



# 2020



CALIFORNIA  
TRANSPORTATION  
COMMISSION



# ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE

RECOMMENDATIONS & ACCOMPLISHMENTS

*The California Transportation Commission is an independent state commission responsible for funding the construction of highway, passenger rail, transit, and active transportation projects throughout California. The Commission also advises and assists the California State Transportation Agency Secretary and the Legislature on state transportation policies and plans.*

# CHAIR AND VICE CHAIR LETTER

Members of the Legislature:

We are pleased to present the California Transportation Commission's 2020 Annual Report to the Legislature. This report summarizes the Commission's accomplishments in the past year and offers recommendations for legislation to improve California's transportation system.

This past year has been a year like no other due to the COVID-19 pandemic. Throughout this extremely difficult period for California, the Commission has maintained a focus on funding vital transportation projects across the state, including those funded through the Road Repair and Accountability Act of 2017 (Senate Bill 1, Beall). These projects not only carry important transportation benefits but provide critical jobs for Californians, helping to stimulate the economy and support numerous transportation modes. Altogether since the Road Repair and Accountability Act passed, the Commission has allocated construction funding equating to over 350,000 jobs.

In 2020, the Commission committed over \$22 billion in state and federal funds to over 1,200 projects, which will provide additional jobs and further stimulate the economy as these projects move forward. About three quarters of funds went to "fix-it-first" highway repair and safety projects. The Commission also committed nearly \$5 billion to address important priorities such as reducing congestion, enhancing goods movement, reducing greenhouse gas emissions, and making streets more accessible and safer for bicyclists and pedestrians.

While the Commission was able to keep funding projects throughout 2020 as planned, it has concerns about future state funding availability. State gas tax revenues are projected to decline by \$1.9 billion through the end of Fiscal Year 2020-21. Regional, local, and transit agencies also have suffered revenue declines. Addressing funding needs is therefore a focus of the Commission's legislative recommendations for the upcoming year. Equally important is understanding the effects that changes brought about by the pandemic, such as increased telecommuting, will continue to have on driving, air pollution emissions, and transit usage.

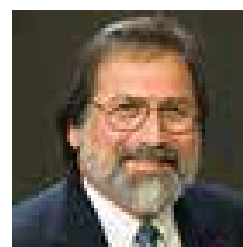
Transportation equity also continued to be a focal point this year for the Commission. In June, the Commission heard a presentation by Charles T. Brown, a national expert in highlighting inequity in effects and use of transportation and encouraging social equity in transportation investments. Subsequently, the Commission created an Equity Advisory Roundtable to provide input on equity initiatives. Next, the Commission will commence a series of public engagement listening sessions, in coordination with the California State Transportation Agency and the California Department of Transportation, to hear from residents throughout California on how to improve transportation equity. Once complete, this effort will inform Commission practices, policies, and future recommendations for legislation, to help ensure the state's transportation decisions equitably benefit all Californians.

Sincerely,



*Hilary Norton*

**HILARY NORTON**  
Chair



*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 by the Senate and Assembly and are usually the chairs of the transportation policy committee in each house. 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) 2019–20, the Commission had 34 positions and an administration budget of \$7.4 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 activities:

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

- 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

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 estimate and report on 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. The Commission accomplishes this charge by making policy recommendations in its Annual Report as well as through other venues, such as by convening Transportation Policy Forums. 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.

**Other Major Responsibilities.** The Commission also is responsible for:

- **Approving Right-of-Way Matters.** The Commission is responsible for approving right-of-way matters, such as property condemnations, new public road connections, state highway relinquishments to local control, and leases for space underneath state highways.
- **Approving Toll Facilities.** The Commission has the authority to approve proposals for high-occupancy toll lanes or other toll facilities.
- **Administering a Road Charge Committee.** The Commission administers the Road Charge Technical Advisory Committee, which is responsible for assessing alternatives to the gas tax for generating state transportation revenues.





# YEAR IN REVIEW



Like other government entities and private businesses, the Commission was forced to adapt quickly to the shelter-in-place orders and other restrictions resulting from the COVID-19 pandemic in order to safely continue regular Commission business, interagency coordination, and public engagement. With the issuance of Executive Order N-20-20 on March 17, which removed the requirement that a location be made available for the public to gather for purposes of observing and commenting at state public body meetings, the Commission swiftly and successfully shifted to virtual platforms for its March 25 regular business meeting the following week by utilizing a combination of online meeting software and a live webcast to allow remote participation and viewing of the meeting.

In late March and early April, the Commission began to hear from agencies about how the pandemic restrictions were affecting their ability to meet Commission deadlines. In response, the Commission held four virtual workshops on April 8 and April 9 to discuss funding program schedules, timely use of funds policies, program guidelines, and project delivery activities. After considering the input received from partner agencies, the Commission held a special meeting on April 29 to amend program guidelines to allow agencies more time to prepare applications, while maintaining the adoption dates for most programs. At this special meeting, the Commission also received reports and updates from federal, state, regional, and local agencies, in addition to transit and goods movement representatives, regarding the transportation impacts of COVID-19.

## **In March, Commission meetings, public engagement, and interagency coordination activities were quickly and successfully transitioned to web-based platforms in response to the COVID-19 pandemic.**

The Commission this year similarly shifted its interagency coordination and public engagement to web-based platforms. Interagency coordination conducted virtually included two joint meetings of the Commission, the California Air Resources Board, and the California Department of Housing and Community Development, as well as a meeting in the fall of the Commission-administered Road Charge Technical Advisory Committee to continue its work evaluating alternative transportation funding mechanisms. Additionally, the Commission heightened its focus on transportation equity this year, including by highlighting equity as an important topic of discussion at several Commission meetings and by creating new opportunities for stakeholders and the public to engage with the Commission on transportation equity. The Commission formed an Equity Advisory Roundtable; began planning Community Listening Sessions in partnership with the California State Transportation Agency and Caltrans; and started development of a Public Engagement Guide.

Despite the disruptions caused by the pandemic, the Commission continued throughout the year to adopt new programs of transportation projects funded in large part through the Road Repair and Accountability Act of 2017 (SB 1, Beall). As these projects move forward, they will add to the already significant tally of jobs created through Commission construction allocations since this legislation passed – currently equating to over 350,000 jobs. Altogether, in 2020, the Commission committed \$22 billion in state and federal funds, over multiple years, for over 1,200 projects.

## **In 2020, the Commission committed \$22 billion in state and federal funds, over multiple years, for over 1,200 projects funded in large part through the Road Repair and Accountability Act of 2017 (SB 1, Beall). Altogether since this legislation passed, the Commission has allocated construction funding estimated to have generated over 350,000 jobs.**

The COVID-19 pandemic has had numerous, unprecedented impacts on the transportation system that the Commission also focused on this year. Following the shelter in place orders issued in March, travel behavior throughout the state changed dramatically. Statewide vehicle miles traveled dropped by an estimated 75 percent between early March and mid-April, while transit ridership declined by nearly 80 percent. While travel subsequently increased during the summer and fall as some restrictions were lifted, several important policy issues emerged. Funding for transportation was affected by the reductions in driving and gas consumption, as well as decreases in local sales tax revenues. Transit usage and operations were impacted by concerns over COVID-19 transmission in public spaces. The increase in working from home brought renewed attention to telework as a transportation demand strategy to “flatten the congestion curve.” Less traffic on the roads, along with

the need for economic stimulus through infrastructure investment and related job creation, made expediting project delivery not only more practical but also more necessary.

**In 2020, the Commission also focused on numerous impacts to the transportation system arising from the pandemic, such as transportation funding and transit operations. The Commission also focused on the effect of telework on congestion and air pollution.**

Addressing these impacts resulting from COVID-19 is an enormous challenge. The Commission commends the Legislature for steps taken during 2020. For example, SB 288 (Wiener, Chapter 200, 2020) was signed into law to expedite project delivery for specified transit and active transportation projects, thereby moving projects toward construction more quickly and boosting the economy. Bills were also chaptered that will provide critical help to transit agencies, including AB 90 (Committee on Budget, Chapter 17, 2020), which temporarily holds harmless transit operators for not meeting farebox recovery requirements, and AB 107 (Committee on Budget, Chapter 264, 2020) which provides flexibility for transit expenditures in the State of Good Repair Program. Many of the legislative recommendations and policy issues the Commission has identified for 2021 are intended to bolster these efforts to address impacts arising from the pandemic, and they are the result of many discussions with partner agencies, stakeholder groups, and other state agencies, both informally as well as at Commission meetings and workshops held throughout this year.



# LEGISLATIVE RECOMMENDATIONS



The Commission is statutorily required in its Annual Report to the Legislature to make specific, action-oriented, pragmatic 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.

## 2020 Legislative Recommendations

Last year, the Commission's Annual Report to the Legislature included six recommendations for legislation. Legislators introduced three bills to implement four of these recommendations:

- AB 1992 (Friedman): Transportation: transportation infrastructure: climate change
- AB 2310 (Daly): Road Maintenance and Rehabilitation Account: apportionment of funds: accrued interest
- SB 1283 (Beall): Department of Transportation: state highways: transit bus pilot program

## **The Commission wishes to acknowledge the efforts of the authors who introduced legislation in 2020 to implement Commission recommendations.**

On March 16, the Legislature voted to recess unexpectedly due to the COVID-19 pandemic. This unprecedented interruption to the legislative session led legislators to reprioritize their bills upon their return. Ultimately, the authors of the three bills that would have implemented Commission recommendations chose not to pursue to them. The Commission recognizes the difficult year for legislation caused by the pandemic and wishes to acknowledge the efforts of the authors who had introduced legislation to implement Commission recommendations.

In 2020, the Commission also adopted a support position on SB 1291 (Committee on Transportation): Federal Statewide Transportation Improvement Program: submissions. This bill provides flexibility regarding the preparation of specified federal transportation programs, given uncertainties that resulted after the issuance of the federal Safer Affordable Fuel-Efficient Vehicles Rule (Part 2) rolled back greenhouse gas emission and fuel economy standards. SB 1291 was signed into law by the Governor on September 18, 2020.

## **2021 Legislative Recommendations**

The Commission's legislative recommendations for 2021 fall into three areas: (1) transportation funding, (2) contracting with tribal governments for transportation projects, and (3) interregional and freight planning. The recommendations come from discussions with partner agencies, stakeholder groups, and other state agencies both informally as well as at Commission meetings and Road Charge Technical Advisory Committee hearings held throughout the year.

### **Transportation Funding**

Ensuring adequate funding for California's transportation system is 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 make critical investments to address decades of underinvestment in transportation infrastructure. As a result, Californians are now benefitting from significant state highway and local road repairs, as well as improvements to transit services and pedestrian and bicycle facilities.

The COVID-19 pandemic, however, has created funding uncertainty in the future, as state and local transportation revenues are projected to decline. These revenue losses have already affected the ability of cities and counties to meet maintenance of effort requirements in the Local Streets and Roads Program, putting their eligibility for these critical local road rehabilitation dollars at risk. At the same time that the state and local governments are experiencing these revenue impacts, the Commission this year saw substantial demand for competitive transportation funds, particularly for the Active Transportation Program. Thus, the Commission believes it is important to not only maintain and protect existing transportation dollars but also address the significant ongoing unmet need.

Long-term funding challenges also exist. Gas tax revenues are projected to steadily decrease as vehicles become more fuel efficient and as the use of alternative fuel vehicles increases. The need for this transition has been heightened recently due to the issuance of Executive Order N-79-20, in

September 2020, which requires a fully zero-emission new vehicle state auto market by 2035. The gas tax clearly will not be a sustainable financing mechanism for transportation in the coming decade and therefore work needs to accelerate to implement a per mile road charge as an alternative.

To address both these near- and long-term challenges to transportation funding, the Commission offers the following legislative recommendations:

### **1. Urge Congress and the President to Provide Relief Funding to Make Up for State and Local Transportation Revenue Losses**

*The Commission recommends the Legislature urge Congress and the President to enact transportation infrastructure and operations legislation that will, at minimum, fully compensate for the loss of state and local transportation revenues due to COVID-19 and the recession, including revenues generated by transit agencies.*

State transportation revenues are expected to be nearly \$1.9 billion lower during FY 2019-20 and 2020-21. Fortunately, this decline in revenue has not yet impacted the Commission's ability to allocate funds for projects due to existing cash balances. However, the decline in state transportation revenues means that over the longer term the Commission will be able to fund fewer projects than otherwise. Local agencies also are experiencing losses to locally generated transportation revenues that could affect their ability to participate in state programs. Above all, transit agencies right now face the greatest funding challenges due to a combination of increased operational costs and reduced farebox and other revenues.

**State transportation revenues are expected to be nearly \$1.9 billion below pre-COVID-19 forecasts for FY 2019-20 and 2020-21. Fortunately, this decline in revenue has not yet impacted the Commission's ability to allocate funds for projects. However, less revenue means the Commission will be able to fund fewer projects over the long term.**

Only the federal government has the resources to make state and local governments whole for the loss of transportation revenues due to the pandemic, whose characteristics resemble a natural or other disaster that warrants federal assistance. In March, the federal government took a step in this direction by including \$25 billion for transit agencies in the Coronavirus Aid, Relief, and Economic Security Act, including \$3.7 billion for California transit agencies. However, this funding was only sufficient to address the immediate needs of transit agencies. While additional legislation has been introduced since that time to provide additional funding relief for transportation, none has yet been enacted despite the overwhelming need. In September 2020, the American Public Transportation Association, the Association of State Highway and Transportation Officials, and other industry and trade groups sent a joint letter to Congress estimating that state departments of transportation and public transit agencies need emergency funding of \$37 billion and \$32 billion, respectively.



The Commission and the California State Transportation Agency have been communicating California's transportation funding needs to Congress and the federal government throughout the year, as have numerous California-based regional and local transportation agency groups. The Commission understands legislators also have been communicating California's funding needs to Congress. In the past, the Legislature has enacted joint resolutions to urge the federal government to provide additional transportation funding. For example, in 2019, the Legislature passed Joint Resolution 5 (Beall, Chapter 142), which called upon Congress and the President to enact robust federal infrastructure legislation and address the shortfall in the Highway Trust Fund.

## 2. Augment the Active Transportation Program with Cap-and-Trade Funds

*The Commission recommends the Legislature augment the Active Transportation Program with cap-and-trade funds, given the program is severely oversubscribed, these projects advance climate goals, and COVID-19 has led to an increase in walking and biking.*

The Active Transportation Program funds projects to increase and make safer active modes of transportation, such as biking and walking, while also advancing regional greenhouse gas reduction goals; 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 annual funding is about \$220 million, including \$100 million from SB 1. Statute divides program funding into three components: 50 percent statewide; 40 percent for large metropolitan planning organizations; and 10 percent for small urban and rural communities. Each component is competitive.

Since its inception, the Commission has programmed over \$1.6 billion across all three components for a broad spectrum of projects that will benefit communities throughout California. Despite the increase in program funds attributable to SB 1 the program remains severely oversubscribed, with funding requests of several times the amount of available funding. Moreover, the average request size has increased significantly. These trends are illustrated in Figures 1 and 2. As a result, fewer projects have been awarded in more recent cycles compared to earlier cycles, and there has been a higher cut-off score as compared to earlier cycles. In the 2019 Program, for instance, only 21 percent of applications received funding, including only 9 percent of projects in the statewide component. Such a highly competitive program may be discouraging some agencies from applying, potentially including those with the greatest need.

**The Active Transportation Program has become extremely competitive due to funding requests far exceeding the available funding. In the 2019 Program, for example, only 9 percent of projects in the statewide component were able to be funded. Such a highly competitive program may be discouraging some agencies from applying, potentially including those with the greatest need.**

Figure 1  
**Active Transportation Program**  
 Total Requests (In Billions)

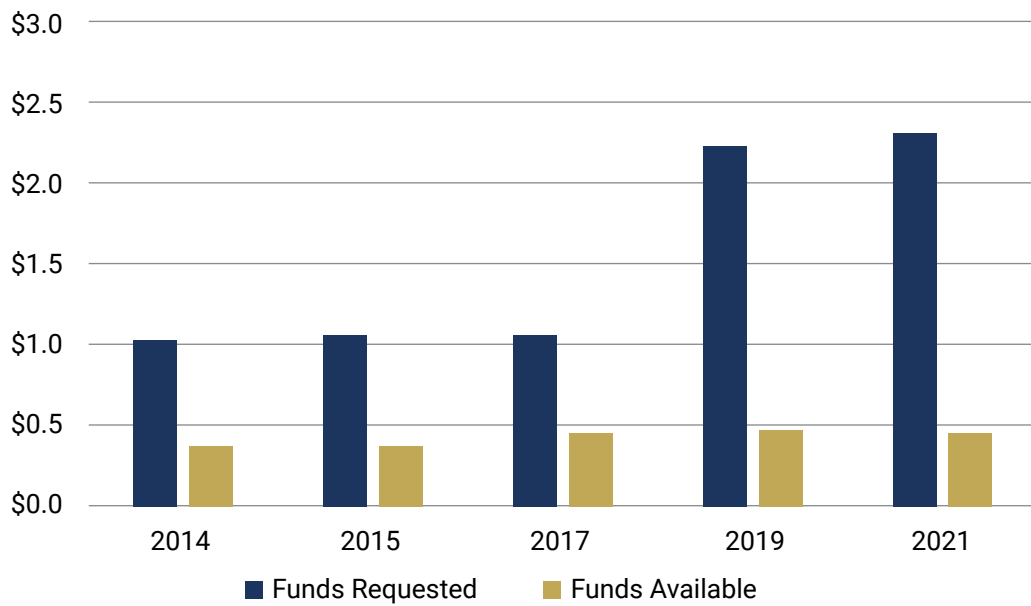
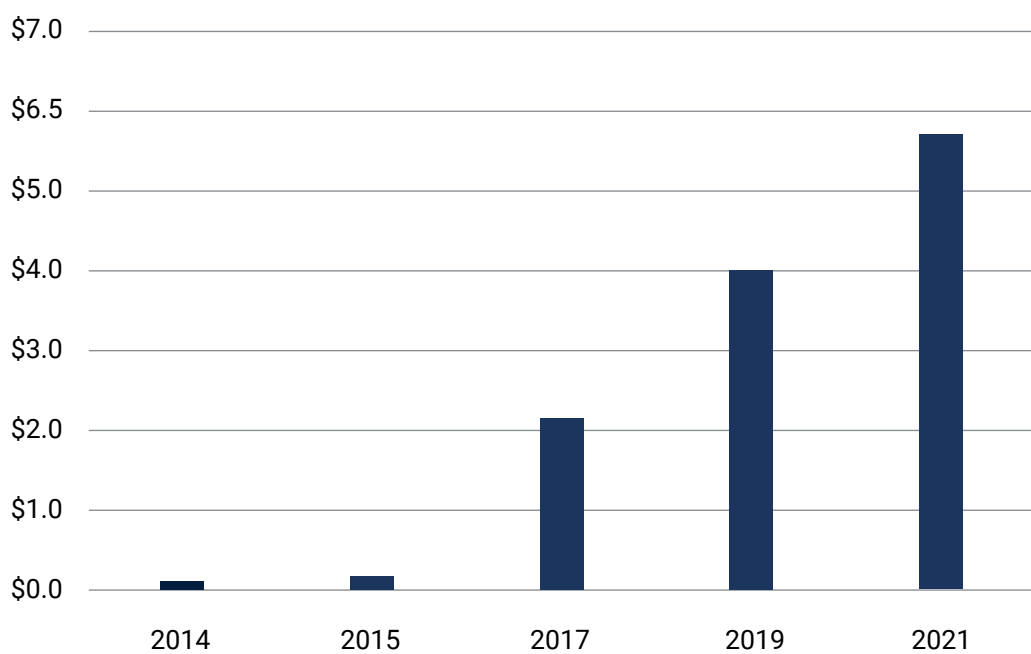


Figure 2  
**Active Transportation Program**  
 Average Request Size (In Millions)



\* Includes statewide, metropolitan planning organization, and small urban and rural components.

