



AGENDA ITEM 5
REPORT

Southern California Association of Governments
Remote Participation Only
February 3, 2022

To: Joint Meeting of the Policy Committees (JPC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Sarah Dominguez, Senior Regional Planner
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Subject: Connect SoCal 2024: Emerging Issues Update

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal

EXECUTIVE SUMMARY:

The Joint Policy Committee aims to set the stage for Connect SoCal 2024 policy discussions over the upcoming 12-24 months by providing context from staff on plan development process and insights from guest panelists on emerging issues and plan priorities. In September 2020, SCAG’s Regional Council approved the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), Connect SoCal, for all purposes. At that time, the impacts from the COVID-19 pandemic were still shifting and SCAG staff highlighted impacted data and trends that they would be monitoring. This staff report revisits a few of those trends along with key emerging issues to provide context to policy makers in advance of more in-depth discussions within each of SCAG’s individual policy committees and technical work that will occur in the upcoming two years in preparation of the next RTP/SCS, Connect SoCal 2024.

DISCUSSION PANEL:

Following a staff presentation, SCAG Executive Director Kome Ajise will moderate a discussion to learn more from guest panelists about their unique perspectives on these recent trends and emerging issues (See Attachment 1 for Guest Panelist Bios) and priorities for the upcoming plan.

BACKGROUND:

SCAG prepares a long-range Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) every four years which provides a vision for integrating land use and transportation for increased mobility and more sustainable growth. Alongside the full adoption of the last 2020 RTP/SCS, Connect SoCal in September 2020, SCAG outlined several data and trends that were impacted by the pandemic and outlined a few emerging issues that would take on increased

importance in the next plan, Connect SoCal 2024. This staff report revisits the trends and issues that were identified in that previous report and provides additional context on the development of Connect SoCal 2024 and related upcoming milestones.

What is Connect SoCal 2024?

SCAG's next RTP/SCS, Connect SoCal 2024, will incorporate important updates of fundamental data—socioeconomic, demographic, growth, transportation and traffic, etc.—as well as strategies and investments based on, and intended to strengthen, the plan adopted by the SCAG Regional Council in 2020. The pillars of the Connect SoCal—the Core Vision and Key Connections—will continue into the next plan. The Core Vision centers on maintaining and better managing the transportation network we have for moving people and goods, while expanding mobility choices by locating housing, jobs and transit closer together and increasing investment in transit and complete streets. The Key Connections augment the Core Vision of the plan to address trends and emerging challenges. These Key Connections lie at the intersection of land use, transportation and innovation, aiming to coalesce policy discussions and advance promising strategies for leveraging new technologies and partnerships to accelerate progress on regional planning goals. SCAG staff does not anticipate the region's SB 375 greenhouse gas reduction targets will increase this cycle; and therefore, anticipates the main focus of the update will be on the refinement and advancement of major strategy areas, process improvements and data updates and refinements that build on the policy direction established in Connect SoCal 2020. In addition, through the plan development process, staff will engage with the board and seek direction on opportunities to incorporate the new policies adopted by the board since 2020 and explore and address emerging issues in order to put forth a plan that meets the region's evolving needs, challenges and opportunities.

Impacted Data and Trends in Connect SoCal: Where Are We Today?

At the time of Connect SoCal adoption in 2020, the region was witnessing several changes and disruptions to how we live, work and learn. These emerging issues and trends for future planning were articulated in a staff report to the Regional Council in September 2020¹. While there was, and still is, uncertainty about the longer-term trajectory of recent trends, SCAG staff identified areas of input and analysis for Connect SoCal that would need continued review and assessment.

Demographics and Growth Forecast

Key Finding: Population growth projections have adjusted downward, but not solely due to the impacts of the pandemic.

By understanding the demographic and economic underpinnings of the region's future growth, we set the stage for allocating where this growth is likely to occur within Southern California, and subsequent plan development and strategies. Even before the pandemic, new data suggested the last plan's optimistic growth outlook was no longer likely, and downward revisions were merited.

¹ https://scag.ca.gov/sites/main/files/file-attachments/rc_090320fullagn.pdf?1604639362

Fewer births, more deaths, and temporary pause of foreign immigration from the pandemic will result in a few years of near-zero or even negative population growth, however it's important to remember that Connect SoCal 2024 is forecasting growth to 2050. While there are still unknowns, that is the nature of long-range forecasting. We have integrated brand new 2020 Census data and taken a deep, expert-driven dive into these challenges to deliver the most robust possible forecast for 2050 upon which to build the rest of Connect SoCal 2024. A more detailed discussion of the region's growth forecast can be found in the accompanying staff report as part of this agenda packet, "Connect SoCal 2024 Preliminary Regional and County Growth Projections."

Transportation Finance

Key Finding: Initial concerns about impacts from an economic recession were less than anticipated and shortfalls have been partially compensated by stimulus package funding and changing spending habits.

SCAG staff also continues to monitor overall economic conditions as they play a critical role in determining the level of revenues available for transportation. Our region relies heavily on local sources of revenue to fund transportation projects included in Connect SoCal. Local sources comprise 60 percent of core revenues for transportation improvements in the SCAG region, the majority of which comes from local sales taxes. Federal and state transportation sources are mostly based on excise taxes on gasoline and diesel fuels, which depend on fuel consumption. The near-term impact to these sources from the pandemic is dynamic, and current conditions are not indicative of long-term transportation funding conditions in the SCAG region. Concerns at the outset of the pandemic over a prolonged economic recession were less than anticipated, and partially assuaged by a change in spending habits. Vehicle miles traveled (VMT) reductions during the early pandemic have largely rebounded, and the resulting shortfall in gas tax and other revenues has been compensated for by stimulus package funding. Looking forward, the recently passed federal infrastructure bill is anticipated to increase the flow of transportation funding to the SCAG region. Nevertheless, the infrastructure bill acknowledges the need to establish new and sustainable sources of future transportation revenues to bolster economic goals, including support for user pricing strategies included in Connect SoCal 2020. SCAG will continue to monitor potential fiscal impacts and work with agency partners to understand enduring long-term impacts on the region, and to reflect the new fiscal realities and investment priorities in Connect SoCal 2024.

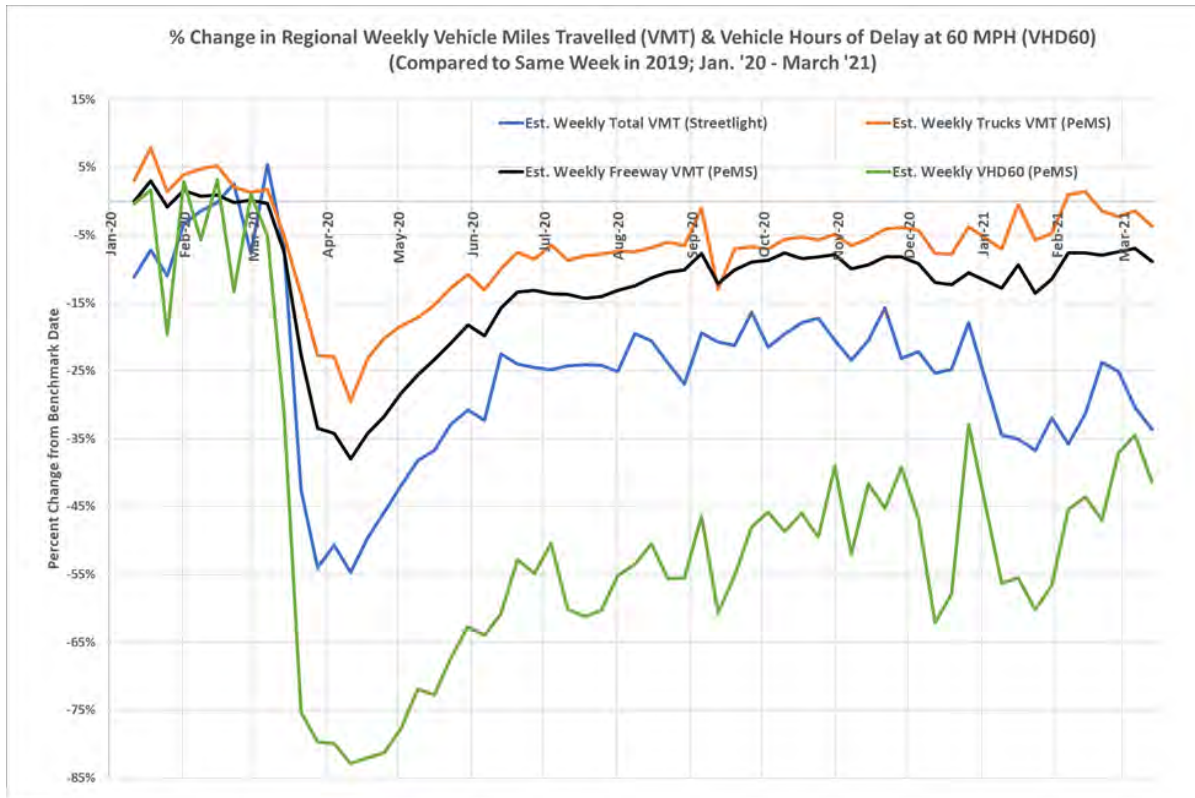
Congestion and Mode Share Changes

Key Finding: While vehicle miles traveled (VMT) has almost resumed to pre-pandemic levels, transit ridership has rebounded unevenly between bus and rail but neither fully to 2019 levels. Unfortunately, changes to travel behavior during the pandemic has led to reduced safety both nationally and in the SCAG region.

