Receive State and Federal Legislative Update and Consider Positions on SB 545 & AB 810

JPB Board Meeting June 5, 2025





### **Caltrain DC Visit**

 Executive Director Bouchard traveled to Washington, D.C., the week of May 19 with the Bay Area Council to meet with Caltrain's congressional delegation, transportation committee congressional chairs on the House and Senate side and key U.S. Department of Transportation modal agencies to discuss policy priorities.





### Federal

- House Passes Reconciliation Bill
  - On May 22, the House narrowly passed the "One Big Beautiful Bill Act" (H.R. 1), by a vote of 215-214.
  - The bill is expected to be changed in the Senate and subject to further debate.

#### • White House Releases Full Budget Proposal for FY 2026

- \$21.2B for public transit
- \$16.4B for passenger rail
- Prevents possible cuts of FY 2026 transit formula funds
- \$500M proposed for Rail Safety and Infrastructure Grants through CRISI
- \$7.2B for Federal-State Partnership for Intercity Passenger Rail grants
- \$1.5B for CRISI grants
- \$600M for Railroad Crossing Elimination grants.



### Federal

- Executive Order Targeting Sanctuary Cities
  - EO says sanctuary jurisdictions that do not comply with federal law may lose federal funding.
  - List includes Caltrain corridor cities Menlo Park, Mountain View, San Jose, and San Francisco.
- FRA Administrator Nominee to Receive Confirmation Hearing
  - FRA Administrator nominee David Fink passed Senate committee confirmation on May 21.
- DOT Secretary Issues Letter to Federal Funding Applicants
  - (Full letter here) reminds federal grant recipients of obligation to comply with all federal laws and regulations.
  - Caltrain likely to pursue grant agreements with FTA in the coming months.





- Governor Releases May Revise on May 14
  - Estimated budget deficit of \$12B for FY 2025-26.
  - Does not include additional \$2B for transit proposed by Sen. Arreguin and Asm. Gonzalez
  - Cuts to SB 125 transit funding would impact Caltrain FY 2026 budget at \$10.4M for operations.
  - The proposed "Cap-and-Invest" plan puts at risk TIRCP and LCTOP.
  - Caltrain sent a letter urging the state to maintain and reaffirm funds and programs for transit agencies.



#### State

- Legislative Update
  - June 6: House of Origin deadline for bills to pass their originating chamber.
  - July 18: Last day for policy committees to meet and report bills before summer recess.
  - Provided budget bill has been passed, summer recess will be from July 18 to August 18.
  - CalSTA Transit Transformation Task Force Meeting
    - Next meeting will be June 10
    - Task Force to deliver report to the Legislature by October 30, 2025
    - Anticipating initial draft of recommendations in the June timeframe.



# SB 79 (Wiener)

#### **SB 79: Transit-Oriented Housing Development**

- Staff is tracking this bill as it has implications for TOD projects.
- SB 79 streamlines housing development near public transit by allowing specified transit-oriented development (TOD) projects to bypass certain land use restrictions and environmental review processes.
- Amended to remove provisions exempting certain transit-adjacent properties from the Surplus Land Act
- Removed provisions allowing TOD housing on "qualified light industrial sites"



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

#### AB 1372 (Papan) Net Billing Tariff: electrified commuter railroads: regenerative braking: net energy.

- This is now a two-year bill.
- Caltrain staff will continue to meet with Assemblymember Papan's office to map out strategy for advancing this initiative.
- CCAs (San Jose Clean Energy and Peninsula Clean Energy) have the ability to act on their own to address part of the issue without legislation.



### SB 30 (Cortese)

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

- SB 30 passed the Senate with a 28 to 10 vote.
- Though some amendments have been made to the bill, it would still prevent the sale, donation, or transfer of the locomotives in Caltrain's remaining diesel fleet regardless of analysis of potential benefits.
- The bill only targets public passenger rail agencies, not freight rail, and provides no funding to address losses.



# SB 63 (Wiener)

#### SB 63 (Wiener) - Connect Bay Area Act

- Continuing to work in partnership with relevant stakeholders.
- Involved in discussions regarding the TTAP (up to 10%) expenditure and concerns over MTC authority to withhold funds.
- Passed Senate Floor on June 2. 28-10 vote
- Key Dates:
  - June 13: MTC Legislative Committee
  - June 25: MTC Full Commission
  - July 18: Deadline for Assembly Policy committees to hear the bill
  - Aug 11: New deadline for Opt-in.
  - Sept 12: Last day for each house to pass bills
  - Oct 12: Last day for Governor to sign bills.



# SB 545 (Cortese) - Recommend Support

#### SB 545 (Cortese) High-Speed Rail Economic Opportunity Study

- This bill requires the Office of Land Use and Climate Innovation to conduct a study on economic opportunities along the High-Speed Rail (HSR) Corridor.
- The study will explore strategies such as land value capture, development incentives, and public-private partnerships to help the state maximize the economic potential of the HSR project and surrounding station areas.
- In addition, SB 545 requires that any infrastructure district using its revenue to finance HSR construction must dedicate a majority of that revenue to infrastructure projects located within the jurisdiction of the local agencies that established the district.

Staff is recommending a support position.



## AB 810 (Irwin) - Recommend Oppose

AB-810 (Irwin) Local government: internet websites and email addresses.

- This bill would require a city, county, special district, joint powers authority, or other political subdivision to change its website address to ".gov" by Jan 1, 2031.
- This would impact Caltrain's website and require significant financial and staff resources to comply with.
- This bill is opposed by CSDA, ACWA, CARPD, and numerous individual districts.

Staff is recommending an oppose position.



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