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Agenda

Peninsula Corridor Joint Powers Board Advocacy and Major Projects (AMP) Committee Meeting

November 20, 2024, 3:30 pm

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

Committee Members: Steve Heminger (Chair), Margaret Abe-Koga, Jeff Gee

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/84582532747?pwd=dGdjV3lQVW1RUGUyZk9SSml6aXZRZz09> or by entering Webinar ID: **845 8253 2747**, Passcode: **268109**, in the Zoom app for audio/visual capability or by calling 1-669-444-9171 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors>.

Members of the public also may participate in person at: San Mateo County Transit District, Bacciocco Auditorium - Second Floor, 1250 San Carlos Avenue, San Carlos, CA, 94070 or any other noticed location.

Public Comments: Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Verbal public comments will also be accepted during the meeting in person and through Zoom* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

dial *9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

November 20, 2024 - Wednesday

3:30 pm

All items to which [Government Code section 84308](#) applies have been marked with an asterisk.

A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)(9), this relationship is considered to be a noninterest but it must be disclosed.

1. Call to Order / Pledge of Allegiance / Safety Moment
2. Roll Call
3. Public Comment on Items Not on the Agenda
Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff to reply.
4. Approval of Meeting Minutes of October 30, 2024 Motion
5. Authorize the Executive Director to Execute an Amended and Restated Interim Agreement with the Transbay Joint Powers Authority to Support Advancement of the San Francisco Downtown Rail Extension Project* ** Motion
6. State and Federal Legislative Update and Approval of the 2025 Legislative Program Motion
7. Committee Member Requests
8. Date/Time of Next Regular AMP Committee Meeting: Wednesday, December 18, 2024 at 3:30 pm.
The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.
9. Adjourn

Information for the Public

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.551.6108. Agendas are available on the Caltrain website at <https://www.caltrain.com>. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 1.800.660.4287

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Two Mondays before the Board Meeting, 2:30 pm; JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and Committees are available on the website.

Location of Meeting

Members of the Public may attend this meeting in person or remotely via Zoom. Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

Public Comment

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to publiccomment@caltrain.com so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that is distributed to a majority of the legislative body, will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Advocacy and Major Projects (AMP) Committee
1250 San Carlos Avenue, San Carlos, CA 94070
DRAFT Minutes of October 30, 2024**

Members Present: Margaret Abe-Koga (arrived at 3:34pm), Jeff Gee, Steve Heminger (Chair)

Staff Present: J. Baker, D. Baxter, M. Bouchard, D. Chazan, C. Fromson, J. Harrison, M. Lee, L. Lumina-Hsu, D. Ryan, M. Tseng

1. Call to Order / Pledge of Allegiance / Safety Moment

Chair Heminger called the meeting to order at 3:30 pm, led the Pledge of Allegiance, and delivered the safety briefing.

2. Roll Call

Acting District Secretary Margaret Tseng called the roll and confirmed a quorum was present.

3. Public Comment on Items not on the Agenda

Aleta Dupree, Team Folds, commented on electrification improvements, Clipper, and level boarding.

4. Meeting Minutes of September 24, 2024

Motion/Second: Gee/Abe-Koga
Ayes: Abe-Koga, Gee, Heminger
Noes: None

5. Approval of the 2025 JPB Advocacy and Major Projects Committee Meeting Calendar

Motion/Second: Gee/Abe-Koga
Ayes: Abe-Koga, Gee, Heminger
Noes: None

6. Receive Railyards Preliminary Business Case Update and Authorize Execution of Caltrain/Prologis Cooperation Agreement*

Dahlia Chazan, Chief of Planning, and DJ Baxter, Project Manager, Kimley Horn, provided the presentation that included the following:

- Described underway and planned San Francisco projects including the land for potential development at San Francisco railyards, transition to underground 4th and Townsend Station to Salesforce Transit Center, and potential Link 21 alignment
- Preliminary Business Case (PBC) vetted over 24 alternative configurations with options that demonstrate shared goals amongst Caltrain, Prologis, City of San Francisco, San

Francisco County Transportation Authority (SFCTA), Transbay Joint Powers Authority (TJPA), and California High Speed Rail (CHSR)

- Modernization of 4th and King station with public private partnership benefits
- PBC findings identified two Phase 1 development rail scenarios and three potential scenarios for Phase 2 with offsite storage for trainsets
- Phase 1 option for onsite 13 storage spaces giving time to identify offset storage locations while moving forward with modernized rail platforms, and station and phase 1 buildings development
- Contingency scenarios developed for variances in schedule
- Modernized passenger station and rail infrastructure, improved passenger experience, private investment partially offsetting infrastructure costs, negotiate revenue stream to support Caltrain operations, and anticipated increase in ridership
- Major project cost elements include new rail infrastructure at 4th & King Station and north-end offsite storage facility. Effort does not compete with any funding for Caltrain's fiscal cliff, The Portal, or critical State of Good Repair projects
- Prologis will initiate and take the risk of development entitlements process proposed through City of San Francisco and cooperative agreement with Caltrain to aid in communication and commitment for Caltrain's needs
- Coordination of construction activities at The Portal for site improvements and consolidate construction impact
- Timeline for Railyards Agreements include PBC, public engagement, develop design approach, California Environmental Quality Act (CEQA), planning application, negotiations for real estate agreement, City hearings, and implementation

