

***Receive State and
Federal Legislative
Update and Consider
Position on State
Budget Request for
Public Transit***

**JPB Board Meeting
April 3, 2025**



Federal

- **Appropriations**

- President Trump signed H.R. 1968, the “Full-Year Continuing Appropriations and Extensions Act, 2025”
- The CR, together with Infrastructure Investment and Jobs Act (IIJA) advance appropriations, provides \$20.9 billion for public transit and \$16.2 billion for passenger rail in FY 2025.
- Total public transit investment increases less than one percent and total passenger rail funding decreases less than one percent.
- The bill eliminates all funding that was designated for community project requests
- **Caltrain Impacts:** This includes a \$3.3M request from Senator Padilla for Caltrain's South County Wifi Project as well as other projects relevant to Caltrain from cities and counties.

- **District Office Meetings**

- Executive Director Bouchard met with Representatives Lofgren and Mullin to discuss key federal priorities

- **Appointments**

- Senate Banking, Housing, and Urban Affairs Committee will hold their confirmation hearing for Marc Molinaro, nominee for Administrator of the FTA on March 27.

Federal

- **New OST-P Internal Memo**

- OST-P guidance on competitive awards made after Jan 20, 2021 without fully obligated grant agreements
- All competitive grant awardees required to comply with Administration priorities and EOs
- DOT projects announced in FY 2022 to FY 2025 without grant agreements will be reviewed to identify "allocating funding to advance climate, equity, and other priorities counter to the Administration's EOs."
- Currently, Caltrain's competitive grant awards have fully obligated grant agreements
- Tracking potential impacts on future grants as well as impacts to other transit agencies, cities and partners

- **Legislative Update**

- The Assembly required spot bills to be amended by March 17 and the Senate by March 26.
- The deadline for policy committees to meet and hear bills with a fiscal impact is May 2 (May 9 for non-fiscal) for bills in the first house.

- **Budget Update**

- Senator Jesse Arreguín (D-Berkeley) and Assemblymember Mark Gonzalez (D-Los Angeles) are leading efforts in the Legislature to secure an additional \$2 billion for local transit agencies as part of the Fiscal Year 2025-26 budget.
- The effort is supported by the California Transit Association and numerous stakeholders in the Bay Area and statewide.

- **CalSTA Held Ninth Transit Transformation Task Force Meeting**

- The state's Transit Transformation Task Force met in Sacramento on March 11.
- Discussed strategies to provide first-and-last mile access to transit and accessible transportation options for seniors and people with disabilities.

Cap-and-Trade Program Reauthorization

- **Caltrain Legislative Program Cap-and-Trade Program Priorities:**
 - Work to secure additional cap-and-trade revenues to support the Agency's operations and capital needs and protect existing cap-and-trade appropriations for transit operations and capital projects.
- **MTC Cap-and-Trade Reauthorization Principles:**
 - Support Long-Term Extension of Cap and Trade Program
 - Sustained Investment in Transportation and Affordable Housing
 - Fair Share for the Bay Area (includes prioritizing CA HSR ongoing investments for joint benefit projects)
 - Equitable Distribution of Resources
 - Ensure Efficient and Effective Use of Cap-and-Trade Revenues
 - Increased Funding for Transit Operations
 - Protect Affordable Housing Production Funding Levels
 - Assist with Implementation of Sustainable Communities Strategies
 - Enhancing Resilience to Climate-Fueled Natural Hazards
- **CTA Cap-and-Trade Reauthorization Principles:**
 - Protect and Increase Current Levels of Cap-and-Trade Funding for Public Transit
 - Ensure Any Dedicated High-Speed Rail Revenue Supports Current Regional Rail Corridors to Prepare for High-Speed Rail Implementation Throughout the State
 - Reform Funding Programs to Streamline Grant Administration, Delivery of Funds, and Enhance Funding Certainty

State Budget Request – Recommend Support

- **State Budget Request:** Led by Senator Arreguín and Assemblymember González urging the Governor and State Legislature of California to provide \$2 billion in flexible funding over two years for public transit and to explore all options to close the Bay Area transit agencies transportation funding gap.
- Without further state investment, transit service reductions could significantly undermine the Bay Area's economic recovery and hinder mobility for residents and workers.
- The requested \$2 billion in flexible funding over two years (FY 2025-2026 and FY 2026-2027) is critical to sustaining transit operations and capital investments while agencies work toward long-term funding solutions.
- **Staff is recommending a support position on this request.**

Bay Area Transit Funding Efforts

- **San Francisco County**
 - MUNI effort
 - Mayor Lurie launched a ballot measure committee
- **San Mateo County**
 - Interested in a potential Measure A renewal
- **Santa Clara County**
 - VTA is expected to begin polling
 - Polling three options:
 - New 1/2 cent for 30 years starting 2026
 - "Blend and Extend" - Increase Measure A by 1/2 cent and extend for 30 yrs to 2066
 - Extend Measure A at 1/2 cent without an increase, but make it almost permanent

Reminder: Caltrain Regional Measure Framework

Advocate for new regional and local funding tools to support public transportation operations, infrastructure and services and work to ensure the agency is prioritized and appropriately funded as part of any potential regional funding measure.

