

BILL: AB 2560 (Schultz, D–Burbank)
Introduced February 20, 2026

SUBJECT: AB 2560 codifies the Climate Action Plan for Transportation Infrastructure goals and applies them to major state transportation funding programs

STATUS: Pending in Assembly Committee on Transportation

SUMMARY AS OF MARCH 26, 2026:

AB 2560 seeks to codify the Climate Action Plan for Transportation Infrastructure (CAPTI) goals in state statute and require their application, where feasible and within a “fix-it-first” approach, to projects funded through several major state transportation programs. CAPTI is a statewide policy framework, originally established through a Governor’s Executive Order, that guides how state transportation investments are prioritized to advance climate, equity, and public health goals, including reducing vehicle miles traveled, supporting transit and active transportation, and focusing development in existing communities.

Existing law establishes multiple state transportation funding programs, including the Interregional Transportation Improvement Program (ITIP), State Transportation Improvement Program (STIP), Transit and Intercity Rail Capital Program, Trade Corridor Enhancement Program (TCEP), Active Transportation Program, and Solutions for Congested Corridors Program. CAPTI was originally developed through executive action as a policy framework to guide transportation investments toward climate, equity, and public health goals.

AB 2560 would embed CAPTI goals into statute, including objectives to reduce vehicle miles traveled, prioritize transit and active transportation, support infill development, advance zero-emission infrastructure, and reduce environmental impacts on disadvantaged communities. The bill would require that these goals be applied to projects funded through the above programs “where feasible,” within a fix-it-first investment framework. The bill also authorizes the California State Transportation Agency to update CAPTI goals through an administrative process that includes public input but is not subject to the Administrative Procedure Act.

EFFECTS ON ORANGE COUNTY:

AB 2560 is directly relevant to the Orange County Transportation Authority’s (OCTA) programming and delivery of transportation projects funded through SB 1 (Chapter 5, Statutes of 2017) and other state funding sources. While CAPTI principles are already being incorporated into California Transportation Commission (CTC) guidelines and program evaluation criteria, this bill would formalize those goals in statute and expand their application across multiple funding programs.

For OCTA, this raises concerns regarding reduced regional flexibility in project selection and prioritization. Programs such as the STIP, TCEP, and ITIP are designed to balance

statewide and regional transportation needs, including congestion relief, goods movement, and system connectivity. Codifying CAPTI goals may shift program priorities in a manner that limits the ability to advance projects that provide significant mobility and economic benefits but may not fully align with evolving state policy objectives.

This may affect a range of OCTA-led projects. For example, freeway improvement projects such as congestion relief efforts along key corridors may face increased scrutiny if they are perceived to induce vehicle miles traveled, even when they provide critical reliability and operational benefits. Similarly, goods movement investments along major freight corridors, many of which are candidates for TCEP funding, could be deprioritized in favor of projects that more directly align with CAPTI's mode shift or emission reduction goals.

Additionally, AB 2560 expands the emphasis on active transportation and multimodal investments across programs, including those traditionally focused on freight and goods movement, such as TCEP. While these investments are important, this shift may dilute the core purpose of certain programs and reduce funding availability for projects that support efficiency and economic competitiveness in Orange County.

Although the bill includes language requiring application of CAPTI goals only "where feasible," the extent to which this provides meaningful flexibility is uncertain, as implementation would largely be determined through future CTC guidelines and administrative interpretation. This may result in increased centralization of decision-making and reduced local and regional discretion in project delivery.

Overall, AB 2560 would formalize and expand CAPTI policy direction in a manner that may constrain regional transportation planning flexibility, alter established funding program priorities, and impact the delivery of critical transportation infrastructure projects in Orange County and across the state. An OPPOSE position is consistent with OCTA's 2025-26 State Legislative Platform principle to "Oppose linking, reprioritizing, or aligning local and state transportation funding with policies that could significantly hinder a local agency's ability to deliver transportation programs and projects."

