

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
MAY 20, 2021****SUBJECT: CALIFORNIA STATE TRANSPORTATION AGENCY - CLIMATE ACTION PLAN FOR
TRANSPORTATION INFRASTRUCTURE****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER transmitting Climate Action Plan for Transportation Infrastructure (CAPTI) comment letter (Attachment A) to the California State Transportation Agency.

ISSUE

The Los Angeles County Metropolitan Authority (Metro) has engaged with the California State Transportation Agency (CalSTA) in their development of the draft Climate Action Plan for Transportation Infrastructure ([CAPTI <https://calsta.ca.gov/-/media/calsta-media/documents/capti-2021-calsta.pdf>](https://calsta.ca.gov/-/media/calsta-media/documents/capti-2021-calsta.pdf)), which will implement Governor Newsom's Executive Orders (EOs) on Climate Change. These EOs, [N-19-19 <https://www.gov.ca.gov/wp-content/uploads/2019/09/9.20.19-Climate-EO-N-19-19.pdf>](https://www.gov.ca.gov/wp-content/uploads/2019/09/9.20.19-Climate-EO-N-19-19.pdf) and [N-79-20 <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>](https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf) rest on the foundation of climate legislation such as AB 32 (2006), SB 375 (2008), and SB 743 (2013), as well as Governor Brown's EO B-30-15 (2015). EO N-19-19 calls for actions to reduce greenhouse gas (GHG) emissions by leveraging discretionary state transportation funds. EO N-79-20 requires state transportation agencies to identify near-term actions and investment strategies to improve clean transportation, sustainable freight, and transit options.

BACKGROUND

On September 20, 2019, Governor Newsom issued EO N-19-19 which calls for actions from multiple state agencies to reduce greenhouse gas (GHG) emissions and mitigate the impacts of climate change. This EO includes a direct acknowledgement of the role the transportation sector must play in tackling climate change. Specifically, the EO acknowledges that California has ambitious climate goals to transition to a healthier, more sustainable economy, including reducing GHGs 40% below 1990 levels by 2030. Although substantial progress has been made in recent years, direct emissions from cars, trucks, ships, diesel trains, airplanes, and other transportation sources have remained a driver of GHG emissions, totaling 40.1 percent statewide.

The EO directs CalSTA to leverage state funding programs where the State plays a role in scoping,

recommending or selecting projects to further the implementation of the transportation vision. State funding programs include:

- Active Transportation Program (ATP)
- Interregional Transportation Improvement Program (ITIP)
- Local Partnership Program (LPP)
- Solutions for Congested Corridors Program (SCCP)
- State Highway Operations & Protection Program (SHOPP)
- Trade Corridor Enhancement Program (TCEP)
- Transit & Intercity Rail Capital Program (TIRCP)

Since the release of the EO, much has changed in California and across the world. California now finds itself in a recession and a pandemic, both of which have significantly impacted transportation system needs and funding. Many agencies have embarked upon new efforts to examine transportation investments relative to equity impacts. New policies on equity in the Draft CAPTI are an example of the initial results of these efforts.

CalSTA has acknowledged that the current COVID-19 crisis is a fluid situation and will continue to evaluate assumptions and strategies as they develop the Action Plan. Implementation of this Action Plan is scheduled to begin upon finalization of the plan in the summer of 2021.

DISCUSSION

CalSTA, through multiple working group meetings and webinars, developed and released the first draft of the CAPTI investment strategies in June 2020, and the Draft CAPTI on March 10, 2021. Under the draft plan, the State will invest discretionary transportation funds in sustainable infrastructure projects that align with its climate, health and social equity goals. To steer those investments the draft plan has 10 guiding principles:

1. Building toward an integrated, statewide rail and transit network
2. Investing in networks of safe and accessible bicycle and pedestrian infrastructure
3. Including investments in light-, medium- and heavy-duty zero-emission vehicle infrastructure
4. Strengthening the commitment to social and racial equity by reducing public health and economic harms and maximizing community benefits
5. Making safety improvements to reduce fatalities and severe injuries of all users toward zero
6. Assessing physical climate risk for transportation infrastructure projects
7. Promoting projects that do not substantially increase passenger vehicle travel
8. Promoting compact infill development while protecting residents and businesses from displacement
9. Developing a zero-emission freight transportation system
10. Protecting natural and working lands.

Interdepartmental Review and Input

The draft plan's Investment Framework also includes recommended strategies and actions to

address these principles. Planning staff held and attended several meetings with impacted departments/agencies within and outside of the agency to secure input on areas of interest. Staff used this input to respond to a CalSTA survey and participate in several statewide workshops. As a result of Metro's and other agencies' comments, CalSTA made some helpful refinements to the Investment Framework. Planning staff is generally pleased with the progress CalSTA has made to refine the draft CAPTI. Specifically, the plan now recommends accelerating TIRCP funds for vitally important funding for zero-emission buses to support a statewide fleet transition. Additionally, equity provisions are now included in multiple areas of the plan, and in increased detail.

