WRCOG VMT Mitigation Program

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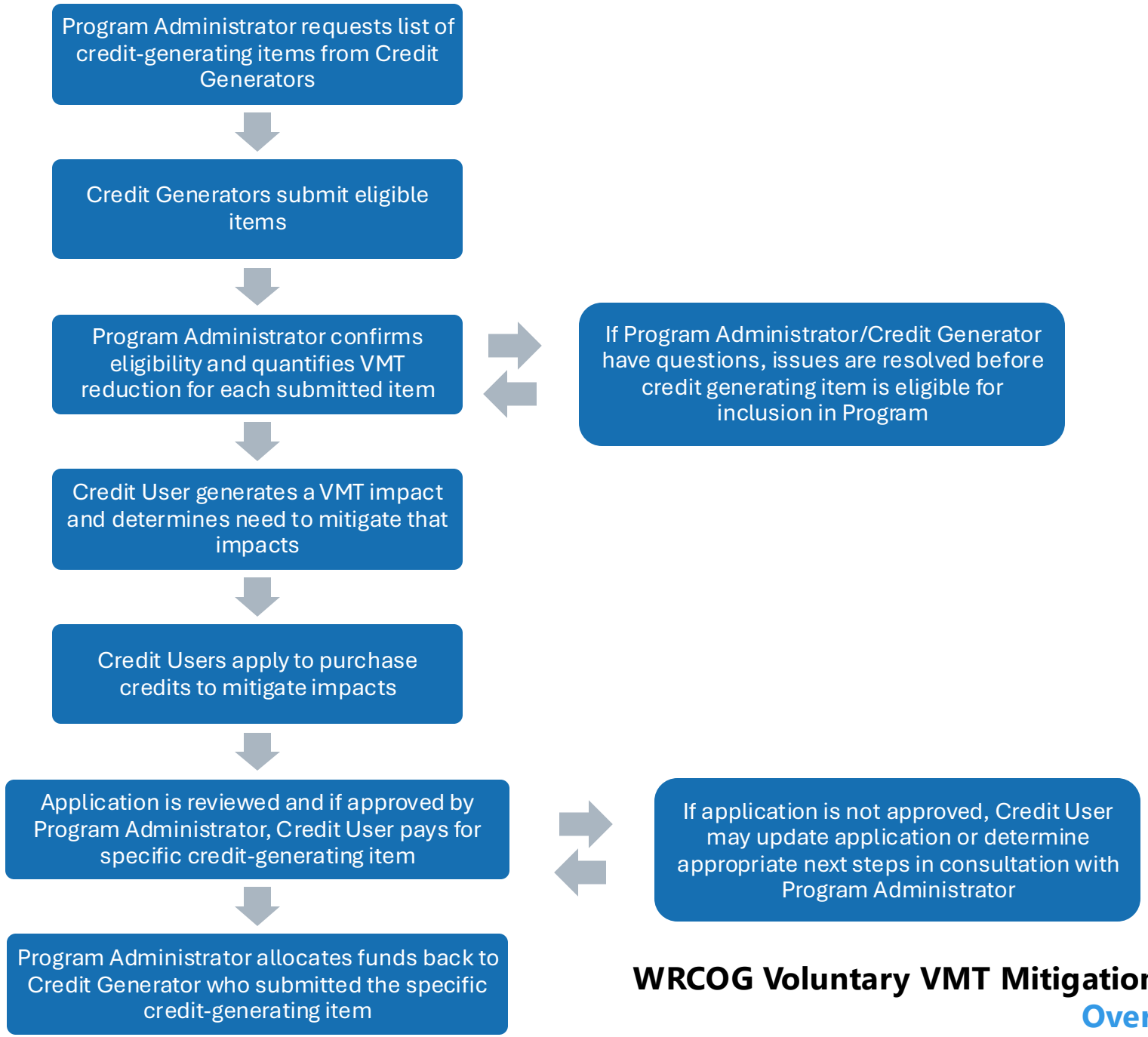
Program Overview

- WRCOG has been actively working on a VMT Mitigation Program since 2021
- Developed a program in conjunction with RCTC, RTA, RCA, and the Riverside County Housing Authority
- The program is structured as an exchange, not a bank
- VMT mitigation is based on specific projects with known characteristics
- WRCOG would be the program administrator
- Bringing the proposed program to our Executive Committee later this year for final approval

Definitions

- Credit generating item- A program or infrastructure project which creates some level of VMT reduction
- Credit generator- Agency which would implement a credit generating item
- Credit user- Agency or private party that would use VMT credits
- Program Administrator- Responsible for overall program operation including quantification of VMT reduction to ensure consistency



