



April 13, 2012

Chair Sperring and Members of the MTC Planning Committee  
Chair Green and Members of the ABAG Administrative Committee  
101 8<sup>th</sup> Street  
Oakland CA 94607

**Re: Planning Committee item #4a: Draft Transportation Investment Strategy**

Dear MTC Commissioners and ABAG Board Members,

The Sustainable Communities Strategy offers the Bay Area a great opportunity to fundamentally change the region's growth paradigm away from sprawl and towards walkable communities. SB 375 asks each region to develop a new blueprint for transportation, housing and land use that focuses on reducing driving and associated greenhouse gas emissions.

In addition to the GHG reduction targets, you embraced SB 375's performance focus by adopting a set of 10 targets to meet other key regional goals: providing housing for people of all incomes, improving health through more physical activity, reducing the cost of transportation, and preserving open space. More recently, we have applauded your decision to stick with that performance focus in the development and use of the Project Performance Analysis and the 'compelling case' process.

However, the performance analyses completed to date have shown that the region's alternative scenarios have fallen far short of the targets. According to MTC analyses, in each scenario:

- The Bay Area will only reduce GHG emissions by 8-9% per capita, well short of our 15% target. The Climate Policy Initiatives proposed in this new investment strategy will not bridge that gap.
- Low-income families will spend 84% or more of their income on housing and transportation. This is a recipe for debt and displacement that regional policy must attempt to combat.
- Inadequate housing will hurt the economy, reducing potential job growth by more than 10%.

These are not results that we can be proud of.

We recognize that the transportation investment package can only do so much towards any given target. But we need to do better.

The attachment presents a recommendation for improvement on each of the six strategies laid out in staff's proposed Draft Transportation Investment Strategy. Taken together, these recommendations will improve the plan, do a better job of responding to the your targets, and move us forward towards One Bay Area.

We urge you to direct staff to follow up on these recommendations in developing the preferred transportation investment strategy. We look forward to your conversation and to discussing these issues with you and staff.

Sincerely,

Jeff Hobson  
Deputy Director

## **TransForm Recommendations on the Draft Transportation Investment Strategy**

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### **Strategy #1: Close the GHG Gap with an Effective Climate Policy Initiative**

Neither option for the draft proposed Climate Policy Initiative presents an effective strategy for closing the GHG gap. Instead, MTC should invest in the innovative approaches begun in Transportation 2035.

In the last RTP, MTC drew strong support across the board for its new Climate Innovative Grants program, whose first funding cycle invested \$40 million for a wide range of innovative projects. The Commission committed to following up based on an objective evaluation of the results. But the two options appear to abandon that commitment.

The projects from the first cycle are now underway, and evaluation results are expected soon. For example, we are about to have the nation's first regional bike-sharing program. If the program is as successful here as it has been elsewhere, it will be a great low-cost high-impact project the region will want to expand. And further, it would improve the region's measures on almost every single one of the region's 10 adopted targets for the SCS. But there does not appear to be any room for that bike-sharing expansion in the proposed initiatives. The Climate Innovative Grants program funded a wide array of innovative approaches, including parking and transportation demand management approaches as well as some clean fuel/vehicle technology approaches.

Instead, both proposed options invest almost all of their funding in vehicle technology and behavioral programs. Certainly some of these approaches are important efforts to pursue. But making the combination of them the Bay Area's "Climate Policy Initiative" suffers from several flaws. First, it stretches credulity to believe that the region can buy a 7-8% per capita reduction in GHGs with a \$500-700 million investment over the next 28 years. Second, these vehicle technology and behavioral programs do little to meet all 10 SCS performance targets; they are vehicle emissions strategies, not the transportation and land use strategies envisioned by SB 375. And third, several of these are approaches that can and should be funded outside of the RTP investment structure; for example, a well-designed Clean Vehicle Feebate Program should be able to support the Vehicle Buy-Back and Plug-In/Electric Vehicle purchase incentives. These vehicle technology approaches should not be funded with precious STP/CMAQ funds.

