
Supplemental Information About SACOG Funding Decisions 11/18/19

Commenters raised concerns regarding the authority of SACOG to influence land use decisions, fund specific transportation projects or programs, and condition transportation funding to more closely align with regional goals. The following provides a discussion of SACOG's statutory role and authority, which set the framework for decisions about funding and incentive programs, followed by a discussion of the programs SACOG implements to align transportation funding with reductions in VMT and GHG emissions.

Role And Authority

As the regional transportation planning agency (RTPA) for the Sacramento region, SACOG has a focus on transportation planning, distribution of federal transportation funding, and air quality conformity for the transportation sector. As the MPO for the Sacramento region, SACOG is responsible for developing a metropolitan transportation plan (MTP) and sustainable communities strategy (SCS) every four years in coordination with the six counties (including the 22 cities within those counties, with the exception of the Tahoe Basin). SACOG must adopt an MTP and update it every four years or more frequently for the region to receive federal or state transportation dollars for public transit, streets/roads, and bicycle and pedestrian improvements. The MTP must encompass a 20-year planning horizon.

The proposed MTP/SCS incorporates countywide transportation planning developed by the El Dorado County Transportation Commission (EDCTC) and the Placer County Transportation Planning Agency (PCTPA) under memoranda of understanding (MOUs) between those agencies and SACOG. The MTP is required to meet performance thresholds, demonstrate fiscal constraint, and achieve clean air thresholds. It also must comply with state and federal requirements and link these together in a comprehensive regional vision. Complex modeling and analysis is conducted to assess the alignment of the vision with goals, which is a forecast of how future population growth, land use changes, and the transportation network will interplay over time under anticipated conditions set forth by regional policy recommendations.

SACOG also acts as the Council of Governments (COG) for the Sacramento region. In its role as the COG, as required by state law, SACOG updates the Regional Housing Need Allocation (RHNA) every eight years and allocates specific housing targets to individual cities and counties. The three-step process includes the State Department of Housing and Community Development providing a regional determination of housing need, SACOG developing a RHNA methodology, and jurisdictions adopting housing elements that demonstrate how it can accommodate its assigned RHNA number through its zoning. In its role to develop a RHNA methodology, SACOG must further five stated objectives: increase housing supply and mix of housing types; promote infill, equity, and environment; ensure jobs housing balance and fit; promote regional income parity; and affirmatively further fair housing.

Within the framework of these statutory roles and obligations, the 2020 MTP/SCS forecasts a vibrant future for the Sacramento region, with a prosperous economy supported by strong housing and jobs growth, a variety of housing products and communities for residents to choose from, and multiple transportation options to connect people with places. As a result, the plan is forecasting less time spent in congestion, cleaner air, fewer greenhouse gas emissions per capita, a modernized, more productive transit system, and more ways for residents to choose walking or biking for some of their daily trips. The plan achieves its positive outcomes by developing a phasing strategy for growth and transportation investments over 20 years. Achieving some components of the plan will require coordinated local actions and interagency partnerships.

Local Land Use Control

The proposed Plan is the third update to the MTP/SCS, the region's long-range integrated transportation and land use/housing strategy required under SB 375 with the goal of accommodating future population growth and reducing greenhouse gas emissions. The purpose of Senate Bill (SB) 375 is, in part, to "encourage developers to submit applications and local governments to make land use decisions that will help the state achieve its climate goals under AB 32, assist in the achievement of state and federal air quality standards, and increase petroleum conservation" (SB 375, Stats. 2008, ch. 728, § 1(f) [uncodified legislative findings]). The CEQA streamlining benefits provided by SB 375 are some of the mechanisms utilized to create incentives for the development of land use projects that will help the state achieve its climate goals under AB 32 and SB 32 (the extension of AB 32 from 2020 to 2030 and the addition of new GHG emissions reduction targets). It is important to note, however, that while the Draft EIR provides lead agencies with CEQA streamlining benefits for certain projects, neither the proposed Plan nor the Draft EIR limit in any way the land use authority of any city or county (Gov. Code, § 65080, subd. (b)(2)(K)).¹

In other words, even after the proposed Plan is adopted by SACOG, the lead agencies for future land use development projects retain the discretion to: (1) carry out or approve projects that are not consistent with the Plan; (2) exercise their discretion to deny approval of projects even if they are consistent with the Plan; and (3) reach environmental conclusions and/or adopt mitigation measures that differ from those identified in this EIR. In short, the proposed Plan, if adopted, is advisory and not binding at the local level. For this reason, unless SACOG has regulatory or approval authority over a future project implemented pursuant to the proposed Plan, SACOG must rely on incentives or planning assistance in the form of planning grants and technical assistance to local jurisdictions in an effort to align local plans with the forecasted development pattern of the proposed Plan.

As discussed throughout the Draft EIR, an implementing agency that elects to take advantage of the CEQA Streamlining provisions of SB 375 (Public Resources Code sections 21155.1, 21155.2, and 21159.28) must commit to the mitigation measures set forth in the Draft EIR, as applicable and feasible, to address site-specific conditions and to reduce impacts to less than significant.

Cities and counties, not SACOG, are ultimately responsible for the manner in which their local communities continue build out in the future. For this reason, cities and counties are not required to revise their "land use policies and regulations, including [their] general plan, to be consistent with the regional transportation plan or an alternative planning strategy" (Gov. Code, § 65080, subd. (b)(2)(K)). The proposed Plan merely provides a transportation and land use vision that "*if implemented*, [would] achieve the GHG emissions reductions targets" for the region (Pub. Resources Code, § 21155, subd. (a) (emphasis added)). The land use portion of the proposed Plan will only be implemented insofar as local jurisdictions act upon the Plan's policies and recommendations.

Land Use Planning Incentives and Support Strategies

To maximize the likelihood of the Plan's success, SACOG has implemented many programs providing technical assistance to cities, counties, and planning partners to help realize the development patterns assumed in the MTP/SCS and support corridor revitalization. For example, each city and county in the RTPA is eligible for a non-competitive planning grant in support of smart growth implementation as part of the biannual regional funding program, which is discussed in further detail in the next section. SACOG also developed a housing policy toolkit to identify a menu of policy options and best practices for removing barriers to new housing in infill and established communities. The toolkit provides a roadmap to allow for

¹ "Nothing in a sustainable communities strategy shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region." (Gov. Code, § 65080, subd. (b)(2)(K).)

more housing product choices to be built in suburban and urban infill areas, using a simple, non-discretionary approval process with streamlined environmental review and reasonable fees. Acknowledging that there are many challenges to producing more housing, which largely fall outside the purview of local government, the toolkit focuses on policies that local governments have direct control over. SACOG also worked with jurisdictions to spread awareness of guaranteed funding in the first year of Senate Bill 2 planning grants—part of the state’s 2017 Housing Package aimed at addressing housing and homelessness challenges—that could fund policy changes called for in the toolkit.

SACOG also works with transit providers to support the coordinated planning that will sustain vibrant communities in the Sacramento region. One example is the partnership with the Sacramento Regional Transit District (SRTD) to study the optimal route alignment that would position transit to be competitive, and the complementary Transit Oriented Development (TOD) strategy and action plan that will further support the transit network and ridership. SACOG and SRTD are using the TOD strategy and action plan to assess strategies to increase equitable development around SRTD light rail stations, especially those station areas identified as having high opportunity in the near term. Working with jurisdictions and SRTD, SACOG is promoting best practices and supporting the development of new (or revised, in some cases) guidelines, procedures, policies, and development standards to support TOD land uses in light rail station areas, while also including strategies to prevent gentrification/displacement that might otherwise result from increased TOD investment. This work will strategically place transit and TOD to implement the MTP/SCS and achieve GHG reduction targets while increasing mobility, access, environmental, health, equity, and quality of life for the region’s residents.

