



# **California Transportation Assessment (AB 285 Final Report):**

Summary of Stakeholder Feedback

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# EXECUTIVE SUMMARY: THE CALIFORNIA TRANSPORTATION ASSESSMENT

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This report is the summary of stakeholder feedback on a range of issues addressed in the California Transportation Assessment, a report submitted to the State Legislature by the California Strategic Growth Council (SGC) and pursuant to AB 285 in 2019.

From February through June 2022, SGC staff spoke with hundreds of residents, activists, academics, transportation professionals, and policy makers across the state about how to improve the transportation system in California in a way that achieves long-term state goals, particularly climate and equity, as well as other goals in the California Transportation Plan (CTP).

While staff heard a wide range of opinions, there was a common thread that more must be done across all levels of government and institutions to realize the visions put forth in the many transportation plans in the state. Tackling the state's transportation challenges in turn will require strengthened partnerships between the state, the regions, and local governments, as well as across the many other stakeholders who collectively shape the transportation system.

The themes of what we heard are organized into eight topics. Highlights of the potential actions raised by stakeholders include the following:

## TOPIC 1: INCREASING COMMUNITY REINVESTMENT AND INFILL REVITALIZATION

- » Establish a partnership among local, regional, and state governments to invest in infrastructure to support growth in areas of the state where residents can get around without relying on driving for most trips (i.e., areas that are currently low vehicle miles traveled (VMT) as well as areas with projected low VMT).

- » Leverage the strengths of the state, regions, and locals and have clear roles for each level of government. The state's role would be to provide resources and tax increment financing (TIF) tools to local governments and set policy guardrails for use of TIF funds. The role of the region (usually a Metropolitan Planning Organization, or MPO) would be to identify the infill growth and revitalization zones regionwide that meet state criteria. The role of the local government would be to opt-in by agreeing to support growth and development in the current/future low VMT zones/areas identified by the MPO.

## TOPIC 2: INSTITUTIONAL REFORM

- » Establish clear roles for the different transportation institutions at state and regional level to improve alignment of decisions and increase public transparency and access.

## TOPIC 3: IMPLEMENTING REGIONAL PLANS AND TRACKING PROGRESS

- » Provide MPOs with additional flexible funding to enable the implementation of adopted Regional Transportation Plans and Sustainable Communities Strategies (RTPs/SCSs) and to meet state mandated per capita GHG reduction.
- » In combination with the increase in flexible funding to MPOs, establish a new requirement for MPOs to track progress towards plan implementation by regularly reporting on programmed expenditures.

## **TOPIC 4: ALIGNING, SIMPLIFYING, AND IMPLEMENTING STATE TRANSPORTATION PLANS**

- » Restructure the California Transportation Plan (CTP) to be a clear, concise, and comprehensive state vision for transportation that is inclusive of all other modal plans while adding more implementation levers and a gap analysis (i.e., an analysis of what can be achieved with expected levels of investment and current policies at the state and regional level versus what it will take to achieve plan targets).

## **TOPIC 5: STATE FUNDING PROGRAMS AND ALIGNMENT OF TRANSPORTATION GOALS**

- » Clarify and codify a consistent set of state goals and priorities for transportation expenditures, as well as ways of measuring them.
- » Rewrite statutes to align transportation funding program criteria with goals.
- » Make it easier for applicants to access funds (i.e., single application, program consolidation, more certain funding for projects that meet multiple goals). Increase state investment (including for operations) in transit/rail and active transportation.

## **TOPIC 6: PROJECT PIPELINE, DELIVERY, AND DESCRIPTION**

- » Formalize a process between state, regional, and local agencies to reevaluate and reimagine projects in the pipeline that do not align well with current state goals.

- » Prioritize funding for projects based on their level of alignment with current policy goals as articulated in the Climate Action Plan for Transportation Infrastructure (CAPTI) and the CTP while streamlining project delivery and establishing a more robust mitigation process.
- » Standardize the way projects are described to enable data comparison of different projects in various regions.

## **TOPIC 7: TRANSPORTATION PRICING**

- » Accelerate state leadership to enable various travel pricing strategies encompassing transit, micro-mobility, and roadways to re-balance the cost of transportation to prioritize sustainable and more equitable modes, and to facilitate implementation of pricing within regions.

## **TOPIC 8: MULTIMODAL SYSTEM INTEGRATION AND USER EXPERIENCE**

- » Increase investment in transit and implement the California Integrated Travel Project (Cal-ITP) goals of enabling contactless payments, automating customer discounts, and standardizing information for easy trip planning.
- » Ensure that the key multimodal places (i.e., major transit stations and facilities) are well-designed and organized to ensure travelers can flow easily from one transit system or mode to another.

# FOREWORD: THE CHOICES BEFORE US

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As Californians, we deserve safe, affordable, and clean transportation options to get us where we need to go. Transit service that is reliable and time competitive with driving. Sidewalks and bike lanes that protect us from cars. Streets and roads that are well-maintained. Electric vehicle charging stations in convenient public locations. We also all deserve to live and work in communities with affordable homes and nearby access to quality jobs and schools, shopping and entertainment, health care, and open space. But too many of us do not live in communities where we can meet our daily needs nearby. This means that we must travel – sometimes far – to access many essentials. And most of us also rely on our cars to get around.

The consequences of our auto-dependent system are clear.

- » Traffic injuries and chronic diseases linked to physical inactivity and air pollution are the leading cause of premature death in California, accounting for 30,000 deaths annually.<sup>1</sup>
- » Transportation is the largest contributor to greenhouse gas emissions and climate change in California, accounting for 40% of direct emissions and over half of all emissions when fuels and manufacturing of vehicles are considered.
- » Transportation is one of the main sources of the high cost of living in California as the state's affordability crisis is a combination of housing and transportation

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1 See: <https://skylab.cdph.ca.gov/HealthyMobilityOption-Tool-ITHIM/>

costs. In some parts of California, transportation costs are the same or even higher than housing costs.<sup>2</sup>

At the same time, California is undergoing a shift towards a zero-emissions vehicle (ZEV) future. In August 2022, the California Air Resources Board (CARB) established specific targets so that 100 percent of new cars sold in California will be zero-emission by 2035.<sup>3</sup> The reduction in tailpipe and other emissions that results from this shift away from internal combustion engines is critical and necessary. But on its own, the shift to ZEVs is not sufficient to meet our climate commitments. As outlined in the proposed 2022 Scoping Plan, to meet our state climate commitments, we must also reduce how much we drive each day to get around by more than 20% on average (which is measured as “vehicles miles traveled” or VMT).<sup>4</sup> And to effectively

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2 See: <https://htaindex.cnt.org/map/>

3 CARB's Advanced Clean Cars II rule codified Governor Newsom's Executive Order N-79-20 and sets targets of new cars and light trucks sold in California that will be zero-emission vehicles (including plug-in hybrids), increasing from 35% in 2026 to 100% in 2035. See: <https://ww2.arb.ca.gov/news/california-moves-accelerate-100-new-zero-emission-vehicle-sales-2035> and <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-E0-N-79-20-Climate.pdf>

4 As of this writing, the draft CARB Scoping Plan analysis identifies that to meet state climate commitments, daily vehicle miles traveled (VMT) must decline from 24.6 miles per day per capita (2019 level) to no more than 19 miles per capita by 2045 (with an interim target of 12 percent below 2019 by 2030). Some are arguing that the VMT reduction should be even more ambitious. For example, at the draft Scoping Plan board hearing in June, public commenters and even some CARB Board members asked whether it could go as high as 25 percent below 2019 by 2030 and 30 percent below 2019 by 2035. See: [https://ww2.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp-appendix-e-sustainable-and-equitable-communities\\_0.pdf](https://ww2.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp-appendix-e-sustainable-and-equitable-communities_0.pdf)

reduce driving requires changes to our land use patterns, such as providing more housing, jobs, and services within existing neighborhoods and/or near job centers. It also requires a commitment to providing residents with a range of clean mobility options – from reliable local buses and ride share services to safe spaces for walking and biking to zero emissions interregional buses and an integrated statewide intercity and high-speed rail network.

Before us are critical decisions about how to allocate transportation funding, how to increase the safety of our streets and roads, how to integrate among different transportation systems, as well as what types of communities we build. The priorities we choose will determine how effectively we tackle our state's largest challenges, including climate, equity, and affordability.

Over the past year, the California Strategic Growth Council (SGC) engaged hundreds of California residents, elected officials, transportation leaders, and community advocates as part of the California Transportation Assessment.<sup>5</sup> SGC's mandate (per AB 285)<sup>6</sup> was to better understand how to improve the transportation planning and funding system in California and attain commonly held goals: meeting state climate commitments, tackling longstanding inequities, improving public health, while also expanding access, improving quality of life, and supporting a thriving economy. To carry out this work we hired a team of experts from the University of California Institute of Transportation Studies (UC ITS), presented to various state councils and commissions, met with dozens of organizations, convened hundreds of leaders from across the state, and heard directly from the public.

Despite the different perspectives we heard across the diversity of geography, sector, background, and occupation, there is significant alignment around a unifying vision.

- » Most want to see a transportation system that achieves or exceeds our climate commitments,

provides Californians with a wide range of safe and convenient travel options, brings investment into areas where there are infrastructure gaps, and supports growth within existing communities.

- » There is acknowledgment that the complex funding, planning, and institutional delivery system we have inherited is worth reviewing as it does not always best serve the broad variety of public needs and goals.
- » There is also broad agreement that transportation needs vary across the state and many regions have major investment gaps. Some regions have incomplete rail lines or insufficient bus service. Other regions lack of funding for road maintenance or need improvements to their street grid so local trips do not require use of the highway system. Still others argued that they need highway expansion to accommodate megaregional goods movement flows. The diversity of needs across regions is critical to understanding California. And it is important to note that the need for and impacts of road expansion remained the topic where there is not clear consensus among stakeholders.
- » There is a consensus that we must do more to realize the multi-modal, climate friendly, and equitable transportation vision put forward in the many state, regional, and local plans and documents.

If there is one message from the AB 285 work it is this: To achieve our climate and equity vision, there must be action and change from all levels of government and across all institutions that shape the transportation system. This will require working in partnership across geographies and trust-building across sectors to tackle major structural challenges such as auto-dependent land use patterns, fragmented funding streams, and decentralized and outdated governance systems and decision-making.

For the past several years, the State has been moving in a direction to tackle many of these issues.

5 See: [https://sgc.ca.gov/resources/docs/20210921-CA\\_Transportation\\_Assessment.pdf](https://sgc.ca.gov/resources/docs/20210921-CA_Transportation_Assessment.pdf)

6 See: [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB285](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB285)

In 2021, the State adopted the Climate Action Plan for Transportation Infrastructure (or CAPTI) which demonstrated the state's commitment to investing discretionary dollars in climate-friendly transportation projects.<sup>7</sup> In the 2021 budget, the state provided \$600 million in funding to MPOs and other eligible entities to accelerate housing and related transportation investments in ways that reduce vehicle miles traveled (VMT).<sup>8</sup> In 2022, the state's adopted budget makes a significant down payment on realizing this vision – an unprecedented \$14.8 billion transportation package in the 2022/2023 budget, including \$4.2 billion for high-speed rail funding in the Central Valley, \$7.65 billion for transit and intercity rail projects, \$1.2 billion for supply chain infrastructure improvements, and over \$1 billion for active transportation projects to expand safe walking and biking options.<sup>9</sup>

The Governor has also signed dozens of pieces of legislation to tackle the state's enduring housing crisis.<sup>10</sup> These bills include changes to local zoning that streamline new multifamily housing and accessory dwelling units, enable up to four units on individual parcels, and establish a Housing Accountability Unit to support local jurisdictions' efforts to create housing, while also investing billions into affordable housing and infill-supportive infrastructure.<sup>11</sup>

Taken together, the past several years reflect an important shift towards prioritizing climate and equity issues in the state's transportation and land use policy. As noted in CalSTA's press release for the 2022 budget "These investments reflect California's highest transportation priorities and will accelerate our transition to a cleaner, safer, more connected and more equitable transportation system."<sup>12</sup>

Looking ahead, there are significant forces and trends that could reshape transportation. These include new federal investment, likely technological breakthroughs, and changing consumer preferences – all of which will impact transportation and the demand for travel. But the choices we make in response to these forces will ultimately shape what this transportation future looks like.

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7 See: <https://calsta.ca.gov/subject-areas/climate-action-plan>

8 See: <https://hcd.ca.gov/regional-early-action-planning-2021>

9 See: <https://www.gov.ca.gov/2022/06/30/governor-newsom-signs-budget-putting-money-back-in-californians-pockets-and-investing-in-states-future/>

10 See: <https://www.gov.ca.gov/2021/09/28/governor-newsom-signs-legislation-to-increase-affordable-housing-supply-and-strengthen-accountability-highlights-comprehensive-strategy-to-tackle-housing-crisis/>

11 See: <https://www.gov.ca.gov/2021/09/16/governor-newsom-signs-historic-legislation-to-boost-californias-housing-supply-and-fight-the-housing-crisis/>

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12 See: <https://calsta.ca.gov/press-releases/2022-06-30-statement-on-historic-transportation-investments>

# INTRODUCTION

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This report is the synthesis of stakeholder input on a project SGC began in 2020 after the passage of The California Transportation Assessment (AB 285, 2019). That legislation asked SGC to conduct a review of the California Transportation Plan and all regional Sustainable Communities Strategies and produce an assessment of how these plans as well other actions “influence the configuration of the statewide integrated multimodal transportation system.” The legislation also asked SGC to develop recommendations regarding the improvement and alignment of funding programs and other related actions “to better align the programs to meet long-term common goals,” particularly the state’s ambitious climate commitments. As the legislature noted in its findings for AB 285 in 2019, “Emissions from the transportation sector account for a significant portion of California’s greenhouse gas emissions...[and] more must be done to meet objectives of mobility and congestion management consistent with the state’s greenhouse gas emission limit and air pollution standards.”

SGC complied with the specifics of the legislation by submitting the [California Transportation Assessment Report](#), which included a cover letter drafted by SGC and a summary report prepared by The University of California Institute of Transportation Studies (UC ITS)<sup>13</sup>. The California Transportation Assessment Report from UC ITS built on the work of five separate working papers prepared by researchers across several UC campuses.<sup>14</sup>

<sup>13</sup> See: [https://sgc.ca.gov/resources/docs/20220218-AB\\_285\\_REPORT.pdf](https://sgc.ca.gov/resources/docs/20220218-AB_285_REPORT.pdf)

<sup>14</sup> See complete list of reports here: <https://its.berkeley.edu/news/uc-its-white-papers-ca-transportation-plan>

After releasing the report to the legislature, SGC conducted a public outreach and engagement process. Between February and June 2022, SGC spoke with hundreds of residents, activists, academics, transportation professionals, and policymakers across the state about how to improve the transportation system in California in a way that achieves long-term state goals, particularly climate and equity.