Vehicle Miles Traveled: The stay-at-home orders issued in March 2020 led to huge short-term reductions in VMT. Weekly freeway VMT in the SCAG region fell nearly 40 percent in April 2020 (as compared to analogous weeks in 2019), before beginning to rise again in mid-April 2020 to approach pre-pandemic levels by March 2021 (based on PeMS data on freeway-based VMT in the SCAG region) (See Exhibit 1). Similarly, traffic congestion on the freeways throughout the SCAG region declined even more precipitously during March and April 2020 to reach levels nearly 85 percent below analogous weeks in 2019, before beginning a slow increase in May 2020 towards 35 percent below pre-pandemic levels by March 2021 (measured by vehicle hours of delay at 60 miles per hour, or VHD60 from PeMS data). Additional analysis examined overall VMT (i.e., on both freeways and arterials) using data obtained through SCAG's StreetLight Insights subscription. Findings from this parallel analysis indicate that overall VMT declines during March and April 2020 (compared to analogous weeks in 2019) were even more pronounced than on freeway VMT alone; these findings therefore suggest even greater reductions in VMT on the SCAG region's arterial network versus its freeway network over the course of the pandemic.

The rebounding VMT alongside the continued higher telework rates, discussed further below in this report, highlight the multitude of factors that influence longer-term forecasts of VMT. Travelers switching modes from transit to personal car due to health concerns or possible service reductions can put upward pressure on VMT and increase congestion beyond pre-pandemic levels and contrary to the goals of Connect SoCal.

Exhibit 1: Percent Change in Weekly Vehicle Miles Traveled & Vehicle Hours of Delay at 60 MPH



Source: PeMS and StreetLight Data (accessed 2021)

Transit: The pandemic exacerbated an existing trend of transit ridership decline in the SCAG region, driven primarily by increasing auto ownership particularly among historically transit dependent groups². By April 2020, with stay-at-home orders in place, bus ridership had fallen by 71 percent compared to April 2019³. Metro Rail saw a similar drop in ridership, down 69 percent in April 2020 versus April 2019, while Metrolink ridership fell by 90 percent over the same period. Transit recovered somewhat in 2021 from the April 2020 low point, as bus and rail operators have tackled challenges involving public health measures such as physical distancing, masking and disinfecting vehicles and facilities; fare collection; driver shortages; and restoring cuts in service amidst funding uncertainty particularly at the federal level. By November 2021, regional bus ridership was still down but only by 35 percent compared to pre-pandemic November 2019. Metro Rail ridership had recovered to 38 percent below 2019 levels, while Metrolink was at 69 percent below 2019 levels.

² <https://scag.ca.gov/post/falling-transit-ridership-california-and-southern-california>

³ <https://scag.ca.gov/post/snapshot-covid-19-transportation-impacts-scag-region>

Recent research by SCAG in partnership with the University of California, Davis has studied the effects of the pandemic on transit commute choices. A survey asked how often respondents used either bus or rail for commute trips. A higher percentage of respondents indicated that they never use each mode in Fall 2020 compared to Fall 2019. Usage was reduced for the higher frequency groups, while there was an increase in respondents who reported using both bus and rail a few times a month, and an increase in the percentage of respondents who reported using bus a few times a year to commute.

Safety: Each year in the region, on average, nearly 1,500 people die, 5,500 people are seriously injured, and 124,000 people sustain injuries in traffic collisions in our region. The numbers and rates of fatal and serious injury collisions have continued to climb in the pandemic. Based on preliminary data from the National Highway Traffic Safety Administration (NHTSA), more Americans died in traffic collisions during the first half of 2021 than any other six-month period on record.⁴ According to NHTSA's report, there were an estimated 20,160 motor vehicle fatalities in the first half of 2021, up from 17,020 fatalities reported in the first half of 2020 – an 18.4 percent increase. All 10 NHTSA regions reported increases in fatalities, and NHTSA Region 9, which includes California, Arizona, Hawaii and the U.S. territories of American Samoa, Guam and Northern Mariana Islands, reported a 25 percent increase in estimated fatalities in the first half of 2021 compared to the previous year. In Southern California, based on provisional data for 2021 compared to the prior year, collisions are up roughly 11 percent, fatal and serious injury collisions are up by about 2 percent, and VMT is up about 4 percent. Some experts believe that the increases in collisions are due to changed behaviors during the pandemic (e.g., higher rates of speeding, driving under the influence, and forgoing seatbelts).⁵ The recently passed infrastructure bill will encourage some safety improvements, including technology to prevent intoxicated people from operating a vehicle and better crash tests to address risk to people outside a vehicle. It also included new funding for road diet treatments and a 60 percent boost for funding for active transportation. However, a great deal of work remains for California, local jurisdictions, and other stakeholders.

Goods Movement

Key Finding: The SCAG region has experienced sustained increases for all major international gateway facilities as demand for consumer goods has remained high.

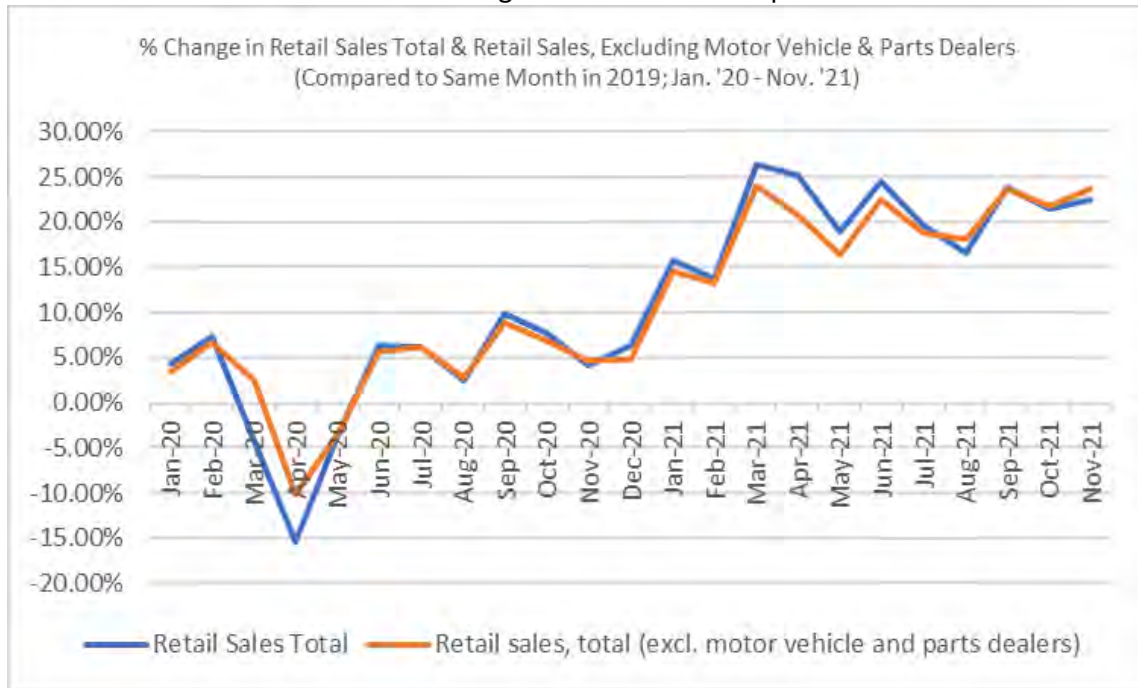
The pandemic has continued to have an elevated impact across different freight modes and components of the global supply chain. This has presented significant issues for the SCAG region as

⁴ US Department of Transportation, National Highway Traffic Safety Administration, *Traffic Safety Facts*, October 2021: <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/813199>.

⁵ <https://www.latimes.com/world-nation/story/2021-12-08/traffic-deaths-surged-during-covid-19-pandemic-heres-why>

freight supply chains have dealt with pandemic-related impacts for nearly two years running across the region’s facilities and system. Demand for retail goods has exponentially increased from comparable months in 2019 resulting from sustained consumer demand and federal stimulus policies that have transcended the region’s supply chain relationships (See Exhibit 2).

Exhibit 2: Percent Change in Retail Sales Compared to 2019

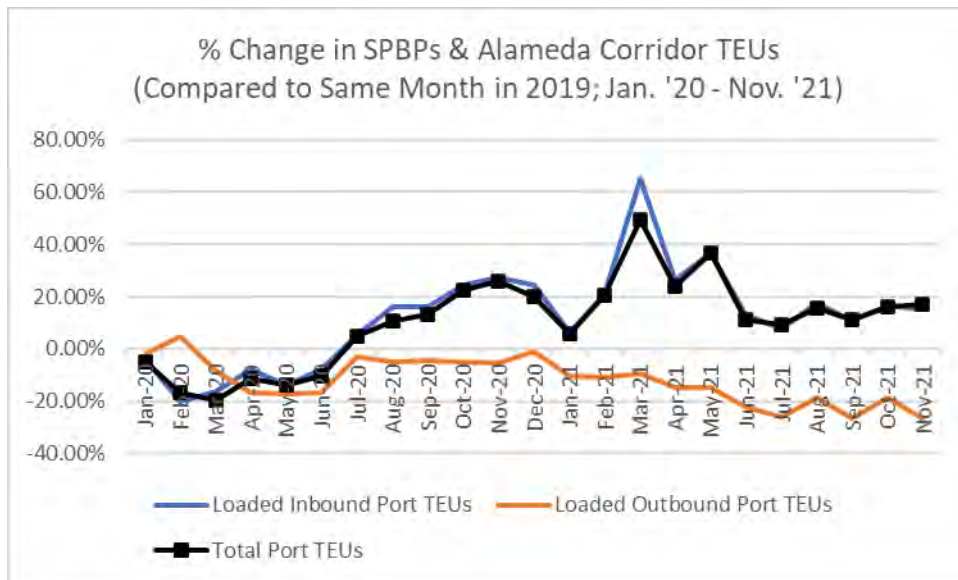


The SCAG region has witnessed sustained increases for all the major international gateway facilities including the Ports of Los Angeles and Long Beach, Los Angeles International Airport and Ontario International Airport, Calexico and Calexico East border crossings, and Class I railroad traffic that provides substantial connections from the Los Angeles Basin to markets throughout the entire U.S. These increases have translated across the region’s interstate/highway and local arterial roadway networks, notably, for access to facilities and for e-commerce and delivery activities:

- The San Pedro Bay Ports (SPBPs) had growth from 2019 levels for 17 consecutive months from August 2020 through November 2021, with only three of those months witnessing lower than 10% growth (See Exhibit 3).
- Los Angeles and Ontario airports had 19 consecutive months of growth from 2019 levels from May 2020 through November 2021, with only one month witnessing lower than 10% growth.