To address the extreme competitiveness for funding in the Active Transportation Program, the Commission recommends the Legislature provide additional funding from cap-and-trade auction revenues that are deposited in the Greenhouse Gas Reduction Fund. There is precedent for using these revenues to support active transportation. In 2016, for instance, the Active Transportation Program received \$10 million on a one-time basis from this fund source. The Greenhouse Gas Reduction Fund also supports other programs that can feature active transportation projects, such as the Transformative Climate Communities Program.

Active transportation projects, particularly large-scale, transformative projects, also are a good fit for Greenhouse Gas Reduction Funds because they can lead to mode shift. Projects like this include low-stress community bicycle networks that run throughout an entire community while providing routes and infrastructure that allow the average adult rider to feel comfortable with the proximity to and level of traffic. Such a network would have a great potential to replace automobile trips, thereby helping the state along its path toward meeting its ambitious climate targets.

### **3. Dedicate Interest Earned on State Transportation Revenues to Transportation Programs**

*The Commission recommends the Legislature clarify in statute that interest earnings on state transportation revenues are dedicated to specified transportation programs.*

California has several revenue sources for transportation, including gasoline and diesel excise taxes, diesel sales taxes, truck weight fees, and transportation improvement fees. Revenues generated are distributed into different accounts, such as the State Highway Account and the Road Maintenance and Rehabilitation Account.

**In FY 2020-21, the State Highway Account and the Road Maintenance and Rehabilitation Account are expected to receive \$39 million and \$30 million in interest earnings, respectively. Current law does not explicitly assign these funds to specific transportation programs.**

Like other state accounts, transportation accounts aim to maintain a prudent cash balance to ensure that funds are not overdrawn as revenues come in and payments go out. Cash balances for most state accounts are then invested in interest-bearing financing instruments through the state's Pooled Money Investment Account. The interest earned through the Pooled Money Investment Account is credited back proportionately to each contributing account. For example, for FY 2020-21, the State Highway Account and the Road Maintenance and Rehabilitation Account are expected to receive \$39 million and \$30 million in interest earnings, respectively.

Current state law does not explicitly assign interest earnings in state transportation accounts to specific programs. Additionally, while the California Constitution requires that transportation revenues may only be used for specified transportation purposes, questions have arisen as to whether this requirement also applies to interest earnings on transportation revenues. To clarify

the use of interest earnings, the Commission recommends the Legislature assign them in statute to specific transportation programs.

Specifically, the Commission believes interest earnings in the State Highway Account should be split proportionally between the two main programs funded from that account: the State Highway Operation and Protection Program and the State Transportation Improvement Program. For the Road Maintenance and Rehabilitation Account, the Commission believes the interest earnings should be dedicated to the State Highway Operation and Protection because all other programs funded from that account either have statutorily fixed funding levels or already earn interest from local investment accounts.

#### **4. Allow Flexibility in the Local Streets and Roads Program for Cities and Counties Due to the COVID-19 Pandemic**

*The Commission recommends the Legislature suspend the Local Streets and Roads Program maintenance of effort requirement for FY 2019-20 due to the unprecedented impacts the pandemic has had on city and county budgets. The Commission further recommends the Legislature authorize proportionate adjustments to the maintenance of effort for each city and county for FY 2020-21 and 2021-22, based on each city's and each county's revenue losses.*

SB 1 created a new program, referred to as the Local Streets and Roads Program, for cities and counties to undertake basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. The program currently receives about \$1.1 billion annually from the Road Maintenance and Rehabilitation Account. To participate in the program, a city or county must meet certain statutory requirements, including maintaining its general fund spending on local streets and roads at a level equivalent to at least the average during the 2009–10, 2010–11, and 2011–12 fiscal years.

**In March, the Commission began receiving feedback from cities and counties regarding their potential inability to meet the Local Streets and Roads Program's statutory maintenance of effort requirement because they were experiencing general fund revenue losses. Subsequently, Commission staff facilitated numerous meetings with stakeholder and industry groups to form a consensus approach to this issue.**

At the start of the pandemic in March 2020, the Commission began receiving feedback from cities and counties regarding their potential inability to meet the Local Streets and Roads Program's statutory maintenance of effort requirement because their general fund revenues were declining, and they needed to dedicate resources toward addressing COVID-19 impacts. The Commission subsequently held two workshops in April 2020 regarding upcoming deadlines for the Local Streets and Roads Program, where it again heard concerns regarding the maintenance of effort. Afterward, Commission staff facilitated numerous meetings with stakeholder and industry groups to discuss this issue.

As a result of these outreach efforts, Commission staff and consulted stakeholders formed a consensus opinion that flexibility was needed with respect to the maintenance of effort. In recognition that FY 2019-20 already had ended, the group concluded that suspending the maintenance of effort requirement for that year was appropriate. To maintain the integrity of the purpose of the maintenance of effort while also acknowledging the drop in local general fund revenues, the group further concluded that the FY 2020-21 and 2021-22 maintenance of efforts should be adjusted for each city and county, proportionate to the loss of general fund revenues experienced. As the agency responsible for enforcing the maintenance of effort, the California State Controller's Office could make these adjustments through statutory authorization from the Legislature.

## 5. Authorize a Road Charge Pilot Program to Test Revenue Collection

*The Commission recommends the Legislature authorize a road charge pilot program to test actual revenue collection for a select group of vehicles. The road charge would replace gas tax and/or electric vehicle fee costs for these vehicles.*

SB 1077 (DeSaulnier, Chapter 835, 2014) established, and SB 1328 (Beall, Chapter 698, 2018) re-authorized, a 15-member Technical Advisory Committee to study a per-mile road charge alternative to the gas tax. In 2017, the Technical Advisory Committee worked with the California State Transportation Agency on a pilot program. A final report for the pilot program was released in December 2017 and identified five next steps, including testing the collection of actual revenue. More recently, the need for a road charge was 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 vehicle state auto market by 2035.

To take one of the next steps identified in the 2017 final report, the Commission recommends the Legislature authorize a new pilot program to test revenue collection. Testing revenue collection is important because it would require the state to develop an administrative process, create rates, collaborate with stakeholders, and develop solutions to challenges inherent in the implementation of a road charge.

Since the 2017 pilot program concluded, the Technical Advisory Committee has discussed what subset of vehicles are best suited for a pilot to test actual revenue collection. Two options explored for a revenue-testing pilot program have been state-owned vehicles and autonomous vehicles. Regardless of the group of vehicles selected, the Commission believes it important to keep the pilot program relatively small, administratively simple, and for participants who opt-in, in order to facilitate success.

**Testing revenue collection in a road charge pilot program is important because it would require the state to develop an administrative process, create rates, explore technologies for revenue collection, collaborate with stakeholders, and develop solutions to challenges inherent in the implementation of a road charge.**

It is important to emphasize that the program overall would be revenue neutral. That is, the revenues raised through the road charge would replace the gas tax and/or electric vehicle fees paid by the participants. For a particular vehicle, however, the costs could be higher or lower depending on the fuel economy and type of fuel used by the vehicle.

In structuring this recommendation, the Commission recommends the Legislature set a maximum rate for the charge. It should then delegate authority to the Commission to determine the actual rate, upon consultation with the California State Transportation Agency, the Department of Motor Vehicles, Caltrans, and other stakeholders. The legislation should allow for a one-year implementation period to prepare the actual implementation of the charge. After the first year of the pilot, the Commission would report to the Legislature on the outcomes of the program and recommendations for the future.

## **Contracting with Tribal Governments**

The U.S. Constitution and treaties recognize certain Native American tribes as independent political communities within the United States. These federally recognized tribal governments are considered a separate category of government from the federal, state, and local governments. As sovereign governmental entities, they have immunity from state lawsuits.

In California, there are 109 federally recognized Native American tribes with nearly 100 separate reservations or rancherias located throughout the state, including near major metropolitan areas and in rural areas. Federally recognized tribal governments in California are eligible applicants for certain transportation programs and have received funds from the Active Transportation Program, the Highway Safety Improvement Program, and Caltrans' Planning Grants program.

### **6. Provide Greater Flexibility for Caltrans to Directly Contract with Native American Tribes**

*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 2004, Senate Bill 1189 (Chesbro, Chapter 274) was enacted to provide specific authority for Caltrans to directly enter into contracts with tribal governments. The final floor analysis of the bill stated that the author believed that such contracts would be needed to formalize agreements between Caltrans and Native American tribes to mitigate traffic impacts on the state highway system created by the opening or expansion of nearly five dozen gaming facilities. The analysis further indicated that, at the time, Caltrans was entering into contracts for such traffic mitigation projects through another public agency, either a local agency or the federal Bureau of Indian Affairs, that had a work agreement funded by a tribe. The analysis noted that this arrangement could jeopardize projects if there was reluctance on the part of the Bureau of Indian Affairs or a challenge to a local agency's authority to act as the intermediary.

Senate Bill 1189 included certain limitations and restrictions on Caltrans' direct contracting authorization. First, it limited direct contracts to activities related to on-reservation or off-reservation cultural resource management and environmental studies and off-reservation traffic impact mitigation projects on or connecting to the state highway system. Further, for off-reservation traffic impact mitigation contracts, the legislation included additional restrictions, including that the contract and/or project must:

- Provide for the full reimbursement of expenses and costs incurred by Caltrans in the exercise of its contractual responsibilities
- Place funds for the project in an escrow account prior to project development
- Provide for a limited waiver of sovereign immunity by the tribe for the purpose of enforcing obligations arising from the contracted activity
- Comply with federal and state environmental review laws
- Not impact Caltrans' work on projects in the State Transportation Improvement Program
- Be consistent with a regional transportation plan

Since Senate Bill 1189 passed over a decade ago, the provision regarding the limited waiver of sovereign has proven to be a barrier to Caltrans entering into direct contracts with federally recognized tribes, because tribes have been reluctant to agree to the waiver. Thus, Caltrans still 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.

## **Removing restrictions on Caltrans's ability to directly enter into contracts with Native American tribes would reduce delays and uncertainties for tribal government sponsored projects.**

The Commission believes the limited waiver of sovereign immunity requirement can be removed from statute for several reasons. First, statute would still require that funds be placed in escrow before project development, thereby minimizing the risk that Caltrans might not receive payment for work done on a tribe's behalf. Second, in cases where the tribe is the project implementer, state programs, such as the Active Transportation Program, typically provide funds for a project on a reimbursement basis. Therefore, the tribal government would first be required to deliver a project or phase, as agreed upon, in order to receive state funds. Third, the Commission could, as a deterrent, preclude tribal governments from future participation in transportation programs in the event of a contract dispute with Caltrans. Last, Caltrans could still include a limited waiver as part of a contract in select cases where it believed it was necessary, even if it were not statutorily required.

Another restriction the Commission recommends removing from statute is the limitation that direct contracts can only be entered into by Caltrans for on- or off-reservation projects involving environmental studies and cultural resource management, or for off-reservation traffic impact mitigation projects on or connecting to the state highway system. This restriction inhibits Caltrans' ability to enter into direct contracts with tribes for the Active Transportation Program, because that program funds other phases of projects on reservations besides environmental studies, including design, right-of-way, and construction. The restriction appears to be outdated, and the Commission is not aware of a reason for it to remain in place today.

## Interregional and Freight Planning

Among the 50 states, California has the largest population and third largest land area. In such a vast and expansive state, efficient interregional mobility for people and goods is critical. The backbone for interregional mobility infrastructure in California consists of the state's interregional highways and rail corridors, which connect the state's major regions to one another and connect rural regions to large urban areas. These connections underpin California's economic growth and enable the state's residents to traverse long distances both for leisure as well as for work.

The freight industry depends in large part on this interregional network as well as on regional and local transportation systems, seaports, airports, and border crossings. The importance of this industry to California cannot be overstated. The freight sector is responsible for one-third of the state's economy and jobs, with freight-dependent industries accounting for over \$700 billion in revenue and over five million jobs in 2013, and goods movement dependent industries employed nearly 2.3 million people (approximately 37 percent of all jobs) in the six-county Southern California Association of Governments region in 2017. Nearly half of counties in California raise revenue for transportation through sales taxes that depend on economic activity.

The complexity of the state's interregional and freight movement needs is substantial, making long-term planning critical for ensuring that the state is achieving its goals in these areas. To enhance California's current interregional and freight planning efforts, the Commission offers the Legislature the following recommendations.

### 7. Align Interregional Planning and Programming Responsibilities

*The Commission recommends the Legislature require, beginning with the second update expected in 2025, that Caltrans submit updates of the Interregional Transportation Strategic Plan to the Commission for approval, as was required for the first statutorily required plan developed in 2015. This would align the interregional planning process with the Commission's role in adopting interregional projects in the Interregional Transportation Improvement Program.*

In 1997, Senate Bill 45 (Kopp, Chapter 622) modified the interregional and regional aspects of the State Transportation Improvement Program (STIP). Since that time, Caltrans has been required, every other year, to prepare an Interregional Transportation Improvement Program (ITIP) that identifies projects to improve interregional mobility for people and goods across the state on highway and passenger rail corridors of strategic significance. Caltrans must submit a draft and final ITIP to the Commission by October 15 and December 15 of each odd-numbered year, respectively. The Commission then incorporates projects nominated in the ITIP into the overall STIP, which it must adopt by the following April 1.

In 2014, Senate Bill 486 (DeSaulnier, Chapter 917) added a requirement for Caltrans to prepare an Interregional Transportation Strategic Plan (ITSP) to guide project selection for the ITIP. The legislation required Caltrans to submit the ITSP to the Commission for approval by June 30, 2015 but did not specify Commission approval is required for updates to it thereafter.

Responsibilities for interregional planning and programming are therefore fragmented: the Commission is responsible for adopting interregional projects nominated in the ITIP (as part of the STIP) but does not approve updates to interregional planning through the ITSP. This stands in contrast to how the planning and programming process works for the regional component of the



STIP. In that case, the Commission adopts both Regional Transportation Guidelines and, through the STIP, projects nominated in Regional Transportation Improvement Programs. Legislative intent in Senate Bill 486 suggested Caltrans should be required to follow a process for the development of the state's interregional program similar to the regional transportation planning process, to help Caltrans better align with the state's policy goals, yet this intent has not been fully met since the Commission no longer has a formal role in the ITSP.

**Responsibilities for interregional planning and programming are fragmented: the Commission is responsible for adopting projects nominated in the Interregional Transportation Improvement Program (as part of the State Transportation Improvement Program) but does not approve updates to the Interregional Transportation Strategic Plan.**

Commission involvement in the initial ITSP in 2015 yielded many important improvements to the final plan. For example, the Commission recommended in its review of the draft plan that connections to major seaports and commercial airports be included in priority corridors. The Commission also recommended that the draft plan be revised to clearly identify the methodology for selecting projects for inclusion in the ITIP. These and other Commission recommendations on Caltrans' draft were included in the final plan approved by the Commission.

Because the development of the update to the 2015 ISTP already has been underway throughout 2020, the Commission recommends this requirement only apply to subsequent updates to the ITSP expected to be made in 2025 and thereafter.

## **8. Strengthen the California Freight Mobility Plan**

*The Commission recommends the Legislature require the California Freight Mobility Plan to explain how freight funding can best be utilized to support California's economy and further reduce freight related environmental and community impacts.*

Both federal and state law require the preparation of a state freight plan. Under federal regulation (49 U.S.C. 70103), any state receiving federal freight funds must develop a state freight plan. Under state law (California Government Code Section 13978.8), the California State Transportation Agency must prepare a comprehensive freight plan to govern the immediate and long-range planning activities and capital investments of the state. State law requires the statewide freight plan to be updated every five years and to be submitted to the Legislature, the Governor, the California Transportation Commission, the Public Utilities Commission, and the California Air Resources Board.

The Transportation Agency has delegated to Caltrans the responsibility for developing the state's freight plan, known as the California Freight Mobility Plan (CFMP). The CFMP is considered a primary source of information for purposes of planning and investing in California's extensive freight network and is intended to provide comprehensive direction for the state's short- and long-range planning activities and investments.

The plan must include certain statutorily required information, including:

- An identification of significant freight system trends, needs, and issues
- A description of the freight policies, strategies, and performance measures that will guide freight-related transportation investment decisions
- A description of how the state freight plan will improve the ability of California to meet national freight goals
- Evidence of consideration of innovative technologies and operational strategies that improve the safety and efficiency of freight movement.
- A description of improvements that may be required to reduce or impede the deterioration on routes of heavy travel
- An inventory of facilities with freight mobility issues and a description of the strategies California is employing to address those freight mobility issues

At its January 2020 meeting, the Commission provided comments to Caltrans on the draft CFMP 2020. The comments included recommendations, among others, for the CFMP to (1) describe how federal and state freight funding should be utilized to support California's overall economy; and (2) discuss planned efforts and the funding provided by or anticipated from state and regional governments that will further reduce freight related environmental and community impacts. The Commission recommends making these required elements in statute in order to strengthen the development of future CFMPs.



# POLICY ISSUES



The Commission's Annual Report to the Legislature is required to identify timely and relevant transportation issues facing California. It also may include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature. While there are numerous important and timely transportation policy issues facing the state right now, the Commission has identified four policy issues of focus for 2021: transportation equity and public engagement; transportation, housing, and climate connections; transit operations; and the effects of telework on the transportation system. The Commission initiated efforts or undertook action in each of these areas during 2020.

## **Transportation Equity and Public Engagement**

The Commission is committed to fostering transportation equity, particularly for people of color and underserved communities in California. Equity has long been a key consideration in the Commission's planning and programming guidelines, and, this year, the Commission significantly increased other efforts related to equity, including highlighting equity as an important topic of discussion at several Commission meetings and creating new opportunities for stakeholders and the public to engage with the Commission on transportation equity.

**This year, the Commission significantly increased its efforts related to equity, which featured as a topic at several Commission meetings. The Commission also created an Equity Advisory Roundtable to help inform upcoming Community Listening Sessions, which will be held in coordination with Caltrans and the California State Transportation Agency.**

At its June meeting, the Commission heard a presentation by Charles T. Brown, a national thought leader in encouraging social equity in transportation, and Commissioners directed staff to expand work in this area. At the August Commission meeting, Commission staff reported back with a recommendation for a new Equity Advisory Roundtable to provide input on Commission activities related to equity. At the December Commission meeting, the Commission approved the staff recommendation for Roundtable members representing a wide range of groups and areas of expertise.

