



Board Report

File #: 2021-0471, File Type: Resolution

Agenda Number: 12.

PLANNING AND PROGRAMMING COMMITTEE JULY 14, 2021

SUBJECT: VMT MITIGATION PROGRAM GRANT AWARD RESOLUTION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) or her designee to execute Resolution in Attachment A and all Grant Agreements and any amendments thereto to claim funds awarded through the Fiscal Year (FY) 2021-22 California Department of Transportation (Caltrans) Sustainable Transportation Planning Grant Program; and
- B. PROGRAMMING \$90,692 in Proposition C (25%) Highway funds to meet the Sustainable Transportation Planning Grant Program local match requirements.

ISSUE

In February 2021, Metro staff applied to the Fiscal Year (FY) 2021-22 Caltrans Sustainable Transportation Planning Grant, Sustainable Communities Competitive (Technical) category for the development of a Vehicle Miles Traveled (VMT) Mitigation Program. Metro was notified in June 2021 of a conditional award of grant funds totaling \$700,000, the maximum under the Sustainable Communities Competitive Program. In order to satisfy the conditions of the grant award, a Restricted Grant Agreement must be executed with Caltrans by July 31, 2021 which must include an adopted Board resolution. Failure to satisfy these conditions will result in the forfeiture of grant funds. Therefore, staff is seeking Board approval of the resolution contained in Attachment A.

BACKGROUND

The Caltrans Sustainable Transportation Planning Grant Program is a competitive, statewide, call-for-applications program created to provide a safe, sustainable, integrated, and efficient transportation system to enhance California's economy and livability. The grant funding is intended to support and implement Regional Transportation Plan (RTP) Sustainable Communities Strategies (SCS) and to ultimately achieve the State's greenhouse gas (GHG) reduction target of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively. Eligible planning projects must have a transportation nexus, are expected to directly benefit the multi-modal transportation system, and will improve public

health, equity, environmental justice, the environment, and provide other important community benefits.

This FY 2021-22 round, the Sustainable Transportation Planning Grant Program included two categories:

- **Sustainable Communities Grants** to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the Regional Transportation Plan Guidelines adopted by the California Transportation Commission.
- **Strategic Partnerships Grants** to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system in partnership with Caltrans. A sub-category funds transit-focused planning projects that address multimodal transportation deficiencies.

Caltrans announced the release of the FY 2021-22 Sustainable Transportation Planning Grant Program Application Guide/call-for-applications in December 2020 with an application deadline of February 2021. Awards were announced in June 2021 and included in Attachment B. A statewide total of 169 grant applications were received with requests totaling approximately \$55 million for Sustainable Communities Competitive and Strategic Partnerships Grants. Of these applications, 59 were selected for grant awards, totaling approximately \$21.5 million. Metro was awarded the full grant funding amount requested (\$700,000) for the Metro VMT Mitigation Program.

DISCUSSION

Purpose

Using financial assistance provided by the Caltrans Sustainable Communities Grant Program, Metro's VMT Mitigation Program will develop a framework to mitigate VMT impacts resulting from highway projects on the State Highway System (SHS) in Los Angeles County, in compliance with Caltrans' California Environmental Quality Act (CEQA) transportation impact metric determination. Metro's VMT Mitigation Program would allow Metro to support the region's Senate Bill (SB) 32 and SB 375 goals by reducing the impacts of VMT and correlated GHG emissions, while simultaneously providing greater mobility options for the County's residents.

SB 743 represents a significant transformation in CEQA review of transportation projects, including those on the SHS. Consistent with SB 743, Caltrans has chosen to adopt VMT as the CEQA transportation metric for projects on the SHS, complimenting and bolstering state goals of reducing GHG emissions. In support of this change, Caltrans has released extensive guidance on the preferred approach for analyzing VMT attributable to proposed projects, including induced travel, and guidance in making CEQA significance determinations for transportation impacts on the SHS.