- For border crossings, international truck crossings from Mexico into the U.S. grew for 14 consecutive months from September 2020 through October 2021, with five months witnessing lower than 10% growth.
- Class I rail volumes have been a little choppy, and intermodal container and trailer volumes have averaged 5% and 9% respectively versus that of 2019 on a weekly basis from July 2020 through November 2021.

Exhibit 3: Increases in TEU Volumes at San Pedro Bay Ports



*TEU: Twenty-foot equivalent units

The supply chain continues to prove its resiliency in how it manages these challenges. However, longer term implications remain, such as more e-commerce online ordering, and shifting uses of space at current retail locations throughout the region will have further impacts on the development of facilities and the flow of goods. Considerations of industrial, commercial, and retail square footage shifts will be highly important to analyze, especially as industrial uses add more capacity for fulfillment, sortation, and local delivery facilities to meet increasing online order demand. Other issues will continue to consider the dynamics between off-shoring, near-shoring, and re-shoring, which will also impact manufacturing and distribution systems. As these shifts occur holistically over time, each freight mode will be impacted differently, as will the infrastructure that they rely upon.

SCAG is working closely with many key public and private goods movement stakeholders through ongoing programs, projects, and studies underway, in order to continue to maintain a thorough

understanding of the key challenges and issues, while also working towards strategies and policies to be considered for the upcoming Connect SoCal 2024.

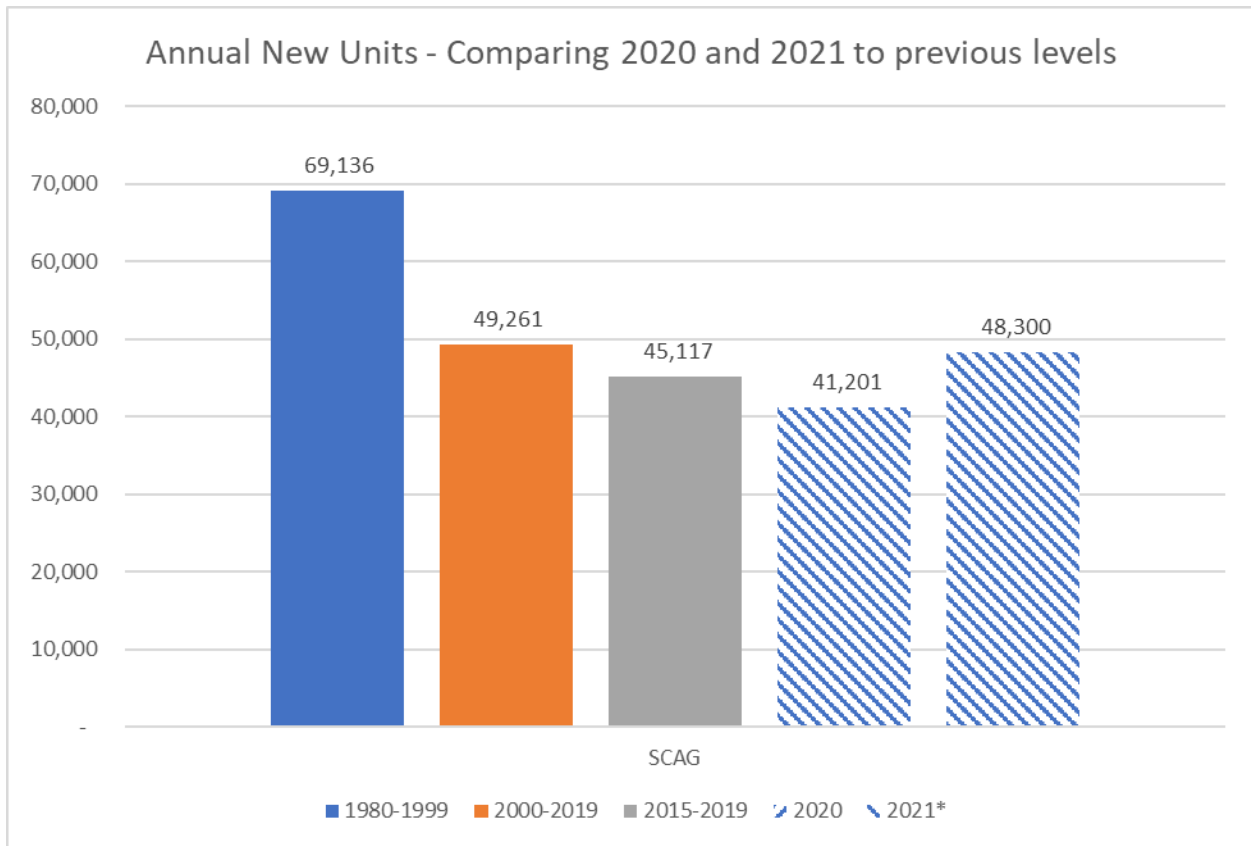
Housing Production

Key Finding: While new unit construction dropped in 2020, estimates for 2021 exceed the post-recession period.

Early in the pandemic, many voiced concerns about the long-term impacts that the pandemic and economic downturn could have on housing production, both due to labor and material shortages as well as reduced local government budgets and related impacts to the permitting, review and approval process. Many local jurisdictions successfully transition to online systems for document submittals, payments and inspections that will likely remain in place beyond the current pandemic.

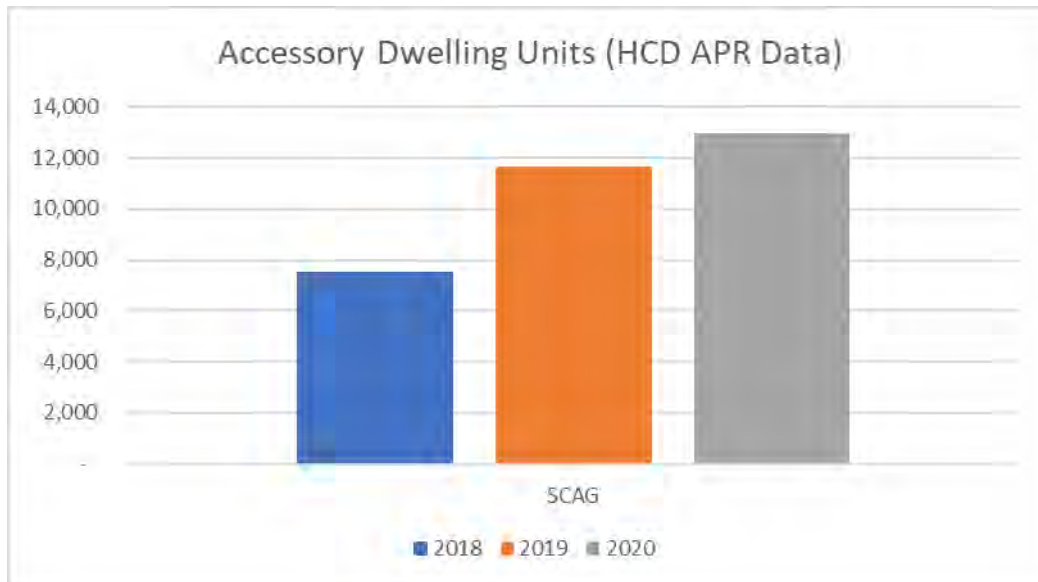
While new unit construction dropped in 2020 compared to prior levels, despite continued challenges the estimated total for 2021 exceeds the heavily multifamily post-recession 2015-2019 period and is roughly consistent with construction since 2000—a period which included several “boom” years characterized by rapid greenfield development in the Inland Empire (see Exhibit 4). Housing production, as measured by permit data, still lags behind long-term historical levels. However, newer types of small unit types such as ADUs and split lot homes, enabled by recent state legislation, have increased dramatically in recent years— an increase which is both likely to continue and is consistent with the long-range demographic expectation of smaller household sizes (see Exhibit 5).

Exhibit 4: New Housing Units based on Building Permits Issued



Source: Construction Industry Research Board. 2021 full-year estimate based on data through 11/30/2021.