The Committee members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Cannot compromise operations and vision of City and County of San Francisco
- Offsite storage opportunities
- Partnership with Prologis, City and County of San Francisco, and to find partnerships beyond for offsite storage needs as staff investigates and works on an operational analysis of potential offsite storage locations
- Development of site including onsite or offsite storage, center experience, rider experience
- Approach entitlement that allows for flexibility in approvals to build the area in a number of different ways including options for Caltrain operations
- Took market and governmental process into consideration and entitled the project with the ability to move forward as a transit oriented development
- Prologis realistic of the development includes over multiple market cycles and entitlement allows to develop over different market conditions
- Requested for report detailing fund sources and uses to date and what was currently approved and beyond

Motion/Second: Heminger/Abe-Koga
Ayes: Abe-Koga, Gee, Heminger
Noes: None

Public comment

Aleta Dupree, Team Folds, commented on storage and development in the railyards.
Leigh Lutensky, San Francisco Office of Economic Workforce Development (OEWD) commented on the coop agreement and expressed full support.

Director Gee left the meeting at 4:27 pm.

7. Authorize Execution of a Cooperative Agreement with Diridon Partner Agencies to Establish Interim Project Organization Structure* **

Marian Lee, Diridon Station Project Director, provided the presentation that included the following:

- Board directed additions including designation of Caltrain as lead agency for Project Director, establish a comprehensive escalating dispute resolution process, and creation of a Grant Steering Committee.
- Caltrain final decision-making authority over critical project matters including the selection of Project Director

Motion/Second: Abe-Koga/Heminger
Ayes: Abe-Koga, Heminger
Noes: None
Absent: Gee

8. State and Federal Legislative Update

Casey Fromson, Chief of Staff, Jason Baker, Director of Government and Communication Affairs, and Devon Ryan, Government Affairs Officer, provided the presentation that included the following:

- Select Committee Framework approved forwarding all scenarios to the Commission for review
- Enabling legislation should include new accountability provisions to provide greater oversight of transit agency financial information
- Bay Area Rapid Transit (BART) poll all five counties resulted with sales tax better than parcel tax , poll about Caltrain was total favorable at 58 percent and unfavorable at 11 percent (asked within the three countries serviced by Caltrain)
- Reviewed timeline for a 2026 ballot measure included expected Metropolitan Transportation Commission (MTC) polling in December 2024

- Received confirmation Caltrain can access the California Air Resources Board (CARB) Low Carbon Fuel Standard (LCFS) program and applied to register. LCFS can be an important financial source for addressing energy costs
- Governor signed Assembly Bill 2503 that exempts zero-emission rail projects from CEQA and will streamline process and aid in project buildout

Director Gee rejoined the meeting at 4:49 pm.

The Committee members had a robust discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Operator Scenario proposal which is a varied parcel tax across the five counties with other four opt-in (Alameda, Contra Costa, San Mateo County, San Francisco County, Santa Clara County) and would cover all of Caltrain 10-year deficit
- Look at obtaining legislative authority

Public comment

Adina Levin, Seamless Bay Area, commented on the short-term and long-term regional measure options.

9. Committee Member Requests - There were none.

Director Gee stated he will not be in attendance at the Board of Directors meeting scheduled next week and provided an update on the Transbay Joint Powers Authority (TJPA) receiving approval of the Crissy Grant for \$50 million with 50/50 Federal and local match for the Downtown Rail Extension Project (The Portal).

10. Date/Time of Next Regular AMP Committee Meeting: Wednesday, November 20, 2024 at 3:30 pm.

11. Adjourn - The meeting adjourned at 5:01 pm.

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Advocacy and Major Projects Committee
Through: Michelle Bouchard, Executive Director
From: Dahlia Chazan, Chief, Caltrain Planning
Sherry Bullock, Program Director
Subject: **Authorize the Executive Director to Execute an Amended and Restated Interim Agreement with the Transbay Joint Powers Authority to Support Advancement of the San Francisco Downtown Rail Extension Project**

Finance Committee
Recommendation

Technology, Operations,
Planning, and Safety
Committee Recommendation

Advocacy and Major
Projects Committee
Recommendation

Purpose and Recommended Action

Staff recommends that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“Caltrain”) authorize the Executive Director, or designee, to:

1. Execute an Amended and Restated Interim Agreement between the Transbay Joint Powers Authority (“TJPA”) and Caltrain to support advancement of the San Francisco Downtown Rail Extension Project (“DTX” or “The Portal”), to remain in effect until the parties complete their negotiation of, and adopt, a Master Cooperative Agreement.
2. Amend the Caltrain Fiscal Year 2025 Capital Budget to authorize the receipt of \$3,939,106 from TJPA as reimbursement for the costs of undertaking the scope of work described in the Amended and Restated Interim Agreement.

The Amended and Restated Agreement revises and extends the current Interim Agreement, (which has an effective date of September 1, 2023, and expires on December 13, 2024) to provide a decision-making process and delivery roles for Caltrain and TJPA, a staffing plan, and a budget and reimbursement mechanism to support Caltrain’s continued and enhanced engagement on the DTX Project. The Amended and Restated Interim Agreement will be effective December 14, 2024.

