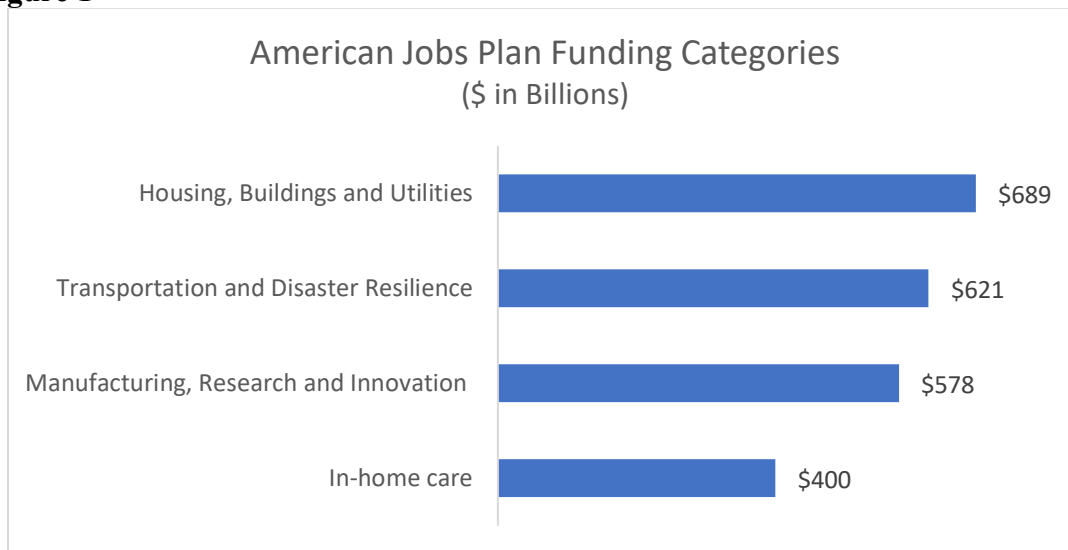
**Climate and Resilience:** Projects should reflect the Bay Area’s commitment to a cleaner, greener and healthier region. Prioritize projects that reduce greenhouse gas emissions, improve air quality and/or mitigate the impacts of climate change on our communities.

**Projects with Community Support:** To the extent practicable, projects that provide regional benefits should be prioritized. Consider projects that have submitted strong applications for state and federal competitive grant programs - those projects have already built support through the rigorous application process.

### MTC/ABAG Overview of President Biden’s American Jobs Plan

The Biden Administration on March 31, 2021 released a preview of the \$2.3 trillion American Jobs Plan, which is expected to be part one of a two-part comprehensive infrastructure and jobs proposal intended to deliver on President Biden’s campaign promise to tackle the climate crisis and narrow economic inequality while stimulating the economy. The White House Fact Sheet on the American Jobs Plan—the only documentation that has been formally released thus far—can be found at the following link <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/#content>. The American Jobs Plan would fund a broad range of large-scale investments to be made over eight years that would be paid for over 15 years by changes to corporate tax rates. The Plan is focused on capital investments in infrastructure, but also includes some non-traditional components for an infrastructure proposal, such as support for in-home care, as shown below. President Biden is expected to unveil the second part of his infrastructure agenda focused on “people-focused” infrastructure, including health and family care, in the coming months.

**Figure 1**



Source: New York Times American Jobs Act analysis: link following <https://www.nytimes.com/interactive/2021/03/31/upshot/whats-in-bidens-infrastructure-plan.html?referringSource=articleShare>

