



October 2, 2023

Andrew Fremier  
Executive Director  
Metropolitan Transportation Commission  
375 Beale Street  
San Francisco CA 94105-2066

**Re: Request for \$15 Million in Senate Bill 125 Transit and Intercity Rail Capital Program Funding for the Valley Link Rail Project**

Dear Mr. Fremier,

We write to request that the Metropolitan Transportation Commission (MTC) commit \$15 million in Senate Bill 125 (SB 125) Transit and Intercity Rail Capital Program (TIRCP) funds for the Valley Link Rail Project. These funds will complete the \$40 million TIRCP endorsement for Valley Link approved by MTC in October 2022 as part of the adoption of the Regional Major Projects Advancement Policy (MAP) and TIRCP Framework following Valley Link's success in securing \$25 million of statewide competitive TIRCP funding in TIRCP Cycle 6.

The purpose of the \$15 million in SB 125 TIRCP funds is to fully fund the advanced design work targeted to major-risk areas of the Valley Link Rail Project during the current two-year Project Development period under the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) Program. This advanced design work will ensure that the project's total cost is most accurately estimated before requesting construction funding from both FTA and the State and is both allowable and encouraged by FTA under the CIG Program. The scope of this work supports the regional focus on major project delivery led by MTC to address significant cost increases experienced on the other major Bay Area projects and was specifically endorsed by MTC for \$40 million of TIRCP for project development funding under the Major Projects Project Development Reserve category of TIRCP funding. SB 125 continues this category of project development funding from which the additional \$15 million in TIRCP is requested for Valley Link.

This request of additional TIRCP funding is consistent with MTC's October 2022 action on the regional TIRCP Framework and MTC staff recognition of "near-term rebalancing" whereby staff planned to rebalance the TIRCP funding endorsements, including those for TIRCP August 2

(realized in SB 125), as awards from the TIRCP Augment 1 (realized in TIRCP Cycle 6) were announced and other discretionary funding sources secured. This near-term rebalancing was identified to include additional funding for existing projects to help fill remaining funding gaps. In October 2022 MTC staff recognized that these additional TIRCP funds could be provided to projects from \$100 million of unassigned TIRCP Augment 2 contingency and did not include an additional \$372 million in total SB 125 funds now being made available to MTC across TIRCP and a previously un contemplated Zero-Emission Transit Capital Program (ZETCP).

The Valley Link passenger rail project represents the best and most cost-effective opportunity in Northern California to compel a megaregional mode-shift between the San Joaquin Valley and Bay Area, particularly for disadvantaged communities, substantially reducing greenhouse gas emissions, while providing a solution to the jobs-housing imbalance and accelerating the use of zero-emissions fuels to wean our dependence on petroleum. The 22-mile Valley Link Rail Project between the Dublin/Pleasanton Bay Area Rapid Transit (BART) station in Alameda County and the Mountain House station in San Joaquin County Valley is a megaregional solution to address our affordable housing crisis, accelerate our response to climate change, and enhance mobility options for millions of people annually. The Northern California megaregion is challenged by one of the most significant jobs-housing imbalances in the state. Over 105,000 Bay Area workers commute daily through the Altamont Pass from their homes in the Northern San Joaquin Valley – a region recognized as one of the State’s most significant areas of California Climate Investments Priority Populations for State designated disadvantaged communities and low-income communities. These challenges have resulted in some of the longest commute times, the highest congestion, and the worst air quality in the country.

The Valley Link Rail Project has widespread support from all sectors of the Northern California megaregion, is identified in the MTC Plan Bay Area 2050, and has over one-third of its funding already identified as available through local sources - a total of over \$814 million. The Valley Link Rail Project is an adopted priority in the MTC’s Bipartisan Infrastructure Law (BIL) Regional Grant Strategy, a Level 2 project priority in MTC’s Major Project Advancement Policy (MAP) and has been approved by the Federal Transit Administration (FTA) into Project Development under the federal Capital Investment Grants (CIG) Program.

Project development continues to advance with urgency – state CEQA environmental clearance was certified in 2021, and federal NEPA environmental clearance is underway with a targeted construction date set for 2025, supporting a Full Funding Grant Agreement under the CIG New Starts Program within the BIL’s five-year timeframe.

To achieve the region’s goals for the economy, the environment, housing, transportation, and equity, we need to accelerate investments into a robust, reliable, and sustainable transportation system that will equitably serve our residents and workforce with a better quality of life and access to jobs, affordable housing, educational opportunities, and health care facilities. It is also critical at a time of unprecedented federal transit funding opportunity that MTC maximizes successful outcomes by ensuring that the most competitive projects, like the

Valley Link Rail Project, are positioned by the region to compete. The Valley Link Rail Project is a vital element of this system and essential to the future of the Northern California megaregion.

For these reasons, we request that MTC allocate \$15 million in SB 125 TIRCP funding to fully fund the \$40 million TIRCP endorsement for the Valley Link Rail Project previously approved by MTC. We appreciate your consideration of this request.

Sincerely,



Nate Miley  
Commissioner, MTC



Carol Dutra-Vernaci  
Commissioner, MTC