Discussion

The DTX Project will connect Caltrain’s regional rail system and the future California High-Speed Rail Authority’s statewide system to the Salesforce Transit Center in downtown San Francisco. TJPA, the project sponsor, is seeking funding for the project through the Federal Transit Administration (“FTA”) Capital Investment Grants Program New Starts program.

For New Starts projects, the FTA requires completion of two phases, Project Development and Engineering, in advance of receipt of a Full Funding Grant Agreement (“FFGA”). The DTX Project was in the Project Development phase from December 2021 until May 2024, when FTA

approved DTX's entry into the Engineering phase. TJPA has developed a schedule to support potential FFGA approval in July 2027.

Before an FFGA can be requested, TJPA and Caltrain must enter into a Master Cooperative Agreement ("MCA"). The MCA is considered a critical Third-Party Agreement by the FTA and must outline the specific operating roles and responsibilities and shares of operating costs between the two agencies.

In September 2023, Caltrain and TJPA approved an Interim Agreement to govern TJPA and Caltrain's cooperation in advancing the DTX Project until the MCA is executed, and amended the Interim Agreement to extend until December 13, 2024.

TJPA and Caltrain are targeting completion of the MCA in 2026. Caltrain and TJPA have continued to negotiate elements of the MCA, including design support and coordination; procurement and construction coordination; financial commitments; operations, maintenance, and rehabilitation; and asset disposition. However, as described at the September TJPA and Caltrain Joint Ad Hoc Committee meeting, the current MCA draft has significant unresolved issues. As a result, TJPA and Caltrain have agreed to extend and amend the current Interim Agreement to facilitate cooperation until the MCA is executed.

The scope of the Amended and Restated Interim Agreement includes the following items:

- 1) Project Delivery Roles: role of the Integrated Project Delivery Team ("IPDT") and joint decision-making process within the IPDT.
- 2) Staffing, Budget, and Reimbursement: a staffing plan, description of resource needs, and a reimbursement mechanism, all for Caltrain's work prior to the MCA.¹ The agreement includes also an estimated budget for the next 12 months of work through September 2025 and a process for determining future year budgets.
- 3) Joint Workplan: process for negotiation and execution of other necessary agreements and the MCA.
- 4) 4th and King Yard Project (4KY Project): a reimbursement mechanism and concurrence on delivery approaches related to the 4KY Project.

Project Delivery Roles

Staff and consultants from Caltrain will be integrated into an IPDT for design and construction of the DTX Project. The IPDT will report to the respective Executive Directors of Caltrain and TJPA, and operate pursuant to a framework developed by the parties. The IPDT will be the primary staff-level decision-making body with the responsibility and authority to manage the DTX Project so that it can be delivered within the approved scope, budget, and schedule. The

¹ The proposed Amended and Restated Interim Agreement contains one exception to full reimbursement for Caltrain's work: Costs associated with Caltrain's attendance at several types of meetings (including associated costs such as travel time) are not reimbursable by TJPA. Staff recommends agreeing to this exception as a compromise with TJPA.

IPDT will not supersede the authorities of the TJPA Board or the Peninsula Corridor Joint Powers Board.

Staffing, Budget, and Reimbursement

The Amended and Restated Interim Agreement includes a staffing plan to implement the joint workplan. TJPA will reimburse Caltrain for actual Caltrain staff and consultant costs for the DTX Project during the term of the Amended and Restated Interim Agreement. The types of costs and amount are summarized in the following table.

Work Description	FY25 US\$
Portal Program Management IPDT	\$ 485,267
Concept of Operations, Operations and Operations Planning	\$ 250,520
Communications, Government Affairs and Policy	\$ 151,206
MCA and O&M funding	\$ 179,247
4KY	\$ 1,227,416
Portal Procurement Technical Reviews and Support	\$ 691,704
Utility and Third-Party Support	\$ 51,730
Real Estate	\$ 68,310
Project Controls, Invoice, ODCs & Administration	\$ 396,636
Legal	\$ 120,000
Contingency	\$ 174,314
ICAP	\$ 142,757
Total	\$ 3,939,106

Joint Workplan

The Joint Workplan outlines the scope of work for both agencies over the term of the Amended and Restated Interim Agreement. It includes the following tasks: 1) review of procurement documents and participation in contractor selection; 2) review and conduct studies to support design, procurement, environmental and grant documents; 3) complete work to support FTA deliverables, governance framework development, and Caltrain and TJPA Board items; and 4) reach interim agreements supporting progress toward a comprehensive MCA, including an agreement regarding the 4KY Project.

The 4KY Project includes, in part, track, and related facilities partially within Caltrain’s property interests in the City and County of San Francisco. In advance of a separate agreement regarding the 4KY Project and/or execution of the MCA, Caltrain and TJPA agree that the Amended and Restated Interim Agreement will govern TJPA’s responsibility for covering Caltrain’s costs related to development of a future 4KY Project agreement and Caltrain’s work associated with delivery of the 4KY Project.

Staff is bringing key points from the Amended and Restated Interim Agreement to the Board Ad Hoc on DTX MCA negotiations, the November AMP Committee, and the December Board to request a capital budget amendment to accept reimbursement funds from TJPA and authority for the Executive Director to execute the Amended and Restated Interim Agreement.