Metro supports CalSTA's vision for funding and implementing infrastructure for zero-emission freight vehicles, which is in alignment with the ultimate goal of Metro's 710 Clean Truck Program. Metro will seek support from CalSTA, regional stakeholders and the federal government to implement the necessary interim step of replacing diesel trucks with near-zero emission, low-NOx trucks to support Metro's near-term air quality and equity goals for the I-710 corridor communities, disadvantaged communities adjacent to freight-intensive highway corridors and facilities and the region at large.

Freight projects on the highway system also deserve special attention for state investment. Through an aggressive funding plan for cleaner truck technology, the State can mitigate climate change and public health issues related to highway capacity projects that may increase truck vehicle miles traveled (VMT). Metro notes that it is important to recognize California's goods movement system's dependence on trucks to move the lion's share of goods between facilities, businesses and homes and the need to provide greater access to infrastructure and cleaner technology.

Metro believes that the State should commit to an ongoing, dedicated, robust funding source to support the conversion of heavy-duty vehicles-specifically buses and trucks-to cleaner alternatives to support LA County's effort to recover economically in a sustainable and equitable manner.

Additionally, on the highway side, Metro supports policies and strategies for the reduction of vehicle miles traveled (VMT). In this area, the new draft introduces the concept of a VMT Bank. Staff looks forward to working with the California Transportation Commission (CTC) on the details for this concept that will make the transportation funding programs work with VMT reduction policies. In addition, we appreciate the draft's recognition of the importance of roadway improvements such as Express Lanes that increase bus speeds and produce revenue to support VMT-reducing modes of transportation. Our recommendation in this area is to assure that these facilities are recognized as supporting person throughput, while encouraging commuters to opt out of congestion, which contributes to emissions.

CAPTI also recommends advancing a discussion relating to priced managed lanes as a congestion reduction tool. This is a significant opportunity to advance the use of pricing in our State and CAPTI could help to advance the use of this tool. As this effort progresses it is also important to ensure that roles and responsibilities in pricing systems are clear. Where local agencies bear the financial liability in developing and implementing pricing systems, it is important to ensure that local decision making is maintained for all aspects of the program. This includes local flexibility to make decisions regarding the operation of pricing systems to ensure that the programs can maintain optimal operating conditions.

Overall, staff appreciates CalSTA's leadership in the development of the draft CAPTI. We feel that our programs are well-aligned with the CAPTI and feel confident that we can work within it to partner successfully on a slate of projects to benefit local communities, while supporting the state's effort to meet its important climate and equity goals. Metro looks forward to working with the State to realize the issues raised in the the goods movement area and to have more detailed discussions on roadway pricing and VMT management. We recommend sending the letter (Attachment A) to CalSTA to emphasize Metro's position.

Equity Platform

Transmittal of the comment letter will address Pillar III - Focus and Deliver of the Equity Platform. The CAPTI will support sustainable infrastructure projects that align with the shared climate, health and social equity goals of the State and Metro. As the CAPTI will guide ongoing and future partnerships between the State and Metro, it is important to communicate our comments of support and concern to ensure that actions and projects carry out Equity Platform objectives.

DETERMINATION OF SAFETY IMPACT

The requested actions will have no direct impact on the safety of our customers or employees. However successful engagement with CalSTA may ensure funding for important projects across Los Angeles County that support pedestrian, bicycle, transit and motorized vehicle safety including elements of the I-710 Corridor Project, a key goal of which is to improve safety.

FINANCIAL IMPACT

The requested action will have no impact to the FY 22 budget. However, working closely with CalSTA on the Draft Investment Framework for transportation investments can result in enhanced funding to support Metro's key priorities and initiatives.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions fulfill Strategic Plan Goal 4 by partnering with regional and state partners to develop transformative plans or policies to address transportation funding challenges and investment issues throughout the state.

The CAPTI may help implement some of the elements of other key Metro plans, such as the Sustainability Plan and the Draft Highway Programs Modernization Plan. For instance;

- Emissions and Pollution Control Target 1 of the Sustainability Plan is to transition Metro's fleet to zero emissions technology. CAPTI's Strategy 2.3 is to accelerate Cap and Trade Cycles to support the deployment of ZEV/rail fleets and transit/rail network improvements.
- Resilience and Climate Adaption Target 2 of the Sustainability Plan directs staff to incorporate climate adaptation into planning, procurement, asset management and operations by 2025,

using the flexible adaptation pathways concept. CAPTI's Strategy 5.2 may help as it requires updating transportation infrastructure competitive program guidelines to incentivize climate adaptation and climate risk assessments/strategies.

