



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3b
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: July 7, 2017

FR: Deputy Executive Director, Policy

W. I. 1131

RE: SB 797 (Hill): Voter Authorization for Caltrain Funding

Background

Senate Bill 797 (Hill) would authorize the Peninsula Corridor Joint Powers Board (Caltrain) to place a 1/8-cent sales tax measure – generating approximately \$100 million per year – before the voters of San Francisco, San Mateo and Santa Clara counties to fund Caltrain capital and operating expenses. Before such a measure is placed before the voters, it would need to be approved by the Peninsula Corridor Joint Powers Board (JPB), the boards of the respective transportation agencies that comprise the JPB (the San Francisco Municipal Transportation Agency, the San Mateo County Transit District (Samtrans) and the Santa Clara Valley Transportation Authority) and each of the three county boards of supervisors. The measure would be subject to a two-thirds threshold of all voters across the three counties and could be placed on the ballot any time in the future.

The bill would allow the three counties in the Caltrain corridor to exceed their local option tax limit if they reach the state limit. SB 797 would provide a dedicated funding source for Caltrain – the only passenger rail service in the country currently financed through voluntary contributions. The bill is coauthored by a large number of Bay Area legislators, including Senators Beall, Wieckowski and Wiener and Assemblymembers Chiu, Kalra, Mullin, Stone and Ting.

Recommendation: Support

Discussion

Caltrain serves as a vital link for Bay Area commuters living or working in San Francisco, Santa Clara, and San Mateo counties. By providing a reliable alternative to the congested Interstate 280 and U.S. Route 101, Caltrain has become the Bay Area's fastest growing transit system. Ridership has skyrocketed over the last decade, with demand for the service now far-exceeding capacity. In FY 2012, Samtrans reduced its contribution to the Caltrain operating budget by about \$4 million due to budget shortfalls. In response, the other member agencies significantly scaled back their contributions as well (see chart attached to this memo). Caltrain is currently operating at a budget deficit and is relying on about \$17 million in reserves for its FY 2017-18 budget, about 40 percent of its entire reserve. A dedicated sales tax would offset the need for local agency contributions, help with long-term service planning and provide additional funds for capital needs.

At a time when demand for Caltrain service is growing and the system is gearing up for electrification, a stable funding source for Caltrain is more important than ever. According to Caltrain staff, should SB 797 be enacted, member agencies do not intend to place it on the ballot before 2020, so it would not compete on the same ballot with Regional Measure 3, should that move forward in 2018. For all of these reasons, staff recommends a support position on SB 797.

Known Positions

Support: Silicon Valley Leadership Group

Oppose: None on File



Alix A. Bockelman

Attachment:

- Attachment A: Caltrain Member Contributions

AAB: ggd

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Member Contributions

