

AMENDED IN ASSEMBLY APRIL 15, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2560**

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**Introduced by Assembly Member Schultz**

February 20, 2026

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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, 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 amended, Schultz. Climate Action Plan for Transportation Infrastructure: goals.

*Existing law establishes the Transportation Agency, which has the power of general supervision over specified state entities. Existing law requires the agency to develop and report on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, coordinated planning and policy formation in the matters of public interest related to the agency.*

*This bill would establish specified goals for the Climate Action Plan for Transportation Infrastructure (CAPTI), consistent with state law.*

~~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~~ that the Climate Action Plan for Transportation  
11 Infrastructure 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: following, consistent with state law:

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

1 main streets, with a focus on investments in low-income and  
2 disadvantaged communities throughout the state.

3 (3) Include investments in light-, medium-, and heavy-duty  
4 zero-emission vehicle infrastructure as part of larger transportation  
5 ~~projects. Support projects, support~~ the innovation in and  
6 development of the zero-emission vehicle market, and help ensure  
7 zero-emission vehicles are accessible to all, particularly to those  
8 in more rural or remote communities.

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

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

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

23 (7) Promote projects that do not significantly increase passenger  
24 vehicle travel, particularly in congested urbanized settings where  
25 other mobility options can be ~~provided and where projects are~~  
26 ~~shown to induce significant auto travel. These projects should~~  
27 ~~generally aim to reduce vehicle miles traveled and not induce~~  
28 ~~significant vehicle miles traveled growth. When addressing~~  
29 ~~congestion, consider alternatives to highway capacity expansion,~~  
30 ~~such as providing multimodal options in the corridor, employing~~  
31 ~~pricing strategies, and using technology to optimize operations.~~  
32 *provided, while recognizing that highway expansion projects serve*  
33 *different purposes and as a result assessing the impacts of each*  
34 *project will vary based on context and project-specific analysis.*

35 (8) Promote compact infill development while protecting  
36 residents and businesses from displacement by funding  
37 transportation projects that support housing for low-income  
38 residents near job centers, provide walkable communities, and  
39 address affordability to reduce the housing-transportation cost  
40 burden and auto trips.

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

6 (10) Protect natural and working lands from conversion to more  
7 intensified uses and enhance biodiversity by supporting local and  
8 regional conservation planning that focuses development where  
9 it already exists and align transportation investments with  
10 conservation priorities to reduce transportation's impact on the  
11 natural environment.

12 ~~(e) Where feasible, the goals set forth in subdivision (b), and~~  
13 ~~as updated pursuant to subdivision (d), shall apply, within the~~  
14 ~~fix-it-first approach, to all of the following transportation programs:~~

15 ~~(1) The interregional transportation improvement program~~  
16 ~~described in Section 14526.~~

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

19 ~~(3) The program described in Section 2033 of the Streets and~~  
20 ~~Highways Code, which is a program within the Road Maintenance~~  
21 ~~and Rehabilitation Program, commonly known as the Local~~  
22 ~~Partnership Program.~~

23 ~~(4) The Trade Corridor Enhancement Program established~~  
24 ~~pursuant to Chapter 4.8 (commencing with Section 2192) of~~  
25 ~~Division 3 of the Streets and Highways Code.~~

26 ~~(5) The Active Transportation Program established pursuant to~~  
27 ~~Chapter 8 (commencing with Section 2380) of Division 3 of the~~  
28 ~~Streets and Highways Code.~~

29 ~~(6) The Solutions for Congested Corridors Program created~~  
30 ~~pursuant to Chapter 8.5 (commencing with Section 2390) of~~  
31 ~~Division 3 of the Streets and Highways Code.~~

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

35 ~~(A) One public workshop regarding proposed updates before~~  
36 ~~adopting the updates.~~

37 ~~(B) The posting of the proposed updates on the agency's internet~~  
38 ~~website throughout a 30-day informal public comment period.~~  
39 ~~Concurrent with the posting of that information on the agency's~~  
40 ~~internet website, the agency shall transmit the proposed update to~~

1 Secretary of the Senate, the Chief Clerk of the Assembly, and the  
2 appropriate policy committees of the Legislature.