This report is the summary of what we heard from that outreach and engagement process. This report summarizes that feedback and details additional background context, potential policy actions, challenges, and opportunities that were suggested by the wide range of participants in the outreach process.

Across our dozens of meetings and interviews we consistently heard three key themes:

- » First, although the bulk of transportation funding comes from local sources, state level leadership and vision are necessary to coordinate and set a clear direction among the many disparate agencies and communities. People look to and need state leadership in transportation policy.
- » Second, major changes to any of the transportation systems and programs described will require deep partnership and collaboration across the different levels of government and geographies. Not only is expertise in transportation fragmented across the different scales of government (which requires co-designing solutions with different leaders), but also the effectiveness of implementation requires buy-in that only comes from co-creation.

- » Third, transportation actions and programs cannot exist in a silo. Land use patterns (the location of jobs, homes, retail, and schools) shape how we travel. To achieve state goals around climate and equity as well as other goals to shift travel behavior requires first ensuring that people can live and work in communities with more multimodal options for how to get around. Most people drive because of the land use patterns around them as well as the limited alternatives.

This report describes eight topics that stakeholders raised throughout the public engagement process. For each topic, we include context, potential policy actions, and challenges and opportunities that were raised by stakeholders. While there is not consensus on each proposed action across these topics, there is certainly a will to collectively tackle these issues and find solutions.

These 8 topics are:

- » Topic 1: Increasing community reinvestment and infill revitalization
- » Topic 2: Institutional reform
- » Topic 3: Implementing regional plans and tracking progress
- » Topic 4: Aligning, simplifying, and implementing state transportation plans
- » Topic 5: State funding programs and alignment of transportation goals
- » Topic 6: Project pipeline, delivery, and description
- » Topic 7: Transportation pricing
- » Topic 8: Multimodal system integration and user experience

## **WHAT IS AB 285? WHAT WERE WE ASKED TO DO?**

The State Legislature directed the California Strategic Growth Council (SGC) to produce an assessment of the transportation planning and funding activities at the state and regional levels while exploring options for improved alignment of funding programs to better meet long-term common goals, including reductions in GHG and VMT.

AB 285 (Friedman, Chapter 605, Statutes of 2019) required that SGC publish a report that includes:

- » An overview of the California Transportation Plan (CTP) and all regional Sustainable Communities Strategies (SCSs)
- » An assessment of how CTP and regional plan implementation will affect the statewide integrated multimodal transportation system
- » A review of the potential impacts and opportunities for coordination of key state funding programs including recommendations for improvement to better align with long-term common goals, including the goals outlined in the CTP

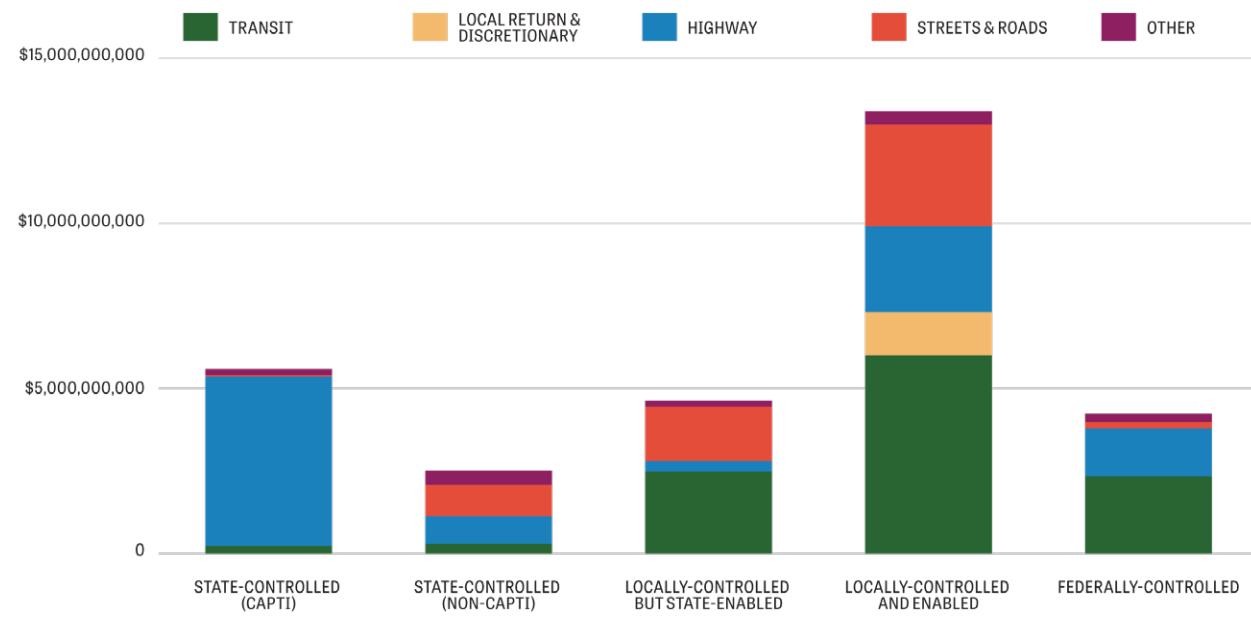
## **HOW DID WE COMPLY WITH THE LEGISLATIVE MANDATE?**

To meet the legislative mandate, Strategic Growth Council contracted a team of researchers at the University of California Institute of Transportation Studies (UC ITS) to produce five working papers assessing which aspects of our transportation planning and funding systems move us towards and away from achieving our shared goals.<sup>15</sup> The five papers focused on program goals, plan alignment, project pipeline, transportation institutions, and

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<sup>15</sup> See the five working papers: <https://its.berkeley.edu/news/uc-its-white-papers-ca-transportation-plan> They are: 1. A Brief History of Transportation Policies and Institutions. 2. Review of Statewide Transportation Plans for California. 3. MPO Planning and Implementation of State Policy Goals. 4. Examination of Key Transportation Funding Programs in California and Their Context. 5. Flexibility in California Transportation Funding Programs and Implications for More Climate-Aligned Spending.

**Figure 1: Sources and expenditure categories of average annual transportation funds in California<sup>18</sup>**



18 Source: Analysis by team at UCLA ITS

MPOs/local government. SGC coordinated across key State agencies and engaged with external stakeholders throughout the process.<sup>16</sup>

SGC delivered a summary report to the State Legislature in February 2022.<sup>17</sup> Following the delivery of the report, the Council directed SGC staff to produce a summary report reflecting stakeholder engagement and feedback to the report's findings. From February to June 2022, SGC convened numerous governmental and non-governmental stakeholders to reflect on the key findings of the final report.

## WHAT WERE THE HIGHLIGHTS FROM THE UC ITS SUMMARY REPORT?

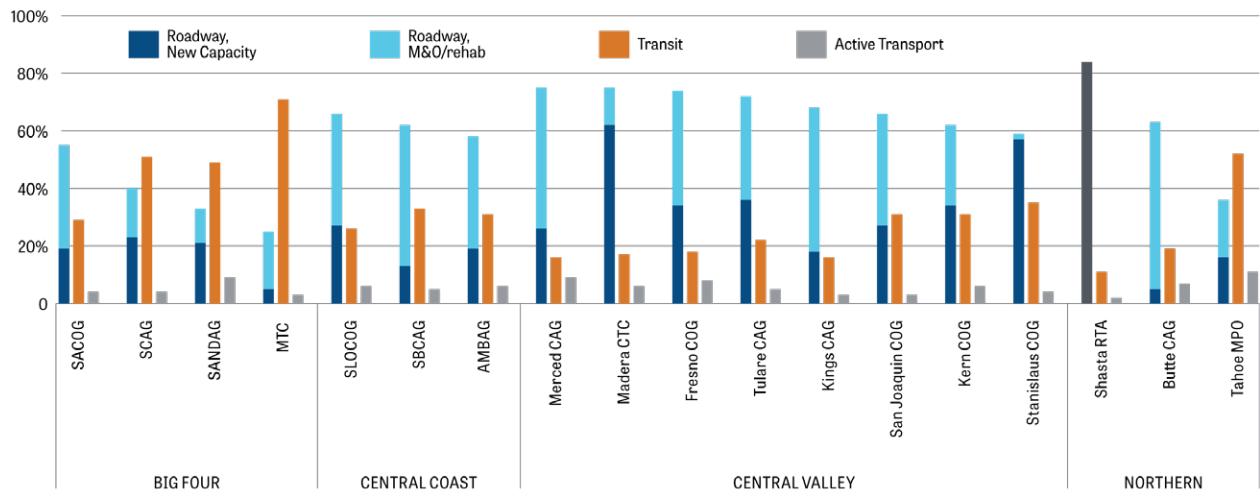
The UC ITS summary report identified several key findings about the state transportation system. They are important to highlight here as they framed the discussions in the outreach and engagement process.

1. About half of the \$30 billion in annual transportation expenditures in California are from local/regional sources. The State of CA plays a more significant role in road and highway spending than in transit.
2. The largest single source of funds for transportation in the state comes from voter-adopted local sales tax measures.
3. Statewide, nearly 40% of total transportation funds go to transit, with 1/3 going to highways.
4. Achieving climate goals requires both reduced driving (< VMT) as well as new technology (> ZEVs). Yet actions and spending at all levels continue to emphasize automobility.

16 Key state agency partners to SGC and OPR in this effort included CalSTA, Caltrans, CTC, CARB, and HCD. See Appendix A for greater detail on the state team and the UC ITS authors. See Appendix B for greater detail on external partners, participants, and outreach activities.

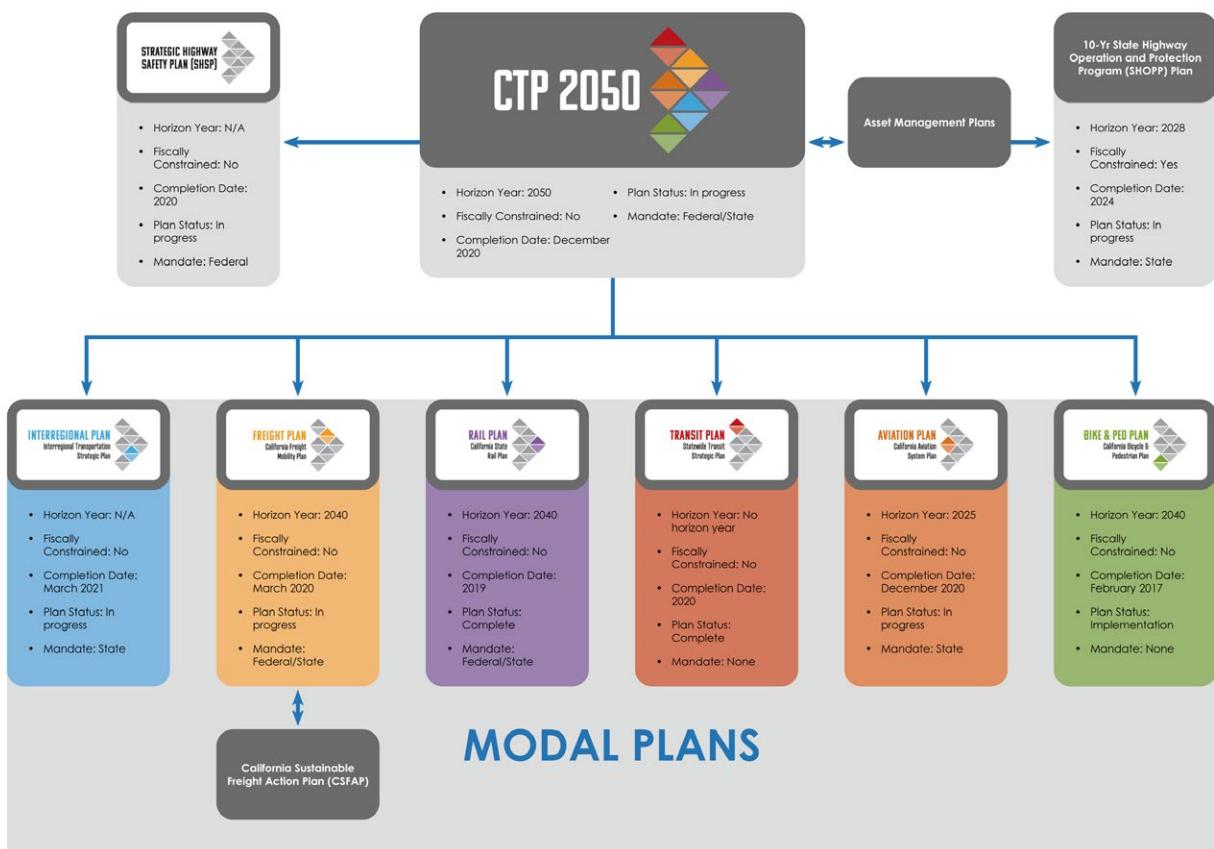
17 See: [https://sgc.ca.gov/resources/docs/20220218-AB\\_285\\_REPORT.pdf](https://sgc.ca.gov/resources/docs/20220218-AB_285_REPORT.pdf)

**Figure 2: Share of spending by mode included in adopted regional transportation plans (RTPs)<sup>19</sup>**



19 Source: Analysis by team at UC Davis ITS

**Figure 3: The relationship between the California Transportation Plan and other Caltrans modal plans**



5. MPOs have key responsibilities for meeting climate and equity goals but do not necessarily have the appropriate levers to fulfill those responsibilities and implement their adopted plans. As such, MPOs have no choice but to bank on ambitious state and local action to achieve goals and implement plans as they do not directly control many of the inputs and outcomes, including local transportation spending and land use.
6. Across the 18 MPO regional plans, spending on roads versus highways varies. In most RTPs, funding for road maintenance is higher than road expansion but overall, less is spent on transit or active transportation than roads.
7. The California Transportation Plan (CTP) sets an aspirational vision for transportation across numerous policy goals. But it does not directly shape funding decisions.
8. The institutional structure for transportation is complicated and decision-making levers can be disparate or hard to pinpoint.
9. Progress is already underway to align transportation funding with state climate and equity goals – examples at state, regional, and local levels. The Federal infrastructure funds provide an opportunity to reimagine the transportation system in a way that meets the needs of Californians while prioritizing benefits to the most underserved communities.

