

# South Bay Cities Council of Governments

April 28, 2022

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering March 2022

## **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**

### **Congress Finalizes Federal FY 2022 Omnibus Spending Bill; \$81 Billion For Transportation**

On March 8<sup>th</sup>, Congress sent to the President the Federal Fiscal Year 2022 omnibus spending bill which includes \$81 billion in funding for federal transportation programs – largely consistent with the new Bipartisan Infrastructure Law (BIL). The spending bill – which would provide funding for federal agencies for the balance of the federal fiscal year (ending September 30, 2022) includes the following earmarks for mobility projects in Los Angeles County: \$5 million for East San Fernando Valley Light Rail Transit Project (FTA/Transit Infrastructure Grants); \$3.5 million for the Sepulveda Transit Corridor (FTA/Transit Infrastructure Grants); and \$1 million for West Santa Ana Branch Transit Corridor Project (OST/Transportation Planning, R&D). The bill also includes a number of earmarks for other mobility projects as requested by other entities across Los Angeles County including a project to improve SR 91.

### **Biden's FY 2023 US DOT Budget Request Includes More Than \$1 Bil. For L. A. County Priorities**

On March 28<sup>th</sup>, President Biden submitted to Congress a \$142 billion federal transportation budget for fiscal year 2023. The request recommends appropriations of \$59.5 billion for FHWA highway programs, \$18.6 billion for FAA aviation programs, \$16.9 billion for transit programs, and an additional \$37 billion in guaranteed Advanced Appropriations provided under the Bipartisan Infrastructure Law (BIL). The proposed projects would address the Administration's key policy objectives, including: economic strength and global competitiveness, safety, equity, and climate and sustainability.

The Budget proposed by the White House includes placing the West Santa Ana Branch (Metro's #1 new federal funding rail priority) on the federal Capital Improvement Grant Program's Project Development Phase list. The Administration also requested \$250 million for the East San Fernando Valley Transit Corridor Project and over \$800 million (total) for sections 1, 2 and 3 of the Westside Purple Line Extension Transit Project.

Biden sold last year's \$550 billion BIL plan for new infrastructure spending by promising it would spur transformative climate and equity programs nationwide. However, about 75 percent of BIL revenues will be distributed to states via a complicated formula set by existing statute, including the bulk of federal highway dollars.

Federal agencies are trying to nudge states to support the administration's goals and address funding inequities. EPA issued a 56-page memo earlier this month outlining recommendations and requirements to ensure the revolving funds hit equity targets, such as setting aside a portion of those funds for technical assistance to identify communities in need, help them develop projects and assist with applications. The Federal Highway Administration, similarly, is "encouraging" states to invest their formula dollars on repair and improvements before building new highways, but its statutory and regulatory tools to ensure compliance are limited.

The effort comes as the administration has decided against including race as a determining factor in the president's promise to steer 40 percent of the benefits from federal programs to disadvantaged communities. The Administration will use an environmental justice screening tool in the portion of the law not bound by statutory formulas that automatically dispense cash to states to identify which communities are eligible for the 40 percent of benefits intended for "disadvantaged" areas.

For more information on the FY 2023 Budget, visit: <https://www.whitehouse.gov/omb/budget/>.

### **EPA Restores California's Ability To Set Stricter Clean Car Standards**

The Environmental Protection Agency (EPA) on March 8<sup>th</sup> said it would reinstate California's authority to set its own clean car standards. In 2013, the EPA granted California a waiver to set vehicle rules. Under former President Donald Trump, it revoked the waiver in 2019.

The California standards, which had been adopted by other states, are more stringent than federal standards and are expected to push the market toward electric vehicles. More than 80 environmental groups and other organizations are urging the California Governor to impose tougher rules promoting electric vehicles even as the state is moving faster than President Joe Biden's administration. The groups are calling for the Governor to mandate a 7% annual increase in emissions reductions for gasoline vehicles compared with 5% on average under standards adopted under President Barack Obama.

