Metropolitan Transportation Commission
Programming and Allocations Committee

September 9, 2009 **Item Number 3a**

Subject: New Federal Transportation Act—Proposal for Cycle 1 Programming and Cycle 2 Framework

Background: The current federal surface transportation act (SAFETEA) expires on September 30, 2009, and the region has programmed all of its apportionments. Therefore, the attached proposes an overall architecture to guide upcoming programming decisions for the New Act. Staff estimates that up to $1.4 billion would be available for programming over six years. The programming action requested is for three years (Cycle 1), given the uncertainties pending the final legislation. The balance of funding (Cycle 2) will be programmed in approximately two years.

Attachment A to the memorandum outlines staff's $1.4 billion New Act proposal, targeting funding as noted in the principles below:

- Required payback of Obligation Authority ($68 million)
- Maintain on-going programs ($206 million)
- Deliver early system-wide freeway improvements ($222 million)
- Fund other core Transportation 2035 categories ($834 million)
- Fund strategic investments and regional commitments ($71 million)

Several policy considerations are outlined in the memorandum, in particular, the acceleration of the Freeway Performance Initiative and a more gradual ramp up of the Climate Initiatives Program than contemplated in Transportation 2035.

The proposal also includes an investment strategy for priority development areas (PDAs) and a program management structure for counties that bundles programs into "PDA block grants" to allow more flexibility and strategic project delivery on their part.

The proposal reflects a number of revisions to a version of this funding proposal made available to stakeholders on June 23, 2009, and it attempts to respond to discussions with the Bay Area Partnership, MTC advisory committees, and other stakeholders during the summer months. In particular, staff has revised the proposal in response to the following input:

- More funding advanced into Cycle 1 for many core T2035 programs.

- Higher overall funding levels to core programs (with the exception of the Freeway Performance Initiative). This is accomplished by adding $22 million of Transportation Enhancement Program funding and pre-committing "anticipated" funding.
- Project delivery deadlines to ensure that ready-to-go programs receive funding when needed.

The next step is the continuation of discussions with stakeholders throughout September. In October staff plans to bring a draft final proposal to the Programming and Allocations Committee and to the full Commission for approval.

Issues: See attached memorandum

Recommendation: For information only

Attachment: Executive Director Memorandum

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Memorandum

TO: Programming and Allocations Committee DATE: September 9, 2009

FR: Executive Director

RE: New Federal Transportation Act—Proposal for Cycle 1 Programming and Cycle 2 Framework

Introduction

The region has programmed all of its expected Safe, Accountable, Flexible and Efficient Transportation Equity Act (SAFETEA) apportionment and we are in the final fiscal year of the act. As the region faces the close of SAFETEA ending on September 30, 2009, we recommend that the Commission provide an overall architecture to guide upcoming programming decisions for the new federal surface transportation act funding (New Act).

Attached for your information is staff's proposal for the use of these flexible federal highway funds, which are at the discretion of the Commission, over the next six fiscal years. This item is presented this month for information only, and will return to the Commission for action in October.

Background

While the exact fund program categories in the new authorization act are not yet known, we anticipate that the future funding programs will overlap to a large extent with projects that are currently eligible for funding under Title 23 of the United States Code. We also expect that the next one or two years of funding will be authorized through an extension of the current act and its programs.

The starting point for making New Act funding decisions is the strategic delivery of investments described in Transportation 2035 (T2035). In particular, T2035 identifies investments for federal Surface Transportation Program and Congestion Mitigation and Air Quality (STP/CMAQ) funding in the following areas:

- Continuation of Regional Operations programs such as 511 and TransLink®;
- System operations on the State Highways;
- Climate Initiatives;
- Bicycle/pedestrian programs;
- Transportation for Livable Communities (TLC); and
- Ongoing commitments to system maintenance and preservation.

Recent Programming Activities

Under the American Recovery and Reinvestment Act of 2009 (ARRA) MTC programmed roughly $660 million to fund critical transportation needs in the Bay Area, which could be implemented quickly with the objective of jumpstarting the economy. To provide a necessary context for decisions on the next federal fund programming, these ARRA investments are listed in Attachment A along with the proposed STP/CMAQ programming. As a reminder, roughly two-thirds of the ARRA funds were committed to transit and local road rehabilitation projects.

Funding Estimate

Staff estimates that STP/CMAQ and Transportation Enhancements (TE) revenue will be $1.1 billion over the next six-year authorization, assuming a 4% annual growth rate, consistent with projections for T2035.

The region will also have $105 million in Regional Transportation Improvement Program/ Corridor Mobility Improvement Account (RTIP/CMIA) bond funding capacity as well as $7.5 million in TE for programming consideration as a result of recent ARRA programming activities. Attachment A presents both this ARRA "backfill" programming as well as the estimated funding to be discussed as part of the New Act programming. All told, roughly $1.2 billion is assumed to be available for Commission programming through FY 2014-15.

Further, $235 million is identified as "anticipated" over the six year period, which represents the additional increment of funding consistent with the House Transportation and Infrastructure Committee $500 billion proposal for authorization (10% growth rate). Staff recommends programming the first three years of this amount (up to $60 million) under Cycle 1 on a contingency basis should apportionments come in higher. Staff believes this is a reasonable assumption considering past experience. For example, during SAFETEA, roughly $180 million was programmed in bonus funding rounds – akin to "anticipated" revenues in that it was funding above original estimates. Thus, the total 6-year amount of funding contemplated in this proposal is $1.4 billion.

While staff will seek the Commission's approval for an overall framework for this $1.4 billion in new funding in October, we will be requesting that the Commission adopt only the first three-year period of funding (Cycle 1, ARRA Backfill, and initial contingency priorities for "anticipated" revenues). This will give the region the opportunity to revisit the final three years of programming approximately two years from now, in order to consider changes in revenue estimates and any change to project eligibility.

New Act Proposal

Attachment A presents staff's proposal for the use of STP/CMAQ, ARRA Backfill, and "Anticipated" funds during the New Act six-year period. Attachment B provides additional program category information.

The staff proposal addresses each of the stated programming principles noted below:

- **Required payback of Obligation Authority ($68 million)**
- **Maintain on-going programs ($206 million)**
- **Seize opportunity to deliver system-wide improvements ($222 million)**

- **Fund other core Transportation 2035 categories ($834 million)**
- **Fund strategic investments and regional commitments ($71 million)**

The Climate Initiatives program is unique in that T2035 assumed front loading in the first five years. Also, staff has assigned first priority for funding to on-going and statutorily required programs. This includes repaying Caltrans' advance of additional obligation authority to the MTC region during SAFETEA, which permitted the delivery of more projects earlier than anticipated.

Keeping in mind that T2035 is not a strict programming document, the Commission's programming policies should provide flexibility to address changing funding constraints and opportunities. For reference, the chart below shows the assumed T2035 percentage investments to the core programs as compared to the staff proposal. The percentages are based on the STP/CMAQ funding level assumptions only. As a reminder, a significant amount of T2035 funding for the core programs was assumed to come from "anticipated" revenues." The difference between staff's proposal and the T2035 STP/CMAQ in relative funding percentages is discussed in the "Policy Considerations" section below.

