



METROPOLITAN
TRANSPORTATION
COMMISSION



Association of
Bay Area Governments



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT



June 16, 2017

Dear Members of the Bay Area Congressional Delegation,

On behalf of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (Air District), the San Francisco Bay Conservation and Development Commission (BCDC) and the Metropolitan Transportation Commission (MTC), we write to thank you for your strong support fighting for the needs of the San Francisco Bay Area and ask that you continue that advocacy in the coming federal Fiscal Year (FY) 2018 budget and appropriations process.

From transportation and housing to land use and open space, air quality and climate change – and the health of our defining natural feature, the great San Francisco Bay – our four agencies are working hard to build a Bay Area that not only survives the challenges ahead, but thrives. Over the past five years, the Bay Area's economic growth has outpaced that of the U.S. and Chinese economies. At the same time, we have been working hard to address climate change and make ourselves more resilient in the face of a warming planet. We have not done this alone – the Bay Area has long depended on strong collaboration with our federal partners. The recent approval of federal funding for the Caltrain Peninsula Corridor Electrification Project – that will be matched by over \$1 billion in local, regional and state funds – represents a prime example of that partnership. However, we are gravely concerned that President Trump's extreme cuts in the FY2018 Budget would undermine each of our agencies' core goals. As you know, the budget calls for drastic reductions in federal resources for affordable housing, public transit, coastal management, research and other important programs. This letter outlines some of the potential impacts of the President's proposed cuts. We appreciate your continued leadership in protecting the Bay Area's future.

Budget Would Undermine Progress on Climate Change

We have grave concerns about the Trump Administration's refusal to acknowledge the threat that climate change poses to our environment, our economy and our way of life. The President's retreat from climate protection, including withdrawing the United States from the Paris Accord, will be a tremendous setback for the global efforts to combat climate change and further expose the Bay Area to its impacts including extreme weather and rising sea levels. The Administration's stance on climate and energy policy is also dampening investments in clean and renewable energy sources and reducing the Bay Area's global competitiveness. To make matters worse, the budget proposes to cut funding for environmental cleanup, research and emergency preparedness as detailed below.

- *Coastal Management:* The Budget would eliminate approximately \$250 million in annual funding to the National Oceanic and Atmospheric Administration (NOAA), including zeroing out federal funding for programs that support our coastal management agencies, the San Francisco Bay Conservation and Development Commission (BCDC), State Coastal Conservancy and the California Coastal Commission. The state's \$44 billion ocean-based economy and the entire Bay Area shoreline face unprecedented natural challenges. Eliminating NOAA's core state grants program when California and all other coastal states are increasingly exposed to these growing threats will put the U.S. and California's economy, coastline and quality of life for millions of residents, at risk.
- *Superfund Cleanup:* The Environmental Protection Agency (EPA) budget would be reduced by one-third, the largest cut to any major federal agency. This includes deep cuts to critical programs targeted toward cleaning up highly toxic Superfund sites and contaminated brownfields. With 34 Superfund sites,¹ the Bay Area relies on a federal partnership to make these sites cleaner and healthier for local communities and prepare them for new investments.

¹ <https://www.epa.gov/superfund/search-superfund-sites-where-you-live>

- *Emergency Preparedness:* The Budget would also pull the plug on the early warning system being developed to alert Californians to an impending earthquake,² in addition to tsunami-monitoring systems. The impacts of extreme weather events such as these can be economically devastating, as evidenced by past events including Hurricane Katrina (estimated \$81 billion in damages³) and Superstorm Sandy (estimated \$65 billion in damages⁴). In a high-cost region like the Bay Area with an existing housing supply challenge, it is even more important to be able to prepare for potential disasters. Without support, it could be nearly impossible for lower-income residents and small businesses to bounce back from disasters.
- *Scientific Research:* The budget also cuts United States Geological Survey (USGS) programs that monitor how climate change is affecting public lands and waters. Having the capacity and resources to understand and track climate impacts helps the Bay Area make informed policy and investment decisions that will mitigate our risk to destructive storms, flooding and other extreme weather events.

Climate-Smart Investments Make Us Stronger and More Globally Competitive

We have long-supported program and process improvements to make more efficient use of taxpayer dollars while maintaining environmental safeguards. The budget's approach to "cut burdensome regulations," however, disregards the tremendous economic benefits of federal environmental regulations. For instance, the federal Clean Air Act of 1990 has generated over \$612 billion in healthcare savings and is projected to prevent over 230,000 early deaths by 2020.⁵ Assuming continued federal support, the green economy is poised to create approximately 10 percent of all new jobs over the next 20 years.⁶ The solar market, for example, has matured into a profitable industry that outcompetes non-renewable energy.