Exhibit 5: Accessory Dwelling Units in the SCAG Region



Source: California Department of Housing and Community Development, Annual Progress Reports

The accompanying staff report on “Connect SoCal 2024 Preliminary Regional and County Growth Projections” provides a much slower population growth outlook than prior plans, and reflects the fact the region lost population in 2020 and is not expected to have appreciably grown in 2021. That housing production continues and appears to be on an upward trajectory despite lower population growth suggests that a path toward alleviating Southern California’s substantial unmet housing need is possible.

Emerging and Prominent Issues for Connect SoCal 2024

In addition to the above pandemic influenced changes occurring within the region, SCAG also identified multiple emerging issues that would need to be more fully addressed in the next plan, Connect SoCal 2024.

Equity

In July 2020, SCAG’s Regional Council made a commitment to advancing justice, equity, diversity, and inclusion throughout Southern California. One of the region’s greatest assets is its diversity, not just in its geography, but in its people. People of color currently represent about 70 percent of the region’s population and by 2045 are expected to grow to nearly 80 percent. For the region to become healthy, livable, sustainable, and economically resilient, SCAG needs to dramatically improve outcomes for low-income families and people of color. In 2021, SCAG developed a preliminary baseline assessment of racial equity in Southern California to inform future planning. The assessment further reinforced that numerous life outcomes vary vastly in this region based on race, income and census tract. Similar to national trends, regional data shows that Black, Indigenous, and people of color are significantly more likely than white people to experience limited

access to employment opportunities, particularly jobs that pay a living wage; overcrowded housing and poor housing quality; low rates of car access in a car-dependent system; and poor health outcomes and environmental conditions. Specific findings from the assessment included:

Economic Vitality

- Poverty: 45% of the Hispanic (Latino) population lived below 200% of the poverty line in 2018, the highest among all race/ethnicity groups in the region.
- Working Poor: Full-time workers of color were three times more likely than their white counterparts to live in poverty in the region.
- Hourly Wage: Workers of color make nearly \$10 less per hour (\$17) than their white counterparts (\$26), equating to a nearly \$20,000 deficit in pre-tax revenue.

Healthy & Complete Communities

- Home Ownership: 62% of white households own their homes, compared to 35% of Black households and 43% of Hispanic (Latino) households.
- Housing Burden: Hispanic (Latino) households experience the greatest housing burdens, regardless of whether they rent or own their homes.
- Overcrowding: Hispanic (Latino) individuals have a 10.1% likelihood of being in overcrowded housing, compared to 1.1% of white individuals.
- Air Pollution Exposure Index: People of color face greater exposure to air toxics for environmental pollution from all sources (index score of 76) compared to white residents (68).

Mobility

- Access to Employment: Native Americans can reach the lowest percent of employment in the region via all transportation modes as compared to all other racial/ethnic groups.
- Vehicle Ownership: Regionally, 1 in 8 Black residents do not own a car (12.7%), the highest of any other race/ethnicity groups.
- Bicycle and Pedestrian Collisions: Hispanic (Latino) residents are the most likely to live in high-risk areas for a pedestrian-involved (60%) or bike-involved (62%) collisions as compared to other demographic groups.

Highlights from the report⁶ can be viewed in the Story Map: The State of Racial Equity in Southern California⁷. SCAG staff are preparing to update this equity analysis once the US Census Bureau releases new American Community Survey five-year data for 2016-2020 in

⁶ https://scag.ca.gov/sites/main/files/file-attachments/racialequitybaselineconditionsreport_03242021revision.pdf?1616695824

⁷ <https://storymaps.arcgis.com/stories/b33a820f99564d58a464c42794152af4>

March 2022. SCAG staff are also currently in the process of developing draft goals and performance measures for the next long-range plan, Connect SoCal 2024, which will take into account equity, and researching ways to enhance the plan's environmental justice analysis.

Resilience

The pandemic has underscored the importance of planning for a more resilient region that has the capacity within our built, social, economic and natural systems to anticipate and respond to changing conditions, acute shocks and chronic stressors. One of the ways that SCAG's work has historically aligned with resilience planning has been through the lens of climate.

In 2020, climate change hazards posed the following short- and long-term threats across the state and to the SCAG region's economic security, public safety, and overall quality of life:

- Statewide, Californians experienced a record number of dry heat days due to a changing climate and experienced over 9,000 fires that burned over 4 million acres, making 2020 the largest wildfire season recorded in the state's modern history according to the California Department of Forestry and Fire Protection⁸
- Researchers at Stanford University found that recent wildfire smoke in California resulted in over 1,200 preventable deaths, linking wildfires directly to respiratory health⁹
- Within the SCAG region:
 - an estimated 1.8 million people live in very high fire hazard severity zones;¹⁰
 - over 300,000 people reside in "100-year" flood hazard areas with more than 350,000 residents live in areas estimated to be impacted by three feet of sea level rise (conservatively projected to occur by 2050);¹¹
 - and Over 6 million people live in areas subject to extreme heat health events

As of December 2021:

- Californians experienced over 8,000 fires and burned over 2 million acres, resulting in a year-to-date statistic greater than the state's 5-year average;

⁸ <https://www.fire.ca.gov/stats-events/>; Accessed January 10, 2022

⁹ Burke, Marshall and Sam Heft-Neal. Indirect mortality from Wildfires in California.

<http://www.gfeed.com/2020/09/indirect-mortality-from-recent.html>. Accessed January 10, 2022.

¹⁰ California law requires CAL FIRE to identify areas based on the severity of fire hazard that is expected to prevail there. These areas, or "zones," are based on factors such as fuel, slope and fire weather. There are three zones, based on increasing fire hazard: medium, high and very high.

¹¹ Areas known as Special Flood Hazard Areas (SFHAs) defined as areas that will be inundated by a flood event having a 1-percent chance of being equaled or exceeded in any given year.

- FEMA National Risk Index ranked Los Angeles County at a Risk Index of “Very High” when compared to the rest of the United States, with Riverside, with San Bernardino, Riverside, and Imperial County in the top 10 nationwide¹²
- Five of the six counties within the SCAG region (Los Angeles, Orange, Imperial, San Bernardino, and Riverside) experienced the driest November on record, over the past 127 years¹³

On January 7, 2021, SCAG’s Regional Council adopted Resolution 21-628-1, affirming a climate change crisis in Southern California and calling on SCAG and other local and regional partners to join together to reduce greenhouse gas emissions, improve regional resilience, and reduce hazards from a changing climate (the “Resolution”).

As part of the Resolution, SCAG is tasked with developing a Regional Resilience Framework “to help the region plan and prepare for a changing climate as well as potential near- and long-term disruptions to Southern California, such as earthquakes, extreme weather, drought, wildfires, pandemics and economic shocks.” Over the past year, SCAG has been working on a number of initiatives to develop programs and outreach strategies to support near-term adaptation to address regionally significant vulnerabilities and long-term regional resilience planning. More information on the 1-year progress of SCAG’s Climate Change Action Resolution can be found in the January 2022 update to the Energy and Environment Committee¹⁴.

Economy

While the pandemic continues to have an impact to the regionwide economy and our supply chains, as discussed above in the Goods Movement section, there have been two additional emerging economic issues that SCAG has been following as it relates to long-term planning: teleworking and income stagnation.

The pandemic has accelerated the growth of teleworking. Recent insights from the National Bureau of Economic Research¹⁵ predict that overall 20 percent of full-time work will be supplied from home, which is a 300 percent increase from pre-pandemic work-from-home activities. Telework was an effective adaptation strategy during that pandemic that allowed some people to continue working. This adaptation strategy, however, was not available to all workers. Whether jobs that could be performed at home or remotely was highly correlated with higher income, higher

¹² <https://hazards.fema.gov/nri/>; Accessed January 10, 2022.

¹³ <https://www.drought.gov/states/california/county/>; Accessed January 10, 2022.

¹⁴ <https://scag.iqm2.com/Citizens/FileOpen.aspx?Type=14&ID=2280&Inline=True>

¹⁵ Barrero, J. M., Bloom, N., & Davis, S. J. (2021). Why working from home will stick (No. w28731). National Bureau of Economic Research. (https://www.nber.org/system/files/working_papers/w28731/w28731.pdf)

