



March 24, 2022

The Honorable Laura Friedman
Assembly Transportation Committee, Chair
1020 N Street, Room 112
Sacramento, CA 95814

RE: AB 2438 (Friedman) – Transportation Funding Conformity with Greenhouse Gas Emissions Reduction- Oppose unless Amended

Dear Chair Friedman:

On behalf of the San Joaquin Valley Regional Policy Council, representing the eight metropolitan planning organizations (MPOs) in the San Joaquin Valley, we write to express our position of **oppose unless amended** to AB 2438, which would mandate a “one size fits all” approach to tackling mutual goals of addressing critical air quality and mobility issues by constraining all state funds for purposes of complying with the Governor’s Executive order to implement the Climate Action Plan for Transportation Infrastructure (CAPTI) and California Transportation Plan.

We understand that the California State Transportation Agency (CalSTA) announced the adoption of CAPTI. The purpose of CAPTI is to implement Governor Newsom’s Executive Orders N-19-19 and N-79-20. Those Executive Orders collectively aim to reduce greenhouse gas emissions (GHGs) and vehicle miles traveled (VMT) through limiting capacity projects along the state highway system, discouraging the use of single-occupant, gas-powered vehicles, while encouraging mode shift through accelerated investments into public transportation, bicycle and pedestrian programs, and electric vehicle infrastructure.

AB 2438 mandates an all or nothing approach to compelling mode shift and reducing GHGs, severely limiting progress on addressing air quality, which is worst when cars are idling or navigating through bottlenecks in the most populated state in the nation and 5th largest economy in the world. The bill impacts programs that address safety and maintenance programs, such as the State Highway Operations and Protection Program (SHOPP) and Local Streets and Roads funding, as well as congestion management and mobility programs, such as the State Transportation Improvement Program (STIP), and Senate Bill 1 competitive programs (Local Partnership Program, Solutions for Congested Corridors, and Trade Corridor Enhancement Program), hindering the ability of metropolitan planning organizations to address safety, congestion, goods movement, and mobility, particularly for disadvantaged communities, on the state highway system and local infrastructure.

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The San Joaquin Valley resides in a non-attainment air district, and our constituents suffer from poor air quality that is predominantly caused by our geographic “bowl” shaped valley, walled off by mountains, weather patterns (winds blowing West to East), vast agricultural farmland, heavy goods movement traffic, and the jobs-housing imbalance, leading to the daily migration of hundreds of thousands of daily commuters into the Bay Area and Los Angeles Basin. We acknowledge that CAPTI serves as an important document to work collectively on those efforts.

All eight MPOs in the San Joaquin Valley strongly support California’s climate goals and are deeply committed to improvements to passenger and freight rail systems, GHG and vehicle miles traveled (VMT) reduction where feasible, and improving public transportation, walking, biking, and other modes of transportation. Each metropolitan planning organization in the San Joaquin Valley is already required to include a sustainable communities strategy in its regional transportation plan providing for ample coordination with the California Air Resources Board (CARB). Our region also supports transportation investments aligned with housing and economic development. While the San Joaquin Valley Regional Policy Council is in strong support of addressing climate change, success will require creative, flexible, and pragmatic solutions to account for the unique opportunities and challenges that face each region. Our suggestions are as follows:

1. Allow Flexibility in State Funding Programs to Address All Modes

SB 1 provides thoughtful, wide-ranging opportunities to address our infrastructure and mobility needs through the various programs that have been enacted. State funding programs should continue to provide flexibility to regions so that they can address all modes as efficiently as possible to maximize safety, mobility, goods movement, and throughput to expedite the response to climate change, especially on the state highway system. We request that AB 2438 recognize smaller urban/rural areas that still need to plan, fund and deliver projects on the state highway system that address safety and congestion.

The state must also consider areas where capacity expansion is necessary to address climate adaptation and resiliency or to close gaps on evacuation routes to prepare for natural disasters or other climate events. Highway 99 is the San Joaquin Valley’s “main street,” serves as the main arterial for the region, and is integral for interstate commerce. Enhancing access and throughput by completing gap closures is essential to help move goods and people in a safe manner.

Our region represents one of the most productive agricultural regions in the nation, if not the world. The San Joaquin Valley annually generates over \$35 billion and produces 25 percent of the nation’s food supply. Fresh produce cannot be delayed when going to processing or to market. We have nearly 27 million registered drivers in this state, all of whom do not have the same travel destinations. The state’s population has quadrupled since the highway system was built in the 1950s, which has exacerbated the challenge, particularly with 50% of all imports and exports in the nation moving through the Ports of Oakland and Los Angeles/Long Beach and

utilizing the San Joaquin Valley's arterials to get goods to market. We must continue to accommodate the sustained growth in goods movement and population (159% increase in the Valley since 1980) and provide pragmatic solutions. Investment in regional goods movement transportation corridors will remain a priority for our region, and heavy truck traffic is expected to increase, along with our region's population. This necessitates a more balanced planning approach, which supports sustainable economic development across all of California and recognizes the diversity and interconnectedness of all regions, including the San Joaquin Valley.

