

# 2021 ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE



CALIFORNIA  
TRANSPORTATION  
COMMISSION

**RECOMMENDATIONS & ACCOMPLISHMENTS**

# CHAIR AND VICE CHAIR LETTER

Members of the Legislature:

We are pleased to present the California Transportation Commission's 2021 Annual Report to the Legislature. This report summarizes the Commission's accomplishments in the past year and offers recommendations to continue improving California's transportation system.

The Commission's work over the last year to fund vital transportation projects across the state has brought significant benefits for the quality of life in California and the state's continued economic recovery from the COVID-19 pandemic. Overall, in the 2020-21 fiscal year, the Commission allocated \$7.1 billion in transportation funds, which will create over 79,000 jobs. These projects are improving our roads and highways – bringing them up to a state of good repair as required by Senate Bill 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act – while also helping to meet state climate goals, reduce congestion, enhance goods movement, create high-paying jobs and a strong economy, and make our streets more accessible and safer for bicyclists and pedestrians.

While the benefits of these investments are impressive, the Commission remains concerned about ensuring appropriate funding levels for diverse transportation infrastructure priorities and supports using a portion of the state's General Fund surplus for transportation infrastructure to help satisfy state Gann Limit spending requirements. In spring 2021, the Commission sought \$2 billion in additional one-time funding for the Active Transportation Program from the state's General Fund surplus to address a substantial backlog of projects and support major bicycle corridors, which require funding beyond current appropriation levels. While a \$500 million one-time appropriation was included in the state budget to supplement the Active Transportation Program, additional legislation required to release those funds was not enacted prior to an October 10 legislative deadline, and the funding returned to the General Fund. There remains a critical need for a funding increase to expand our state's bicycle and pedestrian facilities to ensure our state's most disadvantaged communities have access to safe and sustainable transportation. With the state expected to have another historic General Fund surplus for the upcoming fiscal year, the Commission is recommending a \$2 billion one-time Active Transportation Program augmentation.

The Commission also believes it is critical to increase funding for transit infrastructure and equipment to help meet climate and equity objectives. Historically, the Commission has been able to dedicate new funds from the Public Transportation Account to transit projects in the biennial State Transportation Improvement Program. However, at its August 2021 meeting, the Commission adopted a fund estimate for the 2022 State Transportation Improvement Program with no new Public Transportation Account funding over the next five years, due to other statutory demands on the account. The Commission is proposing a \$2.5 billion one-time augmentation from the General Fund surplus to fund new transit and rail projects and/or accelerate existing projects in the State Transportation Improvement Program. These funds would go out through an existing statutory distribution methodology, which ensures that all areas of the state benefit, and could complement other proposed funding augmentations for transit, such as for the Transit and Intercity Rail Capital Program/Olympics projects.

The Commission also recognizes that federal funding is critical for meeting California's transportation infrastructure needs and is grateful for the recent passage of the federal Infrastructure Investment and Jobs Act. During 2021, the Commission, the California State Transportation Agency, and

the California Department of Transportation, together convened a series of meetings with key Congressional members and staff to discuss priorities for this legislation. Policy priorities highlighted in these meetings drew from the California Federal Surface Transportation Consensus Principles, which was developed by state and local transportation agencies and stakeholder groups, such as to be able to utilize more federal freight program funds on multimodal projects.

Throughout 2021, the Commission also continued its commitment to enhance climate and equity considerations in transportation decision making. In January, the Commission adopted a Racial Equity Statement condemning all forms of racism and vowing action to create mobility opportunities, and address investment inequities, so all Californians, especially those from underserved communities, can thrive in all aspects of life. In April, the Commission's Equity Advisory Roundtable convened for its first meeting to provide input on the Commission's ongoing and future equity initiatives. In August, the Commission began holding workshops to update guidelines for competitive funding programs established by the Road Repair and Accountability Act, with an aim to build upon prior efforts to advance climate and equity goals within the statutory framework of each program. For example, in the last program cycle, the Commission made zero-emission freight infrastructure eligible for Trade Corridor Enhancement Program funding. As part of the upcoming cycle, the Commission, working with partner agencies and stakeholder groups, will build upon that step to identify policies to encourage agencies to submit more of these types of projects. This is consistent with a strategy identified in the California State Transportation Agency's Climate Action Plan for Transportation Infrastructure, which the Commission has committed to work toward implementing into its programs, where applicable, as part of its public guideline development process. This work already has begun and continues into 2022.

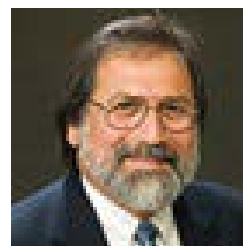
These are but a few highlights of the Commission's many efforts over the last year to improve the transportation system in California; we look forward to building upon them and a productive year ahead.

Sincerely,



A handwritten signature in black ink that reads "Hilary Norton".

**HILARY NORTON**  
Chair



A handwritten signature in black ink that reads "Bob Alvarado".

**BOB ALVARADO**  
Vice Chair

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# COMMISSION IN BRIEF



The California Transportation Commission funds highway, local road, transit, intercity passenger rail, active transportation, and aeronautic projects throughout California.

The Commission consists of 11 voting members and two ex officio, non-voting members. Of the 11 voting members, nine are appointed by the Governor, one is appointed by the Senate Rules Committee, and one is appointed by the Speaker of the Assembly. The two ex officio members are appointed one by the Senate Rules Committee and one by the Speaker of the Assembly. The Commission holds public meetings throughout California, at which time it reviews and approves projects for funding. The Commission also holds town hall meetings and workshops across California to engage the public and stakeholder groups.

In Fiscal Year (FY) 2020–21, the Commission had 34 positions and an administration budget of \$7 million. The Commission appoints an Executive Director, who acts as a liaison between the Commission and the Legislature, as well as the Secretary of Transportation, the Director of the California Department of Transportation (Caltrans), regional transportation agencies, and other state agencies.

The Commission is primarily responsible for the following:

**Funding Transportation Projects.** The Commission’s responsibilities vary by program but generally include developing guidelines, adopting programs of projects, and allocating funds.

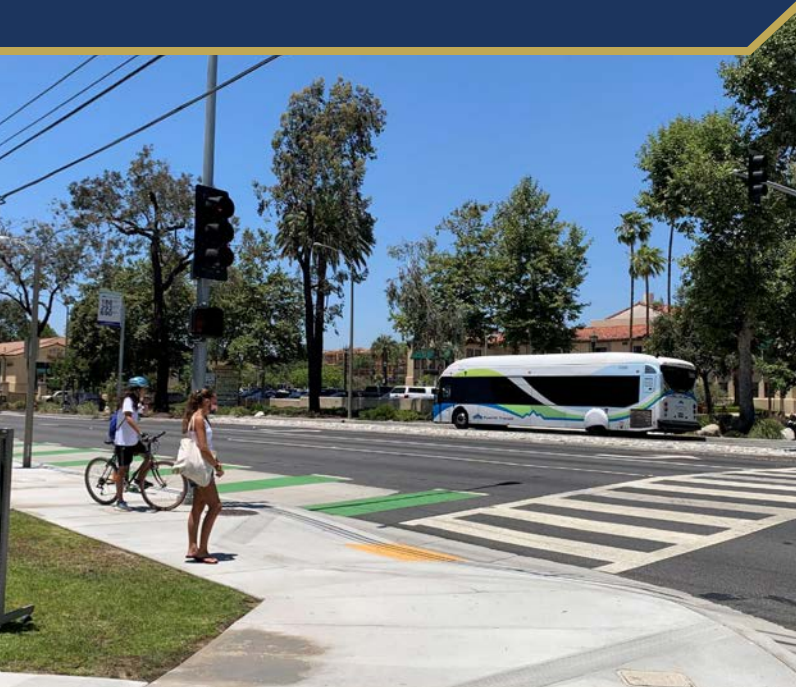
Most programs have funding cycles that span multiple years. When the Commission adopts a program of projects, it commits funds to individual projects in each year of the program cycle. During the year a project is programmed, the agency must request an allocation from the Commission. The allocation authorizes the agency to begin incurring expenditures on the project.

**Ensuring Project Accountability.** After the Commission allocates funds to projects, Caltrans performs administrative oversight and prepares and submits regular progress reports for each project by program. The Commission takes appropriate actions when issues and concerns are identified. The Commission also ensures accountability by requiring agencies to request approval for project scope, schedule, and/or cost changes.

**Evaluating Performance Outcomes.** The Commission is required to annually evaluate the progress made by Caltrans toward meeting performance measures for the state highway system, including for pavement and bridge conditions. The Commission also requires regional and local agencies to report on project outcomes, such as lane miles constructed, and/or estimate project benefits, such as pavement quality improvements, greenhouse gas emissions reductions, and reductions in congestion.

**Developing and Coordinating Policy.** The Commission sets transportation policies, consistent with state and federal laws, in its program guidelines. Guidelines are developed through workshops open to all stakeholders and the public. The Commission also has a statutory charge to advise the Legislature and the Secretary of Transportation on state transportation policy. To coordinate the implementation of policies that jointly affect transportation, housing, and air quality, the Commission meets at least twice annually with the California Air Resources Board and the California Department of Housing and Community Development.

# 2021 YEAR IN REVIEW



In 2021, the Commission continued to utilize web-based platforms for its meetings, workshops, and public and stakeholder engagement, in accordance with public health guidance related to the COVID-19 pandemic. In addition to holding seven regular Commission meetings, the Commission held two joint meetings with the California Air Resources Board and the California Department of Housing and Community Development, three Road Charge Technical Advisory Committee meetings, four Equity Advisory Roundtable meetings, and over two dozen workshops. Meetings were held virtually as permitted by Executive Order N-29-20, Executive Order N-08-21, and Assembly Bill (AB) 361 (Robert Rivas, Chapter 165, 2021), each of which temporarily removed the requirement that a location be made available for the public to gather for purposes of observing and commenting at specified public meetings. The Commission began transitioning back to in-person events at the end of the year, holding the December 8-9, 2021 Commission meeting through a hybrid in-person and virtual format.

At its regular business meetings, the Commission continued to allocate funds to vital transportation projects that are improving California's roads and highways – bringing them up to a state of good repair as required by Senate Bill (SB) 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act – and also helping to meet state climate goals, reduce congestion, enhance goods movement, create high-paying jobs and a strong economy, and make streets more accessible and safer



for bicyclists and pedestrians. Overall, in FY 2020-21, the Commission allocated \$7.1 billion in transportation funds, which will create over 79,000 jobs and lead to diverse transportation improvements throughout the state. Additionally, the Commission found all cities and counties in California eligible for local road repair apportionments expected to total approximately \$1.1 billion for this fiscal year. Since the Road Repair and Accountability Act passed, Commission allocations funded from this legislation and other sources have created over 420,000 jobs.

**In Fiscal Year 2020-21, the Commission allocated \$7.1 billion from the Road Repair and Accountability Act and other fund sources, which will create over 79,000 jobs. Since the Road Repair and Accountability Act passed in 2017, Commission allocations funded from this legislation and other sources have created over 420,000 jobs.**

The Commission also began preparing to adopt new program cycles in 2022. At its August meeting, the Commission adopted guidelines for the State Transportation Improvement Program. At its October meeting, the Commission approved the Interregional Transportation Strategic Plan, which will inform project selection for the interregional component of the State Transportation Improvement Program. In August, the Commission began holding workshops to develop updated guidelines for three programs created by the Road Repair and Accountability Act: the Local Partnership Competitive and Formulaic Programs; the Solutions for Congested Corridors Program; and the Trade Corridor Enhancement Program. Additionally, in November, the Commission began convening workshops for the Active Transportation Program. More information on these and other Commission programs are included in each program chapter of this report.

Throughout the year, the Commission also heard informational presentations, initiated efforts, and undertook specific actions on several critically important transportation policy issues, including equity, climate change, transportation asset management and safety, transportation funding, managed lanes, and telework. The remainder of this chapter describes the Commission's engagement on each of these policy issues in more detail.

**In August, the Commission began holding workshops to develop updated guidelines for three programs created by the Road Repair and Accountability Act:**

- **Local Partnership Competitive and Formulaic Programs**
- **Solutions for Congested Corridors Program**
- **Trade Corridor Enhancement Program**

**Additionally, in November, the Commission began convening workshops for the Active Transportation Program.**

## **Equity and Public Engagement**

In 2021, the Commission continued its work towards improving equity outcomes throughout the state, with a particular focus on fostering leadership and centering perspectives from historically marginalized and under-resourced areas. Commission programming and planning guidelines continue to consider equity as a priority outcome, and the Commission is committed to including the expertise of equity experts and advocates to help shape future planning and program guidelines. Stakeholders and the public are valued as partners in shaping the future of transportation equity work within the Commission.

### **Racial Equity Statement**

On January 27, 2021, the Commission adopted its Racial Equity Statement. This statement acknowledges historical and present racial inequity in the transportation sector and outlines the Commission's commitment to addressing racial inequity in its work moving forward. In addition to recognizing that vulnerable communities face health, safety, enforcement, and economic disparities, the Racial Equity Statement acknowledges that Californians who live in historically underserved communities are more likely to be negatively impacted by increased exposure to air pollution and noise from cars, trucks, ships, trains, and aircraft, and struck or killed by drivers when walking and biking. The Commission hopes to address and improve mobility opportunities for all Californians, especially those from underserved communities, to thrive in all aspects of life. The Racial Equity Statement is available on the Commission's website at: <https://catc.ca.gov/about/racial-equity-statement>

### **Equity Advisory Roundtable**

In April 2021, the Commission held its first Equity Advisory Roundtable meeting. The Roundtable brings together equity experts, practitioners, and community leaders from throughout the state to collaborate with Commission staff over a series of virtual meetings to develop recommendations to the Commission related to specific equity activities. Roundtable members have been collaborating with Commission staff, as well as staff from the California State Transportation Agency (Transportation Agency) and the California Department of Transportation (Caltrans), at the virtual meetings on recommendations related to actions that support safe, affordable, reliable, efficient, and dignified transportation for under-resourced communities throughout California. After the inaugural meeting in April, the Equity Advisory Roundtable also met three more times in 2021. Additional meetings will continue to be held into 2022.

### **Statewide Community Listening Sessions**

Throughout 2021, the Commission, Caltrans, and the Transportation Agency developed plans for a Listening Session tour throughout the state, to take place in early 2022. The goal of the Listening Sessions is to engage with stakeholders and the public to strengthen understanding of community transportation needs. In contract with a consulting firm, the three agencies will partner to attend a minimum of six sessions within geographically focused priority populations. Outreach for the sessions includes partnering with local community-based organizations and targeted invitations to priority populations. Priority populations include Black, Indigenous, and Communities of Color; youth; Tribal governments/sovereign nations; people with disabilities; people experiencing homelessness; housing advocates; and people formerly incarcerated or system impacted.

**In 2021, the Commission adopted its Racial Equity Statement and began convening Equity Advisory Roundtable meetings. Additionally, the Commission, Caltrans, and the Transportation Agency collaborated on plans for a Listening Session tour throughout the state, to take place in early 2022, and the establishment of an Equity Advisory Committee or Committees, also expected to launch in 2022.**

Each session will be designed to provide a space to offer personal testimony about California's transportation system, foster better relationships and trust with historically under-resourced communities, and document current challenges and opportunities. The Listening Sessions will conclude with an actionable report intended to guide executive staff as equity focused changes are implemented across agencies.

### **Equity Advisory Committee(s)**

In 2021, the Commission also began working in partnership with Caltrans and the Transportation Agency on the establishment of an Interagency Equity Advisory Committee or Committees. This strategy aligns with the Commission's January 2021 Racial Equity Statement and seeks to elevate community voices in how government agencies plan and fund transportation projects, particularly the voices of those most impacted by state transportation projects, including disadvantaged communities, low-income communities, and Black, Indigenous, and Communities of Color. The goal is to establish a committee or committees that will provide meaningful input into transportation planning and programming processes for the agencies. The committee or committees will also increase coordination across state agencies and help to develop tools, standards, and practices for meaningful community engagement. The scope, structure and responsibilities of the committee or committees will ultimately build off and be informed by the Commission's Equity Advisory Roundtable and the Statewide Community Listening Sessions. The Commission, Caltrans, and the Transportation Agency aim to develop and launch the committee or committees in 2022.

### **Equity-Focused Staffing**

In 2021, the Commission hired a new staff member to coordinate and facilitate the Commission's work to incorporate more equitable policies in program development and manage the Commission's equity initiatives, including the Equity Advisory Roundtable, Community Listening Sessions, and work toward an Equity Advisory Committee or Committees. In order to hire this position, the Commission had to redirect a position focused on reviewing statewide and modal transportation plans. This has placed a severe strain on the Commission's planning staff. The Commission also has relied on borrowing staff from Caltrans for the past year for additional planning support, but the need for permanent staff remains. Approval of additional staff ensures sustainable, long-term resources can be dedicated to the Commission's critically important equity work. The Commission welcomes the opportunity to work with the Administration and the Legislature in 2022 to address this critical staffing need.

## **Transportation, Climate, and Housing**

In 2021, the Commission continued its robust collaboration with partner state agencies and stakeholders to integrate and coordinate planning and policy efforts focused on transportation, housing, and climate.

### **Climate Action Plan for Transportation Infrastructure**

On July 12, 2021, the Transportation Agency adopted the Climate Action Plan for Transportation Infrastructure (CAPTI). The plan details how the state recommends investing billions of discretionary transportation dollars annually to aggressively combat and adapt to climate change while supporting public health, safety and equity. CAPTI builds on executive orders signed by Governor Gavin Newsom in 2019 and 2020 targeted at reducing greenhouse gas emissions in transportation, which account for more than 40 percent of all emissions, to reach the state's ambitious climate goals.

During the draft CAPTI public comment period, the Commission hosted two workshops to gather feedback and answers questions. The workshops were attended by a diverse set of participants representing advocacy organizations, nonprofit organizations, private industry, labor organizations, public agencies, and members of the public from nearly every geographic region of the state. Approximately 225 people participated in the first workshop on April 20, 2021 and roughly 170 participated in the second workshop on April 23, 2021. Approximately 40 individuals, representing a wide range of interests, provided comments during the workshops. Following the workshops, the Commission submitted a full list of comments received during the workshops to the Transportation Agency for consideration during their public comment period.

At the August Commission meeting, the Commission endorsed the CAPTI's framework and strategies for which the Commission will assume a role in implementation. Following this direction, Commission staff began facilitating public dialogue related to implementing Commission-led CAPTI strategies through the appropriate Commission program guidelines development processes. The Transportation Agency will report annually on progress toward implementing the CAPTI at the Joint Meetings of the Commission, California Air Resources Board, and California Department of Housing and Community Development beginning in 2022.

### **Housing and Transportation Coordination Workgroup**

To coordinate statewide policy for transportation and housing, the Transportation Agency and the California Business, Consumer Services, and Housing Agency host interagency meetings regularly. The Commission's Executive Director serves on the Steering Committee for these gatherings, and Commission staff regularly participate in the Housing and Transportation Coordination Workgroup meetings alongside staff from partner agencies such as Caltrans, the California Department of Housing and Community Development, the Strategic Growth Council, the Governor's Office of Planning and Research, and the California Air Resources Board.

This year, Commission staff focused its efforts on the Subcommittee on Prohousing, which was created to identify, evaluate, and discuss funding programs that could potentially incorporate prohousing incentives and other housing co-benefits into future guidelines. Commission staff continues to coordinate with staff from the California Department of Housing and Community Development to refine housing-specific evaluation criteria and guidance in competitive programs guidelines.



**At its August meeting, the Commission endorsed the Climate Action Plan for Transportation Infrastructure's (CAPTI) framework and strategies for which the Commission will assume a role in implementation. Following this direction, Commission staff began facilitating public dialogue related to implementing Commission-led CAPTI strategies through the appropriate Commission program guidelines development processes.**

## **Joint Meetings**

Pursuant to AB 179 (Cervantes, Chapter 737, 2017) the Commission has met jointly with the California Air Resources Board since 2018 to coordinate implementation of transportation and air quality programs and policies. In clear recognition of the connection between transportation, land use, and climate, AB 185 (Grayson, Chapter 534, 2019), added the Department of Housing and Community Development as a participant in joint meetings starting in 2020. This legislation implemented a recommendation the Commission made in its 2018 Annual Report to broaden the meetings to include housing, with the goal of coordinating implementation of policies that jointly affect transportation, housing, and air quality.

The Joint Meeting agencies met this year on April 8 and November 4. The April meeting focused on the implementation of Governor Newsom's recent Executive Orders on Climate: Executive Order N-19-19, which directs the Transportation Agency to leverage state transportation funding to reduce greenhouse gas emissions associated with the transportation sector, and Executive Order N-79-20, which sets a course to end sales of new internal combustion passenger vehicles in California by 2035. The Joint Meeting on November 4 included presentations and discussion on interagency coordination on housing, vehicle miles traveled reduction, and equity; community-based organization efforts to deepen community engagement and prioritize the needs of underserved communities; and an update on the Strategic Growth Council's California Transportation Assessment, an assessment of California's transportation plans, funding programs, and sustainable communities strategies. The assessment will be finalized in early 2022 and fulfills a requirement of AB 285 (Friedman, Chapter 605, 2019).

## **Zero-Emission Vehicle Market Development Strategy and Commission Action Plan**

The Commission regularly coordinates with the California Energy Commission, Caltrans, and other public, private, and non-profit partners to implement the state's ambitious goals around electrifying the transportation sector. Commission staff contributed to the development of California's Zero-Emission Vehicle Market Development Strategy (published February 2021), which is meant to help accelerate the zero-emission vehicle marketplace to deliver climate and air quality benefits to all Californians. More information on the Commission's Action Plan is available online at: [https://static.business.ca.gov/wp-content/uploads/2021/03/CTC\\_ZEV-Action-Plan.pdf](https://static.business.ca.gov/wp-content/uploads/2021/03/CTC_ZEV-Action-Plan.pdf)

## **Asset Management and Safety**

Over the course of 2021, the Commission engaged on various matters relating to asset conditions and safety on state and local transportation networks.

### **State Highway System Management Plan**

In March, the Commission sent a letter with comments on Caltrans's draft 2021 State Highway System Management Plan, a ten-year asset management plan updated every two years, which identifies both the unconstrained needs for the State Highway System (assuming no funding limitations) and a constrained investment plan, and also sets performance expectations for the available funding. Caltrans's plan identified \$110 billion in needs over the ten-year period with \$49.3 billion in available funding, and, for the first time, considered funding needs to maintain and build new bike and pedestrian elements and mitigate sea level rise. The Commission's comment letter is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-03/yellows/tab-23-4-4-a11y.pdf>

### **State Highway System Performance Benchmarks**

At its October meeting, the Commission approved an evaluation of Caltrans's progress towards reducing deferred maintenance and improving road conditions on the state highway system, as required by the Road Repair and Accountability Act. The evaluation found that Caltrans exceeded the Commission-adopted 2020 year-end benchmarks for culverts and transportation management systems and appears to be exceeding targets for all classes of pavement. While Caltrans achieved a slight improvement from the prior year for bridge health, it was recognized future target conditions were not likely to be met without corrective action. To help address this concern, Caltrans identified a program of projects to focus on bridge deck conditions, which the Commission adopted into the State Highway Operation and Protection Program. Additional information on the Commission's evaluation is included in the State Highway Operation and Protection Program section of this report, and the full evaluation report is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-10/22-4-6-a11y.pdf>

Additionally, in November, Commission staff requested information from Caltrans on the performance of assets located in disadvantaged communities as compared with the performance outside those communities.

### **Local Streets and Roads Needs Assessment**

At its October meeting, the Commission heard an informational presentation on the California Statewide Local Streets and Roads Needs Assessment, which was sponsored by various local government agencies. Conducted every two years, this assessment evaluates the current pavement conditions of local streets and roads, the cost to repair all streets and roads, and the safety needs for a functioning local transportation system. The assessment found that the statewide Pavement Condition Index had improved to 66 on a scale of zero to 100 over FYs 2018-19 and 2019-20, an improvement of one point. The assessment noted that the modest increase reflected industry hesitance to expand construction capacity and local agencies' concerns to over-commit to future project delivery during a period of uncertainty caused by attempts to rescind Road Repair and Accountability Act revenues through a voter initiative in FY 2018-19. A copy of the assessment presentation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-10/pinks-presentations/tab-24-4-4-pres.pdf>

**At its October meeting, the Commission approved an evaluation of Caltrans's progress towards reducing deferred maintenance and improving road conditions on the state highway system, as required by the Road Repair and Accountability Act. The evaluation found that Caltrans exceeded the Commission-adopted 2020 year-end benchmarks for culverts and transportation management systems and appears to be exceeding targets for all classes of pavement.**

### **Stormwater Construction Permits**

In 2021, Caltrans presented to the Commission at several meetings on the status of the State Water Resources Control Board's draft Statewide Construction Stormwater General Permit and the Caltrans National Pollutant Discharge Elimination System (NPDES) Stormwater Permit, which are expected to be finalized in 2022. In August, the Commission sent letters to the State Water Resources Control Board for both Stormwater Permits citing the importance of clean water but also expressing a number of concerns regarding the proposed permit revisions such as: significant increases to project costs, delays for ongoing construction projects, overall compliance feasibility, and impacts to the ability to deliver projects that are expecting to be funded in the coming years. The Commission also requested that Caltrans present a detailed analysis of the cost of compliance with the two draft permits. At the October Commission meeting, Caltrans presented its cost analysis, which found that baseline costs to comply with the Construction General Permit would increase by between \$51 million and \$80 million per year, representing a 40 to 60 percent increase over the baseline costs of \$136 million, while the cost to comply with the draft Caltrans NPDES Permit would increase baseline funding needs from a range of between \$750 to \$850 million annually to a range of between \$870 million to \$1.1 billion annually. Caltrans's cost assessment is available on the Commission's website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-10/61-4-27-a11y.pdf>

### **Safety**

The Commission heard multiple informational presentations focused on safety over the last year. In January, Caltrans presented on Safety Project Selection and Funding as part of a project delivery workshop. In the presentation, Caltrans outlined new efforts to undertake proactive safety improvements through the use of advanced technology that also integrates equity considerations. At an August project delivery workshop, Caltrans, the Office of Traffic Safety, the California Highway Patrol, and the Department of Motor Vehicles delivered a joint presentation on Safety and Speed Management that reviewed findings from the Zero Traffic Fatalities Task Force, created by AB 2363 (Chapter 650, Friedman, 2018). These presentations are available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-01/workshop/wrkshp-tab-4-caltrans.pdf> and <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-08/pd-workshop/tab-2-1-2-pres.pdf>

**Throughout 2021, the Commission, the Transportation Agency, and Caltrans, together engaged with California’s Congressional delegation to highlight state priorities for federal infrastructure legislation. The Infrastructure Investment and Jobs Act, which was signed into law on November 15, 2021, includes multiple state priorities, such as increased flexibility to use federal freight program funds on multi-modal projects.**

## **Transportation Funding**

In 2021, the Commission focused on several federal and state transportation funding needs to address impacts on revenues resulting from the COVID-19 pandemic and meet diverse transportation priorities, including for active transportation and transit infrastructure.

### **Federal COVID-19 Pandemic Relief Funds**

In its 2020 Annual Report to the Legislature, the Commission highlighted the need for the federal government to enact legislation to compensate for the loss of state and local transportation revenues due to the COVID-19 pandemic. Subsequently, Congress passed, and the President signed into law, the federal Coronavirus Response and Relief Supplemental Appropriations Act. This legislation provided states with transportation funding to cover revenue losses from the pandemic and could be used for a broad range of transportation purposes. At its March meeting, the Commission approved a distribution of California’s \$911.8 million apportionment from the federal Act. To develop a plan for the use of these funds, Commission staff convened three virtual workshops open to stakeholders and the public in February and early March. The distribution approved by the Commission balanced funding needs for the state and regions based on the “60/40” federal funding split historically used by California. The state 60 percent share includes \$486.3 million for the State Highway Operation and Protection Program and \$60.8 million for the Interregional Improvement Program. The 40 percent regional share includes \$182.4 million for the Regional Improvement Program and \$182.4 million via an existing federal formula, with a requirement that regions submit project lists to the Commission for the formula funds. The regional share distribution balances geographic equity concerns with the stated need by some agencies to be able to use funds for operations and other non-capital expenses through the formula approach.

### **Federal Surface Transportation Reauthorization and Infrastructure Legislation**

In 2021, the Commission also engaged at the federal level for ongoing funding increases to meet California’s transportation infrastructure needs and policy priorities. During the spring, the leadership of the Commission, the Transportation Agency, and Caltrans, together convened a series of meetings with key Congressional members and staff to discuss federal surface transportation reauthorization and infrastructure legislation. Policy priorities highlighted in these meetings drew from the California Federal Surface Transportation Consensus Principles, which was developed by state and local transportation agencies and stakeholder groups, such as needed flexibility to charge for the use of zero-emission vehicle infrastructure on state highways and to be able to utilize more federal freight program funds on multimodal projects. In the summer, after both houses of Congress passed their



respective versions of infrastructure legislation, the three agencies' leadership transmitted a joint letter to the Congressional transportation committee chairs, along with an updated letter from the California Transportation Federal Affairs Working Group, which was coordinated with partner agencies and stakeholder groups. With the enactment of the federal Infrastructure Investment and Jobs Act on November 15, 2021, the Commission will be focusing on implementation of the federal funds in 2022.

### **Active Transportation and Transit Infrastructure Funding**

In its 2020 Annual Report to the Legislature, the Commission recommended augmenting the Active Transportation Program, given the program is severely oversubscribed, projects in the program advance climate goals, and the COVID-19 pandemic has led to an increase in walking and biking. At the March Commission meeting, Commissioners directed staff to specifically request a \$2 billion one-time General Fund augmentation as part of the Fiscal Year 2021-22 budget. The Commission determined that approximately \$1.5 billion would be needed to fund projects that had clearly and sufficiently met the evaluation criteria for the 2021 Active Transportation Program but were not able to receive awards due to lack of funding. The Commission additionally sought \$500 million to fund a pilot program for large, transformative projects, such as bicycle highways and low-stress complete active transportation networks. Although both project types are currently eligible for ATP funding, the program's limited funds and competitiveness mean that agencies have been reluctant to pursue these ambitious projects.

**At its October meeting, the Commission approved a motion for two one-time funding requests from the General Fund surplus: \$2 billion for the Active Transportation Program and \$2.5 billion for transit and rail projects in the State Transportation Improvement Program.**

In response to the Commission's request, the Legislature and the Governor included a \$500 million one-time augmentation in SB 129 (Skinner, Chapter 69, 2021), which contained various amendments to the Budget Act of 2021. However, the augmentation was contingent on the enactment of additional legislation prior to October 10, 2021. The additional legislation required was not enacted prior to this deadline, so the \$500 million was returned to the General Fund.

At the October Commission meeting, the Commission approved a motion directing staff to request a \$2 billion one-time augmentation from the General Fund in the Fiscal Year 2022-23 budget. Additionally, the Commission's motion included a request for a one-time augmentation of \$2.5 billion from the General Fund surplus to fund transit and rail projects in the State Transportation Improvement Program, which has no new funding capacity from the Public Transportation Account for transit projects due to other statutory demands on the account. Using the General Fund surplus for the Commission's proposed infrastructure augmentations would help satisfy the State Appropriations Limit (also known as the Gann Limit). These proposals are described in more detail in the Legislative Recommendations section of this report.

**At its August meeting, the Commission heard a presentation from the American Road and Transportation Builders Association on a recent study concluding that transportation investments in California are expected to result in a total of nearly \$2 trillion in economic output, earnings, tax revenue, and user benefits over the next decade, averaging \$200 billion and 700,000 jobs per year.**

## **Road Charge and Sustainable Transportation Funding**

In its 2020 Annual Report to the Legislature, the Commission recommended legislation to authorize a new road charge pilot program to test revenue collection since prior pilot efforts have relied exclusively on the use of mock invoices and payments. The need to accelerate work toward a road charge also had been heightened due to the issuance of Executive Order N-79-20, in September 2020, which requires a complete transition to a fully zero-emission new passenger vehicle state auto market by 2035.

In response to the Commission's recommendation, Senator Scott Wiener introduced SB 339 during the 2021 legislative session, which the Governor ultimately signed into law in September 2021. Under this legislation, the Transportation Agency, in consultation with the Commission, must implement the pilot program and submit a final report to the Legislature by December 31, 2026. The legislation also requires the Road Charge Technical Advisory Committee to make recommendations on the design of the pilot program by July 1, 2023. At its October 29, 2021 meeting, the Technical Advisory Committee heard an informational item from Commission staff outlining an implementation timeline and next steps for the committee.

## **Economic Impact of Transportation Investments in California**

In 2021, the Commission also continued to draw attention to the critical economic benefits from transportation investments. At its August meeting, the Commission heard an informational presentation from the American Road and Transportation Builders Association on a recent study quantifying these benefits in California. The Association estimated that transportation expenditures in California will result in a total of nearly \$2 trillion in economic output, earnings, tax revenue, and user benefits over the next decade, averaging \$200 billion and 700,000 jobs per year. This figure represents 2 percent of California's Gross State Product. The Association also concluded that additional, harder-to-quantify benefits also exist, making the \$2 trillion in estimated benefits the minimum amount. A copy of the presentation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-08/pinks-and-presentations/tab-14-4-13-pres.pdf>

## **Transit Operations**

In its 2020 Annual Report, the Commission highlighted several issues facing California's transit agency operations, including the need for additional federal funding to compensate for the loss of revenue due to the COVID-19 pandemic. Subsequently, Congress passed, and the President signed into law, the federal Coronavirus Response and Relief Supplemental Appropriations Act, which provided about \$2 billion for transit agencies in California starting in January 2021. Additionally, in March 2021, the federal American Rescue Plan Act was signed into law, which provided another \$4.5 billion for California transit

**At its January meeting, the Commission heard a presentation from the California Integrated Travel Project on its efforts to facilitate easier and more accessible travel planning and payments across California, including by streamlining the process for riders to automatically qualify for and receive discounts across California transit providers without having to prove eligibility to each agency.**

agencies. Altogether, these federal relief funds are expected to allow agencies to continue operations through early 2023 without significant disruptions in service, although uncertainty remains depending on the trajectory of the economic recovery and transit ridership.

Additionally, the Commission in its 2020 Annual Report highlighted the need for enhanced coordination and integration across transit agencies in order to make travel simpler and more cost-effective and to standardize eligibility for fare discounts. At its January meeting, the Commission heard an update from the California Integrated Travel Project (Cal-ITP), which is being administered via the Transportation Agency and Caltrans and is working in partnership with transit agencies to facilitate easier and more accessible travel planning and payments across California.

Cal-ITP reported that it is facilitating the universal adoption of the General Transit Feed Specification, a technology standard format for describing transit schedules and certain geospatial information for use in trip planning, which has been adopted by over 2,500 agencies around the world. Additionally, Cal-ITP reported on efforts to accelerate the adoption of “contactless EMV”, which is the global standard for payments, commonly found wherever debit and credit cards and mobile wallets are accepted. Starting with Monterey-Salinas Transit, partners like Visa will soon demonstrate how a transit provider that has traditionally used cash and agency-specific fare cards can accept contactless bank card payments like any other merchant. Finally, Cal-ITP reported on its efforts working with state partners to streamline the process for riders to automatically qualify for and receive discounts across California transit providers without having to prove eligibility to each agency. A copy of Cal-ITP’s presentation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-01/pinks-and-presentations/tab-14-1-13-presentation.pdf>

## **Managed Lanes**

Managed lanes are exclusive or preferential use lanes on the State Highway System that use various operational and design strategies to provide reliable, free-flow trips. These strategies include eligibility, physical access, pricing, or some combination of the three. The two most common types of managed lanes in California are High Occupancy Vehicle (HOV) (or “carpool”) lanes, which are for vehicles with a driver and one or more passengers, and High Occupancy/Toll (HOT) (or “express”) lanes, which are HOV lanes that are open to single occupant vehicles for a fee and certain types of clean air vehicles.

At the May Commission meeting, Caltrans provided an informational presentation on HOV Degradation and Managed Lanes. An HOV lane is considered “degraded” if the average traffic speed in the lane, during a weekday peak commute hour period, is less than 45 miles per hour, more than

10 percent of the time, over a 180-day period, which comes out to about 3 times a month. Once an HOV lane has been identified as degraded, a plan to bring the lane back into compliance must be submitted to the Federal Highway Administration. Caltrans reported that the department is still in the process of compiling and processing degradation data from 2020 but it appears that there has been about a 50 percent reduction in degradation compared to 2019. Causes of degradation cited by Caltrans included demand exceeding capacity, bottlenecks, merging, and violators. Negative impacts were noted on incentives to use carpools or transit if HOV lanes do not provide travel time savings. Potential actions cited by Caltrans to address degradation included increasing occupancy requirements, conversion to HOT lanes/pricing, adding a second HOV lane, ramp metering, and increased violator enforcement. Caltrans's presentation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-05/pinks-and-presentations/tab-73-4-25-pres.pdf>

In response to Commissioner comments and questions at the May meeting presentation, Caltrans provided a second presentation on Equity Considerations for Toll Facilities at the October Commission meeting. Caltrans reported that various programs and approaches have been implemented to address equity considerations in tolling, such as the use of toll revenues to fund additional transit service or establishing assistance programs that help people with low incomes establish electronic toll collection accounts. While the primary focus has been on minimizing negative and disproportionate impacts on vulnerable communities, some project sponsors are also starting to explore how to maximize benefits to these communities and redress historic or systemic inequities. A copy of the presentation is available on the Commission's website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-10/pinks-presentations/tab-59-4-30-pres.pdf>

**In 2021, the Commission heard presentations from Caltrans on the performance of High-Occupancy Vehicle lanes throughout the state and options to improve performance, as well as equity considerations with respect to High Occupancy/Toll lanes.**

## **Telework**

In 2021, the Commission built upon its work from the previous year gathering information about the impacts on the transportation system of increased telework resulting from the COVID-19 pandemic. In January, Caltrans's Division of Research, Information, and System Innovation released a preliminary investigation requested by the Commission the prior fall. This investigation, titled "Effects of COVID-19-Related Telework Policies on the Transportation System", identified and summarized the available research on the outcomes of telework policies, particularly those instituted as a result of the COVID-19 pandemic, on vehicle miles traveled, traffic congestion, and air pollution emissions such as greenhouse gas emissions. It also identified research on the effects of telework policies that disproportionately impact disadvantaged communities, communities of color, and rural communities; and/or result in differential outcomes for these communities. The report is available on Caltrans's website at: <https://dot.ca.gov/-/media/dot-media/programs/research-innovation-system-information/documents/preliminary-investigations/pi-0288-a11y.pdf>



**To better understand the impacts on the transportation system resulting from increased telework due to the COVID-19 pandemic, Commission staff have partnered with researchers at California State University Dominguez Hills on a study to identify: (1) statewide and county-level patterns and trends in telecommuting before, during, and after the COVID-19 pandemic, and (2) associations of telecommuting with the transportation system, employment and workforce characteristics, land use, and emissions.**

The preliminary investigation also recommended potential next steps for consideration, including (1) reviewing telework best practices to potentially adapt to meet state agency needs, (2) examining statistics on the impact of telework on vehicle miles traveled, traffic congestion, air pollution and air quality, (3) reviewing resources on the impact of telework policies on the workforce, including industries and occupations where teleworking is feasible; barriers that teleworkers face, including technology issues; and inequities in teleworking, and (4) evaluating the policies and practices suggested to incentivize teleworking.

To follow up on the next steps identified, Commission staff submitted a description of the identified research needs to the California State University Mineta Transportation Institute for consideration as part of their Road Repair and Accountability Act-funded transportation research program. In April, the Mineta Transportation Institute announced that a team of researchers at California State University Dominguez Hills had been awarded funding for a study in response to Commission staff's submittal. The study, entitled "TELE-commuting" during the COVID-19 pandemic and beyond: Unveiling statewide patterns and trends of telecommuting in relation to Transportation, Employment, Land use, and Emissions in California," aims to fill two gaps in research: (1) identification of the statewide and county-level patterns and trends in telecommuting before, during, and after the COVID-19 pandemic, and (2) identification of the associations of telecommuting with the transportation system, employment and workforce characteristics, land use, and emissions. Commission staff are serving as external advisors to the research team and, once the study is complete, will bring the results forward to the Commission at a future Commission meeting.

# LEGISLATIVE RECOMMENDATIONS



The Commission is required in its Annual Report to the Legislature to make recommendations for legislation to improve the transportation system. Many of the Commission's past legislative recommendations have been enacted, leading to increased transportation funding, streamlined project delivery, and enhanced accountability, among other improvements.

## 2021 Legislation

In the 2021 legislative session, four bills included recommendations from the Commission's 2020 Annual Report. Two of the Commission's recommendations were enacted into law. The Commission wishes to acknowledge the efforts of legislators to implement its recommendations. Bills that addressed Commission recommendations included:

- **SB 339 (Wiener)**. Senator Wiener introduced SB 339 'Vehicles: road usage charge pilot program' to implement the Commission's recommendation to authorize a new road charge pilot program to test revenue collection since prior road charge pilot programs have relied exclusively on the use of mock invoices and payments. The Governor signed this bill into law in September 2021. Under this legislation, the California State Transportation Agency, in consultation with the Commission, must implement the pilot program and submit a final report to the Legislature by December 31, 2026. The legislation also requires the Road Charge Technical Advisory Committee to make recommendations on the design of the pilot program by July 1, 2023.

- **SB 129 (Skinner): Budget Act of 2021.** In its 2020 Annual Report, the Commission recommended increasing funding for the Active Transportation Program to address the substantial backlog of projects awaiting funding to make biking and walking safer and more accessible in communities throughout California. Subsequently, at the March 2021 Commission meeting, Commissioners directed staff to specifically request a \$2 billion one-time augmentation from the state General Fund surplus for both the backlog of projects and to pilot new transformative projects, such as bicycle highways. In response to the Commission's request, the Legislature and the Governor included a \$500 million one-time augmentation in SB 129 (Skinner, Chapter 69, 2021), which contained various amendments to the Budget Act of 2021. However, the augmentation was contingent on the enactment of additional legislation prior to October 10, 2021. The additional legislation required was not enacted prior to this deadline, so the \$500 million was returned to the General Fund.
- **AB 604 (Daly).** Assembly Member Daly introduced AB 604 'Road Maintenance and Rehabilitation Account: apportionment of funds: accrued interest' to implement the Commission's recommendation to statutorily dedicate interest earnings on funds in the Road Maintenance and Rehabilitation Account to the State Highway Operation and Protection Program. Both houses of the Legislature passed this legislation. However, the Governor vetoed the bill, stating that he looks forward to re-engaging with the Legislature to finalize and pass a comprehensive transportation package early next year, which would be the appropriate venue for considering a continuous appropriation of interest earnings. The veto message also noted that the 2021 Budget Act appropriated interest earnings to the State Highway Operation and Protection Program temporarily through 2028.
- **AB 149 (Committee on Budget): Transportation Budget Trailer Bill.** This bill implements various provisions related to the 2021 Budget Act. Among these provisions, the bill includes statutory language to implement the Commission's recommendation to adjust the Local Streets and Roads maintenance of effort requirement through FY 2022-23 in recognition of the effects that the COVID-19 pandemic has had on city and county budgets. This statutory language had been included in the Governor's January budget proposal, at the Commission's request. The Governor signed the bill into law in July 2021.

**In the 2021 legislative session, four bills included recommendations from the Commission's 2020 Annual Report. Two of the Commission's recommendations were enacted into law: SB 339 (Wiener) authorizes a new road charge pilot program to test revenue collection, and AB 149 (Committee on Budget) adjusts Local Streets and Roads Program requirements in light of the COVID-19 pandemic. The Commission wishes to acknowledge the efforts of legislators to implement its recommendations.**

## 2022 Recommendations

For 2022, the Commission's recommendations focus on transportation funding needs. Ensuring adequate funding for California's transportation system has been a longstanding priority for the Commission. In 2017, SB 1, the Road Repair and Accountability Act, provided a much-needed infusion of resources for the state and local governments to begin to catch up on decades of underinvestment in transportation infrastructure.

The COVID-19 pandemic, however, impacted state transportation revenues by about \$1.5 billion. In its 2020 Annual Report to the Legislature, the Commission highlighted the need for the federal government to enact legislation to compensate for the loss of state and local transportation revenues due to the pandemic. Subsequently, Congress passed, and the President signed into law, the federal Coronavirus Response and Relief Supplemental Appropriations Act. This legislation provided states with transportation funding to cover revenue losses from the pandemic, but California's \$912 million apportionment only compensated for a portion of the revenue losses. While the enactment of the federal Infrastructure Investment and Jobs Act on November 15, 2021 will provide additional federal funding for California, this infusion of federal funds is long overdue.

Long-term funding challenges also exist with respect to the state gas tax. Gas tax revenues are projected to be impacted as vehicles become more fuel efficient and as the use of alternative fuel vehicles increases. This transition was heightened recently due to the issuance of Executive Order N-79-20, in September 2020, which requires a fully zero-emission new passenger vehicle auto market by 2035. The gas tax clearly will not be a sustainable financing mechanism for transportation in the coming decade and the implementation of a road charge to replace the gas tax is at least several years away. Consequently, it may become necessary in the coming years to consider how to compensate for gas tax revenue erosion with another source of funds, especially as funding needs grow beyond what was addressed under the Road Repair and Accountability Act, including to address climate change and transportation resiliency, as well as the effects of heat and wildfire effects on road conditions. Moreover, increased freight delivery trips due to the COVID-19 pandemic have impacted roadway conditions, and safety needs have grown as fatalities on roadways have also increased recently.

The Commission also continues to have concerns in the immediate term about adequate funding levels for certain critical priorities, including active transportation and transit. In 2022, the Commission seeks to work with the Legislature and the Governor to secure additional funds from the state's substantial \$31 billion General Fund surplus to provide much-needed transportation improvements throughout California. Using the General Fund surplus for the Commission's proposed infrastructure augmentations would help satisfy the State Appropriations Limit (also known as the Gann Limit).

### 1. Active Transportation Program Augmentation (\$2 Billion)

*The Commission recommends the Legislature and Governor augment the Active Transportation Program with \$2 billion in one-time funds from the state's General Fund surplus. This augmentation would help address the backlog of projects and fund new, transformative projects, such as bicycle highways. Projects funded would advance state climate goals and benefit disadvantaged communities throughout the state.*

The Active Transportation Program funds projects to increase and make safer active modes of transportation, such as biking and walking, while also advancing greenhouse gas reduction goals; enhancing public health; and benefitting disadvantaged communities and many types of users. The program's annual funding is about \$220 million, including \$100 million from SB 1.

Since the program's creation, the Commission has programmed \$2.1 billion to 926 projects throughout the state worth \$3.9 billion. The program has delivered impressive outputs, with 349 projects having already completed nearly 430 miles of new bikeways and 130 miles of new and enhanced sidewalks. An additional 653 miles of new bikeways and 159 miles of new and enhanced sidewalks are ready for construction.

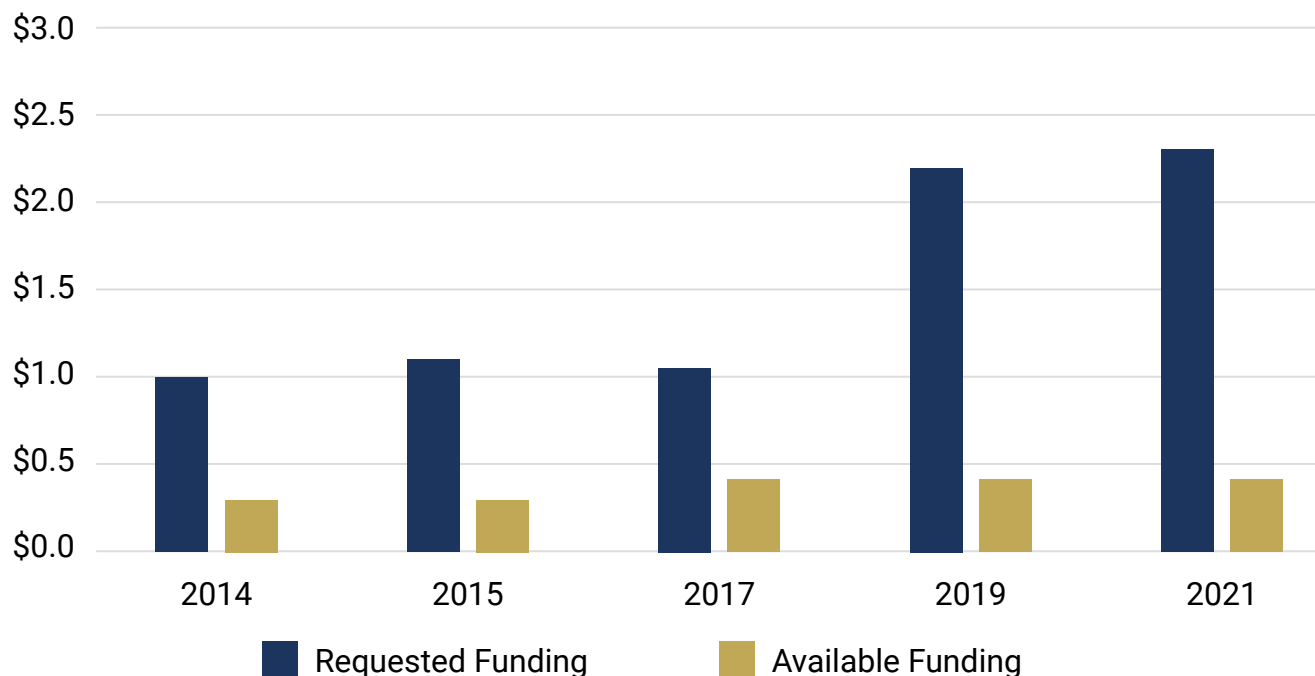
Despite the increase in program funds attributable to SB 1, the program remains severely oversubscribed, with funding requests several times the amount of available funding, as shown in Figure 1 (on page 26). Moreover, the average request size has increased significantly. As a result, fewer projects have been awarded in more recent cycles compared to earlier cycles, and a higher score has been needed to receive funding when compared to earlier cycles. The 2021 Active Transportation Program was the most competitive ever, with the Commission only able to fund 50 projects in the Statewide and Small Urban and Rural components, or approximately 11 percent of the 454 applications.

**The Active Transportation Program has become extremely competitive due to funding requests far exceeding the available funding. The 2021 Program was the most competitive ever, with the Commission only able to fund 50 projects in the Statewide and Small Urban/Rural components, or 11 percent of 454 applications.**

To address the extreme competitiveness for funding, the Commission last year recommended a funding augmentation to address the need to make biking and walking safer and more accessible in communities throughout California. At the March Commission meeting, Commissioners directed staff to specifically request a \$2 billion one-time General Fund augmentation as part of the Fiscal Year 2021-22 budget. The Commission determined that approximately \$1.5 billion would be needed to fund projects that had clearly and sufficiently met the evaluation criteria for the 2021 Active Transportation Program but were not able to receive awards due to lack of funding. This backlog includes many types of important projects, such as installing basic active transportation infrastructure in areas where none currently exists. The Commission additionally sought \$500 million to fund a pilot program for large, transformative projects, such as bicycle highways and low-stress complete active transportation networks. Although both project types are currently eligible for ATP funding, the program's limited funds and competitiveness mean that agencies have been reluctant to pursue these ambitious projects even though they are critical to help facilitate mode shift. For example, low-stress bicycle networks that run throughout an entire community provide routes and infrastructure that allow the average adult rider to feel comfortable with the proximity to and level of traffic, thereby encouraging bicycling to replace automobile trips.



Figure 1  
**Active Transportation Program Requests  
 (in Billions)**



In response to the Commission’s request, the Legislature and the Governor included a \$500 million one-time augmentation in SB 129 (Skinner, Chapter 69, 2021), which contained various amendments to the Budget Act of 2021. However, the augmentation was contingent on the enactment of additional legislation prior to October 10, 2021. Additional legislation required was not enacted prior to this deadline, so the \$500 million was returned to the General Fund. At the October Commission meeting, the Commission approved a motion directing staff to again request a \$2 billion one-time augmentation from the General Fund in the Fiscal Year 2022-23 budget.

In November, the Commission began holding workshops to develop updated guidelines for the 2023 Active Transportation Program, with an expected call for projects in spring 2022 and program adoption at the end of 2022. Depending on the size and timing of the enactment of an augmentation during the 2022 legislative session, the Commission would fund additional projects from the 2021 ATP backlog and potentially reserve a portion of funding to increase the 2023 ATP and create a pilot program for large, transformative projects.

## 2. State Transportation Improvement Program: Transit and Rail Projects (\$2.5 Billion)

*The Commission recommends the Legislature and Governor augment the State Transportation Improvement Program with \$2.5 billion in one-time funds from the state's General Fund surplus, to be dedicated exclusively for transit and rail projects. This augmentation would address a lack of new funding for transit projects from the Public Transportation Account. Projects funded would advance state climate goals and improve transportation equity by providing enhanced mobility options for residents throughout the state.*

The State Transportation Improvement Program provides funding for regional priorities as well as interregional improvements for the movement of people and goods. The program has two components, the Regional Improvement Program and the Interregional Improvement Program. The Regional Improvement Program is funded with 75 percent of the available funding subdivided by formula to each county of the state. The Interregional Improvement Program is funded with the remaining 25 percent of funding and is available to Caltrans for interregional improvements.

The 2022 State Transportation Improvement Program fund estimate adopted by the Commission identified no new funding capacity from the Public Transportation Account for transit projects for Fiscal Year 2022-23 through 2026-27, due to other statutory demands on the account. The decrease in funding capacity to zero is the continuation of a trend occurring over many years and resulting from past legislative transportation funding decisions made over a decade ago.

At the October Commission meeting, the Commission approved a motion directing staff to request a \$2.5 billion one-time augmentation from the General Fund in the Fiscal Year 2022-23 budget to fund additional transit and rail projects. This augmentation would expand and improve transit and rail infrastructure and equipment throughout the state, allowing residents greater access to jobs and services, such as health care and education, without reliance on driving. This is aligned with California's ambitious climate goals to reduce vehicle miles traveled and vehicle emissions and will help improve transportation equity by providing additional mobility options. Additionally, transit has played a key role in connecting essential workers to their jobs during the COVID-19 pandemic and is expected to continue to do so.

The augmentation would provide critical funding for transit and rail projects including intermodal facility improvements; zero-emission buses and their infrastructure; transit facility improvements, including bus stops, signage, lighting, and seating; transit maintenance facilities and state of good repair projects; rail improvements including, double tracking and siding; and grade separations.

To implement the augmentation, the Commission would provide a share distribution to the regions and Caltrans after funding becomes available. The regions and Caltrans would submit project proposals to the Commission for funding. The Commission would approve the projects for programming at a regularly scheduled Commission meeting. Allocations would follow the normal program process as soon as appropriated.

**The 2022 State Transportation Improvement Program fund estimate adopted by the Commission identified no new funding capacity from the Public Transportation Account for transit and rail projects for FY 2022-23 through 2026-27, due to other statutory demands on the account.**

### 3. Local Airport Loan Account General Fund Loan Repayment (\$22 Million)

*The Commission recommends the Administration accelerate repayment of the \$22 million loan made from the Local Airport Loan Account to the General Fund in the FY 2020-21 budget. This loan was made to help close a large General Fund shortfall that arose during the initial stages of the COVID-19 pandemic. Given the General Fund now enjoys a historic surplus, these funds should be returned expeditiously so they can be made available for critical airport improvement programs.*

The Local Airport Loan Account funds discretionary state loans for projects that benefit an airport and/or improve its self-sufficiency. The account functions as a revolving loan fund: as principal and interest payments are made on outstanding loans, funds become available to make new loans. Additionally, Public Utilities Code section 21602(f)(2) authorizes Caltrans to transfer money from the Local Airport Loan Account to the Aeronautics Account if it determines more money is available than needed to support the loans, subject to approval by the Department of Finance and the Commission. Funds transferred to the Aeronautics account may then be used for the California Aid to Airports Program, which includes the following:

- **Annual Credits Program:** Provides \$10,000 grants or “credits” to each of the state’s 149 general aviation airports for use at the sponsor’s discretion, subject to applicable laws and regulations.
- **Airport Improvement Program Matching Grants:** These grants assist airports in meeting the local match for an Airport Improvement Program grant from the Federal Aviation Administration.
- **Acquisition and Development Grants.** These grants fund capital improvement projects, including repair or replacement, and expenditures for compatible land use planning in the area surrounding an airport.

After the COVID-19 pandemic emerged in spring 2020, the state faced a severe General Fund fiscal shortfall of over \$54 billion due to lower state revenues resulting from the economic recession as well as increased costs to respond to the pandemic. To address this shortfall, the FY 2020-21 budget included about \$3 billion in loans from various state special funds to the General Fund. This included a \$22 million loan from the Local Airport Loan Account to the General Fund. The budget states this amount would be repaid with interest but did not set a repayment date or schedule. Therefore, the Department of Finance has discretion to determine when the loan is repaid. As of November 2021, no repayments from the loan had yet been made.

As progress was made in combating the pandemic and the state’s economy recovered, the state’s General Fund condition has improved remarkably. The General Fund enjoyed a \$47 billion surplus for FY 2021-22, and, in October 2021, the Governor announced that the Administration expects another historic General Fund surplus will be available for FY 2022-23. Funds from the surplus may be used to repay special fund loans made in the FY 2020-21 budget, including to the Local Airport Loan Account.

Repaying the \$22 million loan to the Local Airport Loan Account would make funds available to potentially be transferred to the Aeronautics Account for the California Aid to Airports Program. For example, there were several projects programmed for the Acquisition and Development Program in FY 2020-21 that did not submit allocation requests due to lack of funding. Figure 2 shows a list of these projects.

**Figure 2**  
**Fiscal Year 2020-21 Unfunded Acquisition and Development Program Projects**

<b>Airport</b>	<b>County</b>	<b>Project Description</b>	<b>Total Cost</b>	<b>State Cost</b>
Andy McBeth	Del Norte	Overlay and Restripe Pavement	\$475,000	\$428,000
Samoa Field	Humboldt	Resurface Runway/Repaint Markings	\$150,000	\$135,000
Fort Bidwell	Modoc	Resurfacing Material, Grading, Rolling	\$50,000	\$45,000
Poso-Kern County	Kern	Crack Fill, Slurry Seal and Restripe Runway	\$150,000	\$135,000
Compton-Woodley	Los Angeles	Airport Land Use Compatibility Plan	\$300,000	\$270,000
Lee Vining	Mono	Acquire Land	\$110,000	\$99,000
Bryant Field	Mono	Install Obstruction Lights	\$60,000	\$54,000
Shoshone	Inyo	Segmented Circle	\$33,000	\$30,000
Alpine County	Alpine	Chip Seal and Restripe Runway	\$140,000	\$126,000
			<b>\$1,468,000</b>	<b>\$1,322,000</b>



## Recommendations from Prior Annual Reports

In addition to its recommendations focused on transportation funding, the Commission also recommends the Legislature consider, during the 2022 legislative session, the following recommendations that the Commission has made in the recent past:

### 4. Direct Contracting between Native American Tribes and Caltrans

*The Commission recommends the Legislature remove statutory restrictions that require a limited waiver of sovereign immunity and that limit the types of projects for which Caltrans can directly contract with federally recognized Native American tribes.*

In its 2020 Annual Report, the Commission recommended the Legislature remove statutory restrictions that require a limited waiver of sovereign immunity and that limit the types of projects for which Caltrans can directly contract with federally recognized Native American tribes. Due to these statutory restrictions, Caltrans typically must work through an agency such as the federal Bureau of Indian Affairs to partner with tribal governments on projects and this process can cause delays and uncertainties for tribal government projects. The Commission identified several reasons why the restrictions could be removed without creating financial risks, including that funds for a project could still be placed in escrow prior to project development. The Commission continues to believe this recommendation warrants legislative consideration to help make it easier for tribal governments to work with the state on transportation projects. Additional information on this recommendation is available in the 2020 Annual Report on the Commission's website at: [https://catc.ca.gov/-/media/ctc-media/documents/ctc-reports/annual-reports/ctc\\_2020annualreport\\_final.pdf](https://catc.ca.gov/-/media/ctc-media/documents/ctc-reports/annual-reports/ctc_2020annualreport_final.pdf)

### 5. State Transportation Improvement Program: Capital Outlay Support

*The Commission recommends the Legislature assign to the Commission the responsibility to allocate Caltrans's capital outlay support for the State Transportation Improvement Program.*

Transportation projects have two main cost components: (1) capital outlay, which generally consists of the materials and labor of a construction contract, and (2) capital outlay support, which refers to the staff support necessary to prepare a project for construction and then oversee the construction of that project. Historically, the Commission only allocated capital outlay funds for Caltrans. In its 2016 Annual Report, the Commission recommended legislation to allow it to also allocate all of Caltrans's capital outlay support work, in order to increase transparency and accountability over how Caltrans manages its budgets by project. In 2017, the Road Repair and Accountability Act implemented this recommendation but only for Caltrans's projects in the State Highway Operation and Protection Program. Since that time, the Commission has continued to recommend that the Legislature expand the Commission's responsibility for capital outlay support allocations to also include Caltrans-implemented State Transportation Improvement Program projects in order to provide a more complete picture of Caltrans's capital outlay support workload. Additional information on this recommendation is available in the 2016 Annual Report on the Commission's website at: <https://catc.ca.gov/-/media/ctc-media/documents/2016-annual-report-final-a11y.pdf>



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# ROAD REPAIR AND ACCOUNTABILITY ACT PROGRAMS



In 2017, the Legislature passed, and Governor Brown signed into law, SB 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act, which provides significant, stable, and ongoing state transportation funding for the repair of state highways and local roads and improvements to transit, intercity rail, and active transportation. It also provides funds to improve goods movement and alleviate congestion through multimodal solutions in critical corridors throughout the state. Funding comes from gas and diesel excise taxes, diesel sales taxes, transportation improvement fees (paid at vehicle registration based on the value of a vehicle), and zero-emission vehicle fees.

Programs funded in part or in whole by the Road Repair and Accountability Act where the Commission has a role include:

- Active Transportation Program
- Local Partnership Program
- Local Streets and Roads Program
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- State Transportation Improvement Program
- Trade Corridor Enhancement Program
- Transit and Intercity Rail Capital Program

Some of these programs were in existence prior to the passage of the legislation and receive other state and federal funds, including the State Highway Operation and Protection Program, the Active Transportation Program, the State Transportation Improvement Program, and the Transit and Intercity Rail Capital Program. For the State Transportation Improvement Program, the legislation stabilized funding by fixing the price-based gasoline excise tax, which formerly was adjusted annually based on gasoline prices.

**Accountability Guidelines.** The Road Repair and Accountability Act states that “it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.” To meet this legislative intent, the Commission adopted the SB 1 Accountability and Transparency Guidelines in March 2018. The guidelines require timely delivery of projects and reporting on outcomes and benefits. To further these expectations, the Commission requires Baseline Agreements for larger projects to set forth in more detail the agreed upon scope, measurable expected performance benefits, delivery schedule, budget, and funding plan. At its October 2018 meeting, the Commission approved a benefits form that is an addendum to the Baseline Agreements for certain programs that documents the expected quantifiable benefits and standardizes the reporting of these benefits.

**To meet the Road Repair and Accountability Act’s intent to hold agencies accountable, the Commission in 2018 adopted the SB 1 Accountability and Transparency Guidelines, which require timely delivery of projects and reporting on outcomes and benefits.**

**10-Year Performance Targets.** The Road Repair and Accountability Act also includes new, 10-year performance targets for bridges, pavement, culverts, and traffic management system elements on the state highway system. The Commission established guidelines for Caltrans to follow specific to the State Highway Operation and Protection Program and the Transportation Asset Management Plan to achieve these 2027 targets. The targets and the Commission’s guidelines are described in more detail in the State Highway Operation and Protection Program section of this chapter.

**Inspector General.** The Road Repair and Accountability Act additionally created the Independent Office of Audits and Investigations to ensure that the Administration, Legislature, and Commission are fully informed concerning fraud, improper activities, or other serious abuses or deficiencies related to the expenditure of transportation funds or administration of Caltrans’s programs and operations. The Commission’s SB 1 Accountability and Transparency Guidelines outline the Commission’s interface with the Inspector General, who is required to report at least annually to the Governor, Legislature, and Commission with a summary of investigation and audit findings. The Commission has been working collaboratively with the Inspector General to ensure that public funds are used responsibly.

**Efficiency Measures.** The Road Repair and Accountability Act further requires Caltrans to implement efficiency measures with the goal of generating at least \$100 million per year in savings to invest in maintenance and rehabilitation of the state highway system. The legislation requires Caltrans

to report the generated efficiency savings to the Commission annually. The Commission's State Highway Operation and Protection Program Guidelines require these savings be reported to the Commission annually by November 1st.

For FY 2019-20, Caltrans reported \$195 million in new and recurring efficiencies. Commission staff reviewed the reported efficiencies and presented an informational staff report at the January 2021 Commission meeting. The Commission staff report found several instances where Caltrans excelled in the development and implementation of efficiencies; however, the staff report also noted areas where additional information or clarity could be provided in support of the efficiencies identified by Caltrans. Commission staff committed to work with Caltrans to attempt to reach agreement on assumptions and methodologies for the FY 2020-21 efficiencies report. The Commission staff report on FY 2019-20 efficiencies is available on the Commission's website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-01/yellows/tab-21-4-6.pdf>

As of November 1, 2021, the Commission had not received Caltrans's report for FY 2020-21.

**Program Adoptions.** A few weeks after The Road Repair and Accountability Act was enacted in 2017, the Commission undertook a plan to develop guidelines and adopt programs of projects in just a year. Commission staff held more than three dozen public workshops to implement the programs created or augmented, all of which were adopted by 2018. More recently, in 2020 and 2021, the Commission adopted new and updated programs totaling \$23 billion in state and federal funds to be allocated over multiple years for over 1,300 projects, as shown in Figure 3.

Figure 3  
**Programs Adopted in 2020 and 2021**

<b>Program</b>	<b>Month Adopted</b>	<b>Funding</b>	<b>Years</b>	<b>Fiscal Years</b>
State Transportation Improvement Program	Mar 2020	\$2.6 billion	5	FY 2020-21 to 2024-25
State Highway Operation and Protection Program	May 2020	\$17.4 billion	4	FY 2020-21 to 2023-24
Solutions for Congested Corridors Program	Dec 2020	\$0.5 billion	2	FY 2021-22 to 2022-23
Trade Corridor Enhancement Program	Dec 2020	\$1.4 billion	3	FY 2020-21 to 2022-23
Local Partnership Competitive and Formulaic Programs	Dec 2020	\$0.4 billion	3	FY 2020-21 to 2022-23
Active Transportation Program	Mar/Jun 2021	\$0.5 billion	4	FY 2021-22 to 2024-25

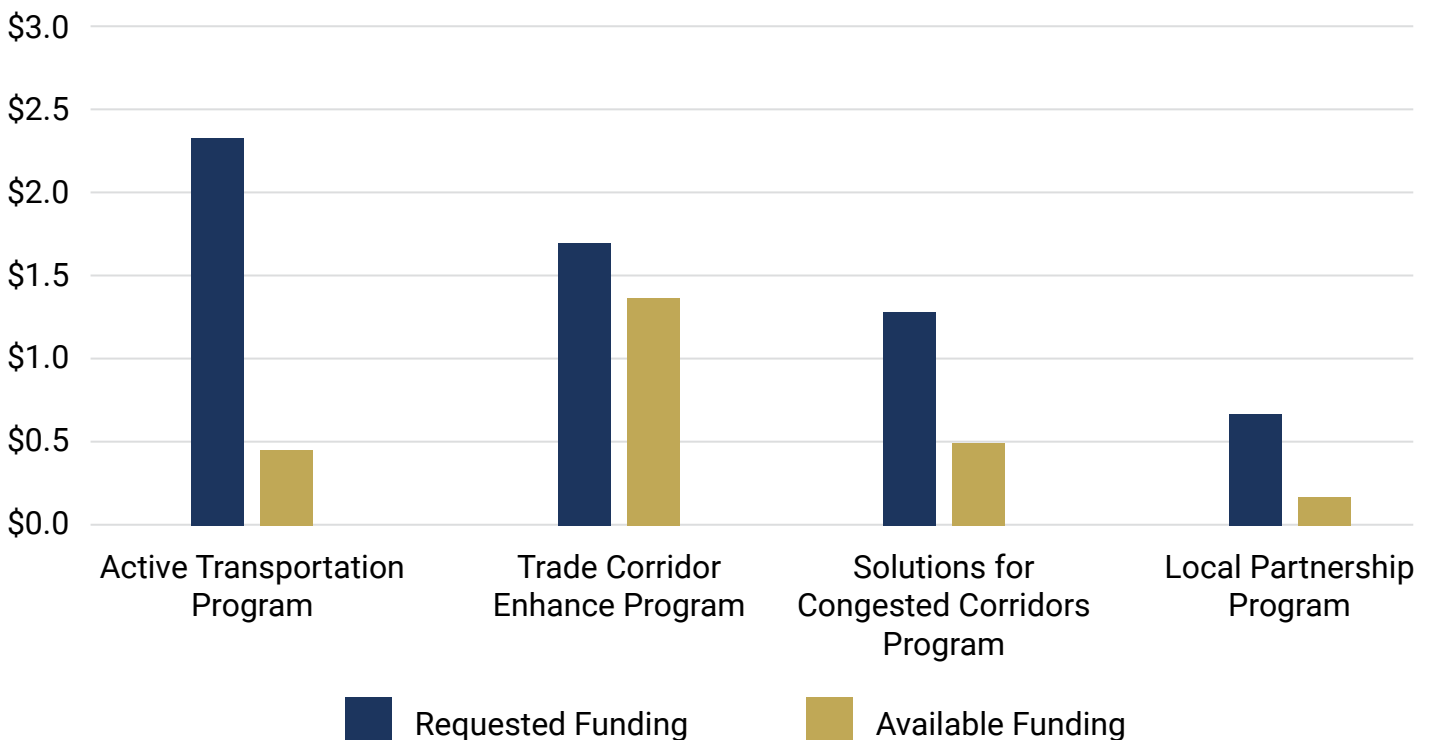
Figure 3 does not include the Local Streets and Roads Program, which was also created by the Road Repair and Accountability Act. This is because the Commission does not adopt a program of projects for this program. Instead, the Commission is responsible for annually adopting a list of eligible cities and counties to receive funds apportioned to them via formula. In August 2021, the Commission adopted an initial eligibility list, and, in October 2021, it adopted a subsequent eligibility list. All cities and counties in California met the eligibility requirement. Altogether they are expected to receive approximately \$1.1 billion during Fiscal Year 2021-22. Additionally, the Commission's 2020 Annual Report recommended legislation to adjust the Local Streets and Roads maintenance of effort requirement through Fiscal Year 2022-23 in recognition of the effects that the COVID-19 pandemic has had on city and county budgets. This recommendation was implemented through AB 149 (Committee on Budget, Chapter 81, 2021)

Figure 3 also does not include the Transit and Intercity Rail Capital Program, which receives funds from the Road Repair and Accountability Act. By statute, the Commission's role in this program is limited to allocating funds to projects that are selected by the California State Transportation Agency. The Commission is not responsible for developing guidelines or evaluating project applications for this program.

For the competitive programs shown in Figure 3, which includes the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program, the Local Partnership Competitive Program, and the Active Transportation Program, the Commission received requests far in excess of the available funding for the 2020 and 2021 programs, illustrating the great demand and need for diverse transportation investments across the state. Figure 4 shows funding requested as compared to funding available for each competitive program.

Figure 4

**Competitive Program Requests  
(in Billions)**

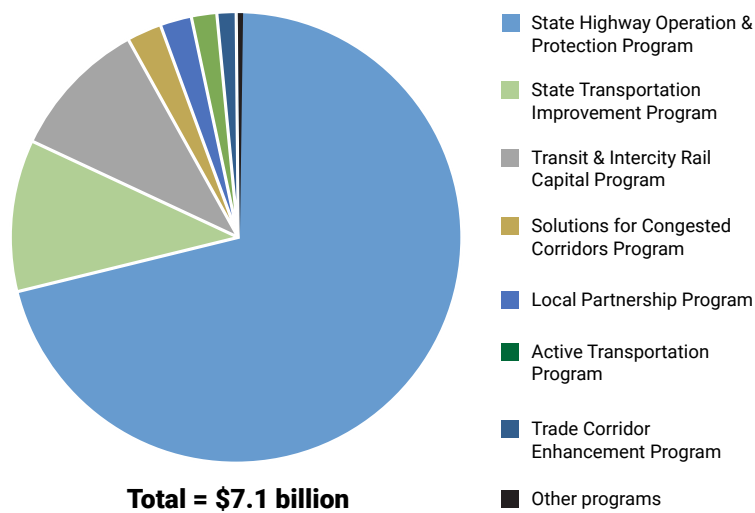




**FY 2020-21 Project Allocations.** Each fiscal year, the Commission approves allocation requests from agencies for projects in the adopted programs to commence pre-construction and construction activities. During FY 2020-21, the Commission allocated a total of \$7.1 billion for all project phases (This amount also includes funds for other programs not affected by the Road Repair and Accountability Act). As Figure 5 shows, the majority of funds allocated were for the State Highway Operation and Protection Program, in line with the Road Repair and Accountability Act’s fix-it-first approach, while many other priorities, including transit and active transportation, also are being met. Additionally, it is important to note that the Commission does not determine funding levels or eligible projects for each program - those are set in state law. Each program chapter in this section provides further detail on project allocations.

Figure 5

**Project Allocations  
FY 2021-21**

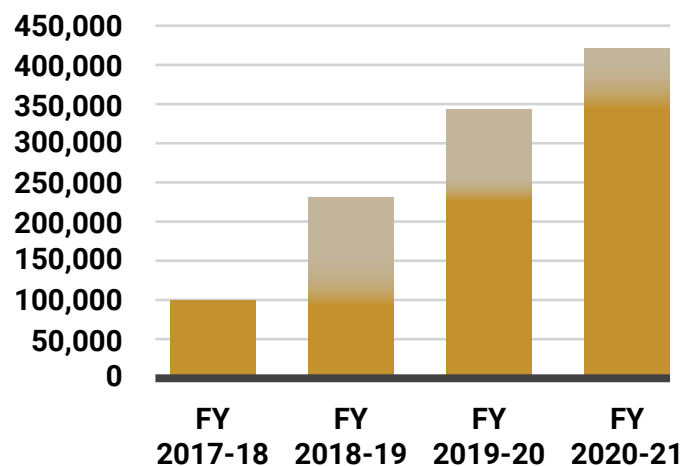


Program funding determined by legislation, not the Commission.

Commission allocations are delivering critically needed multimodal transportation investments throughout California. Investments include fix-it-first maintenance and repairs; transit capital projects that increase service frequency and help reduce greenhouse gas emissions by providing accessible alternatives to driving; and active transportation infrastructure that contributes toward Vision Zero goals for bicycle and pedestrian fatalities. These investments will enable Californians to get to work, to school, and to recreational activities more easily and safely. Projects will also reduce congestion and improve the efficient delivery of goods throughout California. Projects funded through the three competitive programs adopted in December 2020 will, over a 20-year period, save almost 300 million person hours of travel time and reduce nearly 8 million tons of emissions, among other benefits. Additionally, since the Road Repair and Accountability Act passed, Commission-approved projects funded from this legislation and other sources have created over 420,000 jobs, as shown in Figure 6.

**Altogether since the Road Repair and Accountability Act passed, Commission-approved projects funded from this legislation and other sources have created over 420,000 jobs.**

Figure 6  
**Jobs Created**  
(cumulative)



**Updating Program Guidelines.** The Commission continues its commitment to improving the programs under its purview. After the initial program cycles, the Commission transparently evaluated and updated its program guidelines and processes by holding dozens of workshops. Through this process, the Commission has made its programs more targeted to meet state priorities. For instance, public engagement criteria have been strengthened to ensure projects are meeting the needs of local communities, especially disadvantaged communities. Likewise, program criteria have been strengthened to emphasize the connections needed between housing and transportation. In the Active Transportation Program, the updated guidelines created a new category of projects on a pilot basis– Quick Build – to allow agencies flexibility to deliver solutions more quickly and to test different strategies.

In August 2021, the Commission held a kick-off workshop to begin the process of updating guidelines for the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program, and the Local Partnership Competitive and Formulaic Programs. Similarly, in November 2021, it began holding workshops for the Active Transportation Program. Workshops continued throughout the fall and will continue into 2022.

As part of the update to competitive program guidelines in 2022, the Commission intends to build upon its efforts from previous cycles to strengthen climate and equity objectives within the statutory framework of each program. For example, in the last program cycle, the Commission made zero-emission freight infrastructure eligible for Trade Corridor Enhancement Program funding. As part of the upcoming cycle, the Commission, working with partner agencies and stakeholder groups, will build upon that step to encourage agencies to submit more of these types of projects. This is consistent with a strategy identified in the California State Transportation Agency's Climate Action Plan for Transportation Infrastructure. The Commission committed to work toward including relevant

strategies from this plan in its programs as part of its public guideline development process. The Commission will be working toward strengthening equity within its guidelines, drawing upon its work on equity over the last year, including through the issuance of a Racial Equity Statement, the creation of the Equity Advisory Roundtable, and an equity focused SB 1 competitive programs workshop. Additional information on the Commission's climate- and equity-centered work over the last year is described in the Year in Review section of this report.

**As part of the update to competitive programs guidelines in 2022, the Commission intends to build upon its efforts from previous cycles to strengthen climate and equity objectives within the statutory framework of each program. For example, the Commission will draw upon its work on equity over the last year, including through the issuance of a Racial Equity Statement and the creation of the Equity Advisory Roundtable.**

# Active Transportation Program

The Active Transportation Program funds projects to increase active modes of transportation, such as biking and walking, while also improving safety, reducing greenhouse gas emissions; enhancing public health; and benefitting disadvantaged communities and many types of users. The program was created by SB 99 (Committee on Budget and Fiscal Review, Chapter 359, 2013) and AB 101 (Committee on Budget, Chapter 354, 2013). The program’s funding was increased by about 80 percent through the Road Repair and Accountability Act. The Commission develops program guidelines, evaluates project proposals, selects projects for funding, allocates funding, and reports annually on program activities.

## PROJECT HIGHLIGHT

### Alemany Interchange Improvements in San Francisco

The 2019 Active Transportation Program awarded \$2 million to the City of San Francisco for the Alemany Interchange Improvement Phase II project. At its October 2021 meeting, the Commission allocated the funds to begin construction on the project. The project will better connect several San Francisco neighborhoods that were divided by vehicle-dominated streets, highway ramps, and overpasses. These communities are designated as regional equity priority communities by the Metropolitan Transportation Commission and are predominately communities of color and include Portola, Bayview, and Silver Terrace. Fresh, non-processed food is difficult to access in these neighborhoods, and the ramifications are evident in the higher rates of heart disease and diabetes compared to the rest of San Francisco.

#### Current Conditions



The project will construct a new Class I multi-use path across Alemany boulevard, four ADA compliant curb ramps, intersection light timing improvements, and 12 new shade trees. The project will connect residents to: the Alemany Farmer’s Market, two recreation centers, a neighborhood center, a library, places of worship, restaurants, and a grocery store.

## PROGRAM BACKGROUND

**Funding.** Total annual funding is about \$220 million, including \$100 million from the Road Maintenance and Rehabilitation Account, as well as other state and federal funds.

**Eligible Agencies.** Local, regional, or state agencies; transit agencies; natural resource or public land agencies; public schools; tribal governments; private nonprofit organizations (with restrictions); and other entities responsible for oversight of transportation or recreational trails.

**Program Structure.** State law divides program funding into three components:

- Statewide: 50 percent
- Large metropolitan planning organization: 40 percent
- Small urban and rural: 10 percent

Each component is competitive. Projects not selected in the statewide component must be considered in one of the others. State law requires that at least 25 percent of funds in each component benefit disadvantaged communities. Additionally, AB 97 (Ting, Chapter 14, 2017) authorized \$4 million annually for specified conservation corps projects from FY 2017-18 through FY 2021-22.

**Eligible Projects.** Infrastructure projects (such as bike lanes and intersection improvements); non-infrastructure projects (such as educational programs); quick-build (low-cost, interim) projects, and plans.

**Evaluation Criteria.** For the statewide and small urban and rural components, projects are evaluated based on the benefit to disadvantaged communities, need, safety, public participation and planning, scope and plan consistency, and cost effectiveness. Larger projects are also evaluated based on their innovative qualities, their potential to be transformative, and context sensitivity. Large metropolitan planning organizations may use the same or different criteria.

**Programming Cycles.** Currently, program cycles occur every other year and provide two years of funding spread across four years. The Commission adopted programs in 2014, 2015, 2017, 2019, and 2021. The next program is anticipated to be adopted in 2023.

**Website (includes lists of projects).** <https://catc.ca.gov/programs/active-transportation-program>

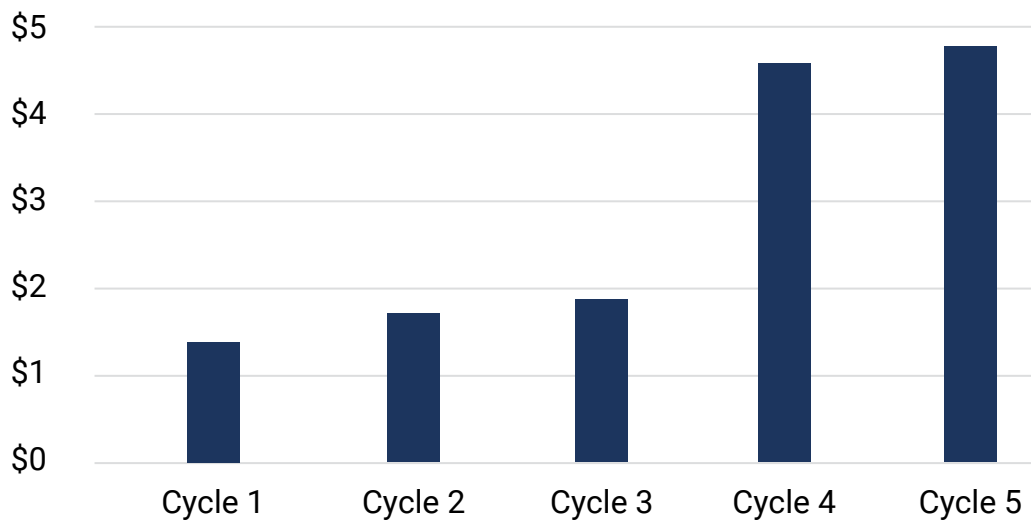
**The Commission received over 450 applications requesting \$2.3 billion in funding from the 2021 Active Transportation Program, approximately five times the amount of available funding.**



## PROGRAM ACCOMPLISHMENTS

Since its inception in 2014, the Commission has committed in total over \$2 billion for a broad spectrum of Active Transportation Program projects benefitting communities throughout California. Across five program cycles, 94 percent of program funds have benefitted disadvantaged communities, far exceeding the statutory minimum requirement of 25 percent. As shown in Figure 7, the average award has been increasing significantly over the last two cycles.

Figure 7  
**Average Active Transportation Program Award  
(in Millions)**



**2021 Program.** The 2021 Active Transportation Program is a \$462 million program for FY 2021-22 through FY 2024-25. The call for projects was released in March 2020, with an original application due date in June 2020. However, due to the COVID-19 pandemic, the Commission adopted a revised schedule, extending the application deadline to September 2020. The Commission received over 450 applications requesting \$2.3 billion in funding, approximately five times the amount of available funding.

The 2021 Program included the most robust evaluation process of all program cycles. Volunteer evaluators from across the state with a wide range of active transportation expertise reviewed and scored the applications. Commission staff completed concurrent validation score evaluations to identify any scoring discrepancies, and Caltrans staff reviewed each project for eligibility and deliverability. Once evaluations were complete, Commission and Caltrans staff held debrief discussions with each evaluator team to discuss any scoring differences or project issues. These measures aimed to ensure that scores were as accurate as possible, and projects would face minimal deliverability issues.

The 2021 Active Transportation Program also featured a Quick-Build Project Pilot Program, which aimed to assess the feasibility of including quick-build projects in future program cycles, while also identifying challenges related to their inclusion. Quick-Build Projects are interim capital improvements

that require construction, and are built with durable, low to moderate cost materials but last from one year to five years. The Commission received 22 applications requesting \$15.7 million for the pilot program. An evaluation team consisting of Commission staff reviewed and scored the applications.

The Commission adopted the Quick-Build Pilot Program at its October 2020 meeting, the Statewide and Small Urban and Rural components at its March 2021 meeting, and the Metropolitan Planning Organization component at its June 2021 and August 2021 meetings.

The Commission awarded 2021 Active Transportation Program funds as follows:

#### Statewide Component

- \$241.5 million for 41 projects valued at \$309 million
- 100 percent of program funds benefit disadvantaged communities
- 39 percent of program funds are for Safe Routes to School projects

#### Quick-Build Pilot Program

- \$4.4 million for eight projects valued at \$4.7 million

#### Small Urban and Rural Component

- \$44.2 million for nine projects valued at \$62 million
- 100 percent of program funds benefit disadvantaged communities
- 95 percent of program funds are for Safe Routes to School projects

#### Metropolitan Planning Organization Component

- \$176.5 million for 56 projects valued at \$493.8 million
- 94 percent of program funds benefit disadvantaged communities
- 37 percent of program funds are for Safe Routes to School projects

**2021 Funding Augmentation.** Despite the increase in Active Transportation Program funds attributable to the Road Repair and Accountability Act, the program remains very oversubscribed, with fewer projects awarded in this cycle than past cycles. This cycle saw an increase in the score needed to receive funding as compared to past cycles, and higher average funding requests and award amounts than in previous cycles. To address the backlog of unfunded projects, the Commission requested a \$2 billion one-time augmentation from the state's General Fund surplus as part of the FY 2021-22 budget.

The Budget Act of 2021 included a one-time augmentation General Fund of \$500 million, contingent upon the enactment of additional legislation prior to October 10, 2010. The additional legislation was not enacted; consequently, the \$500 million reverted to the General Fund. Had the \$500 million become available for the program, the Commission would have been able to fund approximately 100 of the 350 projects that applied but were not selected for funding or received only a portion of their requested funding. The \$500 million augmentation would have more than doubled the size of the 2021 Active Transportation Program and helped address part of the substantial backlog of projects. In 2022, the Commission is requesting augmentation funds, as described in the Legislative Recommendations section of this report.

**Public Engagement.** The 2021 Active Transportation Program featured the Commission’s most extensive engagement to date. Commission staff conducted over 20 workshops across the state and visited 60 project sites in 13 counties and 32 cities. Commission staff began the 2021 Active Transportation Program engagement process with the goal of providing outreach to regions that have been less successful in the program. With the finalization of all 2021 Active Transportation Program application scores, Commission staff found that 82 percent of counties that participated in workshops or site visits saw an increase in average score in Cycle 5 as compared to Cycle 4. Of those counties, 32 percent increased their Cycle 5 average scores by over ten points compared to Cycle 4. In March 2021, the Commission released the 2021 Active Transportation Program Engagement Summary to highlight lessons learned and outcomes from the engagement. The Engagement Summary is available on the Active Transportation Program website.

**The 2021 Active Transportation Program featured the Commission’s most extensive engagement to date. In March 2021, the Commission released the 2021 Active Transportation Program Engagement Summary to highlight lessons learned and outcomes from the engagement.**

**Guidelines, Applications, and Scoring.** In collaboration with the program’s large and active stakeholder group, Commission staff have continually refined the Active Transportation Program guidelines, applications, and scoring rubrics to make the application process as streamlined as possible. Commission staff also work to ensure that the application can be adapted to meet the different needs and contexts of the state’s diverse communities. For example, in the 2021 Active Transportation Program, the application was updated to allow the use of crowd-sourcing tools such as Street Story to convey safety issues, which is especially helpful for small and rural communities without robust collision data. The Healthy Places Index tool was also added as a disadvantaged communities qualification category, giving applicants more options that fit their diverse characteristics. Additionally, Commission staff works with stakeholders to ensure that the program is aligned with the latest policy issues and emerging trends. For example, the 2021 Active Transportation Program was the first cycle where applicants were asked to address displacement. In addition, the Quick-Build Project Pilot Program was integrated into the 2021 Active Transportation Program in recognition of this emerging delivery method that allows communities to address critical safety issues swiftly.

**Technical Assistance.** In FY 2020-21, the Active Transportation Resource Center (Center) offered a variety of opportunities to stakeholders throughout the state. Through the Center’s ATP Disadvantaged Communities Technical Assistance Program for Cycle 5, the team helped communities develop Active Transportation Program projects and provided application assistance through a series of interactive webinar sessions and one-on-one meetings. The Center is also working on highlighting the success of Active Transportation Program projects by publishing project profiles. In January 2021, the Center launched a two-part webinar and teleconference series called “On The Move,” which consists of quarterly webinars on the latest trends in active transportation and quarterly teleconferences that offer Active Transportation Program non-infrastructure awardees an opportunity to connect and share ideas. Four sessions have been held in the first half of 2021, and

**In collaboration with the program's large and active stakeholder group, Commission staff continually refine the Active Transportation Program guidelines, applications, and scoring rubrics to make the application process as streamlined as possible, and to ensure that the program is aligned with the latest policy issues and emerging trends.**

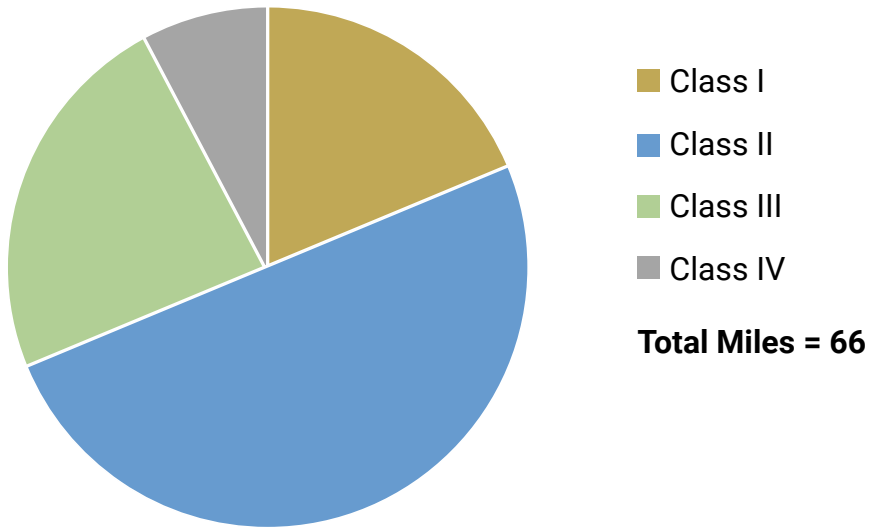
four more are planned to round out the year. In April 2021, the Center launched a self-paced online version of the popular Bicycle Transportation: Basic Principles of Planning and Design course. In the first three months, 111 people have taken the course. The Center also held three virtual deliveries of the live Bicycle Transportation Planning and Design course with about 50 attendees at each. In Spring 2021, the Center hosted two Safe Transportation for Every Pedestrian virtual training sessions attended by approximately 200 people each. In addition, the Center continued the Pedestrian and Bicycle Automated Counter Loan Program, which offers short-term temporary bicycle and pedestrian automated counters for local agencies to conduct user counts and gather user data from active transportation projects.

**FY 2020-21 Allocations.** During FY 2020-21, the Commission allocated \$129 million to 123 projects. This includes \$116 million for construction; \$14 million for pre-construction; and \$5 million for non-infrastructure projects such as plans. Projects entering construction will build and repair over 66 miles of bikeways, 40 miles of sidewalk, and six miles of multi-use trails. Figure 8 shows the construction allocations by project type. Non-infrastructure projects that received allocations will result in seven programs and seven active transportation plans.



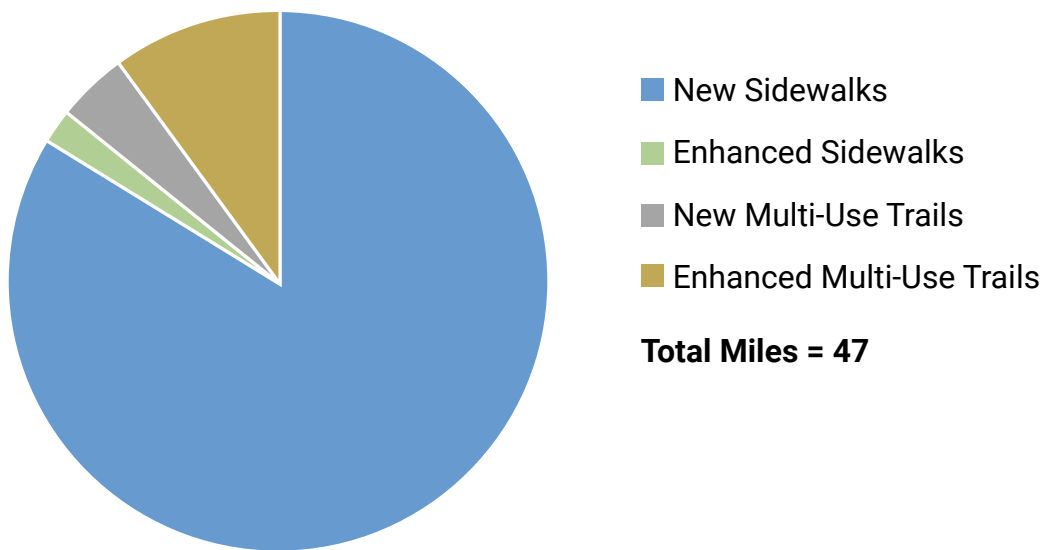
Figure 8  
**Active Transportation Program Construction Allocations  
 FY 2020-21**

**Bikeways**



Class I = off-street paved paths; Class II = on-street striped lanes; Class III = on-street signage; Class IV = on-street physically protected lanes

**Sidewalks and Multi-Use Trails**





# Local Partnership Program

The Local Partnership Program funds road maintenance and rehabilitation and other transportation improvement projects for local and regional transportation agencies that have enacted taxes and fees dedicated for transportation. The program was created by the Road Repair and Accountability Act. The Commission develops program guidelines, evaluates project proposals, selects projects for funding, allocates funds, and reports annually on program activities.

## PROJECT HIGHLIGHT

### Bike Up & Down in Uptown Project in San Diego County

The 2020 Local Partnership Competitive Program awarded \$7 million to the San Diego Association of Governments for the Bike Up & Down in Uptown Project. The total cost of the project is \$16.5 million. Construction is expected to begin in April 2022 and completion is expected in February 2024.

#### Planned Improvements



The project includes construction of 3.2 miles of protected bikeways, including pedestrian and safety improvements, to make riding a bike more convenient, attractive, and safe for people travelling between Uptown San Diego and adjacent communities. Additionally, the traffic calming elements in the proposed project will benefit people walking, biking, driving, and accessing transit by making roadways safer for all users.

Within the last five years, there have been 31 traffic-related injuries and deaths to people walking and riding bikes within the project area. Proposed improvements are designed to address safety issues to break the pattern of traffic-related injuries and deaths. By making riding a bike and walking viable choices for everyday trips, the proposed project will strengthen local, regional, and state efforts to reduce greenhouse gas and air pollutant emissions through reductions in vehicle miles traveled.

## PROGRAM BACKGROUND

**Funding.** The program receives \$200 million annually in Road Repair and Accountability Act funding from the Road Maintenance and Rehabilitation Account.

**Eligible Agencies.** Local and regional transportation agencies that have sought and received voter approval of taxes, or that have imposed fees, that are solely dedicated to transportation improvements.

**Program Structure.** Part competitive and part formulaic, as set forth in the Commission's guidelines. Additionally, incentive funding is available for jurisdictions enacting new or renewed taxes and fees for transportation.

**Eligible Projects.** Road maintenance and rehabilitation; state highway, local road, and transit improvements; bicycle or pedestrian safety or mobility improvements; rolling stock, buses, or other transit equipment; environmental impact mitigation; sound walls; and other transportation improvement projects.

**Evaluation Criteria.** For the competitive program, the Commission's program guidelines give higher priority to projects based on cost-effectiveness; ability to commence construction or implementation; ability to leverage more committed funds per program dollar; air quality improvements, including reductions in vehicle-miles traveled; regional and community support; and, as applicable, the furtherance of a Sustainable Communities Strategy.

**Programming Cycles.** The initial 2018 Formulaic Program covered two years (FY 2017-18 through 2018-19) and the 2019 Formulaic Program covered one year (FY 2019-20). The initial 2018 Competitive Program covered three years (FY 2017-18 through 2019-20). The 2020 Local Partnership Program (Formulaic and Competitive) covers three years (FY 2020-21, 2021-22, and 2022-23).

**Website (includes list of projects).** <https://catc.ca.gov/programs/sb1/local-partnership-program>.





**During FY 2020-2021 the Commission allocated construction funds for nearly 179 miles of bicycle and pedestrian facilities; over 100 miles of local road rehabilitation and reconstruction; 90 curb ramp repairs and upgrades; 77 rail car or transit vehicle purchases; 27 intersection and signal improvements, improvements at 8 transit stations; and nearly 1 mile of sound wall.**

## **PROGRAM ACCOMPLISHMENTS**

**2018 Programs.** The Commission adopted the 2018 Formulaic Program in January 2018, and the 2018 Competitive Program in May 2018. As of the end of FY 2020-21, the Formulaic Program includes \$200 million for 86 projects and the Competitive Program includes \$308 million for 27 projects.

**2019 Program.** The Commission adopted the 2019 Formulaic Program in October 2018. As of the end of FY 2020-21, the Formulaic Program includes \$120 million for 59 projects.

**2020 Programs.** The Commission adopted the 2020 Competitive and Formulaic Programs in December 2020. The Competitive Program includes \$213 million for 21 projects. As of the end of FY 2020-21, the Formulaic Program includes 45 eligible taxing authorities and \$225 million for 38 projects.

**2022 Programs.** The Commission began the Local Partnership Program guideline development process with the commencement of workshops in August 2021.

**FY 2020-21 Project Allocations.** During FY 2020-21, the Commission allocated \$150 million to 49 projects for many different types of transportation improvements. Of the \$150 million, over one third (\$52 million) was for highway projects, while nearly an equal amount (\$48 million) was for transit and intercity rail projects. The remainder was for local road projects.

FY 2020-21 allocations will construct nearly 179 miles of bicycle and pedestrian facilities; rehabilitate and reconstruct over 100 miles of local roadways; repair and upgrade 90 curb ramps; purchase 77 rail car or transit vehicles; improve 27 intersection and signals, improve 8 transit stations; and build nearly 1 mile of sound wall.



# Local Streets and Roads Program

The Local Streets and Road Program provides funding for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. The program was created by Road Repair and Accountability Act. The Commission develops program guidelines, determines eligibility for funding, and collects and reports on expenditures.

## PROJECT HIGHLIGHT

### South Broad Streets Improvements in the City of San Luis Obispo

The South Broad Street Improvements project is a local roadway improvement project funded with FY 2019-20 Local Streets and Roads Program funds. The project involved rehabilitation of 0.75 miles of South Broad Street within San Luis Obispo between Tank Farm Road and the southern City Limit. Roadway improvements included full rehabilitation of the deteriorated asphalt pavement surface, installation of six new ADA-compliant curb ramps, replacement of several drainage grate covers with bicycle-friendly replacements, and modified striping to reduce oversized auto lane widths and provide wide buffered bike lanes. Construction was completed in September 2019 after 50 working days. The total construction cost was \$1.8 million.

Before



After





## PROGRAM BACKGROUND

**Funding.** The program receives funding through the Road Maintenance and Rehabilitation Account. In recent years, the program has received about \$1.1 billion annually.

**Eligible Agencies.** Cities and counties are eligible for the program.

**Program Structure.** Cities and counties receive annual funding apportionments from the State Controller according to a statutory formula. The Commission adopts a report of eligible cities and counties and sends it to the State Controller.

**Eligible Projects.** Eligible projects include road maintenance and rehabilitation, safety projects, railroad grade separations, complete streets components, traffic control devices, among others.

**Programming Cycles.** The program is annual. The first program cycle for FY 2017-18 was a partial year. All subsequent cycles have been full year cycles. The current cycle is for FY 2021-22, marking the fifth program cycle.

**Website (includes project lists).** <https://catc.ca.gov/programs/sb1/local-streets-roads-program>

## PROGRAM ACCOMPLISHMENTS

**FY 2017-18 to 2019-20 Programs.** Between FY 2017-18 and 2019-20, the State Controller apportioned \$2.7 billion to 539 cities and counties, which report having spent \$1.5 billion to complete over 3,100 projects (about 2,500 for construction and 650 for pre-construction and operations). Cities and counties report an additional 1,300 plus projects in progress. Between FY 2017-18 and 2019-20, cities and counties report having paved 10,000 miles of local streets and roads, having improved 4,700 Americans with Disabilities Act curb ramps, and over 1,223 miles of bicycle lanes.

**Between FY 2017-18 and 2019-20, cities and counties report having paved 10,000 miles of local streets and roads, having improved 4,700 Americans with Disabilities Act curb ramps, and over 1,223 miles of bicycle lanes.**

**2021-22 Program.** For FY 2021-22, cities and counties are expected to receive approximately \$1.1 billion in apportionments from the State Controller. In August 2021, the Commission adopted an initial list of 519 eligible cities and counties to begin receiving monthly apportionments in September 2021. In October 2021, the Commission adopted a subsequent eligibility list for all remaining local jurisdictions. In March 2021, the Commission adopted the 2021 Local Streets and Roads Funding Program Reporting Guidelines officially amending the program schedule to align with the changes made in 2020 as result of impacts from the COVID-19 pandemic.



# Solutions for Congested Corridors Program

The Solutions for Congested Corridors Program funds projects that are part of a comprehensive corridor plan intended to reduce congestion in highly traveled corridors by providing more transportation choices while preserving or enhancing the character of local neighborhoods. The program was created by the Road Repair and Accountability Act. The Commission develops program guidelines, evaluates project proposals, selects projects for funding, and allocates funds.

## PROJECT HIGHLIGHT

### Los Angeles County – Airport Metro Connector

The 2018 Solutions for Congested Corridors Program awarded \$150 million to connect the Metro Crenshaw/Los Angeles Airport (LAX) Line and an extension of the Metro Green Line to the Automated People Mover that will carry passengers to and from the LAX terminals. This project will create a multimodal transit station, which will include a light rail station, transit station/terminal building, bus plaza, bicycle hub, pedestrian improvements and plaza, and a passenger pick-up and drop-off area.

The project will provide an effective regional transit alternative to driving to LAX and thus reduce congestion on I-405 by implementing the vital link between LAX and Metro’s growing countywide Metro Rail system. The project is under construction and is expected to be operational in 2023.

#### Planned Improvements



## PROGRAM BACKGROUND

**Funding.** The program receives \$250 million annually in transportation improvement fee revenues.

**Eligible Agencies.** Regional transportation planning agencies, county transportation commissions, and Caltrans are eligible to apply for program funds.

**Program Structure.** The program is competitive.

**Eligible Projects.** Eligible projects include high occupancy vehicle lanes, express lanes, transit and rail infrastructure, transit fare system improvements, zero-emission buses, clean rolling stock, and safety improvements. The Road Repair and Accountability Act requires all nominated projects to be identified in a currently adopted Regional Transportation Plan and, if applicable, to be consistent with a Sustainable Communities Strategy determined by the California Air Resources Board to achieve the region's greenhouse gas emissions reduction targets. The legislation also requires projects to be identified in an existing comprehensive corridor plan. At its December 2018 meeting, the Commission approved the 2018 Comprehensive Multimodal Corridor Plan Guidelines to assist eligible applicants in complying with this requirement.

**Evaluation Criteria.** The Road Repair and Accountability Act requires the Commission select projects based on the following criteria: safety; congestion; accessibility; economic development, job creation, and retention; air pollution and greenhouse gas emission reductions; efficient land use; matching funds; and project deliverability.

**Programming Cycles.** The program is currently on its second cycle, which covers FY 2021-22 to 2022-23. The first program cycles covered FY 2017-18 to 2020-21.

**Project Expenditures and Milestones.** The Road Repair and Accountability Act requires the Commission to report annually on Solutions for Congested Corridors project expenditures and milestones. The Appendix to this report includes this information. Information on project benefits will be determined and reported when the projects are complete and operable.

**Website (includes list of projects):** <https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program>

## PROGRAM ACCOMPLISHMENTS

**2018 Program.** In May 2018, the Commission adopted the initial Congested Corridors Program and programmed \$1 billion to nine corridor projects, delivered in 29 segments, with a total value of more than \$3.5 billion. This first funding cycle included four years of project programming, from FY 2017–18 to 2020–21. The Commission has approved project Baseline Agreements for all nine projects.

**2020 Program.** In December 2020, the Commission programmed \$500 million for seven projects for the 2020 Solutions for Congested Corridors Program for FY 2021-22 and 2022-2023. The total project cost for these projects is valued at \$2.6 billion. The Commission received 21 project nominations seeking \$1.3 billion for the 2020 program—nearly triple the amount of funding available.

Through the development of program guidelines and the review of the project applications, the Commission collaborated with Caltrans, the California Air Resources Board, and the California Department of Housing and Community Development. The latter two agencies provided technical assistance to evaluate the air quality and greenhouse gas emissions criteria, and the regional and

efficient land use criteria, respectively. All approved projects will provide benefits to disadvantaged and low-income communities.

Approved projects in the 2020 program will create 27,000 jobs and construct 19 miles of bus rapid transit routes; 31 new or improved transit stops and stations; one major train control system upgrade; 60 miles of high-occupancy toll lanes; 9.5 miles of high-occupancy vehicle lanes; 7.5 miles of auxiliary lanes; 18 miles of bike lanes/pedestrian facilities/sidewalks; 5 miles of complete streets improvements; one major highway interchange; and other improvements to roads, highways, and transit systems. The projects also include the purchase of 23 new zero-emission buses and 8 new light rail vehicles. Once completed and over a 20-year period, these projects will save 250 million person hours of travel time, reduce emissions by 3.5 million tons, and reduce driving by 64 million vehicle miles traveled.

**During FY 2020-21, the Commission allocated \$175 million in construction funds for five projects that will construct 9.2 miles of high-occupancy vehicle lanes, 3.6 miles of hybrid bus-on-shoulder and auxiliary lanes, and 2.7 miles of active transportation facilities; upgrade cabling at 21 train control rooms; and make other improvements.**

The Commission has commenced development of the next program cycle's guidelines, with guidelines development workshops beginning in summer 2021. The Commission anticipates the next program cycle's guidelines will be adopted in late summer 2022.

**FY 2020-21 Allocations.** Since the program's inception in FY 2017-18, the Commission has allocated over \$1 billion to 31 project segments. This includes \$175 million for five project segments allocated during FY 2020-21:

• **2018 Program Projects (\$107 million)**

- Orange County: Route 53/553 (Bravo! Main Street) Bus Stop Improvements – Signage and Real Time Displays (\$230,000)
- Santa Barbara County: South Coast 101 HOV Lanes – Padaro Segment 4B (\$63 million)
- Santa Barbara County: South Coast 101 HOV Lanes – Summerland Segment 4C (\$44 million)

• **2020 Program Projects (\$68 million)**

- San Francisco and Alameda Counties: BART Switch Machine Cabling Contract (\$45 million)
- Santa Cruz County: 41st Avenue to Soquel Avenue Auxiliary Lanes – Bus on Shoulder and Chanticleer Bike/Pedestrian Bridge (\$23 million)

These five projects will construct 9.2 miles of high-occupancy vehicle lanes, 3.6 miles of hybrid bus-on-shoulder and auxiliary lanes, 2.7 miles of active transportation facilities; upgrade cabling at 21 train control rooms, 26 wayside interlocks and switches; and make other improvements.



# State Highway Operation and Protection Program

The State Highway Operation and Protection Program (SHOPP) funds projects for rehabilitation and preservation, emergency repairs, safety improvements, and operational improvements on the state highway system. The program was augmented by the Road Repair and Accountability Act. The Commission develops program guidelines, reviews and approves programs of project proposed by Caltrans, allocates funds, and reports annually on program activities.

## PROJECT HIGHLIGHT

### State Route 162 Complete Streets Reservation Project

In partnership with the Active Transportation Program, this project will build a Class I multi-use path adjacent to State Route 162 in Covelo, providing key connectivity to a low-income tribal community where 25 percent of students rely on walking and biking and no facilities exist. Bicyclists and pedestrians use vehicle lanes where speeds are 40-55 miles per hour and there have been multiple bicycle and pedestrian collisions.

#### Current Conditions



The project will provide a separated facility and is the top priority in the Mendocino regional non-motorized report and the local multimodal plan. The project cost is \$2 million. The Commission amended the project into the SHOPP from the complete streets reservation at the March 2021 Commission meeting. This reservation set aside \$100 million in total from the 2020 SHOPP to fund project components that make state highways running through local communities safe and accessible for all users, including pedestrians and bicyclists.

## PROGRAM BACKGROUND

**Funding.** The SHOPP receives funds from the Road Maintenance and Rehabilitation Account as well as other state and federal funds from the State Highway Account. Altogether, the program receives over \$4 billion annually.

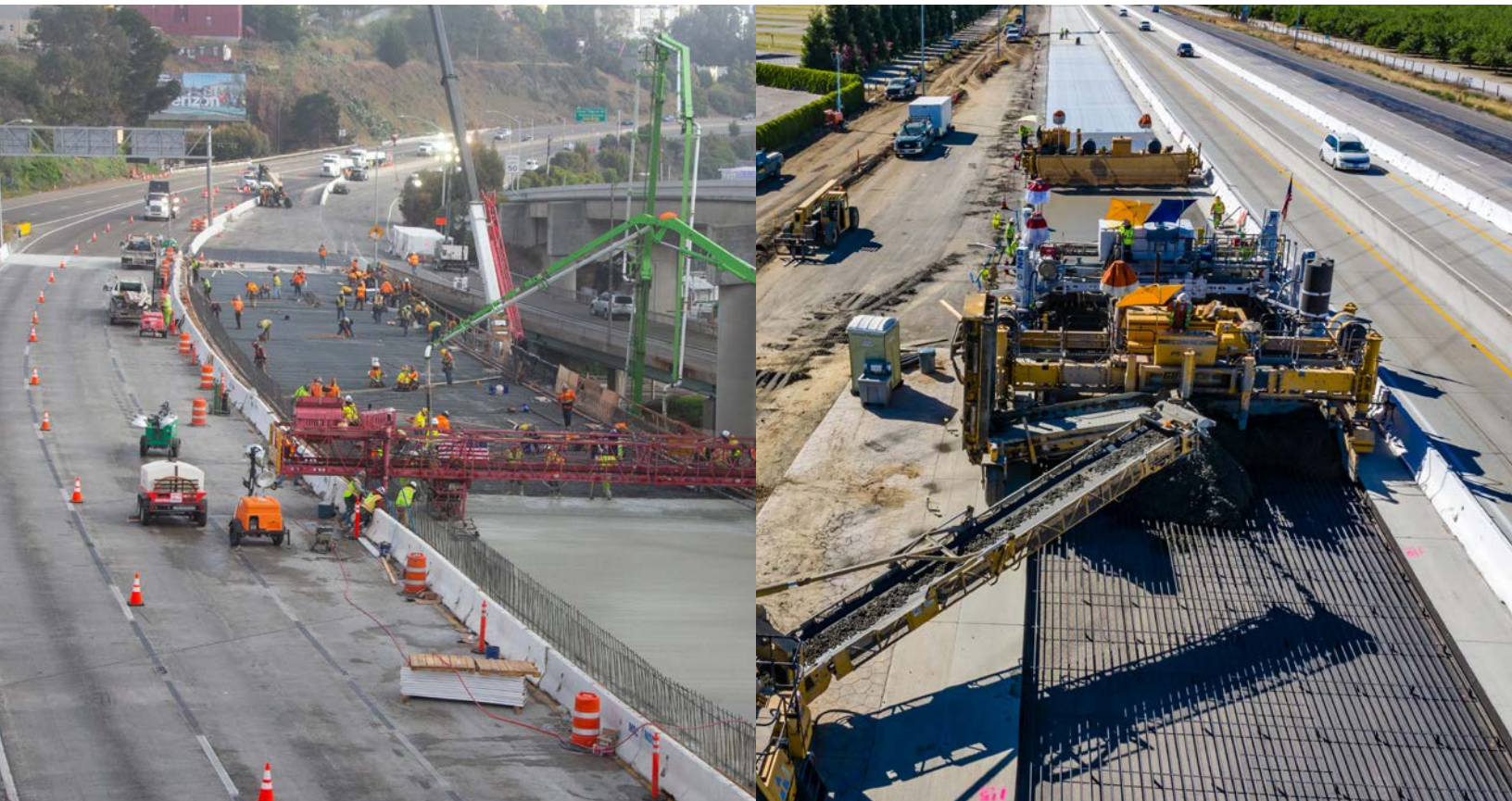
**Eligible Agencies.** Caltrans, as the owner and operator the state highways system, is the only agency that receives funds through this program.

**Eligible Projects.** Projects are limited to maintenance, safety, operation, and rehabilitation of state highways and bridges and cannot add a new traffic lane to system. Projects must be consistent with the Transportation Asset Management Plan adopted by the Commission.

**Evaluation Criteria.** The Commission reviews the SHOPP proposed by Caltrans for consistency with the Transportation Asset Management Plan and the goals of the program.

**Programming Cycles.** By law, the Commission must adopt the four-year SHOPP on or before April 1 of even-numbered years. The 2020 SHOPP is a \$17 billion program of over 900 projects covering FY 2020–21 through FY 2023–24, with more than half of the program dedicated to addressing condition improvements across four primary asset classes: pavement, bridges, transportation management systems, and culverts.

**Website (includes list of projects).** <https://catc.ca.gov/programs/state-highway-operation-and-protection-program>.

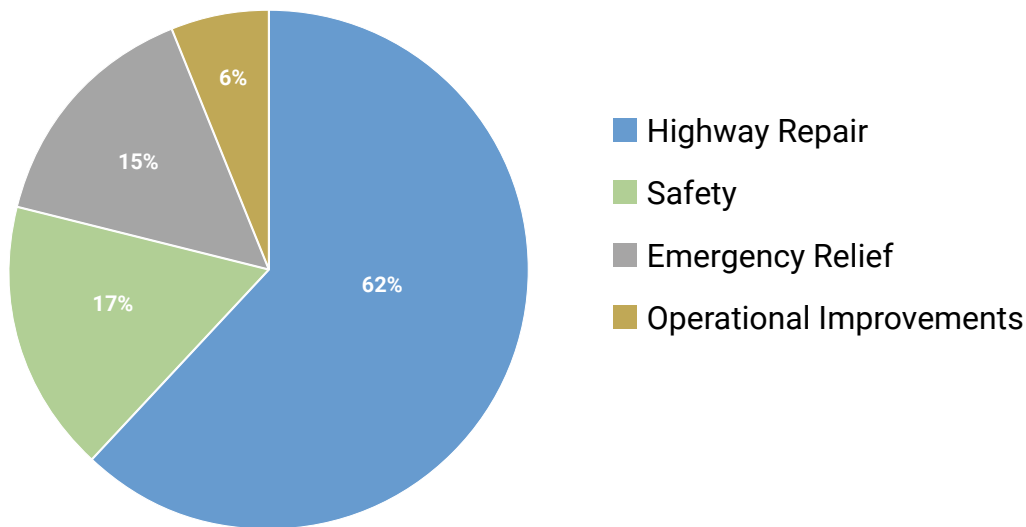




## PROGRAM ACCOMPLISHMENTS

**FY 2020-21 Allocations.** During FY 2020–21, the Commission allocated \$4.9 billion for 2020 SHOPP projects, including \$3.4 billion to 492 projects for construction; \$1.3 billion to 1,200 projects for capital outlay support; and \$97 million for right of way capital. Figure 9 shows allocations by project type. In March 2022, the Commission expects to adopt the 2022 SHOPP, covering FY 2022-23 through FY 2025-26. The Fund Estimate adopted by the Commission in August estimates a slight increase in available funding for the 2022 SHOPP compared to the current 2020 SHOPP.

Figure 9  
**FY 2020-21 SHOPP Allocations**



**Complete Streets Reservation.** The 2020 SHOPP also includes a \$100 million reservation to fund project components that make state highways running through local communities safe and accessible for all users, including pedestrians and bicyclists. In FY 2020-21, the Commission allocated \$75 million to projects from the reservation. A reservation for complete streets improvements will not be necessary in the 2022 SHOPP because Caltrans has committed to engage local partners and include appropriate complete street improvements in SHOPP projects from the earliest planning stages.

**The 2020 SHOPP includes a \$100 million reservation to fund project components to make state highways running through local communities safe and accessible for all users, including pedestrians and bicyclists. In FY 2020-21, the Commission allocated \$75 million to projects from the reservation.**

**Performance Outcomes.** The Road Repair and Accountability Act sets 10-year performance outcomes for four primary asset classes included in the Transportation Asset Management Plan (TAMP); requires Caltrans to report annually to the Commission on its progress toward meeting the outcomes; and requires the Commission to evaluate the effectiveness of Caltrans in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by Caltrans’s progress toward achieving the outcomes.

In March 2018, the Commission set annual performance benchmarks for the four primary asset classes included in the TAMP as specified in the Road Repair and Accountability Act. These benchmarks serve as a starting point to measure and annually report on progress toward meeting the 10-year outcomes for 2027. Additionally, the Commission set performance targets for nine supplementary asset classes in the TAMP: drainage pump plants, highway lighting, office buildings, overhead signs, roadside rest facilities, sidewalks (ADA accessibility), park and ride facilities (ADA accessibility), transportation related facilities, and weigh in motion scales.

In March 2021, the Commission approved changes to the TAMP condition performance targets for bridges and drainages systems (only for fair and poor conditions). These changes do not impact the Road Repair and Accountability Act performance metrics, or the Department’s commitment to achieve the Road Repair and Accountability Act goals by 2027.

Figure 10 (on page 58) shows Caltrans’s progress toward achieving the Road Repair and Accountability Act targets through the end of 2020, while Figure 11 (on page 58) shows Caltrans’s performance in meeting the TAMP annual benchmarks set by the Commission for the four primary assets.

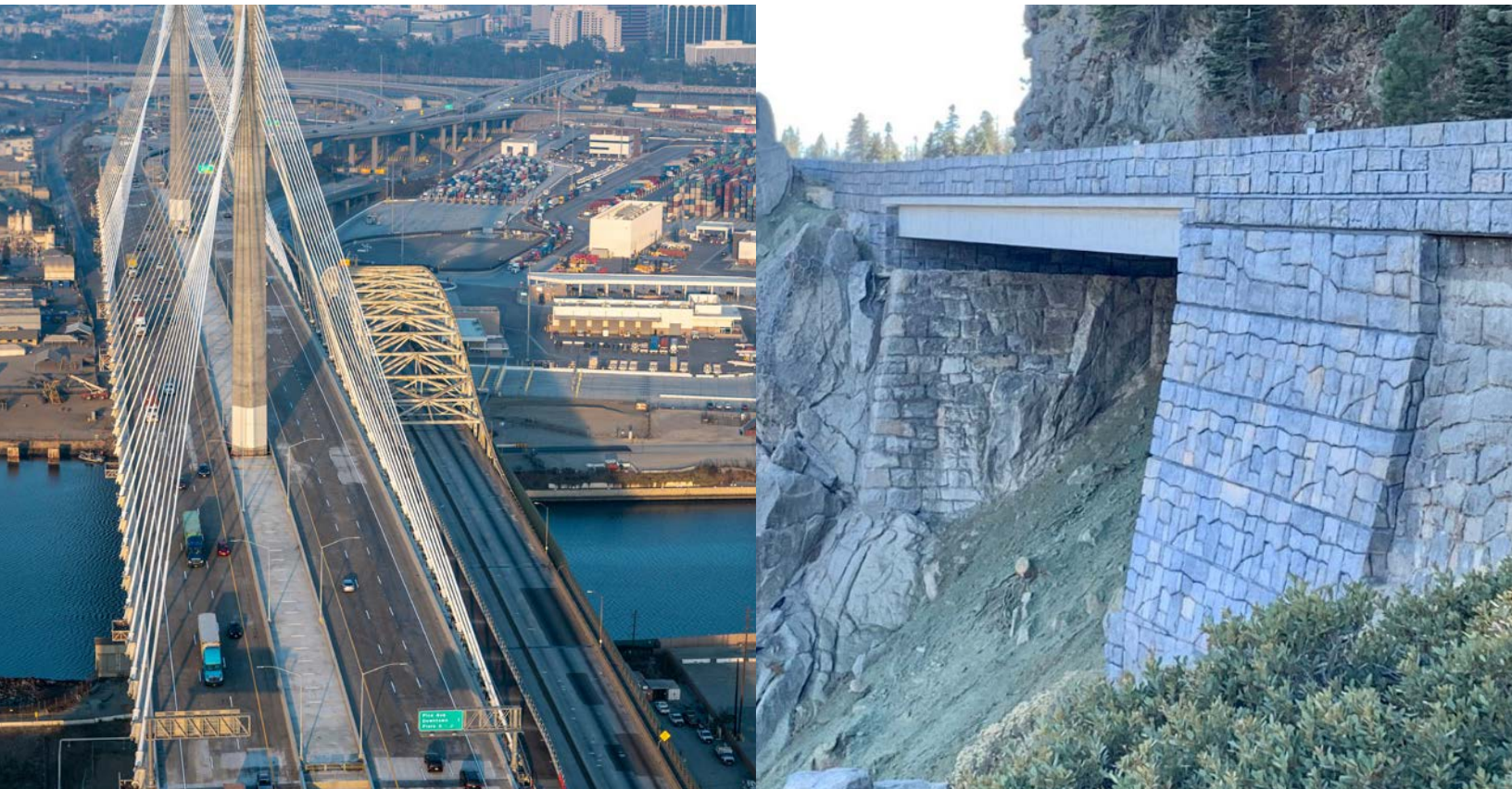


Figure 10  
**Caltrans's Progress Toward Road Repair and Accountability Act Targets**

<b>Asset Class</b>	<b>2027 Target</b>	<b>2020 Year End Actual</b>
Pavement in good or fair condition	98%	99%
Pavement level of service for maintenance of potholes, spalls, and cracks	90%	94%
Bridges: additional bridges fixed	500	542
Culverts in good or fair condition	90%	90%
Transportation management systems in good condition	90%	79%

Pavement conditions are projected, not actual, condition. A projection was needed due to a delay in receiving the Automated Pavement Condition Survey data.  
 The Independent Office of Audits and Investigations is conducting an audit to validate the number of additional bridges fixed. Commission staff will evaluate the audit findings when it is released.

Figure 11  
**Caltrans's Progress Toward Annual TAMP Benchmarks: Primary Assets**

<b>Asset Class</b>	<b>2027 Commission Performance Target</b>	<b>2020 Year End Benchmark</b>	<b>2020 Year End Actual</b>
Pavement in good or fair condition			
Class 1	99.0%	98.1%	99.3%
Class 2	98.0%	97.6%	99.6%
Class 3	98.0%	97.2%	99.6%
Bridges in good or fair condition	98.5%	97.7%	96.6%
Culverts in good or fair condition	90.0%	88.1%	90.0%
Traffic management systems in good condition	90.0%	74.0%	79.0%

Class 1 includes interstate highways, other principal arterials, and urban freeways and expressways (52% of the state highway system).  
 Class 2 includes rural freeways and expressways, and minor arterials (34% of the state highway system).  
 Class 3 includes major and minor collector routes (14% of the state highway system).

Pavement conditions are projected, not actual, condition. A projection was needed due to a delay in receiving the Automated Pavement Condition Survey data.



At its October 2021 meeting, the Commission found, based on the data reported by Caltrans, that the adopted 2020 year-end benchmarks are being exceeded for culverts and transportation management systems, and appears to be exceeded for all classes of pavement. In addition, Caltrans is exceeding the pavement level of service benchmark and will meet the “fix 500 additional bridges” target if the current trend continues. Meeting these benchmarks is evidence of progress toward reducing deferred maintenance and improving road conditions on the state highway system.

The Commission further found that, while Caltrans achieved a slight improvement from the prior year for bridge health, Caltrans did not meet the year end benchmark and future target conditions are not likely to be met without corrective action. To help address this concern, Caltrans proactively identified a program of projects to focus on bridge deck conditions and requested that the Commission program these projects into the SHOPP. The Commission amended a number of these projects into the SHOPP at the October and December meetings.

Additionally, the Commission identified concerns with Caltrans’s progress towards meeting the Commission adopted 2027 performance targets for some of the supplementary asset classes. Caltrans indicates these targets are aspirational goals and cannot be reached without additional funding. Commission staff is working with Caltrans to identify achievable targets based on current levels of funding, and the Commission expects Caltrans to request the adoption of revised performance targets for supplementary assets classes at an upcoming Commission meeting.

Lastly, in November, Commission staff requested information from Caltrans of the performance of assets located in disadvantaged communities as compared with the performance outside those communities.



# State Transportation Improvement Program

The State Transportation Improvement Program (STIP) provides funding for regional priorities as well as interregional improvements for the movement of people and goods. The Road Repair and Accountability Act stabilized funding for this program. The Commission develops program guidelines, evaluates and approves proposed regional and interregional programs, adopts programs of projects, maintains records of fund balances, and reports annually on program activities.

## PROGRAM BACKGROUND

**Funding.** The STIP receives revenues from a portion of the state gasoline excise tax, which was stabilized and indexed by the Road Repair and Accountability Act. The program also receives federal funds, and, to a limited degree, funds from the Public Transportation Account. The STIP Fund Estimate, which the Commission must adopt by August of each odd numbered year, identifies funding levels. The 2022 STIP Fund Estimate assumes \$711 million for FY 2021-22.

**Eligible Agencies.** Regional transportation agencies and Caltrans.

**Program Structure.** The STIP consists of the Regional Transportation Improvement Program (75 percent) and the Interregional Transportation Improvement Program (25 percent). The Regional Transportation Improvement Program is further subdivided into county shares. Each county is entitled to have its share programmed to projects over the program period but not in any particular year.

**Eligible Projects.** State highway, local road, transit, and intercity rail improvements, such as adding new high occupancy vehicle, general purpose, or auxiliary lanes; rehabilitating pavement; improving intersections and curve alignments; improving rail tracks and double tracking; constructing intermodal facilities; improving pedestrian and bicycle facilities; and adding grade separations.

**Evaluation Criteria.** The Commission may only include projects in the STIP if they are first nominated by either one of the 59 regional transportation agencies for the Regional Transportation Improvement Program or by Caltrans for the Interregional Transportation Improvement Program. Regional Transportation Improvement Programs must be consistent with an adopted long-range Regional Transportation Plan and the Interregional Transportation Improvement Program must be consistent with the statewide Interregional Transportation Strategic Plan.

**Programming Cycles.** By law, the Commission must update the STIP by April 1 of even numbered years. Each program covers five-years. Each update adds two new years to prior programming commitments.

**Website (includes list of projects).** <https://catc.ca.gov/programs/state-transportation-improvement-program>

**The 2022 STIP Fund Estimate contains no new Public Transportation Account capacity for transit and rail projects for the 5-year period 2022-23 through 2026-27. To be able to fund critical transit and rail projects across the state, the Commission is requesting a \$2.5 billion one-time augmentation from the General Fund surplus for transit and rail projects in the STIP.**



## PROGRAM ACCOMPLISHMENTS

**2021 Mid-Cycle STIP.** In December 2020, the Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (COVID-19 Relief Funds) apportioned \$911.8 million to California. The funds were to prevent, prepare, and respond to the COVID-19 pandemic. At the March meeting, the Commission approved \$243.2 million of the COVID-19 Relief Funds be distributed through the STIP through the 2021 Mid-Cycle STIP, with \$182.4 million for the Regional Improvement Program and \$60.8 million for the Interregional Improvement Program.

The Draft Guidelines were presented at the March Commission meeting. Commission Staff held two public workshops. The Commission adopted the 2021 Mid-Cycle STIP Guidelines at its May Commission meeting. As of June 30, 2021, the Commission programmed \$146 million to 25 projects, leaving \$97.2 million available for future programming. Of the 25 projects programmed, eight projects totaling \$93.7 million were allocated. A list of the programmed projects is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-06/38-2-1a19-a11y.pdf>.

**2022 STIP Fund Estimate.** The 2022 STIP Fund Estimate methodology and assumptions were approved by the Commission at its May 2021 meeting. The Commission adopted the 2022 Fund Estimate at its August 2021 Commission meeting. The 2022 STIP Program, covering the five-year period of FY 2022-23 through 2026-27 will be adopted at the March 2022 Commission meeting.

The 2022 Fund Estimate forecasted STIP Program capacity for the five-year period is shown in Figure 12. This capacity is made up entirely of State Highway Account funds and federal funds. There is no new Public Transportation Account capacity identified for the 5-year 2022 STIP period. The Commission is requesting a \$2.5 billion one-time augmentation from the General Fund surplus to fund transit projects in the STIP, as described in the Legislative Recommendations section of this report.

Figure 12  
**2022 STIP Fund Estimate by Fiscal Year**  
**(Dollars in Millions)**

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
<b>State Highway Account</b>	\$777	\$310	\$310	\$335	\$360
<b>Public Transportation Account</b>	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	\$777	\$310	\$310	\$335	\$360

**2022 STIP Guidelines.** The Draft 2022 STIP guidelines were presented to the Commission at the June 2021 Commission meeting. A public workshop was held in July 2021 and the final guidelines were adopted at the August 2021 Commission meeting after conducting the required hearing. The guidelines were updated and include the capacity identified in the 2022 STIP Fund Estimate. The 2022 STIP guidelines state that priority should be given to actions that both build climate preparedness and reduce greenhouse gas emissions; that where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts; that actions should protect the state's most vulnerable populations; and that natural infrastructure solutions should be prioritized.

**Commission allocations in FY 2020-21 will rehabilitate 68 roadway lane miles; construct 26 bicycle lane miles, 25 passing lane miles, 14 HOV/HOT lane miles, and 3 auxiliary lane miles; and make 276 rail car/transit vehicle purchases, among other improvements.**

**2021 Report on County and Interregional Share Balances.** Section 188.11 of the Streets and Highways Code requires the Commission to maintain a record of County and Interregional Share STIP balances, and to make the balances through the end of each fiscal year available for review no later than August 15 of each year. On August 2, 2021, the Commission released its Annual Report of STIP Balances, County, and Interregional Shares. The report included the 2020 STIP adopted in March 2020, including allocations and other actions approved through June 2021. The balances in the report are based on the capacity identified through 2024-25 in the 2020 STIP Fund Estimate, adopted in August 2019. The 2021 STIP Balances, County and Interregional Shares Report can be found at <https://catc.ca.gov/programs/state-transportation-improvement-program>

**FY 2020-21 Allocations.** The Commission allocated \$750 million for STIP projects (including projects with allocation extensions expiring in 2020-21 and projects advanced from 2021-22 and later). Commission allocations in FY 2020-21 will rehabilitate 68 lane miles of local roads and construct 26 bicycle lane miles, 25 passing lane miles, 14 HOV/HOT lane miles, and 3 auxiliary lane miles; as well as make 276 rail car/transit vehicle purchases and other improvements. It is estimated that the STIP allocation capacity for 2021-22 is sufficient for all 2021-22 programmed projects and projects with allocation extensions expiring in 2021-22.



# Trade Corridor Enhancement Program

The Trade Corridor Enhancement Program funds infrastructure improvements on corridors with a high volume of freight movement that have been designated as having federal, state, or regional significance. The program was created by the Road Repair and Accountability Act and subsequent implementing legislation, SB 103 (Committee on Budget and Fiscal Review, Chapter 95, 2017). The Commission develops program guidelines, evaluates project proposals, selects projects for funding, allocates funds, and reports annually on program activities.

## PROGRAM BACKGROUND

**Funding.** The program receives half of the revenues from the diesel excise tax, which are deposited in the Trade Corridor Enhancement Account. This provides roughly \$300 million annually. The program also receives roughly \$100 million annually from the federal National Highway Freight Program.

**Eligible Agencies.** Local, regional, and public agencies, such as cities, counties, metropolitan planning organization, regional transportation planning agencies, port authorities, public construction authorities, and Caltrans are eligible to apply. Private entities may apply if they have a public agency sponsor.

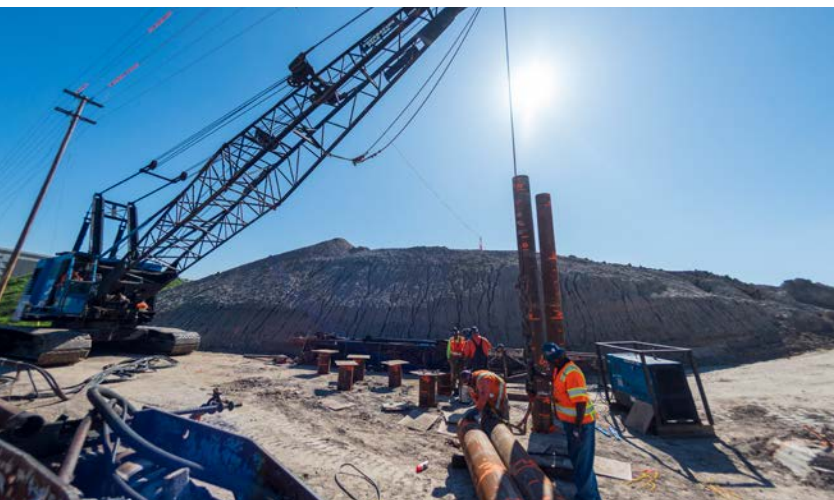
**Program Structure.** The program is competitive. The Commission's program guidelines include 40 percent of funding dedicated to projects nominated by Caltrans and 60 percent for regional corridor agencies.

**Eligible Projects.** Eligible projects include highway improvements, freight rail system improvements, port capacity and efficiency enhancements, border access improvements, road connector improvements, intelligent transportation systems and other technology, and environmental and community mitigation.

**Evaluation Criteria.** Evaluation criteria include freight and transportation system factors, community impact, project readiness, matching funds, and jointly nominated or jointly funded projects.

**Programming Cycles.** The program currently is on its third cycle, which covers FY 2023-24 to 2024-25. Past program cycles covered FY 2017-18 to 2022-23.

**Website (includes list of projects).** <https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program>





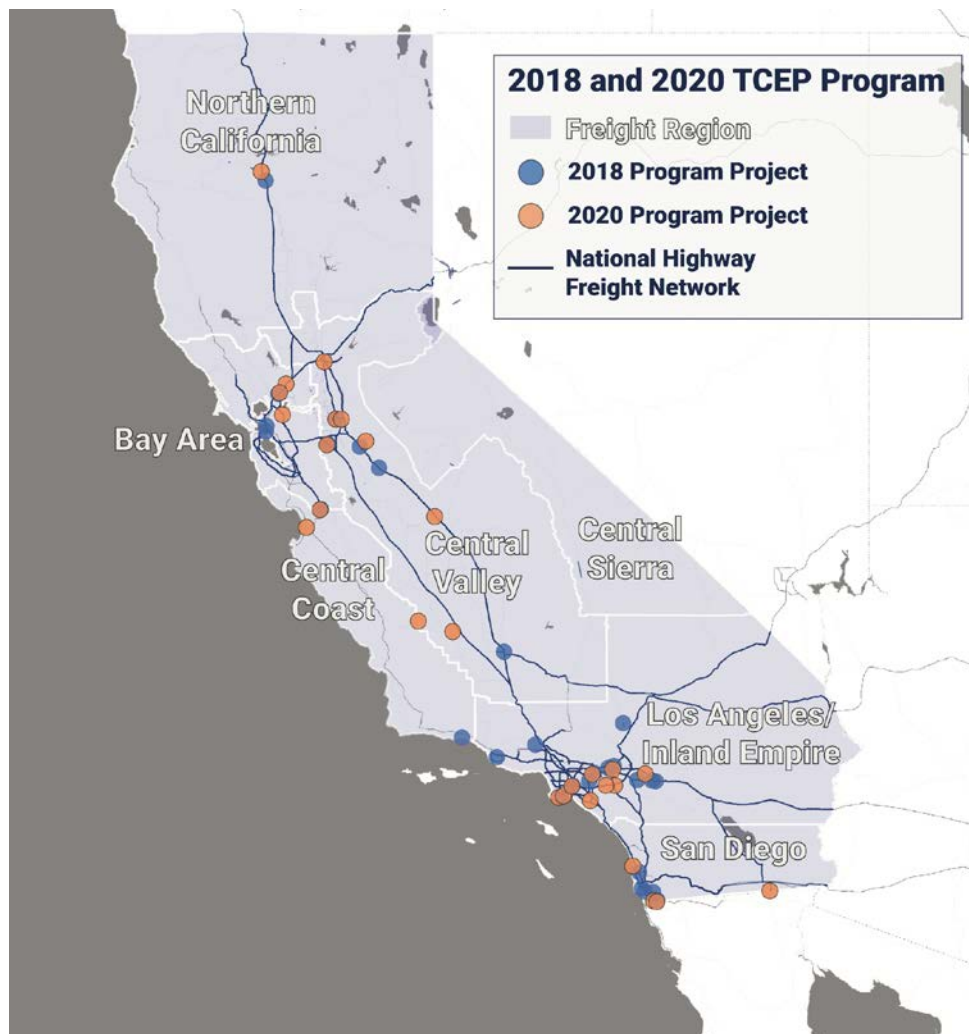
## PROGRAM ACCOMPLISHMENTS

In December 2020, the Commission programmed \$1.4 billion for 28 projects for the 2020 Trade Corridor Enhancement Program for FY 2020-21 through 2022-2023. These projects will create nearly 80,000 jobs and, over a 20-year period, they will increase throughput by over 70 million trucks; increase cargo by 65 million tons; and reduce emissions by nearly three million tons. Figure 13 shows the location of projects in the 2020 Program as well as projects adopted in the 2018 Program.

Projects in the 2020 program will construct 660,811 square feet of new or modified bridges/tunnels; 144 lane miles of new pavement for roadways; 92 traffic management system improvements (such as closed circuit television cameras, changeable message signs, and software and hardware systems); 67 miles of HOV/HOT lanes; 37 miles of fiber optic cables installation; 25 miles of auxiliary lanes; 12 interchange modifications; 12 intersection or signal improvements; 10 miles of mixed flow lanes; 6 new/improved grade separations; 4 miles of bike lanes/pedestrian facilities/sidewalks; 4 port improvements; 3 miles of new truck climbing lanes; 1 new Commercial Vehicle Enforcement Facility; and other improvements to roads, rail lines, border crossings, and pedestrian facilities.

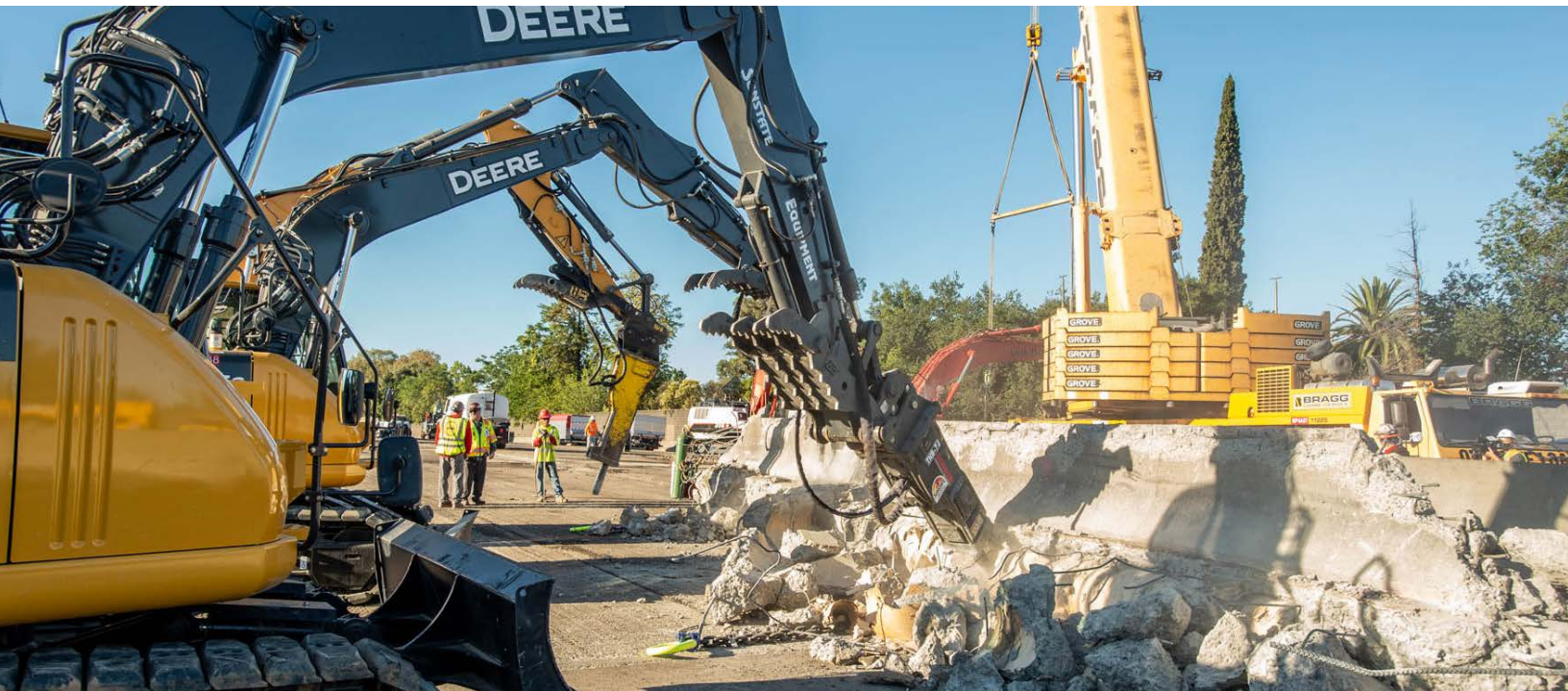
Staff have begun development of the FY 2022-23 guidelines and began holding workshops in August 2021. Draft guidelines for Cycle 3, covering FY 2023-24 and FY 2024-25, are scheduled to be completed in the summer of 2022.

Figure 13





**FY 2020-21 Project Allocations.** During FY 2020-21, the Commission allocated \$94.7 million for design, right-of-way, or a combination of both for 7 projects. Once complete, the projects will improve the flow of goods at the U.S. Mexico border, improve rail capacity in Southern California, update a Commercial Vehicle Enforcement Facility on I-80 in Solano County, improve an interchange, and improve goods movement on I-5 in Sacramento County. Since the program's inception, the Commission has allocated about \$1.1 billion to 29 projects.





# Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program funds capital and operational improvements to modernize California's transit systems and intercity, commuter, and urban rail systems. The program was created by SB 862 (Committee on Budget and Fiscal Review, Chapter 36, 2014) and modified by SB 9 (Beall, Chapter 710, 2015). The Road Repair and Accountability Act augmented funding for the program. The objectives of the program are to reduce greenhouse gas emissions; expand and improve transit service to increase ridership; integrate the state's various rail services, including with high-speed rail; and improve transit safety. By statute, the Commission's role is limited to allocating funds to projects that are selected by the California State Transportation Agency. As the California State Transportation Agency is the implementing agency, the Commission is not responsible for developing guidelines or evaluating project applications for the program.

## PROJECT HIGHLIGHTS

### LA Metro Gold Line Foothill Extension to Claremont and Montclair

The Los Angeles County segment of the LA Metro Gold Line Foothill Light Rail extension from Glendora to Pomona includes a nine-mile extension of light rail track. New stations will be constructed in the cities of Glendora, San Dimas, La Verne, and Pomona. This project will improve mobility and increase ridership across communities, particularly around the new stations, and will provide fast, convenient, and reliable transit service for all.

#### Project Construction



The Gold Line project is one of six projects that, when combined, are anticipated to result in a projected greenhouse gas emission reduction of 3,038,441 metric tons and are expected to divert 20 percent of vehicle trips away from local freeways and arterials to transit. The Commission allocated \$249.2 million to the project in June 2020 and the anticipated completion date is January 2025.

## PROGRAM BACKGROUND

**Funding.** SB 9 dedicates 10 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the program. The Road Repair and Accountability Act provides additional funding of approximately \$270 million annually for the program from Transportation Improvement Fee revenues deposited into the Public Transportation Account.

**Eligible Agencies.** Public agencies, including joint powers agencies, that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service (and associated feeder bus service to intercity rail services), urban rail transit service, or bus or ferry transit service, including commuter bus services and vanpool services.

**Program Structure.** The program is competitive. Statute requires that at least 25 percent of available funding go to projects benefitting disadvantaged communities.

**Eligible Projects.** Eligible projects include rail capital projects; procurement of rolling stock; facilities to support, expand, enhance, or improve existing rail systems; intercity, commuter, and urban rail projects that increase service levels, improve reliability, or decrease travel times; and rail, bus, and ferry integration, including integrated ticketing and scheduling systems and shared-use corridors.

**Evaluation Criteria.** The California State Transportation Agency scores projects based upon the following primary criteria: reduction in greenhouse gas emissions, increase in ridership (through expanded and improved rail and transit service), integration of rail and transit service, and safety improvements of the transit systems. Secondary criteria include reduction in vehicle miles traveled, demonstrating project alignment with state housing policies and goals, investing in clean air technology, promoting active transportation, among others.

**Programming Cycles.** The program is in its fourth cycle. On August 12, 2021, the California State Transportation Agency issued discussion draft guidelines for the fifth cycle, which will cover FY 2022-23 through FY 2026-27.

**Website.** <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>

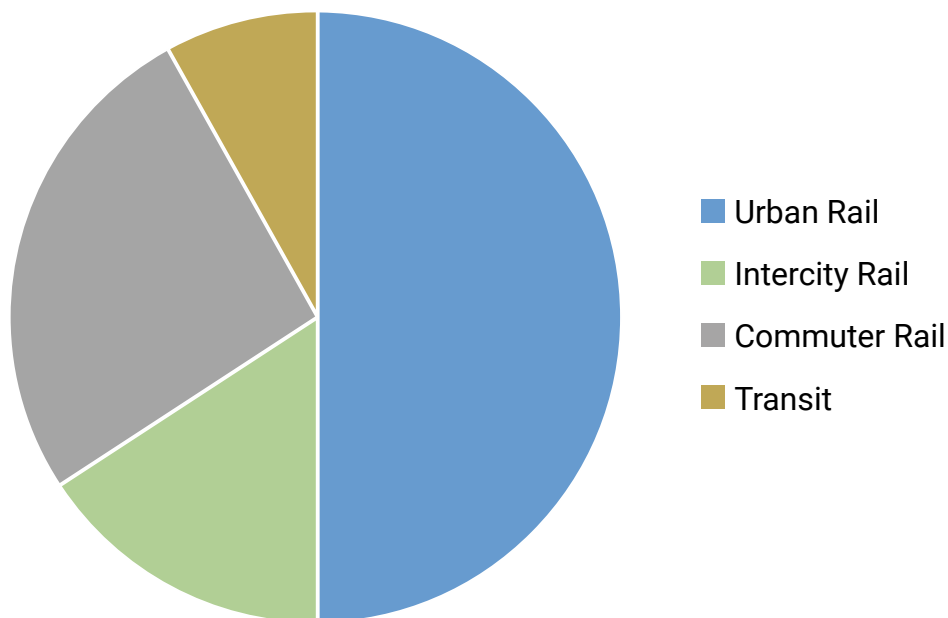


**During FY 2020-21, the Commission allocated \$696 million to 60 projects, including 34 projects entering construction. Projects entering construction consist of: 19 system infrastructure improvements/upgrades; 8 vehicle or equipment procurements; 4 service improvements; 2 rail expansions; and 1 new or replacement of rail track/track infrastructure.**

### PROGRAM ACCOMPLISHMENTS

**FY 2020-21 Allocations.** During FY 2020-21, the Commission allocated \$696 million to 60 projects. Of that amount, \$12 million was allocated to 3 projects from the second program cycles; \$634 million to 44 projects from the third program cycle; and \$50 million to 13 projects from the fourth program cycle. Nearly \$552 million was allocated to 34 projects for construction, with the remaining \$144 million being allocated to 26 projects for pre-construction. The 34 projects entering construction consist of: 19 system infrastructure improvements/upgrades; 8 vehicle or equipment procurements; 4 service improvements; 2 rail expansions; and 1 new or replacement of rail track/track infrastructure. Figure 14 shows allocations by type of project.

