



SamTrans Board of Directors

Meeting August 5, 2026

Correspondence as of July 16, 2026

Subject

1. SamTrans Letter on Proposed OMB Rule
2. RE: Reimagine Dumbarton Study - Letter from Atherton – *Staff Response*

2026 BOARD OF DIRECTORS



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166 N. ROLLINS ROAD
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July 10, 2026

The Honorable Alex Padilla
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Adam Schiff
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kevin Mullin
United States House of Representatives
1404 Longworth House Office Building
Washington, D.C. 20515

The Honorable Sam Liccardo
United States House of Representatives
1117 Longworth House Office Building
Washington, D.C. 20515

Dear Senator Schiff, Senator Padilla, Representative Mullin, and Representative Liccardo,

On behalf of the San Mateo County Transit District (SamTrans) and the San Mateo County Transportation Authority (SMCTA), thank you for submitting a California delegation letter outlining concerns about the Office of Management and Budget's proposed changes to the federal financial assistance regulations in Title 2 of the Code of Federal Regulations. We write to provide additional information on how the proposal could affect our agencies and the transportation projects and services we deliver in San Mateo County.

As local public agencies that rely on stable, transparent, and durable federal funding processes, we are concerned that the proposed rule could create significant uncertainty for transit operations, capital project and program delivery, and long-term transportation planning. SamTrans provides essential public transportation services for communities in San Mateo County, and SMCTA plans, funds, and delivers transportation investments that support mobility, safety, and economic vitality across the county. Both agencies depend on a predictable federal partnership to plan multiyear projects, manage public funds responsibly, and deliver reliable service.

The proposed rule would formalize and broaden recent federal grantmaking practices by embedding them in government-wide regulation. In particular, it would increase the role of senior political appointees in discretionary award decisions and expand federal authority to suspend or terminate awards, including for convenience, increasing uncertainty and complicating long-term planning. It also would impose unnecessary administrative requirements on recipients. Finally, we question the legality of the proposed rule.

Impact on Local Funding and Projects

The uncertainty presented by the proposed rule would not affect only federal funds. Projects utilizing state and local funding often rely on federal contributions to move them forward. As a funding agency, SMCTA must be able to allocate local sales tax revenue in the most efficient way possible. If the federal share of a project grows less predictable, SMCTA faces greater difficulty sequencing projects, managing cash flow, and maximizing impacts and usability of voter-approved local transportation dollars. In practice, the instability of federal shares could lead to increased project costs, project delays, and reductions in the number of projects and services we can deliver to our communities.

Major transportation investments depend the most on layered funding plans. **The Broadway Grade Separation Project in Burlingame, which has already received significant investment from SMCTA,** would separate the Caltrain railroad crossing at Broadway Avenue from roadway traffic, improving safety, reducing congestion, and helping emergency access and local circulation in a heavily traveled area. The project, which ranks as the number one priority on the California Public Utilities Commission's Grade Separation Priority List, depends on federal funding to move forward. SMCTA has demonstrated its commitment to the project by directing \$343 million to support final design through construction. Caltrain, with support from SMCTA and the City of Burlingame, recently applied for a \$90.4 million federal Rail Crossing Elimination grant. That funding is critical to advancing the project.

Federal certainty also is essential to delivery of the **U.S. 101/State Route 84 interchange project**, a major highway improvement effort that will improve safety, reduce congestion, and strengthen a key regional connection for commuters, freight, transit, bicyclists, pedestrians, and access to the Port of Redwood City. SMCTA has committed \$161 million as the project's primary funder, and the project received a \$105 million federal INFRA grant in 2024. If the federal funds become more vulnerable to shifting priorities, rescission, delay, or added conditions, the project will face significant delivery risks, even after years of planning and coordination.

The proposed rule could also create challenges for **SamTrans' future federal funding opportunities**. SamTrans regularly applies for competitive federal grant programs, including Low or No Emission and PROTECT grants, to support fleet, facility, resiliency, and other capital needs. If future discretionary awards become more vulnerable to shifting political priorities or subject to additional administrative hurdles, that uncertainty could affect SamTrans' ability to plan ahead and compete effectively for funding that supports long-term service and capital investments. In addition, although Administration officials have indicated these changes are expected to apply to discretionary grant programs rather than formula-funded programs, the proposed rule does not clearly establish those limitations, raising concerns about the potential impacts on formula grants that have already been awarded and obligated.

