

South Bay Cities Council of Governments

August 10, 2020

TO: SBCCOG Steering Committee

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering July 2020

Adherence to Strategic Plan:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

Federal

LA County Transit Providers To Get \$49.2 Million In Federal COVID-19 Aid

The U.S. Department of Transportation's Federal Transit Administration on July 23rd announced \$49.2 million in grant awards to six transit providers in Los Angeles County as part of the agency's implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Among the recipients, Torrance Transit will receive \$7.9 million and Redondo Beach was awarded \$907,000 to support the Beach Cities Transit system, including WAVE Dial-A-Ride service, in Redondo Beach as well as neighboring cities, including Hermosa Beach, Manhattan Beach and El Segundo

The grants support transit operating, administrative and preventive maintenance expenses during the COVID-19 public health emergency. In addition to the CARES Act funding, FTA issued a Safety Advisory that prompts transit agencies to develop and implement policies and procedures regarding face coverings and Personal Protective Equipment, cleaning and disinfection of frequently touched surfaces, physical separation and hand hygiene consistent with guidance from the Centers for Disease Control and Prevention and Occupational Safety and Health Administrations. CARES Act funding can be used to cover 100% of these costs.

It is estimated that the CARES Act funds will cover agency shortfalls for an average of 3.4 to 6.3 months as of July 2020.

A follow-up relief bill that has passed the House (the HEROES Act) would cover less than a year's worth of the expected deficit in New York, Seattle, Los Angeles, the Bay Area, and Boston.

The California Transit Association (CTA), which represents over 85 local transit agencies in California, issued an appeal for emergency federal and state funding to keep them operating on July 7th. CTA estimated the combined need in Los Angeles and the Bay Area alone is \$3.1 billion, They cited a trilogy of shortfall concerns: significantly lower local sales tax revenues,

reduced diesel excise taxes, the portion of the gas tax that helps pay for transit due to stay-at-home orders, and the precipitous drop in ridership and fare revenues is expected to continue even as people slowly go back to work—if that happens.

U.S. House of Representatives Approves Transportation Funding Bill for Fiscal Year 2021

The U.S. House of Representatives approved by a vote of 217-197 the Federal Fiscal Year 2021 Transportation, and Housing and Urban Development (THUD) appropriations bill. The legislation passed as part of a five-bill package that also included Defense, Commerce, Justice, Science, Energy and Water Development, Financial Services and General Government, Labor, Health and Human Services, and Education.

The Senate has yet to consider or approve any of the 12 appropriations bills for FY21 which increases the likelihood of a short-term continuing resolution that would extend current funding levels beyond September 30, 2020 to avoid a government shutdown. The full text of the bill is available at: <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR7617-RCP116-60.pdf>.

The White House Office of Management and Budget has issued a veto threat for the House Appropriations package through a Statement of Administration policy. Mentioned in the policy statement was the Administration's opposition to the inclusion of "new and excessive parameters and timelines" within the BUILD and other grant programs. Additionally, the Office of Management and Budget criticized language requiring passengers to wear face masks on public transportation, and stated that the California High-Speed Rail Project is a "case study in governmental dysfunction" while opposing language that would allow FRA to repurpose previously awarded federal funding for the project until legal challenges are resolved.

COVID 19 Imperils Senate and House Approval Of Infrastructure Reauthorization Bills

Politico reported on July 23rd that the House is steaming ahead with a surface transportation bill, wrapped inside a massive infrastructure package, and far outpacing the Senate, which has not made any progress since the core of its version of the bill (S. 2302) was marked up in its Environment and Public Works Committee almost a year ago. The current surface transportation act expires October 1, 2020.

The Senate Finance Committee's already-tough job of figuring out how to pay for the \$287 billion, five-year bill has been complicated even more by the coronavirus pandemic, which has foiled attempts to come up with accurate estimates for flagging gas tax receipts and Highway Trust Fund revenues.

On July 21st, the House considered their \$1.5 trillion infrastructure package, H.R. 2. The House bill extends FY 2020 enacted funding levels through 2021 for federal-aid highway, transit and safety programs and reauthorizes several surface transportation programs for FY 2022-FY 2025. Though the surface transportation bill serves as the core vehicle, once complete, the bill also will fund vastly more than roads and bridges, encompassing housing, broadband, water issues and more.