OCTA POSITION:

Staff recommends: OPPOSE

ASSEMBLY BILL

No. 2560

Introduced by Assembly Member Schultz

February 20, 2026

An act to amend Section 14526 of, and to add Chapter 3 (commencing with Section 13989.10) to Part 4.5 of Division 3 of Title 2 of, the Government Code, to amend Section 75221 of the Public Resources Code, and to amend Sections 2033 and 2192 of, and to add Sections 2381.5 and 2392.5 to, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2560, as introduced, Schultz. Climate Action Plan for Transportation Infrastructure: goals.

Existing law provides for the funding of projects on the state highway system and other transportation improvements, including under the interregional transportation improvement program, the Transit and Intercity Rail Capital Program, a program within the Road Maintenance and Rehabilitation Program, commonly known as the Local Partnership Program, the Trade Corridor Enhancement Program, the Active Transportation Program, and the Solutions for Congested Corridors Program.

This bill would establish the Climate Action Plan for Transportation Infrastructure (CAPTI) goals, and would authorize the Transportation Agency to update those CAPTI goals, as specified. The bill would require a project under the above-described programs to apply, where feasible, within the fix-it-first approach, the CAPTI goals as established or updated by the agency, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 3 (commencing with Section 13989.10)
2 is added to Part 4.5 of Division 3 of Title 2 of the Government
3 Code, to read:

4
5 CHAPTER 3. CLIMATE ACTION PLAN FOR TRANSPORTATION
6 INFRASTRUCTURE
7

8 13989.10. (a) The Legislature finds and declares both of the
9 following:

10 (1) The Climate Action Plan for Transportation Infrastructure
11 was first adopted by the agency.

12 (2) Within the fix-it-first approach, this chapter codifies the
13 investment framework and the guiding principles of the Climate
14 Action Plan for Transportation Infrastructure, which shall be
15 deployed, where feasible, to meet the goals set forth in subdivision
16 (b).

17 (b) The Climate Action Plan for Transportation Infrastructure
18 goals are all of the following:

19 (1) Build toward an integrated, statewide rail and transit
20 network, centered around the existing California State Rail Plan
21 that leverages the California Integrated Travel Project to provide
22 seamless, affordable, multimodal travel options in all contexts,
23 including suburban and rural settings, to all users.

24 (2) Invest in networks of safe and accessible bicycle and
25 pedestrian infrastructure, particularly by closing gaps on portions
26 of the State Highway System that intersect local active
27 transportation and transit networks or serve as small town or rural
28 main streets, with a focus on investments in low-income and
29 disadvantaged communities throughout the state.

30 (3) Include investments in light-, medium-, and heavy-duty
31 zero-emission vehicle infrastructure as part of larger transportation
32 projects. Support the innovation in and development of the
33 zero-emission vehicle market, and help ensure zero-emission
34 vehicles are accessible to all, particularly to those in more rural or
35 remote communities.

1 (4) Reduce public health and economic harms and maximize
2 community benefits to disproportionately impacted disadvantaged
3 communities and low-income communities, in urbanized and rural
4 regions, and involve these communities early in decisionmaking.

5 (5) Make safety improvements to reduce fatalities and severe
6 injuries of all users towards zero on the roadways, railways, and
7 transit systems by focusing on context-appropriate speeds,
8 prioritizing vulnerable user safety to support mode shift, designing
9 roadways to accommodate for potential human error and injury
10 tolerances, and ultimately implementing a safe systems approach.

11 (6) Assess and integrate assessments of physical climate risk
12 as standard practice for transportation infrastructure projects to
13 enable informed decisionmaking, especially in communities that
14 are most vulnerable to climate-related health and safety risks.

15 (7) Promote projects that do not significantly increase passenger
16 vehicle travel, particularly in congested urbanized settings where
17 other mobility options can be provided and where projects are
18 shown to induce significant auto travel. These projects should
19 generally aim to reduce vehicle miles traveled and not induce
20 significant vehicle miles traveled growth. When addressing
21 congestion, consider alternatives to highway capacity expansion,
22 such as providing multimodal options in the corridor, employing
23 pricing strategies, and using technology to optimize operations.

24 (8) Promote compact infill development while protecting
25 residents and businesses from displacement by funding
26 transportation projects that support housing for low-income
27 residents near job centers, provide walkable communities, and
28 address affordability to reduce the housing-transportation cost
29 burden and auto trips.

