Caltrain 2021 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit Peninsula Joint Powers Board / Caltrain (Agency) programs and services. They also have the potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2021 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2021 calendar year, including the first half of the 2021-22 State legislative session and first session of the 117th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments.

Objectives

The 2021 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support the Agency's programs and services;
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands; and
- Reinforce and expand programs that build and incentivize public transportation ridership, improve quality transportation choices, and better incorporate Caltrain service with other agencies in the Bay Area.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Projects Funding Requests and Needs
- Regulatory, Legislative, and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Board's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board for consideration.

Advocacy Process

Staff will indicate on each monthly legislative update recommended positions for pending bills. Once the board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a board meeting, staff will confer with the Board Chair. If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the agency taking a position.

Public Engagement Strategies

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2021 Legislative Program, including:

Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.

• <u>Coalition-based Engagement</u>

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2021 Legislative Program.

Media Engagement

Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

The adopted legislative program will guide the agency's legislative advocacy efforts until approval of the next program.

	State and Regional
Funding Opportunities and Challenges	
Issue / Background	Strategy
General Funding In 2020, transit agencies were hit hard by the loss of ridership and revenue due to the COVID-19 pandemic. Caltrain ridership dropped 95% which was catastrophic since 70% of the operating budget relied on fares. While federal funding has provided some relief in the near-term, significant additional funding is needed to mitigate the pandemic's impact. In 2017, the State enacted SB 1, which provides \$5.2 billion to maintain local streets and roads and highways, ease traffic congestion, and provide mobility options through investments in public transportation and bicycle and pedestrian programs. In 2014, the Legislature called for, via SB 1077, a pilot program to study a road charge model as an alternative to the gas tax. The nine-month pilot began in July 2016, with over 5,000 participating vehicles statewide. The California State Transportation Agency (CalSTA) reported its findings from the Legislature to the CTC and the Legislature in 2018.	 Direct advocacy for additional funds and support efforts by the California Transit Association and other stakeholders to secure additional state funding for transit systems in response to COVID-19. Ensure that COVID relief funding is sub allocated through the region is based on revenue losses. Protect against the elimination or diversion of any State or regional funds that support the agency's transportation needs. Support State funding allocation requests for investments that benefit the agency's transportation programs and services. Work with statewide transit coalitions to identify and advance opportunities for funding that would support the agency's transportation priorities. Support efforts to provide funding for the deployment of zero emission transit vehicles and infrastructure. Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CaISTA). Monitor efforts to implement a mileage-based user fee as a potential revenue source.
Formula Funding In 2020, transit formula funding suffered due to the COVID-19 pandemic as fuel consumption declined.	• Support CTA efforts to provide formula funding flexibility as part of a larger response to COVID-19 impacts.

After years of diversion to support the State's General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion and adhere to the State's mandate of reducing greenhouse gas emissions, and creating livable communities. In 2019, the California Transit Association convened a working group, at the request of the Senate and Assembly Transportation Committees to review and provide potential changes to the Transportation Development Act (TDA).	 Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation. Advocate for the regularly scheduled issuance of State infrastructure bonds that support the Agency's services and programs. Support full and timely allocation of the Agency's STIP share. Participate in the California Transit Association's TDA taskforce and support CTA efforts to engage the Legislature on TDA reform and the review of performance measures for transit.
Cap-and-Trade Revenues In 2012, the State began implementing the cap-and-trade market- based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). Since the program began selling allowances, the program has generated billions of dollars. In 2014, legislation was enacted creating a long-term funding plan for cap-and- trade which dedicates 60 percent of cap-and- trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030.	 Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support the Agency's transportation needs. Support legislation and regional action that makes a broad array of the Agency's emissions-reducing transportation projects, programs and services eligible for investment. Protect existing cap-and-trade appropriations for transit operations, capital projects and sustainable communities strategy implementation. Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project. Support efforts to revise the State's definition on "disadvantaged communities" to encompass a larger proportion of disadvantaged communities on the Peninsula.

