



## Carbon Reduction Program Information and Strategy

Receive and File

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**Attachments:** No

**Approved by:** James Corless

**Referring Committee:** Transportation

### **1. Issue:**

Provide a summary of the Carbon Reduction Program and discuss potential strategies for how SACOG could distribute the funds in the region.

### **2. Recommendation:**

None, this item is for information only.

### **3. Background/Analysis:**

As part of the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) signed into law in November 2021, the U.S. Department of Transportation established the Carbon Reduction Program (CRP). This program provides funding to states and Metropolitan Planning Organizations (MPOs) for projects designed to reduce transportation emissions from on-road highway sources. Similar in nature to Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding already received by SACOG, the CRP funds would be suballocated to SACOG from the state and would need to comply with corrective action framework for competitive distribution in the 6-county region.

California's share of the CRP funding in Fiscal Year (FY) 2022 is roughly \$106 million, of which the SACOG region will receive \$4.2 million for FY 2022. CRP is a 5-year program, with approximately the same amount suballocated to SACOG each of the five years; an estimated total of \$22 million over the program period expected. This first year of funds must be obligated by September 30, 2025, and expended by September 30, 2030, and subsequent years would follow accordingly (i.e., FY 2023 funds obligated by September 2026 and expended by September 2031).

A list of eligible projects can be found here at the Caltrans website: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/crp/2023/crp-eligible-projects.pdf>.

### **4. Discussion/Analysis:**

SACOG has begun to explore a potential strategy for distribution of CRP funding in the six-county region. SACOG's priority, as defined through our MTP/SCS, is to utilize the funding for advancing projects that have already been established, or are part of an ongoing regional program, rather than developing new plans and programs. Given the need to follow a 6-county approach, it is expected that the CRP funding will either be integrated into upcoming Regional Funding Round cycles by supplementing CMAQ and RSTP dollars, or be

administered as a dedicated funding program specifically designed to implement projects consistent with eligible projects.

The Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant-funded Mobility Zones project that will be kicking off in Spring 2023, was designed as a potential carbon reduction strategy for our region and would result in projects that fall primarily in the priority categories. As such, one potential strategy component would be to use CRP as a funding mechanism to advance the projects that result from that effort across all six counties. The RAISE award included a small amount of seed funding for pre-construction activities for the most “ready” projects, however additional capital funding would greatly benefit the advancement of these projects, and dedicate regional funding to low carbon projects particularly in communities that have historically seen less investment.

Trails and other active transportation projects are given strong priority in the CRP. With the recent adoption of the Regional Trails Plan in 2022, another strategy component would be to fund active transportation projects, programs and policies that accelerate the implementation of the Regional Trails Plan, as well as other established active transportation programs in the region’s communities.

A third priority could be utilizing CRP funding to develop a more comprehensive approach to pricing and tolling in the six-county region as more managed lanes and tolling projects come online. Caltrans has listed congestion management projects, such as pricing and tolling, as priority eligible projects for CRP funding. Projects such as the Yolo80 managed lanes are advancing with near-term completion dates, while others along I-5 and I-80 are continuing to take shape. Additional work will be required to ensure these, which have already received funding, are able to advance.

SACOG has initiated discussions with our regional transportation planning agency (RTPA) partners on this topic and will continue to prioritize dialogue with regional partners as this strategy is developed. The agency’s intent is to include CRP strategies as a discussion topic during the upcoming Funding Round Working Group sessions, to ensure regional buy-in on our approach.

## **5. Fiscal Impact/Grant Information:**

There is no fiscal impact.