30 (9) Develop a zero-emission freight transportation system that
31 avoids and mitigates environmental justice impacts, reduces criteria
32 and toxic air pollutants, improves freight's economic
33 competitiveness and efficiency, and integrates multimodal design
34 and planning into infrastructure development on freight corridors.

35 (10) Protect natural and working lands from conversion to more
36 intensified uses and enhance biodiversity by supporting local and
37 regional conservation planning that focuses development where
38 it already exists and align transportation investments with
39 conservation priorities to reduce transportation's impact on the
40 natural environment.

1 (c) Where feasible, the goals set forth in subdivision (b), and
2 as updated pursuant to subdivision (d), shall apply, within the
3 fix-it-first approach, to all of the following transportation programs:

4 (1) The interregional transportation improvement program
5 described in Section 14526.

6 (2) The Transit and Intercity Rail Capital Program created
7 pursuant to Section 75220 of the Public Resources Code.

8 (3) The program described in Section 2033 of the Streets and
9 Highways Code, which is a program within the Road Maintenance
10 and Rehabilitation Program, commonly known as the Local
11 Partnership Program.

12 (4) The Trade Corridor Enhancement Program established
13 pursuant to Chapter 4.8 (commencing with Section 2192) of
14 Division 3 of the Streets and Highways Code.

15 (5) The Active Transportation Program established pursuant to
16 Chapter 8 (commencing with Section 2380) of Division 3 of the
17 Streets and Highways Code.

18 (6) The Solutions for Congested Corridors Program created
19 pursuant to Chapter 8.5 (commencing with Section 2390) of
20 Division 3 of the Streets and Highways Code.

21 (d) (1) The agency may update the Climate Action Plan for
22 Transportation Infrastructure goals through a process that includes,
23 but is not limited to, both of the following:

24 (A) One public workshop regarding proposed updates before
25 adopting the updates.

26 (B) The posting of the proposed updates on the agency's internet
27 website throughout a 30-day informal public comment period.
28 Concurrent with the posting of that information on the agency's
29 internet website, the agency shall transmit the proposed update to
30 Secretary of the Senate, the Chief Clerk of the Assembly, and the
31 appropriate policy committees of the Legislature.

32 (2) The Administrative Procedure Act (Chapter 3.5
33 (commencing with Section 11340) of Part 1) shall not apply to the
34 agency's updates to the Climate Action Plan for Transportation
35 Infrastructure goals pursuant to this subdivision.

36 SEC. 2. Section 14526 of the Government Code is amended
37 to read:

38 14526. (a) Not later than October 15 of each odd-numbered
39 year, based on the guidelines established pursuant to Section
40 14530.1, and after consulting with the transportation planning

1 agencies, county transportation commissions, and transportation
2 authorities, the department shall submit to the commission the
3 draft five-year interregional transportation improvement program
4 consisting of all of the following:

5 (1) Projects to improve state highways, pursuant to subdivision
6 (b) of Section 164 of the Streets and Highways Code.

7 (2) Projects to improve the intercity passenger rail system.

8 (3) Projects to improve interregional movement of people,
9 vehicles, and goods.

10 (b) (1) Projects included in the interregional transportation
11 improvement program shall be consistent with the state
12 interregional transportation strategic plan prepared pursuant to
13 Section 14524.4.

14 (2) *Where feasible, projects included in the interregional*
15 *transportation improvement program shall apply, within the*
16 *fix-it-first approach, the Climate Action Plan for Transportation*
17 *Infrastructure goals described in Section 13989.10.*

18 (c) Projects ~~may~~ shall not be included in the draft interregional
19 transportation improvement program without a project study report
20 or major investment study.

21 (d) Major projects shall include current costs updated as of
22 November 1 of the year of submittal and escalated to the
23 appropriate year, and shall be consistent with, and provide the
24 information required in, subdivision (b) of Section 14529.

25 (e) Projects included in the draft interregional transportation
26 improvement program shall be consistent with the adopted regional
27 transportation plan.

28 (f) On or before November 15 of each odd-numbered year, the
29 commission shall hold at least one hearing in northern California
30 and one hearing in southern California to attempt to reconcile any
31 objections by any member of the public or other stakeholder to
32 the draft interregional transportation improvement program.