Recognizing the need for active engagement to support the implementation of land use visions, SACOG also developed technical assistance programs that confront local challenge areas head-on. The Rural Main Streets program meets smaller jurisdictions in their communities to provide multiple offerings of expertise specific to their challenges: engaging business and property owners on making their properties and businesses more viable in the context of commercial corridor plans and efforts; supporting public engagement efforts to work through community design concepts and issues; assisting with developing long-range visions and implementation steps; and reviewing existing corridor designs from the lens of improving the pedestrian experience and supporting placemaking. The second year of the regional accelerator program for cities to design and launch pilot projects, Civic Lab, is focused on identifying the challenges aging commercial corridors need to overcome to bring them back to life, and honing the vision of how the corridor may develop. In its first year, the SACOG program Civic Lab yielded locally-implemented pilot projects striving to address mobility challenges endemic of the region’s historic car-centric development. Through the program, SACOG provides the arena for cities and counties to work with civically-minded partners (e.g. local business owners, non-profit organizations, community groups, etc.) to design pilot projects that could help revitalize their corridor. As part of the Civic Lab program, SACOG goes beyond the role of convening members in a conversation by pre-qualifying vendors who could implement the pilot program, removing the labor-intensive process of conducting a Request for Qualifications for each service Civic Lab participants may need.

Transportation Planning & Programming

With respect to transportation planning, SACOG functions as both the regional transportation planning agency for Sacramento, Sutter, Yolo, and Yuba counties— a state designation — and, for federal purposes, as the MPO for El Dorado and Placer counties in addition to the aforementioned four counties. As such, it is responsible for regularly updating the MTP, a comprehensive blueprint for the development of mass transit, highway, airport, port, railroad, bicycle and pedestrian facilities. SACOG also screens requests from local agencies for state and federal grants for transportation projects to determine their compatibility with the MTP.

In its role as the RTPA and MPO, SACOG programs and allocates on the order of \$105 million of transportation funding annually. SACOG's funding programs account for roughly five to seven percent of the total investments planned for in the MTP/SCS to maintain, build, and modernize the region's transportation systems. With a longstanding understanding of the link between transportation and land use, SACOG has used its authority within the legal framework of individual funding sources to impose policies or condition transportation funding in an effort to reinforce regional VMT goals.

The MTP/SCS invests a third of the \$35 billion to support public transit, working in tandem with new mobility options, transportation demand management strategies, and improved bicycle and pedestrian infrastructure to reduce the need for roadway expansion. Another third of the funding highlights the need to preserve and maintain the region's existing assets of roads and highways.

In its role as MPO, SACOG prepares and adopts the federally-required Transportation Improvement Program (TIP) at least once every two years. The TIP is a comprehensive listing of all Sacramento region surface transportation projects that are to receive federal funding or are subject to a federally required action or are considered regionally significant for air quality conformity purposes. The TIP covers a four-year period and must be financially constrained by year, meaning that the amount of funding committed to the projects (also referred as "programmed") must not exceed the amount of funding estimated to be available. The 2019 TIP was adopted by SACOG on September 20, 2018, and received final federal approval from FTA and the Federal Highway Administration (FHWA) on December 17, 2018. The 2019 TIP, as adopted, included over 500 transportation projects with approximately \$2.3 billion of federal, state, regional, and local funds "programmed" in four fiscal years: FY 2018-19, FY 2019-20, FY 2020-21, and FY 2021-22.