However, HR 2 relies on a \$145 billion general fund transfer, inviting a debate about massive deficit spending that could also trip up progress on the bill and no one knows the impact of COVID 19 on revenues assumed to be available to fund the programs in the bill. The Congressional Budget Office told the Finance Committee an updated baseline revenue estimate could take months.

Transportation program budgets are mostly dependent on local sales taxes, state and federal fuel taxes, and tolls. Since the COVID-induced decline in traffic volumes may also significantly reduce motor fuel tax and toll receipt revenues, the Federal government is being asked to fill the huge gap in transportation budgets across the country using Federal General Funds to supplement the nearly-insolvent Highway Trust Fund.

US Roads Nearly Back To Pre-Pandemic VMT Levels; Accident-Related Deaths Increase
StreetLight Data and Boston Consulting Group (BCG) created a Trip Reduction Index in March 2020 to measure COVID19 lockdown policy adherence in each state, county and metropolitan area. The index found the national average in VMT dropped 72% from the beginning of March through April 7 (following Easter Sunday), but rural counties have now fully recovered to pre-COVID VMT levels while urban counties have reached 90% recovery.

The speed that people are traveling in private vehicles has also seen a concerning shift due to new roadway trends. The National Safety Council (NSC) recently reported the U.S. traffic fatality rate jumped 23.5% in May, compared to the year prior, despite VMT in that month dropping 25.5% amid stay-at-home orders.

NACTO Releases Innovative Framework To Set Safe Speed Limits On City Streets
The National Association of City Transportation Officials (NACTO), on July 22nd released an innovative, tested, and proven framework for setting safe speed limits for city streets. The framework, known as City Limits, was developed by a steering committee of NACTO's 86 member cities and transit agencies.

City Limits outlines how to use a safe systems approach to set speed limits in urban environments, in contrast to legacy methods (e.g. the 85th percentile) that often result in speeds that are inappropriately fast for urban environments. The framework outlines a three-method approach to speed limit setting that provides an alternative to percentile-based speed limit setting:

1. Setting default speed limits on many streets at once (such as 25 mph on all major streets and 20 mph on all minor streets),
2. Designating slow zones in sensitive areas, and
3. Setting corridor speed limits on high priority major streets, using a safe speed study, which uses conflict density and activity level to set context-appropriate speed limits.

The guidance ranges from step-by-step checklists for conducting activity level & conflict density analyses, to nuanced metrics for documenting speeds that go beyond percentile-based speed setting practices. Context-sensitive speed limit setting means that safe speeds are chosen based on how a street is used, and the important functions it plays in a community.

The importance of safe speed limit setting has been underscored in recent months by effects from the coronavirus pandemic. As people traveled less during stay-at-home orders, speeds increased to even more unsafe levels. In May, traffic across the U.S. was 41% lower than pre-pandemic volumes, yet crashes only dropped 21%, meaning each trip was riskier.

State

CARB To Set 2030 Rideshare Vehicle Electrification Regulations; Companies Seek Subsidies

The California Air Resources Board (CARB) has proposed requiring that 60 percent of miles traveled by ride-hail passengers be in electric vehicles by 2030 and to get one-third of ride share drivers into electric vehicles by 2030. To which the ride-hail companies say (with some qualifications): Bring it on.

In 2018, only about 1 percent of those miles were in electric vehicles. California is the nation's top market for electric vehicles, but less than one in 10 cars sold in 2019 can plug in. To hit that 60 percent target, the Air Board estimates that one-third of ride-hail vehicles will have to be electric, and that the companies will need to push their highest-mileage drivers to switch to EVs. Earlier this year, Lyft pledged to electrify all of its drivers' vehicles by 2030. That's a challenge, because Lyft doesn't own those vehicles. So, it must convince drivers to buy electric vehicles, when the tech is still more expensive than gas-powered cars, and chargers still hard to come by.

How to do that? The rideshare companies are asking for a lot of government help—and money to accompany the proposed regulations. To make it work, LYFT says the ride-hail industry needs government help in the form of subsidies to help lower- and middle-income drivers buy EVs. (In Colorado and Massachusetts, the company receives tax credits when it introduces EVs into its fleet.) It needs more, cheaper, and faster charging stations. It needs to strike deals with utility companies, which could make it more affordable for drivers to charge up.

In California, companies like Uber and Lyft account for just about 1 percent of the vehicle miles traveled, and 1 percent of the greenhouse gas emissions from cars. So why is CARB targeting ride-hail companies? Because drivers have to travel between each ride, the average trip via ride-hail produces 50 percent more emissions than the average car trip. Research in June 2020 also suggests that, because the average ride-hail vehicle in California travels much farther each day than other cars, electrifying a ride-hail car saves three times as much CO₂ as electrifying other cars.