Likewise, the CAPTI and the draft Metro Highway Modernization Plan are aligned in some key areas.

- The Draft Highway Programs Modernization Plan Attachment A emphasizes improvement of traffic flow and reduction of recurring traffic. CAPTI's Strategy 1.1 prioritizes Solutions for Congested Corridors program projects that enable travelers to opt out of congestion as well as prioritizing transportation solutions that focus on reducing VMT.
- The attachments of the Highway Programs Modernization Plan identify bikeways, sidewalk, improvements and pedestrian safety improvements as eligible Highways Program projects for Measures R and M while CAPTI's Strategy 2.4 is to increase funding to the California Active Transportation Program, which provides funding for bicycle and pedestrian projects.

These are a small sample of the areas of alignment of the CAPTI with Metro plans and policies.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the requested recommended action to transmit the attached comment letter to CalSTA. However, by doing so this would be a missed opportunity for Metro to highlight areas of concern and influence transportation funding policies related to goods movement and highway projects.

NEXT STEPS

Upon approval of the recommendation, staff will work with CalSTA according to the following schedule to follow the draft plan through the finalization and implementation:

- Submit comment letter to CalSTA (May 30 deadline)
- Targeted Adoption and Release of Final Action Plan in June 2021
- Submittal Plan to the Governor and Legislature by July 15

ATTACHMENTS

Attachment A - CAPTI Comment Letter

Prepared by: Dominica Smith, Manager, Countywide Planning & Development, (213) 922-2795
Patricia Chen, Senior Director, Countywide Planning & Development, (213) 922-3041
Michael Cano, DEO, Countywide Planning & Development, (213) 418-3010
Wil Ridder, EO, Countywide Planning & Development, (213) 922-2887
Laurie Lombardi, SEO, Countywide Planning & Development, (213) 418-3251

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer



Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza,
Los Angeles, CA 90012-2952

Phillip A. Washington
Chief Executive Officer
213.922.7555 Tel
213.922.7447 Fax
washingtonp@metro.net

ATTACHMENT A

May 27, 2021

David S. Kim, Secretary
California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

RE: LA Metro Comments Regarding Draft Climate Action Plan for Transportation Infrastructure

Dear Secretary Kim:

The Los Angeles County Metropolitan Transportation Authority (LA Metro) is deeply committed to improving mobility, equity, public health and quality of life for LA County residents. As the state's most populous county with the busiest seaport complex, we recognize that our work implementing transportation projects, programs and technologies will play a vital role in the state realizing its climate goals, and we appreciate the state's support in driving investment into LA County to leverage local funds and to improve the way we move people and goods.

LA Metro very much appreciates your leadership at the California State Transportation Agency (CalSTA), especially in leading the important collaborative dialogue to develop policies increasing accessibility, improving air quality and combating climate change. LA Metro stands ready to partner with the state to attain these mutual outcomes, and we are pleased to submit the following comments on the Draft Climate Action Plan for Transportation Infrastructure (CAPTI) released on March 10, 2021.

LA Metro supports the goals and vision of the CAPTI and welcomes several updates to the preliminary draft plan materials. First and foremost, we appreciate the proposed increase of vitally important funding for zero emission public transit vehicles as part of an accelerated Cap-and-Trade Program. This funding will help advance Metro's initiative to transition the agency to a 100 percent zero emission bus fleet by 2030. We would further urge the state to commit to dedicated and ongoing funding to replace all heavy duty non-zero emission transit vehicles with zero emission technology as soon as possible.

LA Metro compliments CalSTA's efforts and success in identifying some of the many ways that equity must be directly addressed within the actual strategies of the plan. As a leader in implementing equity into its policies and programs, Metro supports the principles of diversity, equity and inclusion in transportation investment decisions, and looks forward to working with you to help identify areas of improvement so we can achieve safe and equitable access to opportunity for all Californians. To that end, we also look forward to working with you to identify funding to increase the resources available for the Active Transportation Program among other programs designed to support these important goals.

LA Metro supports the efforts identified in the CAPTI to expand the use of priced managed lanes in California. As this effort proceeds, we urge the State to recognize two important principles that should be respected in existing and future pricing programs and policies. First, when local agencies sponsor projects, they are also responsible for the financing of those projects; therefore, the responsibilities of the local agency with respect to the management of toll revenues should be preserved. Second, the local agencies that

manage these programs should retain local authority to make decisions relating to the operation of the pricing systems.