The programs require a certain percentage of funds be expended in state defined "disadvantaged communities" (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.	
Voter Threshold Legislation has been considered in recent years that provide a framework for lowering the thresholds for the State or a city, county, special JPB or regional public agency to impose a special tax.	 Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.
Other State or Local Funding Options Local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods such as managed lanes and local ballot measures. In 2020, there was the potential for a regional transportation measure (called FASTER Bay Area), led by the Bay Area Council, Silicon Valley Leadership Group and SPUR. They were working towards a future ballot and many details about the timing, funding mechanism and expenditure plan are still being discussed. In 2014, the Federal Aviation Administration's (FAA) issued a rule called the "Policy and Procedures Concerning the Use of Airport Revenue, proceeds from Taxes on Aviation Fuel." The rule would require that local taxes on aviation fuels must be spent on airports is	 Advocate for legislation that would create new local funding tools to support transportation infrastructure and services. Support innovative local and regional funding options that will provide financial support for the agency. Support legislation that works to ensure revenues generated through express lane projects remain in the County of origin. Advocate for funding sources that would assist transit agencies in obtaining funds for sustainability initiatives including water conservation, waste reduction, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions. Support funding for workforce development, retention and housing to attract and retain quality personnel. Support efforts that allow for public private partnerships that benefit the implementation of capital projects, efficient operation of transit services, or enhanced access to a broad range of mobility options that reduce traffic congestion. Work to ensure the agency is at the table and appropriately funded as part of any potential regional funding measure. Support efforts to ensure sales tax revenues generated from aviation fuel continue to fund planned transportation projects. Support the State of California in its efforts to respond and address FAA's requests.

contrary to states' rights to control their general application sales tax measures. The State of California has been active in addressing this issue. Transportation & Housing Connection Given the housing shortage crisis, there have been efforts at the State and regional level to link housing and zoning with transportation funding.	 Evaluate state or regional efforts that directly link transportation funding to housing and provide for higher density housing projects near transit stations. Advocate for solutions that appropriately match decision making authority with funding (i.e – An agency shouldn't be financially penalized for decisions that are outside the authority of the agency). Monitor the implementation of the Surplus Lands Act and advocate for clarifying language on the disposition of properties subject to the Act.
Transportation Projects	
General As the Bay Area's population continues to grow, the region's transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.	 Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area.
Transit Oriented Development / First and Last Mile First and last mile projects, as well as transit oriented development projects are an important part of the broad transit ecosystem that will help support robust ridership in the corridor.	 Support efforts to provide commuters with easy and convenient options to travel to and from major transit centers to their final destination. Support the development of new and innovative first and last mile options. Support increased funding opportunities for first and last mile projects. Advocate for policies that promote transit-oriented developments in ways that with compliment transit services. Support the State's GHG reduction goals by supporting transit oriented developments. Support state funding incentives and streamlining processes for transit oriented development.
Transportation Demand Management (TDM) TDM is the application of strategies and policies to reduce travel demand of single-occupancy	 Support efforts that provide more TDM tools and funding opportunities. Support policies that encourage use of TDM.

vehicles or to redistribute this demand in space or time.	
Caltrain Modernization (CalMod) Program In 2012, the State Legislature appropriated \$705m in Prop 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment was matched with a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain's aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose. The CalMod program is a transformational first step in the realization of a larger future for Caltrain that will be guided by the Caltrain 2040 Business Plan efforts. Caltrain Board adopted a long-term 2040 Service Vision, defining an ambitious plan for growing service over the next 20-plus years. The service vision outlines the capital and operating needs to achieve the this vision and includes projects such as longer EMU fleet, longer platforms, level boarding, passing tracks, grade separations and station upgrades. It also identified needs to prepare the railroad to expand and integrate into a regional rail network. The plan is expected to be complete early 2021. Caltrain Equity and Growth Framework In 2020, Caltrain downlowed a policy to advance or utive	 Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor and work to include funding for Caltrain in any future Proposition 1A appropriations. Support the allocation of cap-and-trade funding to advance implementation of the CalMod Program. Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local, regional and state commitments to the CalMod Program. Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits. Advocate for funding and policies to support grade separation projects. Support the allocation of cap-and-trade or other state / regional funding to advance implementation of caltrain projects. Work to address regulatory actions or policies that negatively impact Caltrain future capacity or service improvements. Support the implementation of the Caltrain Business Plan associated projects and policies. Continue to educate the Caltrain legislative delegation and key members of the Administration on the Plan. Ensure relevant state and regional agencies incorporate relevant elements of the Caltrain business plan in their long-term plans. Support funding and regulations that are consistent with Caltrain's equity and growth policy. Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor. Ensure Caltrain is positioned to receive funding if there is an appropriation of Cap and Trade funds and/or bond funds in support of the state's rail modernization efforts.
Caltrain developed a policy to advance equity	

within the system and neighboring communities. The policy will help address systemic inequality by taking steps to ensure the Caltrain system is accessible and useful to all. The policy also advances efforts to improve Caltrain connections to the regional transit network and provide direction on service priorities during and after the COVID-19 pandemic.

High-Speed Rail Blended System In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates releasing a Draft EIR in 2020. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will "blended" with Caltrain service. HSR may ask for another Prop 1A allocation in 2021.

Regulatory and Administrative Issues

General Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals. Recently, there have been calls for a more coordinated and streamlined transit system in the Bay Area.

- Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency.
- Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Agency's ability to conduct efficient transportation operations, administration, planning and project delivery efforts.
- Engage with MTC, the Legislature, and stakeholders on policies stemming from MTC's Blue Ribbon Transit Recovery Task Force and the "Seamless" Bay Area efforts.
- Ensure that new requirements impacting transit agencies don't result in tradeoffs that have unintended consequences for key transit riders and stakeholders.

State is providing guidance on COVID related transit measure to protect the public health and reduce virus transmission during the pandemic.	 Work with the Administration to ensure guidance considers impacts on transit operations and the ability to meet transit rider mobility needs.
California Environmental Quality Act (CEQA) Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process. In 2020, legislation was passed (SB 288) providing a series of statutory exemptions for transit and active transportation projects under CEQA.	 Closely monitor efforts to modernize CEQA. Without compromising CEQA's effectiveness as an environmental protection policy, support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects. Monitor the implementation and opportunities related to SB 288.
Sustainable Communities Strategies Implementation In conjunction with AB 32 and SB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2017, regional authorities in the Bay Area approved the update to Plan Bay Area. MTC and ABAG are in the process of updating the Plan. The final Plan Bay Area 2050 is expected to be adopted in 2021.	 Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on the Agency's transportation services associated with the implementation of SB 375 and Plan Bay Area. Ensure any planning, development, or policy proposals are consistent with the Agency's policies and planning, especially the Caltrain Business Plan.
Executive Orders Related to GHG: Since taking office, Governor Newsom has issued two Executive Orders – N-19-19 and N-79-20 – calling for reduced emissions from the transportation sector and larger, coordinated investments in transit, active transportation and land-use. The executive orders highlight the need for expanding	 Engage in the State's effort to address the transit-specific goals outlined in the executive orders. Protect transit agencies from any negative impacts stemming from the executive orders (e.g. additional mandates without funding). Work to ensure state and federal funds are made available to achieve the goals outlined in the orders.

clean transportation options. The Administrative efforts on this issue are also being referred to as: Climate Action Plan for Transportation Infrastructure (CAPTI). Federal	
Issue / Background	Strategy
 Federal Appropriations In 2020, transit agencies were hit hard by the loss of ridership and revenue due to the COVID-19 pandemic. Caltrain ridership dropped 95% which was catastrophic since 70% of the operating budget relied on fares. While federal funding has provided some relief in the near-term, significant additional funding is needed to mitigate the pandemic's impact. Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. In September 2020, Congress passed a continuing resolution (CR) to keep federal agencies funded at the same level as the previous fiscal year, through December 11, 2020. Congress is expected to pass 	 Advocate directly as well as support broad stakeholders coalition efforts to secure additional federal funding for transit systems in response to COVID-19. Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit the agency's transportation services and needs. Work with local and regional coalitions to support requests for funding from discretionary programs, including the Capital Investment Grant program and BUILD. Communicate frequently with the agency's federal delegation and key appropriators on the needs or concerns of pending appropriation bills.

a CR or omnibus appropriations bill to fund the government for the fiscal year 2021. Despite Administration budgets to limit funding for the Capital Investment Grant program (New Starts/Small Starts/Core Capacity), Congress continues to provide funding for the program and has include language in the annual Transportation/HUD Appropriations bills requiring the Federal Transit Administration (FTA) to allocate funding for projects and to continue to sign full funding grant agreements.	
Tax and Finance Congress considers legislation that governs tax and finance issues that impact transit agencies.	 Support efforts to ensure tax provisions that benefit the agency's priorities are included in any tax or finance proposal. Protect against the elimination or diversion of any tax policies that support the agency's transportation needs.
Transportation Projects	
General Support the efforts of partnering agencies to obtain federal funding for the Agency's related transit projects.	• Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies on projects that provide complimentary services for the agency.
Caltrain Modernization (CalMod) Program The current Caltrain Electrification Project funding plan includes funding from several federal funding sources including the FTA Core Capacity Program. Positive Train Control (PTC) is a federal mandate. The current Caltrain Positive Train Control (PTC) project includes some funding from the Federal Railroad Administration (FRA).	 Advocate for the Caltrain Electrification Project FTA Core Capacity funding to be included in the President's budget request and in the annual THUD Appropriations bills. Work with federal delegation members, as well as local, regional, and state coalitions to support the Caltrain requests for funding. Advocate for additional PTC funding for operating expenses. Support efforts to streamline regulatory administrative hurdles to supporting full PTC operations. Support the allocation of federal funding to advance implementation of Caltrain-related projects. Advocate for funding and policies to support grade separation projects.