33 (g) The department shall consider the input received at the
34 hearings conducted pursuant to subdivision (f) and shall develop
35 a final interregional transportation improvement program. The
36 final interregional transportation improvement program shall
37 include a summary of the major comments received at the hearings
38 and responses to those comments, and shall be submitted to the
39 commission for approval not later than December 15 of each
40 odd-numbered year.

1 (h) The commission shall, when approving the final interregional
2 transportation improvement program pursuant to subdivision (g),
3 evaluate the extent to which the program is consistent with funding
4 priorities established in Section 167 of the Streets and Highways
5 Code.

6 SEC. 3. Section 75221 of the Public Resources Code is
7 amended to read:

8 75221. (a) Projects eligible for funding under the program
9 include, but are not limited to, all of the following:

10 (1) Rail capital projects, including acquisition of rail cars and
11 locomotives, that expand, enhance, and improve existing rail
12 systems and connectivity to existing and future transit systems,
13 including the high-speed rail system.

14 (2) Intercity, commuter, and urban rail projects that increase
15 service levels, improve reliability, or decrease travel times,
16 including infrastructure access payments to host railroads in lieu
17 of capital investments.

18 (3) Rail, bus, and ferry integration implementation, including
19 integrated ticketing and scheduling systems, shared-use corridors,
20 related planning efforts, and other service integration initiatives.

21 (4) Bus rapid transit and other bus and ferry transit investments
22 to increase ridership and reduce greenhouse gas emissions.

23 (b) In order to be eligible for funding under the program, a
24 project shall demonstrate that it will achieve a reduction in
25 emissions of greenhouse gases. In selecting projects for funding,
26 the Transportation Agency shall consider the extent to which a
27 project reduces emissions of greenhouse gases.

28 (c) The program shall have a programmatic goal of providing
29 at least 25 percent of available funding to projects benefiting
30 disadvantaged communities, consistent with the objectives of
31 Chapter 830 of the Statutes of 2012.

32 (d) In evaluating grant applications for funding, the
33 Transportation Agency shall consider all of the following:

34 (1) The cobenefits of projects that support the implementation
35 of sustainable communities strategies through one or more of the
36 following:

37 (A) Reducing vehicle miles traveled from automobiles and the
38 number of automobile trips through growth in transit ridership.

39 (B) Promoting housing development in the vicinity of rail
40 stations and major transit centers.

- 1 (C) Expanding existing rail and public transit systems.
 2 (D) Enhancing the connectivity, integration, and coordination
 3 of the state's various transit systems, including, but not limited to,
 4 regional and local transit systems and the high-speed rail system.
 5 (E) Implementing clean vehicle technology.
 6 (F) Promoting active transportation.
 7 (G) Improving public health.
 8 (2) The project priorities developed through the collaboration
 9 of two or more rail operators and any memoranda of understanding
 10 between state agencies and local or regional rail operators.
 11 (3) Geographic equity.
 12 (4) Consistency with an adopted sustainable communities
 13 strategy or, if a sustainable strategy is not required for a region by
 14 law, a regional plan that includes policies and programs to reduce
 15 emissions of greenhouse gases.
 16 (5) The extent to which a project has supplemental funding
 17 committed to it from other nonstate sources.
 18 (6) The extent to which the project will increase transit ridership.
 19 (e) Eligible applicants under the program shall be public
 20 agencies, including joint powers agencies, that operate or have
 21 planning responsibility for existing or planned regularly scheduled
 22 intercity or commuter passenger rail service, urban rail transit
 23 service, or bus or ferry transit service.
 24 (f) A recipient of moneys under the program may combine
 25 funding from the program with other state funding, including, but
 26 not limited to, the State Transportation Improvement Program, the
 27 Low Carbon Transit Operations Program, the State Air Resources
 28 Board clean vehicle program, and state transportation bond funds.
 29 (g) *Where feasible, projects included in the program shall apply,*
 30 *within the fix-it-first approach, the Climate Action Plan for*
 31 *Transportation Infrastructure goals described in Section 13989.10*
 32 *of the Government Code.*
 33 SEC. 4. Section 2033 of the Streets and Highways Code is
 34 amended to read:
 35 2033. (a) On or before January 1, 2018, the commission, in
 36 cooperation with the department, transportation planning agencies,
 37 county transportation commissions, and other local agencies, shall
 38 develop guidelines for the allocation of funds pursuant to
 39 subdivision (a) of Section 2032.

