

Revised 7/30/2025 at 10:45 am – Item 3 presentation revised (Pages 6-24)

Amended 7/29/2025 at 5:00 pm – Item 3 materials added (Pages 4-24)



BOARD OF DIRECTORS 2025

CARLOS ROMERO, CHAIR
JULIA MATES, VICE CHAIR
NOELIA CORZO
ANDERS FUNG
RICO E. MEDINA
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JACKIE SPEIER

APRIL CHAN
EXECUTIVE DIRECTOR

AMENDED and REVISED AGENDA

San Mateo County Transportation Authority

Board of Directors Special Meeting

July 30, 2025, 3:00 pm

Primary Location:

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

Secondary Locations:

San Bruno City Hall Conference Room 138 570 Linden Avenue San Bruno, CA 94066	Lote 6, Sector E, Hacienda Santo Domingo, Zona 2 San Lucas Sacatepéquez, Guatemala	17907 Holli Blue Road Champion, MI 49861
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Members of the public may attend in-person or participate remotely via Zoom at:
<https://us02web.zoom.us/j/81494433440?pwd=soR5Xv96wgMgGgfqxiS7AJRW3goa3j.1>
or by entering Webinar ID: **814 9443 3440**, Passcode: **012550** in the Zoom app for audio/visual capability or by calling 1-669-219-2599 (enter webinar ID and press # when prompted for participant ID) for audio only.

Please Note the following COVID-19 Protocols for in-person attendance:

1. Visitors experiencing the following symptoms of COVID-19 may not enter the building:

- Cough
- Shortness of Breath
- Fever
- Chills
- Muscle Pain
- Sore Throat
- Loss of Taste or Smell

2. Wearing of masks is recommended but not required.

Public Comments: Public comments may be submitted to publiccomment@smcta.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while

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

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.smcta.com/whats-happening/board-directors-calendar>.

Oral 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 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 or less. The Board and Committee Chairs 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.

The video live stream will be available after the meeting at <https://www.smcta.com/about-us/board-directors/video-board-directors>.

Wednesday, July 30, 2025

3:00 pm

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1. Call to Order
 2. Roll Call / Pledge of Allegiance
 3. Receive Update on Senate Bill 63 Regional Transportation Funding Measure and Make Recommendation on Whether San Mateo County Should Opt In Motion
 4. Adjournment

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 Authority Secretary at 650-551-6108. Assisted listening devices are available upon request. Agendas are posted on the TA website at <https://www.smcta.com/whats-happening/board-directors-calendar>. Communications to the Board of Directors can be emailed to board@smcta.com. Communications to the Board of Directors can be emailed to board@smcta.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 Regular and Community Advisory Committee Meetings

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5:00 p.m. The TA Community Advisory Committee (CAC) meets regularly on the Tuesday prior to the TA Board meeting at 4:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and CAC are available on the TA website.

Location of Meeting

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

*Should Zoom not be operational, please check online at <https://www.smcta.com/whats-happening/board-directors-calendar> for any updates or further instruction.

Public Comment

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the Authority Secretary. Prior to the meeting's call to order, public comments may be submitted to publiccomment@smcta.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.smcta.com/whats-happening/board-directors-calendar>.

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Accessible Public Meetings/Translation

Upon request, the TA will provide for 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 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; 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 are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070, at the same time that the public records are distributed or made available to the legislative body.

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**San Mateo County Transportation Authority
Staff Report**

To: Board of Directors

Through: April Chan, Executive Director

From: Emily Beach, Chief Communications Officer

Subject: **Receive Update on Senate Bill 63 Regional Transportation Funding Measure and Make Recommendation on Whether San Mateo County Should Opt In**

Action

Staff proposes the San Mateo County Transportation Authority (TA) Board of Directors (Board):

1. Receive an update on negotiations to ensure San Mateo County transportation priorities are reflected in the Senate Bill 63 (SB 63) regional transportation sales tax expenditure plan and related oversight and accountability provisions.
2. Recommend the San Mateo County Transit District (District) Board of Directors take action on August 6, 2025, to request San Mateo County's inclusion in SB 63 with a 1/2 cent tax rate if the District Board accepts the final proposed expenditure plan and accountability measures.