### **US DOT Tells States To Consider Safety For BIL-funded Road Projects**

The federal government has a fresh warning to states seeking billions of dollars from the BIL to widen roads: Protect the safety of pedestrians and bicyclists or risk losing funds. In a new report submitted to Congress, the Department of Transportation says it will aim to prioritize the safety and health of the multiple users of a typical 21st century roadway, from riders of public transit and electric scooters to Uber rideshare pickups and people delivering goods.

Projects such as bike paths and traffic roundabouts, enhanced sidewalks, pedestrian pathways to bus stops and transit lanes will be favored in the distribution of funds. In doing so, the department seeks to change a longtime focus by the states to direct federal money toward adding lanes to relieve congestion and speed car flow. The report was written in response to a request by the House a year ago to address record-high spikes in U.S. roadway deaths during the COVID-19 pandemic.

### **State**

## **Governor Newsom Proposes \$11 Billion Package for Californians Facing Higher Gas Prices**

On March 23<sup>rd</sup>, the California Governor issued a two-part proposal to address soaring fuel costs representing the latest development in negotiations with the Legislature over how to use state surplus revenues to offset soaring fuel costs.

The cornerstone of the Governor's proposal calls for a \$9 billion tax refund in the form of a \$400 direct payment to each registered vehicle owner per vehicle, capped at two vehicles, whether the vehicle is gas or electrically powered. The tax refund would be issued as a debit card. Eligibility will be based on vehicle registration, not tax records, and will not include an income cap.

In addition to the \$9 billion tax refund, the Governor's proposed package which provides more \$2.2 billion in broader relief including:

- \$750 million in incentive grants to transit and rail agencies to provide free transit for Californians for 3 months,
- Up to \$600 million to pause a portion of the sales tax rate on diesel,
- \$523 million to suspend the annual inflationary adjustment on gas and diesel excise tax, and
- \$500 million to support active transportation programs, like walking and biking projects.

The Governor's proposal would also fast-track \$1.75 billion of the Governor's historic \$10 billion ZEV package to get more ZEV vehicles and more charging infrastructure throughout the state.

The Democratic leaders would only extend The tax refund to California households earning less than \$250,000 per year in an effort to target Californians most in need. It would be tied to individuals, not cars. They also do not support the suspension of the inflation-tied gas tax increase.

In a related move, after twice refusing to consider AB 1638, a bill to suspend California's excise gas tax for six months, a key Assembly committee gutted the bill and inserted an entirely new measure that would, among other things, impose a new tax on gas suppliers when the price of a gallon of gas is "abnormally high" compared to the cost of a barrel of crude oil — and send the tax revenue back to California drivers via a rebate.

## **Region**

### **Most Of Crenshaw / LAX Line Is "Substantially Complete"; Segment To Open in Fall 2022**

On March 30<sup>th</sup> LA Metro celebrated "substantial completion" of the bulk of its 8.5-mile, 8-station Crenshaw/LAX Transit Corridor Project. A partial line opening is expected by this coming Fall.

The approximately \$2 billion project ultimately will extend light rail service from the E Line (Expo) at Expo/Crenshaw Station and merge with the C Line (Green) at the Aviation/LAX Station, connecting the Crenshaw Corridor, Inglewood and El Segundo stations.

The first two segments are substantially complete between the C Line/Green and 48th Street in Inglewood; the final segment, between 48th Street and the E Line/Expo is slated to be substantially complete in Fall 2022.

"Substantial Completion" means the contractors have completed the required intensive system integration testing to validate the proper operation of all equipment and systems, including train control signals,

underground station and tunnel ventilation, radio systems, back-up power, fire and smoke alarms and electricity to trains and stations, among other functionality. Next, L. A. Metro will begin its own five-to-six-month testing period for the new line. The agency has already started training operations and maintenance staff.