1 (b) The guidelines shall be the complete and full statement of
2 the policy, standards, and criteria that the commission intends to
3 use to determine how these funds will be allocated.

4 (c) The commission may amend the adopted guidelines after
5 conducting at least one public hearing.

6 (d) The guidelines may include streamlining of project delivery
7 by authorizing local or regional transportation agencies to seek
8 commission approval of a letter of no prejudice that allows the
9 agency to expend its own funds in advance of an allocation of
10 funds by the commission, and to be reimbursed at a later time for
11 eligible expenditures. A letter of no prejudice shall only be
12 available to local or regional transportation agencies for moneys
13 that have been identified for future allocation to the applicant
14 agency. Moneys designated pursuant to subdivision (a) of Section
15 2032 shall only be reimbursed when there is funding available in
16 an amount sufficient to make the reimbursement.

17 (e) *A project selected to receive an allocation of funds pursuant*
18 *to subdivision (a) of Section 2032 shall apply, where feasible,*
19 *within the fix-it-first approach, the Climate Action Plan for*
20 *Transportation Infrastructure goals described in Section 13989.10*
21 *of the Government Code.*

22 SEC. 5. Section 2192 of the Streets and Highways Code is
23 amended to read:

24 2192. (a) The following revenues shall be allocated for
25 infrastructure projects pursuant to this section:

26 (1) The revenues deposited in the Trade Corridors Enhancement
27 Account pursuant to Section 2192.4, except for those revenues in
28 the account that were appropriated by Senate Bill 132 of the
29 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).

30 (2) An amount of federal funds equal to the amount of revenue
31 apportioned to the state under Section 167 of Title 23 of the United
32 States Code from the national highway freight programs, pursuant
33 to the federal Fixing America’s Surface Transportation Act (“FAST
34 Act,” Public Law 114-94).

35 (b) The funding described in subdivision (a) shall be available
36 upon appropriation for allocation by the California Transportation
37 Commission for infrastructure improvements in this state on
38 federally designated Trade Corridors of National and Regional
39 Significance, on the Primary Freight Network, and along other
40 corridors that have a high volume of freight movement, as

1 determined by the commission and as identified in the state freight
2 plan developed pursuant to Section 13978.8 of the Government
3 Code. Projects eligible for funding shall be included in an adopted
4 regional transportation plan. Projects within the boundaries of a
5 metropolitan planning organization shall be included in an adopted
6 regional transportation plan that includes a sustainable communities
7 strategy determined by the State Air Resources Board to achieve
8 the region's greenhouse gas emissions reduction targets. In
9 developing guidelines for implementing this section, the
10 commission shall (1) apply the guiding principles, to the maximum
11 extent practicable, in the California Sustainable Freight Action
12 Plan released in July 2016 pursuant to Executive Order No.
13 B-32-15, and (2) consult the state freight plan and the applicable
14 port master plan.

15 (c) Eligible projects for these funds include, but are not limited
16 to, all of the following:

17 (1) Highway improvements to more efficiently accommodate
18 the movement of freight, particularly for ingress and egress to and
19 from the state's land ports of entry, rail terminals, and seaports,
20 including navigable inland waterways used to transport freight
21 between seaports, land ports of entry, and airports, and to relieve
22 traffic congestion along major trade or goods movement corridors.

23 (2) Freight rail system improvements to enhance the ability to
24 move goods from seaports, land ports of entry, and airports to
25 warehousing and distribution centers throughout California,
26 including projects that separate rail lines from highway or local
27 road traffic, improve freight rail mobility, and other projects that
28 improve the safety, efficiency, and capacity of the rail freight
29 system.