WRCOG Voluntary VMT Mitigation Exchange Program

Overall Program Process

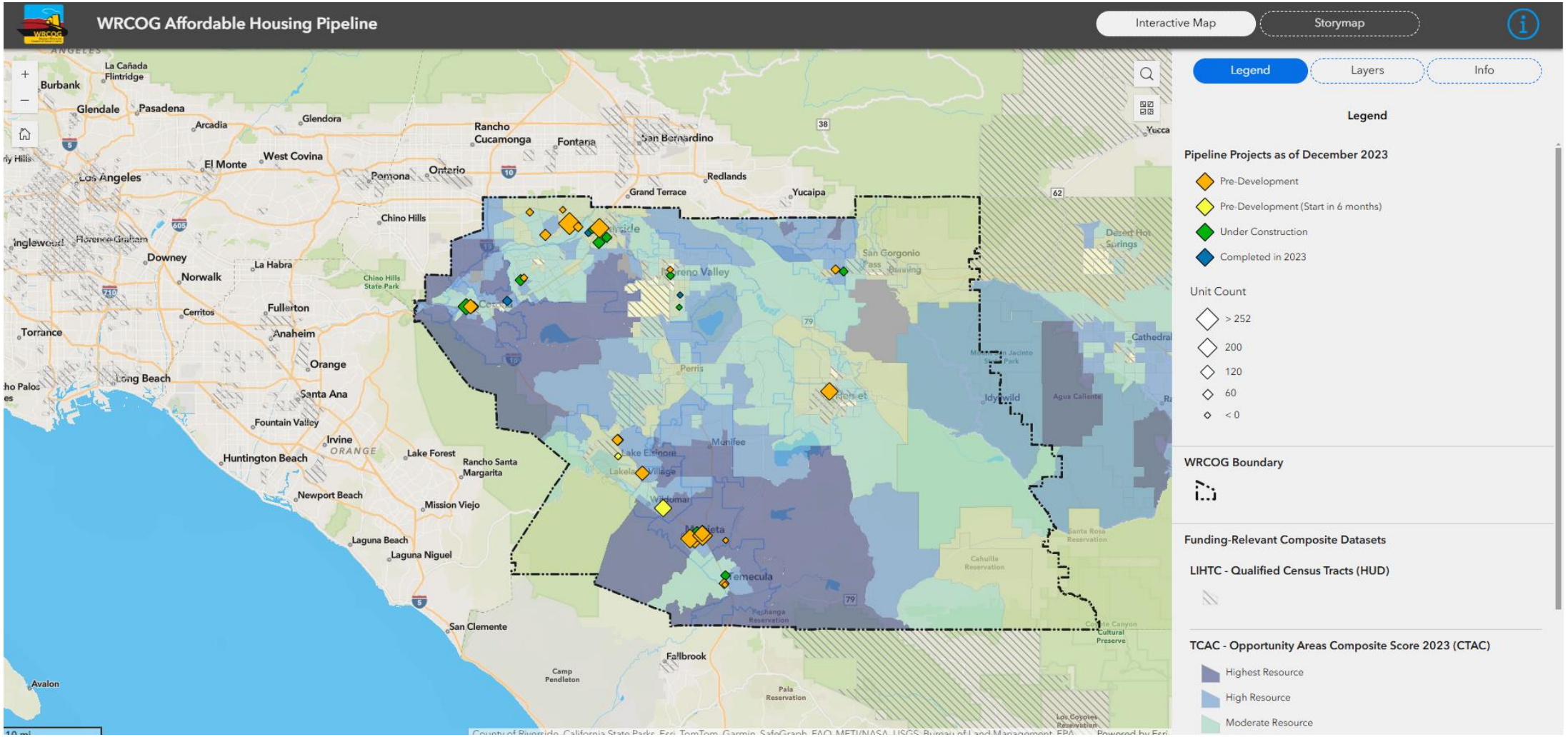
Mitigation Measures Included

- Program does not have an exclusive list of credit-generating items
- Potential credit generating items
  - Transit passes/subsidies
  - Bicycle/pedestrian infrastructure
  - Carpool/vanpool
  - Habitat conservation
  - Affordable housing
- WRCOG would evaluate each potential credit-generating item for inclusion in the program

Affordable Housing Challenges

- There are a substantial number of approved affordable housing projects which have the majority, but not 100% of the financing they need
- Housing authority provided us with a list of 15 projects which are currently approved but lack full funding
- GAP can range from 5% to 30%
  - Meaning the developer has 70-95% of the funding they require
- Actual dollar gap ranges from $5M to $25M
- In a typical year, 1-3 of these projects secure sufficient tax credits, grants, or other public funding to allow the project to move forward

Affordable Housing Pipeline



How Would This Work in Practice?

- Housing Authority would submit a list of potential projects to be funded
- WRCOG would evaluate each project individually
- VMT would be calculated based on the specific site location and characteristics
- The site specific VMT would be compared against a regional average for residential projects
- Difference would converted to annual reduction with 20 year lifespan
- Difference would represent VMT reduction

Example Calculation

Project Name	Units	Total VMT/Day	Regional VMT/Day	Daily VMT Reduction	Lifetime VMT Reduction	Gap Financing	Cost/VMT
Oaks	150	3,000	4,500	1,500	9M	$5M	$0.60
Willows	75	1,125	2,250	1,125	7M	$15M	$2.22
Cottages	100	1,700	3,000	1,300	8M	$25M	$3.3

Project VMT: 15-20/unit based on site specific information
Regional VMT:30/unit
Lifetime Reduction: Daily Reduction * 300 days * 20 years

Where Does Affordable Housing Rank In Terms of VMT Mitigation

- Comparable to transit passes/transit subsidies
- One fourth the cost of bicycle pedestrian infrastructure
- Dependent on location
- Paying gap financing for 1-2 affordable housing projects can mitigate an interchange project

Controls/Oversight

- Money flows from credit user to WRCOG to County Housing Authority
- County Housing Authority would hold funds and disperse to projects as needed
- County Housing Authority already has processes and procedures in place to accept, track, and disperse money
- Money would only be provided to projects which are close to construction
- Money would not go directly to the developer

Summary

- WRCOG program is an exchange so it requires site specific information for VMT quantification (cost and effectiveness)
- Requires a specific list of projects and locations
- That structure allows us to accurately calculate VMT reduction and cost/VMT
- Cost is provided by the County Housing Authority so we can rely on its accuracy
- Process ensures that money is distributed and tracked appropriately (County Housing Authority)

Items to Note

- We anticipate that the State may want to regulate/oversee/implement this approach
- We strongly believe that this approach should be implemented on a regional basis by regional agencies
- We also believe that gaining approval of Caltrans for this type of approach would be very beneficial
- We have not asked Caltrans if they approve this process/approach since we don't have an actual program yet
- Any discussions with Caltrans on this type of approach should really take place at a Statewide level

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