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

7 ~~SEC. 2. Section 14526 of the Government Code is amended~~  
8 ~~to read:~~

9 ~~14526. (a) Not later than October 15 of each odd-numbered~~  
10 ~~year, based on the guidelines established pursuant to Section~~  
11 ~~14530.1, and after consulting with the transportation planning~~  
12 ~~agencies, county transportation commissions, and transportation~~  
13 ~~authorities, the department shall submit to the commission the~~  
14 ~~draft five-year interregional transportation improvement program~~  
15 ~~consisting of all of the following:~~

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

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

19 ~~(3) Projects to improve interregional movement of people,~~  
20 ~~vehicles, and goods.~~

21 ~~(b) (1) Projects included in the interregional transportation~~  
22 ~~improvement program shall be consistent with the state~~  
23 ~~interregional transportation strategic plan prepared pursuant to~~  
24 ~~Section 14524.4.~~

25 ~~(2) Where feasible, projects included in the interregional~~  
26 ~~transportation improvement program shall apply, within the~~  
27 ~~fix-it-first approach, the Climate Action Plan for Transportation~~  
28 ~~Infrastructure goals described in Section 13989.10.~~

29 ~~(c) Projects shall not be included in the draft interregional~~  
30 ~~transportation improvement program without a project study report~~  
31 ~~or major investment study.~~

32 ~~(d) Major projects shall include current costs updated as of~~  
33 ~~November 1 of the year of submittal and escalated to the~~  
34 ~~appropriate year, and shall be consistent with, and provide the~~  
35 ~~information required in, subdivision (b) of Section 14529.~~

36 ~~(e) Projects included in the draft interregional transportation~~  
37 ~~improvement program shall be consistent with the adopted regional~~  
38 ~~transportation plan.~~

39 ~~(f) On or before November 15 of each odd-numbered year, the~~  
40 ~~commission shall hold at least one hearing in northern California~~

1 and one hearing in southern California to attempt to reconcile any  
2 objections by any member of the public or other stakeholder to  
3 the draft interregional transportation improvement program.

4 ~~(g) The department shall consider the input received at the  
5 hearings conducted pursuant to subdivision (f) and shall develop  
6 a final interregional transportation improvement program. The  
7 final interregional transportation improvement program shall  
8 include a summary of the major comments received at the hearings  
9 and responses to those comments, and shall be submitted to the  
10 commission for approval not later than December 15 of each  
11 odd-numbered year.~~

12 ~~(h) The commission shall, when approving the final interregional  
13 transportation improvement program pursuant to subdivision (g),  
14 evaluate the extent to which the program is consistent with funding  
15 priorities established in Section 167 of the Streets and Highways  
16 Code.~~

17 ~~SEC. 3. Section 75221 of the Public Resources Code is  
18 amended to read:~~

19 ~~75221. (a) Projects eligible for funding under the program  
20 include, but are not limited to, all of the following:~~

21 ~~(1) Rail capital projects, including acquisition of rail cars and  
22 locomotives, that expand, enhance, and improve existing rail  
23 systems and connectivity to existing and future transit systems,  
24 including the high-speed rail system.~~

25 ~~(2) Intercity, commuter, and urban rail projects that increase  
26 service levels, improve reliability, or decrease travel times,  
27 including infrastructure access payments to host railroads in lieu  
28 of capital investments.~~

29 ~~(3) Rail, bus, and ferry integration implementation, including  
30 integrated ticketing and scheduling systems, shared-use corridors,  
31 related planning efforts, and other service integration initiatives.~~

32 ~~(4) Bus rapid transit and other bus and ferry transit investments  
33 to increase ridership and reduce greenhouse gas emissions.~~

34 ~~(b) In order to be eligible for funding under the program, a  
35 project shall demonstrate that it will achieve a reduction in  
36 emissions of greenhouse gases. In selecting projects for funding,  
37 the Transportation Agency shall consider the extent to which a  
38 project reduces emissions of greenhouse gases.~~