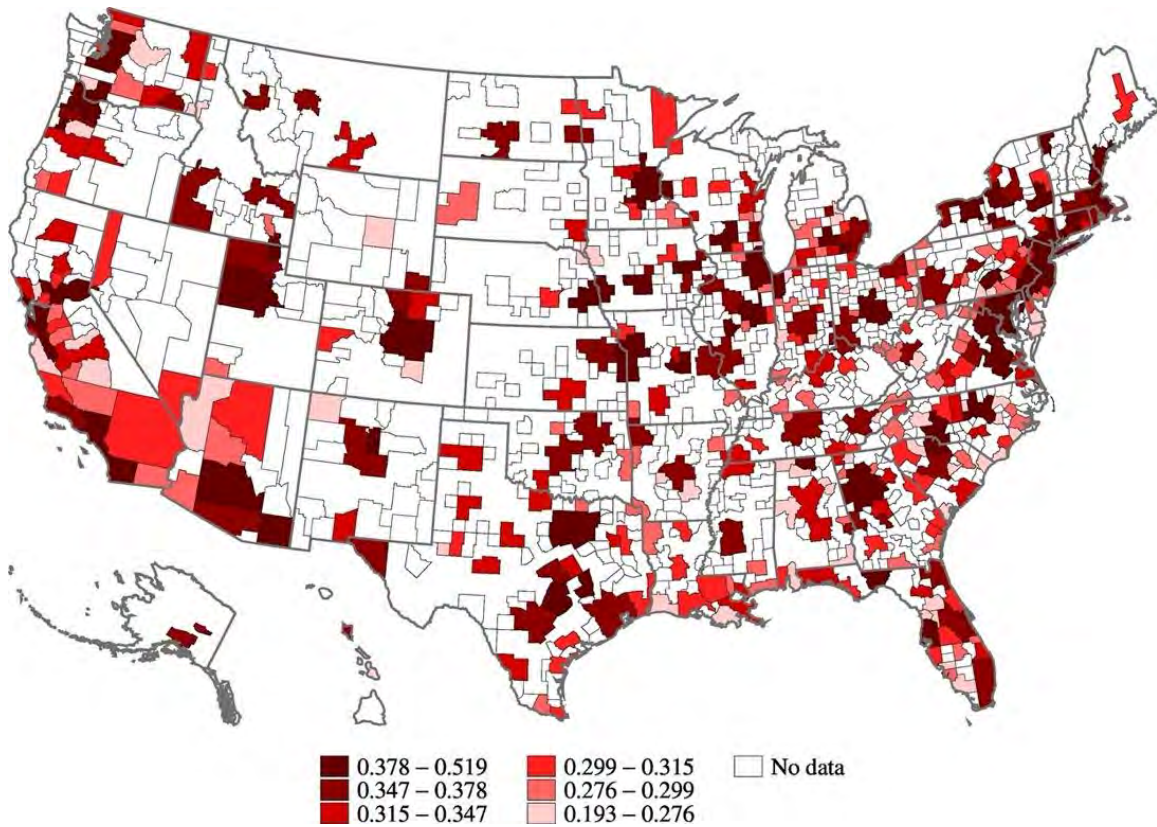
education levels, and race. Mongey et al (2021)¹⁶ find that the most vulnerable populations had the fewest opportunities to work from home during the pandemic.

A recently published paper in the *Journal of Public Economics* (Dingel and Neiman 2020)¹⁷ finds that 37 percent of U.S. jobs can be performed at home, however, this varies dramatically by industry and location. Exhibit 6 maps the share of jobs that can be done at home across counties in the U.S. The map shows that the plausibility of performing work from home, or teleworking, is greatest on the coasts and in urban regions. Even within Southern California the share of jobs that can be performed at home are relatively high (38 to 52 percent) in the coastal Southern California counties compared to the inland counties in the region. For example, the Riverside San-Bernardino metropolitan area was in the bottom 10 metros with 30 percent of jobs classified as work-from-home feasible jobs.

Exhibit 6: Share of Jobs That Can Be Performed at Home Across U.S. Counties

¹⁶ Mongey, S., Pilossoph, L., & Weinberg, A. (2021). Which workers bear the burden of social distancing?. *The Journal of Economic Inequality*, 19(3), 509-526.

¹⁷ <https://www.sciencedirect.com/science/article/pii/S0047272720300992?via%3Dihub>

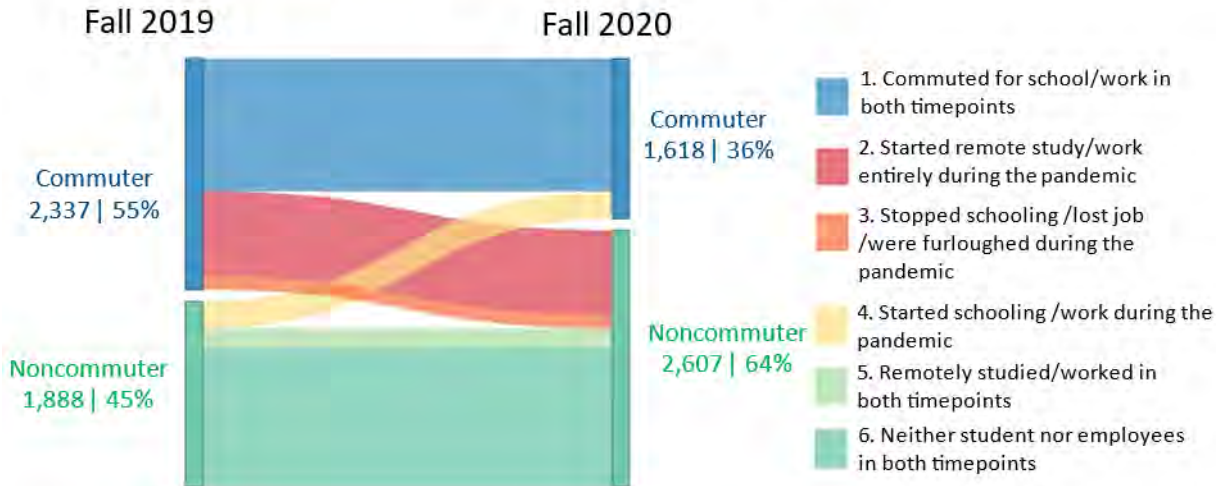


Source: Dingel, J. I., & Neiman, B. (2020). *How many jobs can be done at home?* *Journal of Public Economics*, 189, 104235.

Recent research by SCAG in partnership with the University of California, Davis has illuminated nuances in recent trends of teleworking and remote learning (See Exhibit 7). Survey respondents who transitioned to fully remote work and school in Fall 2020 had the highest household income and education level compared to those who continued in-person work or stopped working altogether between Fall 2019 and Fall 2020. The weighted percentage of respondents working full-time who reported that they transitioned to telework was about 30 percent for all income groups over \$50,000, but fell to 7 percent for full-time workers making less than \$50,000 annually.

Exhibit 7: Survey Responses on Change in Commuting Status

Change in Commuting Status



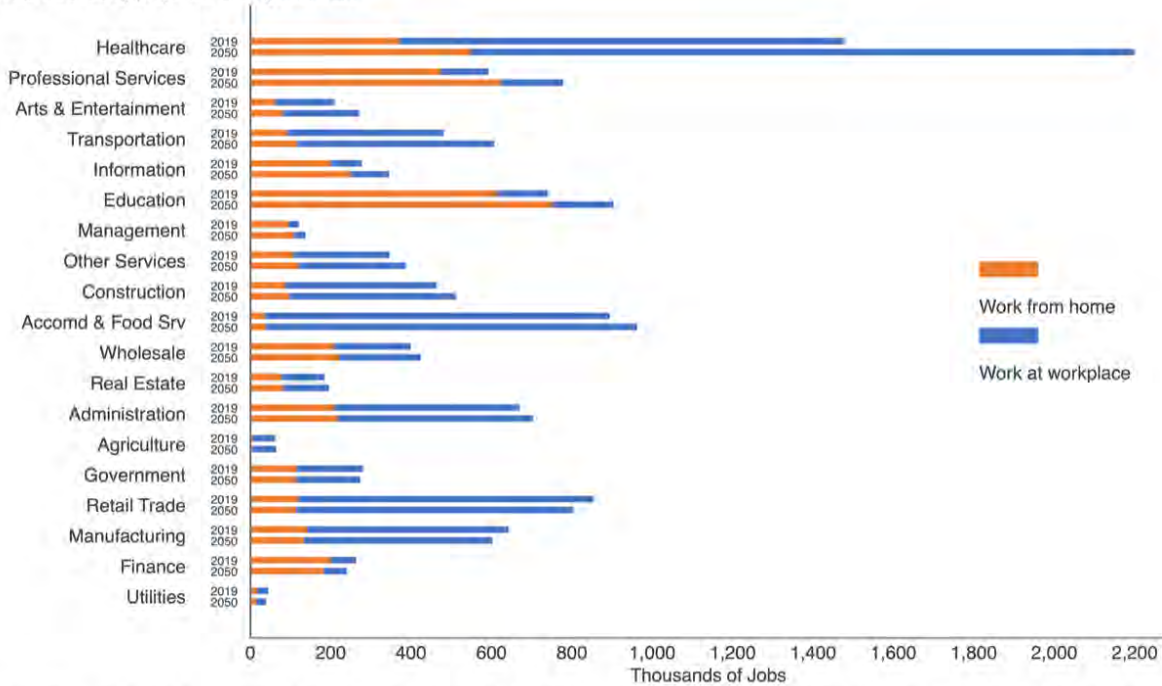
Source: Internal, preliminary findings from UC Davis study; Weighted sample n=4,225

At the industry level, the share of work-from-home jobs in the SCAG region varies from 4 percent in Accommodation and Food Services to 83 percent in Educational Services. Exhibit 8, below, shows that the industries we project to be high growth industries by 2050, are also among the industries with the highest share of work-from-home jobs.

Exhibit 8: Feasibility of Work From Home In SCAG Region Industries In 2019 And 2050

SCAG region high-growth sectors, Healthcare, Professional Services and Arts & Entertainment, have high shares of jobs that can be done from home.

Sectors sorted by projected 2050 growth rate



Notes: Number of work-from-home jobs are based on feasibility of working remotely based on Dingel and Neiman (2020). Projected 2050 jobs are based on preliminary SCAG projections. Estimate of 2050 work-from-home jobs assumes job characteristics are the same in 2019 and 2050. Chart excludes Mining/Natural Resources sector, which accounts for less than 1 percent of jobs in the region.

Beyond direct employment, one sector that is also impacting overall travel behavior and VMT is healthcare. We expect the healthcare sector to have the largest employment growth by 2050 in the SCAG region. Indeed, the pandemic has had a marked impact on this sector in respect to telemedicine and digital health—remote provision of healthcare services via telephone, software application, or via the internet. McKinsey & Co. (2021)¹⁸ report that telehealth services increased 78 times in April 2020 relative to February 2020. Provision of healthcare via telemedicine has since decreased and has stabilized at 38 times pre-pandemic levels. Mental health services have been the fastest to adopt telehealth services.