Comparison of Staff Proposal and Transportation 2035 Investment Assumptions

	T2035 STP/CMAQ 25-Year Assumption		Staff Proposal: 6-Year	
T 2035 Core Programs	**Million $s**	**%**	**Millions**	**%**
Freeway Performance Initiative (FPI)	825	16%	222	27%
Climate Initiatives	225	4%	93	11%
Regional Bicycle Program	525	10%	44	5%
Transportation for Livable Communities (TLC)	1,125	22%	174	21%
Transit Capital Rehabilitation	1,000	20%	119	15%
Local Streets and Roads Rehabilitation	1,400	27%	169	21%
Total	**5,100**	**100%**	**821**	**100%**

Response to Stakeholder Outreach To-Date

Attachment A reflects a number of revisions to a version of this funding proposal made available to stakeholders on June 23, 2009, and it attempts to respond to discussions with the Bay Area Partnership, MTC advisory committees, and other stakeholders during the summer months. In particular, staff has revised the proposal in response to the following input:

- **Advance more funding for core T2035 programs**: Staff recommends moving some strategic investments into Cycle 2 to free up $31 million of programming capacity to advance a larger share of the Climate Initiatives, Regional Bicycle, TLC and the Local Streets and Roads Rehabilitation Shortfall programs into Cycle 1.
- **Frontload funding for Climate Initiatives:** In addition to advancing funding from Cycle 2 to Cycle 1 as discussed above, the overall funding capacity in Cycle 1 has been increased by $20 million to establish a stronger jump start for the new Climate Initiatives Program. We propose to assign this new climate funding to the SFGo project as a transit priority project. Staff also notes that the other core programs in the proposal provide greenhouse gas (GHG) emission reductions, consistent with the objectives of the Climate Initiatives program, as discussed further under "Policy Considerations."

- **Higher funding levels for T2035 core programs**: Staff recommends two adjustments that increase revenues for all core programs except FPI: 1) add $22 million in available regional TE funding to Cycle 2; and 2) pre-commit "anticipated" revenues that could be available if the authorization results in higher apportionments. Distribution of these funds would be directed to the core programs (except FPI) using T2035 pro-rata shares.
- **Ensure project delivery deadlines**: Staff recommends the establishment of delivery deadlines to ensure timely use of federal funds and ready-to-go projects be given priority. This allows the MTC region to remain in a position to obtain additional federal funding from other regions in California as well as from other states, if the opportunity arises.
- **More planning support for CMAs**: Staff recommends that the CMAs be given the option to use up to $9 million (4%) of core county program grants for planning activities.
- **Reconsider priorities within FPI category**: Staff recommends adding the San Mateo 101 project to the FPI project list and dropping the Alameda I-880 project in the Fremont/Dumbarton Bridge area.

Appendix 1 summarizes comments received to-date.

Policy Considerations

The staff proposal for a New Act program requires that the Commission consider and balance a number of policy issues:

1. **Accelerate the Freeway Performance Initiative (FPI)**: T2035 established that FPI preserves and optimizes the use of the existing capacity on the state highway system, enhances mobility and reduces air pollution. Furthermore, during the development of T2035, MTC staff conducted evaluations to measure benefit and effectiveness of various project investments, and concluded that the FPI program earned among the highest marks in areas such as the benefit/cost ratio in reducing congestion and CO2 emissions. See Attachment C for an illustration of T2035 investments and their relative evaluation outcomes, and Attachment D for a list of proposed FPI projects.

   Staff recommends a larger share of funding for advancing FPI in Cycle 1, so that traffic management systems can be implemented in time to address expected higher levels of congestion, once the economy begins to recover and to realize the benefits of these lower cost and quick delivery projects. The trade-off for this strategy is a smaller share of funding for other core program categories. However, to the extent possible, the FPI program has been aligned with state funding for highways, leaving the most flexible dollars for other core programs. Staff has worked closely with Caltrans to develop detailed schedules and resource allocation plans, and is confident that the FPI corridor improvements identified can be delivered on schedule.

2. **Climate Initiative Program Funding**: The Commission has identified $400 million for the Climate Initiative Program in T2035, of which $225 million is assumed to be underwritten with STP/CMAQ funding. T2035 assumed that the balance would be provided by "anticipated" funds. While staff has estimated "anticipated" revenue for the purpose of the New Act proposal based on higher federal transportation authorization levels, other federal revenue opportunities are expected to become available, such as a carbon cap and trade program and the Livable Communities Act being considered by Congress. Staff will pursue funding from these and other sources for the Climate Initiatives, TLC and Regional Bicycle programs.

The Commission further intended that this initiative would be implemented within the initial five years of the T2035 planning horizon. If New Act funding were programmed to deliver $225 million in five years, dramatically less funding would be available to continue the annual programs, fund other T2035 core programs, and make strategic investments. To that point, it is important to consider the synergies and overlap of the core programs in achieving the objective of reducing GHGs and other air pollutants.

More than 75% of the $32 billion in total discretionary funding identified in T2035 is directly or indirectly aimed at reducing GHGs. For example, the Commission's commitments to complete the Regional Bicycle Network and to promote focused growth through the TLC program encourage more bicycling and pedestrian travel. Also, the fix-it-first policy supports GHG emission reductions by improving the reliability of transit service and supporting bicycle and pedestrian travel as required by the Commission's "complete streets" policy. Lastly, staff's analysis suggests that the FPI program is also a key GHG emission reduction strategy and could prove to be more cost-effective than the Climate Initiatives Program itself. To strike a balance among various transportation needs over the next six years and considering cost-effectiveness, staff's recommendation results in a more gradual ramp up of the Climate Initiative.

3. **Project Delivery:** All STP/CMAQ funding is subject to the Regional Project Funding Delivery Policy (MTC Resolution No. 3606 revised) which establishes fund obligation, contract award, expenditure, invoicing and reimbursement deadlines among other requirements. Failure to meet these requirements could result in the redirection of funds to other projects. Funds must be obligated in the fiscal year programmed in the TIP, with all Cycle 1 funds to be obligated no later than April 30, 2012. Per Resolution 3606, an annual obligation plan will be developed each year to determine the specific projects to meet the April 30 deadline of that fiscal year. Funds not obligated within established deadlines could be redistributed to other projects at the Commission's discretion.

4. **Direct Some Capacity to Strategic Investments:** Effective programming decisions need to be strategic, responding to opportunities to deliver system-wide improvements as well as to address critical projects that might be postponed during budget crises. For example, the region has directed STP (STIP Backfill) and American Recovery and Reinvestment Act of 2009 (ARRA) funds to jumpstart construction projects when state funds were not immediately available. Staff recommends supplementary funding for Corridor Mobility and Trade Corridor projects, as well as restoring funds for regional transit commitments that are not available as a result of the state budget.

5. **Priority Development Areas (PDA) Based Funding Decisions**: In Transportation 2035, the Commission's transportation/land use and climate change policies seek to align "focused growth" land use principles and transportation investments. As part of the ARRA program adoption last February, the Commission directed staff to begin developing a PDA investment strategy in advance of the new federal authorization. As it relates to the New Act programming, staff recommends the following:

   - ***Transportation for Livable Communities:*** All TLC projects must be located in priority development areas with additional weight given in project

evaluation depending on whether the projects are in planned or proposed PDAs and based on proposed development intensity.

- ***Climate Initiatives:*** Consistent with the broad framework for the Climate Initiative program in T2035, Attachment B outlines a near-term proposal for Cycle 1 developed jointly by MTC and Air District staff. This proposal is subject to refinement through October to ensure the most deliverable and cost-effective programs are pursued. Capital projects funded by the Climate Initiative program would be given priority if they are in planned PDAs, with additional weight being given to projects that are in higher intensity development and in proximity to transit.
- ***Rehabilitation – Streets and Roads and Transit:*** The current distribution formula prioritizes funding for local jurisdictions that are considered high-intensity PDAs. The allocation formula for streets and roads rehabilitation contains four factors, weighted 25% each, including population, lane mileage, arterial and collector shortfall, and preventive maintenance performance. The population and lane mileage factors result in an emphasis on PDAs. Staff recommends a change from current practice by requiring that the CMAs use the same allocation formula for streets and roads distribution within the counties.