Budget Impact

The project budget for Caltrain support of the DTX project was originally approved by the Board in FY22 with a partial budget of \$311,329. During adoption and amendment of the FY23 Capital Budget, \$4,019,545 was added to this project funded by (a) general capital funds (\$500,000) and (b) the Transbay Joint Powers Authority (TJPA) through a Letter of Agreement (LOA) between Caltrain and TJPA (\$3,519,545), which was replaced by the Interim Agreement in September 2023. The September 1, 2023, Interim Agreement included \$5,018,239 of reimbursable expenses in the Interim Agreement, increasing the total DTX project budget to \$9,349,113. The execution of the Amended and Restated Interim Agreement between Caltrain and TJPA will provide additional funding of \$3,939,106; accordingly, staff request that the Board authorize an amendment to the Capital Budget in that amount.

Prepared By:	Dahlia Chazan	Chief, Caltrain Planning	650-508-6225
	Sherry Bullock	Program Director	650.622.7866

Resolution No. 2024 –

**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

Authorize the Executive Director to Execute an Amended and Restated Interim Agreement between the Transbay Joint Powers Authority and the Peninsula Corridor Joint Powers Board to Support Advancement of the San Francisco Downtown Rail Extension Project

Whereas, the San Francisco Downtown Rail Extension (“DTX” or “The Portal”) Project will connect Caltrain’s regional rail system and the future California High-Speed Rail Authority’s statewide system to the Salesforce Transit Center in downtown San Francisco; and

Whereas, the DTX Project is seeking funding for the project through the Federal Transit Administration (“FTA”) Capital Investment Grants (“CIG”) Program New Starts program; and

Whereas, in 2022, the Peninsula Corridor Joint Powers Board (“Caltrain”) and Transbay Joint Powers Authority (“TJPA”) negotiated and executed a Letter of Agreement (“LOA”) describing the parties’ cooperation to complete all work needed to meet critical milestones in the DTX Accelerated Work Plan, negotiate a Master Cooperative Agreement (“MCA”) between TJPA and Caltrain, and authorizing reimbursement from TJPA to Caltrain for such efforts; and

Whereas, the MCA will address key topics, including design support and coordination; procurement and construction coordination; financial commitments; operations, maintenance and rehabilitation; and asset disposition; and

Whereas, in September 2023, Caltrain and TJPA approved an Interim Agreement to govern TJPA and Caltrain’s cooperation in advancing the DTX Project and negotiations of the MCA until the MCA is executed, the current Interim Agreement will expire on December 13, 2024; and

Whereas, the Amended and Restated Interim Agreement, if approved, will be effective retroactive to December 14, 2024, and will continue to govern TJPA and Caltrain’s cooperation until the MCA is executed, which is targeted for 2026; and

Whereas, the Amended and Restated Interim Agreement outlines the role of a Project Delivery Team, joint decision-making process for decisions leading up to a MCA, a staffing plan, a description of resource needs, a budget for Caltrain’s work on the DTX Project prior to entering into an MCA, and a reimbursement mechanism, along with a proposed schedule for negotiation and execution of the MCA; and

Whereas, the execution of the Amended and Restated Interim Agreement between Caltrain and TJPA will provide additional funding that will increase the project budget by \$3,939,106 in reimbursable expenses; and

Now, Therefore, Be It Resolved, that the Board of Directors authorize the Executive Director, or designee, to execute an Amended and Restated Interim Agreement with terms that substantially conform to those described herein with TJPA to support advancement of the DTX Project; and

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the amendment of Caltrain’s Capital Budget to reflect the receipt of \$3,939,106 from TJPA, pursuant to the Amended and Restated Interim Agreement; and

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director, or designee, to take any other actions necessary to give effect to the resolution.

Regularly passed and adopted this 5th day of December, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Advocacy and Major Projects Committee
Through: Michelle Bouchard, Executive Director
From: Casey Fromson, Chief of Staff
Subject: **State and Federal Legislative Update and Approval of the 2025 Legislative Program**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

The 2025 Legislative Program will establish the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Staff proposes the Committee recommend the Board:

1. Receive the attached State and Federal Legislative Updates
2. Approve 2025 Legislative Program

Discussion

The Legislative Program will include information on Caltrain priorities for the coming state and federal legislative sessions, as well as priorities at regional and local levels. The update will also include an update regarding discussions on a regional transportation revenue measure.

Budget Impact

None.

Prepared By: Devon Ryan Government & Community Affairs 650.730.6172
Officer
Isabella Conferti Government & Community Affairs 650.647.3498
Specialist



November 11, 2024

TO: Board of Directors, Peninsula Corridor Joint Powers Board (Caltrain)

FM: Matt Robinson, Michael Pimentel, and Alchemy Graham, Shaw Yoder Antwih Schmelzer & Lange

RE: **STATE LEGISLATIVE UPDATE – December 2024**

General Update

On November 7, shortly after Donald Trump won the presidential election, Governor Newsom convened a special session of the Legislature to determine how best to protect the rights of Californians over the next four years under another Trump presidency. Specifically, the special session will focus on bolstering the state's legal funding used to support future lawsuits against the Trump administration to protect California's civil rights, reproductive freedom, climate action, and immigrant families. This is the first of many actions that the Newsom Administration plans to take in partnership with the Legislature to build up California's defenses against an incoming federal administration that has, on several occasions, threatened certain actions against the state.