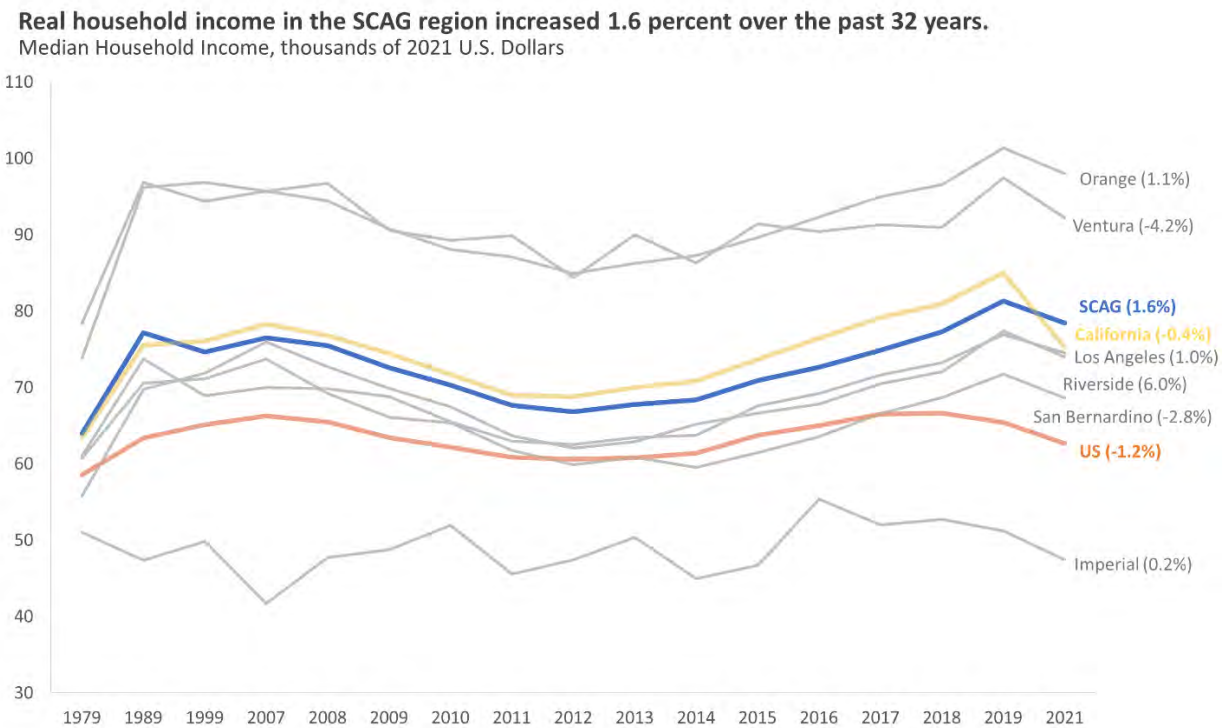
Another emerging issue for Connect SoCal 2024 is the stagnant income growth in the region. The question of telework raises questions about opportunity for employment growth but also growth in economic inequities. For inflation-adjusted median household income – the long-range trend (since

¹⁸ Bestsenyy, O., Gilbert, G., Harris, A., & Rost, J. (2020). Telehealth: a quarter-trillion-dollar post-COVID-19 reality. *McKinsey and Company*, 29.

the late 1980s) is stagnant in the region, and recent inflationary pressures have further exacerbated the decline in the median household income in the SCAG region, the State, and the country.

Exhibit 9 shows the trends in median household income for the SCAG region. Between 1989 and 2021, household income in the region has increased by a meagre 1.6 percent, in real terms, that is, controlling for inflation. Riverside is the only county in the region with a more substantial increase. During this time, income in Riverside increased by 6 percent. Median household income in Ventura and San Bernardino Counties decreased during the last 32 years, approximately the same time period for which we forecast growth in Connect SoCal 2024.

Exhibit 9: SCAG Region Real Household Income, 1970-2021



Source: 1979-2019 from the American Community Survey, 2021 from ESRI for counties, World Population Review from California and U.S. CPI deflator from FRED

Looking to 2050

The above staff report has outlined a snapshot of “where we are today” on a selection of key trends and issues for the region. The work of the agency is to assess how to best translate where we are now into where we want to be in 2050, the horizon year for Connect SoCal 2024.

Phases of Connect SoCal 2024 Development



Over the past year, in the “Foundations and Frameworks” phase of the plan, SCAG has begun work on many pieces of plan development, including relaunching the Regional Planning Working Groups, procuring necessary consultant support and approving the Subregional SCS Framework and Guidelines.

SCAG is now entering into the “Data Collection and Policy Development” phase of plan development. Throughout 2022, staff will be continuing with research to better understand the above-mentioned trends in our region. This phase also includes steps to understand the existing conditions and planning occurring at the local jurisdiction level through the Local Data Exchange process and engagement with County Transportation Commissions on the Project List later this year. Over the course of the next year, SCAG staff will be seeking direction from our policy makers, through the relevant Policy Committees, on the priorities and strategies for Connect SoCal 2024 which are needed to address the challenges and emerging issues facing our region.

FISCAL IMPACT:

Work associated with this item is included in the FY 21-22 Overall Work Program (310.4874.01: Connect SoCal Development).

ATTACHMENT(S):

1. Guest Panelist Bios
2. PowerPoint Presentation - Connect SoCal 2024 Update

SCAG Joint Policy Committee Meeting: Guest Panelist Bios

Anne Mayer is the Executive Director of the Riverside County Transportation Commission (RCTC) and, as of 2021, the managing agency of the Western Riverside County Regional Conservation Authority (RCA), she leads a staff of 77 with an annual budget of \$1.4 billion. RCTC is the regional transportation agency for Riverside County, the nation's tenth most populous county. The RCA implements the Multiple Species Habitat Conservation Plan, the largest plan of its kind in the Country, with a goal of conserving 500,000 acres to protect 146 plant and animal species.

Under Anne's leadership, RCTC has delivered on promises made to the voters of the Measure A half-cent sales tax measure, which provides funding for transportation infrastructure and historic investment in habitat conservation in Riverside County. Anne ensures that transportation projects and programs support multimodal transportation solutions – roads, rails, and trails that safely connect the county's diverse communities, offer mobility choices, and reduce traffic congestion. Anne spearheaded innovative financing and design-build contracts for the 15 Express Lanes and 91 Express Lanes, the county's first tolling facilities. She also led the successful delivery of the first Federal Transit Administration's Small Starts project in the region: The 91/Perris Valley Line Metrolink Extension, a historic 24-mile extension of commuter rail service in Southern California.

Anne is past chair and current board member of the Self-Help Counties Coalition, and Mobility 21, Southern California's public-private transportation advocacy coalition. Prior to joining RCTC in 2005, Anne was the Caltrans District 8 Director. Anne is a graduate of Michigan State University and is a Registered Civil Engineer with more than 38 years of service in the transportation profession.

Darrell E. Johnson is the Chief Executive Officer of the Orange County Transportation Authority, leading an agency of 1,400 employees responsible for delivering projects, programs and services that improve mobility for more than 3 million county residents. Under the direction of OCTA's 17-member Board of Directors, Mr. Johnson is responsible for a more than \$1.2 billion annual budget, implementing the planning, financing and coordinating of Orange County's freeway, street and rail development, as well as managing countywide bus services, commuter-rail services, paratransit service and operation of the 91 Express Lanes. Since becoming CEO in 2013, Mr. Johnson has focused on utilizing innovative financing methods to maximize Measure M, Orange County's voter-approved half-cent sales tax for transportation improvements.

More than \$3 billion in OCTA projects are under construction, including the \$1.9 billion I-405 Improvement Project and 405 Express Lanes, the largest ever undertaken by the agency, and the OC Streetcar, Orange County's first modern streetcar. In addition, Mr. Johnson is reinventing Orange County's transit system by delivering services and programs that improve efficiency, enhance the passenger experience and better match market demands. This effort includes an overhaul of the bus system, adding community-based

transit services, exploring innovative technology solutions, private-sector partnerships, and piloting on-demand transportation projects.

Mr. Johnson represents OCTA on local, state and national policy issues related to successfully planning, financing and delivering transportation programs.

Mr. Johnson lives in Rancho Santa Margarita with his wife and two daughters.

Lynn von Koch-Liebert is the Executive Director of the California Strategic Growth Council (SGC), which works to achieve sustainability, equity, economic prosperity, and quality of life for all Californians.

Lynn has held a variety of executive-level roles in the public and private sectors, working both nationally and internationally to effectuate change. She has expertise in organizational management, strategic planning, business development, strategic partnerships, policy development, continuous improvement, and project management. She has worked across a variety of sectors, including affordable housing & homelessness, international development, logistics, infrastructure, resiliency and emergency planning.

Prior to joining SGC, Lynn was the Deputy Secretary for Housing at the California Business, Consumer Services and Housing Agency. In this role she worked to coordinate the housing finance system during the largest increase in funding in California’s affordable housing history; led the housing response during the early days of the Covid-19 pandemic; led the implementation of California COVID-19 Rent Relief program; and created the Outsmart Disaster Campaign. Prior to working with the State, Lynn was a Business Development executive at DynCorp International LLC. She also served in Afghanistan, South Sudan and Jerusalem for the United Nations Office of Project Services (UNOPS).