Program Management

Staff proposes that program management be split between MTC and the CMAs as outlined in Table 1 on the next page. This would focus MTC management on program areas of regional scope or with a network impact. Congestion management agencies would manage programs with a local/community focus.

Further, in response to stakeholder comments, staff proposes to bundle some programs into "PDA block grants" to allow more flexibility and strategic project delivery on the part of the counties in terms of the final amount programmed within each category, recognizing unique county transportation needs. Discrete program category targets would be established, with allowable margins of deviation, for the bundled programs. The intended result would be a more synergistic approach to CMA project selection and delivery using a variety of T2035 core funded programs which we hope will lead to larger, more effective, and multi-modal projects that promote a wide spectrum of planning goals. The CMAs would coordinate their decisions with the MTC managed programs such as TLC and Climate Initiatives. Lastly, staff proposes that CMAs be required to submit a strategic plan by January 1, 2010, that identifies the milestones for making project selection decisions and how stakeholder outreach will be accomplished to further priority development area goals.

Table 1

Transportation 2035 Core Programs	Manager	PDA Block Grant
Freeway Performance Initiative (FPI) and the Regional Signal Timing Program.	MTC, Caltrans and CMAs	
Climate Initiatives ▪ Transit Priority Measures ▪ Electric Vehicle Infrastructure (EVI) ▪ Safe Routes to Schools ▪ Safe Routes to Transit ▪ Outreach/Incentives	MTC and Bay Area Air Quality Management District	
Climate Initiatives ▪ E. Solano CMAQ	Solano Transportation Authority	Yes
Regional Bicycle Program	CMAs	Yes
Transportation for Livable Communities (TLC) – Regional	MTC	
Transportation for Livable Communities (TLC) – County	CMAs	Yes
Regional Streets and Roads Rehabilitation	CMAs	Yes
Transit Capital Rehabilitation	MTC	

Schedule

Attachment E is the proposed outreach schedule for the development of Cycle 1 funding. The next step is the continuation of discussions with stakeholders throughout September. In October staff plans to bring a draft final proposal to the Programming and Allocations Committee and to the full Commission for approval.

Steve Heminger

Attachments
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Attachment A

New Transportation Authorization Act-- STP/CMAQ with ARRA Backfill Outlay
MTC Revised Proposal, September 9, 2009
(amounts in millions $)

Program and Project Investments Described in attached summary			Committed ARRA Programming	New Commitments					Total New Commitment
				ARRA[1] Backfill	STP/CMAQ Cycle 1	STP/CMAQ/TE Cycle 2	ARRA Backfill & STP/ CMAQ/TE Total	Anticipated Revenue[2]	
			08/09	08/09	09/10 - 10/11 -11/12	12/13 - 13/14 - 14/15	09/10-14/15		
Estimated Apportionment Revenues			662	113	485	568	1,166	235	1,401
Annual Programs									
1	Required	SAFETEA OA Carryover			68		68		68
2	On-Going	Regional Planning			23	25	48		48
3	On-Going	Regional Operations			84	74	158		158
Total					175	99	274		274
T 2035 Core Programs									
4	Focus 1	Freeway Performance Initiative (FPI)	19	74	62	86	222		222
5	Focus 2	Climate Initiatives[3]			59	34	93	55	148
6	Focus 2	Regional Bicycle Program	10	8	16	20	44	22	67
7	Focus 2	Transportation for Livable Communities (TLC)			78	96	174	49	223
8	Focus 3	Transit Capital Rehabilitation	286			119	119	45	164
9	Focus 3	Regional Streets and Roads Rehabilitation[4]	145		86	83	169	63	232
Total			461	82	302	438	821	235	1,056
Strategic Investments									
10	Safety Projects (Vasco Road and North Bay counties)		13						
11	Express Lane Network (580 and 237/880)		14						
12	Transit Expansion (Oakland Airport Connector)		70						
13	Advance Prop 1B Construction (Caldecott Tunnel)		105						
14	Corridor Mobility (SCL I/C Imps)			32			32		32
15	MTC Res 3814 Transit Payback Commitment					31	31		31
16	Trade Corridor (Richmond Rail Connector)				8		8		8
Total			201	32	8	31	71		71
Grand Total			662	114	485	568	1,166	235	1,401

[1] $112.5 M in ARRA Backfill is included within the $661.9 M ARRA Programming Amount ($105 M for Caldecott Tunnel and $7.5M for TE)
[2] Anticipated revenues are based on a 10% annual authorization increase as compared to the assumed 4% in the base proposal over six years. Portion available for Cycle 1 programming is $60 million from apportionments over the first three years.
[3] Includes $20M for SFgo
[4] Includes PTAP and FAS of $28M

Attachment B

Program Category Information

- ***SAFETEA Obligation Authority (OA) Carryover ($68M):*** This is a required OA payback, which reduces programming capacity to other programs. As the MTC region enters the New Act with a carryover of $68 million, it remains uncertain how soon this OA payback would be requested by Caltrans, depending on OA used by other regions in the State. It is noteworthy, that MTC's ability to obligate quickly in the earlier years could be viewed as beneficial by Caltrans, allowing later payback of OA. In any event, it is prudent to anticipate payback during Cycle 1. As noted in the SAFETEA summary, the region had to address over $90 million in OA carryover during the current Act.
- ***Regional Planning ($48 - $57M)*****:** Provide funding to Congestion Management Agencies (CMAs), Association of Bay Area Governments (ABAG), the San Francisco Bay Area Conservation and Development Commission (BCDC), and MTC to support planning activities in the region. The $48M funding level reflects the Transportation 2035 commitment level by escalating at 4% per year from the base amount of $6.9M in FY 2008-09. In addition, the CMAs have the ability to use up to 4% of their respective block grants to supplement their planning revenues.
- ***Regional Operations ($158M)*****:** Funding to continue regional operations programs over the New Act period including TransLink®, 511, and Incident Management. In response to the elimination of STA funding to the Regional Operations Programs, an increment of $2.5 million has been added, as compared to Transportation 2035 assumptions for MTC project staff costs through FY 2012/13. Funding for this purpose in Cycle 2 will depend on the State of California fiscal situation.
- ***Freeway Performance Initiative ($222M)*****:** Attachment D lists the specific projects proposed under FPI. Major benefits would accrue to the Bay Area expediting the implementation of the Freeway Performance Initiative, emphasizing the delivery of ramp metering projects on the State Highway System throughout the Bay Area Region. For nearly two years, MTC staff has been working with Caltrans and the CMAs to develop a list and sequencing of projects. This category includes $1.5 million per year, for a total of $9 million for performance monitoring activities, Regional Signal Timing Program and TOS.
- ***Climate Initiatives ($148M):*** Project components would include, but are not limited to, funding the Safe Routes to Schools, Safe Routes to Transit, Transit Priority Measures (TPM), Outreach/Incentives programs, and Showcase Innovation projects. Subject to continued discussion with the Air District and stakeholders, specific amounts by category and an updated approach to using these funds will be presented in October. This initiative includes $20 million to SFgo for Transit Priority Measures. This project will decrease traffic congestion and improve transit operations by synchronizing intersections, and furnishing and installing traffic cameras and variable message signs for traffic monitoring and information dissemination. Lastly there is $6 million for the Eastern Solano CMAQ Program, to acknowledge CMAQ funds coming to MTC that are within the Sacramento Metropolitan Air Quality Management District's air basin encompassing Eastern Solano County.