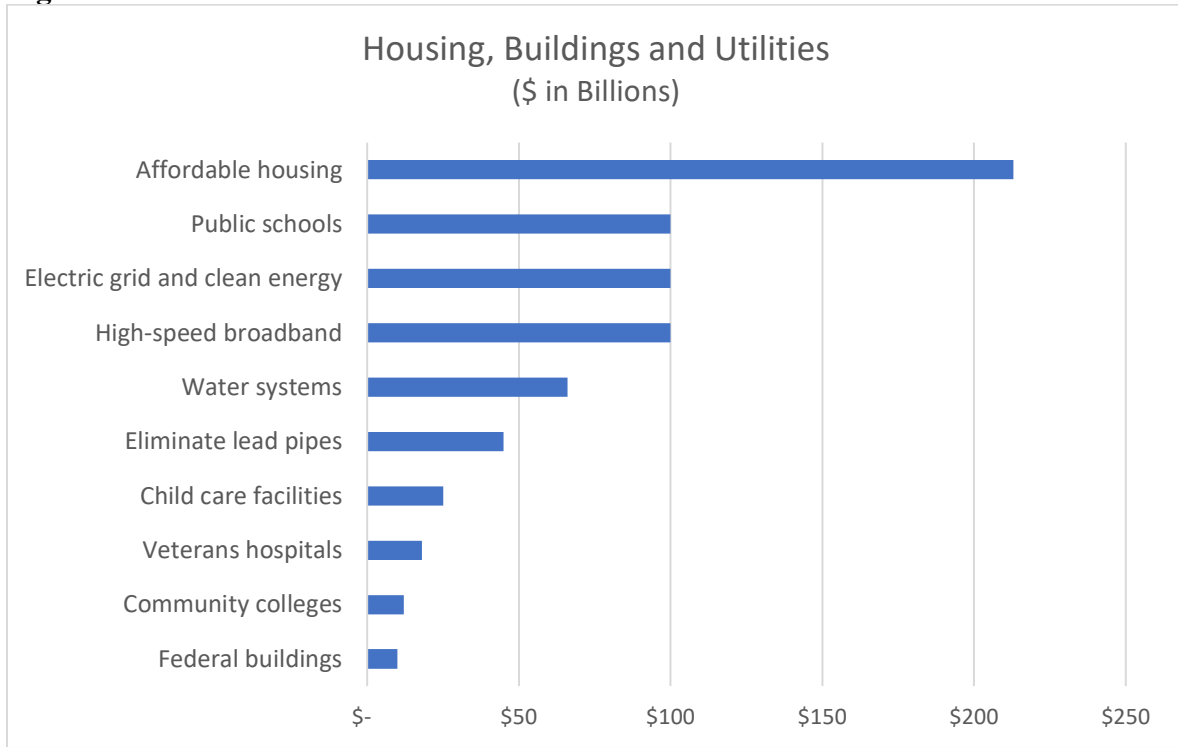
Congressional leaders are working closely with the Administration on crafting an infrastructure bill that reflects the Administration’s American Jobs Plan agenda. Even with Democrats controlling the White House and Congress, the path forward for the ambitious proposal is far from certain. It’s widely expected that in order to secure enough votes to pass the U.S. Senate even on a majority vote basis, changes would need to be made both to the funding categories and the “pay-fors” outlined in the Administration’s proposal. President Biden has indicated that he is open to alternative mechanisms to cover the cost of the proposal in the hopes of passing the measure on a bipartisan basis, so the tax changes can be viewed as an opening gambit in the negotiations.

An overview of the American Jobs Plan follows along with summaries of the components that align with Plan Bay Area 2050, namely the housing, utilities, transportation, and disaster resilience elements of the proposal.

Housing, Buildings and Utilities

Nearly one-third of the American Jobs Plan agenda (\$689 billion) is aimed at affordable housing, expanding access to broadband, upgrading water infrastructure, modernizing the electric grid; and upgrading schools, childcare facilities, and federal facilities. See Figure 2 below for a funding breakdown of these categories.