Recommendation:

Our request is that rather than prioritizing non-capacity inducing projects on the state highway system, we request that state funding programs, particularly the SB 1 competitive programs – Local Partnership Program, Solutions for Congested Corridors, and Trade Corridor Enhancement Program – provide greater flexibility to address all modes, such as more funding for grade separations, passenger rail, and active transportation projects, so that state resources are flexible and are used as efficiently as possible to maximize safety, mobility, and throughput, in order to expedite the response to curbing climate change on and off of the state highway system. Augmenting oversubscribed programs, such as the Active Transportation Program (ATP), would also help, but highway capacity must still be considered and not devalued, particularly when it is the only option in some areas to address congestion and safety. We need to complete highway gaps to maximize congestion management, safety, and realize full benefit of previous investments on antiquated infrastructure to service a 21st century economy.

This is achievable with the \$20 billion net in available General Fund surplus, \$25 billion in funding from the Infrastructure Investment and Jobs Act, and additional prospective surplus from the May Revise. Holding the SHOPP and local streets and roads funding, which are dedicated for maintenance and constitutional protected, will not help the state achieve air quality objectives.

2. Support Additional Strategies that Reduce Greenhouse Gas Emissions-Not a Cookie Cutter Approach

Density is an issue in the Valley in terms of transit use and support. The Bay Area has a population of 6.8 million over 7,300 square miles, Los Angeles County has 10 million people living over 4,700 square miles, while the Valley has 4.3 million people spread out over 27,000 square miles. The Bay Area has nearly 60 percent more people living in an area a quarter the size of the Valley. Los Angeles has more than 2.5 times the population over 1/6 of the area.

According to Cal EnviroScreen, the San Joaquin Valley has seven out of the 10 most disadvantaged communities because the region's density and infrastructure are not compelling to get residents to ditch their car as the primary mode of transportation. The automobile represents the most viable access to educational, career, and recreational opportunities. It is often not feasible for Valley residents to take public transportation or ride a bike to go to work, school, or conduct daily activities, such as grocery shopping, taking children to soccer practice,

or running other household errands. This makes VMT reduction difficult in some cases. VMT was not intended for rural or suburban areas.

As noted above, our region fully supports investments in public transportation, but transit is not the universal answer to reduce greenhouse gas emissions. Transit ridership was down in 31 metropolitan areas pre-pandemic, including the Bay Area. Most transit systems statewide do not provide 15-minute headway, which is still not convenient for people to conduct daily activities. As of 2017, only 5 percent of all trips in densely populated regions, such as the San Francisco Bay Area, were made using transit. Per-capita transit ridership in the region decreased 12 percent between 1991 and 2016. In FY 2017-18, the Amtrak San Joaquins service carried more than 1.1 million passengers, and 1.5 million passengers boarded the Altamont Corridor Express, a total of 2.6 million passenger trips. Despite this success, it is a fraction of the total number of individual drivers; and it simply is not realistic or viable to expect that a significant shift to heavy investment in transit (or bike/ped) will be as effective in the Valley.

Transit is also expensive to build and operate and is not always a pragmatic or efficient solution for a constituency's daily mobility needs. This is because transit typically lacks flexibility (traditional service is fixed-route service without options for route deviation and schedules), it can be unreliable, or have long headways, and is sometimes limited or non-existent in more remote unincorporated areas.

The widespread impact of COVID-19 on public transportation has exacerbated this predicament due to the shelter in place order and social distancing protocols. Choice riders often utilize transportation network companies, leaving society's most vulnerable, such as seniors, school kids, those on a fixed income and the physically challenged, to cover the cost of operating expenses. Grocery shopping or taking kids to soccer practice is not ideal when waiting for 15-minute headways, at best, which are less frequent in many areas in the Valley. The Valley's transit operators are working tirelessly to provide the most efficient and frequent service possible, particularly for on-demand services, which as costly to provide for the medically challenged, and seniors. The recent passage of AB 149 (Committee on Budget), Chapter 81, Statutes of 2021, provides more flexibility in meeting farebox recovery requirements to maintain, if not expand service, but our residents are price sensitive to fares, which poses a challenge. The emergence of transportation network companies, which provide on-demand, personalized service, has eroded the base of choice riders for our transit system. More investments need to be made into microtransit (frequent vanpools) to make service more frequent for our most vulnerable constituents. Transit investment needs to focus on frequent, accessible, time-saving solutions for the public.

The pandemic's crash course in teleworking has proven to be effective at reducing travel while maintaining the productivity needs of employers and employees in many industries. It demonstrated that technology can be a solution to alleviating traffic congestion, improving air quality and quality of life for families striving to achieve a work-life balance, rather than spending countless hours on the road.