## THE CALIFORNIA TRANSPORTATION PLAN 2050 GOALS

The goals of the CTP 2050 are as follows:

1. SAFETY: Provide a safe and secure transportation system.
2. CLIMATE: Achieve statewide GHG emission reduction targets and increase resilience to climate change.
3. EQUITY: Eliminate transportation burdens for low-income communities, communities of color, people with disabilities, and other disadvantaged groups.
4. ACCESSIBILITY: Improve multimodal mobility and access to destinations for all users.
5. QUALITY OF LIFE & PUBLIC HEALTH: Enable vibrant, healthy communities.
6. ENVIRONMENT: Enhance environmental health and reduce negative transportation impacts.
7. ECONOMY: Support a vibrant, resilient economy.
8. INFRASTRUCTURE: Maintain a high-quality, resilient transportation system.

## WHAT WAS OUR OUTREACH AND ENGAGEMENT PROCESS AND WHOM DID WE HEAR FROM?

During the Spring of 2022, SGC staff led an outreach and engagement process that included public workshops, individual meetings, presentations and discussions with external organizations, an online survey, comment letters and public comments, and a series of focus groups. That process included feedback from hundreds of stakeholders representing a diverse range of perspectives and regions throughout California.

During the Spring of 2022, SGC staff worked with colleagues at the Office of Planning and Research (OPR), California Transportation Agency (CalSTA), Department of Transportation (Caltrans), California Transportation Commission (CTC), and California Air Resources Board (CARB) to engage hundreds of stakeholders in discussing and debating potential actions to improve transportation system outcomes in California. The team met with

stakeholders across a diverse set of geographies and institutions as well as in larger public workshops, one on one meetings, and smaller focus groups.

The following report is a summary of what we heard during that AB 285 public outreach and engagement process. For each of the eight topics below, we included what we heard from stakeholders around potential actions, background issues, key opportunities, as well as challenges. All the ideas and actions included herein were raised by one of the various stakeholders involved.

It is important to note however that there is not agreement amongst all stakeholders on the specific actions proposed or the challenges in implementing them. The issues are complex and invite many competing views and difficult choices. This report should not be read as a blueprint for reform. Instead, this report presents a range of potential actions that emerged in the outreach process for AB 285. The next step will be to consider these and other options to develop a policy agenda that can effectively move forward.

# TOPIC 1: INCREASING COMMUNITY REINVESTMENT AND INFILL REVITALIZATION

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS:

Establish a partnership among local, regional, and state governments to invest in infrastructure to support growth in areas of the state where residents can get around without relying on driving for most trips (i.e., areas that are currently low vehicle miles traveled – VMT – and areas with projected low VMT). This approach should help unlock and accelerate infill development and revitalization in climate smart areas within communities of all types and in all regions of the state.

This partnership should leverage the strengths of the state, regions, and locals and have clear roles for each level of government. The state's role would be to provide resources and tax increment financing (TIF) tools to the local government as well as to establish land use and density requirements and other labor, community, and environmental standards in exchange for access to state revitalization tools. The role of the region (i.e., the Metropolitan Planning Organizations (MPO) in the 18 metro areas of the state or the Regional Transportation Planning Agency (RTPA) or county in the non-MPO areas) would be to identify the infill growth and revitalization zones regionwide that meet state criteria (i.e., current or future low VMT zones/areas)<sup>20</sup>. The role of the local government would be to agree to support growth and development in the current/future low VMT zones/areas

20 Current and future low VMT zones is a proxy for a way to identify climate smart regions of the state that are appropriate to support growth. Appropriately defining and identifying these zones is a critical step in this action and should also leverage the partnership notion. Some MPOs have identified priority growth zones as part of their Sustainable Communities Strategy. Those zones could be combined with other objective criteria the state might use to identify potential areas for growth.

identified by the MPO. The local government would also receive new financial tools to support implementation.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » The State has set goals to meet climate commitments, in part through an expectation of additional growth in infill areas where residents and workers are less likely to rely on personal automobiles for mobility. However, these expected land use and development changes are not happening quickly enough, and many observers have identified the lack of investment in infrastructure to support infill as a missing ingredient.
- » In many communities, the infrastructure to support infill growth and development, such as in downtowns, historically came from tax increment financing available through California's former Redevelopment Agencies. Tax increment financing allowed redevelopment agencies to reinvest back into the project area all the projected increase (i.e., "increment") in property tax revenue that would take place because of the redeveloped property. Because redevelopment was intended to transform property that had a low property tax basis, the potential increment was often significant and allowed the redevelopment agencies to finance a wide range of infrastructure, parks, affordable housing, transportation, and other community needs. Since the ending of the redevelopment system in 2012<sup>21</sup>, there has been no comparable

21 See: <https://dof.ca.gov/programs/redevelopment/>

- state, regional, or local program to support infill and community revitalization. Existing tools (e.g. EIFDs/ CRIAs)<sup>22</sup> do not capture sufficient tax increments to pay for the added costs of infill (i.e., make infill “pencil out”). Many revitalization projects remain stalled, and the most successful ones often leverage the former investments from Redevelopment.
- » There is a mismatch between MPO planning responsibilities and local land use approval authorities. In particular, the MPO must produce a regional plan that meets per capita GHG reduction targets in part through land use changes. Yet the actions needed to realize that land use change takes place at the local level, over which the MPO has no direct authority. There are often instances where a regional plan assumes a certain level of growth in a community to meet their GHG targets, but due to lack of funding, market constraints, and/or political opposition, the local community ends up adopting zoning or entitling new development that does not match the level of density assumed in the regional plan, thus reducing the region’s capacity to meet the GHG target.
  - » Housing and land use policies have proved to be among the most effective ways to reduce greenhouse gas emissions as the location of development shapes the overall demand for travel. MPOs and the state can provide resources for infrastructure or to support development. But ultimately local governments maintain control over land use policy and decisions.
  - » In recent years, the state has increased its oversight over local housing planning. These changes include higher Regional Housing Needs Assessment (RHNA) numbers for each region (and most local governments)
- in the current cycle, greater expectations that local governments adopt Housing Elements that match the higher RHNA numbers, and greater oversight by the state in local entitlement decisions (i.e., a new Housing Accountability Unit at HCD).<sup>23</sup> These actions have also been met with additional moderate level of investment in some state housing programs (e.g. SGC’s Affordable Housing and Sustainable Communities and HCD’s Infill Infrastructure Grant Program). But while there has been an increase in direct subsidies for housing production, there has not been a commensurate increase in investment in housing-supportive infrastructure such as water and sewer needs as well as related transportation investments. (REAP 2.0 is an example of state investment in this type of housing-supportive infrastructure).
- » Additionally, while the state has increased the requirements around planning for housing, including greater scrutiny of local housing approvals<sup>24</sup>, there are not comparable regulations reviewing local planning actions or decisions around the location and density of other non-residential land uses such as health care, education, and commercial (including office, retail, and entertainment. There are also limited tools to encourage or shift the location of jobs and other “destinations” into transit accessible and/ or infill areas. Yet the location of these “destinations” has a major impact on travel choice (i.e., whether to take a trip and by what mode).

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22 An EIFD is an “enhanced” infrastructure financing district and a CRIA is a Community Revitalization and Investment Authority. EIFDs, CRIAs, and other tools emerged in the wake of the former system of tax increment financing under redevelopment agencies. The key difference between EIFDs/CRIAs and the former system is that in the post-redevelopment tools, taxing entities must voluntarily opt-in to share their tax increment with the new financing district. For comparison among the tools see: <https://www.kosmont.com/services/eifds-crias-special-tax-districts/>

23 See: <https://www.hcd.ca.gov/accountability-and-enforcement>

24 See Housing and Community Development’s Accountability and Enforcement unit. <https://www.hcd.ca.gov/accountability-and-enforcement>

- » One of the many reasons why new development in “infill” areas<sup>25</sup> is not occurring quickly enough is because of infrastructure deficiencies (insufficient water, sewer, sidewalk, parks, etc.) in many existing communities. These infrastructure needs often require public financing to allow the infill development to become financially feasible (i.e., “pencil out”).
- » There are a range of investments needed to make infill neighborhoods successful places to live in. For example, some small changes (e.g. adding neighborhood lighting or greenery) may improve the experience of walking around a neighborhood but may not have as many sources of funding as more traditional housing development. Allowing local or regional agencies to identify the full range of infill infrastructure needs is necessary to make sure neighborhoods get what they need to be successful.
- » Leaders in all regions recognize the importance of more growth in infill areas and supporting the revitalization of existing communities. But they also argue that infill development looks different across different regions as well as across urban, suburban, and rural communities.

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Encourage each MPO to identify current/future low VMT zones in infill areas to support a substantial portion of growth as part of their adopted Sustainable Community Strategies (SCSs)/ Regional Transportation Plans (RTPs).
- » Prioritize state investment from key housing, infill, and transportation programs into these newly

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<sup>25</sup> For the purposes of this document, infill development includes a range of residential and commercial land uses – housing, retail, office, health care, education. Infill here also generally refers to development in existing communities on parcels that is predominately surrounded (approximately 75 percent of the perimeter) by parcels that are developed or previously developed with qualified urban uses. See REAP 2.0 definition for additional information: <https://www.hcd.ca.gov/grants-funding/active-funding/reap/docs/reap2-0-mpoallocationsdraftguidelines.pdf> (page 41).

identified communities and neighborhoods that meet state and regional criteria.

- » Establish a new community revitalization program that enables local governments to use tax increment financing to support investment in infrastructure, housing, and other community facilities. The tax increment financing should allow the local government to capture a greater share of property tax increment than the current IFD/EIFD structure (which is voluntary for all levels of government).
- » Backfill forgone local resources from tax increment financing to the county and other levels of government as part of the ongoing state investment in this new community revitalization program.
- » Develop a new state/regional/local partnership to support data and mapping of communities to identify zones for revitalization. This approach should leverage existing analytic capacities and mapping at the MPOs as well as use statewide data layers to ensure consistency across communities. The data should be open sourced and publicly available to view/review.
- » Establish consistent standards for the types of communities and places that can access the funds and tools for revitalization. The zones should at a minimum be infill areas and/or within existing communities (i.e., not greenfield) where additional growth will support a per capita reduction in VMT. These places should also be aligned with the growth vision in the MPO’s SCS, follow RHNA, Affirmatively Furthering Fair Housing (AFFH), and Housing Element law, have zoning that supports densification, as well as anti-displacement standards. In regions with existing transit providers, making sure these areas are places with some level of current or planned transit is also essential. Look to existing models in California for aligning growth and infrastructure investment.<sup>26</sup>

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<sup>26</sup> See: Metropolitan Transportation Commission’s Priority Development Areas <https://mtc.ca.gov/planning/land-use/priority-development-areas-pdas> and LA Metro’s Transit Oriented Communities <https://www.metro.net/about/transit-oriented-communities/>

- » Ensure the proactive engagement of communities in the process of defining the goals of the community revitalization program, as well as how to achieve these goals.
  - » Establish model ordinances for zoning at the local level to align with the state's climate/housing vision.
  - » Establish an approach to identify current and future low VMT areas that will help communities build up to a higher density environment that supports transit over 10 to 15 years rather than only focus on places that support transit ridership today.
  - » Identify and align the multiple definitions of "infill" in state statutes. Use this process to clearly identify what is and what is not considered infill across the diverse geographies of the state (as there are infill opportunities in all communities). Ensure that this program only supports growth in a newly accepted definition of infill. This approach should reinforce and revitalize existing communities and neighborhoods while also not inadvertently pushing development towards the urban edge. The approach to infill definitions should also be coordinated with the approach taken to identify current and future low VMT zones.
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- » The CARB Scoping Plan calls for infill revitalization as necessary to meet the State's climate goals.<sup>28</sup>
  - » The community revitalization actions proposed by stakeholders (and described above) allow for flexibility for different parts of California to revitalize in their unique way. The barriers to infill also vary by community and this approach allows a region and local partners to tackle the impediments to infill most directly, though more research may be needed to better understand the barriers across different geographies.<sup>29</sup>
  - » The community revitalization actions would provide resources for cities and other local governments who need them to achieve the goals/outcomes the state wants to achieve (i.e., more infill in climate smart areas).
  - » This approach can leverage existing projects that identify different needs across different types of communities. For example, Caltrans is thinking of what high quality transit looks like in all types of communities, such that transit headways look different and/or are longer in some areas relative to other areas.
  - » Some cities in California (e.g. Marysville) still have an older housing stock near the community's core that could be preserved as workforce starter homes. By establishing clear state criteria for standards, the future community investment in infrastructure

## **OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?**

- » In the 2022-2023 budget the administration put forth a Housing as a Climate strategy. This community revitalization approach builds on that vision while adding new tools to support infill development across the state.<sup>27</sup>

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27 See: "EQUITABLE HOUSING PRODUCTION AND CLIMATE RESILIENCY" at <https://www.ebudget.ca.gov/2022-23/pdf/Revised-BudgetSummary/HousingandHomelessness.pdf>

28 See: <https://www.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp.pdf>, especially p. 145 "fostering more compact, transportation-efficient development in infill areas and increasing transportation choices with the goal of reducing VMT not only reduces demand for transportation fuel but also requires less energy for buildings and helps to conserve natural and working lands that sequester carbon."

29 Additional research could help determine the extent to which the infill challenges are occurring because of one or more reasons: continued resistance by local governments, developers pursuing single family products because of knowledge and higher profitability, differences in consumer demand for higher density, higher costs for infill generally due to lack of economies of scale (i.e., big single-family subdivision compared to missing middle development), and/or the need to upgrade aging infrastructure in built up areas.

could be appropriately timed with preservation and anti-displacement measures to ensure that existing residents benefit from the new investment.

- » Supporting infill development in existing neighborhoods can create access to affordable housing for more of California's low-income households, near jobs, transit, and other neighborhood amenities and services. By reducing families' financial and health costs associated with long commutes, this outcome could help advance overall living costs that are more affordable, not just affordable housing.

## CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?

- » If the state makes a recurring commitment to backfill lost local government revenues due to tax increment financing, then the state's fiscal obligations can expand over time as more communities pursue TIF programs. This backfill is needed because bonding against future tax revenues obligates the local community to forgo future revenues to pay off the bonds to build the infrastructure as opposed to paying for ongoing service and operational needs.
- » Some argue that most MPOs are not ready to take on a larger role in land use and related development. Some local governments may see this as an expansion of the MPO role in land use issues, something they do not support. Identifying the appropriate roles for each level of government will be critical to managing this dynamic. (Some also noted how MPOs are not all the same and some regions might have more support than others to take on this more expansive role.)
- » Others argue that MPOs should also have more actual authority in local land use policies and actions, not just an advisory and planning role. Such authorities are needed in the event a local community pursues

significantly lower levels of growth than would be necessary to achieve the ambitious climate targets set by the state.<sup>30</sup>

- » Local governments face systemic fiscal and political costs to approving infill growth. Infill requires greater levels of community buy-in and entails more opportunities for detractors to halt it. Legacy fee structures, impact analyses, and constituent expectations for retaining the "character" of a community are also inclined against infill growth. These factors tend to push growth to the periphery (if growth happens at all).
- » Not all infill areas are the same. This means it is difficult to achieve a statewide approach to infill. Yet while it is critical to have flexibility to address each community's unique characteristics, this flexibility could undermine a geographic focus towards high impact places. To succeed there will need to be a supplemental program for areas that are not high density or urban environments and/or create other programs that help achieve the initial density.
- » The former experience with redevelopment led to a wide variety of investments from local agencies that were not always in line with state redevelopment law or priorities, including subsidies for golf courses deemed as "blight". The challenge with the approach described here is that it must balance flexibility and still make sure what is spent is in line with state priorities. This may be difficult to achieve. Establishing consistent state standards for the use of the money may prove difficult given differences in support across the state (i.e., such as for requiring anti-displacement rules and/or labor standards for construction).

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<sup>30</sup> For example, MTC/ABAG's RTP/SCS assumes growth within Priority Development Areas (PDAs) and has funded local planning efforts that will allow more housing and jobs in locally identified growth areas, many of which are near job centers or transit stations. However, the program's efficacy has sometimes been limited by local choices to ultimately plan for and/or entitle less growth than had been assumed by the region in its adopted plan. See: <https://mtc.ca.gov/planning/land-use/priority-development-areas-pdas>

# TOPIC 2: INSTITUTIONAL REFORM

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS

Establish clear roles for the different transportation institutions at the state and regional level to get better alignment of decisions and increase public transparency and access.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » Transportation funding and authority is dispersed across many levels of government and different state agencies.
- » Transportation agencies were created at different times for different purposes.
- » California has devolved more decision making and authority to lower levels of government based on SB 45 from the 1990s. Local governments and MPOs have greater authority and responsibility than in comparable states.
- » Because transportation planning, funding, and project delivery are divided across so many agencies and levels of government, the public may not be aware of which agency and/or level of government to hold accountable.
- » Implementation of major new policies requires clarity on the roles and responsibilities of various agencies and levels of government. This clarity often comes from a unifying conversation with all actors in a room identifying roles and responsibilities. It also does not always take place. For example, some stakeholders noted how in the state's overall push

towards zero emission vehicles and travel there has not been sufficient focus on e-bikes as a core part of the solution. Further, some transit stakeholders noted their interest in a larger and more unifying conversation about how to best deliver transit service and meet the ZEV bus purchase requirement.

- » Various state agencies operate under different mandates, priorities, and policy goals. There is significant up-front work that state agencies should do to better coordinate their goals. This will aid in effective implementation of policies as well as in coordination with outside stakeholders and government agencies.

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Formalize the relationships among and clarify roles and responsibilities between the state transportation agencies, including CalSTA, Caltrans, and CTC. Coordinate as appropriate with other agencies such as, CARB and GOBiz will also be necessary.<sup>31</sup>
- » Streamline the roles and responsibilities of the various state agencies that currently participate in the transportation planning and programming sphere. Simplifying overlapping authority across state institutions can make transportation work faster with more efficiency and transparency.

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<sup>31</sup> Stakeholders suggested building on the precedent in the energy sector which had an “energy principals’ group” to coordinate and align state agency policy efforts in energy during the Brown Administration. The energy principals’ group was made up of the CPUC, the CEC, the California Independent System Operator (CAISO), and the Air Resources Board.

- » The state and regional partners should jointly do more to educate the public about how the transportation funding process works.
- » Some stakeholders suggested how to improve the performance of existing MPOs. For example, work across smaller MPOs to identify opportunities to share staff, and provide technical assistance, planning tools, and funding. For the larger MPOs, there are opportunities to identify ways to better connect them with their members.
- » Authorize MPOs to do gatekeeping over the funding applications both to encourage coordination and quality proposals and to identify gaps, people or areas that are being left behind.
- » Revise planning processes to give MPOs clearer roles in project approvals and funding, as well as give them options to take on more projects.
- » Provide staffing support to CTC commissioners (either through paid staff or direct staffing from other state agencies) to ensure they have dedicated staff and time to be briefed on the key items in each agenda.

## **OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?**

- » There has been significant change in the composition of the CTC in recent years. These commissioners may identify opportunities to improve or modify the institutional structure of state transportation as they become more familiar with the relationships among the many institutions.
- » There is growing awareness (in reports and among various stakeholders) of the limits of the current institutional structure governing transportation and how fragmented decision making has not led to better outcomes for the public.

## **CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?**

- » Each of the current transportation institutions in California and their roles and responsibilities were designed to address specific and unique problems, many of which still exist and/or have specific constituencies who backed a change that resulted in the current institutional arrangement. As such, any change not only threatens the authorities of an existing institution but also upsets the political resolution that the institutional role was designed to accomplish.
- » Improving the alignment between state agencies should not come through the addition of new agency review steps within the planning and programming stages, which could result in schedule delays and would further complicate public engagement around state action.
- » There is variation in the size and scale of MPOs. Some are big and diverse and include multiple overlapping commute sheds (i.e., SCAG, MTC). Others are small with limited resources and only include a portion of a commute shed (i.e., Stanislaus, Madera).
- » If every county gets to raise its own funds and keep those funds, then it is much harder to meet state goals. This is especially true given big differences across the state (and even within big jurisdictions such as Los Angeles County).
- » Some local jurisdictions are happy with the current status quo and do not want larger roles for MPOs or the state (or reprioritization of funds to meet state goals).

# TOPIC 3: IMPLEMENTING REGIONAL PLANS AND TRACKING PROGRESS

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Summary of potential actions raised by stakeholders  
Provide MPOs with additional flexible funding to enable the implementation of adopted RTPs/SCSs and to meet state-mandated per capita GHG reduction. The flexible funding is particularly important in land use-related infrastructure and housing, areas of investment that have not traditionally been the responsibility of MPOs. These funds would include clear objectives and eligible uses for their expenditure to ensure projects support VMT reduction, advance equity, and foster stronger alignment of regional and local plans, policies, and projects with State climate goals.

In combination with the increase in flexible funding to MPOs, establish a new requirement for MPOs to track progress towards plan implementation by regularly reporting on programmed expenditures (i.e., track spending through the RTIP plus other funding sources).

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » MPOs are required to produce Sustainable Communities Strategies that on paper meet a specific per capita GHG reduction target while also identifying locations for housing sufficient for the needs of the region's future economy. But there is no comparable requirement or full authority for the MPO to implement the plan.
- » It is commonly accepted that a combination of strategies (i.e., land use changes plus road pricing plus multimodal investment) produces the greatest amount of GHG reductions.

- » Successful implementation of the strategies included in an adopted RTP/SCS is critical (though not sufficient) to meeting the state's GHG reduction goals as each MPO's planned reductions are important contributions to the state's overall reduction commitments. Although each region's plan must on paper meet a per capita GHG target, additional actions that reduce passenger vehicle emissions from state and local governments will also be necessary to meet the state's overall GHG reductions.<sup>32</sup> Therefore, better coordination is needed.
- » Stakeholders noted that the state has not provided consistent funds to support the direct implementation of adopted RTPs/SCSs, especially many of the more innovative strategies included to reduce GHG. In 2021/2022 the state adopted REAP 2.0, a \$600 million investment program with dedicated funds for each MPO to implement their regional plans.<sup>33</sup> These funds will support some of the infrastructure needed to accelerate infill development and reduce VMT along with related transportation investments. Despite these welcome investments, they are relatively small given the scale and diversity of needs across California. Further, in general, there is insufficient overall funding for implementing regional plans,

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<sup>32</sup> Each region's RTP/SCS must demonstrate that it meets the required per capita GHG reduction target. While measured in per capita GHG, most of those reductions come from reductions in per capita VMT (such as through changes to land use patterns or transportation policy and investments that result in on average shorter trips and/or an increase in greater share of trips by non-driving modes). Additional state actions are also expected to meet the overall GHG reductions from land use.

<sup>33</sup> See: <https://www.hcd.ca.gov/regional-early-action-planning>

- including realizing the infill development and housing-supportive infrastructure in walkable communities (see Topic 1).
- » There is also a need for better information on the outcomes of regional spending and programming. The current way transportation projects are described in regional and state documents makes it difficult to track their overall impact and therefore to determine how projects support (or detract from) progress towards meeting regional GHG reduction goals.<sup>34</sup> The UC ITS research suggested that some regional plans include key transit and active transportation investments in later years of a regional plan while frontloading highway expansion projects that generally increase dependency on vehicle travel.
  - » Further, there is no current requirement for MPOs to demonstrate progress towards implementation of their RTP/SCS either through a summary of programmed expenditures or a consistent implementation plan that is periodically updated after adoption of the RTP/SCS.<sup>35</sup>

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

34 For example, many larger transportation projects (i.e., a highway widening over 30 miles built over 15 years) are divided up into specific small projects that can get discrete funding. There is no current analysis or tool that describes the overall system funding. In the highway example above, if a county plans to widen a major road or stretch of a highway (i.e., a 30 mile stretch, between Highway X and Exit Y over the next 15 years), it will appear as a series of several dozen discrete projects including five or more bridges/overpass widenings, four or more interchange redesigns, and several dozen widenings on both sides of the median, some in existing ROW and some on new ROW which require taking property. While it is the overall 30-mile stretch that has the major impact on GHG, mobility, safety, etc., the “projects” get listed and funded separately over time. While the dividing up of projects into smaller segments makes it difficult for the public to track the investments, it is important to note that this happens in part to avoid duplication of NEPA on top of CEQA because if a project is brought forward one segment at a time, it can avoid double environmental review.

35 One potential source of information about programmed expenditures is the RTIP. This document is updated every four years by each MPO and includes regionally significant local and regionally funded projects as well as those with federal funding. Data from the UC ITS team revealed that proposed RTIP spending is more heavily focused on automotive investment in comparison with the projects included in an adopted RTP. However, MPOs claim that the TIP is not the best reflection of programmed spending as it only includes a portion of a region's projects and overall funds likely to be expended. Some MPOs have noted that a tool that included the projects in the TIP plus projects and programs from other sources of revenue could be a better reflection of priority spending by the MPO.

2. Establish clear guardrails on how the funds can and cannot be used. For example, these state funds should primarily fund infill-supportive infrastructure but could also be used for some innovative transit, active transportation projects, and multi-modal projects. Together these flexible funds would accelerate progress toward state GHG commitments.<sup>36</sup> The funds should not be used for automobile storage/parking and/or road widening or to offset other road expansion projects funded elsewhere in the region. While the MPOs and RTPAs should have flexibility to use the funds to best meet the needs of their local community, these investments must also be done within the limitations set by the state and to further state policy goals.
  3. Provide oversight/evaluation of dispensed funds: This oversight process would assure that the funds are being used for projects that meet specific threshold metrics and would include a mechanism to administratively redirect future funds if an agency is not using the funds appropriately.
  4. Establish additional incentives funds for MPOs and RTPAs whose plans (as modeled) and implementable actions (i.e., policies and funded projects) exceed state GHG goals
- » Require and support MPOs in developing and reporting on more concrete near-term implementation plans for their RTP/SCS. The following are some of the additional steps and considerations in this action:

<sup>36</sup> Note: Stakeholders made clear that the flexible funds recommended here would be *in addition* to existing State funding. While it is necessary for these recommended additional funds to be flexible for MPOs, it may be necessary to maintain outcome-specific priorities within existing state funding programs. Setting such priorities remains important for existing State funding programs where the applicants are not always MPOs seeking to implement an SCS. Where other types of public agencies are not bound by responsibilities or expectations for implementing the SCS, state funding programs should maintain, and seek to improve upon, criteria which select projects that reduce GHG and VMT, or otherwise promote mode shift.

1. This implementation plan could include specific actions that both the MPO and the state could take as well as how to track actions and monitor implementation.
2. Establish a new reporting requirement to document an MPO's expenditures and programming decisions after the adoption of its regional plan.<sup>37</sup> The report should list the expenditure along with the lead agency that made the decision in order to encompass all the players (i.e., if a local agency funds a new interchange on a freeway with traffic impact fees, they will be listed as the sponsor, as opposed to the MPO).
3. Adjust the SCS review process by CARB by allowing MPOs to demonstrate progress across their various adopted plans by comparing their current plan with prior plans (i.e., 2012 vs 2016 vs 2020). Over this period some proposed or programmed projects included in local sales tax measures may drop off, while new ones may be added. The MPO should receive acknowledgment for this overall trajectory, and not only be judged by each submission to CARB every four years.
4. Update the RTP guidelines process to work out a consistent way MPOs report their revenues and expenditures, which would help with SB 150 reporting as well as SCS evaluations.<sup>38</sup> Additional modifications to the guidelines could include strengthening the consideration of equity in the RTP. Updating the RTP guidelines is also an

<sup>37</sup> This reporting tool would be in addition to the RTIP and could be established such as through an update on current reporting requirements to the Controller and CTC. The limitation of the TIP as a reporting tool is that the TIP only includes investments with a federal nexus (i.e., projects that are federally funded, require a federal action, or are considered regionally significant for air quality conformity purposes). Excluded from the TIP are most transit operating expenses, projects funded by county sales taxes, and other projects including road maintenance and smaller bike projects.