**Figure 2**



Source: New York Times American Jobs Act analysis: link following <https://www.nytimes.com/interactive/2021/03/31/upshot/whats-in-bidens-infrastructure-plan.html?referringSource=articleShare>

*Housing*

With regard to housing, the Plan would invest \$213 billion—more than four times the entire annual Department of Housing and Urban Development (HUD) budget—to create, preserve and retrofit affordable rental housing. It also supports an investment of \$20 billion to expand homeownership opportunities for low- and middle-class families by creating a new tax credit to finance owner-occupied single-family housing rehabilitation and construction by endorsing the Neighborhood Homes Investment Act, S. 98 (link following <https://www.congress.gov/bill/117th-congress/senate-bill/98/text>). The American Jobs Plan also calls on Congress to “eliminate exclusionary zoning and harmful land use policies” by establishing a new competitive grant program to award funding to jurisdictions that “take concrete steps to eliminate such needless barriers to producing affordable housing.” This program could build on the work already underway in California by the State Housing and Community Development Department to identify criteria that would classify a jurisdiction as “pro housing.” Lastly, the American Jobs Plan would invest in programs to fund home, commercial building, school, and childcare facility energy efficiency upgrades though the exact amount is not specified.

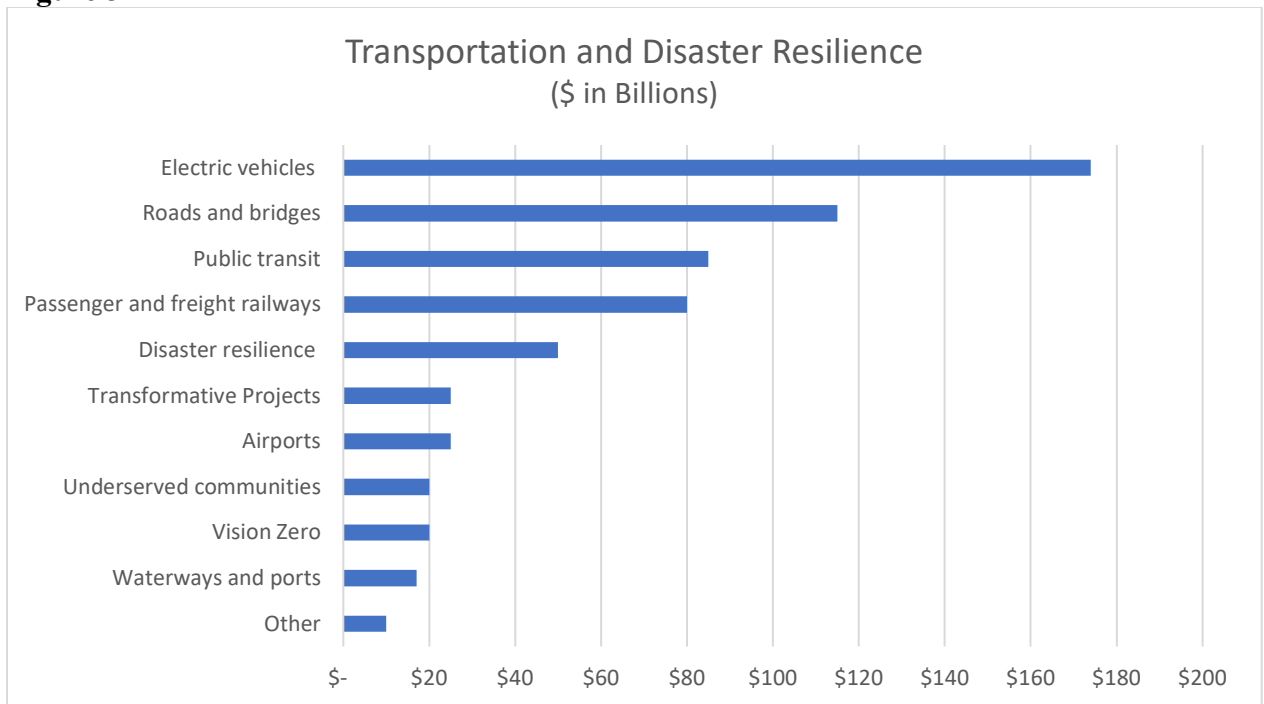
*Utilities: Broadband, Electric Grid and Water*

The American Jobs Plan directs \$100 billion to build out broadband infrastructure in unserved and underserved communities to reach 100 percent high-speed internet coverage, a proposal that would deliver on Plan Bay Area 2050’s economic mobility goal of expanding access to high-speed internet to underserved low-income communities. The Plan highlights the cost of high-speed internet as a barrier for many households, noting that subsidies may be needed in the near term, but bigger reforms are needed to bring down the cost. Water infrastructure is funded at \$111 billion in the Plan, which would be targeted toward upgrading and modernizing drinking water, wastewater and stormwater systems and replacing 100 percent of the nation’s lead pipes and service lines. Another \$100 billion would fund clean energy tax credits targeted at building out the grid and supporting clean energy.