If a legislative authorization pathway for a funding measure is pursued, such a vehicle should include:

- i. Appropriate levels of funding for Caltrain operations;
- ii. Flexibility;
- iii. Simplicity; and
- iv. Focus on voters.

SB 63 (Wiener) Updates

- Creates new district governed by MTC with 3 Counties: Alameda, Contra Costa, and SF with San Mateo and Santa Clara able to opt-in.
- No specific expenditure plan but plans to create one through TFRIP before July 31, 2025.
- Tax would be between 10 to 15 years at .5 cent but allows SF to go between .5 cent and 1 cent and allows SMC flexibility on amounts including below .5 cent.
- No mention of consolidation.
- Caltrain JPB member agencies would determine financial responsibility for Caltrain.
- Funds not spent on transit operations for Caltrain, BART, MUNI, and AC Transit would go back to the counties (lists small operators as eligible recipients).
- Up to 10% for transit transformation and 1% to MTC for administration.
- Would not count towards local sales tax cap and authorizes sales tax increases beyond the measure for SF and San Mateo.
- Requires recipient agencies to have third party review, maintain effort, and only use funds for operating unless granted an exception.

SB 63 (Wiener) – Caltrain Priorities

Priorities	SB 63 Information
Funding for Caltrain operations	<ul style="list-style-type: none">• Specifies that Caltrain is intended to receive funding for transit operations but does not give any detail on how much.• Two Caltrain counties have the option to opt out of the measure and so it needs to be decided how that is dealt with regarding Caltrain funding.• Specifies that Caltrain financial responsibility will be determined by Caltrain counties.
Flexibility	<ul style="list-style-type: none">• Language is still open given that expenditure plan has not been developed yet.• Allows opt-ins for two counties.• Allows for different options of tax levels in different localities and different tax durations.
Simplicity	<ul style="list-style-type: none">• The bill focuses on funding and not other issues (e.g. consolidation) that may distract from the important fiscal challenges of transit operators in the Bay Area.
Focus on voters	<ul style="list-style-type: none">• The reviews and transit transformation elements are intended to be appealing to voters• This is something we will track as the expenditure plan develops.

SB 79 (Wiener)

- **SB 79 (Wiener) Planning and zoning: housing development: transit-oriented development.**
 - Caltrain is assessing the impact on our properties.
 - Categorically exempts projects like SF Railyards developments from CEQA – explicitly does not exempt offsite storage from CEQA.
 - Authorizes transit agencies to adopt residential and commercial zoning standards on land they control that are equal or greater to development intensity allowed by existing local or state standards.
 - TOD: Zones multifamily residential uses near major transit stops as an allowed use on any site zoned for residential, mixed use, commercial, or light industrial development, up to a specified height, density, and floor area ratio.
 - Upzoning is intended to be based on the frequency and/or kind of service transit stops receive or, in some cases, are expected to receive w/in three years.
 - Projects proposed under this TOD section are eligible for streamlined ministerial approval (SB423).

SB 79 (Wiener)

Transit Stop	Within 1/4 Mile*	Within 1/2 Mile*
Tier 1 (High-Frequency Commuter Rail w/ 6 TPH and light rail with grade separations)	<ul style="list-style-type: none">• 75 feet• Max density at least 120 dwelling units/acre• Floor Area Ratio (FAR) up to 3.5	<ul style="list-style-type: none">• 65 feet.• Max density at least 100 dwelling units/acre• FAR up to 3.0
Tier 2 Light Rail, Bus w/15 Min headways and Some transit priority Lanes on the route	<ul style="list-style-type: none">• 65 Feet• Max density at least 100 dwelling units/acre• FAR at least 3.0	<ul style="list-style-type: none">• 55 Feet• Max Density at least 80 dwelling units/acre• FAR at least 2.5
Tier 3 Moderate-frequency Commuter Rail at least 24 trains daily per weekday and service less than 6/hour during weekday peak, or ferry service.	<ul style="list-style-type: none">• 55 feet;• Max density at least 80 dwelling units/acre• FAR at least 2.5	<ul style="list-style-type: none">• 45 feet• Max Density at least 60 dwelling Units/Acre:• FAR at least 2.0

*All heights are the value shown or the local height limits, whichever is higher.

SB 30 (Cortese)

SB 30 (Cortese) Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions.

- Caltrain is working with passenger rail agency partners across the state as well as our state advocates to engage with the Senator's office and Senate Transportation Committee staff regarding issues and suggested changes for the bill.
- We anticipate this bill may be up for a hearing on April 8

AB 1372 (Papan) – Caltrain Energy Bill (Sponsor)

AB 1372 (Papan) Electricity: electrified commuter railroads: regenerative braking: net energy.

- Bill language should be in print soon.
- The intention of the bill is to make Caltrain eligible to receive credit for energy it sends back to the grid.
- Currently regenerative braking from electric trains is not a recognized eligible source to receive credit under current guidelines and laws.
- Caltrain continues to work with our energy partners and the Assemblymember's office to advance this issue.

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