<sup>38</sup> See: <https://ww2.arb.ca.gov/resources/documents/tracking-progress> and <https://ww2.arb.ca.gov/resources/documents/scs-evaluation-resources>

opportunity further align the RTP and SCS guidelines (which are drafted by the CTC and CARB respectively).<sup>39</sup>

5. Provide MPOs with expanded authority to pilot innovative approaches within their boundaries (e.g. pricing authority, land use oversight at major intermodal facilities, access to new bonding authority) as well as stronger partnerships with the state that allow the option for the MPO to spur state implementation action or augmented regional implementation authorities.
6. Make a better connection between the CTP and RTP/SCS by having each MPO explore what it would take to reduce transportation sector greenhouse gas (GHG) emissions to 80 percent below 1990 levels by 2050 in their respective region (since the CTP explores what it takes statewide). As part of this analysis the region and the state could each explore what more is needed and what the real challenge and barriers are to meet goals.
7. Explore options to better align project spending in local sales tax measures with the RTP/SCS. Options include requiring a GHG analysis of any sales tax measure that goes before the voters (i.e., how passage of the sales tax measure would impact the adopted per capita GHG reduction target in the RTP/SCS).

## OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?

- » This program idea builds on REAP 2.0 and the concept that additional and flexible funding is key to delivering on implementing the SCS, particularly for advancing the high impact strategies included within the SCS (e.g. major land use changes or shifts in travel behavior) that do not otherwise have available funding.
- » Caltrans' interest in modifying the CTP creates an opportunity to make a better connection between the RTP and CTP. This will invariably allow for a broader discussion about the responsibilities of the state and the region in meeting combined GHG reduction goals (as opposed to quantifying the specific responsibilities of the state to meet the gap between the regional targets and the overall state target).
- » Many planning efforts have focused on the larger jurisdictions and MPOs. But smaller and more rural areas also could be better engaged and supportive of meeting state policy goals if provided resources, policy frameworks, and support.

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39 Stakeholders noted that the RTP/SCS should read as a single unified regional land use and transportation plan. Instead, the SCS is often simply a chapter in a largely transportation focused RTP. An example of better alignment could be for each land use scenario in an SCS to include a set of transportation projects tailored to support the scenario's proposed growth pattern.

## CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?

- » There is already an extensive reporting and review process for the MPOs with their submission to CARB. If additional reporting is required, it would be appropriate to incorporate this reporting into the current process instead of duplicating it. However, the proposed reporting is focused more on programming and implementation and less on planning so it may not be appropriate for the MPO to submit the required documentation at the time of the adoption of the SCS. Another alternative might be to streamline the current review process by CARB in exchange for adding the new reporting on programming and plan implementation.
- » While MPOs are regulated to meet GHG reduction targets from land use and VMT, the state is under no similar requirement to quantify the impact of its own actions. Key state actions such as CAPTI and SB 743 are examples, but these are not quantified into a specific state contribution.
- » Land use changes in an RTP/SCS require partnership and action from local governments and behavior change from market actors (i.e., developers/consumers/drivers). The MPO has no tools to modify local land use and limited tools to change behavior by market actors. Without giving the MPO additional tools, it will remain difficult to achieve the targets.
- » Yet giving MPOs additional land use controls may result in potential backlash to regional planning based on a perception that the state and MPOs are imposing upon local control. Demonstrating the urgency of action towards meeting the climate commitments and housing goals to make the appropriate policy change will require understanding this historic emphasis on local control.
- » Further, research from UC ITS and reviews of SCSs by CARB show that many MPOs have yet to significantly change investment priorities away from GHG-increasing projects and automobility. As a result, some stakeholders argued that flexible funding, even with guardrails, lacks accountability as it would not be possible to take back funding that had already been expended, even if the regional actor does not appropriately spend the funds. Some argue that there should be more accountability to spend appropriately using existing funding programs before distributing more flexible funding.

# TOPIC 4: ALIGNING, SIMPLIFYING, AND IMPLEMENTING STATE TRANSPORTATION PLANS

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS

Restructure the CTP to be the clear, concise, and comprehensive state vision for transportation that is inclusive of all other modal plans while adding more implementation levers and a gap analysis (i.e., produce analysis of gap between what can be achieved with expected levels of investment and current policies at the state and regional level and what it will take to achieve plan targets).

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » The California Transportation Plan (CTP) presents a broad vision for the future of California that assumes as a baseline all the projects are built within adopted regional plans.<sup>40</sup>
- » By statute, CTP is a fiscally unconstrained vision and roadmap for transportation in California. It also does not include a project list. This makes the CTP different from regional plans which include financially constrained project lists. RTPs must also undergo environmental review and be consistent with air quality conformity requirements.
- » Some stakeholders suggested that there should be a change in statute to require the CTP to be fiscally constrained. Other stakeholders noted how changing the plan to be fiscally constrained would undermine the role of the CTP to present an unconstrained vision for

what could be in the transportation system to achieve broad policy goals. It was also noted that some states develop both an unconstrained vision plan and a "feasible within existing funds and authorities" plan plus alternatives and adopt one or the other as their adopted state plan.

- » The CTP does not clearly spell out the financial, political, and legal gaps between the current system and what is needed to meet the goals of the plan (such as reducing GHG in the transportation sector by 80% below 1990 levels by 2050).
- » Caltrans currently produces a CTP as well as six modal plans. These state planning documents are very complex and long making it hard for the public to understand clearly what the priorities and issues are as well as how the plans lead to implementation. In addition, the modal plans are all done separately and on different timelines.

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Better coordinate and align all state transportation plans by establishing a single clear, concise, understandable, and unified comprehensive transportation plan for California that combines the six modal plans with the CTP. This effort should also make clear that the role of the California Transportation Plan (CTP) is to set an overarching vision for the entire state's transportation system across all modes, agencies, and geographies. The CTP should also remain unconstrained to identify what is needed to meet that vision.

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40 See: <https://dot.ca.gov/-/media/dot-media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf>

- » Revise the structure of all state transportation plans such that they have the same core elements including the same goals (i.e., the eight included in the CTP), horizon year, description of what changes the state anticipates, external forces shaping the system, etc. Further simplify all the state transportation plan documents by ensuring each plan is more concise (i.e., fewer pages) and includes an executive summary that articulates the key plan components more clearly.
- » Modify the CTP to incorporate a new gap analysis between the plan's unconstrained vision and available resources and policy constraints. This gap analysis would help the public understand what could be done within existing resources and authorizations and then what policies and projects must change at what level of government to realize the goals in the plan. The gap analysis would highlight what is necessary to achieve all the state goals and describe the delta between the state plan's unconstrained vision and the financial resources needed to achieve the vision. This gap analysis should also identify the true cost of implementing the CTP vision and achieving all the state goals.<sup>41</sup>
- » As part of the gap analysis, also compare the gap between the policy assumptions in the CTP and those in the 18 regional plans (RTPs/SCSs). For example, Caltrans should identify the impact on achieving the CTP goals from a buildup of all the local, regional, and state projects included in the RTPs and assumed as a baseline in the plan.<sup>42</sup>
- » Make clearer the assumptions in the CTP that are being made to achieve the 2050 goals (i.e., changes to the cost of driving, pricing of the system, increases in land use density, expanded transit service, limited highway capacity expansions).
- » Improve the clarity of the key implementation steps needed to meet the goals of the CTP at all levels of government. For example, if the state plan assumes that transit service must double to meet the GHG goals, but the regional plans are only showing a moderate increase then there is more of a delta between the state goal and the reality of implementing the adopted regional plans. The CTP should note as an implementation action the need for the funding to increase transit service to such a level.
- » Require the CTP to include a periodic update on all state actions and implementation towards meeting the state transportation targets (such as pricing, speed limits, and project funding).

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41 For example, the gap analysis should help answer the following questions about what it would take to meet the plan goals: What changes are necessary in land use patterns and the location of new growth and development (jobs, services, and housing)? What changes are necessary in transit funding, service levels, and/or frequency? What would it cost to establish local and regional transit at minimum peak period headways of 15 minutes or less for most all Californians living in metro areas? What changes are necessary in pricing and alternatives to the current gas tax as a major source of funding for the system? What changes are necessary in investment in the highway system?

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42 Note: The CTP has also long assumed as a baseline the current list of projects included in the adopted RTPs/SCSs across California. If key projects assumed in regional plans move the state away from achieving key goals (i.e., 80% reduction by 2050 in transportation GHG emissions) then highlight the types of projects that should not be included in the CTP.

## **OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?**

- » Caltrans has already begun working on modifying the CTP for the next update internally, including work on aligning the CTP with the six modal plans. These would all be consolidated into one comprehensive plan. Caltrans is looking at the feasibility of combining various plans into the CTP. (See example from Michigan DOT).<sup>43</sup>
- » Caltrans released an implementation plan for CTP 2050 in April 2022 and is actively working on implementation of the plan.<sup>44</sup>

## **CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?**

- » A lot of what Caltrans does in the CTP is dictated by statute. Changes to the CTP require changes to statute and authorization from the Legislature.
- » Producing the gap analysis may prove to be technically challenging and will add cost and complexity to the CTP development.

- » Including a gap analysis in the CTP will prompt difficult but important conversations on how to appropriately fund the state transportation system and meet state climate commitments. Stakeholders noted that absent these difficult conversations, proposed changes to funding programs, state plans, etc. may end up as a short-term fix that will not put the state on track to achieving long-term VMT and GHG reduction goals. These difficult conversations include:
  - a. how to replace the gas tax in an equitable way,
  - b. exploring the fiscal implications of electric vehicles, and
  - c. enumerating the differences between state and regional actions to achieve climate commitments.
- » If there is a gap analysis added to the CTP it would mean Caltrans saying there are certain projects or types of projects in the regional plans that do not fit with the CTP vision/fiscal constraint. For example, meeting the fiscal constraint might require Caltrans to no longer assume as a baseline that some specific projects in the regional plans get built, including those already included in existing regional plans.
- » All transportation and land use models at regional and state levels are limited in their effectiveness in reflecting the future. To the extent that there is a gap analysis incorporated into the CTP, it would still rely on models which are imperfect.

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43 According to Michigan DOT, the Michigan Mobility 2045 is "a family of plans that, along with the long-range transportation plan, integrates the components of a state freight plan, a state rail plan, a statewide active transportation plan, and a statewide transit strategy." See: [http://michiganmobility.org/pdfs/mm2045\\_plan/MM2045\\_Plan\\_FINAL\\_2021\\_11\\_03\\_remediated.pdf](http://michiganmobility.org/pdfs/mm2045_plan/MM2045_Plan_FINAL_2021_11_03_remediated.pdf)

44 See: <https://dot.ca.gov/programs/transportation-planning/division-of-transportation-planning/state-planning-equity-and-engagement/california-transportation-plan>

# TOPIC 5: STATE FUNDING PROGRAMS AND ALIGNMENT OF TRANSPORTATION GOALS

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS

Clarify and codify a consistent set of state goals and priorities for transportation expenditures, as well as ways of measuring them. Rewrite statutes to align transportation funding program criteria with goals. Make it easier for applicants to access funds (i.e., single application, program consolidation, more certain funding for projects that meet multiple goals). Increase state investment (including for operations) in transit/rail and active transportation.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » The CTP identifies eight separate goals for the state transportation system. But it does not prioritize among them. Caltrans notes that safety is its top priority. Other state agencies may suggest other priorities are their top priority, such as climate, access to opportunity and/or affirmatively further fair housing, etc. The lack of a hierarchy among goals means there is no formal way to balance the tradeoffs among various policy goals.
- » Many state funding programs do not reflect the severity of the climate crisis nor the state's current ambitions. Unlike some of the other state goals (i.e., supporting a resilient economy), the climate mitigation targets are statutory responsibilities and commitments to reduce Greenhouse Gas Emissions with critical deadlines tied to scientific data.
- » There is no current mechanism to balance or reconcile the various policy goals across different state funding programs.

- » There remain significant unmet investments to realize state goals, especially across the state's many transit agencies that require new funding for transit operations as well as for capital needs such as track improvements, grade separations and advanced signaling systems, as well as the transition to zero-emission technologies.
- » Across California, more funding for transit comes from local sources (i.e., sales taxes) than from the state. Transit operations and some transit capital projects also do not receive funding from numerous state transportation funding programs, despite the connection between transit and the state's priority transportation goals.
- » Public agencies applying for state transportation funds often spend considerable sums to put together competitive applications across various funding programs, each with slightly different goals and criteria. This is a particular challenge for smaller agencies which often rely on external consultants to produce their applications. The time and resources spent on these applications directly compete with the time and resources spent delivering services.<sup>45</sup>

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<sup>45</sup> Transit operators often note that they do submit applications for state programs, because the funds they may have received would be roughly equivalent to the amount they might spend on an application. Additionally, some state programs require time consuming annual reauthorizations, even if the agency is already engaged in the investment. For example, transit operators are required to reapply for programs like LCTOP on an annual basis even if they are using the funds for the same approved investments year after year.

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Building on CAPTI and the CTP, clarify and codify a consistent set of state goals and priorities for transportation expenditures, as well as ways of measuring them.
- » Update program statutes to reflect the state's climate and equity goals, Executive Orders, laws, and standards. For example, update the 2023 State Highway System Management Plan (SHSMP to advance the CAPTI investment framework and the CTC Racial Equity Statement).
- » Consolidate some transportation funding programs as well as the application process to secure the funds. Establish a one-stop transportation application process whereby agencies are not required to apply for each program separately.
- » Allow more local discretion on how to spend state transportation funds, so long as consistent with state goals.
- » Reward local governments and local agencies who plan together in subareas or corridors and meet state goals.
- » Continue to implement CAPTI and apply the CAPTI climate framework approach to apply to other state programs. All transportation programs should be furthering the state climate goals.
- » Continue iterating upon CAPTI to add more outcome-specific standards. This could include, for example, universally prohibiting all auto capacity expansion projects, unless specific and extraordinary criteria are met. As another example, this might include requiring funded projects to promote mode shift or otherwise reduce VMT.
- » Explore adopting a "loading order" framework across all transportation funding that prioritizes VMT-reducing solutions and sees projects that increase auto capacity as a last resort solution. This approach draws on models from the concept of a loading order in energy (demand response, energy efficiency, renewables, and only after that new conventional energy sources) and/or from solid waste (reduce, reuse, recycle, and only after that landfill, and finally the last resort of incineration).<sup>46</sup>
- » Make it clear that the state sets the rules for state transportation funding and all state transportation goals should apply to all funding, including funding provided to locals but collected by the state.
- » Prioritize programming from major programs like the SHOPP toward maintenance and rehabilitation projects that also include complete street elements that benefit transit riders, pedestrians, and cyclists.
- » Streamline funding for projects that meet multiple goals (i.e., projects that address safety and climate together).
- » Establish a "race to the top" for MPOs and RTPAs such that the local and regional agencies prioritize their top projects that best address multiple state policy goals and ensure that these projects are fast-tracked to receive funding.
- » Identify funding sources to modify to support an increase in transit capital and operations funding. In one example, the TDA's (Transportation Development Act) Local Transportation Fund returns ¼ cent of the state sales tax to counties based on their share of the sales tax (which is then redistributed within the counties based on population). Increasing the funding for transit operations could come from either increasing the share of the state sales tax that goes to the TDA or increasing the state sales tax and increasing the direct funding to transit from that augmented amount. This could result in an increased transit and active transportation (if the additional funds were required to be spent on transit and active transportation).