Need

The framework for assessing anticipated long term mitigation and monitoring strategies for VMT are not yet established. As a regional transportation agency engaged in funding, planning, designing, and constructing highway improvement projects in collaboration with Caltrans and local agencies, Metro is well situated to study, develop recommendations, and deploy and expand its existing programs as

VMT mitigation strategies for Metro VMT-inducing projects on the SHS. Additionally, Metro is positioned to partner with other municipal agencies to support and continue their ongoing VMT mitigation efforts. Metro will ensure that VMT-inducing projects on the SHS align with State policy, local transportation plans, and GHG reduction strategies, with the ultimate objective of establishing a framework for defensible, CEQA-based environmental review and mitigation.

Approach

Using the Caltrans Sustainable Communities Grant Program funding, Metro, along with a comprehensive list of regional and statewide stakeholders, will analyze and demonstrate the validity of various VMT quantification tools and mitigation options, including expanding its Transportation Demand Management (TDM) program. The effectiveness of VMT mitigation tied to site-specific, on- or off-system SHS projects would also be evaluated, including incorporation of Complete Streets elements, improving routes connecting to public transportation, Park & Ride lots, implementation of Intelligent Transportation Systems (ITS) elements to smooth traffic flow and increase system efficiency, modifying roadways to allow more efficient bus operation, including bus lanes and signal priority/preemption where necessary, and coordinating improvements on the SHS with arterial roadways.

Metro would also evaluate, expand, and/or contribute to ongoing Countywide or Statewide programmatic VMT mitigation efforts. Metro would explore implementing a VMT credit or banking and exchange system, operated by Metro and supported by its municipal agencies/partners. Under a banking system, Metro and other Countywide partners could purchase mitigation credits to reduce project-specific VMT impacts. The revenues from the credit purchases could be utilized by the bank to facilitate the development of VMT-reducing land use and transportation projects, investing in infrastructure improvements such as pedestrian facilities, or aid in the development of regional transportation options, such as light rail, prioritizing investments in historically disadvantaged communities, leveraging Metro's Equity Platform-identified Equity Focused Communities (EFCs). An exchange system might be similarly structured: in exchange for implementing a project that induces VMT, Metro could invest in a project identified by a local or regional transportation partner that reduces VMT.

Outcomes

The development of a VMT Mitigation Program would allow Metro to continue to fund and deliver important, voter-mandated highway improvement projects, while simultaneously delivering significant strategic investments to further the goals identified in Metro's Vision 2028 Strategic Plan, Long Range Transportation Plan (LRTP), Goods Movement Strategic Plan, Complete Streets Policy, and its ordinances and expenditure plans. The VMT Mitigation Program would also further California's Transportation Plan 2040, Interregional Transportation Strategic Plan, and Freight Mobility Plan, supporting a vibrant economy, goods movement efficiency, and enhanced mobility for people and goods, positioning Metro for future State grant funding. These projects will simultaneously result in investments in ongoing VMT reducing projects, including Complete Streets projects as well as new or improved transit lines, reducing VMT in areas with higher-than-average existing VMT, and supporting communities that are already in lower-than-average VMT areas, with disadvantaged and EFCs receiving a greater proportion of total investments.

DETERMINATION OF SAFETY IMPACT

The proposed actions have no adverse impact on the safety of Metro's patrons or employees.

FINANCIAL IMPACT

Adoption of the resolution and authorization of the CEO to execute the required documents to claim Caltrans Sustainable Transportation Planning Grant Program funds would positively impact the agency's budget by making \$700,000 available to Metro.

Funding for the project will be grant matched with \$90,692 in Prop C (25%) Highway funds for a total project budget of \$790,692. For FY22, planned expenditures of \$200,000 has been budgeted under Highway Planning Project 405522, Highway Program Cost Center 4720, Professional Services Account 50316.

Impact to Budget

Claiming Caltrans Sustainable Transportation Planning Grant Program funds will have a positive impact on the FY22 budget, as these funds are scheduled to be disbursed to Metro for use in FY22, 23, and 24.

The source of funds for this project is Prop C (25%) Highway Funds and Caltrans Sustainable Transportation Planning Grant Program funds. These funds are not eligible for Bus and Rail operations or Capital expenditures.

