



May 4, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Regional Planning Update

Overview

Regional planning updates are provided periodically to highlight transportation planning issues impacting the Orange County Transportation Authority and the Southern California region. This update focuses on federal rulemaking regarding fuel efficiency and greenhouse gas emission standards, the Southern California Association of Governments' 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, and the California Department of Transportation's approach to evaluating transportation impacts under the California Environmental Quality Act.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) regularly coordinates with other planning and regulatory agencies within the Southern California region. This coordination is conducted at many levels, involving the OCTA Board of Directors (Board), executives, and technical staff. Some examples of the coordination through regional planning forums in which OCTA participates include:

- Southern California Association of Governments (SCAG) Regional Council, policy committees, and technical working groups;
- State Route 91 Advisory Committee;
- Regional Chief Executive Officers meetings;
- South Coast Air Quality Management District working groups; and
- Interregional planning coordination meetings (OCTA, SCAG, the San Diego Association of Governments [SANDAG], and the California Department of Transportation [Caltrans] districts 7, 11, and 12).

Staff most recently provided a regional planning update to the OCTA Board in September 2019. The current status of items previously presented and other ongoing regional planning activities is provided in Attachment A, which includes a matrix that identifies lead agencies, a summary of each activity, key dates, OCTA's interests, and current involvement.

Since the September update, new activities have emerged concerning rulemaking for nationwide fuel efficiency and greenhouse gas (GHG) emission standards, SCAG's 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and Caltrans' approach to evaluating transportation impacts under the California Environmental Quality Act (CEQA). A discussion of each of these new activities is provided below.

Discussion

The Safer Affordable Fuel Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks

On August 24, 2018, the United States Department of Transportation's National Highway Transportation and Safety Administration (NHTSA) and the U.S. Environmental Protection Agency (EPA) jointly issued "The SAFE Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks." This proposed rule was designed to roll back previously established federal Corporate Average Fuel Economy (CAFE) and vehicle GHG emission standards.

On September 27, 2019, NHTSA and EPA jointly issued the "One National Program" (Part One Rule) to finalize elements of the proposed SAFE Vehicles Rule. Effective November 26, 2019, the Part One Rule affirms NHTSA's statutory authority to set nationally applicable fuel economy standards that preempt state and local programs. Additionally, under the Part One Rule, EPA withdrew the Clean Air Act (CAA) preemption waiver that it granted to the State of California. The waiver had allowed California to set its own, more stringent standards governing vehicle GHG emissions.

Due to the withdrawal of the waiver, California can no longer apply CARB's Emission Factor (EMFAC) model to demonstrate that California's transportation plans conform to CAA standards. Conformity of the transportation plans with CAA is a precondition to access federal transportation funds, which are derived from federal fuel excise taxes.

To address the issue, CARB released adjustment factors to account for the impact of the Part One Rule. These adjustments can be applied to emission outputs from the EMFAC model to account for the impact of the Part One Rule. On March 5, 2020, CARB officially submitted the off-model adjustment factors to EPA.

EPA affirmed the continuing use of EMFAC for transportation conformity determinations with CARB's EMFAC adjustment factors in California on March 12, 2020. The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have since resumed their review and approval of new transportation conformity determinations.

On March 30, 2020, NHTSA and EPA jointly issued final rules (Part Two Rule) to amend and establish new GHG emissions and CAFE standards. Specifically, EPA is amending GHG emission standards for model years 2021 and later, and NHTSA is amending CAFE standards for the model year 2021, and setting new CAFE standards for model years 2022-2026. The final rules would require automakers to increase the average fuel economy of passenger vehicles by one and a half percent annually, compared with the previously established five percent annual increase.

The EMFAC off-model adjustment factors only account for the impact of the Part One Rule, not the pending Part Two Rule. The Part Two Rule will use the same 60-day effective date upon publication in the Federal Register as the Part One Rule. Since the Part Two Rule has emission impacts, it is anticipated to require further adjustments to the EMFAC emission model that need to be developed and approved by EPA, potentially delaying new transportation conformity determinations and plans/projects, which rely on those determinations. This issue is under discussion by state and regional agencies, and more information will be provided in future reports.

SCAG's 2020-2045 RTP/SCS

The RTP/SCS documents major transportation investments in the SCAG region over a minimum 20-year horizon and is required to be updated every four years under state and federal law. On May 7, 2020, the SCAG Regional Council is scheduled to adopt the 2020-2045 RTP/SCS. The previously scheduled adoption date of April 2, 2020, was postponed as a result of the public health directive limiting public gatherings due to the novel coronavirus (COVID-19) pandemic and SCAG Regional Council rules (at the time) that did not allow for Regional Council meetings to be held via teleconference and/or videoconference.

Upon adoption by the SCAG Regional Council, SCAG staff will submit the RTP/SCS and their initial conformity determination to FHWA and FTA for review and approval, as required under the federal CAA. The review consists of a finding by FHWA and FTA that all conformity requirements have been met, including those regarding the acceptability of funding assumptions, emission analyses, and demonstration of timely implementation of transportation control measures. Given the uncertainty raised by the SAFE Part Two Rule and the typical federal review process timeframe of approximately 60 days, SCAG is seeking an expedited FHWA and FTA approval before June 2, 2020, when the

region's current transportation conformity determination expires. Without a positive conformity finding, many projects throughout the region would face significant delays, and the region could eventually face sanctions that limit funding and project implementation. The ability of the region to access new federal funding opportunities can also be affected due to a lack of a conformity determination.

