

South Bay Cities Council of Governments

May 28, 2020

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering April 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.

Due to the COVID-19 Pandemic and its potential fiscal impacts, nearly all non-pandemic transportation initiatives have been put on hold. As a result, this update includes a new COVID-19 section expanding the Transportation Update to include Work-From-Home (WFH) news in the hope that this trend will thrive after the social distancing controls are lifted. Other news follows in the traditional format.

COVID-19

COVID-19 Recovery and Restoration Strategies Emerge

The stay-at-home orders have clearly shown the environmental and economic impacts (and sustainability benefits) of immobility. COVID-19 recovery will be gradual, and we will emerge from it into a different world. A wide range of strategies was suggested during April as planners begin to focus on the post COVID-19 “new normal”. A sample of some key ideas follows:

- To regain ridership, transit operators will need to continue their social distancing policies and deep cleaning long after the stay-at-home orders are lifted. Budgets will need to incorporate these ongoing costs. They will also need to determine how and when to resume collecting fares and whether to begin resuming service with transitional promotional fare programs.
- Public transit planning needs to account for an initial reluctance by the public to utilize transit. However, with demographics a primary driver, and with transit riders primarily low-income (often service workers), planners have an opportunity to “right size” the level of public transit services they will need to provide “access to opportunity” and high-quality, low-cost mobility options for those that will continue to rely on transit.
- Rather than simply restoring service according to previous patterns, transit operators could add service in response to demand and incorporate promising Next Gen Study routing and service recommendations to improve the speed, efficiency, responsiveness and reliability of bus service.
- The NextGen study identified more than \$1 billion in infrastructure projects that could significantly improve transit speeds and reliability. Metro and the local jurisdictions could partner to fund and build the most productive near-term projects as an element of their recovery plans.

- Local jurisdictions have an opportunity to consider whether to replace low-ridership bus lines with on-demand service and microtransit services through contracts with transportation network companies or with their agency staff.
- Agencies that eliminate transit route segments need to explicitly consider the ongoing availability of Access Services for eligible riders parallel to the eliminated route.
- Transit operators should continue to implement the transition to a zero-emission fleet by 2035, potentially including battery-electric and fuel cell technologies.
- Public Works departments that are accelerating paving jobs during the Stay at Home travel period should not just repaint the current lane configurations, but should consider incorporating city-adopted re-striping plans that provide bike lanes and other low-cost “complete streets” design changes. The SBCCOG has been on the forefront of this strategy with the development of the South Bay Local Travel Network that provides safe travel lanes and pathfinder street signage for a full-range of sustainable vehicles designed for speeds under 25 mph.
- Planners need to consider the changing role of mobility in supporting the emerging digital economy. Mobility is being dramatically redefined to improve the reliability, capacity and efficiency of our digitally-connected lives, with virtual space replacing office space as the crossroads for civic and commercial transactions.
- Working from home has expanded dramatically over night and it may become permanent at least for part of the work week and workforce. American workers doing their jobs from home has slowly but steadily increased in the last two decades, from 3.3 percent in 2000 to 5.2 percent in 2017. Surveys suggest anywhere from 29 percent to 43 percent of American workers could potentially do their jobs at home. COVID– 19 may be the tipping point. Such a tidal wave will create major policy and infrastructure challenges for communities that have historically segregated work and residential life as well as positively impacted commute congestion.
- A recent PWC study showed that about half of businesses expect a dip in productivity during the pandemic due to a lack of remote work capabilities and clear policies regarding secure access to business records and proprietary information.
- Online shopping may also be at a tipping point. Instacart orders jumped 150% in the last month and Amazon reported grocery delivery orders up 50 times higher than normal. That translates into nearly a half million new jobs that may become permanent from the two companies alone. And the on-line models save trips and reduce congestion by being linked and routed for efficiency.