30 (3) Projects to enhance the capacity and efficiency of ports,
31 except that funds available under this section shall not be allocated
32 to a project that includes the purchase of fully automated cargo
33 handling equipment. For the purposes of this paragraph, "fully
34 automated" means equipment that is remotely operated or remotely
35 monitored, with or without the exercise of human intervention or
36 control. ~~Nothing in this~~ *This paragraph shall does not* prohibit the
37 use of funds available pursuant to this section for a project that
38 includes the purchase of human-operated zero-emission equipment,
39 human-operated near-zero-emission equipment, and infrastructure
40 supporting that human-operated equipment. ~~Furthermore, nothing~~

1 ~~in this~~ *This section shall* ~~does not~~ prohibit the purchase of devices
2 that support that human-operated equipment, including equipment
3 to evaluate the ~~utilization~~ *usage* and environmental benefits of that
4 human-operated equipment.

5 (4) Truck corridor improvements, including dedicated truck
6 facilities or truck toll facilities, including the mitigation of the
7 emissions from trucks or these facilities.

8 (5) Border access improvements that enhance goods movement
9 between California and Mexico and that maximize the state's
10 ability to access funds made available to the state by federal law.

11 (6) Surface transportation, local road, and connector road
12 improvements to effectively facilitate the movement of goods,
13 particularly for ingress and egress to and from the state's land ports
14 of entry, airports, and seaports, to relieve traffic congestion along
15 major trade or goods movement corridors.

16 (7) Projects that employ advanced and innovative technology
17 to improve the flow of freight, such as intelligent transportation
18 systems, public infrastructure, excluding vehicles, that enables
19 zero-emission or near-zero emission goods movement, real time
20 information systems, weigh-in-motion devices, electronic screening
21 and credentialing systems, traffic signal optimization, work zone
22 management and information systems, ramp metering, and
23 electronic cargo and border security technologies.

24 (8) Environmental and community mitigation or efforts to reduce
25 environmental impacts of freight movement, such as projects that
26 reduce noise, overnight truck idling, or truck queues, and advanced
27 traveler information systems such as freight advanced traveler
28 information systems that optimize operations to reduce empty-load
29 trips.

30 (d) (1) Projects funded with revenues identified in paragraph
31 (1) of subdivision (a) shall be consistent with Article XIX of the
32 California Constitution.

33 (2) *Projects funded with revenues identified in paragraph (1)*
34 *of subdivision (a) shall apply, where feasible, within the fix-it-first*
35 *approach, the Climate Action Plan for Transportation*
36 *Infrastructure goals described in Section 13989.10 of the*
37 *Government Code.*

38 (e) (1) In adopting the program of projects to be funded with
39 funds described in subdivision (a), the commission shall evaluate
40 the total potential economic and noneconomic benefits of the

1 program of projects to California's economy, environment, and
 2 public health. The evaluation shall specifically assess localized
 3 impacts in disadvantaged communities. The commission shall
 4 consult with the agencies identified in Executive Order No.
 5 B-32-15 and metropolitan planning organizations in order to use
 6 the appropriate models, techniques, and methods to develop the
 7 parameters for evaluating the program of projects. The commission
 8 shall allocate the funding from subdivision (a) for trade
 9 infrastructure improvements as follows:

10 (A) Sixty percent of the funds shall be available for projects
 11 nominated by regional transportation agencies and other public
 12 agencies, including counties, cities, and port authorities, in
 13 consultation with the department. The commission shall provide
 14 reasonable geographic targets for funding allocations without
 15 constraining what an agency may propose or what the commission
 16 may approve.

17 (B) Forty percent of the funds shall be available for projects
 18 nominated by the department, in consultation with regional
 19 transportation agencies.

20 (2) In adopting a program of projects pursuant to paragraph (1),
 21 the commission shall prioritize projects jointly nominated and
 22 jointly funded by the state and local agencies. In considering
 23 geographic balance for the overall program, the commission may
 24 adjust the corridor-based targets in subparagraph (A) of paragraph
 25 (1) to account for projects programmed pursuant to subparagraph
 26 (B) of paragraph (1).

27 (f) (1) (A) The commission shall adopt guidelines, including
 28 a transparent process to evaluate projects and to allocate the
 29 funding described in subdivision (a) for trade infrastructure
 30 improvements in a manner that ~~(A) addresses~~ *does all of the*
 31 *following*:

32 (i) *Addresses* the state's most urgent needs, ~~(B) balances~~ *needs*.