- ***Regional Bicycle Program ($67M)*:** Under T2035, these funds will be applied to building the Regional Bicycle Network. This category also includes $8 million for new projects as a result of advancing previously funded transportation enhancement (TE) funding.
- ***Transportation for Livable Communities (TLC) ($223M)*:** $78 million is provided in Cycle 1 to allow for a TLC pilot program to launch a new approach based on discussions with our partners and stakeholders. In July, the Planning Committee reviewed several elements for the next TLC funding cycle. Areas under consideration include (1) the use of TLC funds to incentivize development in Priority Development Areas, (2) the size of TLC grants, (3) a menu of eligible program categories, including streetscapes (current program eligibility), as well as several new categories: non-transportation infrastructure, transportation demand management, and density incentives such as land banking or site assembly, and (4) the split between the regional and local funding. Following input from the Planning Committee, MTC advisors, and regional stakeholders, staff will return to the Planning Committee in September for approval of the next TLC funding cycle.
- ***Transit Capital Rehabilitation Shortfall ($164M)*:** This program will continue to address transit capital shortfalls in the region as identified in the Transportation 2035. The program objective, as in the past, is to assist transit operators to meet major fleet replacement needs.
- ***Local Streets and Roads Rehabilitation ($232M)*:** This program addresses rehabilitation shortfalls on the regional local streets and roads network. Note that the amount includes $28 million for the Pavement Technical Assistance Program (PTAP) and Federal Aid System Commitments**.** With the passage of ISTEA and the dissolution of the Federal Aid Urban/ Federal Aid Secondary (FAU/FAS) programs, California statutes guarantee the continuation of minimum funding to Counties, covering their prior FAS shares. The proposal includes $15 million to address this at the outset of Next Act programming. Also, PTAP ($7 million per cycle), similar to MTC's regional operations programs requires uninterrupted funding to continue the program, which includes $1.5 million per cycle to underwrite MTC costs to administer the program.
- ***Strategic Investments ($71 million):*** Staff is proposing several strategic investments that take into consideration synergies with other recent and proposed initiatives as well as the current state and local economic realties. Related to recent initiatives, staff is proposing to build on the momentum of the Corridor Mobility and Trade Corridor programs by recommending two additional projects that meet these investment priorities. Further, staff is recommending the restoration of partial funding to transit programs and projects that lost funding as a result of state and federal funding cuts. A brief description of each project as well as the proposed funding amount is included below:
    - *Corridor Mobility (Santa Clara Interstate 280 to Interstate 880 Direct Connector - $32 million):* This project will provide a direct freeway connector and interchange improvements to improve traffic operations, safety, and access. This project had been a candidate for Proposition 1B funding, and is now proposed as a strategic investment.
    - *Trade Corridor (Richmond Rail Connector - $8 million):* The Richmond Rail Connector is a rail connection between the BNSF Railroad's Stockton Subdivision and Union Pacific Railroad's Martinez Subdivision near San Pablo,

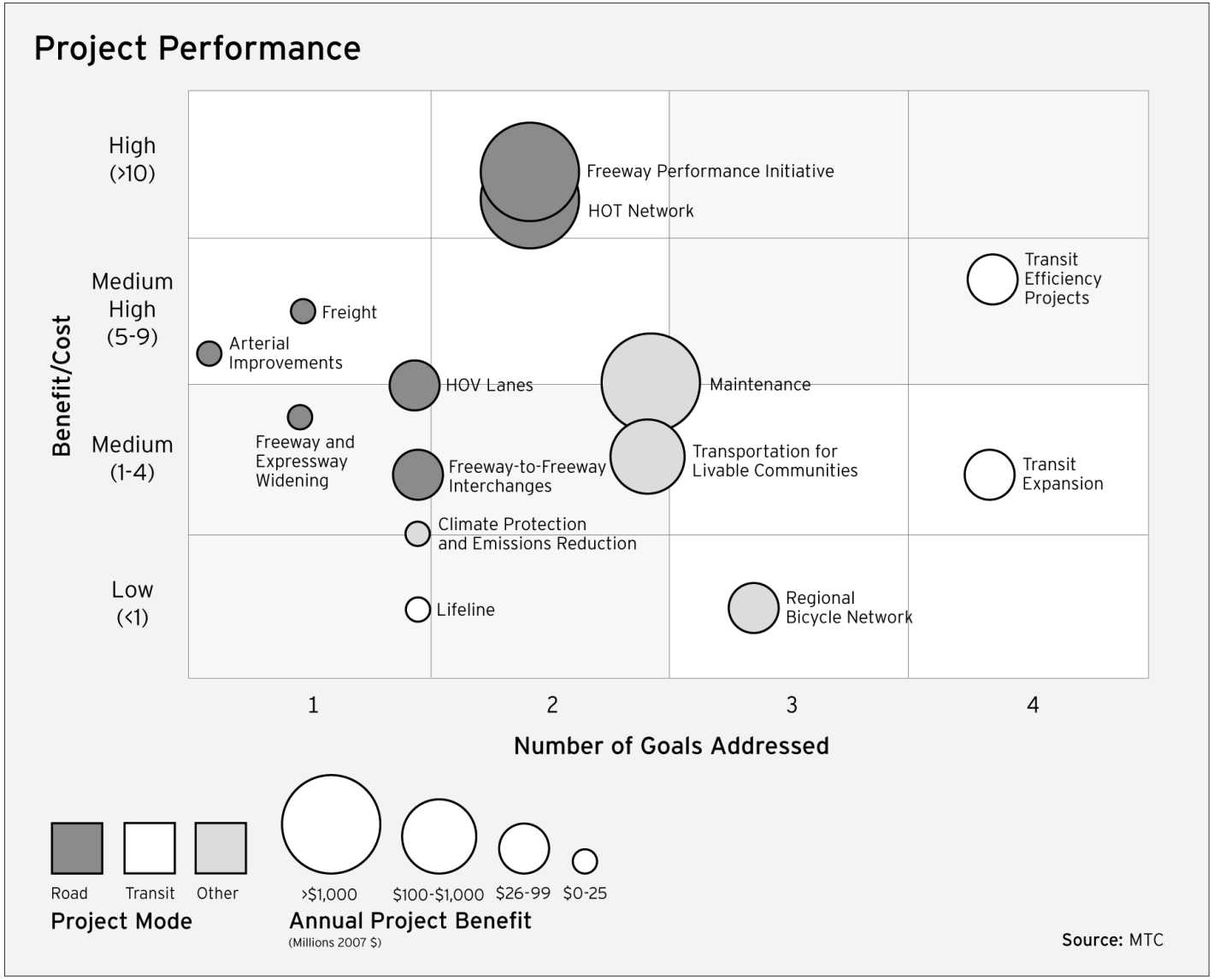
CA, just north of Richmond, CA. BNSF and UP, as well as the Capitol Corridor and Amtrak, all operate on the Martinez Subdivision. This project is needed to accommodate and better serve both current and future freight and passenger rail traffic on the Martinez Subdivision rail corridor while reducing the impacts on the local community. The proposed rail connector would eliminate the need for a number of long BNSF trains to continue to travel through downtown Richmond, thereby reducing traffic delays at local grade crossings, as well as vehicle emissions and noise impacts affecting Richmond residents. The estimated project cost is approximately $35m, with 50 percent of the project costs coming from the state Proposition 1B TCIF program, and additional funds coming from BNSF Railroad.