FEDERAL

\$25 billion in CARES Act Transit Funding Allocations Released

The Federal Transit Administration announced on April 2nd the allocation of \$24.925 billion in emergency appropriations to mass transit agencies across the country that was included in H.R. 748 – the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted on March 27th. The LA/Anaheim region was allocated \$1.2 billion to be distributed under two existing federal formulas to eligible operators. L. A. Metro’s share is estimated to be \$700-800 million. The federal funds do not require a match and can be used for operating expenses incurred after January 20, 2020, purchase of personal protective equipment, and paying administrative leave of operations personnel due to reductions in service.

The Federal Transit Administration (FTA) is working with local transit authorities to free up other capital grant resources to help them deal with COVID-19. Large operators are not normally

allowed to cover operating expenses with any of their Federal formula funding. However, if a governor declares an emergency and the FTA concurs, the FTA Emergency Relief Program (49 USC 5324) lets local transit agencies in those states use their federal transit formula funding to pay up to 80% of their operating costs, including the cost of activities aimed at containing COVID-19.

Senate's Next Coronavirus Relief Bill Will Not Include Infrastructure

Senate Majority Leader Mitch McConnell (R-Ky.) said on April 28th that infrastructure will not be part of Congress's next coronavirus relief package, even as President Trump has pushed for it to be included. Instead, McConnell said the Senate will pass a "more modest" infrastructure bill "in the near future" without using borrowed money. That package is expected to build off a highway bill that passed the Senate Environment and Public Works Committee last year. One of the main hang-ups to getting a deal on infrastructure is how to pay for it.

Federal Guidelines For Reopening Transit Being Finalized

The Centers for Disease Control and Prevention (CDC) is finalizing guidelines as of the end of March for the phased reopening of the economy that include detailed recommendations for transit.

Restoring transit service will be key in what the CDC describes as a three-phase reopening process. The first phase deviates little from the social distancing recommendations and practices already in use. Phase 2 calls for reopening schools, allowing nonessential travel, and carefully opening large venues. Phase 3 would lift most restrictions but still recommend that large venues continue some social distancing.

The draft transit recommendations for helping prevent the spread of COVID-19 include: roping off rows of seats, marking where passengers should stand, regularly checking the temperature of workers, providing personal protective equipment for workers, and requiring or recommending passengers to wear face masks.

The guidelines also include recommended policies and procedures that most agencies have already adopted, such as wiping down bus interiors after every shift and requiring front-line workers to wear masks and isolating vulnerable transit workers from contact with passengers. Transit agencies are also recommended to consider reducing the maximum occupancy of buses and rail cars, continuing rear-door boarding, and increasing service frequency on busier routes and lines to limit crowding. The guidelines also recommend new buses and train cars be ordered with no-touch doors, no-touch trash cans and no-touch fare collection equipment.

Federal Highway Fund's Shortfall Grows Due To Plunging Gas Tax Revenues

While Congress has focused much of its coronavirus relief legislation on helping struggling airlines and transit agencies, state highway officials are worried about another crisis on the horizon: plummeting gas tax revenues. While the Treasury Department has yet to release the April figures, experts are predicting a drop of 40% in gas tax revenues compared to last April.

The federal government largely pays for its roads, bridges and transit through general funds as a supplement to the Highway Trust Fund (HTF), which is funded with federal gas and diesel tax revenue. In January, the Congressional Budget Office projected that the HTF would run out of money in 2021. But the coronavirus — and the stay-at-home orders keeping people off the roads — likely will speed the HTF insolvency.

Following the lead of transit agencies and state governments hard hit by sales tax revenue reductions, the American Association of State Highway Transportation Officials wrote

congressional leadership on April 6th to request \$50 billion in any forthcoming coronavirus-related spending bills.

Congress is also facing a September 30th deadline to extend the HTF law (PL 114-94). The pandemic has injected additional uncertainty and urgency into how and when they act. It may be easiest simply to extend the law and augment the HTF with a higher level of general funds to stimulate highway construction and maintenance jobs.