Equity Advisory Roundtable members will provide input on specific Commission activities related to equity, such as upcoming Community Listening Sessions-which will be held in partnership with Caltrans and the California State Transportation Agency-and the consideration of whether the Commission should create a standing Equity Advisory Committee. Roundtable members also will be providing input on the Commission's development of a new Public Engagement Guidebook, which aims to demystify the transportation process and increase public access to transportation planning, decision-making, and information. The Commission this year also further increased the emphasis on community engagement in its updates to SB 1 program guidelines.

To support staff development with respect to equity, the Commission this year implemented internal equity training. In July, Commission staff participated in a training series on diversity, equity, and inclusion. In August, staff began participation in the Capitol Collaborative on Race and Equity, a year-long immersive training and support program led by the Strategic Growth Council. Commission staff also created an internal equity working group, which supports continued staff learning and development across all functional areas.

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

In 2020, the Commission expanded upon its already substantial efforts to integrate and coordinate transportation, housing, and climate planning and policies. Strengthening connections across these three issue areas will continue to be a focus of the Commission in 2021.

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

To coordinate statewide policy for transportation and housing, the California State Transportation Agency and the California Business, Consumer Services, and Housing Agency host interagency meetings regularly. The purpose of these meetings is to institutionalize ongoing interagency connections, share data and information, and enhance integrated planning and investment. In 2020 the California Air Resources Board, the Strategic Growth Council, and the Governor's Office of Planning and Research were officially added to the interagency staff-level working group and Steering Committee, strengthening the transportation, housing, and climate capacity of this coordination effort. 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.

## Piloting Housing-Specific Evaluation Criteria

This year, utilizing interagency collaboration with housing and transportation experts and significant stakeholder input, the Commission formalized housing-specific evaluation criteria in the 2020 Solutions for Congested Corridors Program Guidelines. Detailed guidance related to the efficient land-use criteria was included to strengthen evaluation of the transportation and land-use connection of program investments and to help applicants better illustrate how proposed projects will support transportation-efficient land use principles including mixed-use and in-fill development with multimodal choices.

Additionally, a Land Use Efficiency Supplement was developed in partnership with the California Department of Housing and Community Development with support from the Governor's Office of Planning and Research. The supplement serves as a resource for applicants providing detailed descriptions, and best practices information for eight policy indicators that may be consulted to help guide the application narrative regarding the transportation project's "Efficient Land Use" co-benefit. The supplement: (1) highlights specific policies that support efficient land use patterns, (2) provides optional pre-application technical assistance for applicants in completing this section of the application, and (3) identifies new grant funding opportunities and online resources that are available to assist local and regional jurisdictions in planning and implementing activities that promote efficient land use, including achieving indicators listed in the Land Use Efficiency Supplement.

**To strengthen evaluation of the transportation and land-use connection of program investments, the Commission formalized housing-specific evaluation criteria in the 2020 Solutions for Congested Corridors Program Guidelines. These criteria were used to assess how well a proposed project supports mixed-use development with multimodal choices and infill development.**

This enhanced criteria and guidance were used to evaluate applications submitted through the 2020 Solutions for Congested Corridors Program cycle to assess how well a proposed project supports mixed-use development with multimodal choices and infill development. This also marks the first year that the California Department of Housing and Community Development provided application review assistance alongside staff from the California Air Resources Board, ensuring that the Solutions for Congested Corridors Program investments are receiving robust evaluation for their ability to deliver transportation, climate, and housing related benefits.

## Adding Housing to Joint Meetings with the California Air Resources Board

Pursuant to AB 179 (Cervantes, Chapter 737, 2017) the Commission has met jointly with the California Air Resources Board (CARB) 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 of the Commission and CARB 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.

On July 17, 2020, the California Department of Housing and Community Development joined the Commission and CARB for its first official joint meeting. The July meeting included information sharing amongst the agencies focused on how the COVID-19 pandemic and associated economic crisis has transformed California and has affected how people travel, transportation funding revenues, access to housing, air quality, and greenhouse gas emissions. The second joint meeting held on November 4, 2020 focused on how to align and integrate state programs and policies to achieve transportation, housing, air quality, and climate goals.

**In July, the California Department of Housing and Community Development joined the Commission and the California Air Resources Board for its first official joint meeting, pursuant to AB 185 (Grayson, Chapter 534, 2019), which implemented a Commission recommendation to add housing representatives to the joint meetings.**

### **Executive Order N-19-19 Implementation Action Plan to Reduce Greenhouse Gas Emissions**

Executive Order N-19-19 was signed by Governor Newsom in September 2019 and directs the California State Transportation Agency (CalSTA) to “leverage the more than \$5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector.” In February 2020, CalSTA convened a state agency work group and initiated a stakeholder engagement process to develop an action plan for implementing the transportation directive of the Executive Order. Commission staff participates on the state agency work group. The forthcoming Climate Action Plan on Transportation Infrastructure will include recommendations for aligning SB 1 program investments with climate goals and is anticipated to be finalized in February 2021.

## **Transit Operations**

In 2020, the Commission increased its engagement on issues facing transit operators, particularly after the COVID-19 pandemic caused ridership to drop precipitously. At its April meeting, the Commission heard presentations from the California Transit Association and the California Association for Coordinated Transportation which highlighted the dramatic changes to transit operations in California, including ridership reductions of around 75 to 80 percent; an 80 percent loss of farebox revenue, and reductions or temporary discontinuation of certain transit services. Operational challenges highlighted included cleaning and disinfecting vehicles; installing new barriers between drivers and riders; ensuring riders maintained appropriate social distancing and the wearing

of masks. The two associations emphasized the need for new funding to backfill the loss of transit operator revenues and flexibility with respect to federal and state regulations, such as farebox recovery requirements.

The Commission continued to hear regular updates from transit representatives throughout the rest of the year. Starting with its May meeting, the Commission added an item to its agenda to hear reports from transit operators. At its May, June, August, and October meetings, it heard from Foothill Transit, Monterey-Salinas Transit, Metrolink, and the San Francisco Municipal Transportation Agency, respectively. At the Commission's July joint meeting with the California Air Resources Board and the California Department of Housing and Community Development, the Commission heard another update from the California Transit Association on COVID-19 transportation trends and innovations. At that meeting, the association highlighted findings and recommendations from its "Transit is Essential: Recommendations for the Future of Transit" report that identified best practices and policy recommendations intended to improve the safety, efficiency, and viability of transit operations during the COVID-19 pandemic and beyond.

Among the many valuable policy issues raised by transit associations and transit operators are three the Commission has identified for additional focus during 2021.

**The Commission heard regular updates throughout the year from transit operators on the impacts of COVID-19 on their operations. Among policy issues to be explored further in 2021, the Commission believes it is important to focus on how work schedules affect peak transit demand, what opportunities exist to expand new mobility options, and identifying ways to standardize eligibility for transit discounts.**

### **Work Schedules and Peak Transit Demand**

Transit operators generally face peak demand during commute times: early in the morning and in the late afternoon, on Mondays through Fridays. In the era of COVID-19, this has presented additional challenges due to social distancing requirements. Some transit agencies, like LA Metro, have been engaging employers and other stakeholders, like universities and schools, to encourage them to establish staggered work hours to smooth passenger loads and allow riders to maintain physical distance without requiring transit agencies to significantly increase their levels of service. The Commission believes this practice holds promise and warrants additional attention to facilitate the sharing of information. Other changes to work arrangements that might facilitate a smoothing of passenger loads on transit also should be investigated during 2021.



## **New Mobility Transit Options**

The Commission believes that micro-transit and on-demand services, which were already undergoing expansion before the pandemic, warrant additional attention due to advantages they may have over traditional transit service in the COVID-19 era. For instance, some transit operators have reported that riders feel safer on smaller vehicles with only one or two people than on larger vehicles with more riders. These new mobility options also can provide more flexibility and convenience for riders, as compared to traditional fixed-route models. New mobility options may even prove to be more cost effective depending on occupancy loads. For example, a van carrying a dozen passengers can have lower operating costs than a full-size bus that on average carries the same number of riders. With many transit services and schedules having been disrupted and suspended due to the pandemic, the coming year presents an ideal opportunity for the state to work with transit operators to analyze their service delivery models and test innovative new approaches.

### **Transit Discount Eligibility Standardization.**

In order for low-income, senior, veteran, or other types of riders to apply for a discount transit ticket, they must navigate a complex system of rules and regulations for each transit agency and they must periodically re-certify their eligibility. This disaggregated and cumbersome system acts as a barrier and disincentivizes the largest population of transit riders from continuing to take transit. The Commission therefore believes that California needs to make travel simpler and more cost-effective for those who represent the most frequent users of transit.

AB 2057 (Chiu, 2020) would have worked to address this issue in one region by charging the Metropolitan Transportation Commission to create a Bay Area Seamless Transit Task Force to create standardized discount categories and eligibility requirements for fare discount programs for seniors, students, youth, and other rider categories. This bill, however, did not pass out of the Legislature this year.

Another avenue to consider for advancing this policy goal is through the California Integrated Travel Project, administered via the California State Transportation Agency and Caltrans. This project currently is working in partnership with transit agencies to facilitate easier and more accessible travel planning and payments across California. Standardizing eligibility for discounts currently is being explored with one transit agency as part of these efforts. Such a state-led effort potentially could leverage information from the Department of Motor Vehicles to make eligibility verification simple and standardized for riders. How to incentivize transit agencies to partake in eligibility standardization is an issue the Commission believes merits further exploration in the coming year.

## **Telework and Transportation**

After the issuance in March of shelter in place orders to protect public health and slow the spread of COVID-19, travel slowed immediately and dramatically throughout the nation and in California, with a statewide reduction in vehicle miles traveled of 75 percent between early March and mid-April. While travel for a wide variety of purposes was affected by the shelter in place orders, travel for work, in particular, was impacted as many employees began to work from home. Estimates indicate that up to half of American workers were working from home, more than double the fraction who worked from home (at least occasionally) in 2017-18.

**At its June meeting, the Commission heard a presentation on the effects of telework on the transportation system. Commissioners directed Commission staff and Caltrans to conduct further investigation into this topic. A preliminary investigation report is expected to be complete by early 2021 that will help guide future policy discussions and recommendations.**

At its May Commission meeting, Commissioners discussed teleworking as a potential long-term strategy to improve the transportation system. At its next meeting, in June, the Commission heard a presentation by Caltrans on this topic and had additional discussion. Potential benefits of telework that were cited included reducing greenhouse gas and air pollution emissions; reducing congestion on roadways; providing workers with flexibility and reducing their commuting costs and time; potentially mitigating the impact of high housing costs through reduced commuting; and recruiting and retention benefits for public and private employers. It was noted, however, that the racial and ethnic composition of workers in occupations suitable for telework differed, raising concerns about equity. Concerns about the ability of individuals living in remote areas and disadvantaged communities to telework, due to limited broadband infrastructure, was also highlighted.

At the end of the discussion at the June meeting, Commissioners directed Commission staff and Caltrans to conduct further investigation into the potential benefits, and drawbacks, of telework as it related to transportation. A small work group subsequently was formed to launch a preliminary investigation titled “Effects of COVID-19-Related Telework Policies on the Transportation System”, to be conducted by Caltrans’ Division of Research, Information, and System Innovation. Panel members overseeing the preliminary investigation include Commission and Caltrans staff, with additional participation from representatives from the California Air Resources Board and the California Energy Commission.

The preliminary investigation will identify research on the outcomes of telework policies, particularly ones 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 will also identify research on the effects of telework policies that may disproportionately impact disadvantaged communities, communities of color, and rural communities; and/or result in differential outcomes for these communities. Additionally, it will identify research on differential outcomes by the type of telework policy (for example, one-day-a-week telework versus five-day-a-week telework) and identify best practices.

The preliminary investigation is expected to be complete by early 2021. Once finished, it will be used to guide future policy discussions and additional research relating to telework and transportation in California. Should beneficial policies be identified that require administrative or legislative action, the Commission will advise the Secretary of Transportation and the Legislature accordingly.



# ROAD REPAIR AND ACCOUNTABILITY ACT PROGRAMS



In 2017, the Legislature passed and the Governor signed into law the Road Repair and Accountability Act of 2017 (SB 1, Beall), 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 that are under the purview of the Commission 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

**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’ 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 in this new role 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. SB 1 requires Caltrans to report the generated efficiency savings to the Commission annually. In October 2018, Caltrans presented its first annual report to the Commission outlining the efficiencies achieved. The report shows that in FY 2017–18, Caltrans achieved \$133 million in efficiency-related savings. In December 2019, Caltrans presented its second annual efficiencies report to the Commission. This report shows that in FY 2018–19 Caltrans achieved \$233 million in savings, including \$109 million from innovative tools, \$98 million from process improvements, and \$26 million from new technology. On December 1, 2020, Caltrans submitted its third annual efficiencies report. The Commission will hear a presentation from Caltrans on the report at its January 2021 meeting.

## Accomplishments

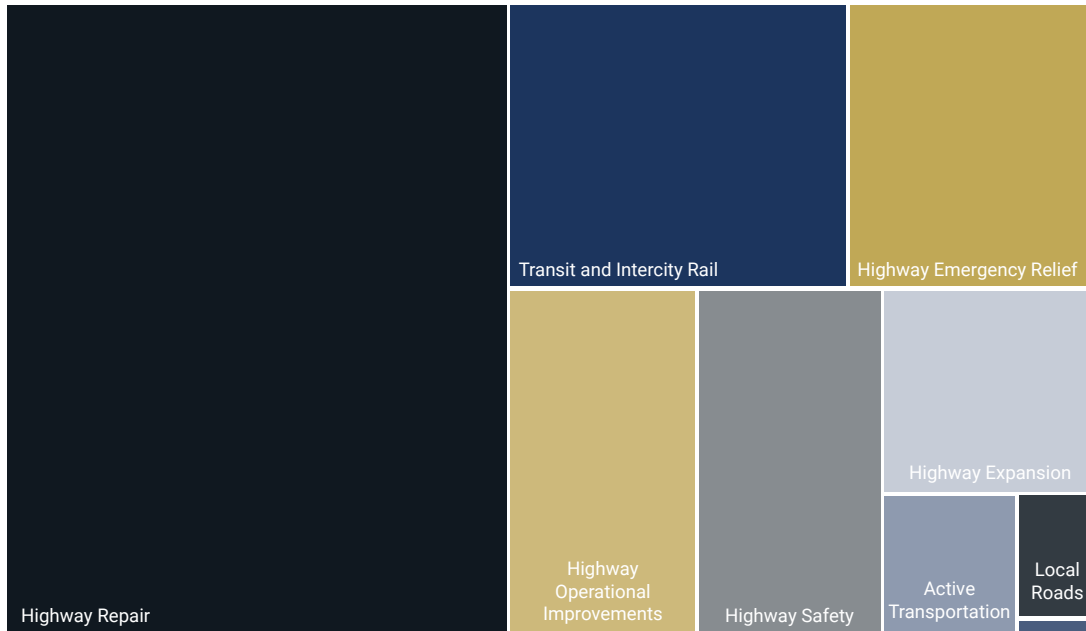
**Initial Program Cycles.** A few weeks after The Road Repair and Accountability Act was enacted, with a staff of just 17, the Commission undertook a plan to develop guidelines and adopt programs of projects in just a year. Commission staff held more than three dozen public workshops to implement the programs created or augmented. Ultimately, for initial programming cycles, the Commission dedicated \$25 billion in state and federal funds to be allocated over multiple years, including more than \$9 billion in SB 1 funds. The Commission's actions have delivered critically needed multimodal transportation investments throughout California. Investments include, but are not limited to, fixing and improving safety and mobility on state highways, bridges, and local streets and roads, as well as investments in transit systems, enabling Californians to get to work, to school, and to recreational activities more easily and safely. The investments also reduce congestion and improve the efficient delivery of goods throughout California. Altogether since The Road Repair and Accountability Act passed, the Commission has allocated construction funding estimated to have generated over 350,000 jobs.

**Altogether since The Road Repair and Accountability Act passed, the Commission has allocated construction funding estimated to have generated over 350,000 jobs.**

**FY 2019-20 Project Allocations.** Since adopting initial programs of projects, the Commission has been approving allocation requests from agencies to commence pre-construction and construction activities. During FY 2019-20, the Commission allocated in total \$7.3 billion for all project phases. As Figure 3 shows, about three quarters of these funds are for highway repairs, safety, emergency relief, and operations, in line with the Road Repair and Accountability Act's fix-it-first approach. Many other

Figure 3  
**Project Allocations**  
 FY 2019-20

**Total = \$7.3 Billion**



**During FY 2019-20, the Commission continued to allocate funds from initial Road Repair and Accountability Act programming cycles: a total of \$7.3 billion for all project phases. Nearly three quarters of funds went to highway repair, safety, emergency, and operational projects, in line with the legislation’s fix-it-first approach, while many other priorities also were met such as expanding transit and active transportation.**

priorities, including for transit and active transportation, are also being met. Each program chapter in this section provides further detail on project allocations.

**Updating Program Guidelines.** The Commission has always been committed to continually 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.

**2020 Programs.** In 2020, the Commission adopted five new programs totaling \$22 billion in state and federal funds for over 1,200 projects, as shown in Figure 4.

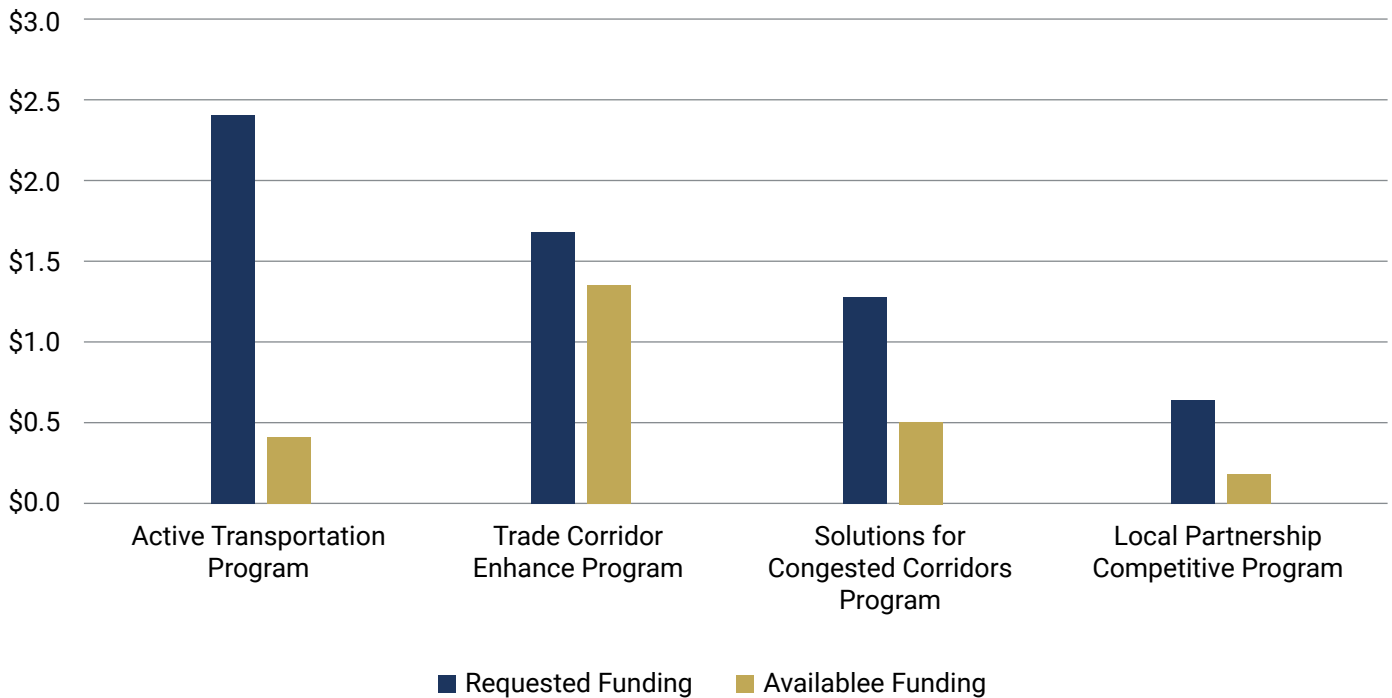
Figure 4  
**Programs Adopted in 2020**

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

For competitive programs, which includes the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program, and the Local Partnership Competitive Program, the Commission received requests far in excess of the available funding, illustrating the great demand and need for diverse transportation investments across the state. Figure 5 shows funds requested as compared to funding available for each competitive program, including the 2021 Active Transportation Program which the Commission will adopt in March 2021.



Figure 5  
**Competitive Programs**  
 Total Requests (In Billions)



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; reduce nearly 8 million tons of emissions; and increase truck throughput for the movement of goods over 70 million trucks, among other benefits.

For the Local Streets and Roads Program, which was also created by the Road Repair and Accountability Act, the Commission does not adopt a program of projects. Instead, the Commission is responsible for adopting an eligible list of cities and counties to receive funds apportioned to them via a formula by the State Controller. In August 2020, the Commission adopted an initial eligibility list, and, in October 2020, 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 FY 2020-21.



## Active Transportation Program

The Active Transportation Program funds projects to increase and make safer active modes of transportation, such as biking and walking, while also advancing regional greenhouse gas reduction goals; 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 augmented by about 80 percent through the Road Repair and Accountability Act.

**Commission Role.** The Commission develops program guidelines, evaluates project proposals, adopts programs of projects, allocates funds, and reports annually on program activities.

**Funding.** Total annual funding is about \$220 million, including \$100 million from the SB 1 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.** Statute 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 per year for five years for specified conservation corps projects.

**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 communities, need, safety, public participation and planning, scope and plan consistency, and cost effectiveness. 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, and 2019. It expects to adopt the 2021 programs beginning in March 2021.

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

# In the 2019 Active Transportation Program, 97 percent of all programmed funds went to projects benefiting disadvantaged communities.

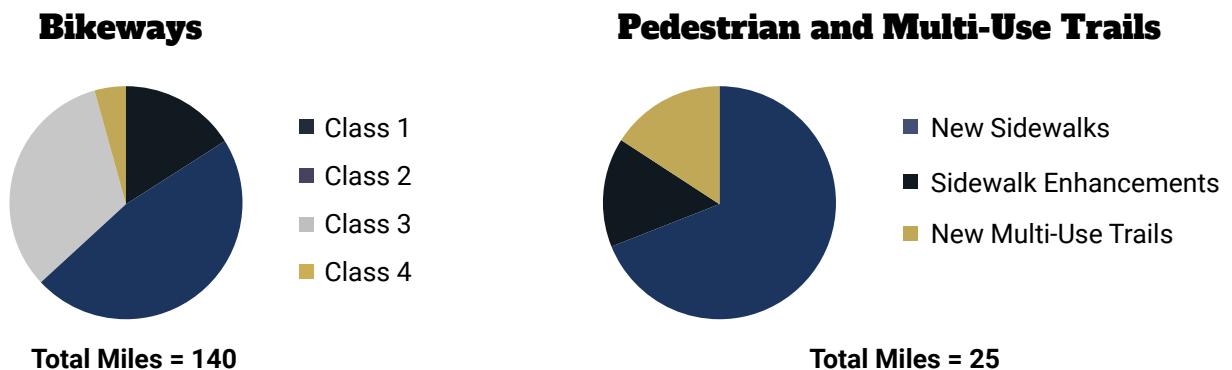
## ACCOMPLISHMENTS

**2014, 2015, 2017, and 2019 Programs.** Since its inception, the Commission has committed over \$1.6 billion for a broad spectrum of Active Transportation Program projects that will benefit communities throughout California. Each of the programs adopted has far exceeded the statutory requirement to award 25 percent of program funds to projects benefitting disadvantaged communities. For instance, in the 2019 Program, 98 percent of statewide component funds, 94 percent of large metropolitan organization component funds, and 100 percent of small urban and rural component funds went to projects benefiting disadvantaged communities.

Numerous measures also have been instituted in prior programs to improve the tracking of program outcomes. For instance, the Active Transportation Program Technical Advisory Committee released guidance in August 2019 to improve count methodologies to measure project use. Projects requesting construction allocation at the October 2019 Commission meeting and later are now required to use the guidance to report their count data. In addition, the Active Transportation Resource Center launched the Pedestrian and Bicycle Automated Counter Loan Program in 2019, 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 2019-20 Allocations.** During FY 2019-20, the Commission allocated \$183 million to 180 projects. This includes \$139 million for construction; \$30 million for pre-construction; and \$14 million for non-infrastructure projects such as plans. Projects entering construction will build and repair nearly 140 miles of bikeways, 21 miles of sidewalk, and four miles of multi-use trails. Figure 6 shows the construction allocations by project type.

Figure 6  
**Active Transportation Program Construction Allocations**  
 FY 2019-20



Class 1 = off-street paved paths; Class 2 = on-street striped lanes; Class 3 = on-street signage; Class 4 = on-street physically protected lanes

## **To update guidelines for the 2021 Active Transportation Program, Commission staff conducted the most intensive program engagement to date, consisting of nearly 20 workshops held across the state, including in many remote and rural areas.**

**2021 Program.** The 2021 Active Transportation Program will provide \$445 million over FY 2021-22 through 2024-25. To update guidelines for the 2021 Program, Commission staff conducted the most intensive program engagement to date, consisting of nearly 20 workshops held across the state, including in many remote and rural areas. The program cycle began with two Kick-Off Workshops in the Northern and Southern regions of California.

Commission staff then held 17 additional engagement workshops, divided into two categories: central and branch workshops. The ten branch workshops held provided an opportunity for smaller and more remote agencies to directly participate and were more informal and focused on educating the communities about the basics of the program, while addressing any questions regarding the upcoming program cycle. The seven central workshops took place in locations where Commission staff historically have held Active Transportation Program workshops. Central Workshops are where consensus was developed on recommendations for guidelines, applications, and scoring rubrics.

Additionally, Commission staff conducted 42 project site visits in 13 different counties and 24 different cities and delivered presentations to the North State Super Region and the North Coast Tribal Commission. The Commission and Caltrans also co-hosted, in October 2019, the inaugural Active Transportation Symposium, held in Sacramento. This symposium allowed the state, regions, and stakeholders to share and gather information on active transportation issues and connect with each other in an alternate setting and showcased speakers on various topics, including program benefits, equity, safety, and non-infrastructure projects.

Draft program guidelines were presented to the Commission at the January 2020 meeting, and the Commission adopted the final program guidelines at the March 2020 meeting. The most significant change to the program guidelines for this cycle was instituting a Quick-Build Pilot Program, through which the Commission may fund up to \$7 million in quick-build projects. Quick-build projects are interim capital improvement projects that require construction, and are built with durable, low to moderate cost materials but last from one year to five years.

At its April 2020 meeting, the Commission extended the Active Transportation Program application deadline, after receiving feedback from agencies on how the COVID-19 pandemic was affecting their ability to apply, including conducting the required public engagement. Under the revised schedule, the deadline for applications for the Quick-Build Pilot Program was extended to July 15, 2020 while the deadline for all other applications for the statewide and small urban and rural components was extended to September 15, 2020.

The Commission received over 450 applications totaling \$2.3 billion for the Active Transportation Program, and 22 applications from 10 counties, totaling \$15.1 million, for the Quick-Build Pilot Program. The Commission adopted the Quick-Build Pilot Program in October 2020, programming \$4.4 million to eight projects. The Commission will adopt the statewide and small urban and rural components in March 2021 and the large metropolitan planning organization program in June 2021.

**The Commission received over 450 applications requesting \$2.3 billion for the 2021 Active Transportation Program—more than five times the available funding. The Commission will adopt the program of projects in March 2021.**

## **PROJECT HIGHLIGHT**

### **Safe Routes To School Projects Los Angeles County**



The 2014 and 2015 Active Transportation Programs programmed a total of about \$9 million to the Los Angeles Department of Transportation for Safe Routes to School projects in an underserved community in south Los Angeles. The projects created pedestrian and bicycle linkages within a quarter mile of Menlo Avenue, West Vernon Avenue, Dolores Huerta, 28th Street, and Quincy Jones elementary schools, including bicycle lanes, crosswalks, curb ramps, pedestrian and street lighting, and sidewalk improvements.



## 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.

**Commission Role.** The Commission develops program guidelines, evaluates project proposals, adopts programs of projects, allocates funds, and reports annually on program activities.

**Funding.** The program receives \$200 million annually 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 in which voters approve new or renewed taxes, tolls, or 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; 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).

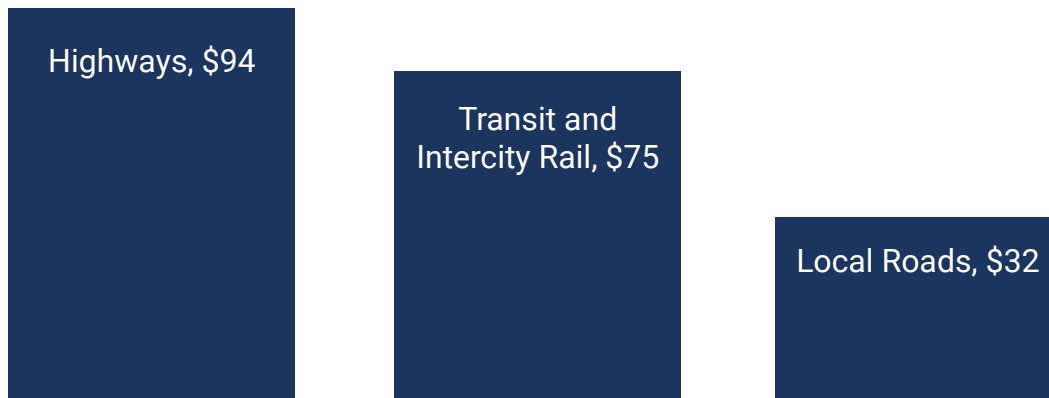
The 2020 Local Partnership Program (Formulaic and Competitive) will cover three years (FY 2020-21, 2021-22, and 2022-23). Future formulaic and competitive programming cycles will cover two years.

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

## ACCOMPLISHMENTS

**2018 and 2019 Programs.** The Commission adopted the 2018 and 2019 Formulaic Programs in January 2018 and October 2018, respectively, and the 2018 Competitive Program in May 2018. As of the end of FY 2019-20, the two formulaic programs together include \$292 million for 110 projects and the competitive program includes \$308 million for 37 projects.

Figure 7  
**FY 2019-20 Allocations**  
(in Millions)



**FY 2019-20 Project Allocations.** During FY 2019-20, the Commission allocated \$201 million to 44 projects for many different types of transportation improvements. Of the \$201 million, nearly half (\$94 million) was for highway projects, while over one third (\$75 million) was for transit and intercity rail projects. The remainder was for local road projects. Figure 7 shows allocations by project type.

Projects receiving a construction allocation in FY 2019-20 will make 77 miles of local road operational improvements; construct 33 miles of HOV, HOT, and auxiliary lanes; make 55 rolling stock purchases; modify 14 intersections; improve 4 transit stations; add over 2 miles of bike lanes and 1 mile of rail track, as well as make other improvements to roads, highways, and transit systems.

**During FY 2019-20, the Commission allocated construction funds through the Local Partnership Program for 77 miles of local road improvements; 33 miles of high-occupancy vehicle, high-occupancy toll, and auxiliary lanes; 4 transit stations; over 2 miles of bicycle lanes; and other improvements.**

**In December 2020, the Commission programmed \$213 million for 21 projects for the 2020 Local Partnership Competitive Program for FY 2020-21 through 2022-2023. These projects will create 12,000 jobs and, over a 20-year period, they will save 44 million person hours of travel time; reduce emissions by 1.3 million tons; and reduce driving by 509 million vehicle miles traveled.**

**2020 Program.** During spring of 2019 and early 2020, the Commission developed guidelines for the 2020 Program by holding eight public workshops to seek input from stakeholders. Draft guidelines were presented to the Commission in January 2020, and the Commission adopted the final guidelines and issued the call for projects in March 2020. The guidelines for the 2020 Program set aside \$20 million each year for incentive funding and dedicate 60 percent of remaining funds for the formulaic program and 40 percent for the competitive program.

For the competitive program, the Commission received 62 project nominations seeking \$647 million, with a total project cost of \$3.9 billion, for \$187 million in available funding. In December 2020, the Commission adopted 21 projects which will construct 122 miles of local road operational improvements, including 80 miles of bus rapid transit lanes; 33 miles of HOV, HOT, and auxiliary lanes; 26 miles of bike lanes, pedestrian facilities, and sidewalk improvements, 4 miles of new soundwalls, and build new or modified bridges or interchanges. This construction activity will create 12,000 jobs. Once the projects are complete, they will, over 20 years, save 44 million person hours of travel time, reduce emissions by 1.3 million tons; and reduce driving by 509 million vehicle miles traveled.

For the formulaic program, the Commission in 2020 adopted 28 project nominations for \$182 million, with total project costs of \$1.9 billion. These projects will create almost 27,000 jobs through the construction of 134 miles of local road operational improvements, 13 new traffic management systems, 20 miles of HOV, HOT, and auxiliary lanes, and 8 miles of bike lanes/pedestrian facilities/sidewalk improvements. They will also construct or modify 3 bridges, modify 37 interchanges, improve 11 intercity/rail stations, and purchase 18 new rail vehicles. When complete, the projects over 20 years will save 279 million person hours of travel time.

**In December 2020, the Commission programmed \$182 million for 28 projects for the 2020 Local Partnership Formulaic Program for FY 2020-21 through 2022-2023. These projects will create 27,000 jobs and, over a 20-year period, they will save 279 million person hours of travel time.**



# PROJECT HIGHLIGHT

## Jefferson Streetscape Improvements Project Phase II San Francisco County



The 2018 Local Partnership Competitive Program provided \$6.8 million for the San Francisco County Transportation Authority for Phase II of the Jefferson Streetscape Improvements Project. The total cost of the project is \$14.9 million. Construction began in October 2019 and is expected to be completed in December 2020. The project includes the installation of narrowed geometrically patterned streets, widened sidewalks, pedestrian-scale lighting, bike parking, landscaping, trees, and public seating to create a safer street for all modes of transportation.



## 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 the Road Repair and Accountability Act.

**Commission Role.** The Commission develops program guidelines, determines eligibility for funding, and collects and reports on expenditures.

**Funding.** The program receives funds 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. To be eligible each year, cities and counties must adopt a list of projects via resolution at a regular meeting of their board or council. Cities and counties then send adopted project list resolution packages to the Commission for review. The Commission adopts a report of eligible cities and counties and sends it to the State Controller, which then disburses funds monthly based on the statutory formula. Cities and counties must submit an annual project expenditure report to the Commission by October 1 each year. Cities and counties are not required to expend funds in the year apportioned.

**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. The second program cycle was for FY 2018-19 and the third cycle for FY 2019-20. The current cycle is for FY 2020-21.

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

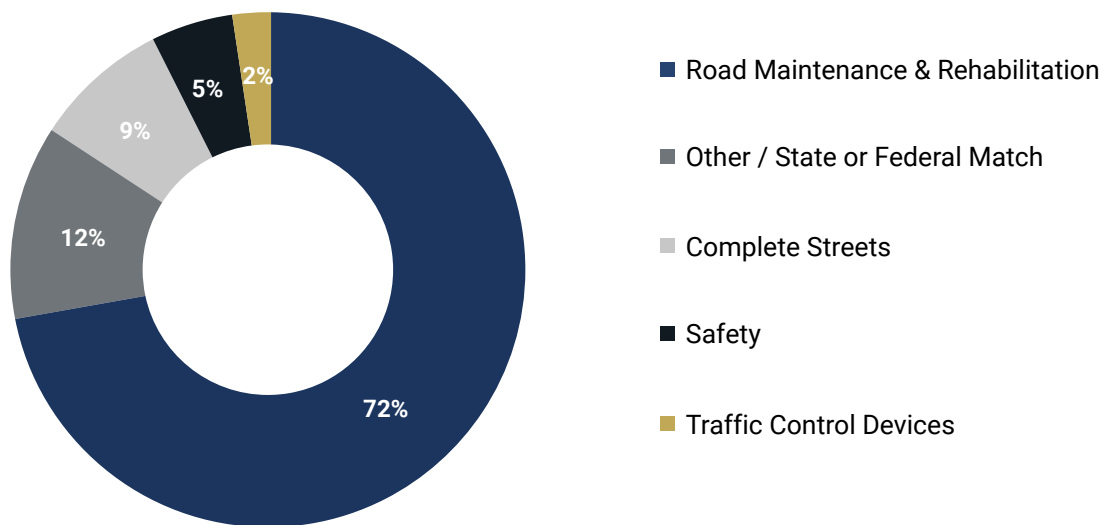
**Through the end of FY 2018-19, cities and counties report having paved 4,367 miles of local streets and roads and having improved 4,457 Americans with Disabilities Act curb ramps, 729 miles of sidewalk/crosswalks, and 316 miles of bicycle lanes.**

## ACCOMPLISHMENTS

**2017-18, 2018-19, and 2019-20 Programs.** For FY 2017-18 and 2018-19, the State Controller apportioned \$1.5 billion to 538 cities and counties, which report having spent \$681 million to complete nearly 2,000 projects (nearly 1,600 for construction and just over 400 for pre-construction and operations). Cities and counties report an additional over 900 projects are in progress. Through the end of FY 2018-19, cities and counties report having paved 4,367 miles of local streets and roads and having improved 4,457 Americans with Disabilities Act curb ramps, 729 miles of sidewalk/crosswalks, and 316 miles of bicycle lanes.

For FY 2019-20, the State Controller apportioned \$1.2 billion to 539 cities and counties. These apportionments were lower by \$64 million due to COVID-19 impacts on revenues. City and county project lists identified nearly 2,200 projects, including over 1,200 for construction, over 700 involving both pre-construction and construction, over 200 for pre-construction, and 72 procurement and operational projects. As showing in Figure 8, the vast majority of proposed projects were for road maintenance and rehabilitation, with the remainder addressing other needs such as safety. The deadline for cities and counties to submit expenditure reports for FY 2019-20 was December 1, 2020. This deadline was extended from October 1, 2020 to allow agencies impacted by COVID-19 more time to collect and report this information. Expenditure information will be posted to the Commission’s website.

Figure 8  
**FY 2019-20 PROPOSED PROJECT LISTS**



**2020-21 Program.** For FY 2020-21, cities and counties are expected to receive approximately \$1.1 billion in apportionments from the State Controller. In August 2020, the Commission adopted an initial list of 521 eligible cities and counties to begin receiving monthly apportionments in September 2020. In October 2020, the Commission adopted a subsequent eligibility list for all remaining local jurisdictions. The Commission extended the eligibility deadlines for FY 2020-21 at its April 2020 meeting, based on feedback Commission staff had received at two workshops held earlier that month on how COVID-19 was affected agencies’ ability to meet eligibility and reporting deadlines.



## 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.

**Commission Role.** The Commission develops program guidelines, evaluates project proposals, adopts programs of projects, allocates funds, and reports annually to the Legislature on project expenditure, milestones, and benefits.

**Funding.** The program receives \$250 million annually in Road Repair and Accountability Act 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. All nominated projects must 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. Projects must 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.** 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 currently is on its second cycle, which covers FY 2021-22 to 2022-23. The initial 2018 Program covered FY 2017-18 to 2020-21.

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

**During FY 2019-20, the Commission allocated \$292 million for six projects that will build over 28 lane miles of managed lanes, purchase five zero-emission buses, repair and synchronize 109 traffic signals over nearly 35 miles, and construct one new transit station.**

## ACCOMPLISHMENTS

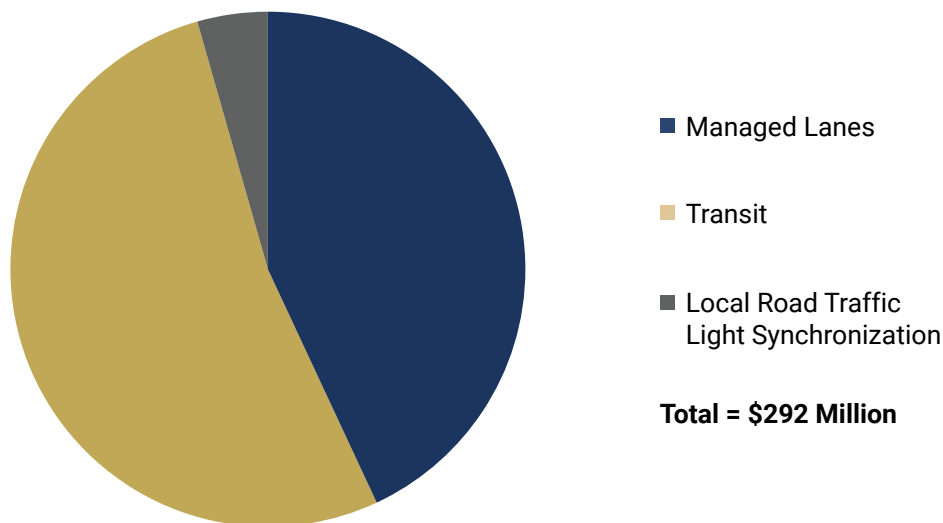
**2018 Program.** In May 2018, the Commission adopted the initial Congested Corridors Program and programmed \$1 billion to nine corridor projects, delivered in 29 segments, with a total value of more than \$3.5 billion. This first funding cycle included four years of project programming, from FY 2017–18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

**FY 2019-20 Projects Allocations.** Since the program’s inception, the Commission has allocated in total \$849 million to 14 project segments. This includes \$292 million for six project segments allocated during FY 2019-20. All allocations for this program are for construction phases. Projects receiving an allocation in FY 2019-20 are:

- Los Angeles County: Airport Metro Connector 96th Street Transit Station (\$150 million)
- San Mateo County: US 101 Managed Lanes – Express Lanes (\$125 million)
- Orange County: Traffic Light Synchronization – Edinger Avenue (\$5 million)
- Orange County: Traffic Light Synchronization – Warner Avenue (\$4.1 million)
- Orange County: Traffic Light Synchronization – MacArthur Boulevard (\$3 million)

These six projects will build over 28 lane miles of managed lanes, purchase five zero-emission buses, repair and synchronize 109 traffic signals over nearly 35 miles, and construct one new transit station. Figure 9 shows the allocations by type of project.

Figure 9  
**FY 2019-20 Allocations**



**2020 Program.** During FY 2019-20, the Commission initiated the development of the 2020 Solutions for Congested Corridors Program, which provides \$494 million over FYs 2021-22 and 2022-23. Staff held six workshops throughout the state to seek input from stakeholders on updates to the guidelines. Draft guidelines were presented to the Commission in December 2019. The Commission adopted the guidelines in January 2020 and issued the call for projects.

The Commission received 21 project nominations seeking nearly \$1.3 billion – nearly triple the amount of funding available. At the December 2020 meeting, the Commission programmed \$500 million for 7 projects with a total project cost of \$2.6 billion. These projects will create 27,000 jobs through the construction of 60 miles of HOT lanes; 9.5 miles of HOV lanes; 7.5 miles of auxiliary lanes; 19 miles of bus rapid transit routes; 31 new or improved transit stops and stations; 18 miles of bike lanes/pedestrian facilities/sidewalks, 5 miles of complete streets improvements; one major highway interchange; one major train control system upgrade; and other improvements to roads, highways, and transit systems. The projects also include 23 new zero-emission buses and 8 new light rail vehicles.

When complete, the projects, over a 20-year period, 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.

**Project Expenditures and Milestones.** SB 1 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.

**In December 2020, the Commission programmed \$500 million for seven projects for the 2020 Solutions for Congested Corridors Program for FY 2021-22 through 2022-2023. These projects will create 27,000 jobs and, over a 20-year period, they 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.**

# PROJECT HIGHLIGHT

## San Mateo 101 Express Lanes Project San Mateo County



The 2018 Solutions for Congested Corridors Program included \$200 million for construction for the San Mateo 101 Express Lanes. This project will create 22 miles of express lanes in both directions on U.S. 101 from the San Mateo County/Santa Clara County Line to I-380 in South San Francisco. A goal of the express lanes is to enable travel speeds of 45 mph or greater, resulting in reduced and more reliable travel times, and it will seamlessly connect to the express lanes being constructed in Santa Clara County. Construction is expected to be completed in mid-2022 with the full lanes opening to traffic late-2022.



## 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.

**Commission Role.** The Commission develops program guidelines, reviews and adopts programs of projects, allocates funds, and reports annually on program activities. Under the Road Repair and Accountability Act, the Commission now allocates funds for all SHOPP support components.

**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, except auxiliary lanes. 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.

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

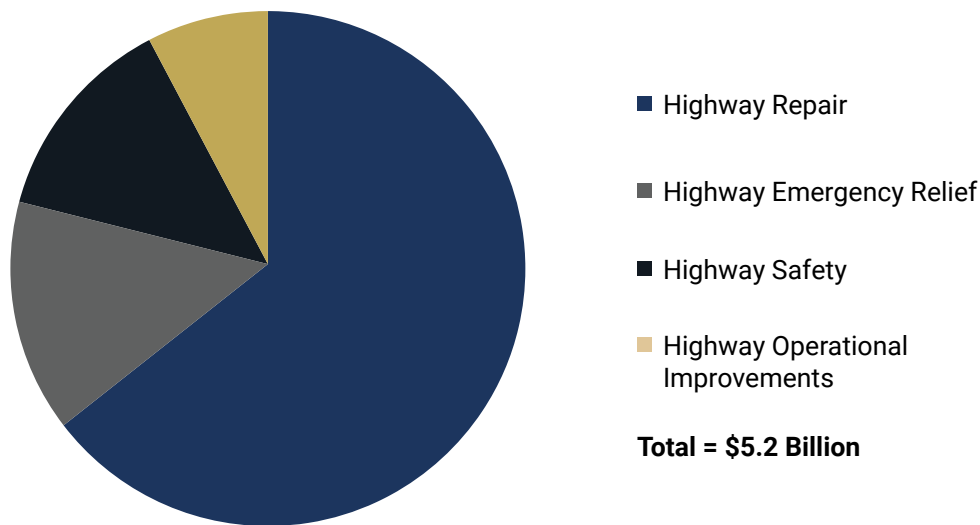
**The 2020 SHOPP includes a \$100 million complete streets reservation to fund project components to make state highways running through local communities safe and accessible for all users, particularly pedestrians and bicyclists.**



## ACCOMPLISHMENTS

**FY 2019-20 Allocations.** During FY 2019–20, the Commission allocated \$5.2 billion for SHOPP projects from the 2018 SHOPP Program, including \$3.3 billion to 534 projects for capital improvements and \$1.9 billion for project support phases; right-of-way acquisitions; and minor projects (those with construction costs of \$1.25 million or less). As shown in Figure 10, over 90 percent of funds allocated were for repair, emergency relief, and safety projects, with the remaining less than 10 percent funding operational improvements.

Figure 10  
**FY 2019-20 Total Allocations**



**2020 SHOPP Program.** In May 2020, the Commission adopted the 2020 SHOPP, a \$17 billion program of over 900 projects covering FY 2020–21 through FY 2023–24. More than half of the program’s \$17 billion will address condition improvements across four primary asset classes:

- Pavement: \$4.5 billion to rehabilitate 5,538 lane miles of pavement
- Bridges: \$2.5 billion to fix 220 bridges, representing 7.5 million square feet of deck area
- Transportation Management Systems: \$1.4 billion to fix 3,488 poor condition elements
- Culverts: \$0.8 billion to fix 4,055 culverts

For the first time ever, the adopted SHOPP includes a \$100 million complete streets reservation to fund project components that make state highways running through local communities safe and accessible for all users, particularly pedestrians and bicyclists.

**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; 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' progress toward achieving the outcomes. The legislation also authorizes the Commission to make recommendations for improvement and withhold future project allocations if it determines program funds are not being appropriately spent.

In March 2018, the Commission set annual performance benchmarks for the four primary asset classes. These benchmarks serve as a starting point to measure and annually report on progress toward meeting the 10-year outcomes. Figure 11 shows the progress reported by Caltrans toward the annual benchmarks for 2019.

Figure 11  
**Caltrans' Progress Toward Annual Benchmarks**

<b>Asset Class</b>	<b>2027 Performance Targets</b>	<b>2019 Year End Benchmark</b>	<b>2019 Year End Actual</b>
Pavement in good or fair condition			
Class 1 *	99.0%	98.3%	98.8%
Class 2 **	98.0%	98.0%	99.1%
Class 3 ***	98.0%	97.6%	99.0%
Bridges in good or fair condition	98.5%	97.5%	96.5%
Culverts in good or fair condition	90.0%	88.5%	90.2%
Traffic management systems in good condition	90.0%	63.0%	74.6%

\* Includes interstate highways, other principal arterials, and urban freeways and expressways (52% of the state highway system).

\*\* Includes rural freeways and expressways, and minor arterials (34% of the state highway system).

\*\*\* Includes major and minor collector routes (14% of the state highway system).

At its October 2020 meeting, the Commission found, based on the data reported by Caltrans, that the department was exceeding the approved benchmarks for culverts, all classes of pavement, and transportation management systems. Achieving these benchmarks is evidence of progress toward reducing deferred maintenance and improving road conditions on the state highway system. However, for the second year in a row, the Commission found that Caltrans did not achieve the yearly benchmark for bridge health, and future target conditions are not likely to be met without corrective action. Caltrans noted that they are evaluating the targets for the fair condition category and would work with Commission staff on potential recommended changes.

# PROJECT HIGHLIGHT

## Interstate 80/State Route 65 Interchange Improvements Project — Phase 1 Placer County



The Interstate 80/State Route 65 Interchange Improvements Project — Phase 1 upgraded and reconfigured the interchange, which was built over 30 years ago when traffic was less than one third the level today and had experienced 13 fatal traffic collisions in six years. The Phase 1 improvements, completed in September 2019, included widening a major viaduct structure and State Route 65, as well as widening, striping, and ramp metering improvements to the State Route 65/ Galleria Boulevard interchange. The project received \$25.3 million from the SHOPP to improve safety through the construction of an auxiliary lane and \$5 million to improve traffic mobility and safety through the installation of ramp meters. The project also received funds from other state and local sources.



## 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.

**Commission Role.** The Commission develops program guidelines, evaluates proposed regional and interregional programs, adopts programs of projects, allocates funds, maintains records of fund balances, and reports annually on program activities. For Caltrans projects, the Commission does not allocate project funding on a per project basis for right-of-way capital under \$10 million and construction support.

**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 2020 STIP Fund Estimate assumes about \$700 million for FY 2020-21.

**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 four-year county share 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.

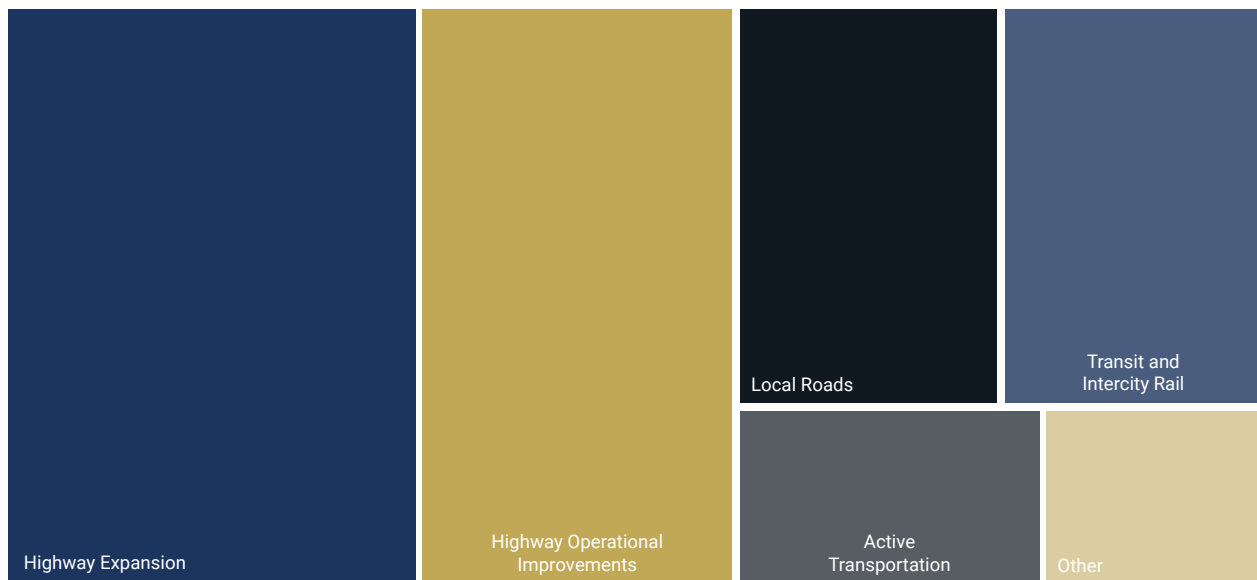
**Website (includes list of projects).** <https://catc.ca.gov/programs/state-transportation-improvement-program>

**Commission construction allocations in FY 2019-20 will result in nearly 40 lane miles of local road rehabilitation; 42 miles of bicycle and pedestrian facilities; 28 miles of high occupancy vehicle and high occupancy toll lanes, and other improvements.**

**ACCOMPLISHMENTS**

**FY 2019-20 Allocations.** During FY 2019-20, the Commission allocated \$362 million for 88 projects, including \$186 million for 35 projects for construction. Projects entering construction will result in: nearly 40 lane miles of local road rehabilitation; 42 miles of bicycle and pedestrian facilities; 28 miles of high occupancy vehicle and high occupancy toll lanes; 18 miles of auxiliary lanes; 7 miles of general purpose lanes; 6 miles of passing lanes; nearly 2 miles of grade separations; a half mile of sound walls; 325 transit and rail cars; and over a dozen intersection and other operational improvements. Figure 12 shows allocations by project type.

Figure 12  
**FY 2019-20 Total Allocations**



**Total = \$302 Million.** Excludes right-of-way lump sum. Other includes advanced mitigation and planning, programming, and monitoring.

**2020 STIP Guidelines.** In early 2019, Commission staff began the development of the 2020 STIP guidelines. Commission staff presented draft guidelines to the Commission at the June 2019 meeting and held a workshop in July 2019. The Commission adopted the final guidelines at its August 2019 meeting after conducting the required hearing.

The 2020 STIP guidelines continue to emphasize coordination and consistency with adopted regional transportation plans, the Interregional Transportation Strategic Plan, and investment strategies and decisions consistent with state and federal laws. Additionally, the guidelines include a discussion of funding from the Public Transportation Account. Due to less resources being available from this account, currently programmed transit projects will have to be delivered with other STIP funds (if they are eligible for funding from the State Highway Account or federal funds) or be deprogrammed.

**2020 STIP Fund Estimate.** In May 2019, the Commission approved the 2020 STIP Fund Estimate methodology and assumptions. In August 2019, the Commission adopted the 2020 STIP Fund Estimate. The 2020 STIP Fund Estimate includes \$2.6 billion over the five-year period covering FY 2020–21 through FY 2024–25. This includes new funding of \$408 million for the five-year period. Figure 13 shows the estimated STIP target for each year of the six-year period that includes FY 2019–20.

Figure 13  
**2020 STIP Funding by Fiscal Year**  
(Dollars in Millions)

	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>	<b>2022–23</b>	<b>2023–24</b>	<b>2024–25</b>	<b>Five-Year Total</b>
Roads*	\$640	\$695	\$695	\$670	\$245	\$245	\$2,550
Transit*	\$15	\$15	\$10	\$0	\$0	\$0	\$25
<b>Total Funding</b>	<b>\$655</b>	<b>\$710</b>	<b>\$705</b>	<b>\$670</b>	<b>\$245</b>	<b>\$245</b>	<b>\$2,575</b>
<b>2018 STIP</b>	<b>\$493</b>	<b>\$793</b>	<b>\$679</b>	<b>\$695</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,167</b>
<b>New Funding</b>	<b>162</b>	<b>-83</b>	<b>26</b>	<b>-25</b>	<b>245</b>	<b>245</b>	<b>408</b>

\* Roads includes state and federal funds from the State Highway Account. Transit includes funds from the Public Transportation Account.

**2020 STIP Adoption.** The 2020 STIP programmed \$2.6 billion, including \$569 million for 30 additional projects. Prior to the 2020 STIP adoption, several milestones had to be met and several events had to take place. First, Caltrans had to submit a draft Interregional Transportation Improvement Program to the Commission by October 1, 2019. Subsequently, the Commission had to hold North and South Interregional Transportation Improvement Program hearings, which occurred on October 8 and October 15, 2019, respectively. A third hearing was held in Fresno on November 15, 2019. Next, the regional transportation agencies had to submit Regional Transportation Improvement Programs and Caltrans had to submit the final Interregional Transportation Improvement Program to the Commission by December 15, 2019. Following that, the Commission had to hold South and North STIP hearings, which occurred on January 30 and February 6, 2020, respectively. Commission staff then published recommendations on February 28, 2020. Finally, the Commission adopted the 2020 STIP on March 25, 2020.

**2020 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 1, 2020, the Commission released its twenty-third Annual Report of STIP Balances, County and Interregional Shares. The report includes the 2020 STIP and allocations and other actions approved through June 2019. The balances in the report are based the 2020 STIP Fund Estimate. The report can be found on the STIP program page of the Commission’s website.





## Trade Corridor Enhancement Program

The purpose of the Trade Corridor Enhancement Program is to provide funding for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in California Freight Mobility Plan, and along other corridors that have a high volume of freight movement. 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).

### PROGRAM OVERVIEW

**Commission Role.** The Commission develops program guidelines, evaluates project proposals, adopts programs of projects, allocates funds, and reports annually on program activities.

