

# **South Bay Cities Council of Governments**

## **South Bay Transit Operators Working Group**

### **AGENDA**

**Thursday, August 6, 2020  
3:00 p. m. - 4:00 p. m.**

Register in advance for this meeting:

<https://zoom.us/meeting/register/tJcpdOutpzwqHdOvze6q9R.JkA4bpbXfdaEBx>

After registering, you will receive a confirmation email containing information to join the meeting.

- 3:00 p. m. Self-Introductions and Approval of the July 9, 2020 Meeting Notes (Attachment A)**
- 3:05 p. m. Transit Operator Issues and Concerns Including COVID-19 Impacts**
- 3:20 p. m. Measure R SBHP Decennial Transfer Update & Metro Budget Request Update**
- 3:30 p.m. NextGen Study Status Update**
- 3:40 p.m. SBCCOG Letter to Metro re: Long-Range Transportation Plan (Attachment B)**
- 3:45 p. m. Inglewood Special Event Service Coordination Update**
- 3:50 p. m. Metro FY 20-21 Budget Summary (Attachment C)**
- 3:55 p. m. August 2020 Transportation Report (Attachment D)**
- 4:00 p. m. Announcements / Adjournment**

***Next Transit Operators Working Group meeting date – September ?***

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## South Bay Cities Council of Governments

### Transit Operators' Working Group

July 9<sup>th</sup>, 2020

### Meeting Notes

Attendees: Diane Amaya & Leslie Scott (Beach Cities Transit); Jason Jo (Carson); Ernie Crespo (GTrans); Kim Turner, Godfrey Offoegbu, & James Lee (Torrance Transit); Martin Gombert (PV Transit); Steve Lantz & David Leger (SBCCOG)

#### 1) Self-Introductions & Acceptance of the June 4, 2020 Meeting Notes

The virtual meeting was called to order at 3:04 p.m. Meeting notes were accepted as presented.

#### 2) Transit Operator Issues and Concerns Including COVID-19 Impacts

Mr. Lantz opened up discussion for the agencies to share issues and concerns in general and pandemic-related.

Mr. Lee and Ms. Turner shared that Torrance Transit is currently retrofitting busses with custom, in-house built barriers to help protect against the spread of COVID-19. Seating is currently staggered, and buses fit 15 seated and 3 standing riders maximum. Cleaning protocols have been enhanced and laid-off employees have been brought back to help with the additional sanitizing work. Ridership is starting to climb and currently stands at about 40-45% of pre-pandemic levels.

Mr. Gombert reported that since the pandemic started, PV Transit's Route 225 has been operating with two buses. Dial-A-Ride service has gone up 35% in June after sharp declines since March. School re-openings will determine how the agency moves forward with returning service. Separately, AB 5 and the concern of a collapsing taxi industry is a worry because Dial-A-Ride service is operated by taxi cabs.

Ms. Amaya explained that Beach Cities Transit is also using enhanced sanitization efforts including the spray gun disinfectant. Similar to the issue facing PV Transit, the future BCT schedule is heavily guided by school re-openings. If schools went back in session full time, and 6-foot social distancing is required on buses, BCT faces a shortage in buses.

Mr. Crespo reported that GTrans is implementing similar protocol as Torrance Transit and has started installing partitions, using enhanced AC filters, and implementing rear-door boarding. GTrans is currently planning on returning to about 80% pre-pandemic service levels in mid-August.

Mr. Jo announced that Carson has maintained the full suspension of service. The Lyft pilot program is over and experienced significant ridership growth in the 2<sup>nd</sup> and 3<sup>rd</sup> months of the program. A one-year contract is being considered.

#### 3) Measure R SBHP Decennial Transfer Update & Metro Budget Request Update

Mr. Lantz reported that Metro is planning to notify the Legislature of the intention to amend Measure R by mid-July so that at the July 2021 Metro Board meeting, the Board can officially vote to amend the ordinance. The South Bay proposed transit capital projects were included in a footnote in the revised Measure R Expenditure Plan which helps secure those projects for approval as much as possible until the Metro Board takes formal action to allocate funding to the footnoted projects.

#### 4) NextGen Study Status Update

Mr. Lantz explained that the recommendations for NextGen service changes will be handled in Phase 4 of the Metro recovery plan. Mr. Crespo noted that the South Bay Service Council meeting is taking place tomorrow and they will be hearing an update on NextGen. Public hearings are currently scheduled for September.