39 ~~(c) The program shall have a programmatic goal of providing  
40 at least 25 percent of available funding to projects benefiting~~

1 ~~disadvantaged communities, consistent with the objectives of~~  
2 ~~Chapter 830 of the Statutes of 2012.~~

3 ~~(d) In evaluating grant applications for funding, the~~  
4 ~~Transportation Agency shall consider all of the following:~~

5 ~~(1) The cobenefits of projects that support the implementation~~  
6 ~~of sustainable communities strategies through one or more of the~~  
7 ~~following:~~

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

10 ~~(B) Promoting housing development in the vicinity of rail~~  
11 ~~stations and major transit centers.~~

12 ~~(C) Expanding existing rail and public transit systems.~~

13 ~~(D) Enhancing the connectivity, integration, and coordination~~  
14 ~~of the state's various transit systems, including, but not limited to,~~  
15 ~~regional and local transit systems and the high-speed rail system.~~

16 ~~(E) Implementing clean vehicle technology.~~

17 ~~(F) Promoting active transportation.~~

18 ~~(G) Improving public health.~~

19 ~~(2) The project priorities developed through the collaboration~~  
20 ~~of two or more rail operators and any memoranda of understanding~~  
21 ~~between state agencies and local or regional rail operators.~~

22 ~~(3) Geographic equity.~~

23 ~~(4) Consistency with an adopted sustainable communities~~  
24 ~~strategy or, if a sustainable strategy is not required for a region by~~  
25 ~~law, a regional plan that includes policies and programs to reduce~~  
26 ~~emissions of greenhouse gases.~~

27 ~~(5) The extent to which a project has supplemental funding~~  
28 ~~committed to it from other nonstate sources.~~

29 ~~(6) The extent to which the project will increase transit ridership.~~

30 ~~(e) Eligible applicants under the program shall be public~~  
31 ~~agencies, including joint powers agencies, that operate or have~~  
32 ~~planning responsibility for existing or planned regularly scheduled~~  
33 ~~intercity or commuter passenger rail service, urban rail transit~~  
34 ~~service, or bus or ferry transit service.~~

35 ~~(f) A recipient of moneys under the program may combine~~  
36 ~~funding from the program with other state funding, including, but~~  
37 ~~not limited to, the State Transportation Improvement Program, the~~  
38 ~~Low Carbon Transit Operations Program, the State Air Resources~~  
39 ~~Board clean vehicle program, and state transportation bond funds.~~

1 ~~(g) Where feasible, projects included in the program shall apply,~~  
2 ~~within the fix-it-first approach, the Climate Action Plan for~~  
3 ~~Transportation Infrastructure goals described in Section 13989.10~~  
4 ~~of the Government Code.~~

5 SEC. 4. ~~Section 2033 of the Streets and Highways Code is~~  
6 ~~amended to read:~~

7 2033. ~~(a) On or before January 1, 2018, the commission, in~~  
8 ~~cooperation with the department, transportation planning agencies,~~  
9 ~~county transportation commissions, and other local agencies, shall~~  
10 ~~develop guidelines for the allocation of funds pursuant to~~  
11 ~~subdivision (a) of Section 2032.~~

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

15 ~~(c) The commission may amend the adopted guidelines after~~  
16 ~~conducting at least one public hearing.~~

17 ~~(d) The guidelines may include streamlining of project delivery~~  
18 ~~by authorizing local or regional transportation agencies to seek~~  
19 ~~commission approval of a letter of no prejudice that allows the~~  
20 ~~agency to expend its own funds in advance of an allocation of~~  
21 ~~funds by the commission, and to be reimbursed at a later time for~~  
22 ~~eligible expenditures. A letter of no prejudice shall only be~~  
23 ~~available to local or regional transportation agencies for moneys~~  
24 ~~that have been identified for future allocation to the applicant~~  
25 ~~agency. Moneys designated pursuant to subdivision (a) of Section~~  
26 ~~2032 shall only be reimbursed when there is funding available in~~  
27 ~~an amount sufficient to make the reimbursement.~~

