



LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANING AGENCY

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John L. Clerici, Executive Secretary

Staff Report

Date: May 5, 2022
To: Lassen County Transportation Commission
From: John Clerici, Executive Secretary
Subject: Executive Secretary's Report

AGENDA ITEM 5.01B

Transportation Planning

Active Transportation Plan (Bikes and Pedestrians)

LCTC staff held two (on-site) public workshops to gather input on the Active Transportation Plan and the Local Roadway Safety Plan. Meetings were held from 4:30 to 6:30 PM at the Depot in Westwood and Susanville. 11 people attended the Westwood meeting and 14 attended the Susanville meeting. At the workshops, staff gave an overview of the Active Transportation Plan and asked attendees for input on bicycle, pedestrian and general safety related issues. A variety of exhibits were available for attendees to view including a Draft list of Active Transportation Projects. At the end of the workshop, participants were asked to place colored dots on their top three priority projects. Comments from the meetings are summarized in Attachment A. High priority community issues discussed at the workshops included:

- Speeding and safety concerns on US 395 in Johnstonville near the school
- Narrow shoulders on county roads including Richmond Rd, Center Rd, Eagle Lake Rd and SR 139
- No shoulder and no safe area for bikes and peds on A21
- Pedestrian crossing at Highway 36 & A21
- Extend the Bizz Johnson Trail to Mason Station
- Trucks use A3 as a cut-off and this is narrow and unsafe for bikes and pedestrians

The next step is to use these community comments along with city/county staff comments to refine the list of active transportation projects for the Active Transportation Plan. The top five priority projects will be identified for the Draft Plan, which should be completed at the end of June.

Detailed comments from the ATP meetings held at the end of March are attached.

ATP Grant

At the same time, staff is working with City of Susanville staff to complete a new Active Transportation Program grant application for construction of the Riverside Dr. Bike Path project. This project includes construction of a Class I path from Riverside Park to the existing Susan River Path on the south side of Riverside Drive. The project requires a bike/pedestrian bridge over the Susan River. LCTC staff are coordinating with City staff to complete the grant application by June 15th.

US 395

This project is at an interesting inflection point. Staff continues to work on the US 395 Investment Strategy, the strategy will develop an investment plan that charts a path for moving forward with a project(s) on US 395 in the study area. In March staff assumed that the investment strategy would be completed by the end of the FY. Since then, due to a number of factors, including a number of federal funding options emerging since March, staff has decided to delay the completion of the Investment Strategy to September. This will not delay activities associated with the project, as is meant simply to give staff to develop a better product. The extension will also provide time for on-going discussions with Caltrans to develop alternatives for the highway that the state will support.

Otherwise, staff continues its work on the US 395 Coalition Building Effort. In April staff presented to the Sierra Alliance at the SAID Grant Kick-off meeting. We engaged congressman LaMalfa's office on options to access current federal funding and earmark programs. After much discussion and investigation, it was determined that we the US 395 initiative has not adequately progressed to engage in this round of funding.

Next steps will continue to include the following:

- Engage Caltrans to identify a mutually agreed to project
- Continue to engage Congressman LaMalfa and his staff
- Engage elements of the Department of Defense (Sierra Army Depot) and coordinate our efforts with them to help obtain potential project funding
- Re-engage the US 395 Coalition
- Re-engage Lassen County Stakeholders
- Develop information materials based on our findings for use in promoting the identified improvements to applicable Federal and State entities
- Adoption of approved elements into the Regional Transportation Plan

Scenic Byway Funding

Staff was approached by the Lassen County CAO's office and Supervisor Gallagher regarding Scenic Highway grant opportunities as they relate may relate to the Volcanic Legacy Scenic Byway (portions of SR 89, 44 and 36 in Lassen County). Specifically, were there other jurisdictions, most notably Shasta County, that may be applying for these funds and the options for Lassen County to participate. After inquiring with other jurisdictions along the designated route, it was determined that no one was applying for funds in this round. However, staff will work with Lassen County, Caltrans, and Volcanic Legacy Scenic Byway advocacy groups, about possible grant opportunities for Lassen County in this program.

Fire Relief

On April 26, staff briefed the Lassen County BOS on the draft LRSP as part of outreach efforts. At that meeting Commissioner Albaugh asked if staff could engage with the various groups responding to fire relief from the Beckwith and Dixie Fires, and add our expertise and access to certain kinds of fund, in an effort to “think outside the box” to help the region. Although FEMA and state relief efforts are largely prescriptive and oriented towards connecting local governments (city and county) with funding sources, staff committed to addressing the question.

After the meeting staff contacted the Lassen County CAO’s office for insight and advice on how the Commission might be of value in this effort. Tony Shaw’s response was particularly helpful, and provided a path forward for the LCTC. His comments included the LCTC helping with the following:

- Regarding a new wood pellet mill in Niebeber:
 - Assist in planning for transit, transportation/roads in Nubieber
 - Workforce related ZEV, multimodal, sustainable planning grant for ingress/egress.
- Immediate need for LCTC to track this process relative the environmental review NEPA/CEQA process currently underway

This is the first of what will likely be many updates on this topic. Over the next few months staff will work with Lassen County and the Commission TAC to develop a clear path forward.