The special session will convene on December 2, which is also when the Legislature will come in for the first Organizational Session of the 2025-26 Legislative Session, and when newly elected Members will be sworn into the Legislature. Legislators will return to Sacramento to officially begin the legislative session on Monday, January 6, 2025. You can find the official deadlines for the upcoming legislative year linked [here](#).

California Air Resources Board's Low Carbon Fuel Standard

On November 8, the California Air Resources Board adopted major amendments to the Low Carbon Fuel Standard (LCFS), concluding a years long regulatory process that involved hundreds of stakeholders.

The LCFS was created by CARB in 2009 to reduce the carbon intensity (CI) of transportation fuels used in California. Under the program, regulated parties, generally fuel producers and suppliers, are required to meet an annual CI level established by CARB. Fuels that have a CI higher than the annual CI level produce a deficit, and fuels with a CI below the annual CI level generate a credit. Fuel producers and suppliers can reach compliance under the LCFS by producing or supplying cleaner fuels, applying excess credits generated in a previous year, or by purchasing credits from other regulated parties or market participants to eliminate deficits. Under the LCFS, transit agencies operating modes, including electrified fixed guideway systems, are eligible to generate credits for the electricity they consume in their operations. When the credits generated by a transit agency are sold to a fuel producer or supplier that faces a deficit, these credits generate new revenue for the transit agency. Among other things, the amendments adopted by CARB on November 8 further reduce LCFS's annual CI level and implement a series of other changes to the program's reporting requirements.

Caltrain's operating budget for electrified service assumes the agency's participation in the program. Following the start of Caltrain's electrified service, SYASL advised Caltrain on the agency's initial

engagement of CARB on participation in the program, and helped the agency navigate CARB’s processes, resulting ultimately, in Caltrain joining the program in the pathway the agency preferred. This preferred pathway will maximize Caltrain’s revenue generation from the program.

California Election Results

California’s general election was held on November 5, where all 80 Assembly seats were on the ballot along with 20 of the 40 Senate seats. Currently, Democrats have a supermajority in both houses and these are projected to be maintained. However, Republicans did gain some ground in the State Capitol with incumbent Senator Josh Newman (D) losing his race to candidate Steven Choi (R), although the race is still too close to call. Additionally, results on a number of the statewide ballot propositions suggest some voter shifts on issues including public safety (Prop 36) and the economy (Prop 32).

Below, you will find a point-in-time report of the election results of Assembly and Senate races that are pertinent to Caltrain, and statewide measures that were on the ballot this year. Ballot counts are still being finalized at the time of this drafting, so although we do not expect the numbers to change drastically, the final percentages reported may be different from those listed below. There are several legislative seats that are still too close to call, but those races fall outside of the Caltrain delegation.

Key Assembly Races

District	Candidate	Notes
19	Catherine Stefani (D) - 61.3%	Previously held by Phil Ting, who termed out.
	David E. Lee (D) - 38.7%	
21	Diane Papan (D) - 72.2%	
	Mark Gilham ^o - 27.8%	
23	Marc Berman (D) - 61%	
	Lydia Kou (R) - 39%	
24	Alex Lee (D) - 63%	
	Bob Brunton (R) - 37%	
25	Ash Kalra (D) - 65.5%	
	Ted Stroll (R) - 34.5%	
26	Patrick Ahrens (D) - 57.8%	Previously held by Evan Low, who ran for Congress.
	Tara Sreekrishnan (D) - 42.2%	
28	Gail Pellerin (D) - 66.5%	
	Liz Lawler (R) - 33.5%	
29	Robert Rivas (D) - 64.4%	
	J.W. Paine (R) - 35.6%	

Key Senate Races

District	Candidate	Notes
11	Scott Wiener (D) - 76.7%	
	Yvette Corkrean (R) - 23.3%	
13	Josh Becker (D) - 71.3%	
	Alexander Glew (R) - 28.7%	
15	Dave Cortese (D) - 66.4%	
	Robert Paul Howell (R) - 33.6%	
17	John Laird (D) - 66.2%	
	Tony Virrueta (R) - 33.8%	

Ballot Measure Results

Please recall that Californians voted on Prop. 1, which was the vehicle for the mental health bond, during the primary election in March. Below is the current breakdown for the November ballot propositions:

- **Prop. 2**, which would institute a \$10 billion education bond, is passing with 56.9% of voters supporting the proposition.
- **Prop. 3**, which would reaffirm the right of same-sex couples to marry, is passing with 61.1% of voters supporting the proposition.
- **Prop. 4**, which would institute a \$10 billion climate bond, is passing with 57.9% of voters supporting the proposition.
- **Prop. 5**, also known as ACA 1 / ACA 10, would have lowered the voting threshold for local bonds and is failing with 55.8% of voters rejecting the proposition.
- **Prop. 6**, which would have ended indentured servitude in state prisons, is failing with 54.9% of voters rejecting the proposition.
- **Prop. 32**, which would have raised the state minimum wage to \$18 an hour, is failing with 52% of voters rejecting the proposition.
- **Prop. 33**, which would have allowed local governments to impose rent controls, is failing with 61.6% of voters rejecting the proposition.
- **Prop. 34**, which would require certain health care providers to use nearly all revenue from Medi-Cal Rx on patient care, is passing with 51.5% of voters supporting the proposition.
- **Prop. 35**, which would make existing tax on managed health care insurance plans permanent, is passing with 66.8% of voters supporting the proposition.
- **Prop. 36**, which would increase penalties for theft and drug trafficking, is passing with 70.4% of voters supporting the proposition.