28 ~~(e) A project selected to receive an allocation of funds pursuant~~  
29 ~~to subdivision (a) of Section 2032 shall apply, where feasible,~~  
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. 5. ~~Section 2192 of the Streets and Highways Code is~~  
34 ~~amended to read:~~

35 2192. ~~(a) The following revenues shall be allocated for~~  
36 ~~infrastructure projects pursuant to this section:~~

37 ~~(1) The revenues deposited in the Trade Corridors Enhancement~~  
38 ~~Account pursuant to Section 2192.4, except for those revenues in~~  
39 ~~the account that were appropriated by Senate Bill 132 of the~~  
40 ~~2017-18 Regular Session (Chapter 7 of the Statutes of 2017).~~

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

6     ~~(b) The funding described in subdivision (a) shall be available~~  
7 ~~upon appropriation for allocation by the California Transportation~~  
8 ~~Commission for infrastructure improvements in this state on~~  
9 ~~federally designated Trade Corridors of National and Regional~~  
10 ~~Significance, on the Primary Freight Network, and along other~~  
11 ~~corridors that have a high volume of freight movement, as~~  
12 ~~determined by the commission and as identified in the state freight~~  
13 ~~plan developed pursuant to Section 13978.8 of the Government~~  
14 ~~Code. Projects eligible for funding shall be included in an adopted~~  
15 ~~regional transportation plan. Projects within the boundaries of a~~  
16 ~~metropolitan planning organization shall be included in an adopted~~  
17 ~~regional transportation plan that includes a sustainable communities~~  
18 ~~strategy determined by the State Air Resources Board to achieve~~  
19 ~~the region’s greenhouse gas emissions reduction targets. In~~  
20 ~~developing guidelines for implementing this section, the~~  
21 ~~commission shall (1) apply the guiding principles, to the maximum~~  
22 ~~extent practicable, in the California Sustainable Freight Action~~  
23 ~~Plan released in July 2016 pursuant to Executive Order No.~~  
24 ~~B-32-15, and (2) consult the state freight plan and the applicable~~  
25 ~~port master plan.~~

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

28     ~~(1) Highway improvements to more efficiently accommodate~~  
29 ~~the movement of freight, particularly for ingress and egress to and~~  
30 ~~from the state’s land ports of entry, rail terminals, and seaports,~~  
31 ~~including navigable inland waterways used to transport freight~~  
32 ~~between seaports, land ports of entry, and airports, and to relieve~~  
33 ~~traffic congestion along major trade or goods movement corridors.~~

34     ~~(2) Freight rail system improvements to enhance the ability to~~  
35 ~~move goods from seaports, land ports of entry, and airports to~~  
36 ~~warehousing and distribution centers throughout California,~~  
37 ~~including projects that separate rail lines from highway or local~~  
38 ~~road traffic, improve freight rail mobility, and other projects that~~  
39 ~~improve the safety, efficiency, and capacity of the rail freight~~  
40 ~~system.~~

1     ~~(3) Projects to enhance the capacity and efficiency of ports,~~  
2     ~~except that funds available under this section shall not be allocated~~  
3     ~~to a project that includes the purchase of fully automated cargo~~  
4     ~~handling equipment. For purposes of this paragraph, “fully~~  
5     ~~automated” means equipment that is remotely operated or remotely~~  
6     ~~monitored, with or without the exercise of human intervention or~~  
7     ~~control. This paragraph does not prohibit the use of funds available~~  
8     ~~pursuant to this section for a project that includes the purchase of~~  
9     ~~human-operated zero-emission equipment, human-operated~~  
10    ~~near-zero-emission equipment, and infrastructure supporting that~~  
11    ~~human-operated equipment. This section does not prohibit the~~  
12    ~~purchase of devices that support that human-operated equipment,~~  
13    ~~including equipment to evaluate the usage and environmental~~  
14    ~~benefits of that human-operated equipment.~~