Concerns with Grantmaking and Administration

We are also concerned that the proposed rule risks politicizing federal grantmaking. The proposed rule would shift discretionary funding decisions further toward political leadership and away from established expert review processes. Expanding executive discretion over grant approval and cancellation in this way risks sidestepping the congressional intent behind the appropriation of essential funds, as Congress expects agencies to administer grants consistent with the statutory purpose it sets, not shifting political priorities. It would also allow agencies to terminate grants at any time based on the agency's own determination that termination serves its interest. Unlike compliance-based terminations, these terminations would carry no administrative hearing rights, leaving entities

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with no clear way to challenge them. Federal transportation funding should continue to rely on clear criteria, project readiness, statutory purposes, and public benefits, not shifting political considerations.

In addition, the proposed rule could increase administrative burdens through new payment justification requirements, E-Verify compliance obligations, and other grant administration changes. The current framework already functions effectively, and new requirements may require additional staff time and resources for documentation, reporting, oversight, and grant administration, which could increase the risk of project delays.

The above concerns are compounded by the fact that OMB's own authority to issue binding regulations on how agencies may cancel federal grants without express statutory authority is unclear.

Federal transportation funding works best when recipients can rely on consistency, transparency, and long-term stability. That predictability is essential to protect taxpayer dollars, honor voter commitments for local sales tax measures, and deliver promised transportation improvements efficiently and responsibly.

Thank you for your attention to this issue and for your continued support of transportation investments in San Mateo County and throughout California. Please contact Government and Community Affairs Director, Jessica Epstein, at EpsteinJ@samtrans.com if you have any questions or need additional information.

Sincerely,



April Chan
General Manager/CEO, Executive Director

CC: San Mateo County Transit District Board of Directors
San Mateo County Transportation Authority Board of Directors

From: [April Chan](#)
To: [Michael Gallagher](#); [Chuang, Marie \[mchuang@hillsborough.net\]](#)
Cc: [Jessica Epstein](#); [Anthony Suber](#); [Robert Ovadia](#); [Board \(@samtrans.com\)](#); [Board \(@smcta.com\)](#); [Margaret Tseng](#)
Subject: RE: Reimagine Dumbarton Study - Letter from Atherton
Date: Friday, July 10, 2026 4:58:25 PM
Attachments: [Dumbarton Letter 063026 SamTrans Chuang.pdf](#)
[image001.png](#)
[image002.png](#)
Importance: High

+ Marie Chuang with the correct email address copied here.

Dear Mr. Gallagher:

Thank you for reaching out. We definitely would like to meet to discuss where we are in alignment.

We have already raised with Senator Becker that SB79 triggers really early in the project development process, and we agree it is concerning.

We are working to understand whether SB 79 even applies to our project today based on the timing of our planned development. This is a conversation we are also having with MTC.

Once we have that worked out, we would be happy to sit and talk about next steps and the potential for a clean-up bill.

I would like to connect you and City Clerk Anthony Suber with Jessica Epstein, our Government and Community Affairs Director, for next steps.

Regards,
April

April Chan, General Manager/CEO

San Mateo County Transit District
166 N. Rollins Road, Millbrae, CA 94030
Phone: 650-508-6228 | Cell: 650-868-9930

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Websites: [SamTrans](#) | [Caltrain](#) | [SMCTA](#)



From: Michael Gallagher <mgallagher@athertonca.gov>

Sent: Tuesday, June 30, 2026 1:38 PM

To: chuangm@samtrans.com

Cc: Board (@samtrans.com) <board@samtrans.com>; April Chan <chana@samtrans.com>; Board (@smcta.com) <board@smcta.com>; Anthony Suber <asuber@athertonca.gov>; Robert Ovadia <rovadia@athertonca.gov>

Subject: Reimagine Dumbarton Study - Letter from Atherton

You don't often get email from mgallagher@athertonca.gov. [Learn why this is important](#)

ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders.