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46 See: <https://www.cpuc.ca.gov/irp/>

- » Conduct a review of state programmatic requirements to specifically remove any existing contradictory requirements (such as if you participate in one program you are not allowed to participate in another). This is referred to as a stacking limitation.
- » Review administrative and programmatic requirements for conflict with stated policy goals and objectives. For example, CARB provides funding for transit agencies to purchase ZEV buses per an existing mandate (100% by 2040). However, once this becomes an enforceable requirement in 2023, the funding to purchase ZEV buses is no longer available as this has become a regulatory requirement and the incentive is no longer available.

### **OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?**

- » CAPTI has already started the process of re-evaluation of state discretionary programs to align with state goals, particularly climate.
- » The CTC began a guidelines update process to implement equity and CAPTI within the existing programs. This process may result in changes to the program guidelines that reflect the types of changes described above.
- » There are growing examples of regional agencies and county transportation commissions leading in many of the climate priorities that are the current focus of the state, from integrated planning and advanced mitigation, to implementing rideshare programs, transit-priority lanes, and investments in transit.
- » In most counties, the majority of TDA funding goes to transit so it is likely that any increase in funding to the TDA would result in more money for transit.

### **CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?**

- » A loading order would require as a precursor establishing a priority among transportation goals. This has not yet happened.
- » It is unclear how much money is spent on state programs that increase (or decrease) VMT and GHG and/or have no impact (such as maintenance). If we do not know what goals are supported by our spending it is difficult to assess the effectiveness of our programs and the overall trajectory of our spending to see if it is moving us towards meeting our goals. In other words, we need to have better evaluation tools such as the use of gap analyses.
- » Some programs already have a specific pecking order of projects that can be funded while others are more flexible. It is by design to have this type of variety. Attempts to consolidate programs or have a unified application process may negate the benefits of this type of variety.
- » Reprioritization of funding and/or a realignment of state funding programs (e.g. the SHOPP or STIP) away from road/highway investment fails to recognize the level of investments still needed in fast-growing areas, particularly under-resourced inland or rural communities that have not historically received as much state investment as the wealthier, often more coastal communities. It should be noted that some stakeholders pointed out that most formula programs for highway building do account for lane miles.
- » Shifting more state funds to transit and active transportation while reducing it from traditional road and auto-oriented investments creates a perception of clear winners and losers and could create opposition to the overall shift needed towards a more climate friendly transportation system. A different approach would be to dramatically increase funding for multimodal investments, including transit, before reprogramming existing funding sources.

- » There are significant regional differences across the state (i.e., differences in income, travel patterns, population density, existing road, transit, and bicycle infrastructure). As a result, it is not practical to assume all parts of the state will equally benefit if there is a shift in funding priorities towards more sustainable modes. One way to acknowledge these differences would be to increase EV subsidies for areas where fixed route transit does not make sense.
- » There is a need to extend programs to all communities and regions – especially smaller jurisdictions – as well as develop context-sensitive criteria for evaluating their applications. Many smaller and rural areas would like to be helping do more to meet state goals but do not bother to apply if the criteria are too restrictive or onerous.

# TOPIC 6: PROJECT PIPELINE, DELIVERY, AND DESCRIPTION

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Summary of potential actions raised by stakeholders Formalize a process between state, regional, and local agencies to reevaluate and reimagine projects in the pipeline that do not align well with current state goals. Prioritize funding for projects based on their level of alignment with current policy goals as articulated in CAPTI and CTP while streamlining project delivery and establishing a more robust mitigation process. Standardize the way projects are described to enable data comparison of different projects in various regions.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » Projects take a long time to move from conceptualization to planning and initiation to construction, often decades. Over that time frame, state priorities may have shifted and the projects still in the pipeline may no longer be consistent with the state's contemporary climate, equity, and public health goals. For example, some projects in the pipeline were conceived at a time when the primary solution to challenges such as congestion was to add additional vehicle lanes. There is now greater awareness of the need to consider different measures and use all available tools (i.e., land use improvements, active transportation investments, multimodal design, demand management/pricing) before adding new roadway capacity.
- » Given the long delivery time, some projects can open when the communities they were intended to serve are no longer there (especially in contexts where communities are being displaced). Many

argue for the need to deliver projects more quickly in order to be able to deliver to communities asking for improvements.

- » Projects often require numerous funding sources to get built (often a half-dozen or more). This is especially true for very large infrastructure projects. The difficulty and time involved in securing numerous funding sources increases the project delivery time and ultimately also makes it more costly to build.
- » The available information about transportation projects also makes it difficult for the public and funders to track or fully understand a project's outcomes or goals. This is in part due to a lack of transparency and/or a project description with limited information. For example, a project description in a public document might simply say "Project X will add 2 lanes to road Y). At the same time, many projects, particularly large ones are often broken up into smaller projects and therefore difficult for the public to track to ensure the public is getting appropriate value out of the investment in the project.
- » There is also a lack of consistency in how projects are designed across various regions of the state as well as how they are described in planning and funding documents. Some road expansion projects include Complete Streets elements (i.e., additional pedestrian or bike infrastructure) that are not clear when projects are more generally classified into categories such as road/transit/active transport. At the same time, some bicycle and pedestrian infrastructure and investment will not necessarily offset or reduce VMT if they are only intended to offset the

- negative impacts on the bike or ped network from a different project. For example, if a community widens a roadway/parkway by one lane in each direction and then builds a pedestrian overpass to avoid having to time crossing signals for pedestrians, this will result in longer pedestrian travel times and not benefit VMT reduction, even though there is a substantial investment in pedestrian infrastructure.
- » Every year, worthy project proposals that do benefit the environment and equity - such as active transportation projects and increases to transit service - go unfunded. If the state were to prioritize funding to build climate and equity friendly projects more quickly and cost-effectively, it will make it easier to reach climate goals.
  - » If the state built out all the highway widening projects in the local, regional, and statewide plans, it would not only crowd out funding that could have otherwise gone to oversubscribed active transportation and transit projects, but also the state would be committing itself to billions in increased annual maintenance. These funds for unbuilt assets would in effect siphon away funding from other needs (including maintaining existing highway assets).

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Formalize a process to analyze all projects in the development pipeline and prioritize based on the extent to which they are multi-benefit and their support for current policy goals as articulated in CAPTI and CTP. This formalized process should be conducted in coordination with State agencies responsible for each of the "benefits" being evaluated, including GHG emission reductions, public health, and transportation equity, among others.
  - » Prioritize funding for projects that cost-effectively and quickly reduce greenhouse gas emissions and improve public health and equity, such as transit,
- transportation demand management, and active transportation. This prioritization process could focus on future funds that have not been programmed yet.
- » The state should speed up the building of projects that cost-effectively advance all or many state goals. This approach should look at each benefit criteria on a relative basis (i.e., GHG reduced/dollar). This is a different approach from a cost/benefit analysis that looks at the monetary value of one benefit (i.e., GHG reduction) over the cost of the entire project. An example of a major state project that advances all goals is California's high-speed rail. Other important projects that address multiple state goals include proposals for inland ports in the San Joaquin Valley that shift truck goods movement to rail and provide opportunities for onsite manufacturing.
  - » Create opportunities for sponsors of traditional road widening projects in the pipeline to improve their project's alignment with state goals. For example, to remain in the pipeline sponsors could be expected to improve accessibility of their project for users of shared or active modes of transportation (i.e., such as making the additional lane priced or truck/bus only). It should be noted that some stakeholders did acknowledge that even if there are mitigations to offset some of the impacts of a road widening project, it is unlikely that these mitigations would fully offset the increased VMT as well as other environmental impacts.
  - » Add mitigation to projects in the pipeline to manage their impacts. For projects that are already very far along and will still move forward, accelerate the implementation of other projects such that they cumulatively abate impacts. But if impacts cannot be mitigated fully (i.e., mitigation does not offset harm) then either there should be no project or compensation for the harm caused.
  - » Establish and require consistent project definitions/ classifications for all transportation projects that receive state funds as part of a statewide database

- of projects. Explore the potential use of the Government Accounting Standards Board (GASB) as a tool requiring better information on expenditures.<sup>47</sup>
- » Track project spending and impacts over time. This tracking could include project description, estimated and final cost, estimated and actual GHG and VMT impacts, as well as sources of funding (from federal and state). As part of this project tracking database, include clear information on project spending that changes capacity, accessibility, and level of service in comparison with projects that are only repair, rehabilitation, and replacement. Additionally, explore inclusion of other attributes such as major changes in project scope, design, or construction method. This approach would not only allow the public to track the delivery of projects over time but also ensure that multimodal investments being made are appropriately credited.
  - » Identify ways to streamline project delivery. This could include streamlining for types of projects that combine different state programs (such as a Transformative Climate Communities-funded project, that could be combined with an ATP in the next phase, then add a STIP/SHOPP for arterial road). Encourage more use of corridor plans to coordinate transportation and land use and speed up development.

## OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?

- » There is a wider range of alternatives and options to address transportation challenges today than in the past. For example, the range of creative options to address excess demand (i.e., congestion) include operational enhancements, conversions to priced or managed lanes that are more reliable, dedicated bus lanes, multimodal investments, and digital payment options. These types of investments can improve alignment of projects in the pipeline with climate policy goals as well as gain public support for alternatives to driving. There is also more reliable data on the effectiveness of different investments than what was available previously.
- » Many projects in local measures are not listed as specific as “add a lane on XX highway” but are general descriptions such as “highway XX congestion relief improvement.” This broad description provides significant latitude to analyze other alternatives to more traditional highway expansion and to deliver a very different project than might have originally been sold to the voters based on today’s policy lens.
- » Given the statewide commitment to GHG reduction and growing discussions around mitigation, it might be worth considering the creation of a state mitigation bank or fund that could be spent in any area of the state. Note that this approach might work for GHG reductions but not for equity, health, or safety mitigation that would have to be spent directly in impacted communities.
- » Some pipeline projects are already not moving forward on their own given growing awareness of the potential impacts and costs. For example, LA Metro canceled the 710 expansion in May 2022 and is currently exploring alternatives while SCAG has reconsidered and removed some other projects already. These projects set a precedent and raise awareness that highway expansions may not continue.
- » There is currently a Caltrans-OPR SB 743 Implementation Working Group to further explore and improve the understanding of how to avoid of impacts and establish an appropriate project mitigation plan.<sup>48</sup> Research reviewed by that group reveal that Environmental justice impacts such as exposure

47 Governmental Accounting Standards Board (GASB) is the independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments.

48 See: <https://dot.ca.gov/programs/sustainability/sb-743/caltrans-opr-sb-743-working-group>

- to particulate matter (PM 2.5), noise and division of neighborhoods (“community severance”) must be mitigated in affected areas.
- » There is broad support across various state agencies and among local stakeholders for streamlining delivery of projects that meet multiple state policy goals.
  - » SB 1, conformity requirements, and other reporting mandates have improved the overall clarity on spending decisions. This process can be built on for additional information on what projects are receiving funding as well as their impacts.
  - » There is existing reporting of funding and expenditures through the State Controller’s Office, which is responsible for prescribing uniform accounting and reporting guidelines for local governments. MPOs could leverage the information through the Controller to better verify overall spending on transportation projects by type. But more funding may need to be provided to the Controller to improve the tracking of information.
- CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?**
- » Projects that have been years in planning and/or are nearing construction have already invested public funds towards achieving significant project development milestones such as purchasing right of way or completing the environmental process and may have gathered significant support at many levels of government. These sunk costs should be considered alongside the costs and delay to redesign a project. Other stakeholders noted that sunk costs are in the past and should be ignored when making a subsequent decision on whether to move ahead.
  - » The many years of engagement through the planning and environmental process sets expectations for the completion of pipeline projects. Reevaluating projects with current policy goals in mind may feel like a reversal of commitments to project proponents and/or voters who agreed to pay for them. This is true both for projects in local sales tax measures as well as more rural highway projects and/or projects on the state highway system (such as Highway 99).
  - » Reimagining projects in the pipeline of local sales tax measures could impact future voter support for transportation investments if there is a perception that proposed projects are not moving forward as imagined.
  - » For decades, local agencies (i.e., county transportation commissions) have been identifying and funding system investments through voter-approved sales tax measures, in part based on decades of insufficient transportation funding from both the state and federal governments. At the same time, increases in required regulatory and environmental reviews have led to a large transportation project backlog.
  - » Some counties have failed in passing sales tax measures and were only successful in moving forward after carefully listening to local voters about projects to include.<sup>49</sup>
  - » Still, in some cases the promises made to voters such as through a sales tax measure may have been decades ago. It is not correct to assume that today's residents want the same projects and investments as prior voters. There could be other ways to determine if today's residents still prioritize the same projects as prior voters (such as holding hearings).
  - » Revisiting the pipeline will not be successful if done top down. It will require a partnership between the state and local and regional agencies to decide how to handle the various projects. Usually, no one level
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- <sup>49</sup> For example, Stanislaus County had two unsuccessful attempts at passing a transportation sales tax measures and was able to pass one in 2016 after a series of listening sessions with voters where they ultimately identified 132 projects. That tax measure also resulted in related benefits such as consolidation of numerous transit operators down to two. For more info on the Stanislaus sales tax measure and oversight, see: <https://www.stancog.org/measure-l-committee.shtm>

- of government has all the funds to fully fund a project, which is why the state and regions partner on project construction. Review of the pipeline will be different if a project is jointly funded by different agencies. Being successful in reevaluating the pipeline and reimaging projects will take a lot of collaborative discussion.
- » Context matters in reevaluating projects in the pipeline given differences across the state – rate of population growth, industrial structure (i.e., share of goods movement), the ways induced travel occurs, the reasons for the proposed investment. For example, some regions have distinct impacts on their road network from goods movement flows based on consumption outside the region that should be considered.
  - » The appropriate time to evaluate the effectiveness of the project and its co-benefits is through the funding programs (i.e., TIRCP) not through a review of the projects themselves.
  - » Some may argue that the impacts of some projects cannot ever be fully mitigated even with more resources and tools so should move forward with overriding considerations.
  - » Some labor stakeholders may perceive changes to projects in the pipeline as potentially reducing total work hours in transportation. However, there is insufficient research and data on the employment impacts from changing projects and/or generally shifting resources away from road expansion. More research is needed on the job benefits or impacts of these shifts.
- » Requiring more detailed information on project spending and impacts may not on its own clarify information to the public given the existing plethora of information as there are reporting expenditure requirements in transportation to the CTC, the State Controller, and other state entities. There is also a separate audit function as part of SB 1.
  - » Just classifying projects more consistently (i.e., as a bikeway design or construction) on its own will not fully capture the actual reality and impact of the project. For example, in some areas, people value time spent cycling positively because the experience is positive, and they are building exercise into their day by traveling by bike. In other locations, the experience of biking (even with the new project) is still unpleasant, and time spent is perceived as a cost. Heterogeneous quality of implementation and context could that mean just improving the project description alone may not yield the appropriate outcome.

