

September 15, 2014

Ms. Shelby Livingston, Chief
Climate Investments Branch
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, CA 95812

Re: Comments on Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies

Dear Ms. Livingston:

On behalf of the California Transit Association (Association), representing California's public transit systems, thank you for the opportunity to provide comment regarding the Air Resources Board's (ARB) *Investments to Benefit Disadvantaged Communities: Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (Interim Guidance)*. The Association is excited about the prospects that the Cap and Trade program provides for improving and expanding transit service throughout California and the benefits these service enhancements will bring to disadvantaged communities (DAC). The Association looks forward to working with the ARB as you continue your efforts to develop and implement the guidelines for benefitting DACs.

As you are aware, transit agencies throughout the state are eligible for funding in a number of programs established by SB 862 (Committee on Budget and Fiscal Review), including, but not limited to, the Transit and Intercity Rail Program (TIRCP), the Low-Carbon Transit Operations Program (LCTOP), and the Affordable Housing and Sustainable Communities Program (AHSCP). Both the LCTOP and the AHSCP have DAC benefit minimums of 50 percent – well above the requirements of SB 535 (de León) – while the TIRCP must direct at least 25 percent of program revenues to DACs. Because of the enhanced DAC requirements for transit agencies receiving formula funds through the LCTOP, and competing for funding under the TIRCP and AHSCP, it is critical that ARB provide as much flexibility as possible so that transit agencies develop the best greenhouse gas (GHG) reducing projects, while also benefitting DACs.

In July 2014, the Association's Executive Committee established the Subcommittee on Cap and Trade (Subcommittee), created to participate in, and respond to, the development of guidelines by state agencies as required by SB 862. The Association's Subcommittee consists of representatives from 14 transit agencies throughout the state, including: San Francisco Municipal Transportation Agency; Southern California Regional Rail Authority (Metrolink); Solano Transportation Authority; San Mateo County Transit District; Santa Cruz Metropolitan Transit District; Monterey-Salinas Transit; Santa Clara Valley Transportation Authority; Bay Area

Rapid Transit; Orange County Transportation Authority; Sacramento Regional Transit District; Capitol Corridor Joint Powers Board (Capitol Corridor); Los Angeles County Metropolitan Transportation Authority; Antelope Valley Transit Authority; and San Diego Metropolitan Transit System. Attached to this letter are suggested revisions to the *Interim Guidance's Criteria for Evaluating Benefits to Disadvantaged Communities by Project Type* found in Appendix 1 of the *Interim Guidance*. The attached revisions come directly from comments received from the Association's Subcommittee members. As you can see, the Subcommittee membership is representative of both large and small transit systems throughout California, as well as systems that have a significant amount of DACs recognized by Cal Enviro Screen 2.0, and systems that have a limited number of DACs identified.

For the most part, the initial criteria proposed by ARB is consistent with the Subcommittee's general thinking in terms of how transit should and does benefit DACs. Our revisions were compiled with two key goals in mind: provide as much flexibility as possible to transit agencies to apply the criteria; and streamline the decision-making process for state agencies when determining whether or not a project benefits a DAC. Specifically, we recommend the following revisions to the *Criteria for Evaluating Benefits to Disadvantaged Communities by Project Type*:

- 1) **Generalize the reference to transit providers.** The Association believes the wording should be changed to simply state "bus and rail transit" providers. The Association considers "bus transit" to include local bus, commuter bus, and bus rapid transit service and "rail transit" to mean urban, commuter, and intercity rail. Making this change also eliminates the need to have separate criteria related specifically to intercity rail, making it easier for transit agencies to navigate the criteria. We have also suggested some minor technical changes throughout the criteria clarifying what we believe to be ARB's intention.
- 2) **Include additional project-types.** The eligible projects currently listed in the criteria are a good representation of transit project-types. However, we have proposed additional general project-types that provide additional flexibility while allowing the best GHG-reducing projects to come forward. These project-types include, but are not limited to, projects providing improved reliability, greater capacity, new or replacement vehicles and infrastructure, better integration of complete streets and active transportation projects, improved connections with transit other service, improved connections with alternative modes (biking and walking), & rail feeder service.
- 3) **Expand the DAC benefit-capture-area.** Currently, the criteria allow for projects defined as benefitting a DAC to be within one half-mile of a DAC census tract. This should be expanded to include zip codes that include a DAC or are within a half-mile of an identified census tract. Expanding the size of the areas considered to benefit DACs will allow transit agencies in areas of the state with a limited number of DACs identified to fund projects that not only benefit a DAC, but also ensure the maximum amount of GHG reductions. Transit agencies receiving formula funding from the LCTOP are required to spend 50 percent of their revenue-share in a DAC. This can be a challenge for operators receiving a large share of revenue, but only have a limited number of communities identified as disadvantaged. We are trying to mitigate the situation in which a transit agency is forced to sacrifice good GHG-reducing projects for the sake of limited DAC benefits.

