

**Metropolitan Transportation Commission and Association of Bay Area Governments
MTC Planning Committee and ABAG Administrative Committee**

December 13, 2024

Agenda Item 7b

Plan Bay Area 2050+: Transportation Element Update

Subject:

Overview of proposed Transportation Element strategies and projects, prior to the Plan Bay Area 2050+ Final Blueprint milestone in January 2025.

Background:

In July 2023, MTC/ABAG kicked off Plan Bay Area 2050+, a limited and focused update to the regional vision for transportation, housing, economic development, and environmental resilience. In parallel, staff have been advancing the Transit 2050+ effort in close coordination with transit operators to develop a comprehensive update to the plan's transit strategies to support system connectivity, ridership recovery, reliability, and more.

Following approval of the Plan Bay Area 2050+ Draft Blueprint strategies and growth geographies for further study in January 2024, staff released outcomes from the Draft Blueprint Analysis in June 2024 as well as the Draft Network from the parallel Transit 2050+ process in July 2024. In October 2024, staff provided a comprehensive progress update to committees on the Plan Bay Area 2050+ Final Blueprint, including final needs and revenue forecasts and potential Final Blueprint strategy revisions. To-date, staff have completed two extensive rounds of engagement, most recently summarizing findings from the second round of engagement to the MTC Planning Committee and ABAG Administrative Committee in November 2024.

Planning Requirements and Plan Outcomes:

Developed in compliance with federal and state regulations and guidelines, Plan Bay Area satisfies Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) requirements for the nine-county San Francisco Bay Area. Among many other requirements, the long-range plan must: (1) contain a fiscally-constrained transportation project list; (2) reduce per-capita greenhouse gas (GHG) emissions from light-duty vehicles; and (3) receive approval from federal state regulators, including the California Air Resources Board (CARB).

Although the plan's Housing, Economy, and Environment Elements drive the majority of plan outcomes in ensuring an affordable, connected, diverse, healthy and vibrant Bay Area for all by

the year 2050, the Transportation Element holds considerable interest due to its role in federally- and state-mandated transportation planning processes. In particular, the plan identifies long-range transportation investment priorities as well as regionally significant projects; inclusion on the plan's fiscally-constrained Transportation Project List is a requirement for major projects to be eligible for state and federal funding and to move to construction phases. **Attachment A** contains more information on long-range planning requirements and relevant plan outcomes. For more background on the Plan Bay Area 2050+ Transportation Project List, as well as the process to develop it, please see **Attachment D**.

Transportation Element Financial Overview:

At \$380 billion, the plan's Transportation Element features similar needs compared to Plan Bay Area 2050, reflecting costs to operate, maintain and optimize the existing transportation network. However, transportation revenue has declined by approximately \$79 billion, from \$591 billion in Plan Bay Area 2050 to \$512 billion in the Plan Bay Area 2050+ Final Blueprint. The reduction is largely driven by the decline in fare revenues due to lower transit ridership, as well as a smaller assumed regional revenue measure. With less overall revenue, available funding for transportation system enhancement and expansion is \$78 billion less than what it was in the prior plan, from \$210 billion in Plan Bay Area 2050 to \$132 billion in the Plan Bay Area 2050+ Final Blueprint. Despite the overall decline, Plan Bay Area 2050+ still assumes major changes to the status quo – including a regional revenue measure, future federal/state stimulus bills, roadway pricing, and parking pricing – to generate \$89 billion in new and anticipated revenues.

Given these dynamics, some projects and programs included in Plan Bay Area 2050 will need to be delayed, scoped down, or removed to meet fiscal constraint requirements. In addition, the plan is currently falling short of its GHG emissions reduction target and is facing a broader state policy and funding environment that is shifting away from capacity-expanding roadway projects. All of these realities have necessitated careful consideration of which projects can be accommodated in the fiscally constrained list, with greater emphasis on achieving key regional goals and outcomes while developing a plan that complies with state climate policy. **Attachment A** contains more information on the revised Plan Bay Area 2050+ transportation revenue forecast and the overall context facing Transportation Element strategies and associated projects.