# TOPIC 7: TRANSPORTATION PRICING

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS

Accelerate state leadership to enable various travel pricing strategies encompassing transit, micromobility, and roadways to re-balance the cost of transportation to favor sustainable and more equitable modes, and to facilitate implementation of pricing within regions.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » Pricing is well-understood by economists to be an effective way to raise revenue and shape behavior. In transportation, “pricing” is a shorthand for several different and potentially overlapping policies (depending on the ultimate design and goal): a road user charge that would replace gas tax (users pay based on how much they drive),<sup>50</sup> highway tolls and/or cordon tolls to manage demand, and parking pricing at origins and destinations. Any of these pricing schemes could be designed to be revenue neutral and/or to raise additional revenue to provide funding for alternatives to driving. They could also be designed in a way where the price adjusts throughout the day (and/or adjusts across different days of the week or by season) to manage overall demand on the system.
- » Gasoline fuel excise taxes – including the tax increases as part of SB 1 - are a major source of funding

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<sup>50</sup> Caltrans defines a “road charge” as “a ‘user pays’ system where all drivers pay to maintain the roads based on how much they drive, rather than how much gas they purchase. Under a road charge, all drivers share roadway maintenance and repair costs based on what they use.” See: <https://dot.ca.gov/programs/road-charge>

for maintaining the transportation system. With the rise in fuel efficiency of passenger vehicles and the increase in the share of zero emission / electric vehicles (both of which are necessary to achieve climate commitments), there is a projected decline in the gas tax as a reliable revenue source to maintain the transportation system. As a result, the state and various regions have been looking into alternatives to the gas tax which would continue to capture revenue from users, such as establishing a VMT or a road user charge.

- » Existing adopted regional plans in California – MTC, SCAG, SANDAG, SACOG – include road pricing as a modeled strategy to achieve the state’s mandated per capita GHG reduction target. For example, MTC has a GHG reduction target of 19% per capita. They only can achieve a 17% per capita reduction without road pricing and achieve 20% with pricing.<sup>51</sup> These proposed pricing schemes need various forms of state (and sometimes federal) actions to be implemented.
- » Most lane miles in California are unpriced. Existing roads and highways are at times congested. Pricing of roads can be an effective way to manage excess demand by shifting some trips to other modes, times, or routes. As such, pricing can be a tool to shift travel behavior.

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<sup>51</sup> MTC notes, “Plan Bay Area 2050 proposes implementing per-mile tolling on select congested freeways where parallel transit options exist to curb traffic congestion and climate emissions through 2050 and beyond, while generating new revenues for reinvestment in sustainable alternatives to driving.” See: [https://www.planbayarea.org/sites/default/files/documents/Plan\\_Bay\\_Area\\_2050\\_October\\_2021\\_rev.pdf](https://www.planbayarea.org/sites/default/files/documents/Plan_Bay_Area_2050_October_2021_rev.pdf)

- » The transportation system receives funds from a range of sources – including taxes (fuel excise taxes and local sales taxes), user fees and tolls, the State's General Fund, and the Federal Government. This funding system is not balanced among who pays/is impacted across different modes (driving vs transit vs pedestrians). As such it is not equitably priced.
- » There is currently a lack of public understanding and support for various pricing mechanisms that would impact the cost of driving.

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Accelerate state leadership to enable various travel pricing strategies. State leaders could begin by ensuring consistent framing around the words related to pricing, the communication around different approaches, and the description of the impact to end users. This consistency is essential to ensure pricing is well understood by the public. For example, state leadership and clarity in messaging can help separate out the issue of the cost of travel (and by mode) with the need for revenue to maintain or expand the system.
- » Explore a potential 'grand bargain' on pricing that pairs an increase in road pricing in exchange for tax cuts elsewhere (e.g. cuts to the sales tax or income tax).
- » Allow more flexibility in the implementation of road pricing (i.e., allow any region or county to pursue pricing) and provide more mechanisms for the county to keep the revenues, so long as the expenditures from the pricing are consistent with state policies. Some stakeholders noted also that it is not always good policy to keep revenues in the same county, especially as many trips cross county lines. It was suggested by some that policies that let subregional entities make decisions that affect other entities without having the latter's consent can be troublesome.

- » Develop clear messaging on how demand management and revenue generation can go hand in hand. Explore how a road user charge can be a replacement for the gas tax replacement and support better system management.
- » Rebalance the funding of the transportation system to ensure improved equity outcomes and appropriate investment in sustainable modes. With any increase in the cost of driving, provide more money and incentives for the alternatives to driving, such as transit investment on the tolled entity and/or parallel corridors as well as walking/bicycling.
- » Ensure design of pricing system addresses multiple issues: Revenue (gas tax replacement), climate commitments (reducing VMT/GHG), system management/operations, and equity impacts (rebalance among who pays and ensure no disproportionate impacts).
- » Clarify and expand who is subject to the state's existing parking cash out law and change the responsible entity for implementation from state to local or regional government. These laws require certain employers who subsidize parking to offer employees a cash allowance instead of a parking space.<sup>52</sup>

## OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?

- » Actions to implement pricing are underway. There is a working group proposed in CAPTI that is looking at the road user charge concept to replace the gas tax.
- » Numerous regions have included pricing in their adopted RTPs/SCSs. The state could actualize this and support certain strategies such as what is being proposed in various regions, including MTC.

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<sup>52</sup> See: <https://www2.arb.ca.gov/resources/documents/california-as-parking-cash-out-law>

- » There is growing awareness that the current gas tax is financially unsustainable and there must be an alternative to continue funding the transportation system.
  - » There is growing awareness that pricing is one of the most effective tools to change travel behavior, such as by shifting the time of a trip and/or the mode. Numerous studies over decades show pricing is effective to both raise revenue and manage demand.
  - » As a result, there is no need for additional economic analysis of pricing. Rather there needs to be a political and policy strategy on a path forward to implementation.
  - » Public support for pricing will be more likely when the public sees viable alternatives (i.e., taking a different mode, adding more occupants to the vehicle, and/or traveling at a different time of day). Some argued that this makes pricing seem less like a punishment and more like an attempt to better manage the system towards shared outcomes. In other words, to succeed, the pricing conversation needs to be holistic and offer people options, incentivizing the choice so people can choose to take alternative modes for themselves.
  - » Some stakeholders noted that while toll roads are currently uncommon in California, they are more common on the East Coast, in the Midwest, and in the South and people do not see them as punishment.
- » If not designed appropriately, pricing can feel punitive for drivers. Voluntary strategies (i.e., opt-in to a VMT scheme instead of the gas tax) are often better perceived.
  - » Pricing also can and should be designed in a way that is equitable such as by using revenue to improve the quality of transit in the priced corridor. An equitable approach might also consider household affordability needs and/or locational considerations such as residents who must drive given the lack of other mobility options in their community (and/or households who had to relocate far from their work and other destinations to access affordable housing).
  - » Some argue that the gas tax is not fatally flawed but needs to be adjusted for fuel consumption and inflation. We may not want to put all our climate and transportation financing hopes on the promise of a new pricing scheme that may be politically difficult to implement.
  - » The pricing systems will invariably vary by region and may need to be implemented differently in each region.
  - » The need for gas tax revenue replacement and the need for system/ demand management are linked but distinctly different things that may be politically challenging to achieve simultaneously.
  - » Some stakeholders argued that any pricing scheme should acknowledge that some have a lack of choice that has pushed them into outlying areas and forced them to be reliant on their car. Others did note that pricing should charge people for the full social costs of their choices, including the negative externalities associated with choosing to live in places where one cannot get around without a car. Careful policy design of a pricing system should undoubtedly consider equity impacts and make appropriate adjustments.

## **CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?**

- » Implementing any form of road pricing or additional road user charges will be a major change to travel for some drivers accustomed to California's "freeways." If action is too swift to make these changes and/or there is a perception that the outcomes will be an overall increase in the cost of driving, this could imperil the entire restructuring of the transportation funding system.

# TOPIC 8: MULTIMODAL SYSTEM INTEGRATION AND USER EXPERIENCE

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## SUMMARY OF POTENTIAL ACTIONS RAISED BY STAKEHOLDERS

Ensure travelers can navigate easily across multiple modes and payment systems to have a seamless travel experience. Ensure transit service is high-quality and time-competitive and more widely available around the state. To achieve this vision will require not only sufficient investment, but also implementation of the Cal-ITP goals of enabling contactless payments, automating customer discounts, and standardizing information for easy trip planning. It will also mean integration across transit, bike share, car share, and other pricing systems (i.e., including road and parking pricing for automobile drivers). It also means ensuring the key multimodal places (i.e., major transit stations and facilities) are well-designed and organized such that travelers can flow easily from one transit system or mode to another. To accomplish this may require a specific state program with dedicated funding for transit stations/stops. This approach of this topic centers the experience of transportation users as customers and envisions a system that works for them.

## CONTEXT: WHY DID STAKEHOLDERS RAISE THIS ISSUE?

- » Prep-pandemic (2019) the transit mode share for commuting in California was 5.2 percent, comparable to the national average of 5.0 percent.<sup>53</sup> This suggests that California underperforms on transit relative to its potential given the state's higher

density, the share of workers living in metropolitan regions, and its overall level of transit service.

- » Transit in California is generally slower than driving (vehicle speeds are slow in part because buses are often stuck in traffic), service is infrequent and/or unreliable (especially in lower density areas), service coverage is insufficient (which is at its root a land use problem), and some feel unsafe at stations and stops. As a result of these challenges, most people still opt to drive for most trips, even when there is a viable transit alternative.
- » At the same time, there are an increasing number of mobility options (i.e., regional and local transit, ride hailing, bike share, e-scooter, micro-transit, etc.) that are not well coordinated with each other. Nearly each of these systems has a different fare structure, payment system, schedule, and map.
- » In part due to the lack of clarity of how to use each system as well as limited coordination and integration among these options, many continue to opt to drive in a private vehicle even when alternatives exist.
- » Meeting the state's climate commitments will require a significant shift in mobility towards more sustainable modes. This multimodal future will not occur unless travelers not only opt for an alternative to driving but also can easily navigate across multiple modes (as well as across different cities and regions within the state).
- » Transit in particular faces an uncertain future in part due to the dramatic decrease in ridership from the COVID-19 pandemic. There is a real possibility

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<sup>53</sup> Source: US Census, American Community Survey (2019). See: <https://data.census.gov/cedsci/table?t=Commuting&tid=ACST5Y2020.S0801>

- that transit will face a “death spiral” where cuts to service and delayed maintenance make transit less useful, prompting further drops in ridership and revenue. This is because transit operators across the state will hit a ‘fiscal cliff’ over the next decade, some as early as 2025. The State of California has not historically been a big source of funding for transit operations. At the same time, many counties are at or near their sales tax cap which is a major source of transit funding. The two-thirds voter threshold to fund sales taxes is increasingly difficult to reach.
- » Transit service in California is fragmented. There are over 200 fixed-route transit agencies and upwards of 800 small and rural demand-based and paratransit service providers in California. Some of these agencies are starting to coordinate and work more effectively as one.
  - » For transit riders, the customer-facing information about transit service is often lacking and makes it difficult to determine key questions such as: What is the service to get from point to point? When is the bus/train arriving? How much does it cost? And how do I pay?) Today, we charge different people different prices for the same thing in transportation. Instead of charging customers different amounts, make sure each customer who is entitled to a particular benefit gets access to that benefit each time they pay for it. Ideally, this process should be behind the scenes, so riders do not need to figure it out on their own.
  - » At the same time, transit agencies are experimenting with different fare policies to attract riders back to transit and to make travel across multiple jurisdictions easier and more affordable. For instance, in the Bay Area, the largest operators and MTC recently completed a Fare Coordination and Integration Study and have agreed to make transfers free and adopt a common fare structure for regional services, among other improvements.<sup>54</sup>
  - » Transit stations and stops are key for advancing California’s goals on transportation and climate, especially those that support an integrated statewide transit network or that make taking transit more comfortable and encourage ridership. Additionally, many multimodal stations throughout the state, including the high-speed rail stations in the Central Valley, are key to the state’s economic prosperity and growth and can be important public spaces. Though stations and stops are sometimes eligible for state grant programs, they often do not compete well against specific mobility projects because on their own it is harder to demonstrate how a station investment reduces vehicle miles traveled or greenhouse gas emissions. As a result, stations and stops are often an afterthought and do not achieve their potential to improve mobility and access. As noted by several stakeholders, well-designed transit stations and stops can support community revitalization and local economic development, shape land use and growth, increase public safety, and can also become great public spaces.
  - » There is no maximum daily charge on transit within and across regions. As such a transit user may end up paying \$10 or more daily to use several systems, even if this type of transferring is necessary to reach one’s daily destination.
  - » Major station facilities often have different transit systems and or lines that are not coordinated (i.e., one line comes in not connected to another). This impairs the user experience and makes some less inclined to take transit. Some facilities (such as Diridon Station in San Jose) are major opportunities – if done right – to improve this outcome.
  - » There is insufficient information on level of service of transit across the state by time and day of the week. There is also insufficient information on what circumstances could make transit more competitive with private automobiles.