15    ~~(4) Truck corridor improvements, including dedicated truck~~  
16    ~~facilities or truck toll facilities, including the mitigation of the~~  
17    ~~emissions from trucks or these facilities.~~

18    ~~(5) Border access improvements that enhance goods movement~~  
19    ~~between California and Mexico and that maximize the state’s~~  
20    ~~ability to access funds made available to the state by federal law.~~

21    ~~(6) Surface transportation, local road, and connector road~~  
22    ~~improvements to effectively facilitate the movement of goods,~~  
23    ~~particularly for ingress and egress to and from the state’s land ports~~  
24    ~~of entry, airports, and seaports, to relieve traffic congestion along~~  
25    ~~major trade or goods movement corridors.~~

26    ~~(7) Projects that employ advanced and innovative technology~~  
27    ~~to improve the flow of freight, such as intelligent transportation~~  
28    ~~systems, public infrastructure, excluding vehicles, that enables~~  
29    ~~zero-emission or near-zero emission goods movement, real time~~  
30    ~~information systems, weigh-in-motion devices, electronic screening~~  
31    ~~and credentialing systems, traffic signal optimization, work zone~~  
32    ~~management and information systems, ramp metering, and~~  
33    ~~electronic cargo and border security technologies.~~

34    ~~(8) Environmental and community mitigation or efforts to reduce~~  
35    ~~environmental impacts of freight movement, such as projects that~~  
36    ~~reduce noise, overnight truck idling, or truck queues, and advanced~~  
37    ~~traveler information systems such as freight advanced traveler~~  
38    ~~information systems that optimize operations to reduce empty-load~~  
39    ~~trips.~~

1 ~~(d) (1) Projects funded with revenues identified in paragraph~~  
2 ~~(1) of subdivision (a) shall be consistent with Article XIX of the~~  
3 ~~California Constitution.~~

4 ~~(2) Projects funded with revenues identified in paragraph (1)~~  
5 ~~of subdivision (a) shall apply, where feasible, within the fix-it-first~~  
6 ~~approach, the Climate Action Plan for Transportation Infrastructure~~  
7 ~~goals described in Section 13989.10 of the Government Code.~~

8 ~~(e) (1) In adopting the program of projects to be funded with~~  
9 ~~funds described in subdivision (a), the commission shall evaluate~~  
10 ~~the total potential economic and noneconomic benefits of the~~  
11 ~~program of projects to California's economy, environment, and~~  
12 ~~public health. The evaluation shall specifically assess localized~~  
13 ~~impacts in disadvantaged communities. The commission shall~~  
14 ~~consult with the agencies identified in Executive Order No.~~  
15 ~~B-32-15 and metropolitan planning organizations in order to use~~  
16 ~~the appropriate models, techniques, and methods to develop the~~  
17 ~~parameters for evaluating the program of projects. The commission~~  
18 ~~shall allocate the funding from subdivision (a) for trade~~  
19 ~~infrastructure improvements as follows:~~

20 ~~(A) Sixty percent of the funds shall be available for projects~~  
21 ~~nominated by regional transportation agencies and other public~~  
22 ~~agencies, including counties, cities, and port authorities, in~~  
23 ~~consultation with the department. The commission shall provide~~  
24 ~~reasonable geographic targets for funding allocations without~~  
25 ~~constraining what an agency may propose or what the commission~~  
26 ~~may approve.~~

27 ~~(B) Forty percent of the funds shall be available for projects~~  
28 ~~nominated by the department, in consultation with regional~~  
29 ~~transportation agencies.~~

30 ~~(2) In adopting a program of projects pursuant to paragraph (1),~~  
31 ~~the commission shall prioritize projects jointly nominated and~~  
32 ~~jointly funded by the state and local agencies. In considering~~  
33 ~~geographic balance for the overall program, the commission may~~  
34 ~~adjust the corridor-based targets in subparagraph (A) of paragraph~~  
35 ~~(1) to account for projects programmed pursuant to subparagraph~~  
36 ~~(B) of paragraph (1).~~