CalSTA's Transit Transformation Task Force Holds Sixth Meeting

The California State Transportation Agency convened for its sixth meeting on October 28 in Monterey. This meeting, the third of several geared toward informing a report of recommendations required to be submitted to the Legislature by October 2025, focused on: changes to land use and housing policies that could improve public transit use; potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations; and strategies to provide first- and last-mile access to transit.

As we have highlighted for you in our last few reports, the California Transit Association (the trade organization to which Caltrain belongs) is leading engagement in the Task Force discussions on behalf of California transit agencies. To inform the positions it takes at Task Force meetings, the Association has engaged its membership on the challenges / barriers they face in delivering improvements to transit service and has convened an internal Transit Transformation Advisory Committee to develop policy recommendations (for breaking past these challenges) for submittal to the Task Force.

Relative to the October 28 meeting, the Association, with the support of its Advisory Committee, developed recommendations for transmittal to the Task Force on the topics outlined above. These recommendations were shared with CalSTA and Association members on October 28.

The Task Force is subject to the state's open meeting requirements for state bodies, known as Bagley-Keene, and as such, all agenda materials are available on [CalSTA's website](#).

Bills of Interest

SB 925 (Wiener) City and County of San Francisco Merchandising Sales – SUPPORT

This bill would have authorized the City and County of San Francisco to adopt an ordinance prohibiting the sale of specified merchandise on public property without a permit, if the ordinance included specified written findings, including, among other things, that there has been a significant pattern of merchandise being the subject of retail theft and then appearing for sale on public property within the City and County of San Francisco. Pursuant to this bill, the ordinance would have been required to be adopted by the City and County of San Francisco to, among other things, identify a local permitting

agency that is responsible for administering a permit system. The bill would have also authorized the ordinance to provide that selling merchandise without a permit is punishable as an infraction, and that subsequent violations after 2 prior convictions is an infraction or a misdemeanor punishable by imprisonment in the county jail not exceeding 6 months. ***This bill was held on the Suspense File in the Assembly Appropriations Committee.***

SB 960 (Wiener) Complete Streets Projects on the State Highway System – WATCH

This bill would require the targets and performance measures adopted by the California Transportation Commission to include within the SHOPP asset management plan targets and measures reflecting state transportation goals and objectives, including for complete streets assets that reflect the existence and conditions of bicycle, pedestrian, and transit priority facilities on the state highway system. This bill would also require Caltrans' performance report to include a description of complete streets facilities, including pedestrian, bicycle, and transit priority facilities on each project. ***This bill was signed on September 27.***

SB 1031 (Wiener) Bay Area Transportation Regional Measure / Transit Consolidation – OPPOSE UNLESS AMENDED

This bill would have served as the authorizing vehicle for the Metropolitan Transportation Commission to propose a revenue measure to the voters in its jurisdiction to fund the operation, expansion, and transformation of the San Francisco Bay area's public transportation system, as well as other transportation improvements. This bill would have also charged the California State Transportation Agency with developing a plan to consolidate the 27 transit agencies in the San Francisco Bay Area. Recent amendments to the bill include an "enhanced coordination" component alongside the current consolidation component. ***This bill was not heard in the Assembly Transportation Committee.***

AB 1837 (Papan) Bay Area Transit Coordination – SUPPORT

This bill would have created the Regional Network Management Council and would have required the Metropolitan Transportation Commission to facilitate the creation of the Council. ***This bill was not heard in the Senate Transportation Committee.***

AB 2503 (Lee) CEQA Exemptions for Railroad Electrification – SUPPORT

This bill would expand existing CEQA exemptions to include public projects for the institution or increase of other passenger rail service, which will be exclusively used by zero emission trains on existing public rights-of-way or existing highway rights-of-way. This bill is targeted at providing a CEQA exemption for catenary power systems. ***This bill was signed on September 27.***

AB 2824 (McCarty) Transit Employee Assaults – WATCH

This bill would have enhanced penalties for individuals who commit assault or battery against a public transit operator or employee. This bill would have also allowed transit agencies to prohibit individuals convicted of assault or battery from entering transit facilities and vehicles using a more streamlined process. This bill is sponsored by the California Transit Association. ***This bill was not heard in the Assembly Public Safety Committee.***

Caltrain Federal Report November 2024

Republicans Win White House, Senate, and Likely House in November Elections

- Early on November 6, former President Donald Trump was elected as the next President of the United States. The former President defeated Vice President Kamala Harris, winning all the crucial swing states on his path to victory. Harris called the former President on the afternoon of the 6th to concede the race and reiterated her commitment to a smooth transition of power.
- Joining the next President in Washington will be a new Senate Republican majority and a likely House Republican majority. Democrats were hopeful that despite the outcome of the race for the White House, they would win a slim majority in the House. However, the outcomes of the race appear to defy much of the polling. With Republicans in charge of Congress, they will control federal spending and policy for the next two years.
- Trump has promised sweeping changes to the administrative state, among other declarations. Trump and his Republican allies have long been skeptical of federal spending and could attempt to cut funding for federal transportation programs.
- The Holland & Knight team will provide additional updates on the Trump Administration and next Congress in a webinar on November 21.