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54 See: <https://mtc.ca.gov/planning/transportation/regional-transportation-studies/transit-fare-coordination-integration-study>

## ACTIONS: WHAT POTENTIAL ACTIONS DID STAKEHOLDERS SUGGEST?

- » Leverage current state and regional investment to support the implementation of innovative and regionally coordinated fare policies and fare integration. Consider increasing state transit operations funding and use this new funding as a tool to encourage integration of transit systems. For example, establish a “race to the top” incentive funding that pairs an increase in state funding to support transit operations with a requirement that transit agencies integrate their schedules, fares, and payment systems.
- » Fully implement Cal-ITP recommendations to bring industry standards across all transit agencies in California, including enabling contactless payments, automating customer discounts, and standardizing information for easy trip planning.<sup>55</sup>
- » Provide additional funding to MPOs to develop integrated fare policy. This integrated fare policy could include fare capping, coordinated schedules and fares, and/or other policies that remove friction across the various systems. Fare policy changes often require new startup funds to implement (e.g., marketing campaigns are needed) and some amount of “backstop” funds in case there are fare losses in early years. The MPO could play a lead role in both leading and helping to fund such marketing campaigns and other related efforts.
- » Establish a new state grant program specifically focused on stations and stops and make transit station modernization projects and bus stops eligible for more funding in existing programs. To be eligible for these funds, agencies should agree to certain levels of harmonization and alignment between different transit systems in a station’s vicinity. This would be similar to what is already included in TIRCP guidelines.

- » Develop a public-facing map and analysis of the level of transit service currently available across the state as a first step to figuring out what can be done to improve transit service or ridership. This could be useful as part of a gap analysis for where investment could/should take place as well as in which corridors have low performance from a speed perspective because transit is stuck in traffic. This analysis could also identify places where traditional transit may not work but shared transportation alternatives (i.e. vanpools, rideshare programs, etc.) could be viable.
- » Develop a map of the statewide bike network showing its extent and quality. Determine the costs of creating an integrated network of cycling lanes and bicycle highways throughout the state and their impacts on state goal attainment. Study and document the full benefits and costs of cycling and the role of facility design and context in user perceptions.
- » Explore free or discount transit/shared mobility for off-peak workers who do not require a personal motor vehicle for their job.

## OPPORTUNITIES: WHAT WERE THE BENEFITS WE HEARD TO ADDRESSING THIS TOPIC AND/OR CURRENT OPPORTUNITIES TO LEVERAGE?

- » There are billions in new potential investment from state and federal sources for transit and other active transportation funding. This creates an opportunity to better coordinate across regions and agencies to both secure these funds as well as ensure they are well spent. There is a particular need to develop a coordinated strategy to go after federal dollars given competition from other states.
- » The state’s management of Cal-ITP represents forward movement in reducing the friction to take transit or other modes, which will lead to more people selecting transit. Data from Cal-ITP suggests that when riders do not have to think about how to pay, they are more likely to take transit. For example, Lon-

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55 See: <https://www.calitp.org/>

- don's transit system saw 4 to 5% growth in ridership in its first year after accepting contactless payments. Real-time arrival information also improves reliability of taking transit. According to Cal-ITP analysis, bus ridership increased about two percent in both Chicago and New York with the introduction of real-time arrival information.<sup>56</sup>
- » Enabling a more seamless system through contactless payments also lowers costs for transit providers and riders. For example, the cost for a transit operator to collect credit card/contactless payments cost is about four cents per dollar while the cost of collecting cash payments could be as high as 10 cents per dollar.
  - » A more seamless system has other potential equity benefits. For example, setting a system of fare capping assists low-income riders who will not be charged for additional trips past a certain point (each day, week, or month) and eliminates the upfront higher cost of purchasing an unlimited-ride pass. Additionally, a simple, digitized, statewide verification program will enable any rider eligible for reduced fares (i.e., older adults, students, veterans) to access these lower cost fares for any transit provider in California.
  - » A Biden Administration Executive Order identified noted the problem that different agencies and levels of government must perform customer verification for discount programs and is also seeking to simplify this process, in part through the launching of login.gov. The Federal government is now allowing states to access this program.
  - » Active transportation programs (including the ATP) have been very useful though oversubscribed, demonstrating strong demand locally for building multimodal projects. The strong support for the 2022-2023 budget increase in ATP funds reflects the consensus to prioritize investment in active transportation.
- » Some of the bike/ped projects associated with highway projects could restore connectivity and increase the possibility of safe use for pedestrians and bicyclists that the highway project severed or harmed. For example, a road widening that leads to increased speeds also includes a ped or bike overpass that could restore the lost access. But it could also be done in a way that impedes ped and bike travel if the overpass makes it harder to cross.

## CHALLENGES: WHAT WERE THE CHALLENGES WE HEARD ABOUT ADDRESSING THIS TOPIC?

- » Transit ridership has plummeted throughout the state since the start of the Covid-19 pandemic. Yet state and MPO plans count heavily on transit to meet state and regional goals. The rise of remote and hybrid work, especially in occupations that previously were in transit-served areas, continues to reduce daily transit ridership. The decline in ridership reduces revenue for transit, which has a disproportionate impact on those who are transit dependent. Less investment in transit means less transit service. Some will shift to driving (which has negative environmental and affordability implications as shifting from transit to car results in higher total living costs) while those who cannot shift to a car will see their quality of life and overall accessibility reduced.
- » The reality is that much of California has limited to no transit today. This is especially true for people in rural areas and/or whose jobs require off peak travel (i.e., building maintenance) and/or carrying equipment/tools (i.e., construction).
- » In these more auto dependent areas, even significant investment in mitigation (i.e., more transit, bikes, pedestrian improvements) is not enough to offset VMT impacts of road projects. Ultimately, there need to be land use changes to shift travel patterns. Not only do these land use changes take time, but the market may not be sufficient to support the higher densities needed to reduce travel distances for many trips.

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56 See: <https://www.calitp.org/>

- » Some areas of the state have more per capita VMT because of limited jobs and services (i.e., San Joaquin Valley has limited health services thus requiring long travel to receive critical medical care).
- » To succeed in shifting travel towards more sustainable modes, land use is the key determinant of travel choices. Planning efforts need to pay more attention to the destination end of the trip (i.e., where the jobs and services are located). Shifting the location of housing to more walkable areas will not on its own lead to major shifts in travel behavior unless the destinations are also located nearby and/or in transit accessible places.
- » There is limited funding for transit hubs/stations statewide even though these locations are key opportunities for system integration. Some stakeholders noted that some decision makers are not transit riders and therefore do not viscerally understand the experience of being in a transit station and thus the importance of a well-integrated and designed station.
- » Some of the state's largest transit operators have sunk billions into existing fare payment systems and have not been supportive of a new state fare payment system which they see as disruptive and undermining the historic investment they have made in their own technologies.

# **APPENDIX A: PROJECT MANAGEMENT AND SPECIAL THANKS**

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The primary author of this summary report is Egon Terplan with support from Lois Kim. Additional staffing support from Mitchell Iwahiro, Kim Davila, and Brianne Masukawa (during the public outreach process). Matt Read, Michael Wilson, and Emily Breslin also provided support. The AB 285 project took place under the guise of SGC Executive Director Lynn von Koch-Liebert.

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Special thanks also to the many external partners who took time to provide policy insight and care during the outreach process. The actions described herein can only succeed with the support and partnership of the many community activists, transportation agency staff, elected officials, and other important actors who collectively help shape the transportation system in California.

# APPENDIX B: OUTREACH ACTIVITIES AND PARTICIPANTS

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The following are some of the key outreach activities the SGC took as part of the AB 285 report process.

## FOCUS GROUPS AND INVITED PRESENTATIONS

SGC hosted numerous working sessions and was invited to present to a variety of organizations on AB 285. These included the following:

- » [SPUR Public Forum](#)
- » Special meeting of the San Joaquin Valley Policy Council
- » State / MPO Work Group
- » State Interagency Work Groups (Housing & Transportation)
- » Special meetings of the State's Regional Transportation Planning Authorities (RTPA)
- » California Transit Association (CTA) Executive Committee
- » Climate Action Campaign
- » A series of seven focus groups with government, NGO, and private sector stakeholders

## PUBLIC WEBINAR

- » SGC hosted a [public webinar](#) on AB 285 in April 2022.

## PUBLIC SURVEY

The AB 285 stakeholder engagement process included a widely distributed public survey. From the sixty-five survey responses, we received thirty-eight private individual responses, 9 responses from advocacy/non-profit organizations, fifteen responses from government, and 1 other response.

Additionally, twenty-eight respondents were from cities/towns, 5 from counties, and 5 from the City and County of San Francisco.

The cities represented included Atascadero, Berkeley, Buena Park, Burbank, El Cerrito, Fresno, Huntington Beach, Los Angeles, Mountain View, Oakland, Oxnard, Redding, Rohnert Park, Sacramento, San Mateo, Santa Rosa, and Ventura.

## PUBLIC COMMENT LETTERS

SGC solicited any feedback or comments from the public following the release of the California Transportation Assessment. We received 8 comment letters sharing insights on the report, as well as recommendations for consideration. The public comment letters are available upon request. The comment letters came from the following organizations:

- » California Association of Council of Governments,
- » California Transit Association,
- » Madera County Transportation Commission,
- » Metropolitan Transportation Commission,
- » Riverside Transportation Commission,
- » Sacramento Area Council of Governments,

- » Southern California Association of Governments,
- » Tulare County Association of Governments, and
- » A coalition letter from a variety of advocacy groups including Climate Resolve; Safe Routes Partnership California; California Bicycle Coalition; Climate Action Campaign; SPUR; ClimatePlan; California Walks; Coalition for Clean Air; TransForm; Center for Climate Change & Health; Seamless Bay Area; and 350 BayArea Action.

## PUBLIC STATE AGENCY MEETINGS

SGC presented updates on AB 285 in five public meetings.

- » Two [Joint Meetings of the California Air Resources Board, California Transportation Commission, and California Department of Housing and Community Development](#) in November 2021 and April 2022.
- » Three [SGC Council Meetings](#) in November 2021, February 2022, and June 2022.<sup>57</sup>

## OVERALL ENGAGEMENT SUMMARY

The following tables provide a summary of opportunities for engagement from February to June 2022. It also includes an overview of individual engagement based on regions and roles. Please note the numbers do not include all attendees of public meetings or presentations.

**Table 1: Summary of Activities and Engagement (February – June 2022)**

Activity	Engagement
Public Comment Letters Received	9
Public Meetings Participated In	5
Public Webinar Registrations	106
Survey Responses	61
Focus Groups	7
Work Session Participants	119

**TABLE 2: OVERVIEW OF INDIVIDUAL ENGAGEMENT BY REGIONS<sup>58</sup>**

Regions	#
Bay Area	42
Central Coast	13
Coastal SoCal	33
Greater Sacramento	21
Inland Empire	7
National	6
North State	16
San Diego	11
San Joaquin Valley	25
State	84 <sup>59</sup>
Unidentified	28
Grand Total	286

<sup>58</sup> Note: Regions included generally reflect those used by the Community Economic Resiliency Fund (CERF). However, for ease of analysis, several CERF regions have been combined. For more information on the 13 CERF regions see: [https://opr.ca.gov/economic-development/just-transition/docs/20211217-CERF\\_Final\\_Regions\\_FAQ.pdf](https://opr.ca.gov/economic-development/just-transition/docs/20211217-CERF_Final_Regions_FAQ.pdf)

<sup>59</sup> Note: This represents people whose work is "statewide" in geography and includes both state government employees as well as representatives of statewide organizations (i.e., associations, NGOs, etc.).

<sup>57</sup> Videos of the council meetings are available. November 2021: <https://www.youtube.com/watch?v=sRknVZghrRU>; February 2022: <https://www.youtube.com/watch?v=Pz-tOT12omok&t=5667s>; June 2022: <https://www.youtube.com/watch?v=fEZtzXj8sYM>.

**Table 3: Overview of Individual Engagement by Roles**

Roles	#
Advocacy	65
Education	9
Federal Government	1
Legislative	3
Local Government	76
MPO/COG	38
Private Individual	56
State Government	34
Tribal	4
Grand Total	286

# **APPENDIX C: GLOSSARY OF TERMS USED IN THIS REPORT**

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- CalSTA: California State Transportation Agency, the state agency over Caltrans, CTC, the California High-Speed Rail Authority, and other agencies.
- Caltrans: California Department of Transportation.
- CAPTI: Climate Action Plan for Transportation Infrastructure (CAPTI).
- CARB: California Air Resources Board, a state agency sometimes referred to as ARB.
- COG: Council of Governments. Note: Many MPOs are also COGs.
- CTC: California Transportation Commission, a state agency.
- CTP / CTP 2050: California Transportation Plan (2050).
- EV: electric vehicle.
- GGRF: Greenhouse Gas Reduction Fund, the fund that receives the State's portion of the Cap-and-Trade auction proceeds.
- GHG: Greenhouse gas(es). Typically written as greenhouse gas emissions or GHG emissions.
- HCD: Department of Housing and Community Development, a state agency.
- MPO: Metropolitan Planning Organization. There are 18 MPOs in California.
- MTC: Metropolitan Planning Commission, the nine-county Bay Area's MPO.
- OPR: Governor's Office of Planning and Research, a state agency.
- PM 2.5: Airborne fine particulate matter particles that are 2.5 microns or less in diameter (PM2.5).
- REAP or REAP 2.0: Regional Early Action Planning grants of 2021, a funding program administered by HCD, OPR, SGC, and CARB.
- RTP: Regional Transportation Plan. Often referred to in combination with an SCS, or as an "RTP/SCS".

- RTPA: Regional Transportation Planning Agency.
- SACOG: Sacramento Area Council of Governments, the MPO for the six-county Sacramento region.
- SANDAG: San Diego Association of Governments, the MPO for the San Diego region.
- SCAG: Southern California Association of Governments, the MPO for the six-county Southern California region.
- SCS: Sustainable Communities Strategy. Often referred to in combination with an RTP, or as an “RTP/SCS”.
- SB1: Senate Bill 1, the Road Repair and Accountability Act of 2017.
- SB 375: Senate Bill 375, the Sustainable Communities and Climate Protection Act of 2008. Under SB 375, each MPOs produces an SCS as part of their RTP that demonstrates how they will meet their region's per capita GHG target (among other requirements).
- SB 743: Senate Bill 743 (2013).
- SGC: Strategic Growth Council, a state agency.
- STIP: State Transportation Improvement Program.
- SHOPP: State Highway Operation and Protection Program.
- TCC: Transformative Climate Communities program.
- TDA: Transportation Development Act of 1971.
- TIRCP: Transit and Intercity Rail Capital Program.
- VMT: Vehicle Miles Traveled.
- ZEV: Zero Emissions Vehicle