**Funding.** The program receives half of the revenues from the Road Repair and Accountability Act 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 organizations, regional transportation planning agencies, port authorities, public construction authorities, and Caltrans are eligible to apply.

**Program Structure.** The program is competitive. The Commission's program guidelines include a target for Caltrans and regional corridor agencies to receive 40 percent and 60 percent of programmed funds, respectively.

**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 second cycle, which covers FY 2020-21 to 2022-23. The initial 2018 Program covered FY 2017-18 to 2019-20. Subsequent cycles will only program two new years of funding.

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



**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.**

## ACCOMPLISHMENTS

**2018 Program.** In May 2018, the Commission adopted the initial Trade Corridor Enhancement Program and programmed \$1.4 billion to 28 projects, delivered in 41 segments, with a total project value of more than \$4 billion. Subsequently, two projects with three segments were removed from the program, reducing the total to 26 projects with 38 segments and reducing the amount of programmed funds. This first funding cycle was a three-year program covering FY 2017-18 through 2019-20.

**FY 2019-20 Project Allocations.** During FY 2019-20, the Commission allocated \$435 million for 10 projects, including \$405 million for construction for seven projects and \$30 million for pre-construction for three projects. FY 2019-20 construction allocations will build the following: nearly 55 miles of new high occupancy vehicle, auxiliary, and truck climbing lanes to relieve freight chokepoints and congestion; about one mile of additional track to increase freight rail capacity and safety; and border and other structural improvements. Since the program's inception, the Commission has allocated in total \$900 million to 26 projects with 38 segments.

**2020 Program.** During FY 2019-20, the Commission initiated development of the 2020 Program, which provides \$1.4 billion over FYs 2020-21 through 2022-2023. Staff held five public workshops throughout the state to seek input from stakeholders on updates to the guidelines. Draft guidelines were presented to the Commission in January 2020. The Commission adopted the final guidelines and issued a call for projects in March 2020.

The Commission received 47 project nominations seeking over \$1.7 billion, which exceeded the available funding by about \$350 million. In December, the Commission adopted the 2020 Trade Corridor Enhancement Program, which includes 28 projects. The locations of these projects are shown in Figure 14. The 2020 program includes 19 highway improvement projects (interchange improvements, HOV lanes, truck climbing lanes, general purpose lanes, auxiliary lanes, and express lanes), six rail improvement projects (grade separations, increased throughput, additional storage), and three border improvement projects (increased safety, decreased wait times, and decreased truck queuing). These projects will create nearly 80,000 jobs.

Projects in the 2020 program will construct 660,811 square feet of new or modified bridges/tunnels; 144 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; six new/improved grade separations; four miles of bike lanes/pedestrian facilities/sidewalks; four port improvements; three miles of new truck climbing lanes; one new Commercial Vehicle Enforcement Facility; and other improvements to roads, rail lines, border crossings, and pedestrian facilities.

Once complete, projects in the 2020 program will have the following benefits over 20 years: increased throughput of over 70 million trucks; increased cargo of 65 million tons; and reduced emissions of nearly three million tons.

Figure 14



# PROJECT HIGHLIGHT

## California-Mexico Border System Projects San Diego County



The purpose of the California-Mexico Border System Project is to address immediate freight efficiency needs in the Border Region by funding critical implementation-ready improvements that will make California's freight system more efficient, competitive, and environmentally sustainable. The Southbound State Route 125 to Westbound State Route 905 Connector is one component within this project. In 2019-20, the Commission allocated \$22 million for construction and construction support, out of a total cost of \$38 million. This component will complete the remaining connector needed to integrate three major state roads serving the border region just north of the Otay Mesa Port of Entry at the U.S. - Mexico border. Construction of the connector is expected to be complete in 2022.



## 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.

**Commission Role.** By statute, the Commission's role 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 the program.

**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. The current cycle covers FY 2020-21 through 2024-25.

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

**During FY 2019-20, the Commission allocated \$577 million to 26 projects for construction of rail expansions, system infrastructure improvements, new or rehabilitated transit facilities, and more.**

## ACCOMPLISHMENTS

**FY 2019-20 Allocations.** During FY 2019-20, the Commission allocated \$744 million to 36 projects. Of that amount, \$635 million was allocated to 32 projects from the third cycle and \$109 million was allocated to four projects from the second cycle. Nearly \$577 million was allocated to 26 projects for construction, with the remainder being allocated for pre-construction phases. The 26 projects entering construction consist of: 12 system infrastructure improvements/upgrades; seven equipment procurements; three new or rehabilitated transit facilities; two new or replacements of rail track/track infrastructure; one rail expansion; and one service improvement.

**2020 Program.** In April 2020, the California State Transportation Agency announced the award of \$500 million to 17 recipients for the fourth cycle, with total project costs of over \$5.4 billion. In June 2020, the Commission approved an allocation policy for timely use of funds, consistent with the other programs. Beginning in FY 2020-21 the Commission will approve all projects delays after an allocation.

## PROJECT HIGHLIGHT

### **Vallejo Transit Center – York Street Extension Solano County**



In 2019, the Commission allocated \$1.8 million for a \$2.8 million project to expand the Vallejo Transit Center for a block on York Street and construct 5 concrete bus pads and supplemental streetscape amenities. Construction is expected to be complete in December 2020.

# OTHER COMMISSION PROGRAMS



## **Aeronautics Program**

The Aeronautics Program funds work such as safety grants, maintenance and capital improvement projects, and airport land use compatibility plans. The Aeronautics Program has two major funds: the Aeronautics Account and the Local Airport Loan Account.

### **Aeronautics Account**

The Aeronautics Account funds Caltrans' aeronautics program, including program administration. The Aeronautics Account 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 2018, the Commission approved assumptions for the 2019 Aeronautics Account Fund Estimate. The assumptions form the foundation upon which federal and state resource planning for the aeronautics program is developed. The 2019 Aeronautics Account Fund Estimate assumes a transfer in the amount of \$4 million annually from the Local Airport Loan Account.

## Local Airport Loan Account

The Local Airport Loan Account is a subaccount of the Aeronautics Account. This subaccount provides loans for projects that benefit an airport and/or improve its self-sufficiency. As principal and interest payments are returned to the Local Airport Loan Account, additional loans can be made. Public Utilities Code section 21602(f)(2) authorizes the Department of Transportation to transfer money from this subaccount back 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.

For FY 2019-20, the Aeronautics Account funded the following activities (listed in statutory order):

- **Collection of Fuel Taxes.** The account provided \$243,000 for the Department of Tax and Fee Administration and State Controller to collect and distribute the excise taxes on general aviation gasoline and jet fuel.
- **Caltrans' Division of Aeronautics Operations.** The account provided \$4.0 million for Caltrans' operations, such as administering Aeronautics Account programs, airport permitting and inspections, and creating guidance for land use compatibility in areas around airports.
- **Annual Credits.** The Commission allocated \$1.5 million 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.
- **Airport Improvement Program Matching Grants.** These state grants assist an airport in meeting the local match for an Airport Improvement Program grant from the Federal Aviation Administration. Federal Aviation Administration grants cover 90% of eligible costs. The state grant program covers approximately one-half of an airport's remaining match requirement, up to 5%, or a maximum of \$150,000 per project. The Department of Finance authorized transfers of \$1.4 million and \$1.1 million in January 2019 and July 2019, respectively, from the Local Airport Loan Account for this grant program and, in June 2019 and August 2019, the Commission approved the \$2.5 million allocation request.
- **Acquisition and Development Program.** These state grants pay up to 90% of an airport's eligible costs for projects in the Aeronautics Program. The Commission requires that sponsors provide a 10% match. The Commission did not receive allocation requests for this program in Fiscal Year 2019-20, because the Department of Finance did not approve transfers from the Local Airport Loan Account for this program.

In addition to administering the Aeronautics Account, the Caltrans Division of Aeronautics is statutorily responsible for development of the California Aviation System Plan. Federal requirements and California Public Utilities Code Sections 21701-21707 require Caltrans to update seven elements of the California Aviation System Plan every five years. Caltrans received a Federal Aviation Administration grant to update these elements, which it expects to complete by early 2021. In addition, the Capital Improvement Plan is an eighth element of the California Aviation System Plan. The Capital Improvement Plan is compiled biennially by Caltrans and submitted to the Commission. In June 2019, the Commission adopted the 2019 Aeronautics Capital Improvement Plan.

**During FY 2019-20, the Commission adopted the \$14.2 million federal Enhanced Mobility of Seniors and Individuals with Disabilities Program, which funds the purchase of transit capital equipment to meet the specialized needs of elderly and disabled people.**

## **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 2020, the Commission adopted the 2019 Program with over \$14.2 million in federal funds. This includes \$8.2 million for the Traditional Program and \$6 million for the Expanded Program. The Commission allocated all the funds immediately following program adoption at the March 2020 Commission meeting. The project list is available on the Commission's website at <https://catc.ca.gov/programs/fta-section-5310-elderly-disabled-specialized-transit-program>

## **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:

- Surface Transportation Block Grant Program: Provides flexible funding for projects that preserve and improve the conditions and performance of any federal-aid highway.
- Congestion Mitigation and Air Quality Improvement Program: Funds transportation projects designed to reduce traffic congestion and improve air quality, particularly in regions that do not attain national air quality standards.

In Federal Fiscal Years 2018–19 and 2019-20, the Commission allocated \$1.9 billion and \$1.8 billion, respectively, in federal and state local assistance to Caltrans. Through the end of each federal fiscal year, Caltrans sub-allocated 100% of the federal funds.



Figure 15 includes detail on the federal and state allocations by program for Federal Fiscal Years 2018–19 and 2019–20.

Figure 15  
**Local Assistance Allocations by Program**  
 As of June 30, 2020  
 (Dollars in Millions)

<b>Federal</b>	<b>2018-19</b>	<b>2019-20</b>
Surface Transportation Block Grant Program	\$562	\$460
Congestion Mitigation and Air Quality Improvement Program	532	481
National Highway Performance Program	323	288
Highway Safety Improvement Program	75	131
Discretionary and Special Programs	165	114
Highway Infrastructure Program	98	98
Railroad Grade Crossing Protection	0	32
Safe Routes to School Program	0	4
<b>Federal Total</b>	<b>\$1,754</b>	<b>\$1,607</b>
<b>State</b>	<b>2018-19</b>	<b>2019-20</b>
Surface Transportation Block Grant Program	\$58	\$64
Freeway Service Patrol	25	25
Freeway Service Patrol from SB1	25	25
Railroad Grade Separations	15	15
Local Road Safety Plan Program	0	8
Railroad Grade Crossing Maintenance	4	4
Miscellaneous Unassigned Local Programs	3	3
Bridge Inspection	1	1
Systemic Safety Analysis Report Program	10	0
<b>State Total</b>	<b>\$141</b>	<b>\$145</b>
<b>Grand Total</b>	<b>\$1,895</b>	<b>\$1,752</b>

Note: Numbers may not add due to rounding.

## **On March 25, 2020, the Commission adopted the 2019 Environmental Enhancement and Mitigation Program and allocated \$6.3 million for 11 projects.**

### **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.

**Commission Role.** Streets and Highways Code Section 164.56 requires the Commission to allocate funds to projects recommended by the California Natural Resources Agency.

**Funding.** 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.

**Eligible Agencies.** Any local, state or federal agency, or nonprofit entity.

**Eligible Projects.** 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.

**Evaluation Criteria.** The California Natural Resources Agency evaluates projects submitted for the program.

**Website (includes project lists):** <https://catc.ca.gov/programs/environmental-enhancement-mitigation>

**FY 2019-20 Accomplishments.** For the 2019 Environmental Enhancement and Mitigation Program, the Resources Agency reviewed 21 grant applications and recommended 11 projects totaling more than \$6.3 million. The recommended projects included five in Northern California totaling approximately \$2.5 million and eight in Southern California totaling approximately \$3.8 million. On March 25, 2020, the Commission adopted the 2019 Environmental Enhancement and Mitigation Program and allocated funds totaling \$6.3 million to the Resources Agency for all 11 recommended projects.

### **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.

**During FY 2019-20, the Commission allocated close to \$30 million in Proposition 1A funds to two light rail projects that will improve the safety and accessibility of boarding, increase service frequency, and improve network connectivity to other rail services.**

During FY 2019-20, the Commission allocated close to \$30 million to two light rail projects that will improve the safety and accessibility of boarding, increase service frequency, and improve network connectivity to other rail services. Since the program's inception, the Commission has allocated in total more than \$873 million of the \$931 million available. Of the remaining approximately \$57 million, about \$46 million has been programmed to projects for future allocation; \$9 million is available for future programming; and \$2 million was de-allocated due to cost savings.

## **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. These transportation programs (collectively, the Proposition 1B Programs) include the following:

- Corridor Mobility Improvement Account
- State Route 99 Corridor Account
- Trade Corridors Improvement Fund
- Traffic Light Synchronization Program
- Highway-Railroad Crossing Safety Account
- Public Transportation Modernization, Improvement, and Service Enhancement Account
- Local Bridge Seismic Retrofit Account
- State-Local Partnership Program
- Augmentation of the State Transportation Improvement Program
- Augmentation of the State Highway Operation and Protection Program

Consistent with the requirements of Proposition 1B, the Commission programs and allocates bond funds in each of the above-mentioned programs. As of the end of FY 2019–20, 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.

**As of the end of FY 2019–20, the Commission has allocated \$11.8 billion of the \$12 billion in Proposition 1B bond funds programmed under its purview. Most Proposition 1B projects have either been constructed or are nearing completion.**

### **Accountability**

Senate Bill (SB) 88 (Committee on Budget and Fiscal Review, Chapter 181, 2017) designates the Commission as the administrative agency for all Proposition 1B programs. SB 88 stipulates various requirements for the Commission relative to adopting guidelines, allocating bond funds, reporting on projects funded by bond funds, and ensuring that required bond project audits of expenditures and outcomes are performed.

In addition, Executive Order S-02-07, issued by Governor Arnold Schwarzenegger in January 2007, significantly increased the Commission's delivery monitoring responsibility for the bond-funded projects. As a result, the Commission developed and implemented an accountability plan, with a primary focus on the delivery of bond-funded projects within the approved scope, cost, schedule, and outcomes. As part of its Accountability Implementation Plan, the Commission requires bond fund recipients to report to the Commission quarterly. These reports are reviewed by the Commission and posted on the Bond Accountability website at <https://bondaccountability.dot.ca.gov/>.

**The Commission's Proposition 1B accountability plan focuses on delivery of projects within the approved scope, cost, schedule, and outcomes. The plan requires regular reporting from bond recipients and the auditing of bond funds. Additionally, Proposition 1B status reports are posted on the Commission's and Caltrans's websites.**

Another key element of bond accountability is the audit of bond project expenditures and outcomes. Specifically, the Commission developed and implemented an accountability plan that includes provisions for bond audits. Under the Executive Order, expenditures of bond proceeds 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. To ensure that the Commission is meeting the auditing requirements as the administrative agency and as mandated by SB 88 and the Governor's Executive Order, Caltrans is performing the required audits on behalf of the Commission. Caltrans, in consultation with the Commission, develops and carries out the Audit Plan for the Proposition 1B Bond Program.

A final key element of the Commission's responsibility for accountability as an administrative agency for specific bond programs is submitting semiannual reports to the Department of Finance. The purpose of these reports is to document whether projects are proceeding on schedule and within

their estimated cost. Figure 16 summarizes information provided in the June 30, 2020 semiannual report. Additional detail on the status of each program from the June 30, 2020 semiannual report is provided following the table. Status reports also 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>.

Figure 16  
**Status of Proposition 1B Funded Projects<sup>1</sup>**  
(Dollars in Millions)

Program	Authorized	Allocated		Completed		Not Completed	
	Funds	Projects	Funds	Projects	Funds	Projects	Funds
CMIA	\$4,500	129	\$4,477	123	\$4,100	6	\$377
Route 99	\$1,000	30	\$977	28	\$945	5	\$36
TCIF	\$2,450	134	\$2,448	95	\$1,412	40	\$1,036
TLSP	\$250	81	\$223	81	\$223	0	\$0
HRCSA	\$250	38	\$242	36	\$221	2	\$21
PTMISEA	\$400	30	\$357	18	\$152	16	\$239
LBSRA	\$125	336	\$78	318	\$43	57	\$82
SLPP	\$1,000	257	\$963	251	\$831	6	\$132
STIP	\$2,000	90	\$1,963	88	\$1,824	2	\$139
SHOPP	\$500	35	\$486	34	\$436	1	\$50
<b>Totals</b>	<b>\$12,475</b>	<b>1,160</b>	<b>\$12,214</b>	<b>1,071</b>	<b>\$10,182</b>	<b>136</b>	<b>\$2,116</b>

Note: Numbers may not add due to rounding.

<sup>1</sup> Includes \$450 million for TCIF from the State Highway Account, pursuant to AB 268. Excluding these funds, the total authorized is \$12.025 billion and the total allocated is \$11.764 billion.

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

PTMISEA: Public Transportation Modernization, Improvement, and Service Enhancement Account

LBSRA: Local Bridge Seismic Retrofit Account

SLPP: State-Local Partnership Program

STIP: State Transportation Improvement Program

SHOPP: State Highway Operation and Protection Program

## **Corridor Mobility Improvement Account**

Proposition 1B authorized \$4.5 billion for the Corridor Mobility Improvement Account. Funds in this account are available for performance improvements on the state highway system, or major local access routes to the state highway system, that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within highly congested travel corridors.

As of the end of FY 2019-20, the Commission has allocated nearly \$4.5 billion to 129 projects, excluding \$23 million reserved for bond program administration costs. Including other fund sources, the 129 projects are valued at nearly \$12.4 billion. Of the 129 projects, 123 projects allocated a total of approximately \$4.1 billion are complete, and six projects allocated a total of \$377 million are under construction. In FY 2019–20, five construction projects totaling nearly \$1.5 billion were completed.

## **State Route 99 Corridor Account**

Proposition 1B authorized \$1 billion for the State Route 99 Corridor Account. Funds in this account may be used for safety, operational enhancement, rehabilitation, or capacity improvement projects on the State Route 99 corridor, which crosses approximately 400 miles of the state’s Central Valley.

As of the end of FY 2019–20, 28 project segments allocated a total of nearly \$945 million are complete and five project segments allocated a total of about \$36 million are under construction or will soon be entering construction. Approximately \$17 million in project construction savings are available to allocate. Three projects totaling \$6 million were programmed during the fiscal year for future delivery. Caltrans will be coming forward with an additional list of projects to program from the Route 99 Corridor Business Plan.

## **Trade Corridors Improvement Fund**

Proposition 1B authorized \$2 billion for the Trade Corridors Improvement Fund (TCIF) for infrastructure improvements along federally designated “Trade Corridors of National Significance” or along other corridors that have a high volume of freight movement. Funds may be used for highway capacity and operational improvements; freight rail improvements; truck corridor improvements; and border access improvements, that improve trade corridor mobility while reducing diesel particulate and other pollutant emissions. After the passage of Proposition 1B, the Commission proposed to increase TCIF funding by moving \$500 million from the State Highway Account (via the SHOPP Program) to fund state-level priorities critical to goods movement. Assembly Bill 268 (Committee on Budget, Chapter 756, 2008) codified the fund increase. Pursuant to this legislation, the final target available for TCIF programming was set at \$2.45 billion, with \$50 million set aside for program administration.