Congressional Update

Rep. Graves to Seek Top Spot on Transportation & Infrastructure Committee

- House Transportation & Infrastructure (T&I) Committee Chair Sam Graves (R-MO) is seeking a waiver from House Republican leadership to retain his position as the top Republican on the committee for the 119th Congress. Currently, House Republican conference rules limit members to three consecutive terms as chair or ranking member of a committee.
- The chances of Graves receiving a waiver are unclear, as Rep. Rick Crawford (R-AR), current Chair of the Subcommittee on Highways and Transit, has announced his candidacy for chairman of the full committee. Graves has maintained that he will continue to seek support from the Republican conference to remain in the top spot and has already received some endorsements from members of the committee.
- Next Congress, the House T&I committee will begin working on the next surface transportation bill, and Graves has argued he is best positioned to pass the bill given his track record with past authorizations.

Administration Update

DOT Announces \$3 Billion in Available Funding Through the RAISE Grant Program

- On November 1, the Department of Transportation (DOT) announced \$1.5 billion in available funding through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. RAISE supports surface transportation projects with a significant local and/or regional impact.
- DOT seeks to fund projects that address adverse environmental impacts (e.g., reducing GHG emissions, addressing environmental justice, etc.) and supporting disadvantaged communities.
- In this round, \$1.5 million is reserved for consideration of FY 2024 projects that received “Project of Merit” distinction but were not awarded. FY 2024 Projects of Merit must email RAISEgrants@dot.gov by December 2, 2024, if they would like for their FY 2024 application to be considered under this reserved funding.
- All other applications for 2025 RAISE funding are due by January 30, 2025. For more information, please refer to the [Funding Opportunity Announcement via Grants.gov](#).

DOT Holds Transportation Advisory Committee Meeting

- On October 17, DOT’s Transforming Transportation Advisory Committee (TTAC) held its [quarterly meeting](#). The purpose of TTAC is to provide the Secretary of Transportation with recommendations on the needs and best approaches to improving transportation innovation nationwide.
- DOT representatives highlighted the growing role of AI in transportation and how it can be used to improve project delivery. Additionally, committee members discussed the deployment of ADS and how new technology can change the transit landscape.

FTA Announces New Rail Transit Safety Rule

- On October 31, the Federal Transit Administration (FTA) announced a [final rule](#) setting new standards for rail transit agencies. This final rule applies to rail transit agencies (RTAs) covered by the State Safety Oversight (SSO) program. The FTA released a proposed rule in March and received over 7,000 comments. The new rule would require rail transit agencies to adopt and implement an SSOA-approved Roadway Worker Protection Program (RWP) to improve worker safety.
- The new requirements include a variety of measures aimed at keeping rail transit workers safe. Covered transit agencies must establish minimum RWP program elements, which includes safety briefings for workers and updating safety manuals. Additionally, agencies must establish a training program that addresses all transit workers responsible for on-

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track safety by position. Now published in the [Federal Register](#), the final rule takes effect on December 2, 2024.

Round-Up of Open Grant Opportunities

- [FY24 Federal-State Partnership for Intercity Passenger Rail Grant Program](#). \$1.057 billion available. All applications due December 16, 2024.
- [RAISE Grant Program](#). \$1.5 billion available. All applications due January 30, 2024.
- [Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation \(PROTECT\) Program](#). \$876 million available. All applications due February 24, 2024.

Caltrain 2025 Draft Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit Peninsula Corridor 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 2025 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2025 calendar year, including the second half of the 2024-25 State legislative session and 119th 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 2025 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 regional, state, and federal issues falling in these categories:

- Funding
- Project and Program Implementation
- Legislative and Regulatory Actions

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 during monthly legislative updates 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 2025 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.

- Coalition-based Engagement

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 2025 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.

- Interagency Engagement

Partner with other transportation agencies at various levels to promote coordinated policy positions and influence broader regulatory and legislative agendas.

- Regulatory Engagement

Establish and maintain strong, long-term connections with key regulatory agencies and their teams.

Issue 1 – Funding

The following strategies and actions will guide the Agency's efforts to protect existing transportation commitments from federal, state, regional, and local sources; secure additional federal, state, regional, and local funding for the Agency's benefit; and provide enhanced options allowing the Agency to seek additional funding support.

General

A. Work with the Caltrain Federal and Legislative Delegation, federal and state agencies, regional agencies, transit systems and transit associations to identify and advance opportunities for funding that would support the Agency's transportation priorities and operations.