Maximizing Regional Funding Opportunities

Funding Programs

SACOG started connecting the competitive distribution of funding to smart growth policies in the early 2000s following the identification of the region's smart growth vision, the Sacramento Blueprint. Regional competitive funding programs have long served as the primary vehicles for connecting SACOG funds to locally-driven projects demonstrating the performance outcomes supported by the board. Programs include the following:

- The *Community Design Program* has provided financial support to local agencies for projects that promote placemaking since the mid-2000s. The program funds placemaking projects that improve or enhance the livability of a community and to promote the construction of land use developments (or land use and related projects) that lead to fewer vehicle miles traveled and more walking, biking, and transit use.
- Since 2014, the *Active Transportation Program* has worked to provide facilities for walking and biking in urban, suburban, and rural portions of the region and to provide connections between them. The program awards funds to projects that demonstrate a current need for walking or biking facilities along with the potential to increase walking and biking if implemented, helping to realize the multimodal vision of the MTP/SCS.
- A combination of the former Regional/Local and Bicycle and Pedestrian programs, the *Regional Program* elevates projects that realize the performance benefits of the MTP/SCS, while also ensuring

a minimum investment level for high quality active transportation projects. Through the Regional Program's evaluation, SACOG examines the three most compelling potential performance outcomes for each competing project: reduce regional VMT per capita; reduce regional congested VMT per capita; increase multimodal travel; provide long-term economic benefit within the region; improve goods movement; improve safety and security; and demonstrate 'State of Good Repair' benefits.

- A newer program, *Green Region* targets investments that bring in new implementing partners into the transportation sector, with the goal of expediting electrification of the region's transportation network. The program established a concentrated investment in electrification of the region's transportation fleet to demonstrate technologies and our region's interest in a zero-emission transportation future. SACOG identified five project types to advance the electrification of the transportation sector: implement more public charging programs for personal vehicles, further electric vehicle penetration of shared ride markets, incentivize electric public and private microtransit and shuttles, plan for and fund electric medium and heavy-duty fleets, and establish mobility hubs in disadvantaged communities.
- The *Transportation Demand Management Program* aims to reduce vehicle trips and miles traveled by implementing cost-effective and innovative programs, services, projects, strategies and policies that encourage people to change their travel behavior. The program consists of three avenues for distributing funding to project sponsors working towards those goals. The *Traditional* TDM program works with established regional partners, such as transportation management agencies, to continue implementing known TDM strategies and programs. TDM *Mini-Grants* support small events and non-infrastructure programs or projects to reduce single occupancy vehicle trips and miles traveled and prioritizes testing new strategies and tactics for changing travel behavior. The TDM *Innovations* grant program also seeks to explore new and innovative projects and activities that implement strategies to reduce single occupant vehicle travel and produce measureable results, such as parking pricing programs, technology-based solutions, and marketing projects.
- SACOG *Air Quality* programs seek to decrease the volume of pollutants emitted in a number of ways, from increasing multimodal options to informational programs to influence the voluntary reduction of driving during poor air quality events. Originally part of the region's commitment to decrease ozone-related emissions, components of the Air Quality programs are also present in other SACOG programs, such as the evolution of the Sacramento Emergency Clean Air and Transportation program from a standalone project to being part of Green Region. Other programs, such as the Spare the Air program, are maintained as distinct programs demonstrating the region's commitment to reducing ozone precursors.

Improvements to funding selection

Starting in 2018, SACOG enhanced the analysis of projects competing for discretionary transportation funds by developing a spatial tool to provide area-specific MTP/SCS outcomes for each competing project. This tool—the Project Performance Assessment tool, or PPA—creates a buffered area around a transportation investment using geographic information systems (GIS) mapping to examine both existing and forecasted future conditions in the buffered area. The PPA tool was developed to augment performance-based planning, monitoring, and programming within the agency. A performance-based approach examines information about roads, trails, and transit systems, the form and function of neighborhoods and communities, and the people living in those communities to make sound investment decisions on projects with demonstrated performance benefits. The PPA tool uses many sources of data to provide a foundational understanding of the potential project area, including SACOG's parcel based land use data, its integrated land-use transportation data, the regional centerline file, the SACSIM travel demand model, the General Transit Feed Specification, and the Transportation Injury Mapping System. Different data indicators are

considered across SACOG funding programs, though indicators such as current and future bike mode share are applied across all programs. For example, projects competing for Regional Program or Active Transportation Program funding could be compared across the projected increase in active modes use and the density of development surrounding the potential investment. This use of long-range data strengthened the tie between current funding decisions and MTP/SCS implementation and enhanced the discussion of how projects support the region's long-range vision for sustainability.