Transportation Strategies and Draft Transportation Project List:

An overview of the Transit 2050+ Final Network, including transit strategies, is included as part of Agenda Item 7c. **Attachment A** contains further details on the investment levels proposed for high-impact, lower-cost climate strategies like pricing, safety, electrification, and transportation demand management, as well as strategies focused on bicycle/pedestrian enhancements, non-capacity road improvements, and freeway expansions (including near-term Express Lanes). Notably, Plan Bay Area 2050+ is proposing for the first time to distinguish between non-capacity and capacity-increasing roadway projects, with required mitigation for any projects that increase vehicle miles traveled (VMT). Further, a robust road pricing strategy continues to be a critical component for meeting the plan's GHG reduction target. Staff is proposing to maintain the inclusion of highway all-lane tolling as a placeholder strategy given its lower affordability impact and greater VMT reduction potential relative to a regionwide mileage-based fee while acknowledging that future plan cycles may need to reconsider this approach given complex tradeoffs.

Attachment B contains detailed descriptions of all the plan's strategies as well as proposed investment levels, including for transit. The plan's overall Draft Transportation Project List, including additional details regarding proposed near- and long-term investments in transit, highways, bicycle/pedestrian improvements, climate strategies, and other regional/local programs, is included in **Attachment C**.

Draft Resilience Project List:

In addition to the Transportation Project List, Plan Bay Area 2050+ for the first time includes an optional component as a proactive step toward regional adaptation efforts: the Sea Level Rise Resilience Project List (Resilience Project List). The Resilience Project List is intended to be a resource for future advocacy to help adapt the Bay Area to climate change, delineating the specific investments featured under the plan's Strategy EN1, Adapt to Sea Level Rise. For further explanation of the respective project lists, including background details, project list development process, and areas of overlap, please see **Attachment D**.

The Draft Resilience Project List, which has also been broken down into near- and long-term investments based upon the height at which flooding is projected to occur along the shoreline, is included as **Attachment E**.

Issues:

Given the reality of less money, a shifting federal and state policy and funding environment, as well as continued challenges meeting the plan's statutorily required GHG emissions reduction target, staff anticipate the plan could face several hurdles as it moves towards adoption and eventual implementation. In particular, there may be (1) ongoing concerns from partners regarding projects not included on the project list; (2) developments at the federal and state level that could impact long-range planning assumptions and strategies; and (3) ongoing scrutiny from the California Air Resources Board (CARB) that could jeopardize plan approval.

More specifically, these challenges intersect when it comes to capacity-increasing highway projects, including but not limited to Express Lanes. While interest in advancing such projects remains high in certain counties, these investments make it more difficult to achieve the ambitious state-mandated GHG target while requiring scarce financial resources be allocated toward VMT mitigations. The initial staff recommendation, shown in **Attachment A**, seeks to balance project delivery goals with Plan Bay Area's statutory responsibilities to prioritizing only the most near-term investments and funding necessary mitigations.

Next Steps:

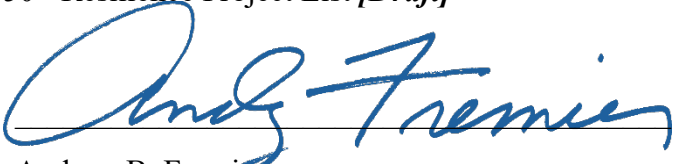
Staff will make any needed technical corrections to the plan's revenue forecasts as well as remaining revisions to the full suite of Final Blueprint strategies, including project lists, in response to feedback received from the public, partners, and policymakers over the summer and fall. The MTC Planning Committee and ABAG Administrative Committee are then anticipated to consider approval of Final Blueprint strategies and geographies in January 2025. Following this approval, staff will conduct further modeling and analysis of Final Blueprint outcomes, returning to policymakers in early spring 2025 with Final Blueprint outcomes prior to advancing to the environmental phase (CEQA).

Recommendation:

Information.

Attachments:

- Attachment A: PowerPoint
- Attachment B: Plan Bay Area 2050+ Transportation Strategy Descriptions
- Attachment C: Plan Bay Area 2050+ Transportation Project List *[Draft]*
- Attachment D: Plan Bay Area 2050+ Draft Transportation Project List and Sea Level Rise Resilience Project List Briefer
- Attachment E: Plan Bay Area 2050+ Resilience Project List *[Draft]*



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