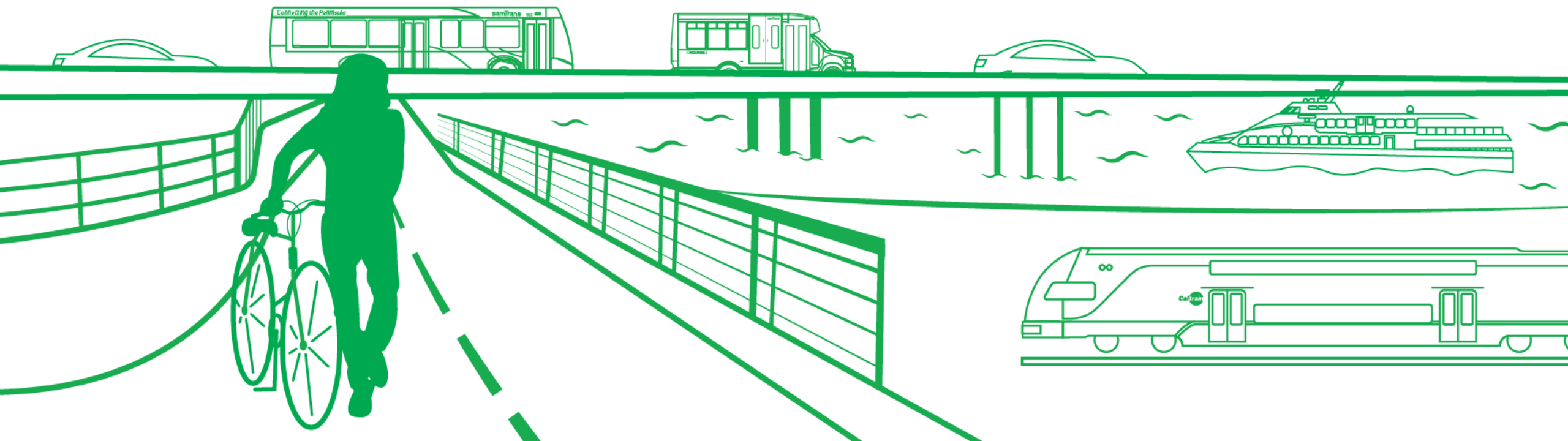




SAN MATEO COUNTY
**Transportation
Authority**

Legislative Update

TA Board Meeting | Jessica Epstein, Director
Government and Community Affairs | Sept. 4, 2025



Cap-and-Invest



Background: California's Cap-and-Invest

- Governor Newsom proposed renaming the Greenhouse Gas Reduction Fund (GGRF) Cap-and-Trade program to focus on the program's investments and benefits
- Cap-and-Trade establishes a limit on major sources of greenhouse gas (GHG) emissions throughout California and creates a powerful economic incentive for polluters to invest in cleaner, more efficient technologies and energy
- Companies buy credits at auction that allow them to legally pollute
- California reinvests auction funds into clean energy and community benefits
- California's High-Speed Rail (HSR) program receives 25% of the GGRF revenue



Reauthorization of Cap-and-Invest

Legislature and Newsom Administration's goal is to reach agreement before the end of session on:

- Extension of the Cap-and-Invest program
- Expenditure plan for Cap-and-Invest auction proceeds
- Proposition 4 Climate Bond expenditures



HSR Bookend Projects: Advocacy Efforts

- HSR Bookend Projects coalition is engaged in an advocacy effort to direct a portion of HSR Cap-and-Invest funding to local projects at the two ends of the HSR line
- Staff at Bay Area agencies began preliminary working group meetings in late July to discuss joint advocacy efforts for the HSR funding allocation.
- NorCal and SoCal each working on their own HSR Bookend asks for a portion of Cap-and-Invest proceeds dedicated to HSR Joint Benefit Projects in the Bay Area and Los Angeles.
- NorCal proposed total: \$2.2B
- Senator Cortese working to establish Bay Area expenditure plan framework for this \$2.2B NorCal request



Caltrain Corridor Bookend Project Coalition

Caltrain

City of San Jose

Metropolitan Transportation Commission (MTC)

San Francisco County Transportation Authority (SFCTA)

San Mateo County Transportation Authority (SMCTA)

Transbay Joint Powers Authority (TJPA)

Valley Transportation Authority (VTA)

San Mateo County Transit District (SamTrans) is participating in advocacy in coordination with the California Transit Association (CTA) to maintain expenditures that support public transit (TIRCP, LCTOP).