In California alone, climate and air quality protections enacted through the State's Climate Action Plan have directly increased real household incomes by \$48 billion, providing 403,000 new efficiency- and climate-driven jobs.⁷ The Diesel Emission Reduction Act National Grant, Rebate and Loan Program (Section 792 of Title VII, Subtitle G of the Energy Policy Act of 2005) (DERA) has been instrumental in providing cost-effective public health and environmental benefits by providing funding to replace engines and equipment. These retrofits reduce emissions by as much as 90 percent from the 20 million existing diesel engines in use today. At the same time, it supports local trucking and manufacturing jobs, and has generated \$4.5 million in DERA funding to the Bay Area Air Quality Management District for the retrofit or replacement of 168 trucks, thus allowing local businesses to comply with California regulations and to clean the air in our most impacted community, West Oakland. In short, a rollback of federal environmental regulations would come at a huge expense not just to the environment and public health, but also by slowing down the green economy.

Transportation Formula Funding Protected but Severe Cuts to Key Discretionary Programs

The Bay Area is a major economic engine for the nation. Yet, like many regions across the country, the Bay Area faces significant transportation challenges that threaten to stifle future economic growth and degrade the quality of life of our residents. Californians have joined regions and states throughout the country to increase infrastructure funding commitments. Earlier this year, California approved an historic bill, Senate Bill 1, to reinvest more funds in the state's crumbling roads, bridges and transit systems. Yet, even with this new source of state funding, great challenges remain that require a strong federal partnership.

Fortunately, the budget maintains highway and transit formula increases, as authorized in the bipartisan 2015 Fixing America's Surface Transportation (FAST) Act and honors funding commitments to existing Bay Area Capital Investment Grant (CIG) program transit expansion projects. Investments like these help California transport the

² <http://www.latimes.com/local/lanow/la-me-ln-trump-budget-earthquake-early-warning-20170525-htlstory.html>

³ <http://hurricanescience.org/history/studies/katrinacase/impacts/>

⁴ <https://www.ncdc.noaa.gov/billions/events>

⁵ <https://www.edf.org/news/clean-air-act-rules-save-country-82-billion-health-care-costs-over-next-decade-according-new-an>

⁶ Many Shades of Green: Diversity and Distribution of California's Green Jobs, Next 10, U.S. Metro Economies: Current and Potential Green Jobs in the U.S. Economy, U.S. Conference of Mayors

⁷ Energy Efficiency, Innovation, and Job Creation in California, David Roland-Holst, UC Berkeley

highest volume of freight in the nation and enable 18 million California workers to commute to major employment centers, supporting the state's \$2.5 trillion annual economy.

- *Deep Cuts Place BART to San Jose and Caltrain Downtown Extension at Risk:* The budget recommends sharp cuts to the CIG program, jeopardizing major transit projects in the Bay Area and across the country that would create jobs, reduce congestion and stimulate the economy.
- *Budget Cuts Funds to TIGER:* The President also proposes to eliminate the Transportation Investments Generating Economic Recovery (TIGER) program, a demonstrated catalyst for economic recovery. In light of the President's interest in a national infrastructure package, we are extremely disappointed by these proposed cuts. In fact, one of the quickest and simplest things the Administration could do to support jobs and major infrastructure projects is to continue robust funding for programs with a track record of success, including CIG and TIGER.

Affordable Housing Funding Gutted

The budget also slashes funding for important programs Bay Area households depend on to afford to live here. High housing costs in the Bay Area are driving workers away from job centers, degrading their quality of life and hindering our efforts to achieve state climate goals. The Bay Area's middle class and low-income households are hurt disproportionately by the affordable housing shortage. Far too many families struggle to pay rent. In the city of Richmond, for example, a breadwinner earning minimum wage must work 3.5 full-time jobs to afford rent for a two-bedroom unit, according to data from the National Low Income Housing Coalition. Bay Area voters passed a number of county housing bonds last November, but those will not come close to meeting estimated housing investment needs. Bay Area households need the proposed FY2018 budget cuts to HOME Investments Partnerships and Community Development Block Grants programs reversed and investment increased for Section 8 Housing Choice vouchers and project-based vouchers – the programs that best reduce homelessness and housing insecurity throughout the Bay Area.

Conclusion

As you know, the San Francisco Bay Area and regions across the country need the continued collaboration with and support of the federal government to preserve our environment and keep our economic engine running. The proposed cuts would erode public health and resiliency, harm mobility, and jeopardize our ability to compete in the global marketplace. We are grateful that we can count on our Bay Area Congressional delegation to defend against these harmful budget cuts and help carry the message that when Washington invests in the Bay Area, it invests in America.

Thank you again for your continued support for Bay Area residents. If we can be of any assistance, please reach out to Allison Brooks, Executive Director of the Bay Area Regional Collaborative (BARC), at abrooks@mtc.ca.gov or at 415-778-5265.

Julie Pierce, President
Association of Bay Area Governments

Liz Kniss, Chair
Bay Area Air Quality Management District

Zack Wasserman, Chair
Bay Conservation and Development Commission

Jake Mackenzie, Chair
Metropolitan Transportation Commission