As of the end of FY 2019–20, the Commission has programmed all available TCIF funds to 135 project segments with a total project value of just over \$10.6 billion. The Commission has allocated nearly the entire \$2.45 billion to 134 project segments. Of the 134 allocated project segments, 95 project segments totaling just over \$1.4 billion have been completed and 40 project segments totaling about \$1 billion are under construction. One project segment programmed at \$18 million remains unallocated.

In June 2019, the Legislature passed Senate Bill 87 (Committee on Budget and Fiscal Review, Chapter 32, 2019), which appropriates up to \$7.2 million from unprogrammed TCIF savings as of May 1, 2020, for a new program to fund short-line railroad projects. As of May 1, 2020, \$7.2 million was available

for the new program, which is described in the Short-Line Railroad Improvement Program section of this report. Additionally, pursuant to the Commission's TCIF Close-Out Policy, TCIF savings remaining after June 2020 will be redirected by the Commission to the Trade Corridor Enhancement Program. As of June 2020, current savings total \$3 million for redirection to the Trade Corridor Enhancement Program. Additional savings could be realized after more projects are completed.

### **Traffic Light Synchronization Program**

Proposition 1B authorized \$250 million for the Traffic Light Synchronization Program to fund the application of traffic light synchronization or other technology-based improvements to safely operate and effectively manage the capacity of local streets and roads. Senate Bill (SB) 88 (Committee on Budget, Chapter 181, 2007) dedicated \$150 million of the \$250 million to the City of Los Angeles.

As of the end of FY 2019-20, the Commission has programmed 22 projects for the City of Los Angeles and 59 projects for agencies other than the City of Los Angeles, for a total of 81 projects, and allocated a total of \$227 million for these projects. All 81 projects have been completed and no projects remain in construction. About \$22 million in savings was deallocated, including \$18.3 million from City of Los Angeles projects and \$3.9 million from agencies other than the City of Los Angeles. No additional savings are expected.

### **Highway-Railroad Crossing Safety Account**

Proposition 1B authorized \$250 million for the Highway-Railroad Crossing Safety Account program to fund the completion of high-priority grade separation and railroad crossing safety improvements. Government Code Section 8879.23 (j) splits the program funding into two parts: (1) \$150 million for projects on the Public Utilities Commission project list pursuant to the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code, and (2) \$100 million for high-priority railroad crossing improvements that are not part of the Public Utilities Commission priority list process.

As of the end of FY 2019-20, the Commission has allocated \$242 million to 38 projects. Among the 38 projects, 36 projects allocated in total \$221 million are complete and two projects allocated in total \$21 million are under construction. Of the remaining funds available from the \$250 million authorized, \$5 million was reserved for bond administration, and \$2 million consists of construction project savings available for new programming. One or more new projects will be identified to utilize the \$2 million in construction project savings in an upcoming programming cycle.

### **Public Transportation Modernization, Improvement, and Service Enhancement Account**

Proposition 1B authorized \$4 billion for the Public Transportation Modernization, Improvement, and Service Enhancement Account. Funds in this account are available for intercity rail projects; commuter or urban rail operators; bus operators; waterborne transit operators; and other transit operators for rehabilitation, safety, or modernization improvements, capital service enhancements or expansions, new capital projects, bus and rapid transit improvements, and rolling stock procurement, rehabilitation, and/or replacement. Of the \$4 billion authorized, \$3.6 billion is available for the State Controller to allocate by formula in accordance with Public Utilities Code Sections 99313 and 99314, with 50 percent for local transit operators and 50 percent for regional entities. The remaining \$400 million is available for programming and allocation by the Commission for intercity rail capital improvements. Of this amount, \$8 million is set aside for bond costs, leaving \$392 million for the Commission to program and allocate.

As of the end of FY 2019-20, of the \$392 million available, the Commission has programmed a total of \$392 million to 34 intercity rail projects and allocated \$358 million to 30 projects. Of the 30 projects allocated, 18 projects allocated in total \$152 million have been completed and 12 projects allocated more than \$205 million are being implemented. The remaining \$34 million is programmed for four projects and has not yet been allocated. During FY 2019-20, \$123,000 was identified in cost savings and \$34.9 million was reprogrammed, replacing two unallocated projects with six new projects. A total of \$282,000 remains unprogrammed.

### **Local Bridge Seismic Retrofit Account**

Proposition 1B authorized \$125 million for the Local Bridge Seismic Retrofit Account. This account provides the 11.5% required match for Federal Highway Bridge Program funds available to the state for seismic retrofit work on local bridges, ramps, and overpasses, as identified by Caltrans. Shortly after the passage of Proposition 1B, Caltrans reported that 479 local bridges were in need of seismic retrofit and would be eligible to receive Local Bridge Seismic Retrofit Account funds as the required match to their Federal Highway Bridge Program funds. Caltrans subsequently reviewed the list and removed bridges that were retrofitted with other funds or were found to be privately owned. The updated Local Bridge Seismic Retrofit Program consists of 375 bridges.

As of the end of FY 2019-20, of the \$125 million available, \$78 million has been allocated to 336 bridges. Of the 336 bridges, 318 bridges allocated a total of \$43 million have been completed and 18 bridges allocated a total of \$35 million are under construction. The remaining 39 bridges do not have funds allocated to them. A balance of \$47 million remains in the account.

### **State-Local Partnership Program Account**

Proposition 1B authorized \$1 billion to be deposited in the State-Local Partnership Program Account to be available, upon appropriation by the Legislature, for allocation by the Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. Through the end of the five-year period that ended June 30, 2013, the Commission fully allocated the \$981 million available, with the remaining \$19 million set aside for administration. The Commission's role is now directed to project delivery and accountability. No further allocations can be made from the SLPP Account.

As of the end of FY 2019-20, 251 projects allocated in total \$831 million have completed construction and 6 projects that allocated in total \$132 million are in construction. The remaining approximately \$17 million are project savings.

### **State Transportation Improvement Program Augmentation**

Proposition 1B authorized \$2 billion to augment the State Transportation Improvement Program (STIP). For this augmentation, the Commission convened a special STIP development cycle for the 2006 STIP in advance of development of the 2008 STIP. The Commission's primary intent for augmenting the 2006 STIP was to advance the programming of funds for STIP projects so that projects were delivered prior to adoption of the 2008 STIP, freeing up capacity to program additional projects. In doing so, the Commission was able to offer an early opportunity for regions to program new STIP projects with the added capacity created by the bond funds. Proposition 1B STIP projects are tracked as part of the normal STIP process.



As of the end of FY 2019-20, \$1.963 billion has been allocated to 90 STIP projects. Of the 90 allocated projects, 88 projects totaling \$1.824 billion have been completed and two projects totaling \$139 million are in construction. Of the remaining unallocated funds from the \$2 billion authorized, \$17 million is set aside for administration and an estimated \$19 million is available for future STIP allocations.

### **State Highway Operation and Protection Program Augmentation**

Proposition 1B authorized \$500 million to augment the State Highway Operation and Protection Program (SHOPP). The SHOPP funds projects to rehabilitate and improve the operation of state highways. Proposition 1B SHOPP projects are tracked as part of the normal SHOPP process.

As of the end of FY 2019-20, the Commission has allocated \$486 million to 35 projects. Of the 35 allocated projects, 34 projects allocated nearly \$436 million have been completed, and one project allocated \$50 million is under construction. An estimated \$33 million from project and administrative savings is available for new SHOPP projects.

## **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. Of this amount, Proposition 116 authorized:

- \$1.9 billion for preservation, acquisition, construction, or improvement of rail rights of way, rail terminals and stations, rolling stock acquisition, grade separations, rail maintenance facilities, and other capital expenditures for rail purposes;
- \$73 million for 28 nonurban counties without rail projects, distributed by formula based on population, for the purchase of paratransit vehicles and other capital facilities for public transportation;
- \$20 million for a competitive bicycle program for projects that improve safety and convenience for bicycle commuters;
- \$30 million to a ferry program (\$20 million competitive funding, plus an additional \$10 million to the City of Vallejo) for construction, improvement, acquisition, and other capital expenditures associated with waterborne transportation of passengers or vehicles, or both;
- \$10 million for administration of the program; and
- \$5 million to the Department of Parks and Recreation for development of a State Museum of Railroad Technology.

Since Proposition 116 passed nearly 30 years ago, the Commission has programmed and allocated nearly all the funds. In FY 2019-20, the Commission did not receive requests for and did not take any action on the Proposition 116 program

AB 2620 (Dababneh, Chapter 763, 2016) reallocates funds not expended or encumbered by July 1, 2020, to other existing passenger rail projects with existing rail service. Under this legislation,

the Commission is to determine the projects pursuant to this reallocation. Commission staff are preparing an AB 2620 reallocation plan to present to the Commission for approval, expected at the January 2021 meeting.

## **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 for which Caltrans is the project delivery agency, 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 is subdivided into three seismic retrofit sub-programs that total \$12.14 billion. The subprograms are as follows:

1. Seismic Safety Retrofit Program, Phase 1. Phase 1 projects were responsible for the successful seismic retrofit of 1,039 vulnerable bridges at a cost of \$1.1 billion.
2. Seismic Safety Retrofit Program, Phase 2. Initiated after the 1994 Northridge earthquake, this phase of the program identified an additional 1,151 bridges in need of seismic retrofit. The Seismic Retrofit Bond Act of 1996 (Proposition 192) initially dedicated a total of \$1.35 billion to phase 2. An additional \$544 million in State Highway Operation and Protection Program (SHOPP) funds brought the total amount for the Phase 2 bridges to \$1.89 billion. All 1,151 Phase 2 bridges have been seismically retrofitted.
3. Toll Bridge Seismic Retrofit Program. This program was initiated after the 1989 Loma Prieta earthquake to seismically retrofit seven toll bridges. AB 144 (Hancock, Chapter 71, 2005) provided funding to complete the retrofit or replacement of seven toll bridges and established the Toll Bridge Program Oversight Committee (TBPOC), consisting of the Executive Director of the Bay Area Toll Authority (BATA), the Director of Caltrans, and the Executive Director of the Commission, to oversee the delivery of the program. AB 1175 (Torlakson, Chapter 515, 2009) added the Antioch and Dumbarton bridges to the program, bringing the total number of bridges in the program to nine and the total budget to \$9.435 billion. With the opening of the new east spans of the San Francisco-Oakland Bay Bridge to traffic in September 2013, all nine bridges in this program now are seismically retrofitted. In February 2019, the TBPOC reported to the Legislature that the objectives of the Toll Bridge Seismic Retrofit Program have been fulfilled, that all toll bridges are seismically safe, and that any remaining work activities can be overseen by Caltrans and BATA as part of normal existing operations, maintenance, and rehabilitation.

### **Local Streets and Roads Component**

Following the 1989 Loma Prieta earthquake, Caltrans identified 1,242 publicly owned bridges on the local streets and roads network in need of seismic evaluation. 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 the 479 bridges that remained in the program. Funds from the account provide the 11.5 percent local match for the Federal Highway Bridge Program funds used to retrofit the local bridges. The Local Bridge Seismic Retrofit Account part of the Proposition 1B section of this report contains details on the remaining local streets and roads seismic program bridges.

## 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)

**Commission Role.** The Commission develops program guidelines, evaluates project proposals, adopts programs of projects, allocates funds, and reports annually on program activities.

**Funding.** SB 87 provides a one-time appropriation of \$7.2 million for the purposes of this program through savings from the Proposition 1B Trade Corridor Improvement Fund program.

**Eligible Agencies.** Only Caltrans or 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.

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

**Eligible Projects.** Infrastructure projects for transload facilities, rail terminals, rail yards, seaports, and rail lines. Projects must be consistent with the goals and objectives of the 2018 California State Rail Plan with regard to short-line railroad infrastructure investment.

**Evaluation Criteria.** Freight mobility, cost effectiveness, deliverability, leveraged funding, air quality and greenhouse gas emission reductions, regional and industry project support, safety, and system preservation.

**Programming Cycles.** The Commission intends to program the \$7.2 million in FY 2020-21 and 2021-22, following a single call for projects.

**Website.** <https://catc.ca.gov/programs/short-line-railroad-improvement-program>

## ACCOMPLISHMENTS

**2021 Program.** To initiate the new Short-Line Railroad Improvement Program, Commission staff held two guideline development workshops during February 2020. Draft guidelines were presented to the Commission at its March 24, 2020 meeting. This opened up a statutorily mandated 90-day public comment period prior to final adoption. Commission staff held two additional public workshops during this time. Final guidelines were adopted by the Commission at the June 24, 2020 meeting and a call for projects was issued. Commission staff held an additional workshop in July to discuss application coordination among agencies applying jointly. Applications were due to the Commission on December 1, 2020, and the Commission expects to adopt the program at its January 2021 meeting.

## **Traffic Congestion Relief Program**

Assembly Bill (AB) 2928 (Torlakson, Chapter 91, 2000) and Senate Bill (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.

SB 1 closed out the program, consistent with a Commission legislative recommendation. Specifically, SB 1 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. For the funds that were programmed, nearly the entire \$4.6 billion has been allocated, and \$4.3 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, multi-modal, 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. The last California Transportation Plan was developed in 2015.

During 2020, Caltrans worked on the development of the California Transportation Plan 2050 and released a draft in the fall. At its October 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 the COVID-19 pandemic as well as to address the issuance of Governor’s Executive Order N-79-20 requiring 100 percent of new

## **In October 2020, the Commission provided comments on the draft California Transportation Plan 2050 that addressed various aspects of planning assumptions, costs, and implementation.**

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. The Commission further included recommendations related to the implementation of the plan's roadway pricing strategy, including having some of the implementation discussions occur at the Commission's Road Charge Technical Advisory Committee. Finally, the Commission requested that Caltrans report annually to the Commission on the status of plan implementation.

### **California Freight Mobility Plan**

The California Freight Mobility Plan is one of the modal plans 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.

### **California Aviation System Plan**

The California Aviation System Plan is another one of the statutorily required modal plans 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.

Caltrans has not updated the California Aviation System Plan in over 10 years but released a draft update on November 13, 2020. At the December Commission meeting, the Commission heard a presentation from Caltrans on the draft update and approved a comment letter recommending certain changes, such as including an analysis and discussion of how needs are prioritized and how funding could be consolidated and focused to result in strategic improvements with meaningful impact.

### **Interregional Transportation System Plan**

SB 45 (Kopp, Chapter 622, 1997) fundamentally changed how federal and state transportation funds are allocated. As a result of this legislation, California's regional transportation agencies receive 75 percent of State Transportation Improvement Program (STIP) funds for intraregional transportation

projects, while the state receives the remaining 25 percent to address interregional transportation needs. Regional transportation agencies use the Regional Transportation Plan and Regional Transportation Improvement Program processes to identify how their respective STIP shares will be programmed. Caltrans prepares the Interregional Transportation System Plan and Interregional Transportation Improvement Program to specify how the state's 25 percent STIP share will be utilized. The Interregional Transportation System Plan aims to achieve a high functioning and balanced interregional transportation system, which must be consistent with the California Transportation Plan.

Statute required that the initial Interregional Transportation System Plan be completed by June 2015 but does not specify the frequency for future updates. Given there is no current statutory requirement, Caltrans has elected to update the Interregional Transportation System Plan every five years to be consistent with the California Transportation Plan. The next update to the Interregional Transportation System Plan is expected to be complete by December 2021.

## **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. SB 1 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.





# TRANSPORTATION FINANCE



## Road Charge

Senate Bill (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 Usage Charge Technical Advisory Committee (TAC) 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. The Chair of the Commission established the TAC in 2015. It includes membership that represents the following technical and public interest areas:

- Telecommunications
- Highway user groups
- Data security and privacy
- Privacy rights
- Social equity

- Regional transportation agencies
- National research and policymaking bodies (including members of the Legislature)
- Other relevant stakeholders.

In December 2015, the TAC adopted its Road Charge Pilot Design and Evaluation Criteria Recommendations. Caltrans designed the pilot program consistent with the TAC's recommendations, and the pilot ran from July 2016 through March 2017. By the end of the pilot program, more than 5,000 vehicles were enrolled, and 37 million miles were successfully reported. Following completion of the pilot program, the Transportation Agency released a final report in December 2017. This final report, available at <https://dot.ca.gov/programs/road-charge/final-report>, contained an overview of the pilot program and identified five next steps:

1. Evaluate a pay-at-the-pump mileage reporting method
2. Test the collection of actual revenues
3. Investigate options for standardizing in-vehicle telematics
4. Establish a technology collaborative with representatives from both the public and private sectors
5. Identify the organizational design of the road charge program and implementing departments and agencies

Although the passage of SB 1 in 2017 provided a much-needed infusion of funding for transportation, the need to continue a focus on road charge remained due to the fact that fuel tax revenues are still projected to decrease as vehicles become more fuel efficient and utilize alternative fuels. To that end, the role of the TAC was reaffirmed with the passage of SB 1328 (Beall, Chapter 698, 2018) which extended the TAC through January 1, 2023 and implemented a recommendation from the Commission's 2017 Annual Report.

In 2019, the TAC adopted a Guiding Objective and Action Plan that called for California to serve as a national leader on road charge policies and effectively implement and administer a phased-in road charge program. The plan also called for educating key stakeholders and opinion leaders on the need for a road charge program; conducting additional research to prepare for implementation; continuing to advise the Commission on road charge matters (for the purposes of ultimately advising the Legislature and the Administration); and following-up on the actions identified in the Transportation Agency's 2017 final report on the pilot program.

In 2020, the TAC met twice. At these meetings, it reviewed a draft workplan to implement the 2019 Guiding Objective and Action Plan. It also engaged in ongoing efforts to coordinate with the states of Oregon and Washington on road charge and to establish industry and policy alliances. The TAC also heard briefings on Caltrans' road charge research plan and its recent study of the impact of road charge on disadvantaged communities.

## **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 approved the issuance of GARVEE notes twice – once for STIP projects and once for SHOPP projects. In March 2004, the state issued \$614.8 million in GARVEE bonds (Series 2004A Bonds) for eight STIP projects. The Series 2004A Bonds were structured with serial maturities from 2005 through 2015. The Series 2004A Bonds fully matured in February 2015 and all eight projects have been completed. In October 2008, the state issued a second set of GARVEE Bonds (Series 2008A Bonds) totaling \$97.6 million for two SHOPP projects. The Series 2008A Bonds are structured with serial maturities from 2009 through 2020. The Series 2008A Bonds fully matured in February 2020 and the two SHOPP projects have been completed.

Government Code Section 14553.10 requires the Commission to 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 October 1, 2020, the Commission notified these parties that it was in the process of evaluating the potential for GARVEE bond issuance to support STIP projects in the upcoming fiscal year, after receiving a letter on September 16, 2020 from the San Diego Association of Governments inquiring about either an advance project allocation or the issuance of a GARVEE bond. On December 4, 2020, the Commission provided further notification that it had consulted with Caltrans and all regional transportation agencies and determined it was not necessary to request issuance of GARVEE bonds at this time.

