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April 11, 2022

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Mr. Brian Kelly, Chief Executive Officer
California High-Speed Rail Authority
Attn: Draft 2022 Business Plan
770 L Street, Suite 1180
Sacramento, CA 95814

RE: Draft 2022 Business Plan

Dear Mr. Kelly:

MTC applauds the California High-Speed Rail Authority's efforts to continue its progress in advancing this important project that will significantly enhance sustainable transportation and provide new economic opportunities in our state. We appreciate the opportunity to comment on the California High-Speed Rail Authority (CHSRA) Draft 2022 Business Plan as part of our continued partnership with the CHSRA.

Renewed federal and state financial support for high-speed rail provides an important opportunity to advance the project as expeditiously as possible. Plan Bay Area 2050, which was unanimously adopted by MTC and the Association of Bay Area Governments (ABAG) in October 2021, plans for rail investments in the shared Caltrain/high-speed rail corridor from Downtown San Francisco to Gilroy, including over \$7 billion in regional discretionary funds. We appreciate the Business Plan's acknowledgement of this regional commitment to bring high-speed rail to the Bay Area. The partnership between Caltrain and high-speed rail will enable these investments in the shared corridor to provide early benefits to the public while also advancing future connectivity to the eventual statewide high-speed rail system.

Funding

We strongly support the Governor's request to appropriate \$4.2 billion of Proposition 1A funding in the Fiscal Year 2023 State Budget and encourage the Legislature to approve this appropriation. Completing the project's initial operating segment in the Central Valley is a key step in demonstrating the potential benefits the statewide high-speed rail system can provide and will enable the Authority and its partners to attract additional project funding. We also agree with the Authority's approach of using Proposition 1A funds for construction and using more flexible Cap-and-Trade funding as a match for new federal funds that may become available via the Bipartisan Infrastructure Law.

We continue to support the Authority's call to extend State Cap-and-Trade funding to 2050 and its goal to develop a financing plan that would create a reliable revenue stream that can be used to leverage federal funds and advance the project. We agree that continued public commitment to and investment in the project will enable the possibility of attracting private-sector financing as an additional source of funding. We look forward to continuing to work with the Authority to develop a coordinated funding and financing plan to extend high-speed rail from the Central Valley to the Bay Area as soon as possible.

The Bipartisan Infrastructure Law (BIL) provides a major new funding opportunity to advance high-speed rail. MTC has prioritized BIL funding for California High-Speed Rail as well as several joint benefit projects that support bringing high-speed rail to the Bay Area, including the Downtown San Francisco Extension (DTX) to the Salesforce Transit Center and the Diridon Integrated Station Concept, rail grade separations, and Caltrain electrification.

Partnerships

The Bay Area region has demonstrated its commitment to bringing high-speed rail to the region as soon as possible, and we appreciate the Authority's continued partnership and financial support in completing environmental clearance for the Northern California segments and advancing project design and delivery. We look forward to continuing this proactive partnership as key Bay Area projects advance, including DTX, the Millbrae-SFO Station, DISC, and electrification of the rail corridor south of San Jose to Gilroy.

The region will see initial benefits from high-speed rail investments in Caltrain electrification and key grade separation projects like 25th Avenue in San Mateo, and we hope that this provides additional momentum that can attract greater federal and state investment to advance design and project configuration and eventually construction. As stated previously, we are ready to partner with the Authority on developing a funding and financing plan that will enable us to deliver benefits to the public as soon as possible.

We appreciate the Authority's current work to update the ridership forecast model and would like to support this effort, particularly as it relates to forecasting high-speed rail travel to, from and within the Bay Area. As you may know, MTC is currently updating its regional travel model which will include improved travel modeling capabilities for regional transit trips.

Housing and Land Use

New high-speed rail stations in the Bay Area will require continued support from both the region and the Authority to address detailed station access planning and project development as well as land use planning and urban design. This includes a continued focus on transit-oriented land use planning that supports implementation of Plan Bay Area 2050 strategies to increase the concentration of jobs and housing, particularly affordable housing, within walking distance of high-quality transit and to prioritize seamless connectivity between different transit and shared mobility modes at high-speed rail stations.

Proactive economic development efforts are needed to ensure that high-speed rail results in an expansion of economic opportunity within the Central Valley, and that a high-speed rail connection between the San Francisco Bay Area and the Central Valley does not result in the latter becoming a bedroom community for the Bay Area due to its lower housing costs. We encourage the Authority to continue to support economic development in the Central Valley region, including working with state, regional and local partners to leverage high-speed rail connections to create new, long-term economic opportunities within the Central Valley.

Risk Management

MTC applauds the Authority's significant progress in addressing risk management, including establishment of the Enterprise Risk Management program, implementation of a Staged Project Delivery framework, and efforts to address issues with right-of-way acquisition and the change order process. We also strongly support the Authority's objective of establishing a fully functioning risk office in the long term. As we continue to advance projects that support high-speed rail service in the Bay Area region, we look forward to working with the Authority to continue addressing risk management so that we can deliver the maximum benefit to the public.

In closing, we also want to express our support for the three principles guiding the Authority's decisions: 1) to initiate high-speed rail service as soon as possible; 2) to make strategic, concurrent investments that will be linked over time and provide mobility, economic, and environmental benefits at the earliest possible time; and 3) to position the Authority to construct additional segments as funding becomes available. MTC looks forward to our continued partnership with the Authority and other Bay Area agencies to bring high-speed rail to the Bay Area in accordance with these principles.

Thank you for your consideration of these comments. We look forward to continuing to work with you on delivering this transformative project. Please feel free to contact Kara Vuicich on our staff (kvuicich@bayareametro.gov) with any questions or to discuss further.

Sincerely,



Therese W. McMillan
Executive Director

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