Transportation and Disaster Resilience

The American Jobs Plan proposes \$621 billion for transportation and disaster resilience, detailed in the chart below. Importantly, the Administration is identifying that reducing the transportation sector’s contribution to the climate crisis and mitigating historic inequalities are goals that are driving their investment framework. The vast majority of this funding—\$571 billion—is reserved for transportation-specific investments, while the remaining \$50 billion is more flexible and aimed at generally improving disaster resilience for communities and their infrastructure.

**Figure 3**



Source: New York Times American Jobs Act analysis: link following <https://www.nytimes.com/interactive/2021/03/31/upshot/whats-in-bidens-infrastructure-plan.html?referringSource=articleShare>

### *Surface Transportation*

Surface transportation (roads, bridges, transit, intercity rail, etc.) is proposed to receive \$345 billion from the American Jobs Plan. In comparison, the entire budget for the current five-year federal transportation bill (the FAST Act) is \$305 billion. The bulk of the surface transportation funds would be directed to traditional highway, transit, and rail investments, but a number of new programs are proposed, including a new \$25 billion program to fund transformative projects that are too large or complex for existing funding programs, a new “Safe Streets for All” program to fund state and local vision zero plans, a new program aimed at helping communities tear down urban highways and rebuild the surrounding community. Additionally, the proposal would invest \$174 billion to incentivize the purchase of electric vehicles (EV) and invest in EV charging infrastructure, fund electric bus purchases, and electrify the federal fleet. Of concern, the proposal specifies diesel bus replacements as a priority. California is primed to transition to zero emission bus fleets, however the need for diesel bus replacements is disproportionately low—approximately 60 percent of California’s 12,000 buses are already running on compressed natural gas compared with 17 percent nationwide. This is an item that MTC would want to partner with our transit agencies and the California Transit Association on to ensure our agencies aren’t at a competitive disadvantage in any final program design.

### *Disaster Resilience*

As noted, the Plan dedicates \$50 billion to general disaster resiliency. The scale of this resiliency investment is less ambitious than some of the other plan components that aim to fill national-scale infrastructure funding gaps. For instance, the Plan Bay Area 2050 Final Blueprint estimates a \$19 billion cost to adapt the Bay Area’s infrastructure and its communities for two feet of sea level rise, just one of the climate-fueled hazards facing the region. However, \$50 billion amounts to a roughly tenfold increase in the federal resources that are currently dedicated to proactively protecting our communities and infrastructure from the myriad climate-induced hazards facing our nation. This is a significant and encouraging starting point.

### Manufacturing, Research and Innovation

Approximately 25 percent of the \$2.3 trillion American Jobs Plan would fund investments to revitalize manufacturing, secure U.S. supply chains, invest in research and innovation—including in clean energy technology—and workforce training. This investment would support Plan Bay Area 2050’s goal of improving economic mobility, specifically to expand job training and incubator programs. The Plan references targeting workforce development opportunities in underserved communities and those hit hard by a transforming economy. It also proposes sector-based training programs focused on growing, high demand sectors such as clean energy, manufacturing, and caregiving, helping workers of all kinds to find good-quality jobs. Of note, \$10 billion is proposed to specifically invest in workforce training related to land and water conservation, bolstering community resilience, and advancing environmental justice through a new Civilian Climate Corps.

### In-Home Care

The American Jobs Plan would invest \$400 billion toward expanding access to long-term care services under Medicaid, with the joint goals of expanding quality, affordable home- or community-based care for seniors and people with disabilities and improving wages and quality of life for in-home care givers.