SCAG staff is also required to submit the RTP/SCS to CARB for a technical review of the SCS element. This review focuses on the strategies and assumptions used to demonstrate how the SCAG region's GHG emission reduction targets can be met. The targets represent a per capita GHG emission reduction from 2005 levels and are currently set for the SCAG region at an eight percent reduction by 2020, and a 19 percent reduction by 2035. The RTP/SCS employs a mix of specific projects and regional strategies beyond the projects submitted by the county transportation commissions to demonstrate GHG emission reductions. It is anticipated that by June 2020, CARB will accept SCAG's determination that the RTP/SCS meets the reduction targets.

On December 9, 2019, the Board approved a set of staff comments on the draft 2020-2045 RTP/SCS that were submitted to SCAG. The draft RTP/SCS incorporated the projects and commitments identified in OCTA's 2018 Long-Range Transportation Plan (LRTP). However, the OCTA comment letter (Attachment B) focused on the regional strategies and assumptions developed by SCAG to demonstrate GHG emission reductions that go above and beyond the projects submitted by the county transportation commissions. These include the assumptions for new revenue sources, passenger rail service expansion assumptions, regional express lanes, and other investments beyond the LRTP. Additionally, the letter recommended that mapping of high-quality transit areas be refined to reflect areas of transit accessibility accurately.

SCAG staff acknowledged OCTA's concerns and, where feasible, made appropriate modifications for the final RTP/SCS. SCAG's responses to OCTA's comments are provided in Attachment C. It should be noted that OCTA's projects, including Measure M2, are reflected in the final RTP/SCS. Additionally, the RTP/SCS demonstrates conformity with the federal requirements (through SAFE Part One Rule) and state GHG emission reduction targets.

Caltrans SB 743 (Chapter 386, Statutes of 2013) Implementation

In January 2019, the California Natural Resources Agency finalized updates to the CEQA Guidelines, including the incorporation of SB 743. SB 743 changes the focus of transportation impact analysis in CEQA from measuring impacts to drivers (congestion), to measuring the impact of driving (vehicle miles traveled). The change is being made by replacing the level-of-service (LOS) analysis metric for congestion with a vehicle miles of travel (VMT) metric. It also provides a streamlined review of land use and transportation projects that will help reduce

future VMT growth. This shift in transportation impact focus is intended to better align transportation impact analysis and mitigation outcomes with the state's goals to reduce GHG emissions, encourage infill development, and improve public health through more active transportation investments. July 1, 2020, is the effective statewide implementation date, and agencies may opt-in use of the new metrics earlier, if desired.

In December 2018, the Governor's Office of Planning and Research (OPR) developed recommendations regarding assessment of VMT, thresholds of significance, and mitigation measures. For land-use projects, OPR identified VMT per capita, VMT per employee, and net VMT as new metrics for transportation analysis under CEQA. For transportation projects; however, lead agencies for roadway capacity projects have discretion to choose which metric to use to evaluate transportation impacts.

Caltrans has chosen to use VMT as the CEQA transportation metric for projects on the state highway system and are developing guidance that provides:

- A phase-in process that avoids reanalysis of certain projects already undergoing CEQA environmental analysis and project delay;
- Clarification of the type of projects requiring detailed VMT analysis;
- Identification on acceptable mitigation, including but not limited to, VMT banking, regional investment programs, and exchange mechanisms;
- Quantification tools for VMT, including induced travel and methodology for VMT-based analyses; and
- Clarification on safety and operations analysis, including tools to assess safety impacts, which could include use of LOS as an input for the safety analysis.

There are many concerns and unresolved issues with Caltrans' proposed approach to transportation impacts under CEQA. Caltrans is deviating from standard CEQA practices for evaluating project impacts. Caltrans would also require use of a generic statewide tool for analyzing project impacts, rather than a validated local travel demand model that complies with state and federal congestion management program requirements. This proposed approach would likely show significant impacts for just about any state highway capacity project in Orange County. This would result in more Environmental Impact Reports (rather than simpler and less costly environmental documents) and would require investment in all feasible mitigation measures to reduce VMT, which could significantly increase costs to taxpayers. Additionally, Caltrans' proposal does not clearly address the possibility of subarea agencies (like OCTA) developing program-level environmental documents that may help to streamline project implementation. This may be an oversight, but it should be addressed.

Comments on Caltrans' proposed guidance are due June 15, 2020. OCTA continues to engage with Caltrans as they refine the guidance and is coordinating with SCAG, SANDAG, and the other county transportation commissions on the overarching concerns for our region. Further, OCTA is providing support to Orange County local agency efforts to prepare revised local transportation impact analysis tools that address SB 743 requirements.

Summary

Staff continues to coordinate ongoing activities regarding transportation planning in Orange County and Southern California. As drafts of these planning documents are released, staff will review and provide comments as needed to protect the interests of OCTA. Staff will continue to keep the Board informed on the status of these ongoing activities.

Attachments

- A. May 2020, Regional Planning Activities
- B. Letter to Ms. Sarah Jepson, Planning Director, Southern California Association of Governments, From Kia Mortazavi, Executive Director, Planning, Orange County Transportation Authority, RE: Comments on the Draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy and Program Environmental Impact Report, Dated January 24, 2020
- C. Excerpt from 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, Public Participation and Consultation Technical Report, Appendix 2, Comments and Responses, March 2020

Prepared by:

Warren Whiteaker
Senior Transportation Analyst
(714) 560-5748

Approved by:

Kia Mortazavi
Executive Director, Planning
(714) 560-5741