33 (ii) *Balances* the demands of various land ports of entry,
 34 seaports, and ~~airports~~, ~~(C) places~~ *airports*.

35 (iii) *Places* emphasis on projects that improve trade corridor
 36 mobility and safety while reducing emissions of diesel particulates,
 37 greenhouse gases, and other pollutants and reducing other negative
 38 community impacts, especially in disadvantaged ~~communities~~;
 39 ~~(D) makes~~ *communities*.

1 (iv) *Makes* a significant contribution to the state's ~~economy~~;
 2 ~~(E) recognizes~~ *economy*.

3 (v) *Recognizes* the key role of the state in project ~~identification~~;
 4 ~~(F) supports~~ *identification*.

5 (vi) *Supports* integrating statewide goods movement priorities
 6 in a corridor ~~approach~~, and ~~(G) includes~~ *approach*.

7 (vii) *Includes* disadvantaged communities measures, as
 8 established by the California Environmental Protection Agency
 9 pursuant to Section 39711 of the Health and Safety Code, and
 10 other tools the commission determines, for evaluating benefits or
 11 costs for disadvantaged communities and low-income communities.
 12 **Project**

13 (B) *Project* nominations shall include either a quantitative or
 14 qualitative assessment of the benefits the project is expected to
 15 achieve relative to the evaluation criteria.

16 (2) The guidelines adopted pursuant to paragraph (1) may
 17 include streamlining of project delivery by authorizing regional
 18 transportation agencies and other public agencies to seek
 19 commission approval of a letter of no prejudice that allows the
 20 agency to expend its own funds for a project programmed in a
 21 future year of the adopted program of projects, in advance of
 22 allocation of funds to the project by the commission, and to be
 23 reimbursed at a later time for eligible expenditures. A letter of no
 24 prejudice shall only be available to local or regional transportation
 25 agencies for moneys that have been identified for future allocation
 26 to the applicant agency. Moneys designated for the program shall
 27 only be reimbursed when there is funding available in an amount
 28 sufficient to make the reimbursement.

29 (g) In addition, the commission shall also consider the following
 30 factors when allocating these funds:

31 (1) "Velocity," which means the speed by which large cargo
 32 would travel from the land port of entry or seaport through the
 33 distribution system.

34 (2) "Throughput," which means the volume of cargo that would
 35 move from the land port of entry or seaport through the distribution
 36 system.

37 (3) "Reliability," which means a reasonably consistent and
 38 predictable amount of time for cargo to travel from one point to
 39 another on any given day or at any given time in California.

1 (4) "Congestion reduction," which means the reduction in
2 recurrent daily hours of delay to be achieved.

3 (h) For purposes of this section, the following ~~terms have the~~
4 ~~following meanings:~~ *definitions apply:*

5 (1) "Disadvantaged communities" ~~are~~ *means* those communities
6 identified by the California Environmental Protection Agency
7 pursuant to Section 39711 of the Health and Safety Code.

8 (2) "Low-income communities" ~~are~~ *means* census tracts with
9 median household incomes at or below 80 percent of the statewide
10 median income or with median household incomes at or below the
11 threshold designated as low income by the Department of Housing
12 and Community Development's list of state income limits adopted
13 pursuant to Section 50093 of the Health and Safety Code.

14 (i) ~~It is the intent of the Legislature for the commission to adopt~~
15 ~~an initial program of projects using the state and federal funds~~
16 ~~described in subdivision (a) for eligible projects as soon as~~
17 ~~practicable and no later than May 17, 2018.~~

18 SEC. 6. Section 2381.5 is added to the Streets and Highways
19 Code, to read:

20 2381.5. A project selected to receive an allocation of funds
21 pursuant to this chapter shall apply, where feasible, within the
22 fix-it-first approach, the Climate Action Plan for Transportation
23 Infrastructure goals described in Section 13989.10 of the
24 Government Code.

25 SEC. 7. Section 2392.5 is added to the Streets and Highways
26 Code, to read:

27 2392.5. A project selected to receive an allocation of funds
28 pursuant to this chapter shall apply, where feasible, within the
29 fix-it-first approach, the Climate Action Plan for Transportation
30 Infrastructure goals described in Section 13989.10 of the
31 Government Code.