Lynn has a Master’s degree in Public Policy from Princeton University, a Master’s degree in International Security from Cranfield Defense Academy, an Advanced Project Management Certificate from Stanford University, and a Bachelor’s Degree in Economics and Political Science from the University of South Dakota.

Seleta Reynolds is General Manager of the Los Angeles Department of Transportation (LADOT), the second largest municipal transportation agency in the country. Reynolds is responsible for 1,300 employees and 52 different business lines – from parking meters to traffic signals to buses. Reynolds was appointed by Los Angeles Mayor Eric Garcetti in 2014 to implement the Mayor’s vision of safe and sustainable transportation choices for all. Under Reynolds’ leadership, LADOT has installed hundreds of data-driven safety improvements in high needs locations, launched the largest scooter program in the world, launched the largest electric vehicle car-share program in the country, and created a first-of-its-kind digital platform to manage for-profit mobility companies.



Connect SoCal 2024 Update

Sarah Dominguez
Program Manager, Planning Strategy
February 3, 2022

www.scag.ca.gov



Overview

- What is Connect SoCal?
- Connect SoCal 2020: Implementation & Progress
- Connect SoCal 2024: Development Update
- Disrupted Trends & Emerging Issues
- Preliminary Regional and County Growth Projections

What is Connect SoCal?

Regional Transportation Plan/ Sustainable Communities Strategy

- Updated Every Four Years
- Long-Term Vision & Investment Framework
- Integrated Regional Development Pattern & Transportation Network
- Reduce GHG Emission to Meet Targets for Passenger Vehicles
- Revenues = Costs
- Meets Regional Emission Standards
- Public Involvement



Connect SoCal 2020

CORE VISION



COMPLETE STREETS INVESTMENT



DEMAND & SYSTEM MANAGEMENT



GOODS MOVEMENT



SUSTAINABLE DEVELOPMENT



SYSTEM PRESERVATION & RESILIENCE



TRANSIT BACKBONE

KEY CONNECTIONS



SHARED MOBILITY & MOBILITY AS A SERVICE



SMART CITIES & JOB CENTERS



ACCELERATED ELECTRIFICATION



GO ZONES



HOUSING SUPPORTIVE INFRASTRUCTURE

Connect SoCal 2020: Implementation & Progress



Implementing **KEY CONNECTIONS** through Local Technical Assistance Resources

REGIONAL DATA PLATFORM HELPR Tool, SoCal Atlas, Parcel Locator	TECHNICAL ASSISTANCE AB 1236 EV Permit Streamlining
LAST MILE FREIGHT PROGRAM \$16.75M, Near-Zero & Zero Emissions Vehicles and Supporting Infrastructure	SUSTAINABLE COMMUNITIES PROGRAM \$12.2M, 45 awarded projects
REGIONAL EARLY ACTION PLAN \$23M, Subregional Partnership Program	GO HUMAN Mini-Grants & Demonstrations

Connect SoCal 2020: Implementation & Progress

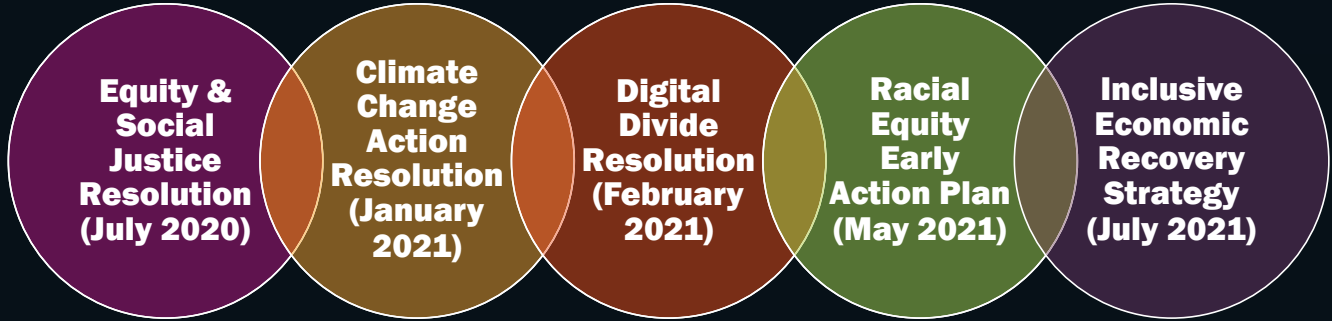


Implementing **KEY CONNECTIONS** through Regional Studies & Programs

REGIONAL DEDICATED TRANSIT LANES STUDY	ELECTRIC VEHICLE CHARGING STATION STUDY
MOBILITY AS A SERVICE FEASIBILITY WHITE PAPER	CURB SPACE MANAGEMENT STUDY
BROADBAND STRATEGIES & PERMIT STREAMLINING TECHNICAL REPORT	TRANSPORTATION DEMAND MANAGEMENT STRATEGIC PLAN

Attachment: PowerPoint Presentation - Connect SoCal 2024 Update (Connect SoCal 2024: Emerging Issues Update)

Connect SoCal 2020: Regional Policy Direction & Alignment



Regional Housing Needs Assessment



Advances the Region's GHG Emission Reduction Targets



Furthers Jobs-Housing Balance



Promotes Infill Development



Plans for Housing Units with Greater Accessibility

Connect SoCal 2024: Development Update



COMPLETED MILESTONES

- ✓ 2024 RTP/SCS Framework
- ✓ Subregional SCS Framework & Guidelines
- ✓ Relaunched Working Groups
- ✓ Internal Organization, Consultant Support, Technical Infrastructure

MILESTONES FOR 2022

- Goals & Vision
- Performance Measures
- Local Data Exchange
- Project List
- Early Public Outreach

Where Are We Today? Uncertainty & Speculation in 2020



California issues statewide stay-at-home order in coronavirus fight

The order, which takes effect Thursday night, asks residents to leave their homes only when necessary.

UC Irvine moves its classes online; two more new coronavirus cases announced in Orange County

For the spring quarter – with classes starting March 30 – instructors will teach students remotely.

America on pause: Vehicle travel during COVID-19 and what comes next

Riders Haven't Abandoned Transit During COVID – They're Taking Fewer Trips: Report

Public transit systems face plunging revenue amid the coronavirus pandemic

The Great American Migration of 2020: On the move to escape the coronavirus

The flight to the suburbs is real and growing, as coronavirus changes the way people live

Population Density Does Not Doom Cities to Pandemic Dangers

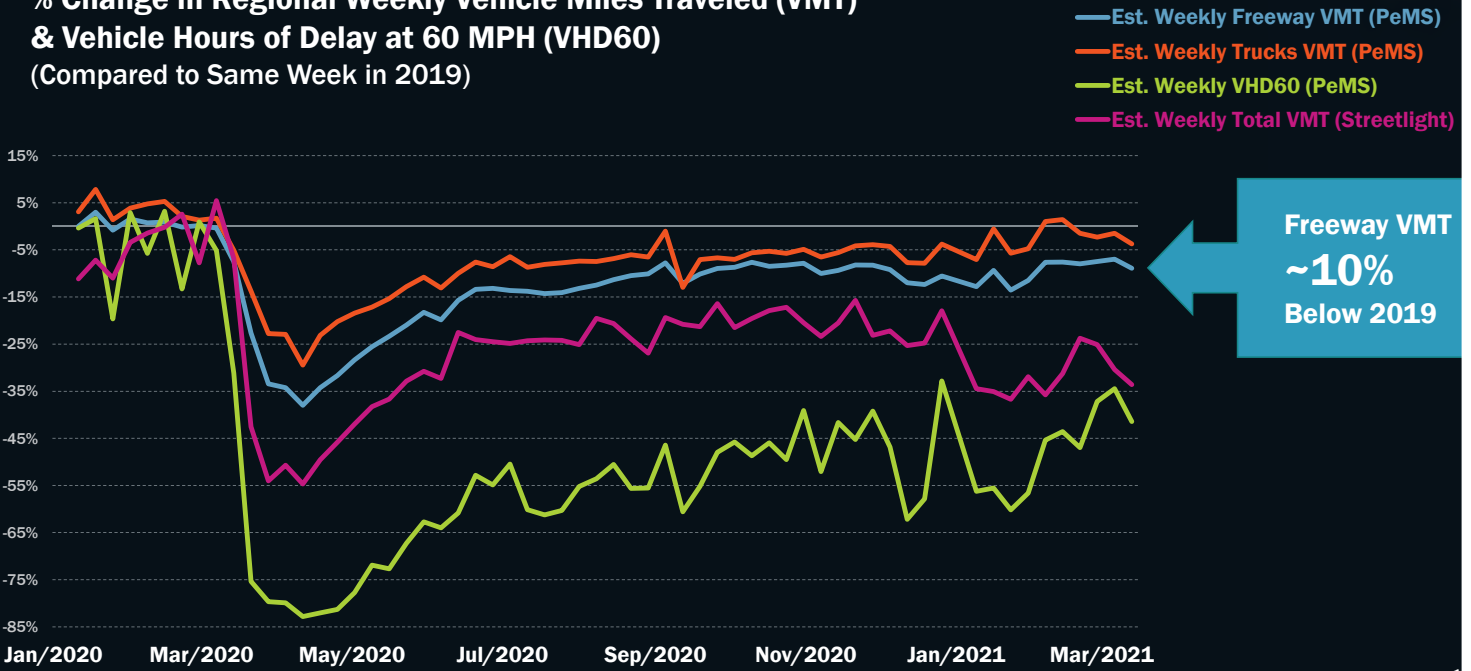
Crowding, connections among communities and other factors seem to better explain infection and mortality rates

Exodus to the Suburbs Appears to Be Reversing

Attachment: PowerPoint Presentation - Connect SoCal 2024 Update (Connect SoCal 2024: Emerging Issues Update)

VMT Rebounded...