- 4) **Recognize the realities of transit service.** The existing criteria allows for projects further outside the DAC benefit-capture-area if the project will increase service with at least “25 percent of new riders coming from disadvantaged communities.” The Association believes that transit already provides a valuable service to existing riders coming from or going to a DAC. Therefore, any improvements made to existing service, or by adding new service, will benefit the users of the system regardless if they’re a half-mile or 10 miles from their destination. Also, whether the riders using the service are existing or new riders is inconsequential. By altering the criteria in recognition of transit’s benefits to both new and existing riders, improvements to any element of a person’s trip can be seen as a benefit to individuals coming from a DAC. A transit rider, coming from a DAC or otherwise, may begin their trip on one system, or by using an alternative mode (such as a bicycle), and end it on a completely different system or mode. Someone could leave their home and bike from a DAC to a train station, get on a train and head across town to a transit hub, and finish the trip on a bus to their job or school. The above is an example of an indirect benefit that transit provides to individuals travelling to and from DACs that is not currently captured in the criteria. Additionally, if it is assumed that a transit agency can capture its new riders coming from DACs, then it must be assumed that it can capture its existing riders coming from DACs to ensure the program requirements are met.
- 5) **Encourage alternative transportation modes in the AHSCP.** The AHSCP has significant goals for affordable housing, but also includes nine additional eligible project-types designed to ensure comprehensive transit-oriented development projects come forward. We suggest adding language in the criteria that requires a project to reduce vehicle miles travelled “through development of...alternative transportation modes.” This will ensure that a project benefitting a DAC requires that it must include transportation alternatives for DAC residents.

As discussed earlier, all of the Association’s suggested revisions can be found in detail in the attached document. We have enjoyed ARB’s willingness to engage with us as you work to finalize the *Interim Guidance*. Again, we look forward to continuing our relationship as the process continues. Please do not hesitate to contact me with any comments or questions at 916-446-4656.

Sincerely,



Matt Robinson
Legislative Advocate

Cc: Matthew Botill, Manager, Climate Investments Branch, California Air Resources Board
Brian Annis, Undersecretary, California State Transportation Agency
Chad Edison, Deputy Secretary for Transportation, California State Transportation Agency

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM AND LOW-CARBON TRANSIT OPERATIONS PROGRAM

“Projects will achieve GHG reductions by reducing passenger vehicle miles travelled through incentives, infrastructure, or operational improvements (e.g., providing better bus connections to intercity rail, encouraging people to shift from cars to mass transit).”

Step 1 – Located Within: Evaluate the project to see if it meets at least one of the following criteria for being located in a DAC census tract* and provides 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 bus or rail transit service, or intercity rail service for to and from stations/stops in a DAC (e.g., more frequent service, bus rapid transit service, improved reliability, greater capacity, new or replacement vehicles and infrastructure). ~~new transit lines, more frequent service, rapid bus service for DAC residents).~~
- B. Project provides transit incentives to residents with a physical address in a DAC census tract (e.g. transit passes, vouchers for transit and bike share programs, reduced fares).
- C. Project improves transit-connectivity to and from at stations/stops or between travel modes in a DAC census tract (e.g. better integration of complete streets and active transportation projects, improved connections with transit other service, improved connections with alternative modes (biking and walking), schedule and fare systems integration, additional capacity for bicycles, intercity rail and bus feeder service). ~~network/fare integration, better links between transit and active transportation).~~
- ~~D. Project improves connectivity between travel modes for vehicles or equipment that service stations/stops in a DAC (e.g., bicycle racks on bus or rail).~~
- E. Project creates or improves infrastructure or equipment that reduces air pollution at a station/stop or transit base in a DAC census tract (e.g., auxiliary power, charging stations).
- F. Project creates or improves infrastructure or equipment, including replacement of existing vehicles, that reduces air pollution on ~~regular~~ routes that ~~are primarily serve a~~ within a DAC census tract (e.g., rail electrification, zero- and near-zero-emission bus).

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 or rail transit service for riders using to and from stations/stops within a zip code that contains a DAC census tract or within ½ mile of a DAC census tract (e.g., more frequent service, ~~rapid~~ bus rapid transit service, improved reliability, greater capacity, new or replacement vehicles and infrastructure).
- B. Project improves ~~local~~ bus or rail transit connectivity for riders using to and from stations/stops or between travel modes within a zip code that contains a DAC census tract or within ½ mile of a DAC census tract (e.g., better integration of complete streets and active transportation projects, improved connections with other transit service, improved connections with alternative modes (biking and walking), schedule and fare systems integration, additional capacity for bicycles, intercity rail and bus feeder service). ~~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 (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 (e.g., network/fare integration, better links between local bus and intercity rail, bicycle racks on rail).~~
- E. Project will increase or improve bus and rail transit service ~~intercity rail (and related feeder bus service), commuter bus or rail transit ridership~~, with at least 25% of ~~new~~ riders originating from a zip code that contains a DAC census tract. ~~DACs.~~

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.

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.

“Rail transit” means urban, commuter, intercity, and high-speed rail services.

AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

“Projects will achieve GHG reductions by reducing vehicle miles travelled (e.g., increasing accessibility of housing, employment centers, and key destinations via low-carbon transportation options such as walking, biking, and transit).”

Step 1 – Located Within: Evaluate the project to see if it meets at least one of the following criteria for being located in a DAC census tract* and provides a desirable benefit to a DAC.

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

A. A majority (50%+) of the project is within one or more DACs, ~~and~~ reduces vehicle miles travelled through development of, or proximity to, alternative transportation modes, and ~~the project~~ is designed to avoid/mitigate displacement of DAC residents and businesses.

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 other regional planning objectives for DAC residents:

A. Project is within ½ mile of, a or within a zip code that contains, a DAC census tract, DAC and reduces vehicles miles travelled through development of, or proximity to, alternative transportation modes, and is designed to avoid/mitigate 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.

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.