Volume Drops Sharply At Nation's Major Ports

The nation's major ports reported their first quarter volumes in April. The nation's busiest port, the Port of Los Angeles, saw its container volumes plummet 30.9% to 449,568 from 650,977 the previous March. Total cargo volume for the first quarter was down 18.5% year-over-year. Neighboring Port of Long Beach, the No. 2 port facility in the U. S., also experienced a drop in the number of containers of 6.4%, processing 517,663 containers compared with 552,821 the previous March.

Volume at other West Coast, Gulf Coast and East Coast ports dropped 10-20%. Officials said that, although production in China is beginning to recover from the pandemic shut down, the dramatically reduced U. S. port volumes is expected to continue through the summer or longer as U. S. consumers and businesses continue on lockdown.

L. A. Cleantech Partnership Proposes \$150 B Federal Electrification Stimulus Package

The public-private Transportation Electrification Partnership (TEP), led by the Los Angeles Cleantech Incubator (LACI), wrote a \$150 billion federal stimulus proposal to create jobs, reduce air pollution and build climate resilience in Southern California.

The package calls for five key areas of investment: Manufacturing, assembly and adoption of EVs; Zero Emission infrastructure; Public transit & reduced vehicle miles traveled; Workforce development and training; and, Innovation ecosystem & related small businesses.

STATE

California Awards \$95 Million For Inglewood Transit Connector

The California State Transportation Agency (CalSTA) awarded \$222 million in Transit and Intercity Rail Capital Program (TIRCP) grants for transformative transit and rail projects in Los Angeles County as part of \$500 million in statewide awards. The grant program includes \$95 million for the new 1.6-mile Inglewood Transit Connector rail line that will link the Metro Crenshaw/LAX rail line with Inglewood's new residential, sports and entertainment complex.

The state also made significant investments in increased rail service on the Metrolink Antelope Valley Line, including demonstration of zero emission rail service, and acquisition of 30 zero emission buses for expanded services operated by Antelope Valley Transit Authority, Long Beach Transit, Torrance Transit, and Santa Monica Big Blue Bus.

State To Shift CEQA Goal From Congestion Reduction to Vehicle Miles Traveled Reduction

Starting Sept. 15th, highway projects that begin their required analysis under the California Environmental Quality Act (CEQA) will have to demonstrate that there will be no increase in driving as a result of the project's completion. That means adding capacity will need to be offset by mitigations that reduce vehicular miles traveled.

In the past, agencies preparing CEQA environmental analyses had to analyze potential projects on state highways and freeways to determine how they would affect traffic congestion. It was

considered a negative if a project would worsen traffic, a positive if traffic congestion would be reduced. This metric was called “level of service (LOS).”

The new policy eliminates LOS as a metric on state facilities and requires a CEQA analysis to determine “vehicle miles traveled (VMT).” Any project that will increase VMT will require extra scrutiny. The policy implements Senate Bill 743, a 2013 state ended the use of LOS standards for vehicle traffic delays as an impact to be addressed under CEQA. Increased traffic congestion was no longer considered a negative impact. Instead, an increase in “vehicle miles traveled” was declared the problem that had to be mitigated before a project could be approved.

The Caltrans memo issued on April 13th includes an appendix that lists the type of projects that are presumed not to “induce” vehicle trips and increase VMT. These projects will enjoy a streamlined approval process. Projects that add roadway capacity will need to substantially improve conditions for pedestrians, cyclists, and, if applicable transit. Roundabouts and other traffic calming devices, toll roads, bike paths and trails also are eligible for the expedited CEQA process.

REGION

Metro Reduces Service To A "Modified Sunday Schedule"

On Sunday, April 19, Metro begin running a Modified Sunday service schedule every day of the week. This schedule change was made to create predictable schedules for essential trips and to avoid Metro employee layoffs. The cuts represent a 29% annual reduction in bus service and a 14% annual reduction in rail service. However, because ridership is off 70-80% on the bus and rail system, there is sufficient capacity on the system using the Sunday schedule to maintain Metro’s social distancing policy.