The Reach of SACOG Funding Programs

Collectively, SACOG funding programs have supported projects that reduce VMT and GHG emissions by building transportation infrastructure or campaigns/programs to incentivize infill development, connecting people to community destinations with walking and biking facilities, reducing transportation-related emissions, and exploring new options to decrease VMT. Through competitive distribution, SACOG is able to advance the projects and programs that best implement the MTP/SCS. However, the MTP/SCS is the result of coordination and collaboration among the 28 cities and counties and other private and public sector partners to identify a path for growth and development that can achieve the region's greenhouse gas reduction target while balancing the other goals that must be addressed under state and federal laws. As such, SACOG funding decisions also must balance multiple goals. Further, since SACOG controls only five to seven percent of the funding identified in the MTP/SCS, regional discretionary transportation funding must be balanced across multiple goals to address the challenges in rural, suburban, and urban contexts. These different critical factors must be weighed when evaluating projects that are necessary to maintain the livability of the region and health of the residents, and limit the feasibility of considering alternative funding decisions.

Safety is of critical importance to the region's residents and is another consideration for how transportation funding is spent. Cities and counties present many urgently needed projects seeking to correct roadway hazards in order to save lives. Even within active transportation-specific funding programs that are expected to intrinsically decrease VMT, funding often supports safety-improving projects that address hazardous walking and biking conditions but may only minimally increase the number of trips completed on foot or by bike. To demonstrate the severity of safety needs, the Sacramento-Roseville-Arden-Arcade metropolitan statistical area recorded 1.81 pedestrian deaths per 100,000 people with 407 pedestrian deaths between 2008-17ⁱ. A surfeit of post-World War II development and suburban roads are designed for high speeds, leaving many Sacramento region corridors seeking funds to correct high-collision areas by redesigning for lower and safer speeds. Given this great need, safety is identified as a criterion in most of SACOG's competitive funding programs.

Maintaining a state of good repair is also a priority investment area in the MTP/SCS and an urgent need for the region. The current state of the roads, the lack of safety features, and congestion have noteworthy negative impacts across the region. Sacramento area roads are estimated to cost the average driver \$2,166 annually, accumulated through additional vehicle operating costs from driving on rough roads, lost time and wasted fuel due to congested roadways, and the financial impact of collisions.ⁱⁱ These costs impact residents differently and consume a greater share of household income for lower income residents. In order to prevent a disproportionate burden on lower income households that would result from deferred roadway maintenance, SACOG must continue to support projects that preserve the existing transportation system. This need is especially critical in light of the region's commitment to assume a leading role in testing and piloting roadway pricing mechanisms to close transportation funding gaps.

The MTP/SCS also outlines a need to support regional prosperity through increasing access to economic assets and job centers, and investing in transportation that spurs economic development. However, not all of the region's assets and jobs are located in the urban core. Over 80% of the region is rural, and more than

33,000 livelihoods depend on the food and agricultural sector. Supporting goods movement and freight to and from farms, processing centers, and other agriculturally-based facilities will help ensure rural areas experience long-term economic benefit, along with the more urban parts of the region.

Beyond these needs as expressed by the region's residents, the SACOG board, and regional transportation analysis, SACOG must also address them as required performance measures to adhere to federal transportation bills. The federal Moving Ahead for Progress in the 21st Century Act requires states to set and report on progress towards targets for three sets of annual performance measurements: safety (fatalities and injuries); pavement and bridge condition; and transportation systems (freight movement, congestion, and reliability). To comply with federal requirements, the SACOG board approved performance targets in support of California's statewide targets in lieu of the alternative of setting and adopting region-specific targets. A failure of the SACOG region, as measured by the state's demonstration of meaningful progress toward meeting any of the targets associated with the three performance measures could result in further federal restrictions on how transportation dollars can be spent in California. An illustration of such a restriction would be a federal requirement to dedicate more discretionary funding to safety projects and program if insufficient progress was made toward meeting the safety targets.