Issues for consideration

- This is a joint advocacy effort to secure more funding for Bay Area projects
- Cap-and-Invest funding is projected, not guaranteed (market-driven)
- All counties want to maximize funding
- **HSR Joint Benefit Projects** are infrastructure investments identified in the HSR Business Plan that will improve transit service, safety, economic vitality and air quality today and lay the groundwork for HSR tomorrow.
- **Non-Joint Benefit Projects** also improve infrastructure connected to HSR but are not specifically identified in the HSR Business Plan (e.g. specific grade separations, BART to Silicon Valley)
- SMCTA Board discussion will help inform our legislative delegation's advocacy efforts and staff direction



Proposed NorCal Bookend Projects (DRAFT)

- **Santa Clara County:**

- Joint Benefit Projects - Diridon Station, Caltrain Electrification and new track from Gilroy to San Jose,
- Non-Joint Benefit Project - BART to Silicon Valley Extension Phase II; Caltrain corridor safety improvements*

- **San Mateo County:**

- Non-Joint Benefit projects – Broadway/Burlingame Grade Separation (specifically named) Caltrain station improvements, and corridor safety improvements*

- **San Francisco County:**

- Joint Benefit Projects - The Portal (Downtown Extension Project)
- Non-Joint Benefit - San Francisco Railyard

* Grade separation and/or rail crossing closures are joint-benefit projects



Draft San Mateo County Bookend Project Needs

Considerations for discussion:

- \$300 - \$350M needed to fund Broadway/Burlingame funding gap
- \$50M (est. range \$350K-\$7M per crossing) for various corridor safety improvements: trespasser enhancements, AI technology, quad gates
- \$100M+ for SMCTA grade separation pipeline project planning and station improvements to help prepare for HSR at Millbrae and Redwood City
- San Mateo County = 22% of total Caltrain corridor population (CCSF, SMC, SCC)
- 22% of \$2.2B = \$483M



Topics for Discussion

- Respond to draft bookend project list and SMC funding needs
- Grade separation program: top mega-project funding priority for San Mateo County HSR Joint Benefit Projects
 - Original projections anticipate ~120 additional weekday trains daily from Caltrain and HSR compared to train volume before electrification
 - HSR trains may travel up to 110 MPH in Caltrain corridor
- Caltrain station and corridor safety improvements for San Mateo County projects to prepare for HSR



SB 63



SamTrans Board Action Aug. 6, 2025: Opt In to SB 63 (8 ayes, 1 no)

Adopt a motion exercising San Mateo County's option to join the SB 63 Regional Transportation Tax Measure with a ½ cent tax rate. Also, instruct the Bay Area delegation:

- (a) to advance **SMCTD's proposed alternative to the SB 63 expenditure plan** (with a lower attribution of San Mateo County revenues to SF Muni and a higher "return-to-source" allocation to facilitate San Mateo County's increased contribution to Caltrain), and
- (b) there will be **oversight and accountability measures** to ensure San Mateo County has fair and meaningful representation in oversight and that the County benefits fairly from its attributions to SF Muni and BART, while
- (c) **preserving San Mateo County's ability to participate in the measure.**



SB 63 Remaining Steps

Process:

- Author shared proposed amendments; Assembly Appropriations Committee passed bill out of committee with no new amendments except addition of urgency clause; bill now requires 2/3 legislative vote to pass and would take effect immediately upon becoming law, allowing signature gathering to begin
- Accountability and other key issues currently being discussed
- Final amendments expected by end of week (9/4 or 9/5) – 9/5 is last day bill can be amended per normal legislative rules
- After release of amendments: Likely to return to Senate and Assembly Transportation Committees for up or down vote only
- 9/9: Last day bill can be amended with rule waiver
- 9/12: Deadline to pass legislature