***Recommendation #1: Fund the Climate Innovative Grants program, based on evidence from the first round of funding, to follow through on commitments made in the last RTP.***

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### **Strategy #2: Fix-It First for Transit by Requiring BART & Muni to address their shortfalls**

It is not good that the Bay Area's Regional Transportation Plan will leave huge shortfalls in maintaining our region's transit and local street networks at current levels, not to mention restoring lost transit service and bringing the system up to a state of *good* repair. We need more investment, and we need smart investments.

We recognize that the transit capital maintenance needs have ballooned to a point that the RTP cannot meet 100% of the shortfalls. And we recognize that the draft investment strategy fully funds vehicle replacement and a larger portion of the other high-scoring needs than T2035 (70% instead of 60%).

But the plan should have a strategy to rein in these shortfalls. The last several RTPs have been unable to meet the shortfalls, and the shortfalls only grow bigger. That should not be acceptable. The biggest shortfalls are with BART and Muni, 2/3 of the total transit shortfall. Both agencies are taking important steps towards addressing their backlog – such as BART's recent movement towards using operating revenues to support the car replacement program – but much more is needed.

***Recommendation #2: Impose special requirements on at least BART and Muni to develop a funding plan to demonstrate how they will achieve a State of Good Repair, or at least how they will continue to maintain the existing level of repair. In the meantime, MTC should give greater scrutiny to capital expansion projects by the two agencies. MTC should commit discretionary funding to expansion projects that will decrease operating and maintenance costs, such as BART Metro and Muni’s Transit Effectiveness Project, until each agency has a fully funded O&M plan.***

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**Strategy #3: Get the One Bay Area Grant framework right**

TransForm supports the draft investment strategy’s approach of assigning all of the Local Streets and Roads system preservation funds to the One Bay Area Grant program. That is much larger than the OBAG program currently under discussion, so it would give the region more ability to encourage growth in Priority Development Areas.

But that potential will only be reached if the region designs a good OBAG program. TransForm is reviewing the revised draft put out recently by staff and recognizes that this discussion is not the right time for detailed input on OBAG. For today’s meeting, we will simply put out two main conclusions:

- The draft program still does far too little to address displacement and encourage affordable housing; and
- The draft program provides far too little direction to county CMAs to help insure that the program will actually invest in ways that support sustainable and equitable growth in PDAs.

We also want to comment that it is disappointing to see MTC appearing to retreat from the regional programs. The draft strategy takes the vast majority of what used to be dedicated to Transportation for Livable Communities, Planning, and Regional Bike Network funds – mostly distributed regionally – and puts them into an OBAG program whose distribution is given over almost entirely to county control. We understand that the intent: to create more commitment to the OBAG goals within the county agencies. But we are concerned that the current program design does not do enough to ensure that the program will actually achieve those goals.

***Recommendation #3: Further revise the OBAG program to provide more guidance to counties to make the program better address displacement, encourage affordable housing, and support sustainable and equitable growth in PDAs.***

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**Strategy #4: Fund the Highest-Performer: BART Metro**

We have previously commented on the groundbreaking Project Performance Assessment (PPA) that represents an excellent attempt to connect the 10 RTP targets adopted last year to specific investments.

In that analysis, BART Metro was the highest-ranked project: it was listed as having a Benefit/Cost ratio of “>60.” In fact, the project did even better than that: the analysis found that the project would actually *reduce* operating and maintenance costs. Plus, it has an overall targets score of 8.5, the highest score any project achieved.

But the draft investment package only commits \$160 million to BART Metro, \$100 million of which is in the proposed Alameda County sales tax. Every other project with a B/C ratio over 10 is fully, or nearly fully, funded in the RTP. Many other, much lower-ranked projects, get much more funding than BART Metro. This doesn’t make sense.

BART Metro is exactly the kind of investment that MTC should fund in this new SB 375 era, when the federal government is encouraging transit agencies to invest in their State of Good Repair. BART

Metro would increase the efficiency of BART in the urban core by constructing new turnbacks, providing new express train service, and investing in automatic train controls that will make trains run more efficiently. BART Metro is cost-effective, it supports growth in PDAs, and it promotes almost all of the 10 SCS targets. It is the most slam-dunk investment in the whole plan.