Significance

Several San Francisco Bay Area transit operators – including Caltrain, Bay Area Rapid Transit (BART) and San Francisco Municipal Transportation Agency (Muni), all of which serve San Mateo County – are facing significant budget deficits, rhetorically referred to as “fiscal cliffs.” Senator Scott Wiener has introduced SB 63 to authorize a regional sales tax measure to be put before Bay Area voters in hopes of minimizing or avoiding public transit service reductions and other cuts as a result of these deficits. As currently drafted, SB 63 would authorize a tax measure to be placed on the November 2026 ballot, take effect in 2027, and last 14 years.

The District's Board of Directors will take action on August 6 (in advance of an August 11 deadline) to decide whether San Mateo County will opt in to SB 63. The TA and the City/County Association of Governments of San Mateo County (C/CAG) Boards of Directors will vote at their respective July 30 special meetings on whether to recommend that San Mateo County “opt in” to SB 63 – thereby joining the potential regional measure – and, if so, at a 1/4 cent or 1/2 cent sales tax rate. Either of these new taxes would increase the sales tax rate in multiple San Mateo County cities to over 10 percent.

As part of negotiations over the past month, TA and District staff and legislative advocates have helped ensure that SB 63 will:

- Fully fund Caltrain's deficit resulting from pandemic-era ridership loss, with contributions from tax revenues in San Mateo, San Francisco and Santa Clara Counties;
- Authorize a percentage of San Mateo County-generated tax revenues to BART and Muni;
- Provide San Mateo County with assurances from BART and Muni concerning consistent system-wide service, farebox, maintenance, and station/stop quality-of-life standards;
- Create accountability and oversight of funded transit operators with guaranteed San Mateo County representation on the oversight body;
- Minimize funds for Metropolitan Transportation Commission Transit Transformation and administration costs; and
- Maximize availability of funds for use to support public transit and transportation needs in San Mateo County through fair "return-to-source" calculations.

Negotiations are ongoing; accordingly, some details are shifting. However, based on the progress and status of these negotiations, as well as polling data shared with the Board at its July 10 meeting, staff now proposes that the TA Board recommend that the District Board take action to request San Mateo County's inclusion in SB 63 at a 1/2 cent tax rate if the District Board accepts the final proposed expenditure plan and accountability measures.

Budget Impact

There is no budget impact associated with the proposed action. The potential enactment of SB 63 and electoral success of a resulting ballot measure would allow the TA to possibly wait to seek voter renewal of Measure A until closer to its expiration in 2033, and permit continued flexibility in creation of a related expenditure plan.

Background

Staff and leaders of the TA and District Boards of Directors have been working together, along with staff and board leaders of C/CAG, to help shape SB 63 in accordance with the District's priorities and determine whether San Mateo County should "opt in" to SB 63. If the District chooses not to opt in to SB 63, the TA may need to seek voter approval of an early renewal and tax increase of Measure A to fulfill all funding obligations to Caltrain.

