



TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan • Executive Director

September 12, 2014

*Via U.S. Mail and Comment Submittal Form
sb-535-guidance-ws*

Chairman Mary D. Nichols
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Cap-and-Trade Auction Proceeds; Draft Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies

Dear Chairman Nichols and Members of the Board:

The Transbay Joint Powers Authority (TJPA) is excited by the transformative effect that investing cap-and-trade auction proceeds promises to have in California. The TJPA shares the State's goals of leveraging these funds to reduce greenhouse gas emissions and maximize benefits to Disadvantaged Communities. Toward that end, the TJPA appreciates the opportunity to submit the following comments on the Draft Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies, which includes draft evaluation criteria to determine whether a project benefits Disadvantaged Communities.

The Transbay Program is a model of transit oriented development that will significantly reduce greenhouse gas (GHG) emissions and improve public health and quality of life. The Transbay Program consists of four key elements:

- A new multi-modal Transit Center, which will connect eleven transit systems including future high-speed rail under one roof. This "Grand Central Station of the West" will serve residents of eight Bay Area counties, with connections to statewide and interstate transit.
- Extension of Caltrain, and eventually high-speed rail, into downtown San Francisco.
- Redevelopment of vacant and underutilized former state-owned parcels into a walkable, mixed-use, mixed-income, and transit oriented community that will include 1,200 permanently affordable new housing units.
- Creation of a new downtown neighborhood with parks, retail, and urban amenities, which will serve as the Bay Area's most dense employment and residential center.

The Transbay Program is a key component of Plan Bay Area, the region's Sustainable Communities Strategy. It will add tens of thousands of riders to mass transit every day, of which many will walk or ride their bicycles to and from the Transit Center. The extension of Caltrain to the Transit Center in downtown San Francisco alone is projected to save approximately 260,000 vehicle miles travelled each day. This shift to transit will reduce carbon dioxide emissions by tens of thousands of tons each year.

The Transit Center is specifically designed to minimize its carbon footprint. Instead of a roof absorbing and radiating heat, the Center's 5.4 acre rooftop park will absorb carbon dioxide while serving the surrounding community and transit riders. The Transit Center's energy demands are also significantly reduced by the use of natural lighting and ventilation, greywater and stormwater reuse, and a geothermal cooling system.

We understand that members of the California Legislature are pursuing revisions to formulas proposed under CalEnviroScreen version 2.0 for identifying Disadvantaged Communities throughout the State. We support the Legislature's call for revisions that would more appropriately include urban communities in the Bay Area within the defined scope of Disadvantaged Communities for purposes of the cap-and-trade funding programs.

Regardless of whether any revisions are implemented, however, the Transbay Program will directly improve the lives of individuals living in Disadvantaged Communities that have already been identified under CalEnviroScreen version 2.0 in Richmond, Oakland, East Palo, San Jose, and other Bay Area cities. These benefits include the following:

- **Access to jobs.** Extension and improvement of public transit increases access to jobs, especially for low income families. By expanding transit services and improving the connectivity of existing transit systems, the Transbay Program is making it easier for residents of Disadvantaged Communities to reach employment, thus expanding their potential job market especially in the key destinations of downtown San Francisco and the Peninsula.
- **Improved travel efficiency and decreased traffic congestion.** By improving transit connectivity, the Transbay Program will save commuters travel time, including those from Disadvantaged Communities, many of which have long commutes. These benefits accrue to both transit riders and remaining drivers, who will experience less congestion and fewer traffic delays. Additional savings include avoided vehicle operation and maintenance costs and improved safety.
- **Human health benefits.** The Transbay Program will increase ridership on buses serving Disadvantaged Communities in the Bay Area. Additionally, the extension of Caltrain to downtown San Francisco is estimated to attract more than 30,000 new riders each day and take thousands of vehicles off of highways 101 and 280. Residents of Disadvantaged Communities will experience health benefits from improved air quality, both regionally and locally, for individuals living directly adjacent to Bay Area freeways.

- **Construction and permanent job creation.** The Transbay Program will create an estimated 125,000 jobs, directly and indirectly, including approximately 8,300 construction jobs and 27,000 permanent jobs. Many of these jobs have already been filled by residents of Disadvantaged Communities. As a result of strong TJPA policies, 21 percent of contract awards have been to Small Business Enterprises and 13 percent have been to Disadvantaged Business Enterprises. In cooperation with its contractors and labor unions, the TJPA has also become a leader in job placement and training for our nation's veterans.

These benefits directly address the common public health and safety, economic, and environmental needs of Disadvantaged Communities as identified by community advocates themselves. (See Table 3 of the Draft Interim Guidance.) The Draft Interim Guidance proposed project evaluation criteria (Draft Project Evaluation Criteria), however, would fail to capture many of these benefits for the following reasons. In particular, by focusing solely on percentage changes, the Draft Project Evaluation Criteria would not credit large projects that make substantial contributions towards improving Disadvantaged Communities, unfairly penalizing large projects.