Recommendation:

We request that expanded investment in broadband, particularly in underserved areas, to support enhanced telecommuting, and consider additional strategies such as state support for local implementation of transportation demand management strategies, vanpools and park-and-ride lots, and VMT-mitigation credits, as well as a statewide telework incentive program (starting with the state workforce), which has strong potential to expedite addressing climate change. We appreciate the Legislature's \$6 billion investment into broadband infrastructure approved in the FY 2021-22 State Budget that is intended to improve speed and reliability in rural and lower-income communities, as well as the \$10 billion proposed over the next 6 years, to invest more into zero-emission infrastructure and rebates.

Additionally, our ask is that low-income residents in the San Joaquin Valley be considered a priority for rebates for zero-emission vehicle (ZEV) purchases and charging infrastructure deployment as a critical opportunity to help the region realize its air quality and mobility goals. Homes should be retrofitted to have outlets that will accommodate ZEVs. The focus on VMT alone could have the unintended consequence of exacerbating the problem for disadvantaged communities, farmworkers, and laborers where driving is the only option.

Provide greater incentives for businesses to locate or expand operations in the San Joaquin Valley. This would reduce GHGs, VMT, and is a greater return on investment than building expensive high-density housing in already densely populated, high-cost metropolitan areas.

Proportionality needs to be applied in the assessment of VMT reduction, which was never intended for rural and suburban jurisdictions. Otherwise, not meeting metrics intended for urban areas will, by default, send all the money to other parts of the state that do not have similar air quality concerns.

3. Support the Will of the Voters to Complete Projects and Maximize Investments

AB 2438 fails to recognize the fiduciary obligation that these counties have to voters in making improvements on the state highway system and assisting with state and regional mobility priorities. The San Joaquin Valley has six counties (Fresno, Madera, Merced, San Joaquin, Stanislaus, and Tulare) of 25 statewide with locally voter-approved sales tax measures that include over \$4 billion of investments on the state highway system, which is owned and operated by Caltrans. CAPTI could adversely impact our ability to fulfill our fiduciary responsibility to voters by denying investments on the state highway system. These measures require comprehensive public engagement, extensive polling, contain diverse investments in multi-modal options, and ultimately require a 2/3 vote for passage so they must appeal to vast constituencies. Our region has made a commitment to the voters and our public to deliver the investments that our expenditure plan promised. A key part of keeping our promises is to secure state matching funds since each county does not generate enough in local sales tax revenues to make up for the disproportionate cost of delivering projects. This funding gap makes continued access to state funding imperative for delivering a multi-modal range of

projects. Our needs and revenue generation are disproportionate to the level of investment that is needed to achieve state and regional targets for improved air quality. Therefore, a strong partnership with the state is essential.

In 2017, the legislature enacted SB 1 to address mobility, safety and congestion, in addition to maintaining infrastructure. The San Joaquin Valley initiated the discussion and worked with our delegation to advocate for the creation of the vehicle registration fee as a carbon-neutral funding source to address congestion and multi-modal options; the creation of the State Rail Assistance Program, dedicating operations funding for passenger rail service; and augmentation of the Transit and Intercity Rail Capital Program. In 2018 voters rejected Proposition 6 (the repeal of SB 1) and supported Proposition 69 (protecting SB 1). It is important to support the intent of the voters to maintain the public trust, by preserving all modes supported in the enactment of SB 1.

Recommendation:

Our request is to maintain the state and local partnership, and maximize the return on previous investments, by allowing for local sales tax measures to continue leveraging state dollars to deliver highway capacity projects, which would also help facilitate public transportation service.

For these reasons, we must **oppose AB 2438 unless amended** to consider our recommendations. We look forward to partnering with you and the appropriate state agencies to develop pragmatic solutions to meet the objectives articulated in the Executive Orders, while maintaining the legislative intent of SB 1, and respecting the will of voters in the usage of traditional funding sources, including local sales tax measures, to address all modes, climate change and deliver more multi-modal options, but we ask that state investments be responsive to the unique needs and characteristics of each region: urban, rural, valley and coastal.

If you have any questions, please feel free to contact our legislative advocate, Gus Khouri, via phone at (916) 605-8975 or via email gus@khouriconsult.com.

Sincerely,



Robert Poythress

Chair of the San Joaquin Valley Regional Planning Agencies Policy Council
Madera County Supervisor

cc: Members of the Assembly Transportation Committee
The Honorable Joaquin Arambula, Assembly Member, 31st District
The Honorable Frank Bigelow, Assembly Member, 5th District
The Honorable Andreas Borgeas, Senator, 8th District

The Honorable Anna Caballero, Senator, 12th District
The Honorable Jim Cooper, Assembly Member, 9th District
The Honorable Susan Talamantes Eggman, Senator, 5th District
The Honorable Heath Flora, Assembly Member, 12th District
The Honorable Vince Fong, Assembly Member, 34th District
The Honorable Adam Gray, Assembly Member, 21st District
The Honorable Melissa Hurtado, Senator, 14th District
The Honorable Devin Mathis, Assembly Member, 26th District
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The Honorable Rudy Salas Jr., Assembly Member, 32nd District
The Honorable Carlos Villapudua, Assembly Member, 13th District