Prepared By: Emily Beach

Chief Communications Officer

650-730-9550



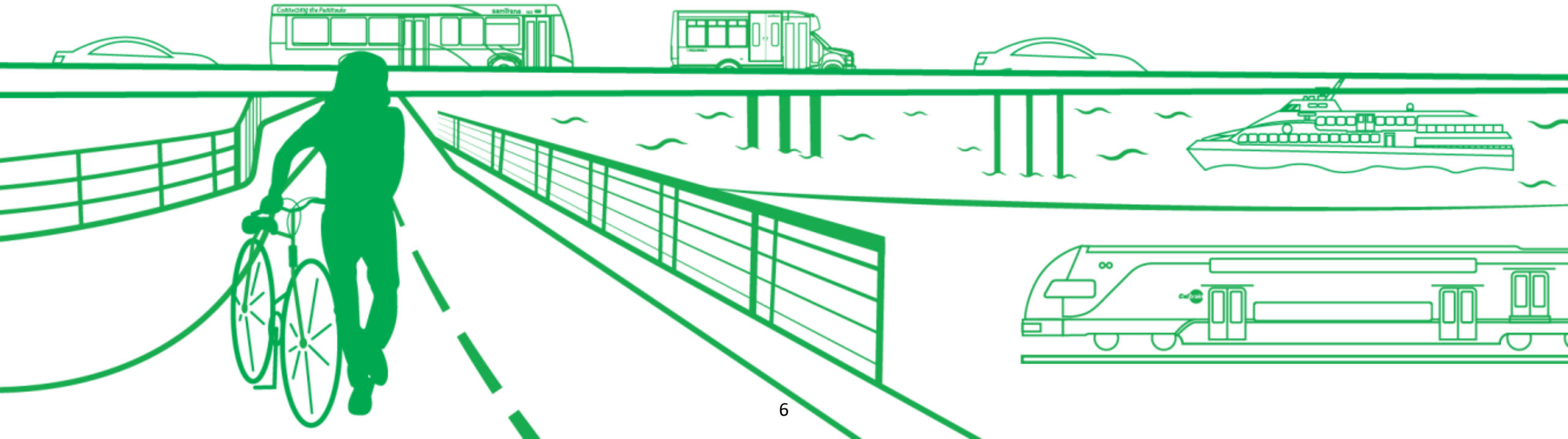
SAN MATEO COUNTY
**Transportation
Authority**

Item #3.
7/30/2025

Regional Transit Measure

TA Board of Directors Special Meeting | July 30, 2025

Emily Beach, Chief Communications Officer



Agenda

- SB 63 Timeline
- Summary of prior direction
- Pros and cons of Opt In
- Staff recommendation
- Board vote and recommendation



SB 63 Opt In Timeline

- **July 30** – SMCTA and C/CAG Boards vote on whether to recommend San Mateo County should opt in
- **August 6** – SamTrans Board vote on whether to opt in and at what tax rate
- **August 11** – Deadline for counties to opt in



Prior Direction to Staff

- **Negotiate SB 63 terms that prioritize:**
 - Full funding of Caltrain's deficit
 - Possible support for BART and S.F. Muni with:
 - Accountability and oversight
 - Service level standards
 - Quality of life standards for safety and cleanliness at stations
 - Fairness
 - Minimize MTC Transit Transformation and administration costs
 - Maximize SMCTD return to source funds



Current Status of Negotiations

Negotiate SB 63 terms that prioritize:	Status:
Full-funding of Caltrain's deficit	Caltrain proposal for member agency SB 63 allocations to fully fund deficit approved by JPB on July 23, 2025; pending member agency approvals
Accountability and oversight	Guaranteed, equal representation on MTC Oversight Committee (two San Mateo County MTC Commissioners)
Service and quality of life standards	Operators receiving more than \$50M from MTC (BART, Muni, Caltrain, and AC Transit) are “required to apply their adopted policies, standards, or commitments consistently and fairly across all counties participating in the SB 63 measure, and requiring corrective action if issues are identified.”
Fairness	Upholds region-wide standards of accountability and fairness for all participating counties
Minimize MTC Transit Transformation and administration costs	Reduced amounts plus lower admin costs, totaling a \$6M+ annual savings for SMCTD
Maximize SMCTD return to source funds	SMCTD return to source funds under SB 63 are estimated to create new revenue 100% for public transit totaling over \$45M annually