Mr. Lantz also reported that Metro is working on updating the Long-Range Transportation Plan which the SBCCOG expects to submit comments on. Metro is considering the use of a 20-cent/mile fee for all drivers, which is expected to generate \$2,400/person/year. That funding would be dedicated to transit rather than highways uses. Metro expects that a 20-cents per mile price-point is what is needed to push a significant number of drivers to use transit, part of Metro's plan to aggressively increase ridership over the next 30 years.

**5) Inglewood Special Event Service Coordination Update**

Mr. Crespo reported that GTrans is still in talks with Inglewood but noted that the biggest variable is if/when spectators return to the stadium. It is likely that gameday service will not begin until spectators are back to the stadium in volume.

**6) July 2020 Transportation Report – Received and Filed**

**7) Announcements/Adjournment – Next Transit Operators Working Group meeting**

The meeting was adjourned at 3:53 p.m. to August 6th, 2020.



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July 13, 2020

TO: [Metroplan@metro.net](mailto:Metroplan@metro.net)

SUBJECT: SBCCOG Comments on Draft Metro Long Range Transportation Plan (LRTP)

Thank you for the opportunity to make comments on Metro's draft LRTP. The South Bay Cities Council of Governments (SBCCOG) has the following comments:

1. Compared to previous LRTP's, the 2020 LRTP is critical. False assumptions will threaten the livability and perhaps even the viability of LA County in 2050. From what we already know, the upcoming 30-year period will be fraught with turbulence. Not only does the LRTP guide Metro investments and services but SCAG incorporates it into its RTP-SCS which influences RHNA and to land use plans throughout the county.

There are at least three significant dynamics that will change the quantity and quality of Metro's transit market, all predicted or predictable, which have not been accounted for in the draft LRTP. They are:

- A. **Technology:** Electronic access is decreasing the need for the physical proximity that drives demand for mobility. The LRTP is based on an assumption that mobility networks and systems will return to the "old normal" after the virus has passed. That would require a return to business as usual. It seems more likely, or at least more prudent, to plan for the case where transactions are completed virtually rather than in physical spaces. This is especially true regarding work sites where telework has in many firms taken hold, in part because of employee preferences. Several technology businesses have declared that telework will become a permanent option, and close to home, the County of Los Angeles is making a broad range of worksite options available to its large work force.

New technology for collaboration and virtual presence has made the adjustment to COVID-19 feasible. Zoom, WebEx, and MS Teams, while not brand new, have become popular options available to facilitate remote work and a range of remote services including working from home (WFH), virtual government, telemedicine and online education. These technologies and others are certain to develop in the next few years, and to become permanent common options for work early in the next 30 years. Microsoft has already introduced its "Together Mode" to help the brain more effectively process meetings with many attendees shown on the screen. Imagine in the near future voice-activated ad hoc Zoom meetings with multiple participants. Proximity, while desired for many circumstances, will no longer be required except for a few interactions, with special approvals needed for nonessential travel.

- B. **Environment:** Climatologists have predicted with a high degree of confidence that extreme heat will affect life in all of Southern California long before 2050. The LRTP should include

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita  
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills  
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

language that recognizes the phenomenon and include specific recommendations and budgets for transit service adaptations. The adaptations could include consideration of significantly increased investments needed for better air circulation systems in buses, on the rail platforms and train cars to ensure protection from future health concerns for both riders and operators. Without protection from the heat, few people will be willing to wait outside 20 minutes in extreme heat.

- C. New modes: The emerging micromobility phenomenon could easily grow to capture a sizable segment of the short range trip, five miles or less which already characterizes 70 to 75% of all trips today.

Automated vehicles in the form of “robocabs” should begin to appear in commercial service no later than 2025 with full scale deployment in many markets by 2035. Robocabs are essentially driverless robots that deliver door-to-door, no-transfer, on-demand service at rates lower than existing network transportation service. How much lower will be understood better in the next few years as more is learned about the higher capital expense per vehicle and lower operational expenses.

The LRTP should include a strategy for the market segment in which public transit can compete. For example, its most effective niche might be rapid, long haul, low cost service.

More specific comments:

- 2. Covid-19 may have dramatically and permanently changed Metro’s potential transit market share. The new paradigm of working from home (WFH) may continue to significantly exceed transit as it has in recent years especially as employers seek to improve their profitability by reducing their office expenses. Technologies such as virtual meetings and shared work software enable a new model for a significant share of the workforce that may reduce congestion, especially if WFH is integrated with transportation demand management (TDM).