Figure 14  
**FY 2020-21 Transit and Intercity Rail Capital Program Allocations**





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# OTHER COMMISSION PROGRAMS



## Aeronautics Program

The Aeronautics Program funds work such as safety grants, maintenance, and capital improvement projects, in addition to airport land use compatibility plans. The program is funded from the Aeronautics Account, which receives revenues from an 18-cent-per-gallon fuel excise tax on general aviation gasoline and a 2-cent-per-gallon excise tax on general aviation jet fuel. In August 2021, the Commission approved the 2022 Aeronautics Account Fund Estimate covering a four-year period from FY 2022-23 through FY 2025-26. The available capacity is \$3 million for FY 2022-23 and \$2.5 million for FY 2023-24, with no new capacity in the last two years. The Aeronautics Account also has a subaccount, the Local Airport Loan Account, which provides discretionary state loans for projects that benefit an airport and/or improve its self-sufficiency. Additionally, Public Utilities Code section 21602(f)(2) authorizes Caltrans to transfer money from the Local Airport Loan Account to the Aeronautics Account if it determines more money is available than needed to support the loans, subject to approval by the Department of Finance and the Commission.

**FY 2020-21 Allocations.** For FY 2020-21, the Commission allocated \$1.5 million from the Aeronautics Account for \$10,000 grants or “credits” to each of the state’s 149 general aviation airports for use at the sponsor’s discretion, subject to applicable laws and regulations. Additionally, the Department of Finance authorized a \$2.5 million transfer from the Local Airport Loan Account to the Aeronautics

Account for the Airport Improvement Program Matching Grants, and, in June 2021, the Commission approved the \$2.5 million allocation request. The Airport Improvement Program Matching Grants assists airports in meeting the local match for an Airport Improvement Program grant from the Federal Aviation Administration. The Commission did not receive allocation requests for another program, the Acquisition and Development Program, in FY 2020-21, because the Department of Finance did not approve transfers from the Local Airport Loan Account to the Aeronautics Account for this program. Figure 15 shows a list of the projects for the Acquisition and Development Program that were programmed in FY 2020-21 but did not submit allocation requests due to lack of funding.

Figure 15  
**FY 2020-21 Unfunded Acquisition and Development Program Projects**

<b>District</b>	<b>Airport</b>	<b>County</b>	<b>Project Description</b>	<b>Total Cost</b>	<b>State Cost</b>
1	Andy McBeth	Del Norte	Overlay and Restripe Pavement	\$475,000	\$428,000
1	Samoa Field	Humboldt	Resurface Runway/Repaint Markings	\$150,000	\$135,000
2	Fort Bidwell	Modoc	Resurfacing Material, Grading, Rolling	\$50,000	\$45,000
6	Poso-Kern County	Kern	Crack Fill, Slurry Seal and Restripe Runway	\$150,000	\$135,000
7	Compton-Woodley	Los Angeles	Airport Land Use Compatibility Plan	\$300,000	\$270,000
9	Lee Vining	Mono	Acquire Land	\$110,000	\$99,000
9	Bryant Field	Mono	Install Obstruction Lights	\$60,000	\$54,000
9	Shoshone	Inyo	Segmented Circle	\$33,000	\$30,000
10	Alpine County	Alpine	Chip Seal and Restripe Runway	\$140,000	\$126,000
<b>Total FY 2020-21 Programmed Amount:</b>				<b>\$1,468,000</b>	<b>\$1,322,000</b>

**General Fund Loan.** The Budget Act of 2020 loaned \$21.8 million from the Local Airport Loan Account to the General Fund, due to the state fiscal shortfall resulting from the initial impacts of the COVID-19 pandemic in spring 2020. The Budget Act specifies that the loan shall be repaid with interest but did not set a repayment period. The Commission is recommending this loan be repaid in 2022, given the state General Fund has recovered to a historic General Fund surplus and there is a lack of funding for projects programmed from the Aeronautics Account. This recommendation is discussed in more detail in the Policy Recommendations section of this report.

## **Enhanced Mobility of Seniors and Individuals with Disabilities Program**

The Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. Chapter 53, Section 5310) is a federal grant program for the purchase of transit capital equipment to meet the specialized needs of elderly and disabled people for whom mass transportation services are unavailable, insufficient, or inappropriate. It includes a Traditional Program of capital projects and an Expanded Program that also funds mobility management and operating assistance projects.

In March 2021, the Commission approved an amendment to the 2019 Enhanced Mobility of Seniors and Individuals with Disabilities Program to include \$1.4 million in funding received from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. The Federal Act funds were distributed to recipient agencies as follows:

- \$32,929 for each subrecipient in the Rural Area
- \$37,674 for each subrecipient in the Small and Urban Area

The Commission allocated the funds immediately following the program adoption amendment at the March 2021 Commission meeting.

A complete project lists for the 2019 Program is available at: <https://catc.ca.gov/programs/fta-section-5310-elderly-disabled-specialized-transit-program>

## **Environmental Enhancement and Mitigation Program**

The Environmental Enhancement and Mitigation Program funds projects that are directly or indirectly related to the environmental impact of modifying existing transportation facilities or the design, construction, or expansion of new transportation facilities. Streets and Highways Code Section 164.56 requires the Commission to allocate funds to projects recommended by the California Natural Resources Agency. Any local, state or federal agency, or nonprofit entity is eligible to participate in the program. Eligible projects include urban forestry projects, resource lands projects, and mitigation projects beyond the scope of a lead agency responsible for assessing environmental impacts under the California Environmental Quality Act.

Streets and Highways Code Section 164.56 states legislative intent to allocate \$7 million annually for the program. Funds for the program are appropriated annually in the state budget. The California Natural Resources Agency currently is evaluating grant applications for the 2021 Environmental Enhancement and Mitigation Program, that includes the 2020 and 2021 budget year appropriations, and anticipates awarding approximately \$13.4 million by the end of FY 2021-2022. The complete list of projects for the last program cycle, which is the 2019 Program, is available at: <https://catc.ca.gov/programs/environmental-enhancement-mitigation>



## Local Assistance Program

The Commission is responsible for allocating certain state and federal transportation funds to local agencies. The Commission allocates these funds to Caltrans to then sub-allocate to local agencies. Caltrans is required to update the Commission quarterly about the status of state and federal local assistance allocations.

The two largest federal transportation programs for local agencies are (1) the Congestion Mitigation and Air Quality Improvement Program, which funds transportation projects designed to reduce traffic congestion and improve air quality, particularly in regions that do not attain national air quality standards; and (2) the Surface Transportation Block Grant Program, which provides flexible funding for projects that preserve and improve the conditions and performance of any federal-aid highway.

In Federal Fiscal Years 2019-20 and 2020-21, the Commission allocated \$1.8 billion and \$2.0 billion, respectively, to Caltrans for sub-allocation to local agencies. Through June 30, 2021, Caltrans had sub-allocated all funds for Federal Fiscal Year 2019-20 and 54 percent of funds for Federal Fiscal Year 2020-21. Caltrans anticipates to sub-allocate the remaining funds by the end of the 2020-21 Federal Fiscal Year, September 30, 2021.

Figure 16 includes detail on the federal and state allocations by program for each year.

Figure 16  
**Local Assistance Allocations by Program**  
**As of June 30, 2021**  
**(Dollars in Millions)**

<b>Federal</b>	<b>2019-20</b>	<b>2020-21</b>
Congestion Mitigation and Air Quality Improvement Program	\$481	\$564
Surface Transportation Block Grant Program	460	539
National Highway Performance Program: Bridge and Off-System Bridge	288	331
Discretionary and Special Programs	114	179
Highway Infrastructure Program	98	158
Highway Safety Improvement Program	131	59
Railroad Grade Crossing Protection	32	17
Safe Routes to School Program	4	3
<b>Federal Total</b>	<b>\$1,608</b>	<b>\$1,850</b>

Figure 16 (continued)

<b>State</b>	<b>2019-20</b>	<b>2020-21</b>
Surface Transportation Block Grant Program: State Match and Exchange	\$64	\$65
SB 137 Exchange/ Highway Safety Improvement Program	0	40
Freeway Service Patrol	25	25
Freeway Service Patrol from SB1	25	25
Railroad Grade Separations	15	15
Railroad Grade Crossing Maintenance	4	4
Miscellaneous Unassigned Local Programs	3	3
Bridge Inspection	1	1
Local Road Safety Plan Program	8	0
<b>State Total</b>	<b>\$145</b>	<b>\$178</b>
<b>Grand Total</b>	<b>\$1,753</b>	<b>\$2,028</b>

Note: Numbers may not add due to rounding.

## **Proposition 1A (2008)**

In November 2008, California voters approved Proposition 1A, also known as The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, which authorizes nearly \$10 billion in bond funds for high-speed rail and other rail projects. Of the nearly \$10 billion authorized, the Commission is responsible for programming and allocating the net proceeds from the sale of \$950 million in bonds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system, or that provide capacity enhancements and safety improvements. Of the \$950 million available for these purposes, \$19 million was set aside for bond administrative costs, leaving \$931 million available for programming by the Commission.

Since the program's inception, the Commission has allocated in total more than \$880 million for Proposition 1A projects through June 2021, with \$7.5 million allocated in FY 2020-21. Approximately \$50 million in Proposition 1A funds remain unallocated.

## **Proposition 1B (2006)**

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Act of 2006, which voters approved as Proposition 1B, authorized the issuance of \$19.9 billion in state general obligation bonds. Proposition 1B requires the Commission to program and allocate approximately \$12 billion of that funding to specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system.

SB 88 (Committee on Budget and Fiscal Review, Chapter 181, 2007) designates the Commission as the administrative agency for all Proposition 1B programs. In addition, Executive Order S-02-07, issued

by Governor Schwarzenegger in January 2007, increased the Commission’s delivery monitoring responsibility for the bond-funded projects. As a result, the Commission developed and implemented an accountability plan, which requires bond fund recipients to report to the Commission quarterly. Expenditures of bond proceeds also are subject to audit to determine whether the expenditures made from bond proceeds were made according to the established front-end criteria and processes; were consistent with all legal requirements; and achieved the intended outcomes. Caltrans is performing the required audits on behalf of the Commission. Additionally, the Commission submits semiannual reports to the Department of Finance to document whether projects are proceeding on schedule and within their estimated cost. Both the quarterly and semiannual reports are available on the Commission website at: <https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006/prop1b-reports>.

As of the end of FY 2020-21, the Commission has allocated \$11.8 billion of the \$12 billion in bond funds programmed under its purview. Most Proposition 1B projects have either been constructed or are nearing completion. Figure 17 summarizes the status of Proposition 1B projects by program.

Figure 17  
**Status of Proposition 1B Funded Projects  
(Dollars in Millions)**

Program	Authorized	Allocated		Completed		Not Completed	
	Funds	Projects	Funds	Projects	Funds	Projects	Funds
CMIA	\$4,500	129	\$4,477	125	\$4,366	4	\$111
Route 99	\$1,000	33	\$977	28	\$947	5	\$30
TCIF	\$2,450	134	\$2,428	109	\$1,875	25	\$553
TLSP	\$250	83	\$245	81	\$223	2	\$22
HRCSA	\$250	38	\$242	36	\$230	3	\$12
IRI	\$400	29	\$357	19	\$300	14	\$57
LBSRA	\$125	337	\$78	320	\$74	54	\$51
SLPP	\$1,000	257	\$981	252	\$947	5	\$34
STIP	\$2,000	90	\$1,963	88	\$1,881	2	\$82
SHOPP	\$500	35	\$486	34	\$428	1	\$58
<b>Totals</b>	<b>\$12,475</b>	<b>1,165</b>	<b>\$12,234</b>	<b>1,092</b>	<b>\$11,270</b>	<b>115</b>	<b>\$1,011</b>

Notes: Numbers may not add due to rounding. Includes \$450 million for TCIF from the State Highway Account, pursuant to legislation (AB 268). Excluding these funds, the total authorized is \$12,025 million and the total allocated is \$11,784 million.

CMIA = Corridor Mobility Improvement Account; Route 99 = State Route 99 Corridor Account; TCIF = Trade Corridors Improvement Fund; TLSP = Traffic Light Synchronization Program; HRCSA = Highway-Railroad Crossing Safety Account; IRI = Intercity Rail Improvements Program; LBSRA = Local Bridge Seismic Retrofit Account; SLPP = State-Local Partnership Program; STIP = State Transportation Improvement Program; SHOPP = State Highway Operation and Protection Program

## Proposition 116 (1990)

Proposition 116 of 1990 enacted the Clean Air and Transportation Improvement Act, designating nearly \$2 billion toward specific projects, purposes, and geographic jurisdictions, primarily for passenger rail capital projects. Since Proposition 116 passed over 30 years ago, the Commission has programmed and allocated nearly all the funds. AB 2620 (Dababneh, Chapter 763, 2016) authorized the Commission to re-program any funds not expended or encumbered by July 1, 2020, to other existing passenger rail projects with existing rail service. On July 1, 2020, \$9.5 million was identified as available for re-programming. In June 2021, the Commission approved a close-out policy for the Proposition 116 Program and programmed the available funds of \$9.5 million to the Stockton Regional Maintenance Facility Expansion project in San Joaquin County.

## Seismic Safety Retrofit Program

California has more than 13,000 bridges on its state highway system and an additional 12,100 bridges on its local streets and roads network. Following the 1989 Loma Prieta earthquake, emergency legislation AB 38X (Sher, Chapter 17X, 1989) and SB 36X (Kopp, Chapter 18X, 1989) established the Seismic Safety Retrofit Program. The Seismic Safety Retrofit Program consists of two components: a state highway system component that has since been completed, and a local streets and roads component for which local agencies or state agencies other than Caltrans serve as project delivery agencies.

**State Highway System Component.** The State Highway System Component consisted of three seismic retrofit sub-programs that totaled \$12 billion and seismically retrofitted a total of 2,199 bridges. As of February 2019, the State Highway System Component has been completed.

**Local Streets and Roads Component.** Following the 1989 Loma Prieta earthquake, Caltrans identified 1,235 publicly owned bridges on the local streets and roads network in need of seismic evaluation. In 2006, with passage of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), a \$125 million Local Bridge Seismic Retrofit Account was established to fund completion of a remaining 479 bridges. Funds from the account provide the 11.47 percent local match for the Federal Highway Bridge Program funds used to retrofit the local bridges. As of June 30, 2021, of the \$125 million available, \$78 million has been suballocated. Of the 374 bridges in the program, 320 bridges have been completed and 54 bridges have not been completed. Of the 54 incomplete bridges, 20 bridges are in construction and 34 bridges have yet to move into construction. Information on this program also is available in the Proposition 1B section of this report.

## Short-Line Railroad Improvement Program

The Short-Line Railroad Improvement Program funds short-line railroad infrastructure projects intended to improve freight mobility, increase volume thresholds, and support modern rail freight traffic and the communities and industries they serve throughout California. The program was created by SB 87 (Committee on Budget and Fiscal Review, Chapter 32, 2019), which provided a one-time appropriation of \$7.2 million for the program through savings from the Proposition 1B Trade Corridor Improvement Fund program.



Only Caltrans or a regional transportation planning agency may nominate projects for funding. Project proposals from port authorities or private entities are encouraged but must be submitted by Caltrans or a regional transportation planning agency. The evaluation criteria for the program are freight mobility, cost effectiveness, deliverability, leveraged funding, air quality and greenhouse gas emissions reductions, regional and industry project support, safety, and system preservation.

**Program Adoption.** The Commission adopted guidelines for the program at the June 24, 2020 Commission meeting and a single call for projects was issued for the full \$7.2 million to be programmed over FY 2020-21 and FY 2021-22. The Commission received seven applications for evaluation requesting \$6.5 million. All seven applications were programmed for funding in January 2021. The projects have a combined project value of \$13 million. The list of projects funded is available at <https://catc.ca.gov/programs/short-line-railroad-improvement-program>

Collectively, the projects programmed address significant short-line rail needs by rehabilitating aging rail to modern standards, rehabilitating rail bridges, rehabilitating and constructing rail spurs, and constructing new rail track. The projects entail a variety of benefits including increasing throughput, increasing goods movement, reducing congestion, reducing truck miles traveled, providing safety and operational improvements, and reducing greenhouse gas emissions.

**FY 2020-21 Project Allocations.** During FY 2020-21, the Commission approved one allocation request of \$400,000 for the Santa Maria Valley Railroad Track Rehabilitation Rail project, in Santa Barbara County. This project will reduce truck trips on Highway 101 and Highway 1, reduce greenhouse gas emissions, and promote economic growth to shippers of the Santa Maria Valley and Central Coast.

## **Traffic Congestion Relief Program**

AB 2928 (Torlakson, Chapter 91, 2000) and SB 1662 (Burton, Chapter 656, 2000), together known as the Traffic Congestion Relief Act of 2000, created the Traffic Congestion Relief Program and committed \$4.9 billion to 141 specific projects. The Road Repair and Accountability Act closed out the program, consistent with a Commission legislative recommendation. Specifically, the legislation states that as of June 30, 2017, Traffic Congestion Relief Program projects shall be deemed complete and final, and projects without approved applications shall no longer be eligible for program funding.

In May 2017, the Commission approved a close-out policy to provide a final opportunity at the June 2017 Commission meeting to allocate funds to projects with approved applications. No new applications were received, and projects are no longer eligible for allocations. Prior to the end of the program, the Commission programmed nearly \$4.6 billion of the \$4.9 billion available, and the remaining funds were redistributed to other programs. Of the funds that were programmed and allocated, nearly \$4.4 billion has been spent.

# TRANSPORTATION PLANNING



## California Transportation Plan

Pursuant to federal regulation (23 CFR 450.214) and state statute (Government Code Section 14000.6 and 65071, et seq), Caltrans is required to prepare a statewide long-range transportation plan – the California Transportation Plan – every five years. This plan serves as the transportation policy plan designed to meet California’s mobility needs and reduce greenhouse gas emissions over the next 20 years. The plan is required to envision a fully integrated, multimodal, and sustainable transportation system that supports economic vitality, protects environmental resources, and promotes the health and well-being for all Californians. It also is expected to provide a common policy framework that will guide Caltrans modal plans and programs as well as inform transportation investments and decisions by all levels of government, the private sector, and key transportation stakeholders.

During 2020, Caltrans worked on the development of the California Transportation Plan 2050 and released a draft in the fall. At its October 2020 meeting, the Commission transmitted comments to Caltrans on the draft. The Commission’s comments encouraged Caltrans to modify certain planning assumptions to ensure that they are reasonable in light of both the COVID-19 pandemic and Governor Newsom’s Executive Order N-79-20, which requires 100 percent of new passenger vehicles to be zero-emission by 2035. The Commission also recommended that the plan include a high-level

analysis of what it would cost to implement and identify near-, mid-, and long-term implementation activities. With regard to the plan's roadway pricing strategy, the Commission recommended that some of the implementation discussions occur at the Commission's Road Charge Technical Advisory Committee meetings. Finally, the Commission requested that Caltrans report annually to the Commission on the status of plan implementation. A copy of the Commission's comment letter is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2020/2020-10/20-4-7-a11y.pdf>

Caltrans released the final California Transportation Plan 2050 on March 2, 2021. The plan incorporates feedback from stakeholders and the public, as well as comments from the Commission that were submitted on the draft plan in 2020. Caltrans is currently working to complete an annual Implementation Report by December 31, 2021. The Implementation Report is anticipated to be presented at the January 2022 Commission meeting.

## **California State Rail Plan**

The California State Rail Plan provides a framework for California's rail network and sets the stage for new and better rail and community connections in the State for the next 20 years and beyond. The plan is required by state statute to be updated, at a minimum, every five years (Government Code Section 14036). Caltrans is scheduled to present the draft 2022 State Rail Plan to the Commission at the January 2022 Commission meeting. The Commission will review and provide comments on the Plan. The 2022 State Rail Plan is expected to be finalized in mid-2022.

## **California Aviation System Plan**

The California Aviation System Plan is another statutorily required modal plan prepared by Caltrans. This statewide aviation plan is required by federal regulations and state statute to identify the role of California's commercial and general aviation airports and heliports as a part of the state's transportation infrastructure. California Public Utilities Code Sections 21701-21707 specify the elements to be included in the plan and require it to be updated every five years and submitted to the Commission.

In December 2020, the Commission considered Caltrans's draft 2020 California Aviation System Plan and submitted comments that focused on the need for the plan to clearly convey the importance of aviation to decisionmakers and the public, address aviation air quality challenges and technological innovations, prioritize and highlight the financial needs of aviation, and consolidate policy recommendations. A copy of the Commission's comment letter is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2020/2020-12/27-4-17-a11y.pdf>

Caltrans Division of Aeronautics incorporated changes into the final plan to address Commission comments. In August, the Commission approved the 2020 California Aviation System Plan. This is the first update of the California Aviation System Plan in over 10 years. Additionally, in June 2021, the Commission adopted Caltrans Division of Aeronautics 2021 - 2030 Capital Improvement Plan, a ten-year, fiscally unconstrained listing of capital and planning projects. The Capital Improvement Plan is compiled biennially and submitted by Caltrans to the Commission for approval.

## **Interregional Transportation Strategic Plan**

The Interregional Transportation Strategic Plan is a long-range planning document prepared by Caltrans that communicates the vision for investing in California's interregional transportation system to support the interregional movement of people and goods. The interregional transportation system includes, but is not limited to, intercity passenger rail services, highways, intercity bus networks, airports, interregional bicycle routes, zero emission vehicle charging and fueling infrastructure, and broadband interconnectivity. The plan provides a framework that guides project selection for the Interregional Transportation Improvement Program, which is a component of the State Transportation Improvement Program.

At the August 2021 Commission meeting, Caltrans presented the draft 2021 Interregional Transportation Strategic Plan. The Commission submitted written comments on the draft Plan to Caltrans, including that the Plan should better identify needs for each strategic interregional corridor and that the improvements and strategies contained in the plan should more clearly address the individual needs of each corridor. A copy of the Commission's comment letter is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-10/20-4-23-a11y.pdf>

Caltrans published the final Plan on October 1, 2021 and the Commission approved the final plan on October 13, 2021. The 2021 Interregional Transportation Strategic Plan is consistent with the California Transportation Plan 2050, as required by state statute, and aligns with other long-range planning documents, including the Climate Action Plan for Transportation Infrastructure, Caltrans 2020 Freight Mobility Plan, the 2020 California Aviation System Plan, and the 2018 California State Rail Plan. To ensure that future iterations of the Interregional Transportation Strategic Plan better identify and more clearly address the individual needs of strategic interregional corridors, Caltrans will work in coordination with Commission staff to develop an additional assessment of interregional system needs by December 31, 2022, as required by the 2022 State Transportation Improvement Program Guidelines. The assessment will consider needs such as multimodal travel choices, congestion relief, goods movement, ability to support evacuation, and adaptation to climate change and will include potential improvements or strategies on priority interregional facilities.

## **California Freight Mobility Plan**

The California Freight Mobility Plan is another modal plan prepared by Caltrans and serves as a statewide long-range freight plan required by federal regulations and state statute. The intent of the plan is to describe the role of the freight sector in California and to identify areas where improvement to freight infrastructure is necessary to accommodate demand. The Commission provided comments to Caltrans on the draft California Freight Mobility Plan 2020 at the January 2020 Commission meeting. The comments included a recommendation that Caltrans review existing freight plans completed by other states for examples of how the collection and display of freight network information and the economic benefits of the freight sector could be enhanced in the plan. Caltrans finalized the California Freight Mobility Plan 2020 in March 2020. A copy of the Commission's comment letter is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2020/2020-01/pinks-and-presentations/tab-20-4-5-a11y.pdf>



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# TRANSPORTATION FINANCE



## Road Charge

SB 1077 (DeSaulnier, Chapter 835, 2014) tasked the Chair of the Commission, in consultation with the California State Transportation Agency, to convene a 15-member Road Charge Technical Advisory Committee to study road usage charge alternatives to the gas tax, make recommendations to the Secretary of the Transportation Agency on the design of a pilot program, and recommend criteria to be used to evaluate the pilot program. In 2015, the Chair of the Commission established the Technical Advisory Committee, which includes membership that represents technical and public interest areas. The pilot program called for under SB 1077 concluded in 2017, having enrolled 5,000 vehicles to test a variety of mileage tracking methods while using mock invoices and payments.

More recently, the need for a road charge has been heightened due to the issuance of Executive Order N-79-20, in September 2020, which requires a complete transition for new passenger vehicle sales to a fully zero-emission vehicle market by 2035. Since the timeline for zero emissions vehicle adoption will likely accelerate over the next fifteen years as result, there is even more of a need to move toward a different way of collecting transportation taxes that is not based on traditional fuel taxes.