Polling Data Re-cap

- 57% of San Mateo County voters support SB 63 regional transportation sales tax measure
- Voters value local and regional public transportation service and connections, including with BART and S.F. Muni
- There is little difference in support between a $\frac{1}{8}$, $\frac{1}{4}$, and $\frac{1}{2}$ cent increase ~~(and $\frac{1}{4}$ cent or less provides insufficient funds to meet all needs)~~



SB 63 Negotiation Wins for San Mateo County

- Caltrain deficit fully funded by JPB partners from anticipated sales tax revenues
- Significant, flexible return-to-source funds for public transportation to the County (\$45M+ annually)
- Limited scope: 14-year Regional Measure (vs. 30-year)
- San Mateo County tax revenue contributions to regional transit operators based on percentages of sales tax revenues (not fixed dollar amounts)
- Unprecedented accountability and oversight for San Mateo County BART contributions



Leveraging SB 63 Opt In for Unprecedented Accountability

2007 Agreement between SMCTD and BART (Current)

- No enforcement mechanism other than litigation
- No requirement for BART to provide updates to SamTrans, or communicate service changes
- No specific service level agreements

SB 63 Negotiation Progress

- Guaranteed SMC representation on Regional Measure Oversight Committee for:
 - Consistent and equitable service levels and changes
 - Quality-of-life conditions at stations/stops in San Mateo County
- Remedies for breach
- BART and S.F. Muni to provide updates to SamTrans



Pros and Cons of Opt-in

Advantages:

- Fastest injection of emergency funds to preserve Caltrain operations
- Fulfills SMCTD's obligation to Caltrain deficit for duration of measure
- Supports BART and SFMTA; transportation connections for San Mateo County transit users
- Most effectively protects:
 - Existing Measure A investments, including funds for city and county streets and potholes, plus competitive infrastructure grants
 - SamTrans bus service and state of good repair capital investments from structural deficit



Pros and Cons of Opt-in

Known questions:

- Increased sales tax rate in the county
- Sales tax is the only funding mechanism in the legislation
- First-time contribution to Muni by San Mateo County
- Increased financial support of BART during the 14-year measure
- Five-county taxing authority in the legislation
- SB 63 negotiations ongoing



SamTrans Funding Needs

SamTrans needs additional funding

- Operating costs are growing faster than revenues; ~~increasing annual Operating Budget deficit projections: \$16M in FY 2030, \$35M by FY 2035~~
- **Average operating budget deficit FY27-35 estimated \$35M/year**
- Significant upcoming capital needs: Zero Emission Bus transition; sea level rise mitigation; bus stop improvements; potential Dumbarton right-of-way redevelopment, etc.

SamTrans serves a high-need, transit-dependent customer base

- SamTrans riders has lowest average household income among the large transit agencies in Bay Area
- 94% of SamTrans riders are Low-Income; 68% are Extremely-Low-Income
- 79% of SamTrans riders do not drive or have access to a car; in contrast, San Mateo County residents average two cars per household



SB 63 Proposed Expenditure Plan (Authors')

SMC Attributions by Agency

Recipient Agency	% of SMC ½ cent sales tax	Est. Annual San Mateo County Boardings	Today's dollars (FY 26) \$120M	FY 31 \$135M**
Caltrain*	24.07%	2.3M	\$28.89M	\$32.50M
BART	26.64%	3M+	\$31.97M	\$35.97M
Muni	7.4%	2.2M	\$8.88M	\$9.99M
SMCTD	36.63%	10M	\$43.96M	\$49.45M
MTC Transit Transformation	5.00%	N/A	\$6.00M	\$6.75M
Administration	0.25%	N/A	\$0.30M	\$0.34M

*Fully funds Caltrain deficit. Provisional number represents Caltrain JPB recommendation, pending SamTrans approval.