The LRTP should more extensively address the potential long-term effects of WFH as a distinct mode and not refer to it as just another TDM strategy.

- 3. Metro staff has estimated it will need to charge 20-cents per mile in a Vehicle Miles Traveled congestion reduction fee to help fund an 81% growth in transit mode share from the pre-COVID 19 rate (a mode share change from 7% to 14%) over the next 30 years. This growth rate assumes that the current COVID 19 ridership levels are not relevant to LRTP assumptions and ridership will return to prior levels over the next two years which is an overly optimistic assumption even within the industry.

The LRTP assumes Faster Transit strategies will grow ridership by 7%, reduced/free fares will add 25% and VMT Fees will add another 18%. The balance will come from future travel trends and compound effects, and Measure M. We disagree with the projection’s assumption that pre-COVID riders will return as Safer At Home restrictions are lifted. Metro assumes the pandemic will not have permanent ridership impacts. Therefore, Metro has chosen to consider COVID 19 as a short-term impact and has compounded a full recovery with a trend-based expansion factor and the other strategies to create its 81% total growth rate. That rate has driven the sizing of the fleet, capital and

operating/maintenance expenses sufficient to carry the projected ridership which puts into question whether the LRTP can be considered financially constrained. In addition, the LRTP states that reduced / free fares are contingent on a 20-cent per mile VMT tax. The combined assumptions of post-COVID 19 ridership recovery, background trend growth, a speculative VMT tax enabling free fares, and other hazy assumptions have created a strategic house of cards that should not be used to predict an 81% growth rate in transit ridership.

The LRTP describes the possibility that Metro could have free fares if the VMT tax were adopted. According to a chart on page 13 of the report, the combination of the two strategies would attract approximately 500,000 additional daily transit trips.

To help fund the transit expansion using VMT fees (the fleet, operation and maintenance cost of which is not fully identified) if average annual travel for a vehicle is 12,000 per year in Los Angeles County and the fee is 20-cents per mile, the average vehicle owner in L. A. County would pay \$2,400 per year in VMT fees.

SBCCOG believes that a 20-cent-per-mile VMT fee is both regressive and unrealistically high. Assuming that the VMT fee will fund transit expansion is based on two incorrect assumptions:

1. Determining what level of VMT revenue would be needed to fund the level of transit expansion desired; and,
2. Causing enough financial pain that rational travelers will abandon their vehicles and flock to transit at nearly-double the pre-COVID transit rate.

The strategy is designed to punish vehicle travel to the point that the VMT monthly cost exceeds the average transit fare. But it is unrealistic to expect owners to completely abandon their vehicle. So, transit riders will need to pay the transit fares and the VMT fee for those trips that are not practical on transit.

We believe the VMT fee will have a negative effect on transit ridership because it will be absorbed in annual vehicle ownership costs while transit trips must be paid for on a per-trip basis and, thus, are more discretionary for those with access to a vehicle. We expect it will more likely lead to ridesharing, telecommuting and working from home rather than dramatic increases in transit use. While the VMT fee will likely reduce VMT, may reduce the daily duration of the a.m. and p.m. peak periods, and may reduce vehicle ownership and use, we do not understand how it will double pre-COVID 19 rates of transit ridership.

Additionally, if a VMT fee is imposed, it will be extremely important and we strongly urge Metro to equitably allocate VMT revenues earmarked for transit purposes between Metro and the Eligible Municipal Operators.

On page 61, the report states, “Metro is considering free transit for students, and if additional revenue is raised through congestion pricing, Metro could subsidize transit for all riders.” The language needs to be updated to reflect the recent Board direction on student and other fare discounts. Clarification is needed regarding the financial cost (including increased capital and operations costs) of providing free/subsidized fares from VMT fees and the financial assumptions for any other transit strategies that will be funded with VMT fees.