- *MTC Resolution 3814 Transit Payback Commitment ($31M):* As part of the Transit Policy established in June 2007, in conjunction with Proposition 1B funding, MTC committed $62 million in future spillover revenues for Lifeline, Small Operators, SamTrans Right-of-way Settlement, and two capital projects – BART to Warms Springs and eBART. Given the proposal to suspend funding to transit for five years, MTC is proposing to meet roughly half of this 10-year commitment through a combination of distributions to-date and the proposed cycle programming. However, the proposal would fully fund the Lifeline and Small Operator commitment while delaying any funding to the two capital projects. The table below provides the proposed distribution:

STA Spillover Funding Agreement Per Resolution 3814
PROPOSITION 1B TRANSIT FUNDING PROGRAM -- POPULATION BASED SPILLOVER DISTRIBUTION

Apportionment Category	MTC Resolution 3814 Original Schedule	%	FY 2007-08 Spillover Distribution	Unfunded Commitment	Proposed for Funding	Remaining Commitment
Lifeline	$ 10,000,000	16%	$ 1,028,413	$ 8,971,587	$ 8,971,587	$ -
Small Operators / North Counties	$ 3,000,000	5%	$ 308,524	$ 2,691,476	$ 2,691,476	$ -
BART to Warm Springs	$ 3,000,000	5%	$ 308,524	$ 2,691,476	$ -	$ 2,691,476
eBART	$ 3,000,000	5%	$ 308,524	$ 2,691,476	$ -	$ 2,691,476
Samtrans	$ 43,000,000	69%	$ 4,422,174	$ 38,577,826	$ 19,288,913	$ 19,288,913
Total	**$ 62,000,000**	**100%**	**$ 6,376,158**	**$ 55,623,842**	**$ 30,951,976**	**$ 24,671,865**

Attachment C: Transportation T 2035 Project Evaluation Results*



**Transportation 2035 Performance Assessment Report*, December 2008

Attachment D

Freeway Performance Initiative Project List

(millions$)

PRIOR AARA COMMITMENTS

Caltrans EA	*Route*	*Location*	*Description*	*Capital costs*	*Support costs*	*Total Cost*	*Commited ARRA*	Cumulative ARRA Funds
15130	SCL 280	SB; Menker to 11th	8 Ramp Meters (RMs)	$5.0	$2.0	$7.0	$7.0	$7.0
15034	SCL 280	NB; Vine to Leland	7 RMs	$3.4	$1.6	$5.0	$5.0	$12.0
15340	SM 280	SB; Route 1 to Route 380	9 RMs	$4.9	$2.1	$7.0	$7.0	$19.0
						Committed ARRA Subtotal	**$19.0**	

NEW ACT CYCLE 1 (FY 09/10 - FY 11/12)

Caltrans EA	*Route*	*Location*	*Description*	*Capital costs*	*Support costs*	*Total Cost*	*Funding Request* *	*Cumulative Request*
-	-	signal timing & performance monitoring					$4.5	$4.5
15270	CC 4	Route 680 to Route 160	4 RMs + 40 TOS elements	$7.8	$4.1	$11.9	$9.9	$14.4
15300	ALA 92	EB; SM Bridge to Route 880	7 RMs	$4.3	$3.1	$7.4	$5.9	$20.2
2A790	SM 101	SF co. line to SCL co. line	29 RMs	$9.6	$4.0	$13.6	$12.1	$32.3
15420	SCL 85	Route 280 to Route 101	14 RMs + 14 TOS elements	$9.5	$3.8	$13.3	$11.4	$43.7
15320	SCL 680	Route 101 to ALA co. line	32 RMs + 23 TOS elements	$20.7	$4.3	$25.0	$22.9	$66.6
15310	ALA 680	CC co. line to SCL co. line	30 RMs + 67 TOS elements	$27.1	$5.2	$32.3	$29.7	$96.3
15113	ALA 580	Route 880 to SJ co. line	25 RMs + 69 TOS elements	$13.8	$6.7	$20.5	$17.1	$113.4
15330	SCL 101	101/85 IC south to SBT co. line	27 RMs + 46 TOS elements	$19.8	$5.3	$25.1	$22.4	$135.9
						Cycle 1 Subtotal	**$135.9**	

NEW ACT CYCLE 2 (FY 12/13 - FY 14/15)

Caltrans EA	*Route*	*Location*	*Description*	*Capital costs*	*Support costs*	*Total Cost*	*Funding Request* *	*Cumulative Request*
-	-	signal timing & performance monitoring					$4.5	$48.2
15160	MRN 101	Golden Gate Bridge to SON co. line	43 RMs	$23.7	$4.1	$27.8	$25.8	$74.0
TOS22	SOL 80	Carquinez Bridge to Yolo co. line	61 RMs + 150 TOS elements	$46.9	$17.4	$64.3	$55.6	$129.6
						Cycle 2 Subtotal	**$85.9**	

GRAND TOTAL $240.7

* Funding requests for FPI projects include 100% of capital costs and 50% of support costs.

New Act STP/CMAQ Cycle Programming Outreach Schedule

Date	Committee	Action
May		
18	Partnership Technical Advisory Committee	Present Framework
June		
3 4 9 10 12 15 15 23	Transit Finance Working Group Elderly and Disabled Advisory Committee Minority Citizens Advisory Committee Advisory Council Local Streets and Roads Working Group Programming and Delivery Working Group Partnership Technical Advisory Committee Partnership Board	Present Framework to Advisory Committees and Working Groups leading up to a presentation of a draft proposal to the Partnership Board
July		
1 2 8 10 14 20 20	Transit Finance Working Group Elderly and Disabled Advisory Committee Advisory Council Local Streets and Roads Working Group Minority Citizens Advisory Committee Programming and Delivery Working Group Partnership Technical Advisory Committee	Draft Proposal revised as needed. Draft Final Proposal developed after PTAC to be taken to PAC/Commission in September.
August		
12 20	Advisory Council Regional Bicycle Working Group & Regional Pedestrian Committee joint meeting	Same as above.
September		
2 4 9 9 21 21	Transit Finance Working Group Local Streets and Roads Working Group Programming Allocations Committee Advisory Council Programming and Delivery Working Group Partnership Technical Advisory Committee	Update Advisory Committees and Working Groups on any proposal revisions on an ongoing basis for comment. Staff to present proposal and issues to Programming Advisory Committee for information only and to receive further direction.
October		
1 13	Elderly and Disabled Advisory Committee Minority Citizens Advisory Committee	Continuation of September outreach
14 28	Programming Allocations Committee Commission	Final Draft Proposal reviewed and adopted by the Commission.

Appendix 1 – Summary of Comments Received To-date

The following is an example of a letter received from numerous individuals in response to stakeholder outreach. The individual letters were provided directly to the Commission and are not included here to conserve paper; however the individual names and organizations are listed on the following page.

Subject: Protect MTC's Transportation Climate Action Program

I urge you to stand up for the commitments you made to fund a Transportation Climate Action Campaign.

When MTC adopted the 2009 Regional Transportation Plan (RTP), I was proud to know that it included programs that will help our region curb global warming pollution and improve quality of life in the Bay Area. I was particularly supportive of the $80 million per year Transportation Climate Action Campaign that you said would be funded during the first five years of the RTP, as well as funding for livable communities and the regional bicycle network.

I was deeply disappointed to learn that MTC is threatening to go back on these funding commitments. The current staff proposal recommends just $11 million per year for the climate program, in large part because of the tremendous amount going to freeway ramp meters. The Regional Bicycle Network and Transportation for Livable Communities should programs should also get at least as much funding as previous years.

Please let me know what you plan to do to ensure that the Transportation Climate Action Program gets funded in the first years of the RTP. It's critically important to stand up now for climate protection.

Thank you.