EQUITY PLATFORM

Metro's VMT Mitigation Program will develop a suite of VMT mitigation measures for Los Angeles County as a whole, focused on their effectiveness and reasonableness. The VMT Mitigation Program will utilize the Metro Equity Tool to help evaluate the potential benefits of these VMT mitigation measures and resulting investments to disadvantaged communities and EFCs by developing a series of criteria for evaluating, validating, and prioritizing potential VMT mitigation options. The Equity Tool will also evaluate if these criteria will ensure an equitable approach by ensuring that disadvantaged communities and EFCs receive their fair share of benefits and are protected from a disproportionate amount of impacts. This approach will guide the policy-related aspects of the VMT Mitigation Program, including prioritization of mitigation based on disadvantaged communities and/or EFC-based needs, with the viability of these priorities specifically analyzed and quantified.

This effort will be steered by Metro's 2020 LRTP which has committed proportionally greater benefits, measured in emissions/VMT reduction, ensuring that transportation investments provide benefits that serve disadvantaged communities and EFCs, consistent with Assembly Bill (AB) 1550. The LRTP has identified preliminary investment priorities for disadvantaged communities and EFCs, which will then be analyzed for VMT mitigation potential and prioritized in whichever investments are pursued. Since the Program would cover all of the County, VMT mitigation investments would be focused consistent with these LRTP priorities. Within disadvantaged communities and EFCs, staff will work with local stakeholders to ensure an inclusive and accessible engagement process. Having a VMT mitigation framework in place will facilitate informed discussions, at the site-specific level and at the broader programmatic level.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The VMT Mitigation Program outcomes will support implementation of the following Strategic Plan Goals:

1. Provide high-quality mobility options that enable people to spend less time traveling

The VMT Mitigation Program would allow Metro to continue to fund important, voter-mandated highway improvement projects, delivering significant investments to further the goals identified in Metro's Vision 2028 Strategic Plan, LRTP, and Goods Movement Strategic Plan, supporting a vibrant economy, goods movement efficiency, and enhanced mobility for people and goods. These projects will simultaneously result in investments in ongoing VMT and GHG reducing projects, including active transportation and safety-focused projects, consistent with Metro's Complete Streets policy.

Goal 3: Enhance communities and lives through mobility and access to opportunity.

The VMT Mitigation Program would result in the development of a mitigation strategy that could be implemented programmatically, not tied to project-specific geographical areas, which would permit Metro and its partner agencies to flexibly align mitigation with housing, transportation needs, and congruent land use types. Metro is well positioned to integrate VMT mitigation with housing, land use, and transportation because of Metro's transit and active transportation expansion efforts, the agency's Transit-Oriented Communities Implementation Plan, and the Transit Oriented-Development on Metro-owned properties that develop sites that improve access to transit and other transportation alternatives.

4. Transform LA County through regional collaboration and national leadership.

The VMT Mitigation Program ad-hoc policy working group, which will rely on critical regional collaboration, will be formed to guide the process throughout its development and implementation. This ad-hoc policy working group will aim to include Metro Highways, Environmental Sustainability, Planning, Congestion Reduction, and Equity & Race staff, Caltrans Headquarters and District 7 staff, including Sustainability, Environmental, and Corridor Management, Southern California Association of Governments (SCAG), Los Angeles Department of Transportation (LADOT), California Air Resources Board (CARB), and South Coast Air Quality Management District (SCAQMD) staff, among others. The strategies resulting from the VMT Mitigation Program will expand the knowledge base overall and set the stage for Metro and its public agency partners to provide further innovation in the field.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk loss of Metro's FY 2021-22 Sustainable Transportation Planning Grant Program fund award amount of \$700,000.

NEXT STEPS

Following Board approval of the resolution, Metro staff will coordinate with the Caltrans District Grant Manager to meet the conditions of grant acceptance and execute a Restricted Grant Agreement and any amendments thereto. Following receipt of a fully executed contract and a formal Notice to Proceed from Caltrans, Metro staff will begin work on the VMT Mitigation Program.

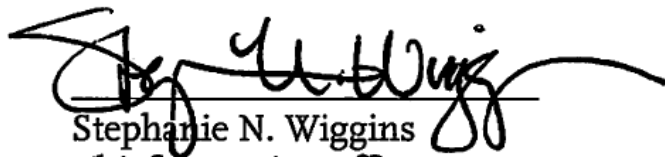
ATTACHMENTS

Attachment A - Resolution to Execute Caltrans Sustainable Transportation Planning Grant Program Agreements and Amendments

Attachment B - Grant Award List

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