4. On page 66, the report states, “While the expanded programs, partnerships, and policies of the 2020 LRTP represent additional expenditures, these will be balanced by future revenues anticipated through future policies, such as ExpressLanes and congestion pricing.” It is impossible to confirm this statement from the narrative in the LRTP. A chart is needed that clearly describes the sources, uses, and amounts for each of the funding sources.
5. The LRTP needs to provide more detail on the capital, operating and maintenance cost of achieving a 14% transit mode share which would likely double Metro and municipal transit operator costs. Metro should also be transparent in its projected farebox recovery assumptions and the other funding mechanisms assumed in its goal to increase annual transit trips per capita by 81% over the next three decades.
6. Page 20 - In the Better Transit section, the Metro Rail Expansion paragraph on near-term projects includes the West Santa Ana Branch, but does not include the Green Line Extension to Torrance which is in its environmental clearance process. Please correct the omission or eliminate the narrative reference to specific projects and refer readers to the complete list on the following page.
7. Page 28 - In the More Transit Trips Mean More Opportunity page, please add a column in each chart for the current daily transit trips and transit mode share for commute trips. Also add a chart for transit mode share for daily trips. It is important to distinguish between commute and daily mode shares in order not to understate the relative size of the non-transit daily and commute trip mobility challenge which exceeds 85% of the congestion problem.
8. Spending \$160 billion to increase the transit mode share from 7% to 14% may not be the most cost-effective way to reduce congestion compared to strategies that eliminate trips. Metro is not just a transit agency, it is a mobility manager. The LRTP does not provide sufficient attention to trip elimination which has the potential to reduce travel far more than 14%. Please evaluate the cost benefit of the wide range of trip reduction strategies that do not rely on a mode shift but simply eliminate the need for the trip.
9. Page 34 – A portion of the I-405 South Bay Improvements are scheduled for completion before the 2028 Olympics, but the Major Highway Projects shows the project opening in 2047. There should be a Phase I and Phase II with the appropriate cost and Open Year.

The I-110 ExpressLane extension should not wait until 2046 to open. The extension should be the first priority for surplus revenues generated from the existing I-110 ExpressLane, before these funds are committed to other new ExpressLane projects such as the I-105 ExpressLane which is slated to open in 2025.

10. Page 67 – The pie chart shows that \$66.8 billion (17%) of the \$400 billion in the LRTP will come from “Other Local” sources. Please list the sources and amounts assumed and the proportion assigned to capital vs operations.
11. Page 74 – Although the LRTP is financially constrained over its 30-year term, there is no transparency as to funding constraints by decade. Metro regularly updates its financial forecasts with decade-by-decade transparency, but these financial constraints are not shown in the LRTP. Instead project opening dates are used. As a result, short- and long-term consequences of financial

challenges such as COVID 19 are not explicitly addressed in the LRTP and make the issue of financial constraint hard to assess.

How will the upcoming SRTP be constrained consistent with the LRTP decennial budgets and schedules assumed in the LRTP? Will the SRTP provide more transparency on the first decade funding available per the LRTP and its underlying financial assumptions and allocations?

The LRTP includes projected costs for major transit and highway projects. But the document also includes dozens of programs that are described without the cost of individual program / project / policy / strategies being identified. The LRTP should provide a summary table of the costs for each of the four major initiatives beyond the major projects.

12. Finally, the Next Gen Bus Study is referenced several times in the LRTP with numerous embedded strategies and actions. The LRTP projects a 13% reduction in traffic delay once the recommendations are implemented. The key goals of the Next Gen study are to ensure that: transit service is: 1, accessible to nearly all potential riders and serves 2020 destinations; 2. improves travel speeds by dedicating bus-only lanes on streets; 3. provides transit priority at signalized intersections, and reduces the number of local stops.

The study states that with these strategies, Metro hopes to make a transit trip take no more than 2.5 times the time a comparable trip takes in a vehicle. We do not understand how much these strategies will cost or how a 2.5X travel time delta would attract a projected 7% increase in transit ridership.

The innovation in the LRTP appears to be largely driven by new transit projects, policies and pricing strategies but it does not address the way travel, technology, work and commutes are changing. Traditional public transit has been declining for over 10 years in Los Angeles County, pre-COVID – and we are concerned that this LRTP focuses too much on business as usual.