Good afternoon, SamTrans and SMCTA Board of Directors.

Attached to this email is a formal letter from the Atherton City Council concerning the Reimagine Dumbarton Study.

A paper copy of this letter has been sent in the mail as well.

If you have any questions or concerns for Atherton City Council, please do not hesitate to reach out to me or City Clerk Anthony Suber.

Michael Gallagher
Receptionist / Clerk
(650) 752-0500
80 Fair Oaks Lane
Atherton, CA 94027



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TOWN OF ATHERTON

ADMINISTRATIVE OFFICES
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ATHERTON, CALIFORNIA 94027
(650) 752-0500

June 30, 2026

Marie Chuang, Chair
SamTrans Board of Directors
166 North Rollins Road
Millbrae, CA 94030

SUBJECT: Reimagine Dumbarton Study

Dear Ms. Chuang:

The Town of Atherton writes to provide formal feedback on the Reimagine Dumbarton Corridor Study currently being conducted by SamTrans. The Town appreciates and commends SamTrans' effort to reimagine this long-dormant rail corridor, which has been an unused eyesore for decades and represents a genuine opportunity to improve connectivity between the Dumbarton Bridge area and the Redwood City Transit Center. We are supportive of this corridor being improved and put to productive use for the benefit of the region.

As the project has been described to the Town, the evaluation is leading towards providing a dedicated right-of-way for transit services, with multiple routes and potential headways of as little as 15-minutes during commute periods, classifying the service as Bus Rapid Transit under various legislation. The introduction of Bus Rapid Transit service along this corridor would trigger serious and unacceptable consequences for Atherton and other communities along the route under Senate Bill 79 (SB 79).

Under SB 79, any transit service that meets the definition of Bus Rapid Transit would cause stops along this corridor to be designated as transit-oriented development sites. That designation would grant developers the right to construct high-density residential buildings of seven to nine stories within a quarter to half-mile radius of each stop, with limited local land use authority to regulate or condition that development. The Dumbarton Rail corridor runs through or immediately adjacent to established residential neighborhoods in Atherton and other San Mateo County communities. The imposition of SB 79 entitlements along this corridor would expose those neighborhoods to a scale and intensity of development that is wholly inconsistent with their character and for which no infrastructure planning has been done. This is not a hypothetical concern. It is a direct and foreseeable consequence of the law as written. Complicating matters, SB 79 extends to "planned" Transit Oriented Development Stops and provides such development rights before service is available and proven viable. Additionally, these development rights are provided regardless of accessibility. Currently, there are no directly accessible pedestrian pathways and bikeways for Atherton residents to access the corridor and any proposed stops, and current state laws may not allow Atherton to require development to construct these needed access improvements.

The Town does not oppose Bus Rapid Transit service along this corridor as a matter of principle. Bus service, if well-designed, appropriately scaled to demonstrated demand, and accessible could provide genuine transportation benefits to the region. The Town cannot, however, support a Bus Rapid Transit designation under current law. The risk to residential neighborhoods along the corridor is too significant and the legislative remedy too straightforward to ignore.

With this letter, the Town is seeking the SamTrans' support in seeking legislative amendments to SB 79 to exclude newly established transit corridors of this type from its automatic transit-oriented development provisions, where transit is new, unproven, or in early planning stages, reducing land use impacts to communities along the corridor until the project is built, operating, and serving its intended ridership. If SB 79 is amended to address these concerns, the Town would be prepared to engage constructively on the full scope of the Reimagine Dumbarton project, including its Bus Rapid Transit component.

The Dumbarton Rail corridor has enormous potential. The Town of Atherton wants to see that potential realized in a way that benefits the region without imposing unplanned, disproportionate impacts on the communities through which the corridor runs. We urge SamTrans to advance the active transportation components of this project without delay, and to seek the statutory fix that would allow this community and communities like it throughout the state to say yes to the full vision of this project.

Sincerely,



Stacy Holland

Mayor, Town of Atherton

cc: Board of Directors, SamTrans
April Chan, General Manager/CEO, SamTrans
Board of Directors, San Mateo County Transportation Authority