- *Alice Mosley*
- *Andrew Casteel (Bay Area Bicycle Coalition)*
- *Andrew Chance*
- *Andy Thornley (San Francisco Bicycle Coaltion)*
- *Ann Ceglia*
- *Ariana Jostad-Laswell*
- *Autumn Buss*
- *Barbara Moulton*
- *Bay Area Regional Health Inequities Initiative (BARHII)*
- *Bob Allen (Urban Habitat)*
- *Bob Prentice (BARHII)*
- *Brandon Kitagawa*
- *Brian Cavagnolo*
- *Brit Harvey*
- *Bruce Ohlson*
- *Camille Guiriba*
- *Carrie Harvilla*
- *Charles Harris*
- *Charles Malarkey*
- *Charlie Cronk*
- *Cheryl Brown*
- *Cheryl Longinotti*
- *Corinne Winter (Silicon Valley Bicycle Coalition)*
- *Christine Culver (Sonoma*
- *County Bicycle Coaltion)*
- *Christopher Pederson*
- *City of San Leandro*
- *Courtney Miller*
- *Craig Hagelin*
- *Daniel Schulamn*
- *David Favello*
- *David Rosen*
- *Deb Hubsmith (Safe Routes to School National Partnership)*
- *Dennis Rosatti*
- *Diane Spaulding (Non-Profit Housing Association of Northern California)*
- *Edith Cabuslay (BARHII)*
- *Elaine Booth*
- *Eleanor Guerin*
- *Elizabeth Wampler*
- *Erkki KochKetola*
- *Frima Stewart (Marin County Health and Human Services Agency)*
- *Geoffrey Holton*
- *Hal Keenan*
- *Hans Fallant*
- *Harry Chomsky*
- *Howard Strassner*
- *Howard Wong*
- *Ian Kim (Ella Baker Center for Human Rights)*
- *Irvin Dawid*
- *Janet Arnold*
- *Jean Fraser*
- *Jeff Brown*
- *Jenna Brager*
- *Jennifer Stanley*
- *Jeremy Madsen (Greenbelt Alliance)*
- *Jessica DiCamillo*
- *Jody Zaitlin*
- *John Holtzclaw*
- *John 'Sal' Bednarz*
- *John Schlag*
- *Joseph Ostrow*
- *Joshua Switzky*
- *Judith Bell (PolicyLink)*
- *Judith Newton*
- *Judith Smith*
- *Julia Prange*
- *Kara Vuicich*
- *Kari Binley (Sustainable San Mateo County)*
- *Kim Baenisch (Marin Bicycle Coalition)*
- *Laurie-Ann Barbour*
- *Leadership Institute for Ecology and the Economy*
- *Lena Moman*
- *Leonard Conly*
- *Linda Rudolph (City of Berkeley)*
- *Lionel Gambill*
- *Manish Champsee (Walk San Francisco)*
- *Marie Rose Taruc*
- *Mark Birnbaum*
- *Mark Bruckner*
- *Mark Shaw*
- *Mateo Nube*
- *Megan Shaughnessy-Mogill*
- *Michael Allen (Accountable Development Coalition)*
- *Michael Klinger*
- *Michael Laurie Bishow*
- *Mike Cluster*
- *Mike Daly (TransForm)*
- *Mike Kahn*
- *Mike Samuels*
- *Miriam Sorell*
- *Mitch Katz (San Francisco Department of Public Health)*
- *Nabeel Al-Shamma*
- *Nancy Weninger*
- *Neal Patel*
- *Nick Caston*
- *Nina Bellak*
- *Paula Zerzan*
- *Phil Morton*
- *Polly Amrein*
- *Ramkumar Sridharan*
- *Remi Tan*
- *Robert Bregoff*
- *Robert Raburn (East Bay Bicycle Coalition)*
- *Rocky Birdsey (Marin Center for Independent Living)*
- *Ron Bishop*
- *Ron Chapman (Solano County Health and Human Services Agency)*
- *Ryan Van Lenning*
- *Sabrino Merlo*
- *Sandra Johnson*
- *Sassan Ebadi*
- *Scott Klimo*
- *Scott Morrow (San Mateo County Health Services Agency)*
- *Seth Goddard*
- *Sherman Lewis*
- *Steven Plunkett*
- *Stuart Cohen (TransForm)*
- *Susan McDonough*

- *Sustainable Pacific Rim Cities Pacific Rim Cities*
- *Tad Veltrop*
- *Ted Fehlhaber*
- *Timothy Rood*
- *Tom Boss*
- *Tom Helm*
- *Tony Iton (Alameda County)*
- *Wafaa Aborashed*
- *Wendi Kallins*
- *Wendy Hilberman (Napa County Bicycle Coalition)*
- *Wendel Brunner (Contra Costa County)*
- *Wendy Krupnick*
- *Xinyuan Yang*
- *Zeno Swijtink*

City of San Leandro
Civic Center, 835 E. 14th Street
San Leandro, California 94577

Office of the Mayor 510-577-3356
FAX 510-577-3340

August 27, 2009

The Honorable Scott Haggerty
The Honorable Steve Kinsey
Members of the Metropolitan Transportation Commission
101 Eight Street
Oakland, CA 94607

Dear MTC Chair Haggerty, Programming and Allocations Chair Kinsey and Commissioners:

I am writing to express strong concerns with the MTC proposed funding allocations for the Transportation 2035 "Core Programs" under STP/CMAQ Cycles 1 and 2, as were put forth in the June 23, 2009 staff report. I feel that these recommendations short-change the Bay Area's commitment to climate protection.

The Transportation 2035 Regional Transportation Plan (RTP), which MTC adopted in April 2009 recognizes the enormity of the climate challenge our region faces and clearly shows that infrastructure investments alone will not meet the region's climate goals; focused growth and creative demand management solutions are also needed.

The T2035 plan, developed over more than two years with much publicity and an extensive public process which resulted in input from thousands of Bay Area residents, calls for:

- Fully funding the Transportation Climate Action Campaign for $400 million in the first five years of the plan,
- Increasing funding for the Regional Bicycle Network to $1 billion over the course of the plan, and
- More than doubling funding for the Transportation for Livable Communities (TLC) program to $2.2 billion over the course of the plan.

Yet the proposed STP/CMAQ funding allocations provide only 17% of funding for the well-publicized, popular, and needed Transportation Climate Action Campaign and funds the popular Regional Bicycle Network and TLC programs at levels lower than previous years.

The Transportation Climate Action Campaign was originally submitted to MTC by the Joint Policy Committee (JPC), comprised of the JPC's four regional agencies. There was wide support from MTC Commissioners and the public for this program during the development of the Regional Transportation Plan. In particular, it should be noted that the Transportation Climate Action Campaign was proposed as a five-year program due to the urgency to be proactive about addressing the significant contribution that the transportation sector makes to climate change and the interest in pursuing a number of efforts to reduce greenhouse gas emissions and evaluate the relative effectiveness so that there might be additional focused investments in climate programs in the 2013 RTP.

Under SB 375, the region will need to achieve ambitious greenhouse gas emission reductions from transportation. Therefore, it is critical that we move forward with the Climate program now, during Cycles 1 and 2 of the STP/CMAQ programming. I understand that due to funding constraints it is not feasible to allocate funds at the levels anticipated in the RTP at this time. However, since revenue projections have not changed substantially, I am very concerned that the current proposal does not reflect the intention of the Commission to fund a five-year Transportation Climate Action Campaign at the beginning of the RTP.