**HDL Revenue Generation Projection FY31



SMCTD Alternative: SB 63 Expenditure Plan

SMC Attributions by Agency

Recipient Agency	% of SMC ½ cent sales tax	Est. Annual San Mateo County Boardings	Today's dollars (FY 26) \$120M	FY 31 \$135M**
Caltrain*	24.07%	2.3M	\$28.89M	\$32.50M
BART	26.64%	3M+	\$31.97M	\$35.97M
Muni	5.1%	2.2M	\$6.10M	\$6.86M
SMCTD	38.95%	10M	\$46.74M	\$52.58M
MTC Transit Transformation	5.00%	N/A	\$6.00M	\$6.75M
Administration	0.25%	N/A	\$0.30M	\$0.34M

*Fully funds Caltrain deficit. Provisional number represents Caltrain JPB recommendation, pending SamTrans approval.

**HDL Revenue Generation Projection FY31



Draft Proposal from SB 63 Authors currently includes:

Return to Source: all funds in excess of the agreed to expenditure plan will return to the county where the funds are collected for public transit expenses: San Mateo County Transit District (SMCTD)

Vision: requires "the big four" transit operators to apply policies, standards, or commitments consistently and fairly across all counties participating in the SB 63 measure, and requiring corrective action if issues are identified.

Accountability:

- Requires MTC to create a Regional Measure Accountability Committee consisting of two commissioners from each of the participating (taxed) counties
- The Committee will be responsible for assessing and adjudicating petitions from participating county (e.g. service frequency or route changes, fare policy such as surcharges, cleanliness of station, facility or vehicles, station or facility maintenance, station or facility closures, safety and security)
- If breach, the Committee may withhold up to 5% funds
- Recommendations of the Committee to withhold funds shall be approved by full MTC Commission unless rejected by 2/3 supermajority of voting members



Consequences of Opting Out

- Caltrain deficit not fully covered
- SamTrans operational deficit not covered (forego \$45M+ annually)
- Measure A: increased burden to fund transit operations with renewal; less funding for capital infrastructure in every city and unincorporated area of the county
- Less local and regional funding for transit service and connections for riders
- No leverage over BART and Muni service decisions in San Mateo County
- Regional relationships:
 - Diminishes SMC influence as a regional transportation leader
 - Unclear consequences with advocacy, business and labor groups who support Regional Measure



If Opt Out: Next Steps

Near-term:

- Fund San Mateo County's fair-share of Caltrain's operational deficit (est. \$30M+ annually) from Measure A until new funding is secured:
 - Use existing Measure A funds
 - Advance future Measure A funds

Medium-term:

- Run a revenue measure ASAP (2028) to fund SMC's share of Caltrain deficit (est. \$30M annually)
- Harmonize SMC Caltrain measure with Measure A renewal



Staff Recommendation: Opt-In*

*provided SamTrans Board accepts the final expenditure plan and accountability measures

- Join SB 63 at ½ cent sales tax rate (1/4 cent provides insufficient funds to meet all needs)
- Generate new funding \$120M per year (today's dollars) in San Mateo County
- Fully funds Caltrain's deficit and SMCTD obligation
- Contributes meaningful contributions to BART and Muni to offset pandemic fare loss and support service in San Mateo County
- New, flexible return-to-source to SamTrans for public transit (\$44-\$50M+ annually)
- Protects current/future Measure A expenditure plan and benefits to cities, towns, and unincorporated communities who rely on Measure A program infrastructure funding



Staff Recommendation – Cont'd

Join SB 63 Regional Measure at ½ Cent, provided SamTrans Board accepts the final expenditure plan and accountability measures.

- Polling showed voters support this ½ cent regional measure
- Fulfills our financial obligation to Caltrain
- Supports BART and S.F. Muni service in San Mateo County with new revenue source
- Brings \$45M+ annually to support SamTrans and public transportation in San Mateo County

Next steps:

- Continue working with Assemblymember Papan and SB 63 authors to finalize expenditure plan and strengthen accountability measures.





SAN MATEO COUNTY
**Transportation
Authority**

Item #3.
7/30/2025

Please email beache@samtrans.com
with any questions.