% Change in Regional Weekly Vehicle Miles Traveled (VMT) & Vehicle Hours of Delay at 60 MPH (VHD60) (Compared to Same Week in 2019)



**Freeway VMT
~10%
Below 2019**

...But Transit Recovery Lagged



Transit Ridership in 2021 Compared to November 2019

- Regional Bus** ↓ **35%**
- Metro Rail** ↓ **38%**
- Metrolink** ↓ **69%**

While Our Streets Have Become Less Safe

- Collisions are up **11%** in Southern California
- Fatalities are up **25%** in NHTSA Region 9*
- Noted Behavior Changes During the Pandemic:
 - Higher Rates of Speeding
 - Driving Under the Influence
 - Forgoing Seatbelts

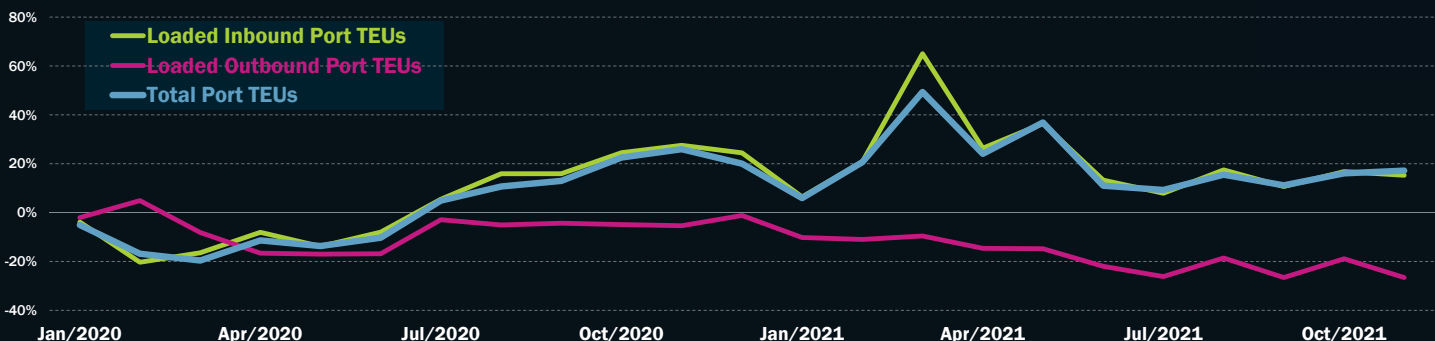


*NHTSA Region 9 Includes CA, AZ, Hawaii and U.S. territories: American Samoa, Guam and Northern Mariana Islands

Attachment: PowerPoint Presentation - Connect SoCal 2024 Update (Connect SoCal 2024 Update - Emerging Issues Update)

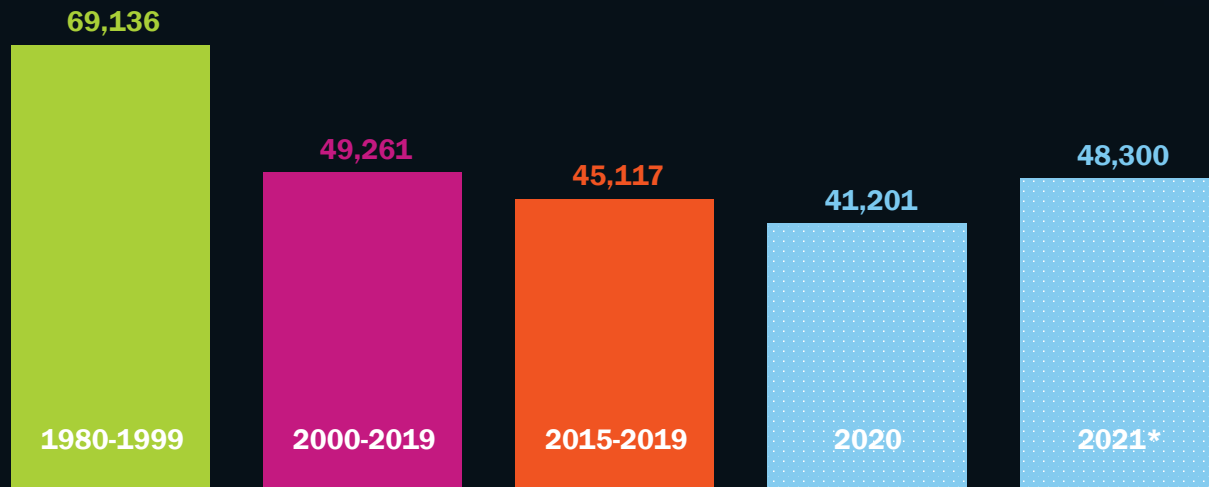
Goods Movement: Sustained Increases

% Change in San Pedro Bay Ports & Alameda Corridor TEUs
(Compared to Same Month in 2019)



Housing Production Slowed in 2020 But Resumed in 2021

Annual New Units in the SCAG Region
Comparing 2020 & 2021 to Previous Periods



Sources: CIRB New Units from Permits, data available through 11/30/2021 and annualized.

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Emerging Issues for Connect SoCal 2024

- Equity
- Resilience
- Economy

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Regional Equity: Life Outcomes Vary Vastly Based on Race, Income & Census Tract



Air Pollution Exposure Index

People of color face greater exposure to air toxics for environmental pollution from all sources (index score of 76) compared to white residents (68).

'Ground zero for pollution:' In this L.A. neighborhood surrounded by oil refineries, residents grapple with health issues

PUBLISHED SAT, OCT 9 2021-9:38 AM EDT



Emma Newburger
@EMMA_NEWBURGER

SHARE f t in e

How Can Our Planning & Investments Over the Next 20 Years Address These Inequities?



Households Experiencing Overcrowding

Hispanic/Latinx: **10%**
White: **1%**



Resilience: SCAG is Already Facing Climate Change Impacts

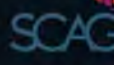


How can we support our communities in building resilience?

- 1.8 Million People Live in Very High Fire Hazard Severity Zones
- Over 6 Million People Live in Areas Subject to Extreme Heat Health Events



Economic Shifts: Trends Accelerated by the Pandemic...



Teleworking: SCAG UC Davis Study, between Fall 2019- Fall 2020:

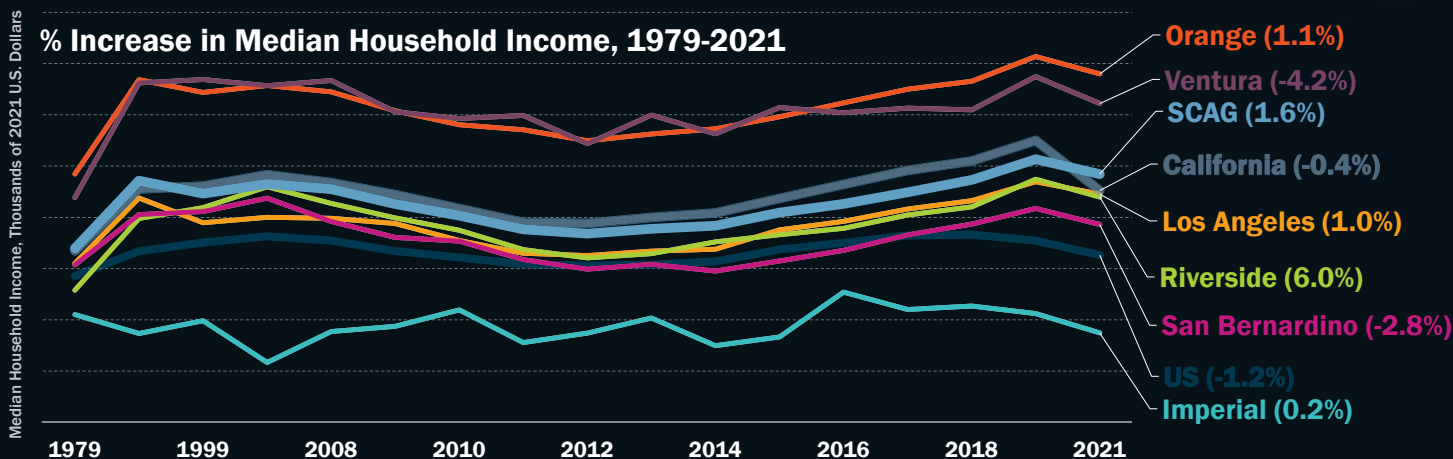
Survey respondents who transitioned to fully remote work and school had the highest household income and education level compared to those who continued in-person work or stopped working altogether

Telemedicine:

Healthcare services via telemedicine are at 38x pre-pandemic levels



...May Not Benefit the Typical Household



How can we ensure a robust economy with opportunities for all?

Sources: 1979 - 2019 from the American Community Survey, 2021 from ESRI for counties, World Population Review for California and U.S., CPI deflator from FRED.

See Receive and File Item #3: Connect SoCal 2024 Preliminary Regional and County Growth Projections

for continuation of staff presentation