State and Federal Funding

State Transportation Funding

On January 10, 2022, Governor Newsom released the FY 2022/23 budget proposal totaling \$286.4 billion, which is a nine percent increase from the last year. The State has experienced significant growth in tax revenues, much higher than anticipated, and now has a discretionary surplus projected to reach \$31 billion after billions more are programmed to schools, pension liabilities, and other reserves. This budget proposal serves as the starting point as negotiations will continue through May when the final budget is approved.

The Governor’s 2022/23 budget includes nearly \$22 billion for transportation both through the general fund and selected bond funds. This accounts for 7.6% of the overall budget proposal. The transportation investments outlined in the budget proposal aligns with the Climate Action Plan for Transportation Infrastructure (CAPTI), released in July 2021, which details how the state proposes to invest billions of dollars to combat and adapt to climate change while supporting public health, safety, and equity.

To address the high cost of fuel in California, the Governor’s budget does include a proposal to forego the annual inflation adjustment to the per gallon fuel excise tax which was put in place through the passage of SB 1 in 2017. This inflation adjustment is scheduled to occur on July 1 of each year. This stay of the inflation adjustment would save Californian’s an average of about 3 cents per gallon of fuel. With an average fuel economy of modern vehicles at 25.4 miles-per-gallon, and the average Californian driving 12,500 miles per year, resulting in a consumption rate of 492 gallons per person per year which equates to an annual savings of \$14.76 per driver. That said, rural residents typically drive far more miles, drive vehicles with lesser fuel efficiency, and consume more gasoline, as well as higher priced diesel, per year than the average Californian. The revenue lost to the state is estimated to be about \$523 million in 2022/23 based on the estimated 5.6% inflation rate. The administration is considering backfilling this loss in revenue for local jurisdictions, Cities and Counties, with revenue from the State Highway Account. There are also a number of legislative proposals to reduce or eliminate the state portion of the gas tax while prices remain high.

More detail on the Governor's 2022-23 Budget can be found here:

<https://www.ebudget.ca.gov/FullBudgetSummary.pdf>

State Transportation Legislation

Some of the California legislative bills that LCTC staff is tracking include:

AB 1626 (Nguyen R) Motor Vehicle Fuel Tax Law: limitation on adjustment. Existing law, the Motor Vehicle Fuel Tax Law, administered by the California Department of Tax and Fee Administration, imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Existing law requires the department to annually adjust the tax imposed by increasing the rates based on the California Consumer Price Index, as specified. This bill would limit the above-described annual adjustment to a maximum of 2% for rate adjustments made on or after July 1, 2023. This bill contains other related provisions.

AB 1638 (Kiley R) Motor Vehicle Fuel Tax Law: suspension of tax. This bill would suspend the imposition of the tax on motor vehicle fuels for 6 months. The bill would direct the Controller to transfer a specified amount from the General Fund to the Motor Vehicle Fuel Account in the Transportation Tax Fund. By transferring General Fund moneys to a continuously appropriated account, this bill would make an appropriation.

AB 2075 (Ting D) Energy: electric vehicle charging standards. Current law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, among other things, lighting, insulation, climate control system, and other building design and construction standards, energy and water conservation design standards, and appliance efficiency standards to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy and to manage energy loads to help maintain electrical grid reliability, as specified. This bill would require the commission to additionally adopt, by regulation, electric vehicle charging standards to be incorporated into other building design and construction standards, as specified.

AB 2237 (Friedman D) Regional transportation plan: Active Transportation Program. Current law requires the Strategic Growth Council, by January 31, 2022, to complete an overview of the California Transportation Plan and all sustainable communities strategies and alternative planning strategies, an assessment of how implementation of the California Transportation Plan, sustainable communities strategies, and alternative planning strategies will influence the configuration of the statewide integrated multimodal transportation system, and a review of the potential impacts and opportunities for coordination of specified funding programs. This bill would require the council to convene key state agencies, metropolitan planning agencies, regional transportation agencies, and local governments to assist the council in completing the report. AB

2344 (Friedman D) Wildlife connectivity: transportation projects. Would require the Department of Fish and Wildlife to investigate, study, and identify those areas in the state that are essential to wildlife movement and habitat connectivity and that are threatened by specified factors. The bill would require DFW, in coordination with Caltrans, to establish a wildlife connectivity action plan on or before January 1, 2024, and to update the plan at least once every 5 years thereafter. The bill would require the plan to include, among other things, maps that identify the locations of certain areas, including connectivity areas and natural landscape areas, as defined.

AB 2346 (Gabriel D) Outdoor recreation: Equitable access grant program. Would require the Natural Resources Agency to develop the Equitable Access Grants Program to provide financial and technical assistance to local governments and nonprofit organizations to implement community access projects, as defined, that improve the use, equitable admittance, and engagement with the public in stewardship of outdoor recreation areas or facilities located within the state.

