



Consideration of Action Related to Sacramento County Transportation Tax Initiative

Action

Prepared by: James Corless

Attachments: Yes

Approved by: James Corless

Referring Committee: Not applicable

1. Issue:

Consider a potential agreement with the proponents of the Sacramento County Transportation Tax Initiative to mitigate the risks in meeting the region's GHG target and our ability to compete for state funding.

2. Recommendation:

That the board approve the attached framework of agreement and delegate authority to the Executive Director to sign a final MOU among the parties consistent with the framework.

3. Background/Analysis:

In May, staff brought to the board a review and analysis of a proposed transportation tax initiative in Sacramento County. The analysis addressed two main issues: (1) would the funding and construction of the initiative's capacity expanding projects not in the current MTP/SCS jeopardize the region's ability to meet its state-mandated greenhouse gas reduction target; and (2) would the region's failure to meet the greenhouse gas target result in the loss of substantial state transportation and housing funds for the entire region. The analysis suggested that the initiative, as drafted, could pose a risk to the region's ability to meet its GHG target and therefore jeopardize the ability of the six-county region to compete for state transportation and housing funding.

As described in the staff analysis, the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) planning process is the regional process required by both state and federal law through which SACOG develops a coordinated and balanced regional transportation network to meet the mobility needs of both residents and goods in the region: considering economic prosperity, equity, transit and alternative travel modes, preservation of natural resources and agricultural lands, housing, jobs and land development, and efficient and cost-effective use of existing regional assets and infrastructure. It is also the process through which the SACOG board ensures that the region meets the federal Clean Air Act, satisfies federal "fiscal constraint" requirements, and meets its state-level regional greenhouse gas emissions reduction target.

Because of the need to coordinate across six counties and balance these many needs, SACOG has continued to urge that all transportation projects come through the regional planning process and that project funding from local tax measures only be released once a project is fully included in an MTP/SCS that meets the regional greenhouse gas target. That requirement was included in the proposed 2020 transportation tax

measure but is not in the current proposed initiative.

4. Discussion/Analysis:

As was discussed at the May board meeting, SACOG staff has been working for several months with Sacramento Mayor Steinberg and the initiative proponents (Committee for a Better Sacramento) to attempt to resolve the issues that the staff analysis highlighted, particularly the inconsistencies between the language in the proposed initiative, the regional transportation planning process, and our state requirements to adopt a plan that significantly reduces greenhouse gas emissions from transportation. Over the last week, a proposed agreement was reached among the parties that the staff is recommending to the SACOG board for approval. That agreement is attached.

The agreement does not provide, as staff have recommended throughout this process, that local transportation tax funds should be consistent with the adopted MTP/SCS. However, the agreement does reinforce the important role SACOG has in ensuring compliance with the region's greenhouse gas emissions reduction strategies and the state-mandated GHG target. The agreement also creates a process intended to quantify and mitigate increases in GHG emissions beyond what are assumed in the adopted MTP/SCS and thus minimize the risk to the six-county region.

Specifically, the agreement provides that Sacramento Transportation Authority (STA) will fund a SACOG analysis of the GHG impacts and required mitigation efforts of the entire initiative as well as its capital projects not in the MTP/SCS. SACOG's analysis will be completed by December 31, 2023. The agreement provides that STA and the project sponsors follow SACOG's recommendations. The agreement provides for STA to commission a third-party analysis of the GHG impacts and required mitigation efforts of the entire measure and the capital projects not in the MTP/SCS. If the third-party analysis deviates significantly from the SACOG analysis, the parties will meet and confer. The parties have acknowledged that SACOG's analysis will need to be updated periodically.

The agreement further provides that GHG impacts will be mitigated for all projects not in the MTP/SCS and that SACOG will consider any project, once fully mitigated, in the next MTP/SCS. However, nothing in the proposed agreement limits the board's discretion in any way to decide what projects are in the MTP/SCS.

Other provisions in the agreement:

- Commits \$100 million in funding from the City of Sacramento for the California Mobility Center;
- Confirms that phases of projects in the MTP/SCS may be funded with initiative tax revenues consistent with their phases already included in the MTP/SCS; and
- States that an additional \$510 million in revenue may be available from the measure and that those funds may be needed primarily for GHG mitigation efforts.

Finally, the agreement contemplates that STA, the measure proponents (Committee for a Better Sacramento), SACOG, and the Capital SouthEast Connector JPA will develop an MOU to implement the agreement. It should be noted, however, that the initiative language is fixed. Therefore, the agreement provides that the "Yes" argument will be mutually agreed upon by the parties to ensure that the substance of the agreement, and how the applicable public agencies will implement the initiative, is known to and agreed upon by voters.

As noted, staff believes that SACOG's regional planning process and the resulting MTP/SCS should be the criterion for funding projects, from any source, in the six-county region. The proposed agreement could

certainly take a more direct approach to requiring consistency between the MTP/SCS and projects funded under the proposed tax initiative, but staff is recommending the SACOG board approve the agreement because it provides a process for mitigating GHG impacts from projects and thus can help reduce the risks discussed in the staff report to the board in May—particularly the protection of potentially billions of dollars of state funding over the next decade or more for critical transportation and housing investments in the six-county region.

5. Fiscal Impact/Grant Information:

Staff believes the analysis and the work resulting from this agreement will require a significant amount of staff time in 2023. The agreement provides that STA will fund this work. However, the analysis will be a major undertaking and have an impact on the agency's staffing capacity. The work will also likely require a delay to the schedule of the 2024 Blueprint (the next MTP/SCS) development process, which would require state and federal agency approvals. Staff is researching options for delaying the plan update to minimize risk and so that transportation delivery in the region can continue even while the 2024 Blueprint is delayed.

6. This staff report aligns with the following SACOG Work Plan Objectives: