UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

November 3, 2008

Ray Sukys
U.S. Department of Transportation
Federal Transit Administration, Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105

Subject: Final Supplemental Environmental Impact Statement for the Central Subway/Third Street Light Rail Phase 2 Project, San Francisco, CA (CEQ # 20080399)

Dear Mr. Sukys:

The U.S. Environmental Protection Agency (EPA) has reviewed the above-referenced document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508) and Section 309 of the Clean Air Act. The San Francisco Municipal Transportation Agency (SFMTA) is the project sponsor. The Federal Transit Administration (FTA) will determine if the Preferred Alternative meets FTA transit investment objectives, and whether to recommend federal funding for the project.

EPA continues to support several of the project's goals, such as minimizing environmental impacts, maximizing transit use, and meeting community needs. EPA commends efforts to incorporate community and business concerns into the project through continued outreach activities.

EPA reviewed the Draft Supplemental Environmental Impact Statement (SEIS) and provided comments to FTA on December 10, 2007. We note that the Locally Preferred Alternative (LPA) has changed since our review of the Draft SEIS. The SFMTA Board adopted Alternative 3A as the LPA in June 2005, as reflected in the Draft SEIS. On February 19, 2008, the SFMTA Board adopted Alternative 3B as the LPA. This change was incorporated into the Final SEIS. Alternatives 3A and 3B are similar. Both extend light rail service 1.7 miles north from the T-Third line terminus at Fourth and King Streets via Fourth and Stockton Streets with service split between ground-level and underground travel. Compared to Alternative 3A, Alternative 3B has (1) a surface station on Fourth Street between Brannan and Freelon Streets, (2) lower project costs, (3) altered underground station sizes and locations, and (4) reduced underground travel by approximately two city blocks. Differences in environmental consequences between Alternatives 3A and 3B are addressed in the Final SEIS.

We rated the Draft SEIS as LO, *Lack of Objection*, and recommended that specific content and commitments be added to the Final SEIS. Recommended additions included: (1) information on environmental impacts associated with disposal of excavated soil, (2) specific air quality mitigation measures for construction activities, (3) a commitment to redevelop affordable housing, and (4) a commitment to accommodate the funding shortfall without adversely impacting the community.

EPA seeks further clarification on the environmental impacts associated with soil disposal. In particular, in the Record of Decision, please clarify that trucks removing excavated soil will be subject to the same air quality mitigation requirements as on-site construction vehicles.

EPA appreciates the changes to the environmental document that address our other recommendations. Recommended air quality mitigation measures have been added to the Final SEIS, along with a commitment to include transit-oriented development for low income housing. The LPA is now fully funded, which addresses our concern regarding potential community impacts related to a funding shortfall.

We recognize that the change in the LPA from 3A to 3B increases displacement of residential units from zero to 17 (p. S-21). EPA stresses the importance of SFMTA's commitment to work with the Chinatown community and other stakeholders, as discussed in the response to EPA comments provided in the Final SEIS.

We look forward to the successful implementation of this project and appreciate the opportunity to review this Final SEIS. When the Record of Decision is signed, please send one copy to the address above (mail code: CED-2). If you have questions, please contact me at (415) 972-3521, or Jennifer Blonn, the lead reviewer for this project. Jennifer can be reached at (415) 947-4109 or blonn.jennifer@epa.gov.

Sincerely,

Kathleen M. Goforth, Manager
Environmental Review Office (CED-2)

CC: Joan Kugler, City and County of San Francisco Planning Department
John Funghi, San Francisco Municipal Transportation Authority