AB 2514 (Dahle, Megan R) Road Maintenance and Rehabilitation Account: apportionment of funds: underserved rural communities. Current law continuously appropriates \$200,000,000 annually from the State-Local Partnership Program Account for allocation by the California Transportation Commission for a program commonly known as the Local Partnership Program to local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely for road maintenance and rehabilitation and other transportation improvement projects. Current law requires the commission, in cooperation with the Department of Transportation, transportation planning agencies, county transportation commissions, and other local agencies, to develop guidelines for the allocation of those moneys. This bill would provide for the allocation by the commission under the Local Partnership Program to underserved rural communities, as defined, regardless of whether they have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely for road maintenance and rehabilitation and other transportation improvement projects.

SB 1156 (Grove R) Motor Vehicle Fuel Tax: Diesel Fuel Tax: inflation adjustment. Current law, the Motor Vehicle Fuel Tax Law and Diesel Fuel Tax Law, impose a tax upon each gallon of motor vehicle fuel or diesel fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current law annually adjusts the rates of the taxes imposed by those laws based on inflation. This bill would remove the requirement for future inflation adjustments of those taxes.

SB 1356 (Grove R) Gross vehicle weight. Current state and federal law sets limits on the total gross weight imposed on the highway by a vehicle or vehicle combination with any group of 2 or more consecutive axles, not to exceed 80,000 pounds, as specified. Current law authorizes vehicles or vehicle combinations in certain circumstances to carry a gross vehicle weight in excess of 80,000 pounds, such as vehicles transporting logs. Current law authorizes the Department of Transportation or local authorities to issue a special permit authorizing an applicant to operate or move a vehicle or combination of vehicles on a highway of a weight exceeding that maximum. This bill would increase the maximum gross weight for a vehicle or combination of vehicles transporting a load composed solely of a petroleum-based fuel to 88,000 pounds.

Federal Transportation Funding

On November 15, 2021, President Biden signed into law a \$1.1 trillion infrastructure bill known as the Infrastructure Investment and Jobs Act (IIJA), enacting the 2,701-page bill into law following bipartisan votes in both the U.S. House of Representatives in November and Senate in August. The IIJA replaces and nearly doubles the investment made by the FAST Act which was the last five-year surface transportation bill passed in 2017, expired in 2020, and was extended for one year. The IIJA also included a new five-year surface transportation reauthorization giving the Highway Trust Fund contract authority for highways, roads, and bridges for FY 2022 through FY 2026. The IIJA provides \$973 billion over five years beginning in 2022. This includes \$552 billion in new investments for infrastructure related to transportation, water, power and energy, remediation, public lands, broadband, and resilience. Nearly all of the existing transportation funding programs received significant increases. For example, these existing programs received the following increases in funding:

- Surface Transportation Block Grant (STBG) – 32%
- Congestion Mitigation and Air Quality (CMAQ) – 10%

- Transportation Alternatives Program (ATP in California) – 76%
- Transit State of Good Repair – 70%
- Low-No Emission Buses – 525%

While these increases are significant, the biggest change in this transportation bill is the increase in discretionary grant program funding, increased by 400%. There are twelve new competitive transportation funding programs included in this new investment plan with a focus on climate and equity, electrification, greenhouse gas reduction, and resilience. Discretionary programs span a wide array of focus areas. Some of those that are more applicable to the needs of the LCTC region are listed below and include the amounts available under the IIJA nationwide.

- BUILD/RAISE Grants - \$7.5 billion
- Bridge Grant Program - \$12.5 billion
- Rural Grant Program - \$2 billion (for high-cost rural projects)
- Protect Grant Program “Resiliency” - \$1.4 billion
- Electric Vehicle Charging - \$2.5 billion
- Broadband to States - \$42 billion
- Broadband Middle Mile Grants \$1 billion

California is expected to receive \$40 billion of formula-based transportation funding over the five years of the bill, and billions more through competitive programs. LCTC and partner agencies will be able to access these transportation funds through the following means.

1. Competitively through federal grants such as RAISE, INFRA, and state grants such as the ATP
2. Suballocations directly to jurisdictions based on population, similar to STBGP
3. Federal formula allocations directly to transit operators and airports

The first rollout of funding is anticipated to be the formula programs which already have mechanisms and guidance in place to distribute funds to the states, cities, and counties. This will likely be followed by existing competitive grant programs, such as the ATP, BUILD/RAISE, and Highway Safety Improvement Programs. Finally, sometime likely later in 2022, the new competitive programs will be rolled out once new guidance is developed.

LCTC has already started to discuss all of these programs with City, County, and Transit staff to prepare projects to be submitted. While we maintain an ongoing priority project list consistent with the adopted Regional Transportation Plan (currently being updated), it is critical that we revisit those projects as new programs, such as the IIJA, become available. As these programs are rolled out, LCTC staff will be briefing the Commission on opportunities to apply for and secure transportation funding. One thing to keep in mind is that the IIJA is not a stimulus package but a long-standing surface transportation bill. Therefore, the strategy is to identify a suite of projects that can take advantage of the funding throughout the life of this bill.