- B. Protect against the elimination or diversion of any State, Federal, or regional funds that support the agency's transportation needs.
- C. Advocate for funding and policies to support crossing safety improvement projects, including grade separation projects.
- D. Support legislation and regional action that ensures transit agency emissions-reducing transportation projects, programs, and services are eligible for funding.
- E. Support funding for workforce development, retention, recruitment, and housing to attract and retain quality personnel.
- F. Work to ensure state and federal funds are made available to transportation agencies to achieve state and federal greenhouse gas reduction, air quality, and climate goals.
- G. Advocate for state, federal and regional tax revenue related to transportation, including aviation, to be made available to public transit agencies.
- H. Advocate for flexible funding mechanisms that can adapt to changing transit demands.
- I. Ensure all remaining funds committed to Caltrain's Electrification Project and subsequent rail vehicle option trainsets, including the Battery-Equipped Electric Multiple Unit Pilot Project, are maintained and received.
- J. Support state and federal funding requests by partner agencies regarding key projects to improve the Caltrain corridor and regional connectivity.

Federal

- K. Direct advocacy for additional resources to secure federal funding for transit operations and capital, including through discretionary and competitive federal programs.
- L. Advocate to maintain the highest funding levels for federal infrastructure and rail investments, and advocate for federal funding through IIJA, IRA, and other federal programs for the agency's priorities.
- M. Support funding for positive train control (PTC) operations and regulatory streamlining.

State and Regional

- N. Direct advocacy to secure dedicated state funding for transit operations and capital, and work to ensure committed funds materialize in the FY 2025-26 State Budget for these purposes.

- O. Support the full funding of all state programs that support the agency's operations and capital programs.
- P. 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.
 - a. 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.
- Q. Participate in the California State Transportation Agency (CalSTA) and the Metropolitan Transportation Commission (MTC) SB 125 implementation and Transit Transformation Task Force efforts and support the work of the California Transit Association in this regard.
- R. Support efforts to provide funding for the deployment of zero emission transit vehicles and infrastructure, including working with the CalSTA, California Air Resources Board (CARB), and California Energy Commission (CEC) on funding program requirements.
- S. 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.
- T. 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 and monitor local efforts to use the initiative process to place measures on the ballot with lower voter thresholds.
- U. Enable the option for the agency to seek sustainable local funding for the agency's transit operations, including the ability to place a transit funding measure on the ballot within the agency's service territory.

Issue 2 – Project and Program Implementation

The following strategies and actions will guide the Agency's efforts to improve mobility in the region and support policies that benefit transit systems and transit riders.

General

- A. Collaborate with regional partners to unite business, community, and transportation stakeholders in advocating for equitable transportation and mobility solutions across the Bay Area.
- B. Support efforts that allow for public private partnerships that benefit the implementation of transit capital projects, operations, or related mobility improvement options.
- C. Advocate for the development of new and innovative first and last-mile travel options, ensuring commuters have access between major transit centers and their final destinations.
- D. Advocate for expanded Transportation Demand Management (TDM) tools and funding, encouraging broader adoption of TDM strategies.
- E. Work to address regulatory challenges that limit Caltrain's ability to optimize capacity and service benefits.
- F. Support the implementation of the projects and policies in the Caltrain Business Plan.
- G. Support funding and regulations that are consistent with Caltrain's equity and growth policy.
- H. Continue working to ensure that federal and state regulations and programs support the operation and future enhancements of Caltrain's electrified service.

State and Regional

- I. Support state funding incentives, streamlining processes, and policies that promote transit-oriented development, while not placing new conditions on committed funding.
- J. Ensure state and regional agencies incorporate relevant elements of the Caltrain Business Plan and subsequent plan updates in their long-term planning efforts.
- K. Consistent with existing agreements between Caltrain and the California High-Speed Rail Authority (CHSRA), support projects and efforts and funding opportunities to enhance connectivity and support future Blended System service on the Caltrain corridor.

Issue 3 – Legislative and Regulatory Actions

The following strategies and actions will guide the Agency's engagement with Congress, the Federal Government, the State Legislature, and the Governor's Administration on legislation and regulations to the benefit of the Agency.

General

- A. Advocate for removing barriers and increasing flexibility in transportation operations, planning, and project delivery.
- B. Ensure new transit requirements foster better connections between systems without creating unintended consequences for key transit riders and stakeholders.
- C. Engage the State of California, federal and state delegation, sister agencies and transportation associations to ensure the certification of federal transit grants owed to the Agency is not delayed now or in the future due to PEPR implementation.
- D. Ensure all planning, development, or policy proposals are consistent with the Agency's policies and planning priorities.

State and Regional

- E. Participate in the implementation of CARB's zero-emission rail regulation and ensure Caltrain continues to benefit from the state's Low Carbon Fuel Standard (LCFS) program.
- F. Work with partners on regional coordination to enhance the transit experience in the Bay Area, including on elements of the MTC's Blue Ribbon Transit Recovery Task Force's Bay Area Transit Transformation Action Plan.
- G. Closely monitor efforts to modernize the California Environmental Quality Act (CEQA) without compromising environmental goals, and support proposals that advantage transportation projects, including bicycle, pedestrian, rail and transit-oriented development projects.
- H. Advocate for policies that provide funding to support the Agency's transportation services associated with the implementation of SB 375 and Plan Bay Area.
- I. Work with the California State Legislature and Caltrain's energy distribution and supply partners to develop a solution, which may include legislation, that ensures Caltrain receives fair credit for the energy generated through regenerative braking of electric trains.