Due to ongoing construction of a new Airport Metro Connector Station at Aviation Boulevard/96th Street, the Crenshaw/LAX Line is anticipated to first open seven stations, operating between Expo/Crenshaw and Westchester/Veterans stations. A bus bridge will link the Crenshaw/LAX Line at Westchester/Veterans Station to the C Line (Green) Aviation/LAX Station.

The new Aviation/Century Station will not be served by trains until full line operations begin (expected in second half of 2023) once the Airport Metro Connector Station platform structure has been completed for the future automated people-mover that will connect riders between the Crenshaw LAX line and LAX terminals. The Airport Metro Connector is anticipated to be ready for service in the second half of 2024.

### **Metro Will Share Measure Up! And RIITS Data Sets**

Metro, through Measure Up! and RIITS (Regional Integration of Intelligent Transportation Systems), is making the agency's original 2017 NextGen Bus Study data and newly expanded 2019 and 2020 LOCUS data available to transportation professionals and researchers.

LOCUS is a suite of anonymized location-based services (LBS) data sets that use real-time geodata from a smartphone to provide travel information. Metro has licensed LOCUS data for use within the agency, and can now share with other organizations and researchers. Metro's NextGen bus system redesign used LBS origin-destination trip data from cellphones and other connected devices to identify where public transportation trips were occurring and to adjust routes to meet demand. Building on the innovative NextGen model, trip and mode share data for walking, biking, goods movement, traffic, and more are now possible for LA County transportation demand analysis.

Measure Up! establishes baselines for transportation performance metrics and origin-destination data for LA County for use by agencies and stakeholders, with datasets and tools to access historic travel, speed, and volume data, and now, LOCUS. More information on [Measure Up!](#) may be found by visiting [RIITS](#).

### **LA DOT Begins Issuing Citations To Illegal Users Of Bus Lanes In The City**

The Los Angeles Department of Transportation began targeted enforcement of vehicles illegally parked or stopped in designated bus lanes on March 14<sup>th</sup>. The citations are being written in response to L. A. Metro concerns that drivers in the bus lanes can impede the speed and reliability of its bus service, as well as affect the safety of bus riders, pedestrians and other motorists. In addition to buses, the exclusive lanes are available for emergency vehicles, drivers making right turns, and bicyclists.

### **Trends**

#### **First Self-Driving Car Permits Issued In San Francisco, San Mateo County**

California Public Utilities Commission issued its first ever permits on February 28<sup>th</sup> to allow passengers to ride in self-driving cars in San Francisco and San Mateo County. The permits were granted to self-driving vehicle companies Cruise, a General Motors subsidiary, and Waymo, an Alphabet (parent of Google) subsidiary.

With the Drivered Deployment authorization, both companies are allowed to collect fares from riders and offer autonomous ride-booking services, however, a safety driver must also be present in the vehicle to take control if a situation arises. Cruise can now operate on certain San Francisco roads between 10 p.m. and 6 a.m. at up to 30 miles per hour, while Waymo can operate in designated areas of San Francisco and San Mateo County at up to 65 miles per hour at any time of day. Neither company is allowed to run the self-driving cars in dense fog or heavy rain due to safety issues.

### **LA City Initiates Data-based Curb Management Program**

A group of 160 city, business and tech leaders are building a Curb Data Specification (CDS) program to help cities better manage their street curbs. CDS defines the curb in digital language, monitors curbside players like delivery and ride-sharing vehicles, and measures and reports that activity back to the city. The hope is that delivery and ride-sharing companies are able utilize CDS to build their own curb management systems.

The specification hopes to address a gap between the real-time value that the curb holds for private stakeholders and the ability of cities like L.A. to enforce rules and regulations on its public property. Because companies like UPS and FedEx consider parking tickets part of the cost of doing business, local jurisdictions are pursuing either a pricing or enforcement mechanism for public-benefit curb management that provides priority for electric vehicle charging infrastructure, public transit and community social spaces while managing curb-side deliveries.

### **GM Electric Vehicles To Power Homes In A New California Pilot Program**

General Motors on March 8<sup>th</sup> announced a pilot program with Pacific Gas and Electric Co. that will make its electric vehicles capable of powering a home in the event of a power outage or grid failure.

