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September 15, 2014

Ms. Mary Nicols  
Chair, California Air Resources Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812

Dear Chair Nicols,

The Peninsula Corridor Joint Powers Board (Caltrain), the San Mateo County Transit District (SamTrans) and the San Mateo County Transportation Authority applaud the State for passing the Fiscal Year 2014-2015 budget and trailer bill for long-term Cap and Trade transportation funding. The new transportation investment programs offer Peninsula communities an unprecedented opportunity to secure funding for our region's most critical infrastructure improvements to accommodate population and job growth, improve air quality, and reduce traffic congestion.

As directed in the legislation, your agency, in cooperation with CalEPA must identify "disadvantaged communities" (DACs) and develop guidance for State agencies on approaches to maximize benefits to these communities.

When making these determinations, please consider the following recommendations/comments which will greatly enhance our ability to use cap-and-trade funds to maximize the reduction of greenhouse gas emissions:

**Low Carbon Transit Projects/Low Carbon Transportation Guidelines**

Given the limited locations determined to be a DAC using CalEnviroScreen, a transit agency may only have one or two small communities in its service area that is designated as a DAC. The transit agency will then be forced to spend up to 50 percent of the money received under the various cap and trade programs on projects and services in those communities. For example, within the SamTrans service area, only two census tracks qualify as a DAC under any of the five methods. Under the Low Carbon Transit Operations Program, we would be forced to direct 50 percent of our funds to these two areas at the expense of providing valuable transit service in other areas in need where larger reductions in greenhouse gases could occur.

The ½ mile or zip code barrier imposes an arbitrary geographic constraint that ignores the reality of travel patterns, the supply and demand of existing service, and how people from disadvantaged communities actually access transit. Instead we encourage you to support an "impacted

corridor” approach where projects that are developed in Priority-Development Areas, areas connected to existing transit infrastructure, and areas that lack sufficient affordable housing to accommodate low-income in-commuters. Broadening the geographic region would help ensure that those communities that are most in need of additional transportation investment have the greatest opportunity to benefit from the new Cap and Trade funds. This approach also aligns closely with Plan Bay Area’s regional targets to reduce GHG and emissions. Plan Bay Area is the regional plan, developed by the Metropolitan Transportation Commission in compliance with SB 375, which focuses growth in priority development areas in an effort to reduce greenhouse gas emissions.

Additional clarification is needed that details how reductions in greenhouse gases will be tracked. It is unclear what the threshold is of how much GHG reductions a project must produce in order to meet the requirement. For example, will the reduction be in comparison to current emission levels, reductions in the rate of emissions, etc.?

Lastly, we would like to see the criteria broadened to include the full range of eligible transit projects under the Low-Carbon Transit Operations Program and Transit and Intercity Rail Capital Program, including “rail and bus capital projects, expanded intermodal facilities and operational improvements that result in increased ridership and reduced GHG emissions.” Given the tremendous vehicle replacement needs for the Bay Area’s aging public transit systems, it would do a disservice to the region’s residents of DACs if replacing aging bus and rail fleets they rely upon was not considered an eligible expense for the purpose of defining “benefit.”

#### **Affordable Housing and Sustainable Communities Guidelines**

The Affordable Housing Sustainable Communities guidelines should include transportation projects. This program is intended for transportation as well as affordable housing projects, yet the guidelines do not make reference to transportation. This gives the perception that the program is solely for affordable housing which it is not.

Additionally, projects benefiting a DAC should also include “areas of opportunities” and not just “areas of concern”. If the intent is to help disadvantaged communities and reduce GHG emissions, new affordable housing and transportation projects should be located where disadvantaged community members work, not solely where they currently live. The proposed DACs are primarily in lower cost areas which are far from job centers. Limiting projects to these locations only will increase average commute distance, vehicle miles traveled and GHG emissions by increasing the number of disadvantaged community members who travel long distances to jobs. Consideration should be given to projects developed in job-rich cities that have Priority-Development Areas, areas connected to existing transit infrastructure, and areas that lack sufficient affordable housing to accommodate low-income in-commuters.

Finally, we respectfully encourage you to take more time to identify disadvantaged communities and the method for determining project benefit so that you can carefully consider public comments before you make a final decision. Given the millions of dollars in high-profile public

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funds at stake and the scores of worthy projects that will be vying for funding, it is imperative that state agencies develop the program guidelines in a transparent manner that allows for meaningful public input.

We look forward to working with you to create and implement programs that demonstrates the State's commitment to improving air quality, relieving congestion, and growing our economy by providing Californian's with the improved transportation infrastructure they deserve. If you have questions or need more information, please feel free to contact me anytime at (650) 508-6221 or via email at scanlonm@samtrans.com.

Sincerely,



Michael J. Scanlon  
General Manager/Chief Executive Officer/Executive Director

cc: Senator Jim Beall  
Senator Ellen Corbett  
Senator Jerry Hill  
Senator Mark Leno  
Senator Bill Monning  
Assembly Member Luis Alejo  
Assembly Member Tom Ammiano  
Assembly Member Nora Campos  
Assembly Member Paul Fong  
Assembly Member Richard Gordon  
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