In addition, SACOG is required by law to conduct an environmental justice and Title VI analysis as part of the MTP/SCS to determine whether low-income and minority communities benefit equitably, and whether the Plan's transportation investments have any disproportionate negative effects on minority and/or low-income populations in the SACOG region. Inherent in the plan implementation is the need to include these populations in the strategies that will create vibrant places for current and future residents, disrupting past practices that left certain communities out of prosperous times. The 2020 MTP/SCS addresses new mobility developments, which offer benefits to many populations that currently lack mobility options. Expanding the mobility and thus, economic prospects and quality of life for populations currently underserved by existing transportation options is another regional need that may conflict with reducing VMT, since it allows people to take trips they previously were unable to make. For example, a mobility hub in a disadvantaged community, like the projects identified through the Green Region framework, may not have an impact on reducing VMT if it is located in a community where VMT was low to start.

Further, SACOG must demonstrate how the plan makes progress towards federally-established air quality emissions budgets for the benefit of public health and the environment. Often, regionally-selected projects demonstrated progress towards these goals through reducing or eliminating vehicle trips and their associated emissions. However, another approach that has been effective is the replacement of high-emissions vehicles for lower-emissions or clean energy vehicles. Such projects that are funded by SACOG, such as through Green Region, demonstrate an impact on regional GHG emissions by expediting electric vehicle penetration in the region and have positive benefits for public health by reducing toxic emissions. However, they do not demonstrate comparable benefits for decreasing VMT.

Holistically, SACOG funding programs continue to make progress towards lowering vehicle miles traveled across the region while balancing other federal and state requirements and regional goals necessary to serve residents. However, SACOG discretionary funding is still limited to specific transportation investments and components, and the implementation of the MTP/SCS commands improvements beyond the eligibility requirements of those funds, making mitigation that would require certain funding decisions infeasible. (See Pub. Resources Code, § 21061.1 [defining "feasible" to mean capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors"]; CEQA Guidelines, § 15364 [adding "legal" considerations as another factor in determining feasibility]; *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal. App. 4th 957 [the concept of "feasibility" also encompasses the question of whether a particular alternative or mitigation

measure promotes the underlying goals and objectives of a project].) For these reasons, the strategic use of partnerships is often employed to extend SACOG’s impact and strides towards increasing the sustainability and livability of the region.

Collaborating for Greater Impact

SACOG assists project sponsors seeking state-managed funds to implement the projects and project components that are consistent with the MTP/SCS, but are outside of SACOG’s ability to fund. For example, SACOG has supported agencies and their partners in competing for California Climate Investment grant programs. SACOG also raises awareness of programs and eligible project types to smaller agencies and partners that may not know the options available to them. For state grant programs like the Affordable Housing Sustainable Communities Program, SACOG offers data in support of grant applications and convenes implementing partners to align the efforts of developers, transit operators, and municipal staff, helping to propose the most impactful project. Other programs like the Transformative Climate Communities Program typically require extensive coordination to develop the final proposal that will help realize the MTP/SCS vision. For some larger efforts, SACOG helps by funding project development phases of transportation projects so cities and counties can propose ready-to-construct transportation improvements to complete a comprehensive greenhouse gas-reducing grant proposal.

SACOG also seeks opportunities to work with the state to more effectively achieve statewide goals. Examples include the “Green Means Go” pilot program to pair targeted housing and transportation investments together to spur catalyst infill projects in order to reduce greenhouse gas emissions. In the program, locally-identified Green Zones create areas targeted for infill and compact development, increasing housing and transportation options and promoting shorter, fewer, and cleaner vehicle trips.

ⁱ Dangerous By Design 2019

ⁱⁱ Sacramento Transportation by the Numbers: Meeting the Region’s Need for Safe, Smooth, and Efficient Mobility. 2018.