The CalMod program is a transformational first step in the realization of a larger future for Caltrain that will be guided by the Caltrain 2040 Business Plan efforts.

Caltrain 2040 Business Plan In October 2019, the Caltrain Board adopted a long-term 2040 Service Vision, defining an ambitious plan for growing service over the next 20-plus years. The service vision outlines the capital and operating needs to achieve the this vision and includes projects such as longer EMU fleet, longer platforms, level boarding, passing tracks, grade separations and station upgrades. It also identified needs to prepare the railroad to expand and integrate into a regional rail network. The plan is expected to be complete early 2021.

Caltrain Equity and Growth Framework In 2020, Caltrain developed a policy to advance equity within the system and neighboring communities. The policy will help address systemic inequality by taking steps to ensure the Caltrain system is accessible and useful to all. The policy also advances efforts to improve Caltrain connections to the regional transit network and provide direction on service priorities during and after the COVID-19 pandemic.

High-Speed Rail Blended System In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates releasing a Draft EIR in 2020. While this project is not being led by the JPB, the agency owns the right-of-way and has a

- Work to address regulatory actions or policies that negatively impact future capacity or service improvements.
- Support the implementation of the Caltrain Business Plan associated projects and policies. Continue to educate the Caltrain legislative delegation and key members of the Administration on the Plan.
- Support funding and regulations that are consistent with Caltrain's equity and growth policy.
- Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.

significant interest in the process and success of the project that will "blended" with Caltrain service.	
Regulatory and Administrative Issues General Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.	 Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency. Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Agency's ability to conduct efficient transportation operations, administration, planning and project delivery efforts.
FAA Rule In 2014, the Federal Aviation Administration's (FAA) issued a rule called the "Policy and Procedures Concerning the Use of Airport Revenue, proceeds from Taxes on Aviation Fuel." The rule would require that local taxes on aviation fuels must be spent on airports is contrary to states' rights to control their general application sales tax measures. The Senate FY2021 Transportation/HUD Appropriations bill includes report language encouraging the Department of Transportation "to continue working with State and local governments and the FAA to develop a path forward to allow the use of local sales tax revenues generated on the sale of aviation fuel to be used in a manner consistent with their enactment."	 Support efforts to protect the ability of local and state governments to determine how general sales tax measures are allocated. Continue to advocate for report language in the annual appropriations bills and support legislative changes that would permanently clarify the issue. Support the State of California in its efforts to respond and address FAA's requests

Congress is currently negotiating the FY2021 appropriations bills now and it unclear if this language remains in the final conference report. FAST Act Reauthorization and other Regulations In September 2020, Congress passed the extension of the FAST Act until September 2021. During Congress' consideration of the reauthorization bill next year, there will be an opportunity to change, increase funding, and implement new policy for highway, transit, and rail programs. Both Senate and House authorization committees have stated that passing the FAST Act	 Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximize benefits for transportation programs, services and users. Collaborate with local, regional, state and national transportation advocacy groups to coordinate proposals and advocacy efforts for FAST Act reauthorization. Support efforts to increase authorization levels for transit programs – both discretionary and formula programs. Support authorizing transit agencies to become direct subrecipients of Section 5310 for the Enhanced Mobility of Seniors and Individuals with Disabilities. Support securing authorization to implement low-cost solutions, such as dynamic envelope paining, to increase safety at at-grade rail grade crossings.
	 envelope paining, to increase safety at at-grade rail grade crossings. Support additional funding for grade separations: Increase the annual funding for the Federal Highways Administration (FHWA) Railway-Highway Crossings (Section 130) Program by \$1B per year and authorize 50% of the annual funding set aside for a discretionary grant program that States, metropolitan planning organizations, local governments, special purpose districts or public authorities a transportation function, and tribal governments will be eligible. Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues.

Transportation (INVEST) in America Act as part of a broader infrastructure bill. The INVEST Act authorized a \$494 surface transportation bill. The INVEST Act will require Congress to identify \$140 billion for the Highway Trust Fund. This bill will likely be reintroduced in the new Congress and the "base bill" that the House Transportation & Infrastructure Committee uses as it advances surface transportation reauthorization next year.	
Infrastructure Proposals Congress and the Biden Administration could consider an infrastructure package in 2021 that would include increased funding for highways, transit, aviation, and water programs. House Speaker Nancy Pelosi has said that the House's infrastructure bill, Moving America Forward, will be the base for the House infrastructure bill. It is unclear if the Senate will consider an infrastructure bill.	 Monitor closely and take action as needed on the new Biden Administration or Congressional policies that may have a significant impact on transit / transportation projects and programs. Advocate for funding for the Agency's projects and needs in a broad infrastructure proposal.