Caltrans Updates Plan to Support Biking, Walking, and Transit

Caltrans set a goal in 2015 of safely tripling biking and doubling walking and transit trips by 2020. In June 2020, Caltrans requested, and received, a special funding reserve of \$100 million to add complete streets elements to ongoing highway projects. And in mid-July Caltrans released an updated Mode Share Action Plan, which includes a new list of priority actions focused on making biking and walking viable, safe modes of travel throughout the state. These include working with its twelve districts to identify projects that would receive some of the \$100 million reserve, establish an active transportation office within Caltrans, develop performance targets, help guide public engagement, complete Active Transportation Plans for each of the twelve districts, and update training for Caltrans engineers and planners on new complete streets requirements.

Region

Metro Nextgen Bus Study: Upcoming Meetings And More Detail Online

L.A. Metro is moving forward with its "NextGen" Bus Study on how to reorganize service. The agency will hold a series of online hearings throughout L. A. County in August about the proposed changes, which are scheduled for implementation starting in December. The first

virtual South Bay Service Council hearing will be held on Friday, August 14th beginning at 10:30 a.m. A second South Bay hearing will be held on August 20th beginning at 6 p.m. More information is available at: <https://www.metro.net/projects/nextgen/events/>

L.A. Metro Prioritizing Unsolicited Proposals Related To COVID 19 Recovery

As of July 31st, Metro's reported an average of 533,000 weekday boardings which is approximately 44% of Metro's pre-pandemic ridership. To better focus its attention on ridership recovery, Metro on July 7th updated guidance for its Unsolicited Proposal Policy to prioritize proposals related to the COVID-19 pandemic.

Four months into the COVID-19 pandemic, Metro has received nearly a dozen proposals responding to the health crisis, from new cleaning and disinfection methods to workforce protection measures and customer information tools. Metro says it is prioritizing consideration of proposals related to pandemic response, service relaunch and regional recovery that support efficient mobility in a changed world.

Draft Plan Released To Revamp Artesia/Aviation In North Redondo Beach

Redondo Beach wants to turn a commuter route into a more pedestrian-friendly commercial hub — to help the surrounding area catch up with the commercial redevelopment that's occurred in other areas of the city.

The draft Artesia and Aviation Corridors Area Plan, introduced to the city's Planning Commission on July 16th, details the possible transformation of the boulevards into the "Main Street of North Redondo". The newly imagined Artesia and Aviation Corridors would improve bicycle and transit access; add "streetlets" and "parklets," or permanent open spaces for gathering; accommodate outdoor dining and retail displays; reconfigure public parking; attract new businesses that better serve residents and attract visitors; and encourage private property redevelopment and reinvestment.

While funding for the project has not yet been determined, there are several options, such as a Business Improvement District, in which property owners pay a tax to pay for projects within the district's boundaries; parking meter fees; Parking Benefit Districts, in which on- and off-street parking revenue finances neighborhood improvements; or in-lieu parking fees, in which payments for certain parking spaces at a business go into a fund for future, larger parking facilities.

L.A. Courts Extend Grace Period On Traffic, Non-Traffic Infractions

The presiding judge of Los Angeles County's Superior Court system on July 21st extended a 90-day grace period for an additional 60 days on all traffic and non-traffic infraction tickets as a result of the coronavirus pandemic. The grace period is now in effect through Aug. 21st. More information can be found on the court's traffic web page at: www.lacourt.org/division/traffic/traffic2.aspx.

Trends

How Drones Could Change Cities

Drones, personal flying vehicles and air taxis may be part of our everyday life in the very near future. Drones and air taxis will create new means of mobility and transport routes. Drones will be used for surveillance, delivery and in the construction sector as it moves towards automation.

The introduction of these aerial craft into cities will require the built environment to change dramatically. Drones and other new aerial vehicles will require landing pads, charging points, and drone ports. They could usher in new styles of building, and lead to more sustainable design.

In the public sector, drones are used in disaster response and by the fire service to tackle fires which could endanger firefighters. During the coronavirus pandemic, drones have been used by the police to enforce lockdown. Drones normally used in agriculture have sprayed disinfectant over cities.

Alongside drones, our future cities could also be populated by vertical takeoff and landing craft (VTOL), used as private vehicles and air taxis. A number of companies are developing eVTOL with electric multi-rotor jets.