Sincerely,



Olivia Valentine, SBCCOG Chair  
Councilmember, City of Hawthorne

CC: Metro Board of Directors  
Phillip Washington, CEO

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August 3, 2020

To: Jacki Bacharach  
From: Steve Lantz  
Subject: Metro FY 20-21 Budget Development

Mike Bohlke and I participated in a Metro staff briefing on the development of the FY 20/21 budget. Recall that Metro is operating under a continuing resolution of last FY's budget from July 1 through the end of September while they develop a budget for the remaining nine months of FY 20/21 that incorporates recovery assumptions from COVID 19 impacts. Key points from the Metro OMB staff presentations:

#### Strategies and Objectives

- Provide high quality mobility options, outstanding trip experiences, enhance mobility and access to opportunity:
  - Maintain current workforce
  - Continue Collective Bargaining Agreements wage and benefits increases (4.5% wage increase for represented workers)
  - Turnaround will start in 3rd quarter (Jan. 2021)
- Although Metro is probably running twice the service that is currently needed, the budgeted service levels need to be flexible to incorporate ridership recovery and Next Gen Study implementation. Budget assumes overtime reductions will be sufficient to maintain current staffing levels and to provide reduced service levels and social distancing on buses and trains.
- Mid-year budget adjustment likely in Jan. 2021; recovery projected to start in Jan. 2021, budget distributed across the four quarters accordingly

#### Revenue Recap at June 2020

- Revenue down from \$5.8 bil. to \$4.9 bil. (-14,9%) not including Federal Stimulus funding; \$700 mil. in CARES doesn't cover \$1.8 shortfall projected over the next two years.

#### Preliminary FY 21 Budget Assumptions

- 10,219 FTEs, no FTE change from FY 19-20; reduced service is provided with reduced overtime to keep everyone employed; reduced fuel, parts, supplies
- Hiring freeze in budget assumes 151 unfilled vacancies = saving \$26 mil.
- 3-month deferral of merit increases for non-represented employees
- 2.3% CPI adjustment of non-labor costs, fuel up \$0.52 cents per therm
- Continue to advance capital projects to qualify for state and federal grants
  - Year over year revenue change by quarter is down 45% in first two quarters and 32% in final two quarters; ops budget drops 7% (with CARES) to 4% by year end.
  - Total expenditures down \$1.2 bil. (-17%)
  - All design/ construction capital projects remain funded at FY 20 level targeted to satisfy MR and MM Ordinance target dates (not 28 by 2028)
  - Green Line to Torrance continues in the environmental phase with a FY 20-21 budget of \$8.3 mil.
  - Crenshaw North completes AA and begins the environmental phase with \$2.8 mil.
  - Airport Connector gets \$80 mil, for construction
  - I-105 Express Lane gets \$2.9 mil.

- I-405 Sepulveda Pass Express Lane gets \$2 mil.
- SBHP gets \$20.6 mil.; South Bay TSMIP gets \$16.2 mil.
- Metrolink gets increase of \$18 mil. in operating subsidy to \$129.2. 25% fare reduction continues. Metrolink's capital project subsidy also increases by \$18 mil to \$219.5 mil.; LINK Union Station capital project is pending CHSRA agreement which will increase budget when executed.
- Metro transit budget for Operations and Maintenance and state of good repair is only reduced 2-3% despite 19% service level reductions and ridership down 45%. Service recovery phased in. Microtransit services started. Assumed 560K weekday boardings for Q1 and Q2 then recovers slowly leading to annual during Q3 and Q4 of FY 21 for total of 208 million annual boardings in FY 20-21 vs 380 million annual boardings in FY 19-20.
- Fare per boarding will be \$0.10 for first two quarters then recover for an annual farebox recovery of \$0.25.
- Service levels for rail and bus will be flexible and will be increased in response to demand and new loading standards.
- Metro State of Good Repair (capital program): 200 new CNG buses + 23 electric buses; rail vehicle procurements reduced; mid-life rehab of vehicles, wayside and facilities increased; \$1.2 mil budgeted for WIFI to connect buses and facilities at 22 locations.

Budget related outreach is exclusively on-line including:

- Metro Operations Committee report on service levels and distribution of rider demand - August meeting
- One consolidated budget briefing for all Metro Service Councils, public - Sept. 3, 9 a. m;
- Public hearing on budget - Sept. 16th,
- Board adoption - Sept. 24th.

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 23<sup>rd</sup> 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 7<sup>th</sup>. 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 23<sup>rd</sup> 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 21<sup>st</sup>, 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 22<sup>nd</sup> 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 CO<sub>2</sub> 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 14<sup>th</sup> beginning at 10:30 a.m. A second South Bay hearing will be held on August 20<sup>th</sup> 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 31<sup>st</sup>, 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 7<sup>th</sup> 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 16<sup>th</sup>, 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 21<sup>st</sup> 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. 21<sup>st</sup>. More information can be found on the court's traffic web page at: [www.lacourt.org/division/traffic/traffic2.aspx](http://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 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.