As such, I support the proposal that the Commission:

1. Prioritize investment in the Transportation Climate Action Campaign by investing as many STP/CMAQ dollars as possible in this program after meeting basic commitments to other programs as described in recommendations 2-4 below. I believe that a minimum of $200 million should be invested within the six-year STP/CMAQ cycle.
2. Provide at least the same level of funding as in previous years for the Regional Bicycle Network ($8 million/year) and Transportation for Livable Communities ($27 million/year) programs.
3. Maintain the June 23 staff recommendation for Transit Capital Rehabilitation and Regional Streets and Roads Rehabilitation.
4. Fund the Freeway Performance Initiative proportionally as compared with the other regional programs as described in the RTP and use the Prop 1B loan repayment to fund the Freeway Performance Initiative, freeing up $70 million in STP/CMAQ funds for other uses.

The majority of cities in the region have voluntarily chosen to become part of the FOCUS program by nominating one or more Priority Development Areas. Early allocation of funding for the TLC program, strategically directed to the PDAs, is critically important to ensure continued commitment from these cities to the focused growth program. Focused growth is a long-term strategy for reducing vehicle trips and associated greenhouse gas emissions. Therefore, early investments in land use such as those included in the TLC program are critical for enabling our region to meet the long-term state greenhouse gas reduction goals of bringing emissions to 80% below 1990 levels by 2050.

STP/CMAQ funds are limited but provide flexibility that other funding sources do not. Therefore, they must be allocated strategically. I urge the Commission to identify other funding sources for projects that may be funded through other revenue sources. That is why I support the proposal that the Freeway Performance Initiative could be partially paid for through the repayment of MTC's $70 million loan of ARRA funds to the Proposition 1B program.

MTC has been praised for its public outreach process, and its commitment to climate protection. Now is the time to more forward with fulfilling the commitments in the RTP.

Thank you for your consideration of this important matter.

Sincerely,

Anthony B Santos
Mayor

cc: City Council

Bay Area Regional Health Inequities Initiative

Alameda County | City of Berkeley | Contra Costa County | Marin County | City and County of San Francisco | San Mateo County | Santa Clara County | Solano County

August 28, 2009

Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Dear Mr. Heminger:

As public health officials from the nine Bay Area counties (and beyond) that make up the region served by the Metropolitan Transportation Commission, we have a keen interest in the Regional Transportation Plan (RTP), as we communicated in our June 25, 2008, letter supporting some of your proposed investments (attached). That letter outlined some of the significant public health consequences of decisions affecting the built environment, and we applauded your proposed investments in projects such as Safe Routes to Schools, Safe Routes to Transit and Transit Oriented Development.

Like many others who were encouraged by some of the components of the RTP, we were dismayed to learn that the investment in many of the programs we enthusiastically endorsed will receive substantially less funding than originally proposed. As public officials, we understand the imperfect decisions we are often forced to make because the resources to do all that is important are not available. With our still-limited understanding of transportation planning, we can't even imagine the tough trade-offs you must be considering. As we understand one of the issues, for example, metering lights on freeway ramps can not only reduce congestion, but reduce idling and associated emissions, which we would most certainly support. On the other hand, if the price is to under-invest in programs like Safe Routes to Schools or Safe Routes to Transit, how do we begin to reduce Vehicle Miles Traveled (VMTs), encourage transit use and re-incorporate physical activity into people's day-to-day lives? A recent health impact assessment of Safe Routes to Schools in Sacramento, for example, indicated that, on average, children would spend an additional 30 minutes per day in physical activity, with a corresponding reduction in their Body Mass Index (a measure of overweight and obesity).

And, of course, there is SB 375 and its profound implications for future RTPs, especially the emphasis on reducing VMTs and a Sustainable Communities Strategy. It seems to us that anticipating the long-term goals of SB 375 in current transportation priorities serves a dual

purpose of getting an advance on climate change mitigation and defining the future direction of public health improvement.

We are in no position to second-guess your decisions. However, we think it is incumbent on us to articulate what we believe to be the public health considerations in those decisions. Especially since transportation planning is so important to the health of communities, we look forward to a growing and productive dialogue with you.

Thank you for your consideration. Please contact Bob Prentice at (510) 302-3321 if you have any questions or would like to discuss this matter further.

On behalf of Bay Area public health officials,

Edith Cabuslay

Edith Cabuslay, MPH
Co-chair, BARHII

Bob Prentice, PhD
Director, BARHII

Bay Area Regional Health Inequities Initiative

Alameda County | City of Berkeley | Contra Costa County | Marin County | City and County of San Francisco | San Mateo County | Santa Clara County | Solano County

June 25, 2008

Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Dear Commissioners:

We know that, after many months of research, planning and discussion, you are preparing to make investment decisions based on the Regional Transportation Plan (RTP). As public health officials from eight bay area jurisdictions, we have a keen interest in those decisions and hope you will take our comments into consideration.

As you know, there has been a renaissance of interest in the relationship of public health to the built environment. Roughly 90% of preventable illness and death is now associated with chronic diseases and injuries, many of which have their roots in our physical environment. One-third of our kids are overweight, which makes them prime candidates to join the two-thirds of adults who are overweight and obese, and at risk for diabetes, heart disease, stroke and other chronic conditions. An article in the *Journal of the American Medical Association*, for example, projected that, unless we do something differently, one out of three babies born in the year 2000 can expect to develop diabetes at some point in their lifetimes. More generally, this could be the first generation in over a century that can expect to live shorter lives than their parents. As important as they are, the stakes are greater than better access to health care or smarter choices about what we eat. Much of what shapes our health today is the result of the physical and social conditions in which we live, so public health is increasingly focused on how we can improve those living conditions.

Although we are still relative novices in transportation planning, there are some elements in the RTP that strike us as being particularly important for supporting good community health. We therefore urge you to include them in your priorities for investment.

- **Safe routes to schools.** If we are ever able to reverse the health-threatening weight gain in children, we must figure out how to get physical activity back into their day-to-day lives. If kids once again walk or ride bikes to school, that will be an important contribution. The creation of grant programs to fund projects that promote children walking and biking to school would be a great boost to this public health campaign.
- **Safe routes to transit.** The more we can encourage everyone, not just kids, to walk and bike, the better off we will all be. Making it easier and safer to bike or walk to transit stations and stops will expand the

universe of people who have incorporated physical activity back into their daily lives. We know that you currently invest in safe routes to transit, but we also understand that it is oversubscribed. Any additional investments will be a great asset in our efforts to improve community health.

- **Prioritize transportation needs in low-income communities.** As we documented in our report, *Health Inequities in the Bay Area* (www.barhii.org), the neighborhood where people live can mean a decade or more difference in life expectancy compared with living in another neighborhood. It is important that we focus our investments in those low-income communities where a multitude of factors combine to create comparatively poor health status. Making transportation widely available and affordable would be an important contribution to improving those neighborhood conditions associated with poor health.
- **Prioritize projects that improve air quality.** Asthma hospitalization rates in neighborhoods like West Oakland, Bayview/Hunters Point and Richmond are much greater than those for other bay area communities. Recent studies by the California Air Resources Board have documented higher rates of respiratory illness and certain cancers associated with exposures to particulate matter. It is essential that transportation policies help reduce the burden of air pollution in those communities with high exposures and related illnesses.
- **Transit oriented development.** We support your efforts to use transportation investments to encourage smarter land use decisions through transit oriented development projects. While we are sometimes accused of dreaming that we can reverse over a half century of urban planning as a major factor in contemporary patterns of disease, it is through innovative approaches like transit oriented development that we see hope that it is indeed possible. We encourage you to continue supporting those projects in your investment priorities.
- **Climate change.** The specter looming over all of us is climate change. It is essential not only for our health, but for our survival, that we do whatever we can to reduce dependency on the automobile and promote public transportation, biking and walking. You are in a unique position to contribute to that Herculean task. We stand ready to help you in any way we can to advance that goal.