The widespread adoption of drones and VTOL will lead to new architecture and infrastructure. Existing buildings will require adaptations: low-altitude air traffic control networks, landing pads, solar photovoltaic panels for energy efficiency, charging points for delivery drones, and landscaping to mitigate noise emissions. Neighborhoods will need to be transformed to include landing pads, airport-like infrastructure and recharge points. Drones and aerial vehicles can be part of a profound rethink of the urban environment. Drone infrastructure may also help the urban environment become more sustainable.

A study conducted by Airbus found that public concerns about VTOL use focused on the safety of those on the ground and noise emissions. The Airbus research found that of the cities surveyed, highest demand for VTOLs was in Los Angeles and Mexico City, urban areas famous for traffic and pollution.

Researchers at the University of Stuttgart have developed a re-configurable architectural roof canopy system deployed by drones. By adjusting to follow the direction of the sun, the canopy provides shade and reduces reliance on ventilation systems.

Work-From-Home Culture Will Cut Billions Of Miles Of Driving, Or Not

Back in in 2018 – in the pre-pandemic world – about 5% of the U.S. workforce teleworked from home. That changed dramatically with the onset of the COVID-19 pandemic; by May 2020 that number had jumped to about 35%. Tech giants Google, Facebook, Microsoft, Amazon and Twitter announced plans to extend teleworking well into the fall and possibly beyond. It's a sea change that will permanently alter the way America works – and how companies conduct business.

During the height of the pandemic in April, Americans sheltering at home drove 64% fewer miles and KPMG predicts as much as a 10% permanent reduction of the almost 3 trillion miles typically traveled every year with vehicle ownership declining to slightly less than two cars per household.

Their prediction assumes that the American public buys a car to commute to and from their job and to shop. If demand for both uses is reduced, the change in habits could result in roughly 1 million less sales of new cars and trucks annually. The National Automobile Dealers Association expects U.S. auto sales to plunge from an annual rate of 17 million to as low as 13 million this year. The upside of these changes is that the market for delivery vehicles is booming thanks to the surge in online shopping.

Meanwhile, reports from CNN and *U.S. News & World Report* indicate that citizens in urban areas are becoming more attracted to the idea of moving to a rural area due to a perceived higher

risk of COVID-19 infections in big cities. However, rural areas may not be safer from the threat of infection. There is a lack of “hard data” on community migration patterns; this type of information from the American Community Survey and the Internal Revenue Service won’t be available until late in 2021.

Recent research revealed a more nuanced picture in which teleworking might have two unexpected consequences: increased telework will exacerbate inequality in America under current economic and social conditions, and the climate benefits are probably very modest, at best.

About 37% of jobs could be performed entirely at home, particularly in the fields of education and professional, scientific, technical and information services; in management positions; and in finance and insurance. These positions are overwhelmingly held by white Americans. One in 5 workers in the top 10% income bracket work at home, but for the lowest bracket, numbers drop to just 1 in 100. Education matters, too: 37% of those with a bachelor’s degree or higher reported working from home in 2019 compared with just 16% of those who only held a high school diploma.

Recent telework research also has shown that the climate benefits are lower than conventional wisdom suggests. Overall, it may even increase emissions because of indirect or “rebound” effects. Household energy use rises when people work from home. For those who once drove to work, fewer miles traveled translates to fewer emissions. But some telecommuting households actually drive more. Errands once daisy-chained into a morning or evening commute may become multiple trips. In “car-scarce” households, other household members may jump at the chance to use the car. Without having to go into an office every day, there are early signs of people relocating to suburban or rural areas where daily life requires more driving – making for a longer drive when they do have to commute.

Historic data confirms that structural issues have a far greater impact on usage patterns than recessions. Aggregate driving levels dipped during many recessions, but have always rebounded as structural factors incentivize automobile use. Recessions also did not hold back freight flows, commercial aviation, and intercity passenger rail. Transit’s changing passenger levels have more to do with local development habits and system design than economic growth.

The major exception is telework and the rapid rise in digital connectivity. A shift to more permanent telework policies could impact local demand for commercial and residential properties, reduce demand for intercity travel, launch new metropolitan competitions for industry and talent, and accelerate calls for universal broadband.

For nearly 100 years, Congress has seen infrastructure spending as a way to stimulate economic growth during downturns. However, the bills that made the most durable impact on infrastructure-related outcomes were the ones that tested innovative programs to address structural challenges.