



November 19, 2021

The Honorable Gavin Newsom
 Governor, State of California
 State Capitol Building, 1st Floor
 Sacramento, CA 95814

Dear Governor Newsom,

As you prepare your proposed State Budget for FY 2022-23, the undersigned San Francisco Bay Area organizations urge you to maintain your strong commitment to public transit, active transportation and climate adaptation for transportation infrastructure. As negotiations on high-speed rail funding and an accompanying transportation funding package resume from the last session when those monies reverted to the General Fund, we call upon you to champion these programs even more prominently and stand ready to assist with a unified Bay Area transportation advocacy agenda built on three key points:

- Support High Speed Rail.
- Direct General Fund surplus revenues to transportation commensurate with its extraordinary needs.
- Prioritize public transit, active transportation and climate adaptation and use proven approaches to ensure equitable access, geographic balance and consideration of regional priorities.

We Support High Speed Rail

We support an appropriation of Proposition 1A funds to continue construction of the High-Speed Rail segment from Bakersfield to Merced, vital to the statewide system that will ultimately connect to the Bay Area. Critically, many of our region’s major transit expansion projects that have been supported by the voters as well as prior state and federal funds, including Diridon Station, the Downtown Rail Extension, and Caltrain Electrification are integrally linked to High Speed Rail. Some still require significant additional investment and will only realize their full potential when high-speed rail connects to the Bay Area. Additionally, the state’s unwavering commitment to high-speed rail is essential to compete for \$46 billion in new competitive grants in the recently-passed federal Infrastructure Investment and Jobs Act (IIJA).

Transportation Needs Warrant Significant GF Surplus Investment

Assuming a budget surplus in the \$30 billion-\$40 billion range, we support a minimum **\$10 billion** General Fund commitment to transportation that provides at least \$5 billion for public transit, \$2 billion for active transportation, and \$1 billion for transportation-related climate

adaptation—all investments advanced in last year’s budget negotiations. A meaningful contribution to these priorities is necessary to leverage significant federal funding and realize the full benefits of the State’s existing investments in critical greenhouse gas-reducing projects. For the remainder, other important underfunded needs include local road and bridge preservation, clean freight, railroad safety and grade crossings, and highway mobility improvements to help buses and carpools offer a more reliable trip than driving alone.

Why such a large investment in transportation now? Despite passage of the IIIJA, our state’s transportation needs still greatly exceed available resources at the local/regional, state and federal levels and infrastructure is a wise investment of one-time funds. For a sense of the magnitude statewide, in the nine-county Bay Area alone, our six largest transit operators have identified \$10 billion in capital funding shortfalls (net of secured funds) over the next four years and \$17 billion over the next 5-10 years. This includes, for example, transit fleet replacement and expansion for AC Transit, BART, SFMTA and VTA to achieve the state’s ambitious zero emission transit rules and meet future ridership demand; and transformational transit projects that can commence or complete construction with a final infusion of funding, like BART to Silicon Valley, BART Core Capacity, and Caltrain Electrification. Our smaller operators likewise have significant underfunded needs related to transit electrification, station improvements, and expansion/modernization projects, such as Valley Link, among other needs.

Additionally, investments in active transportation and strengthening the resilience of our infrastructure are urgently needed and will pay dividends beyond “mobility.” These investments lift up equity, as our poorest, most vulnerable communities suffer disproportionate gaps when it comes to bike and pedestrian safety and bear the brunt of climate change-driven impacts. With respect to climate adaptation, Plan Bay Area 2050 has identified a cost of \$19 billion to protect the Bay Area’s transportation infrastructure from sea level rise with State Route 37 a prime example of the need. A critical east-west connection for the North Bay, a resilient redesign is currently estimated to cost approximately \$5 billion.

Steer Transit Funding Where It’s Most Needed and Ensure Geographic Equity

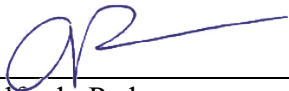
To build support for an augmentation of funds at this scale, it is essential to ensure that regions across the state will benefit and have some certainty about how much funding (at a minimum) they will receive. Specifically for transit, we recommend use of the well-established State Transit Assistance (STA) formula, with 75 percent of any General Fund transit augmentation distributed to regions based on the region’s combined STA share to meet the most urgent, priority transit needs and consistent with their state-mandated sustainable communities strategies (SCS) to reduce climate impacts associated with transportation. The remaining 25 percent should go to the California State Transportation Agency to augment the Transit and Intercity Rail Capital Program (TIRCP) program. Funding partnerships like this between the state, regional and local transit agencies can accelerate project delivery by streamlining the grant award process and are key to delivering timely benefits consistent with your office’s vision and those of regions, such as Plan Bay Area 2050, the region’s recently updated SCS.

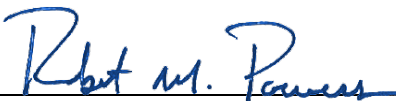
Conclusion

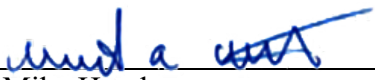
On the heels of the COP 26 United Nations Climate Change Conference, California has an opportunity to invest our budget surplus to greatly accelerate implementation of your Climate


Action Plan for Transportation Infrastructure, which recognizes the need for significant mode shift away from single-occupant vehicle travel to sustainable modes like transit, active transportation and carpooling. The faster we secure the funding to build this sustainable future, the closer we'll reach our urgent climate goals and provide a more affordable and equitable transportation system for Bay Area residents and those of all regions statewide.

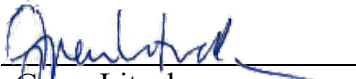
Sincerely,



Alfredo Pedroza
MTC Chair

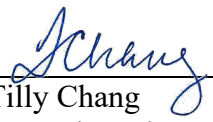

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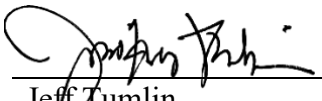

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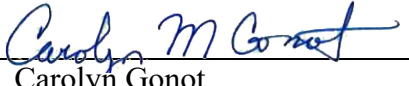

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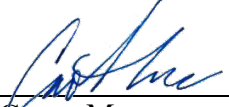

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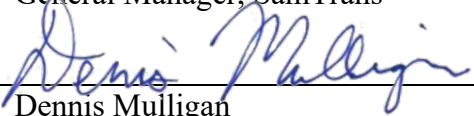

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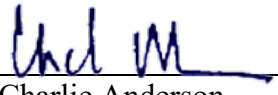

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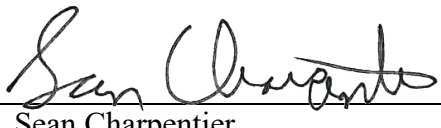

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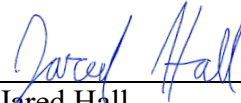

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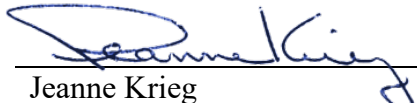
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Beth Kranda
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City Manager, Union City



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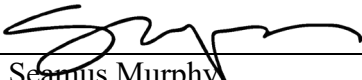
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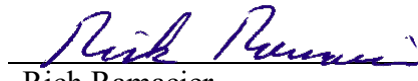
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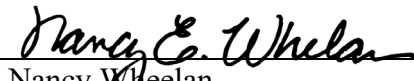
Rich Ramacier
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Suzanne Smith
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Michael Tree
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Nancy Wheelan
General Manager, Marin Transit

cc: The Honorable Toni Atkins, Senate President Pro Tempore
The Honorable Anthony Rendon, Assembly Speaker
The Honorable David Kim, Secretary, California State Transportation Agency