LA County's—and the state's—economic recovery from COVID-19 will depend heavily on the efficient, sustainable, and equitable movement of goods through the Ports of LA and Long Beach and between regional manufacturing, logistics and distribution facilities, and to local businesses and homes. Diesel-powered freight vehicles have arguably the greatest impact among mobile sources on climate outcomes, thus they are perhaps the most critically important components of the capital landscape to transform immediately. LA Metro supports an expedited transition to a zero-emission freight future, particularly opportunities to invest in infrastructure necessary to support future usage of zero-emission freight vehicles. Our I-710 Clean Truck Program seeks to implement a progressive transition to zero-emission technology, which includes an important interim step of replacing existing Class 8 diesel trucks with available low-NO_x, near-zero emission technology to address equity, air quality and public health needs for LA County today. According to our 2021 Goods Movement Strategic Plan, the health effects associated with exposure to diesel truck emissions exacerbated the impacts of COVID-19 and created greater rates of morbidity. Taking an aggressive approach—both for the interim near-zero approach and the ultimate zero-emission solution to replacing diesel trucks—to improving the climate will help LA Metro achieve greater public health for LA County residents, many from disadvantaged and minority communities that live along major goods movement highway corridors.

LA Metro also supports strategies and policies to reduce Vehicle Miles Traveled (VMT). We appreciate CalSTA's recognition of the importance of roadway improvements that increase bus speeds and that generate revenue to support VMT-reducing modes of transportation, such as priced, managed lanes (ExpressLanes in LA County). Metro staff looks forward to working with the California Transportation Commission (CTC) on the details of the proposed VMT bank, which is an important concept that will make the transportation funding programs workable. We appreciate this recognition and we further recommend that these ExpressLanes facilities be recognized as supporting person throughput and encouraging commuters to opt out of congestion.

On behalf of LA County I thank and commend you and your staff for the excellent effort and transparency that you have used to develop the Draft CAPTI. We look forward to working with you and the CTC to finalize and implement this transformative plan.

Should you have any questions about these comments, please contact Wil Ridder, LA Metro's Executive Officer for State/Federal Policy and Programming at ridderw@metro.net or 213-922-2887.

Sincerely,

Phillip A. Washington
Chief Executive Officer

The background features a large, stylized graphic of the letters 'M' and 'A' in a light beige color, set against a dark green circular backdrop. This is further overlaid on a large, curved orange shape that sweeps across the middle of the page. The bottom portion of the slide is a solid dark grey/black color.

Climate Action Plan for Transportation Infrastructure (CAPTI)

Executive Management Committee

May 20, 2021



A Brief History

- Over the past 10 years, State policies around transportation and the environment have become more intertwined.
- Transportation generates the largest sector of greenhouse gas emissions (GHG) in the State of California.
- If the State is going to reduce GHG, transportation has to be a component.
- Transportation decisions don't happen in a vacuum.
- Land use decisions are also a factor.

General Policy and Legislative Framework

- Global Warming Solutions Act of 2006 (AB 32)
- SB 375 (2008)
- SB 743 (2013)
- Cap and Trade
- N-19-19 (Newsom) directs California State Transportation Agency (CalSTA) to leverage discretionary funds to meet state climate goals
- N-79-20 (Newsom) directs all cars in the state to be zero emission by 2035 and trucks to be zero emission by 2045

Where Are We Today?

- SB 743 is being implemented – many of our highway projects were started before the timeframes in Caltrans' requirements but future ones will undergo new scrutiny
- SB 261 (Allen) – would implement recommendations of the SB 150 report and could impact our planning processes and projects. California Air Resources Board is considering clean truck rules
- Legislature is considering funding for ZEB efforts
- CAPTI - In March 2021, CalSTA issued its draft plan outlining its vision for the California Transportation Commission leveraging its discretionary funding programs to implement the Governors' Executive Orders.



Metro

The CAPTI Investment Framework – Seven Strategies

1. Cultivate and accelerate sustainable transportation innovation by leading with state investments
2. Support a robust economic recovery by revitalizing transit, supporting ZEV deployment, and expanding active transportation investments
3. Elevate community voices in how we plan and fund transportation projects
4. Advance state transportation leadership on climate and equity through improved planning & project partnerships
5. Support climate resilience through transportation system improvements and protections for natural and working lands
6. Support local and regional innovation to advance sustainable mobility
7. Strengthen transportation-land use connections

Metro's Priorities Align with CAPTI

- Increased funding for transit and active transportation
- New and accelerated funding for zero-emission transit vehicles
- Emphasis on zero-emission freight infrastructure
- Highways - overall emphasis on reducing vehicle miles traveled (VMT) and positive messaging on priced managed lanes
- Measures to improve equity and address displacement

Key Metro Comments on CAPTI

- Funding for zero-emission bus acquisition and charging infrastructure
- Clean freight expansion that includes funding for trucks and fueling infrastructure that supports and interim step of using near-zero technology
- Continued partnership in funding Express Lanes with focus on developing a comprehensive pricing authorization that maintains regional/local sponsors' operational decision-making
- Support for reducing VMT