37 ~~(f) (1) (A) The commission shall adopt guidelines, including~~  
38 ~~a transparent process to evaluate projects and to allocate the~~  
39 ~~funding described in subdivision (a) for trade infrastructure~~  
40 ~~improvements in a manner that does all of the following:~~

- 1 (i) Addresses the state’s most urgent needs.
- 2 (ii) Balances the demands of various land ports of entry,
- 3 seaports, and airports.
- 4 (iii) Places emphasis on projects that improve trade corridor
- 5 mobility and safety while reducing emissions of diesel particulates,
- 6 greenhouse gases, and other pollutants and reducing other negative
- 7 community impacts, especially in disadvantaged communities.
- 8 (iv) Makes a significant contribution to the state’s economy.
- 9 (v) Recognizes the key role of the state in project identification.
- 10 (vi) Supports integrating statewide goods movement priorities
- 11 in a corridor approach.
- 12 (vii) Includes disadvantaged communities measures, as
- 13 established by the California Environmental Protection Agency
- 14 pursuant to Section 39711 of the Health and Safety Code, and
- 15 other tools the commission determines, for evaluating benefits or
- 16 costs for disadvantaged communities and low-income communities.
- 17 (B) Project nominations shall include either a quantitative or
- 18 qualitative assessment of the benefits the project is expected to
- 19 achieve relative to the evaluation criteria.
- 20 (2) The guidelines adopted pursuant to paragraph (1) may
- 21 include streamlining of project delivery by authorizing regional
- 22 transportation agencies and other public agencies to seek
- 23 commission approval of a letter of no prejudice that allows the
- 24 agency to expend its own funds for a project programmed in a
- 25 future year of the adopted program of projects, in advance of
- 26 allocation of funds to the project by the commission, and to be
- 27 reimbursed at a later time for eligible expenditures. A letter of no
- 28 prejudice shall only be available to local or regional transportation
- 29 agencies for moneys that have been identified for future allocation
- 30 to the applicant agency. Moneys designated for the program shall
- 31 only be reimbursed when there is funding available in an amount
- 32 sufficient to make the reimbursement.
- 33 (g) In addition, the commission shall also consider the following
- 34 factors when allocating these funds:
- 35 (1) “Velocity,” which means the speed by which large cargo
- 36 would travel from the land port of entry or seaport through the
- 37 distribution system.
- 38 (2) “Throughput,” which means the volume of cargo that would
- 39 move from the land port of entry or seaport through the distribution
- 40 system.

1 ~~(3) “Reliability,” which means a reasonably consistent and~~  
2 ~~predictable amount of time for cargo to travel from one point to~~  
3 ~~another on any given day or at any given time in California.~~

4 ~~(4) “Congestion reduction,” which means the reduction in~~  
5 ~~recurrent daily hours of delay to be achieved.~~

6 ~~(h) For purposes of this section, the following definitions apply:~~

7 ~~(1) “Disadvantaged communities” means those communities~~  
8 ~~identified by the California Environmental Protection Agency~~  
9 ~~pursuant to Section 39711 of the Health and Safety Code.~~

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

16 ~~SEC. 6. Section 2381.5 is added to the Streets and Highways~~  
17 ~~Code, to read:~~

18 ~~2381.5. A project selected to receive an allocation of funds~~  
19 ~~pursuant to this chapter shall apply, where feasible, within the~~  
20 ~~fix-it-first approach, the Climate Action Plan for Transportation~~  
21 ~~Infrastructure goals described in Section 13989.10 of the~~  
22 ~~Government Code.~~

23 ~~SEC. 7. Section 2392.5 is added to the Streets and Highways~~  
24 ~~Code, to read:~~

25 ~~2392.5. A project selected to receive an allocation of funds~~  
26 ~~pursuant to this chapter shall apply, where feasible, within the~~  
27 ~~fix-it-first approach, the Climate Action Plan for Transportation~~  
28 ~~Infrastructure goals described in Section 13989.10 of the~~  
29 ~~Government Code.~~