On weekdays, Metro is running its usual Sunday bus service plus some Rapid, Express and Local bus lines that normally do not run on Sundays. On weekdays, most trains are running every 12 minutes between 6 a.m. and 6 p.m. and every 20 minutes at other times with last trains leaving terminal stations around midnight. On weekends, Metro will run its regular Sunday service on bus and rail lines. The Metro Board authorized the CEO to add additional trips on lines in response to additional demand to avoid overcrowding and maintain the social distancing policies

Part Of LA Metro’s C (Green) Line To Be Closed For Construction Of Crenshaw Line

Metro is suspending rail service on the C (Green) Line between Hawthorne/Lennox and Redondo Beach Stations for three weekends so work can continue on the Crenshaw/LAX Transit line project. The line was closed from May 1-3, and will be closed from May 15-17 and June 19-21. Construction work is scheduled to begin at 7 p.m. each Friday and conclude by 12:01 a.m. each Monday. Metro will provide a free bus shuttle service to the out-of-service rail stations at Hawthorne/Lennox, Aviation/LAX, Mariposa, El Segundo, Douglas, Redondo Beach stations

Crenshaw Line Opening Delayed To Late 2021; Project Needs An Additional \$90 million

LA Metro announced on April 9th that the Crenshaw/LAX Line will not be opening until sometime in late 2021 – nearly a year later than the projected opening date announced just last October and two years later than the original completion schedule announced at the 2014 groundbreaking ceremony. Although construction is currently said to be 94 percent complete, the contractors need to redo some of their work and the train propulsion, safety and control systems still need to be installed and tested.

Contingency funding has been exhausted so the Metro Board will need to approve approximately \$90 million of additional funding to cover the cost of the extended time that Metro staff and consultants will need to complete the project. The cost of the project has grown to more than \$2.058 billion.

TRENDS

COVID-19 Cuts Uber, Lyft Businesses By More Than Half

The ride-hailing businesses of Uber and Lyft have shrunk by about half in recent weeks compared with a year ago as a result of the coronavirus pandemic. The overall contraction could worsen for both companies as the pandemic's toll grows and more people stay indoors.

At Uber, the impact on ride-hailing revenue could be somewhat smaller because Uber has been paying drivers a lower share of passenger fares than it did last year. Uber's revenue from passenger rides, after paying drivers, is likely to be less than \$450 million a month. That compares with about \$800 million in monthly passenger revenue that Uber generated in last year's first quarter. Executives at Uber are planning to cut around 20% of the company's workforce including nearly 800 in the engineering group.

In response to its losses in March, Lyft began offering free scooter rides at the start of April, to assist first responders, health care professionals and transit workers through the coronavirus pandemic as they do their jobs. On April 24th, Lyft extended the assistance another month.

The free rides for critical workers are part of an expanded effort by Lyft to assist during the crisis and keep its drivers working, including offering assistance for low-income seniors, young families and people with disabilities and delivering medical supplies.

Pasadena Drivers To Slow For Pedestrians During Stay-At-Home Order

With fewer cars on the road, cities are coping with an unanticipated byproduct: how to reduce speeding.

Pasadena is putting up as many as 500 "traffic calming" signs that will stay up until stay-at-home orders to slow the spread of coronavirus are lifted. Streets are not being closed and will remain open and accessible to traffic, but officials say it's a move to help keep people who are out walking and exercising safe, and keep drivers from going too fast on streets that are uncharacteristically empty. Stoplights are also being adjusted to slow traffic.

LADOT is continuing to push for state legislation that would allow local jurisdictions to set local speed limits. State law currently requires local jurisdictions to complete a survey of current speeds on their street and to set the speed limit no lower than 85% of the current traffic speed. L. A. City would like to see a speed limit system based on street type that also accounts for vulnerability and risk to all road users, rather than the current method that relies solely on how drivers behave.

Seattle is lowering speeds on the vast majority of its streets to 25 mph. In 2017, Portland reduced the speed limit of its residential streets to 20 mph and lowered the limits on dozens of other roadways in the past few years. New York City received authorization from the state in 2014 to lower the speed limit from 30 mph to 25 mph on the majority of its streets.