## **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 by 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 2019–20:

- Construction of concrete pavement and realigned on- and off-ramps began in earnest
- 15 bridges were under construction and the first new bridge was opened to traffic
- Over 60 sound walls were under construction or completed
- Right of way was obtained
- Overall, the design-build project was approaching 50 percent complete from both a time and an earned value standpoint, and the design portion was substantially completed
- A request for proposals for the back-office support and customer service center contract was approved for release

### **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 2019–20:

- Construction of the south segment of the project was completed
- Construction started on the north segment, including shoulder widening and removal and replacement of three sound walls
- Toll system design was completed
- The Joint Powers Authority board authorized a two-phase opening of the facility, with the south segment expected to open in fall 2021 and the northern segment expected to open fall 2022
- The Joint Powers Authority board approved a contract with a consultant for an equity study for the facility

### **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 2019–20 related to the environmental phase of the project:

- On May 22, 2020, the Draft Environmental Impact Report/Environmental Assessment was released to the public. Due to restrictions on public gatherings because of the COVID-19 pandemic, a website was created that contained project documents, presentations, maps, and other supporting materials.
- On June 11 and July 15, 2020, a virtual question and answer session and a virtual public hearing were held to allow the public to ask questions and submit comments on the project. The public comment period closed on July 27, 2020.

The Los Angeles County Metropolitan Transportation Authority expects the Final Environmental Impact Report/Environmental Assessment to be completed by winter of 2020.



# PROJECT DELIVERY



## Project Delivery Workshops

The Commission facilitates public project delivery workshops to aid the timely and cost-effective delivery of future projects and to expand understanding of Caltrans' internal program and project delivery processes. The workshops enable the Commission and the public to learn about Caltrans' program and project management controls, capital estimating, risk management, bidding environment, resource agency influence on program delivery, and outreach to the contracting industry on efforts to expand their workforce to meet the demand created by Senate Bill 1 projects.

This year, the Commission held a project delivery workshop in January 2020 that focused on three topics: (1) Caltrans' implementation of SB 743 (Steinberg, Chapter 386, 2013), through which CEQA now addresses vehicle miles traveled, (2) Caltrans' capital outlay support budget, and (3) the constructor manager/general contractor project delivery method. In June 2020, the Commission held another project delivery workshop that focused on (1) an update on the work of the AB 1282 Permitting Task Force, (2) how and when Caltrans communicates and negotiates agreements with utilities and railroads, and (3) how Caltrans tests pavement.



## **AB 1282 Permit Streamlining Task Force**

AB 1282 (Mullin, Chapter 643, 2017) requires establishment of a Transportation Permitting Task Force to develop a coordinated process for early engagement of all agencies in development of transportation projects to reduce the permit process time, establish reasonable deadlines for permit approvals, and clarify permit approval requirements. The Commission has been an active member of the Task Force since its inception in April 2018. In 2020, the California State Transportation Agency, the California Environmental Protection Agency, and the California Natural Resources Agency issued a final report from the Task Force. The report is available on the Transportation Agency's website at: <https://calsta.ca.gov/subject-areas/reports>.

## **Design-Build**

SB X2-4 (Chapter 2, 2009, Cogdill) authorized Caltrans and local transportation entities to use the design-build project delivery method on a limited basis. Subject to approval of the Commission, Caltrans was authorized to use this new tool for up to 10 projects on the state highway system, and local transportation entities were allowed up to five design-build projects on the local streets and roads network or local public transit system within the local entity's jurisdiction. A locally administered project on the state highway system was subsequently authorized under AB 2098 (Miller, Chapter 250, 2010) to enable the Riverside County Transportation Commission to utilize the design-build procurement process for the State Route (SR) 91 Corridor Improvement Project. The Commission authorized all 10 design-build slots for Caltrans as well as the locally administered SR 91 Corridor Improvement Project.

Caltrans reports that it achieved an average cost savings of 14 percent through the innovative methods proposed during the procurement stage of the design-build projects. Projects in the program on which construction has been completed are listed in Figure 17. These projects were awarded up to 27 months earlier than if they had used the traditional design-bid-build process and project completion was expedited by up to 30 months.

Figure 17  
**Design-Build Projects Completed Under SB X2-4**

<b>Project</b>	<b>Scope</b>	<b>Cost at Award (in millions)</b>	<b>Month Complete</b>
Riverside SR 91 – Corridor Improvements Project	Construct express lanes on SR 91 in Riverside County	\$633	March 2017
San Bernardino I-15/I-215 – Devore Interchange Improvements	Improve the I-15/I-215 Interchange in San Bernardino County	\$208	November 2017
San Bernardino I-15 – Cajon Pass Rehabilitation	Rehabilitation of pavement on I-15 in San Bernardino County	\$114	July 2018
Los Angeles I-10/SR 110 – HOV to HOT Lanes	Convert HOV lanes to HOT lanes on I-10 and SR 110	\$72	February 2016
San Diego I-805 – HOV/BRT (North)	Construct HOV and bus rapid transit lanes on I-805	\$72	April 2018
Los Angeles I-10/I-605 – Construction Connector	Construct connector from southbound I-605 to eastbound I-10	\$46	January 2017
Fresno SR 180 – Construct Braided Ramps	Construct braided ramps on SR 180 in the city of Fresno between SR 41 and SR 168	\$41	December 2014
Madera SR 99 – Rehabilitation Roadway	Rehabilitate pavement on SR 99 in and near Madera in Madera County	\$23	April 2014
Sacramento/Yolo US 50/I-5 – Bridge Deck Rehabilitation	Rehabilitate the bridge decks on the US 50 Sacramento River Viaduct and the I-5 West End Viaduct Bridge	\$18	June 2015
San Mateo US 101 – Install Ramp Metering System	Install new ramp metering on US 101 in San Mateo County	\$11	March 2014

The original Design-Build Demonstration Program has sunset and was subsequently replaced by AB 401 (Daly, Chapter 586, 2013). 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.

As of 2020, Caltrans has added six projects to the Design-Build Program and is in the process of identifying four additional projects as authorized by AB 401. These projects are listed in Figure 18 along with the Gerald Desmond Bridge project that was authorized by SB X2-4 and has not completed construction. Local transportation agencies have also begun to utilize their unlimited design-build authority to deliver projects.

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

<b>Project</b>	<b>Scope</b>	<b>Cost (in millions)</b>	<b>Status</b>
Gerald Desmond Bridge	Gerald Desmond Bridge replacement	\$950	Complete
US 50 Multimodal Corridor Enhancement and Rehabilitation Project	Construct HOV lanes and rehabilitate US 50 in Sacramento	\$397	Contract awarded April 2020
I-405 Improvement Project	Pavement rehabilitation and operational improvements	\$152	Approved by Steering Committee. RFQ release target is Spring 2022
District 8 Maintenance Building	Maintenance building	\$20	Approved by Steering Committee. RFQ release target is fall 2019
Construct/Upgrade Pedestrian Facilities (ADA Compliance)	Improve pedestrian accessibility and ADA compliance at various locations	\$7	Approved by Steering Committee. RFQ release target is fall 2019
District 4 Office Elevator Replacement	Elevator replacement	\$5	RFQ was released in June 2020

## **Construction Manager General Contractor**

AB 2498 (Gordon, Chapter 752, 2012) authorized Caltrans to use the Construction Manager General Contractor (CMGC) project delivery tool for six projects as a pilot program. The CMGC contracting method is a two-step process in which Caltrans 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, Caltrans 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 construction contract is let out through the standard design-bid-build contracting process.

The Commission incorporated provisions specific to the CMGC contracting method in its program guidelines to address the unique aspects of project delivery utilizing this process. Utilizing the CMGC contracting method allows Caltrans, with the engagement of a construction expert early in the design process, to respond to constructability issues while the design is being completed, thereby limiting project risks and contract change orders related to project constructability. To date, six projects authorized under the AB 2498 legislation have been awarded. The status of these projects is outlined in Figure 19.

Figure 19

**Construction Manager General Contractor Projects Authorized Under AB 2498**

<b>Project</b>	<b>Scope</b>	<b>Cost (in millions)</b>	<b>Status</b>
Interstate 5 North Coast Corridor	HOV lanes and rail	\$606	Construction (Work Packages)
Mariposa SR 140 - Ferguson Slide Restoration	Slide restoration	\$52-\$226	Construction (Work Packages)
SR 58 Kramer Junction Widening and Realignment	Widening and realignment	\$140	Construction
Bay Bridge Demolition	Bridge demolition	\$117	Complete
Fresno SR 99 Realignment	Realign SR 99 to accommodate high-speed rail	\$111	Complete
I-215 at Barton Road Interchange Reconstruction	Interchange reconstruction	\$63-\$100	Construction

Recent legislation expanded Caltrans' 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 cap on the number of authorized CMGC projects for Caltrans while 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 the SB 2126, AB 115, and SB 1262 are listed in Figure 20. Caltrans is in the process of identifying additional projects for the CMGC program.

Figure 20  
**Construction Manager General Contractor Projects  
 Authorized Under SB 2126, AB 115, and SB 1262**

<b>Project</b>	<b>Scope</b>	<b>Cost (in millions)</b>	<b>Status</b>
Santa Barbara US 101 HOV Lanes	HOV lanes	\$411	Construction (Work Packages)
SR 101 Managed Lanes	HOT lanes	\$110–\$328	Construction
(Work Packages)	Widening and realignment	\$140	Construction
Sacramento River BOH Deck Replacement and Dunsmuir Gap	Rehabilitate Sacramento River Bridge and Overhead and rehabilitate pavement on Northbound I-5	\$131	Pre-Construction
Alameda County Interstate I-80/I-580/I-880 University Avenue/MacArthur Maze	Increase vertical clearance	\$42-\$125	Pre-Construction
Sacramento SR 99 Cosumnes River Bridges	Replacement and rehabilitation of bridges	\$113	Construction (Work Packages)
San Dieguito Lagoon Restoration	Restore wetlands of adjacent San Dieguito Lagoon	\$57	Pre-Construction
Yreka Rehabilitation	Pavement rehabilitation and accessibility improvements	\$53	Pre-Construction
Ven 1 Slope Restoration	Permanent slope restoration	\$53	Pre-Construction
I-80/I-680/SR 12 Interchange Package 2A	Interchange connection	\$50	Pre-Construction
Scotfield Retrofit	Retrofit Scotfield Ave UC	\$32	Pre-Construction

## Public-Private Partnerships

SB X2-4 (Cogdill, Chapter 2, 2009) authorized Caltrans and regional transportation agencies to enter into comprehensive development lease agreements with public or private entities to develop transportation projects. These agreements are commonly known as public-private partnership (P3) agreements.

Since the Commission's adoption of its Public Private Partnership Policy Guidance in October 2009, the Commission received only one P3 project request for approval. In May 2010, the Commission approved the joint request by Caltrans and the San Francisco County Transportation Authority for Caltrans to enter into an agreement with a developer for Phase 2 of the Doyle Drive Replacement Project, otherwise known as the Presidio Parkway P3 Project, for \$1.4 billion. In June 2013, the Commission approved a revised funding plan totaling \$1.08 billion, including a risk reserve of \$36.8 million, for the Presidio Parkway project. The funding plan was revised in response to several factors, including a lower interest Transportation Infrastructure Finance Investment Act loan, favorable market conditions, and project debt competition. The project reached substantial completion in September 2015, and through innovative scheduling and staging, the developer successfully opened the project to traffic nearly three months earlier than contractually required. The project replaced a 1.6-mile section of structurally deficient roadway with a new six-lane facility serving as access to the southern end of the Golden Gate Bridge and U.S. Highway 101, connecting Marin and San Francisco counties.

While the project reached many milestones, it was not without controversy. In July 2015, the developer commenced litigation for declaratory relief in the San Francisco Superior Court; Caltrans and the developer subsequently settled outside of court. The proposed settlement and request for funding related to additional Phase 2 scope of work was brought before the Commission in both June and August in 2016. In June 2016, the Commission allocated an additional \$29 million to pay for Caltrans-ordered changes to the P3 project. In August 2016, the Commission approved a \$91.1 million supplemental request for additional funding due to third-party delays. The Commission also approved the removal of the landscape area scope of work that would revert to the Presidio Trust from the developer's scope of work. Caltrans and the Presidio Trust settled on a \$37 million contribution from the state to the trust that transferred the Presidio Trust Landscape Work and applicable environmental obligations to the Presidio Trust. The Commission allocated the \$37 million for the settlement agreement at its March 2018 meeting.

In March 2019, the Commission allocated \$33.7 million to complete construction, close out the contract, and achieve final contract acceptance. The Commission's approval of this allocation resolved all outstanding contract claims associated with the project. The total amount allocated for the Presidio Parkway project was \$1.29 billion. In conjunction with an independent third party, Caltrans has committed to conducting a detailed analysis and publishing a report on the lessons learned and best practices with respect to this project.

The existing authorizing legislation expired in January 2017. The P3 project delivery tool is unique and is specifically useful on large infrastructure projects. With the infusion of additional funding from SB 1 and the passage of more self-help tax measure initiatives, innovative project delivery tools, including P3s, constitute an important delivery method to assist in delivering large complex infrastructure projects.



# APPENDIX

## Solutions for Congested Corridors Project Status

	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Award (Date)	Expended (\$000s)	Milestones Completed (FY 2019-20)	Milestones Upcoming (FY 2020-21)
1	Gold Line Light Rail Improvements - Construct track siding	20,300					Project Segmented	Allocation and Begin Construction
2	Gold Line Light Rail Improvements - Purchase light rail vehicles [TIRCP]	0			Mar-20		Project Segmented	Begin Construction
3	Gold Line Light Rail Improvements - Construct station improvements	0					Project Segmented	Allocation and Begin Construction
4	Franklin Boulevard Cycle Track Phase 1	200	Jun-19	200	Dec-19			
5	US 50 Multimodal Corridor Enhancement Project/US 50 HOV Lanes (I-5 to Watt Ave)	90,000	Mar-19	90,000	Jun-20			Begin Construction
6	Sac 5 Corridor Enhancement Project	14,800	May-18	14,800	May-19	3,254		
7	Marin Sonoma Narrows Segment C2 - HOV Lanes Gap Closure	84,791	Mar-19	84,791	Sep-19	18,168		
8	US 101 Managed Lanes Project - Northern Segment - Express Lanes	125,190	Oct-19	125,190	Jan-20	5,156	Project Segmented	
9	US 101 Managed Lanes project -Northern Segment - Tolling System Integration	0					Project Segmented	
10	US 101 Managed Lanes project -Northern Segment -Landscaping	0					Project Segmented	Right of Way
11	US 101 Managed Lanes Project - Southern Segment	74,810	Dec-18	74,810	Jan-19	71,497		
12	Silicon Valley Express Lanes Program - Phase 3	33,200	Aug-18	33,200	Dec-18	12,396		



	<b>Project Segment</b>	<b>Programmed (\$000s)</b>	<b>Allocation (Date)</b>	<b>Allocated (\$000s)</b>	<b>Award (Date)</b>	<b>Expended (\$000s)</b>	<b>Milestones Completed (FY 2019-20)</b>	<b>Milestones Upcoming (FY 2020-21)</b>
13	North Padaro Lane Coastal Access Improvements	3,270						Allocation and Begin Construction
14	Summerland Area Coastal Access Improvements	8,320						Allocation
15	Santa Claus Lane Class I Bikeway	6,830						Design and Right of Way
16	Santa Claus Lane Streetscape, Coastal Access Parking and Railroad Crossing	7,040						Design, Right of Way and Allocation
17	Santa Monica Road and Via Real Intersection Improvements	3,610						Design, Right of Way, Allocation, and Begin Construction
18	South Coast 101 HOV Lanes - Carpinteria (Segment 4A) [TCEP] - Construct HOV Lanes	0	Mar-20	0	Apr-20	Project Segmented		
19	South Coast 101 HOV Lanes - Carpinteria (Segment 4A) -Monitoring Mitigation	0				Project Segmented		
20	South Coast 101 HOV Lanes - Carpinteria (Segment 4A) -Landscaping	0				Project Segmented		
21	South Coast 101 HOV-Padaro (Segment 4B)	61,810						Design, Right of Way, Allocation, and Begin Construction
22	South Coast 101 HOV-Summerland (Segment 4C)	42,000						Allocation and Begin Construction
23	Airport Metro Connector 96th Street Transit Station	150,000						Allocation and Begin Construction
24	Redlands Passenger Rail Project	65,000	Oct-18	65,000	Apr-19			

	<b>Project Segment</b>	<b>Programmed (\$000s)</b>	<b>Allocation (Date)</b>	<b>Allocated (\$000s)</b>	<b>Award (Date)</b>	<b>Expended (\$000s)</b>	<b>Milestones Completed (FY 2019-20)</b>	<b>Milestones Upcoming (FY 2020-21)</b>
25	I-5 North Coast Corridor HOV Extension - Phase 1 - Encinitas HOV	195,000	Aug-28	195,000		71,117		
26	I-5 North Coast Corridor HOV Extension - Phase 1 - Carlsbad HOV	0						Allocation and Begin Construction
27	Central Orange County Corridor - Bravo! Main Street Rapid Bus	4,331	Jun-20	4,331				Begin Construction
28	Central Orange County Corridor - Traffic Light Synchronization - Warner Avenue	4,092	Jun-20	4,092				Begin Construction
29	Central Orange County Corridor - Traffic Light Synchronization - MacArthur Boulevard	2,951	Jun-20	2,951				Begin Construction
30	Central Orange County Corridor - Traffic Light Synchronization - Edinger Avenue	4,957	Jun-20	4,957				Begin Construction
-	Warner Avenue Class II Bikeway	1,443					Deleted	
-	Red Hill Class II Bikeway	383					Deleted	
-	Newport Avenue Class II Bikeway	485					Deleted	
-	Santa Ana-Santa Fe Channel Class I Bikeway	1,021					Deleted	
-	Main Street Class II Bikeway	255					Deleted	
31	Santa Clara Bicycle and Pedestrian Improvements	3,243					Added	Allocation
32	Route 53/553 (Bravo!Main St)-Bus Stop Improvements	344					Added	Allocation
Totals		1,006,089		849,322		181,588		

Notes: The Congested Corridors Program only funds the construction phase of a project. Projects beginning construction normally take about 36 months to complete construction. At the June 2020 CTC meeting, five sub-projects of the greater Central Orange County Corridor Project in Orange County were deleted at the implementing agency's request. As a result, the project sponsor nominated two additional sub-projects that would produce similar, if not greater, project outcomes, which were added into the program.

## **GLOSSARY OF ACRONYMS**

<b>AB</b>	Assembly Bill
<b>ADA</b>	Americans with Disabilities Act
<b>BRT</b>	Bus Rapid Transit
<b>CEQA</b>	California Environmental Quality Act
<b>Caltrans</b>	California Department of Transportation
<b>CMGC</b>	Construction Manager General Contractor
<b>Commission</b>	California Transportation Commission
<b>FFY</b>	Federal Fiscal Year
<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>NEPA</b>	National Environmental Policy Act
<b>P3</b>	Public-Private Partnership
<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>TAC</b>	Technical Advisory Committee
<b>Transportation Agency</b>	California State Transportation Agency
<b>US</b>	United States

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# 2020 ANNUAL REPORT

**TO THE CALIFORNIA LEGISLATURE  
RECOMMENDATIONS & ACCOMPLISHMENTS**



## **California Transportation Commission**

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