The move matches similar capabilities by other automakers, including Ford Motor with its upcoming electric F-150 Lightning pickup that's due out this spring. Ford has partnered with solar company Sunrun for charging and energy accessories to allow such capabilities. EV start-up Lucid Group also has announced similar features for its \$169,000 Air sedan.

Select PG&E utility customers will take part in the pilot this summer, Barra said. The companies are working to scale the pilot to open it up for larger customer trials by the end of 2022.

### **Urban Heat Project To Assess Impact Of Scaling Up Cool Pavements**

GAF, which manufactures roofing and other materials, announced on March 18<sup>th</sup> it's launching a multi-phased research project in Los Angeles to better understand how urban heat affects residents' quality of life and how cooling solutions such as reflective pavement coatings might address the problem when implemented across a community.

Roads and other dark, paved surfaces contribute to the urban heat island effect. "Cool pavements" are paved surfaces coated with lighter-colored materials designed to reflect more solar energy and enhance water evaporation to reduce that effect. By testing the pavement in a larger adjoining area and across multiple surface types compared with some earlier pilots, stakeholders hope to get a better idea of whether the potential benefits from cool pavements are amplified when implemented at scale. The research effort will assess not just the before-and-after conditions in a neighborhood where cool pavements are installed but also those of an untreated adjoining neighborhood as a control.

### **LA Metro Area Would Benefit The Most In The Country From A 100% ZEV Vehicles Fleet**

In a report released on March 30<sup>th</sup> by the American Lung Association, Los Angeles-Long Beach was listed as the top metro area in the country that would benefit from the transition to zero-emission vehicles. The report, "Zeroing in on Healthy Air," reveals that in California alone, a widespread transition to vehicles powered by clean electricity generation would result in up 15,300 avoided deaths, 440,000 avoided asthma attacks, and 2,160,000 avoided lost work days to illness, and \$169 billion in public health benefits.

The potential health and climate benefits assume that all new passenger vehicles sold are zero-emission by 2035 and all new trucks and buses are zero-emission by 2040. The report also assumes the nation's electric grid will be powered by clean, non- combustion electricity replacing fossil fuels by 2035.

### **Cities Grapple With Expected Revenue Declines As Fewer Workers Commute Downtown**

As of September 2021, almost half of U.S. full-time employees were working remotely, either part or all of the time, Gallup found. Moreover, 91% of full- and part-time remote workers across the U.S. hoped to partially or fully work from home after the pandemic.

This shift impacts not just workers and their employers, but many cities, which face revenue declines as fewer people commute to downtown offices. On average, cities' constant-dollar general fund revenues declined about 1% in fiscal year 2020, and many cities anticipate a decline of 2% in FY 2021, the National League of Cities found. It's likely the pandemic's full financial impact will only fully impact city revenues once their American Rescue Plan one-time emergency revenues are expended by the local jurisdictions.

Given the end of emergency federal assistance and the likelihood that the commuters' sales tax revenues will continue to decline, cities need to rethink how they will generate the revenue those workers provided. One step is to work more closely with their state counterparts. While fewer people may be commuting to cities for work, most will remain within the state. States could distribute more aid to cities, even modestly raising state taxes — like an income or sales tax.

In addition to identifying new revenue sources, city leaders need to identify parts of their local government that could operate more efficiently. For example, New York Mayor Eric Adams asked most city agencies to trim their budgets by 3%. NYC's goal is to "right-size for the longer term".

Like their counterparts in private industry, some city employees may be able to continue to work remotely which might reduce office expenses. And city services that moved online during the Pandemic could remain online. A new vision for downtowns might include converting office space to residential, using new federal infrastructure funding to improve walkability and access, expanding green space, and implementing flexible zoning to allow work/live residential districts.

Reimagining cities so they're places where people want to live, work, and play will be key to resident loyalty and increased revenue.