

April 24, 2013

Hon. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Hon. Ana J. Matosantos
Director, California Department of Finance
915 L Street
Sacramento, CA 95815

RE: Draft Investment Plan for Cap-and-Trade Auction Proceeds

Dear Chairman Nichols and Director Matosantos:

We represent economic justice, public health, housing, environmental justice, transportation, faith, and environmental groups in the Bay Area. For the past 3 years, we have been working collaboratively to ensure that the Bay Area adopts a Sustainable Communities Strategy that meets environmental, economic and equity goals – the “three Es” – that are vital our region’s and the state’s future. We submit these comments in response to the Draft Investment Plan (“draft plan”) released by the California Air Resources Board (ARB) and the Department of Finance (DOF) on Tuesday, April 16, 2013.

We commend ARB, DOF and all other the State agencies involved in this effort for their hard work and commitment to eliciting broad public input and participation in the development of the draft plan. In particular, we support the draft plan’s commitment to ensuring that disadvantaged communities benefit from cap-and-trade auction proceeds and the focus on achieving sustainable communities by investing in public transportation and affordable homes near transit-oriented development.

To strengthen the plan, however, we urge ARB and DOF to expressly include *transit operations* as an investment priority in order to sustain and expand transit service levels and ridership. While the draft investment plan includes funding for transit capital needs, it does not explicitly prioritize the operating funds that are needed to sustain and improve service on the street.

Investments in the State Transit Assistance program and/or new transit operating grants are desperately needed so that the operators in our region (e.g., Alameda-Contra Costs Transit District (AC Transit), San Francisco Municipal Transportation Agency (Muni), Santa Clara Valley Transportation Authority (VTA), San Mateo County Transit District (SamTrans), etc.) can provide the local transit service our communities depend upon for access to jobs, schools, and healthcare.

It is well-established that spending more on transit operations improves access to opportunity for disadvantaged residents, seniors and youth, while creating jobs for drivers and mechanics and cutting down on pollution. On top of all that, studies demonstrate that investments in local transit service can have a ten-fold economic multiplier effect on the local economy.

Just this month, the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) released further evidence that investing in transit operations is critical to achieving the GHG reductions called for in SB 375 while also performing well on social equity and public health indicators. The Plan Bay Area draft Environmental Impact Report (EIR) recently released by MTC/ABAG includes study of the “Equity, Environment and Jobs” (EEJ) alternative, an alternative that includes nearly \$8B additional dollars to invest in transit service. In combination with an equitable distribution of affordable housing and increased protections against displacement of low-income residents, the emphasis on investing in transit operations led the EEJ alternative to be designated as the “environmentally superior alternative” while also performing best on a series of public health metrics (lowest levels of the polluting emissions that lead to asthma and other respiratory diseases; highest levels of walking and biking; lower increases in residents’ injuries and fatalities from collisions) and social equity metrics (lowest combined housing and transportation costs for low-income households; lowest displacement pressure on overburdened renters). In other words, the EEJ alternative demonstrates that **investments in transit operations and affordable homes are critical to realizing the promise of SB 375 and achieving the GHG reductions called for in AB 32.**

We stand ready to work with you to strengthen the investment plan by prioritizing transit operations as one of the plan’s investment areas so that we can demonstrate the benefits of AB 1532 and SB 535 in our communities. Thank you for the opportunity to provide this feedback.

Sincerely,

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Myesha Williams
New Voices are Rising Project

Carl Anthony and Paloma Pavel
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