We recognize that the project needs more study. We understand that the draft investment strategy retains some “New/Small Starts” funding in reserve for projects in the planning stages, and that BART Metro could in the future compete for those funds. But that future is a long ways off. And that offer – “you can fight for future discretionary funds” – is a very thin commitment to the best performing project in the whole RTP analysis.

**Recommendation #4: Dramatically increase funding for BART Metro.**

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### **Strategy #5: Squeeze more Efficiency with Smarter Investments**

TransForm continues to believe that Express Lanes *could* be a good step towards equitable road pricing, if they create more transportation choices and support access for low-income residents. But the information available so far suggests that MTC’s current approach will not reach those goals and that there is no public planning process to work towards a better system.

When MTC approved the CTC application last fall, we urged you to initiate a transparent public planning process for the Bay Area Express Lane Network, in parallel with the CTC application, and that the process should:

- Fully integrate and expand express buses, vanpools, and carpools to maximize benefits for all of us based on best practices from around the U.S.
- Analyze how low-income commuters in the Bay Area, already burdened by the highest combined costs for transportation and housing in the entire country, can benefit from the network, and
- Ensure that this multi-billion dollar transportation project meets our SCS targets and significantly reduces greenhouse gases and the amount we drive

Several Commissioners echoed these concerns and spoke in support of a public planning process. MTC staff stated that there would be public planning meetings. With that reassurance, the Commission voted to proceed with the application with no requirement for a public planning process. And yet, to our knowledge, no publicly-noticed planning meetings have yet taken place nor are there any plans to do so as a part of the SCS/RTP process, where this planning should take place.

For the network under MTC’s control (as opposed to the portion of the network controlled by VTA), we are most concerned about the 120 miles of highway expansions, particularly the outward expansions to the edges of the region: the I-80 widening to the Yolo County line and the I-580 widening to the San Joaquin County line. Instead of using express lane revenues to build those sprawl-inducing widenings, the network should at least use those revenues instead transit service along the express lane corridors where the revenues are collected.

**Recommendation #5: In the Bay Area Express Lane Network, eliminate the projects that would widen I-80 to Yolo County line and I-580 to the San Joaquin County line. Commit to a transparent public planning process to ensure the network creates more transportation choices and supports access for low-income residents.**

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**Strategy #6: Make the Transit System Sustainable**

On the Transit Sustainability Project, TransForm commented earlier this week at the Select Committee, so we will not repeat those comments in detail here. While the progress in the TSP is incremental and much less dramatic than we had hoped, it is a critical start. This start needs to lead to improvements that will reduce costs and improve service.

The Transit Performance Initiative presents a good opportunity for the highest and best uses for regional funding – low-cost, high impact projects that can speed up existing bus and light rail, thereby reducing operating costs and attracting riders. TransForm supports the proposal to have the TPI become an ongoing investment.

At the same time, we recognize that there remains a risk that an intensive focus on efficiency could have adverse impact on people who rely on transit for all trips – since nights and weekends are not "cost-effective" and therefore could be cut to help meet the per passenger target. The TSP must achieve cost savings with a watchful eye to avoid such service cuts.

This is also why MTC must invest in the Lifeline Transportation Program to ensure low-income communities have access to mobility. We will address Lifeline in this strategy, even though it is not included in the investment strategy, because the staff presentation simply does not mention the Lifeline program in *any* of the slides about the draft investment strategy.

The Lifeline program should pursue three policy goals with three components:

- Close gaps in fixed-route transit service to link communities of concern to opportunities, particularly key employment centers. This should be a regional program, as many of the key gaps are across county lines.
- Provide targeted improvements in specific communities of concern, as identified by Community-Based Transportation Plans. This should be a continuation of the existing Lifeline Transportation program. MTC staff assessment showed a \$4.2 billion need over the RTP timeframe, but the proposed investment strategy fills less than 20% of that need.
- Reduce transit costs by starting a pilot program for a means-based lifeline transit discount pass, based on the recently-started study.

***Recommendation #6: Increase investments in the Transit Performance Initiative and the Lifeline Transportation Program, with policy goals detailed above.***