Thank you for considering our recommendations. As we indicated at the beginning of this letter, transportation planning is new to many of us in public health. However, we realize that it could be more important to improving overall community health than many of the things we do in our clinics and programs. Accordingly, we look forward to working with you as you make your investment decisions, now and in the future.

On behalf of Bay Area public health officials,

Bob Prentice, PhD
Director
Bay Area Regional Health Inequities Initiative (BARHII)

Tony Iton, MD, JD, MPH
Public Health Director and Health Officer
Alameda County

Linda Rudolph, MD, MPH
Public Health Director and Health Officer
City of Berkeley

Wendel Brunner, MD, PhD, MPH
Public Health Director
Contra Costa County

Frima Stewart, MSW
Director, Public Health Division
Marin County Health and Human Services Agency

Mitch Katz, MD
Director
San Francisco Department of Public Health

Scott Morrow, MD, MPH, MBA
Health Officer
San Mateo County Health Services Agency

Ron Chapman, MD, MPH
Health Officer and Deputy Director
Solano County Health and Human Services Agency

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September 2, 2009

Dear MTC Chair Haggerty, Programming and Allocations Chair Kinsey and Commissioners,

We are writing to express our strong concerns with the MTC proposed funding allocations for the Transportation 2035 "Core Programs" under STP/CMAQ Cycles 1 and 2, as were put forth in the June 23, 2009 staff report. We feel that these recommendations short-change the Bay Area's commitment to climate protection.

The Transportation 2035 Regional Transportation Plan (RTP), which MTC adopted in April 2009, recognizes the enormity of the climate challenge we face and clearly shows that infrastructure investments alone will not meet the region's climate goals; focused growth and creative demand management solutions are also needed.

The T2035 plan, developed over more than two years with much publicity and an extensive public process which resulted in input from thousands of Bay Area residents, calls for:

- Fully funding the Transportation Climate Action Campaign for $400 million in the first five years of the plan,
- Increasing funding for the Regional Bicycle Network to $1 billion over the course of the plan, and
- More than doubling funding for the Transportation for Livable Communities (TLC) program to $2.2 billion over the course of the plan.

Yet the proposed STP/CMAQ funding allocations provide only 17% of funding for the well-publicized, popular, and needed Transportation Climate Action Campaign and funds the popular Regional Bicycle Network and TLC programs at levels lower than previous years.

Inspiring leaders to create public policy that is environmentally friendly and socially equitable for a healthy economy and a sustainable community

The Transportation Climate Action Campaign was originally submitted to MTC by the Joint Policy Committee (JPC), comprised of the JPC's four regional agencies. There was wide support from MTC Commissioners and the public for this program during the development of the Regional Transportation Plan. In particular, we wish to remind you that the Transportation Climate Action Campaign was proposed as a five-year program due to the urgency to be proactive about addressing the significant contribution that the transportation sector makes to climate change and the interest in pursuing a number of efforts to reduce greenhouse gas emissions and evaluate the relative effectiveness so that there might be additional focused investments in climate programs in the 2013 RTP.

Under SB 375, the region will need to achieve ambitious greenhouse gas emission reductions from transportation. Therefore, it is critical that we move forward with the Climate program now, during Cycles 1 and 2 of the STP/CMAQ programming. We understand that due to funding constraints it is not feasible to allocate funds at the levels anticipated in the RTP at this time. However, since revenue projections have not changed substantially, we are very concerned that the current proposal does not reflect the intention of the Commission to fund a five-year Transportation Climate Action Campaign at the beginning of the RTP.

As such, we propose that the Commission:

1. Prioritize investment in the Transportation Climate Action Campaign by investing as many STP/CMAQ dollars as possible in this program after meeting basic commitments to other programs as described in recommendations 2-4 below. We believe that a minimum of $200 million should be invested within the six-year STP/CMAQ cycle.
2. Provide at least the same level of funding as in previous years for the Regional Bicycle Network ($8 million/year) and Transportation for Livable Communities ($27 million/year) programs.
3. Maintain the June 23 staff recommendation for Transit Capital Rehabilitation and Regional Streets and Roads Rehabilitation.
4. Fund the Freeway Performance Initiative proportionally as compared with the other regional programs as described in the RTP and use the Prop 1B loan repayment to fund the Freeway Performance Initiative, freeing up $70 million in STP/CMAQ funds for other uses.

The majority of cities in the region have voluntarily chosen to become part of the FOCUS program by nominating one or more Priority Development Areas. Early allocation of funding for the TLC program, strategically directed to the PDAs, is critically important to ensure continued commitment from these cities to the focused growth

program. Focused growth is a long-term strategy for reducing vehicle trips and associated greenhouse gas emissions and for creating affordable transportation choices for all, including low-income residents and communities of color. Therefore, early investments in land use such as those included in the TLC program are critical for enabling our region to meet the long-term state greenhouse gas reduction goals of bringing emissions to 80% below 1990 levels by 2050.

STP/CMAQ funds are limited but provide flexibility that other funding sources do not. Therefore, we must allocate them strategically. We urge the Commission to identify other funding sources for projects that may be funded through other revenue sources. That is why we propose that the Freeway Performance Initiative could be partially paid for through the repayment of MTC's $70 million loan of ARRA funds to the Proposition 1B program.

The Leadership Institute for Ecology and the Economy has trained over 250 local leaders on the creation of more sustainable public policies for the North Bay region. We believe that achieving our ambitious climate protection goals will require a transformation in our thinking about how we transport people and goods in California. We encourage the MTC to support the policies that will enable this transformation by providing the necessary funding as recommended previously in this letter.

MTC has been praised for its public outreach process, and its commitment to climate protection. Now is the time to move forward with fulfilling the commitments in the RTP.

Sincerely,

Tanya Narath

Tanya Narath
Executive Director

September 1, 2009

Scott Haggerty
Chair, Metropolitan Transportation Commission
101 Eighth St
Oakland, CA 94607

Re: STP/CMAQ funding allocations

Dear MTC Chair Haggerty, Programming and Allocations Committee Chair Kinsey and Commissioners:

We are writing to express our strong concerns with the MTC proposed funding allocations for the Transportation 2035 "Core Programs" under STP/CMAQ Cycles 1 and 2, as were put forth in the June 23, 2009 staff report. We feel that these recommendations short-change the Bay Area's commitment to climate protection.

The Transportation 2035 Regional Transportation Plan (RTP), which MTC adopted in April 2009, recognizes the enormity of the climate challenge we face and clearly shows that infrastructure investments alone will not meet the region's climate goals; focused growth and creative demand management solutions are also needed.

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Under SB 375, the region will need to achieve ambitious greenhouse gas emission reductions from transportation. Therefore, it is critical that we move forward with the Climate program now, during Cycles 1 and 2 of the STP/CMAQ programming. We understand that due to funding constraints it is not feasible to allocate funds at the levels anticipated in the RTP at this time. However, since revenue projections have not changed substantially, we are very concerned that the current proposal does not reflect the intention of the Commission to fund a five-year Transportation Climate Action Campaign at the beginning of the RTP.

As such, we propose that the Commission:

1. Prioritize investment in the Transportation Climate Action Campaign by investing as many STP/CMAQ dollars as possible in this program after meeting basic commitments to other programs as described in recommendations 2-4 below. We believe that a minimum of $200 million should be invested within the six-year STP/CMAQ cycle.
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MTC has been praised for its public outreach process, and its commitment to climate protection. Now is the time to more forward with fulfilling the commitments in the RTP.

Sincerely,

Bob Allen
Transportation & Housing Program Director, Urban Habitat

Michael Allen
Chair, Accountable Development Coalition

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