Recognizing this need, in 2021, the Legislature passed, and the Governor signed into law, SB 339 (Wiener, Chapter 308, 2021), which implements a legislative recommendation from the Commission's 2020 Annual Report to authorize a new road charge pilot program to test revenue collection. Under the legislation, the California State Transportation Agency, in consultation with the Commission, must implement the pilot program and submit a final report to the Legislature by December 31, 2026. The legislation also requires the Technical Advisory Committee to make recommendations on the design of the pilot program by July 1, 2023. At its October 29, 2021 meeting, the Technical Advisory Committee heard an informational item from Commission staff outlining an implementation timeline and next steps for the committee.

Additionally, in 2021, the California State University Mineta Transportation Institute was awarded SB 1 research funds to study (1) options for how a road charge could be rolled out gradually across different segments of the vehicle fleet, and (2) options for identifying the optimal structure and rate to charge. The research study will identify lessons to be learned from current road use charge experiences as well as from the rate-setting experience for other transportation facilities (such as tolled roads and bridges) and utilities (such as for power and water).

## **GARVEE Bond Financing**

Federal Grant Anticipation Revenue Vehicle (GARVEE) bonds may be used to finance projects in the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP). GARVEE bonds are tax-exempt anticipation notes backed by annual federal appropriations for federal aid transportation projects. They generally are used to finance large projects that would otherwise be unaffordable with available funding. Although this allows strategic projects to be delivered earlier than otherwise, the debt service limits future flexibility. The Commission has approved the issuance of GARVEE notes twice – once for STIP projects in 2004 and once for SHOPP projects in 2008. Both bonds have been repaid and all projects funded with the bond proceeds have been completed.

Government Code Section 14553.10 requires the Commission report, on or before October 1 each year, to the Governor, the Chairs of the Senate and Assembly Transportation Committees, the Department of Finance, and the Legislative Analyst on the amount of GARVEE bonds the Commission intends to issue for the subsequent fiscal year. On August 20, 2021, the Commission notified these parties that it did not anticipate requesting issuance of GARVEE bonds in the upcoming fiscal year, based on an assessment of funding levels available for the SHOPP and STIP, as identified in the 2022 Fund Estimate adopted by the Commission on August 18, 2021. In its notification, the Commission also reported that neither the California Department of Transportation nor regional transportation agencies had requested the issuance of GARVEE bonds in the upcoming fiscal year to deliver their programs.

## **California Transportation Financing Authority**

AB 798 (Nava, Chapter 474, 2009) created the California Transportation Financing Authority (Financing Authority). AB 798 provides that a project sponsor, as defined in Government Code section 64102(g), may apply to the Financing Authority for bond financing or refinancing of a transportation project that Caltrans and the Commission have approved for construction. The Financing Authority and the Commission are required to develop an approval process that results in project approval by

the Commission and financing approval by the Financing Authority in a cooperative manner that is not sequential, so that both approvals may be delivered to a project at approximately the same time.

Beginning in June 2011, and annually thereafter, the Financing Authority is required to present to the Commission a summary of actions taken in the previous calendar year, including the number of project sponsors that sought financing through the Financing Authority, a description of each project, a summary of the sources of funding used to finance or refinance the project, and any recommendations the Financing Authority may have to improve the financing of transportation infrastructure. This information is to be included in the Commission's Annual Report to the Legislature. Since enactment of this legislation, the Financing Authority has not received a formal request to finance or refinance a project.

## **Toll Facilities**

AB 194 (Frazier, Chapter 687, 2015), delegates to the Commission the responsibility to approve tolling of transportation facilities in California. Under this legislation, regional transportation agencies or Caltrans may apply to the Commission to develop and operate high-occupancy toll lanes or other toll facilities, including a value pricing program and exclusive or preferential lane facilities for public transit or freight. The legislation includes specific eligibility criteria for approving a facility, including that the facility will improve the corridor's performance such as increasing passenger throughput or reducing delays for freight shipments and travelers. The Commission also has established additional required information for applicants to submit in its Toll Facility Guidelines.

Since the passage of AB 194, the Commission has received and approved three tolling applications after finding that they met the eligibility criteria and after considering testimony at a public hearing held near the proposed facility. AB 194 requires the Commission to summarize the progress of the development and operation of the toll facilities it approves in its Annual Report to the Legislature, in cooperation with the Legislative Analyst's Office. Approved facilities and their progress are as follows:

### **Interstate 405 High-Occupancy Toll Facility in Orange County**

In May 2016, the Commission approved an application from the Orange County Transportation Authority to develop and operate a high-occupancy toll facility on Interstate 405 between State Route 73 and Interstate 605 in Orange County. As noted in prior Annual Reports, the development of this project has made significant progress since the Commission approved the application. The Orange County Transportation Authority reports that the following additional milestones were accomplished in FY 2020-21:

- Obtained possession of the necessary right of way as of July 2020
- The design-build project was approaching 60 percent complete from both a time and an earned value standpoint
- Construction of concrete pavement for the freeway widening and realigned on- and off-ramps was over 40 percent complete
- 13 bridges were under construction and five bridge replacements were complete
- Approximately 100 walls were under construction or completed
- Utility relocations were over 60 percent complete



- Completed initial set of planning documentation for the in-lane tolling systems
- Negotiating lease terms for a recommend property for a Customer Service Center
- Preparing 65 percent design requirements for the Traffic Operations Center

In December 2020, the Orange County Transportation Authority's Board of Directors approved extending the project's substantial completion and opening of the 405 Express Lanes milestones from early 2023 to late 2023 and increasing the project budget to \$2.08 billion. The increase in the project budget was funded entirely with local Measure M2 funds.

Also noteworthy, in July 2017, the Orange County Transportation Authority (Authority) executed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement with the US Department of Transportation's Build America Bureau (Bureau) for up to approximately \$629 million. In October 2020, Authority staff received Board approval to pursue a reset of the interest rate on the TIFIA loan. After approximately one year of working with the Bureau, the Authority successfully executed a new TIFIA loan agreement with the Bureau on September 9, 2021, establishing the Authority as the first agency to close a rate reset loan for a TIFIA loan that had been drawn upon. As part of the new TIFIA loan, the interest rate was reset from 2.91 percent to 1.95 percent. The lower interest rate will result in a net present value savings of approximately \$158 million.

### **San Mateo County U.S. 101 Express Lanes Project**

In August 2019, the Commission approved an application from the San Mateo County Express Lanes Joint Powers Authority, a joint venture between the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority, to develop and operate a 22-mile high-occupancy toll facility on U.S. 101 in San Mateo County between the Santa Clara county line to the south and Interstate 380 to the north. The San Mateo County Express Lanes Joint Powers Authority reports that the following milestones were accomplished in FY 2020-21:

#### Organizational Milestones

- Aug 2020: Approved a \$100 million project loan agreement with the San Mateo County Transportation Authority for eligible construction costs.
- May 2021: Approved the first Express Lane Equity Program in the San Francisco Bay Area. The program eligibility threshold is 60 percent of area median income. The program consists of FastTrak Transponders pre-loaded with \$100 and Clipper Cards pre-loaded with \$100 for transit.
- Jun 2021: Approved a \$2.7 million operating budget and associated operating loan amendments with the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County.
- Jun 2021: Adopted an ordinance for the administration of tolls and enforcement of toll violations.

## Construction Milestones

- Jul 2020: System Integrator (TransCore) Installation contract executed.
- Nov 2020: Opened resorted auxiliary lanes.
- Feb 2021: Completed reconstruction of three sound walls requiring relocation to accommodate the express lanes.
- Mar 2021: Completed installation of variable toll system message signs in the southern segment of the project.
- Jun 2021: Adopted an ordinance for the administration of tolls and enforcement of toll violations.

## **Interstate 105 High Occupancy Toll Facility in Los Angeles County**

In October 2019, the Commission approved an application from the Los Angeles County Metropolitan Transportation Authority to develop and operate a high-occupancy toll facility along Interstate 105 between Interstate 405 and Interstate 605. The Los Angeles County Metropolitan Transportation Authority reports that the following milestones were accomplished in FY 2020–21:

- Dec 2020: Awarded \$150 million from the Solutions for Congested Corridors Program
- May 2021: Finalized Environmental Impact Report/Environmental Assessment
- Jun 2021: Awarded contract to prepare Plans, Specifications, and Estimates for the I-105 between I-405 and Central Avenue.
- Jun 2021: The Los Angeles County Metropolitan Transportation Authority Metro Board approved the use of the Construction Manager/General Contractor delivery method.

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# PROJECT DELIVERY



## Advance Mitigation

Advance mitigation for transportation projects can address potential future environmental compensatory mitigation needs in a way that provides better ecological, economic, and overall project delivery outcomes. The Road Repair and Accountability Act required that commencing with Fiscal Year 2017-18, and over a four-year period, a total of \$30 million dollars would be set aside each year. This set aside would provide Caltrans a total of \$120 million dollars to conduct an Advance Mitigation Program, with the intent for it to become self-sustaining.

California Streets and Highways Code section 800.7 requires Caltrans to submit an annual report on the program to the Commission. These reports are intended to provide the Commission with information on the financial activity in the Advance Mitigation Account, the transportation projects that have purchased mitigation credits from the Advance Mitigation Program, and the amount, type and location of mitigation credits that the Advance Mitigation Program has made available to transportation projects. Caltrans staff has also provided an update each year at a Commission meeting.

In 2021, Caltrans funded the first projects from the Advance Mitigation Account. One project in District 8 covers the Mojave Desert Ecoregion Section. It proposes to buy existing credits, as well as establish new credits, for Desert Tortoise, wetlands, and desert washes (river habitats) and is



expected to benefit four transportation projects. Another project is in District 6 and covers the Great Valley Ecoregion Section. It proposes to buy credits for San Joaquin Kit Fox, Tipton’s Kangaroo Rat, and aquatic resources and is expected to benefit 17 transportation projects.

## Design-Build

Design–build is a project delivery system used in the construction industry in which the design and construction services are contracted by a single entity. AB 401 (Daly, Chapter 586, 2013) superseded prior design-build legislation, SB X2-4 (Cogdill, Chapter 2, 2009), to provide Caltrans and local transportation entities the authority to use the design-build project delivery method. AB 401 authorized 10 design-build projects for Caltrans over a 10-year period from 2014 to 2024 and granted unlimited design-build authority on projects on the State Highway System sponsored by local transportation entities. AB 1499 (Daly, Chapter 212, 2021) extended the 10-year period authorization period for Caltrans through 2034 and also requires Caltrans to submit a report to the Legislature on or before January 1, 2033, on its experience with the use of the design-build method of procurement, including relative costs and time to complete projects.

As of July 2021, Caltrans has added six projects to its design-build program and is in the process of identifying four additional projects as authorized by AB 401. These six projects are listed in Figure 18. Local transportation agencies have also continued to utilize their unlimited design-build authority to deliver projects on the State Highway System.

Figure 18  
**Design-Build Projects Authorized Under AB 401**

<b>Project</b>	<b>Cost (in millions)</b>	<b>Status</b>
US 50 Multimodal Corridor Enhancement and Rehabilitation Project	\$397	Contract awarded April 2020
I-405 Improvement Project	\$152	Approved by Steering Committee. RFQ release target is early 2022
District 8 Maintenance Building	\$22	Contract awarded May 2021
Construct/Upgrade Pedestrian Facilities (ADA Compliance)	\$18	In procurement
Riv-10 Pavement Rehabilitation	\$157	In procurement
District 4 Replace TMS Devices	\$40	Approved by Steering Committee. RFQ release target is Fall 2021

## Construction Manager General Contractor

The Construction Manager General Contractor (CMGC) contracting method is a two-step process in which an agency enters into a pre-construction services agreement with a contractor but remains the engineer of record and utilizes the contractor as a construction manager during the design process to leverage the contractor’s construction expertise, means, and methods to optimize project cost and schedule. The incorporation of the construction manager on the project delivery team, especially during constructability reviews, is an effective tool in identifying and mitigating project risks prior to entering the construction phase of a project. At a mutually agreed point in the design phase, the agency and the construction manager negotiate the price to construct the project, and an independent estimating team confirms this price is reasonable. After an agreement has been reached, the two parties enter into a construction agreement, the construction contract is awarded, and the construction manager becomes the general contractor for the project. If they cannot reach agreement on the price, the CMGC is relieved of their duties and the standard design-bid-build contracting process commences.

AB 2498 (Gordon, Chapter 752, 2012) authorized Caltrans to use the CMGC project delivery tool for six projects as a pilot program, and the Commission subsequently incorporated provisions specific to the CMGC contracting method in its program guidelines. As of July 2021, all six projects authorized as a pilot program under the AB 2498 legislation have either been completed or are currently in construction. The status of these projects is outlined in Figure 19.

Figure 19  
**Construction Manager General Contractor Projects  
 Authorized Under AB 2498 Pilot Program**

Project	Cost (in millions)	Status
Interstate 5 North Coast Corridor	\$606	Construction (Work Packages)
Mariposa SR 140 - Ferguson Slide Restoration	\$52–\$226	Construction (Work Packages)
SR 58 Kramer Junction Widening and Realignment	\$140	Complete
Bay Bridge Demolition	\$117	Complete
Fresno SR 99 Realignment	\$111	Complete
I-215 at Barton Road Interchange Reconstruction	\$63–\$100	Construction

Recent legislation expanded Caltrans’s authority for CMGC project delivery. AB 2126 (Mullin, Chapter 750, 2016) authorized Caltrans to use CMGC on up to six additional projects, and AB 115 (Committee on Budget, Chapter 20, 2017) authorized Caltrans to use the project delivery method on up to 10

additional projects. SB 1262 (Beall, Chapter 465, 2018) removed the limit on the number of authorized CMGC projects for Caltrans, while also requiring interim and final reports that comprehensively assess the effectiveness of the CMGC project delivery method relative to project cost and time savings. Projects authorized under AB 2126, AB 115, and SB 1262 are listed in Figure 20.

Figure 20

**Construction Manager General Contractor Projects Authorized Under AB 2126, AB 115, and SB 1262**

<b>Project</b>	<b>Cost (in millions)</b>	<b>Status</b>
Santa Barbara US 101 HOV Lanes	\$411	Construction (Work Packages)
SR 101 Managed Lanes	\$110–\$328	Construction
I-80/I-680/SR 12 Interchange Package 2A	\$50	Construction
Scofield Retrofit	\$32	Construction
Sacramento River BOH Deck Replacement and Dunsmuir Gap	\$131	Pre-Construction
Alameda County Interstate I-80/I-580/I-880 University Avenue/MacArthur Maze	\$42–\$125	Pre-Construction
Sacramento SR 99 Cosumnes River Bridges	\$113	Construction
San Dieguito Lagoon Restoration	\$57	Pre-Construction
Yreka Rehabilitation	\$53	Pre-Construction
Ven 1 Slope Restoration	\$53	Pre-Construction
Fremont 99 Rehabilitation	\$257	Pre-Construction
Sac-51 American River Bridge Rehab	\$149	Pre-Construction
Saratoga Creek Bridge Rehabilitation	\$15	Pre-Construction
SLO-46 Corridor Improvements	\$250	Pre-Construction
LA-405 San Gabriel River Bridge Scour Mitigation	\$19	Pre-Construction
LA-210 Hinge Replacement	\$19	Pre-Construction

# APPENDIX

## Solutions for Congested Corridors Project Status

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY2020-21)	Milestones Upcoming (FY2021-22)
<b>2018 PROGRAM (CYCLE 1)</b>							
1	US 50 Multimodal Corridor Enhancement Project/US 50 HOV Lanes (I-5 to Watt Ave)	90,000	Mar-19	90,000	26,384		
2	Gold Line Light Rail Improvements- Construct track siding	20,300	Oct-21	20,300		Right of Way	Allocation and Begin Construction
3	Franklin Boulevard Cycle Track Phase 1	200	Jun-19	200			
4	Sac 5 Corridor Enhancement Project	14,800	May-18	14,800	10,623		
5	Marin Sonoma Narrows Segment C2 - HOV Lanes Gap Closure	84,791	Mar-19	84,791	48,137		
6	US 101 Managed Lanes Project - Northern Segment - Express Lanes	125,190	Oct-19	125,190	76,014	Project Segmented	
7	US 101 Managed Lanes project -Northern Segment - Tolling System Integration	0					
8	US 101 Managed Lanes project -Northern Segment -Landscaping	0					



#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY2020-21)	Milestones Upcoming (FY2021-22)
9	US 101 Managed Lanes Project - Southern Segment	74,810	Dec-18	74,810	74,059		End Construction
10	Silicon Valley Express Lanes Program - Phase 3	33,200	Aug-18	33,200	30,097		
11	North Padaro Lane Coastal Access Improvements	1,770					
12	Summerland Area Coastal Access Improvements	8,320					
13	Santa Claus Lane Class I Bikeway	6,830					Right of Way and Allocation
14	Santa Claus Lane Streetscape, Coastal Access Parking and Railroad Crossing	7,040					
15	Santa Monica Road and Via Real Intersection Improvements	1,476	Aug-21	1,476		Right of Way	Allocation and Begin Construction
16	South Coast 101 HOV Lanes - Carpinteria (Segment 4A)	0					
17	South Coast 101 HOV-Padaro (Segment 4B)	63,310	May-21	63,310	1,085	Right of Way, Allocation, and Begin Construction	

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY2020-21)	Milestones Upcoming (FY2021-22)
18	South Coast 101 HOV-Summerland (Segment 4C)	44,040	Oct-20	44,040	11,168	Allocation and Begin Construction	Allocation and Begin Construction
19	Airport Metro Connector 96th Street Transit Station	150,000	Jun-20	150,000			Begin Construction
20	Redlands Passenger Rail Project	65,000	Oct-18	65,000			End Construction
21	I-5 North Coast Corridor HOV Extension - Phase 1 - Encinitas HOV	195,000	Aug-18	195,000	117,228		
22	I-5 North Coast Corridor HOV Extension - Phase 1 - Carlsbad HOV	0					
23	Orange County Central Corridor - Bravo! Main Street Rapid Bus	4,331	Jun-20	4,331		Begin Construction	
24	Orange County Central Corridor - Traffic Light Synchronization - Warner Avenue	4,092	Jun-20	4,092		Begin Construction	
25	Orange County Central Corridor Traffic Light Synchronization MacArthur Boulevard	2,951	Jun-20	2,951		Begin Construction	
26	Orange County Central Corridor - Traffic Light Synchronization - Edinger Avenue	4,957	Jun-20	4,957		Begin Construction	
27	Santa Clara Bicycle and Pedestrian Improvements	3,243					Project Approval and Environmental Document

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY2020-21)	Milestones Upcoming (FY2021-22)
28	Route 53/553 (Bravo!Main St) - Bus Stop Improvements - Signage and Real Time Displays	230	Jun-21	230		Allocation	Begin Construction
29	Route 53/553 (Bravo!Main St) -Bus Stop Improvements - Shelters	114					Project Approval and Environmental Document
<b>Cycle 1 Total</b>		<b>1,005,995</b>		<b>978,678</b>	<b>394,795</b>		
<b>2020 PROGRAM (CYCLE 2)</b>							
30	Train Control Modernization Program - Switch Machine Cabling	45,150	May-21	45,150		Right of Way and Allocation	Begin Construction
31	Train Control Modernization Program - Downtown Oakland Interlock Upgrade	14,850				Right of Way	Allocation and Begin Construction
32	Train Control Modernization Program - Communications-based Train Control	0					
33	Soscol Junction Project	25,000	Oct-21	25,000			Right of Way, Allocation, and Begin Construction
34	West Valley Connector Bus Rapid Transit - Mainline Improvements	65,000				Project Approval and Environmental Document	
35	West Valley Connector Bus Rapid Transit - Maintenance Facility	0					
36	West Valley Connector Bus Rapid Transit - Vehicle Acquisition	0					
37	Placer-Sacramento Gateway - Auburn Boulevard Ramp Meter	500				Project Approval and Environmental Document	Right of Way, Allocation, and Begin Construction
38	Placer-Sacramento Gateway - Auburn Boulevard Complete Streets	2,860					Right of Way and Allocation
39	Placer-Sacramento Gateway - Dry Creek Greenway	6,239				Project Approval and Environmental Document	Right of Way, Allocation, and Begin Construction
40	Placer-Sacramento Gateway - Watt Avenue Complete Streets	8,100				Project Approval and Environmental Document	

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY2020-21)	Milestones Upcoming (FY2021-22)
41	Placer-Sacramento Gateway - Watt/I-80 Light Rail Station	7,937				Project Approval and Environmental Document	Right of Way, Allocation, and Begin Construction
42	Placer-Sacramento Gateway - Light Rail Modernization - Stations	2,942					Right of Way, Allocation, and Begin Construction
43	Placer-Sacramento Gateway - I-80 Transit Reliability	9,503					Right of Way
44	Placer-Sacramento Gateway - South Placer Transit	6,000				Right of Way	Allocation and Begin Construction
45	Placer-Sacramento Gateway - Light Rail Modernization - Light Rail Vehicles	22,994					Allocation and Begin Construction
46	Marin Sonoma Narrows - Contract B7	40,118	Aug-21	40,118		Right of Way	Allocation and Begin Construction
47	I-105 Express Lanes - Construction	150,000				Project Approval and Environmental Document	
48	I-105 Express Lanes - Roadside Toll Collection System	0					
49	Watsonville - Santa Cruz Multimodal Corridor Program - 41st Avenue to Soquel Avenue Auxiliary Lanes	23,507	Jun-21	23,507		Right of Way and Allocation	Begin Construction
50	Watsonville - Santa Cruz Multimodal Corridor Program - State Park to Bay/Porter Auxiliary Lanes	52,837				Project Approval and Environmental Document	
51	Watsonville - Santa Cruz Multimodal Corridor	16,463					Right of Way and Allocation
	Program -Soquel Drive Buffered Bike Lane and Congestion Mitigation Project						
<b>Cycle 2 Total</b>		<b>500,000</b>		<b>134,275</b>	<b>0</b>		
<b>Program Total</b>		<b>1,505,995</b>		<b>1,112,953</b>	<b>394,795</b>		

NOTE: The Congested Corridors Program only funds the construction phase of a project. Projects beginning construction normally take about 36 months to complete construction.



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## **GLOSSARY OF ACRONYMS**

<b>AB</b>	Assembly Bill
<b>ADA</b>	Americans with Disabilities Act
<b>Caltrans</b>	California Department of Transportation
<b>CAPTI</b>	Climate Action Plan for Transportation Infrastructure
<b>CMGC</b>	Construction Manager General Contractor
<b>Commission</b>	California Transportation Commission
<b>FY</b>	Fiscal Year
<b>GARVEE</b>	Federal Grant Anticipation Revenue Vehicle
<b>HOV/HOT</b>	High-Occupancy Vehicle/High-Occupancy Toll Lane
<b>I</b>	Interstate
<b>RFQ</b>	Request for Quotation
<b>SB</b>	Senate Bill
<b>SHOPP</b>	State Highway Operation and Protection Program
<b>SR</b>	State Route
<b>STIP</b>	State Transportation Improvement Program
<b>TAMP</b>	Transportation Asset Management Plan
<b>Transportation Agency</b>	California State Transportation Agency

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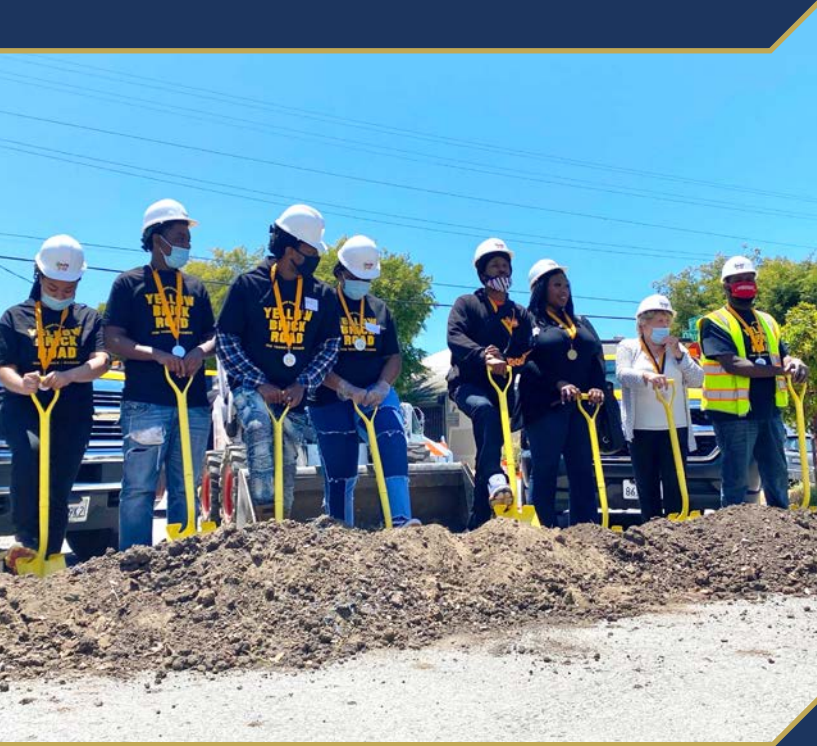
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CALIFORNIA  
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# 2021

## ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE

### RECOMMENDATIONS & ACCOMPLISHMENTS

#### California Transportation Commission

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