- **The Draft Project Evaluation Criteria fail to recognize that larger projects may employ and train a greater number of residents of Disadvantaged Communities than smaller projects,** even if the overall *percentage* of the projects' work hours is lower.
- **The Draft Project Evaluation Criteria fail to recognize that larger projects may increase intercity rail and bus ridership for a greater number of residents of Disadvantaged Communities than smaller projects,** even if the overall *percentage* of new riders is lower.
- **The Draft Project Evaluation Criteria fail to recognize that projects will benefit Disadvantaged Communities by improving stations *used* by residents of Disadvantaged Communities,** even if these stations are not within ½ mile of the Disadvantaged Community. These benefits include decreased travel times and expenses, increased access to jobs, and improved station safety.
- **The Draft Project Evaluation Criteria fail to recognize that projects that remove cars from highways may improve the health of residents of Disadvantaged Communities** by improving regional air quality and reducing toxic air contaminants adjacent to freeways that cross Disadvantaged Communities.

The TJPA respectfully requests that the Air Resources Board amend the Draft Project Evaluation Criteria to recognize the substantial benefits large projects, such as the Transbay Program, provide to Disadvantaged Communities. This will ensure that benefits to Disadvantaged Communities are maximized when awarding grants to affordable housing and sustainable communities projects and to low-carbon transit projects. Proposed amendments to the Draft Project Evaluation Criteria Sections 1-1 and 1-2 are attached at the end of this letter.

Please do not hesitate to contact the TJPA if we can be of any assistance as you continue to develop the Air Resources Board's guidance documents for agencies administering greenhouse gas reduction fund monies.

Very truly yours,



Maria Ayerdi-Kaplan
Executive Director
Transbay Joint Powers Authority

cc: Honorable Jerry Brown, Governor
Honorable Darrell Steinberg, Senate President pro Tempore
Honorable Toni Atkins, Assembly Speaker
Honorable Kevin de Leon, Senate President pro Tempore Elect
Honorable Mark Leno, Senator
Honorable Tom Ammiano, Assembly Member
Honorable Philip Ting, Assembly Member

Enclosure:

Proposed Amendments
Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies

To section 1-1, Low-Carbon Transit Projects, Draft Criteria to Evaluate Projects, add the following *italicized and bolded* text.

Step 2 – Provides Benefits To: If the project does not meet the above criteria for “located within,” evaluate the project to see if it meets at least one of the following criteria for providing a desirable benefit to a DAC.

Project must meet at least one of the following criteria focused on increasing transit service or improving transit access for DAC residents, or reducing air pollution in a DAC:

- A. Project provides improved local bus transit service for riders using stations/stops within ½ mile of a DAC (e.g., more frequent service, rapid bus service).
- B. Project improves local bus transit connectivity for riders using stations/stops within ½ mile of a DAC (e.g., better links to active transportation, bicycle racks on local bus).
- C. Project provides improved intercity rail (and related feeder bus service), commuter bus or rail transit service for riders using stations/stops in a ZIP code that contains a DAC census tract *or within ½ mile of a DAC* (e.g., new lines, express bus service).
- D. Project provides improved intercity rail (and related feeder bus service), commuter bus or rail transit connectivity for riders using stations/stops in a ZIP code that contains a DAC census tract *or within ½ mile of a DAC* (e.g., network/fare integration, better links between local bus and intercity rail, bicycle racks on rail).
- E. Project will increase intercity rail (and related feeder bus service), commuter bus or rail transit ridership, with at least 25% of new riders from DACs (*or at least as many new riders as other projects reaching the 25% threshold*).
- F. Project includes recruitment, agreements, policies or other approaches that result in at least 25% of project work hours performed by residents of a DAC (*or at least as many project work hours as other projects reaching the 25% threshold*).
- G. Project includes recruitment, agreements, policies or other approaches that result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications (*or at least as many project work hours as other projects reaching the 10% threshold*).
- H. *Project improves safety, amenities, and access to employment at multi-modal transit stations within ½ mile of a DAC or used by a significant number riders from DACs.*
- I. Project will shift a sufficient number of commuters from automobiles to transit so that regional air quality will be improved to a level that perceptively improves human health consequences for residents of a DAC.
- J. *Project will remove a sufficient number of automobiles from highways that cross through or within 800 feet of a DAC so that toxic air contaminants will be decreased to a level that perceptively improves health consequences for residents of the DAC living next to the highway.*

To section 1-2, Affordable Housing and Sustainable Communities Projects, Draft Criteria to Evaluate Projects, add the following *italicized and bolded* text.

Step 2 – Provides Benefits To: If the project does not meet the above criteria for “located within,” evaluate the project to see if it meets at least one of the following criteria for providing a desirable benefit to a DAC.

Project must meet at least one of the following criteria focused on reducing passenger vehicle miles travelled, while addressing housing needs and/or other regional planning objectives for DAC residents:

- A. Project is within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses.
- B. Project includes recruitment, agreements, policies or other approaches that result in at least 25% of project work hours performed by residents of a DAC (*or at least as many project work hours as other projects reaching the 25% threshold*).
- C. Project includes recruitment, agreements, policies or other approaches that result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications (*or at least as many project work hours as other projects reaching the 10% threshold*).
- D. *Project improves safety, amenities, and access to employment at multi-modal transit stations used by a significant number riders from DACs.*
- E. *Project will shift a sufficient number of commuters from automobiles to transit so that regional air quality will be improved to a level that perceptively improves human health consequences for residents of a DAC.*
- F. *Project will remove a sufficient number of automobiles from highways that cross through or within 800 feet of a DAC that toxic air contaminants will be decreased to a level that perceptively improves health consequences for residents of the DAC living next to the highway.*
- G. *Project will increase intercity rail (and related feeder bus service), commuter bus or rail transit ridership, with at least 25% of new riders from DACs (or at least as many new riders as other projects reaching the 25% threshold).*