



Bay Area Capital Investment Grant Projects

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San Francisco Downtown Rail Extension



Portal Ridership Projection is Implausible

- Most of the expected ridership was related to High-Speed Rail, which is unlikely to reach San Francisco and certainly not in any meaningful form by the 2045 horizon year
- Fewer commuters use Caltrain than before the pandemic
- Those arriving at San Francisco Caltrain station already have other non-driving alternatives to reach the downtown core

Summary Description	
Proposed Project:	Commuter Rail 2.2 Miles, 2 Stations
Total Capital Cost (\$YOE):	\$8,254.79 Million (includes \$375.4 million in finance charges)
Section 5309 CIG Share (\$YOE):	\$4,077.86 Million (49.4%)
Annual Operating Cost (opening year 2035):	\$50.80 Million
Current Year Ridership Forecast (2023):	16,500 Daily Linked Trips 5,130,400 Annual Linked Trips
Horizon Year Ridership Forecast (2045):	48,000 Daily Linked Trips 14,111,000 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Now \$3,384 Million



Status of California High-Speed Rail Project

- As of early 2025, the California High-Speed Rail Authority (CHRSA) lacked sufficient funding to complete the Central Valley Early Operating Segment (EOS) let alone the entire Phase I project connecting San Francisco, Los Angeles, and Anaheim.
- Federal Railroad Administration recently rescinded \$4 billion of federal grants based on its conclusion that “CHSRA does not have a viable path to complete the EOS by 2033.”
- If CHRSA cannot complete the first section by 2033, it would seem impossible for it to complete the full Phase I by 2045.
- Governor Newsom’s proposal to dedicate an additional \$15 billion of cap-and-trade funds to the project between 2031 and 2045 does not close the funding gap for the Phase I project which is now about \$100 billion.



HSR CEO's New Goal: Palmdale to Gilroy by 2038

As costs ballooned and political backlash mounted, the California High-Speed Rail Authority pivoted years ago to building its 400-mile bullet train between San Francisco and Los Angeles in segments — starting with a 171-mile stretch connecting the agricultural cities of Merced and Bakersfield.

Connections to the major population centers in the Bay Area and Southern California, while still part of the plan, weren't expected for decades.

But in an interview with the Bay Area News Group this week, the CEO of the California High-Speed Rail Authority, Ian Choudri, said he is pushing to build the railroad north to Gilroy and south to Palmdale simultaneously with construction in the Central Valley.

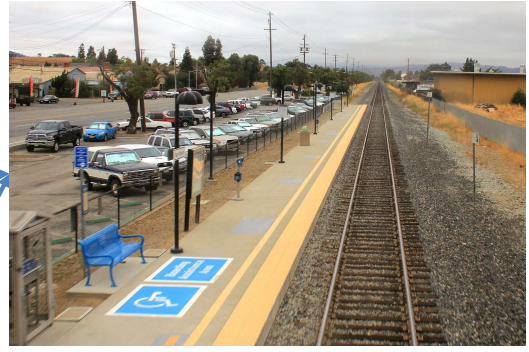
That plan, though, hinges on a major factor — California lawmakers' approval for over \$1 billion each year to fund it.

Source: <https://www.masstransitmag.com/rail/infrastructure/news/55307055/california-high-speed-rail-has-a-plan-to-build-to-gilroy-palmdale-simultaneously-with-central-valley-segment>



It's a long way from Gilroy to San Francisco...

Distance: 77 miles
Current travel time: ~ 2 hours



Single-track, non-electrified, Union Pacific-owned track

	Train No.	101	103	401	105	503	107	805	405
ZONE 6	Gilroy							5:52a	
	San Martin							6:04a	
	Morgan Hill							6:10a	
ZONE 5	Blossom Hill							6:23a	
	Capitol							6:29a	
Tamien <i>Replacement bus service available.</i> 6:35a									
ZONE 4	San Jose Diridon	4:43a	5:08a	5:43a	5:58a	6:22a	6:28a	6:40a	6:43a
	College Park	-	-	-	-	-	-	-	-
	Santa Clara	4:49a	5:14a	5:49a	6:04a	-	6:34a	-	6:49a
	Lawrence	4:54a	5:19a	5:54a	6:09a	-	6:39a	-	6:54a
	Sunnyvale	4:57a	5:22a	5:57a	6:12a	6:32a	6:42a	-	6:57a
	Mountain View	5:01a	5:26a	6:01a	6:16a	6:36a	6:46a	-	7:01a
	San Antonio	5:04a	5:29a	6:04a	6:19a	-	6:49a	-	7:04a
	California Avenue	5:07a	5:32a	6:07a	6:22a	-	6:52a	-	7:07a
	Palo Alto	5:10a	5:35a	6:10a	6:25a	6:43a	6:55a	-	7:10a
	Menlo Park	5:13a	5:38a	6:13a	6:28a	-	6:58a	-	7:13a
ZONE 3	Redwood City	5:18a	5:43a	6:18a	6:33a	6:49a	7:03a	-	7:18a
	San Carlos	5:22a	5:47a	-	6:37a	-	7:07a	-	-
	Belmont	5:24a	5:49a	-	6:39a	-	7:09a	-	-
	Hillsdale	5:27a	5:52a	6:25a	6:42a	6:56a	7:12a	-	7:25a
	Hayward Park	5:30a	5:55a	-	6:45a	-	7:15a	-	-
	San Mateo	5:32a	5:57a	6:28a	6:47a	6:59a	7:17a	-	7:28a
	Burlingame	5:35a	6:00a	-	6:50a	-	7:20a	-	-
	Millbrae	5:39a	6:04a	6:33a	6:54a	7:04a	7:24a	-	7:33a
	San Bruno	5:42a	6:07a	-	6:57a	-	7:27a	-	-
	S. San Francisco	5:45a	6:10a	6:39a	7:00a	7:09a	7:30a	-	7:39a
ZONE 2	Bayshore	5:50a	6:15a	-	7:05a	-	7:35a	-	-
	22nd Street	5:55a	6:20a	6:47a	7:10a	7:16a	7:40a	-	7:47a
	San Francisco	6:01a	6:26a	6:53a	7:16a	7:22a	7:46a	-	7:53a



Palmdale to Gilroy Service Means Less Ridership

- CHRSA 2022 Business Plan contained the following ridership projections:

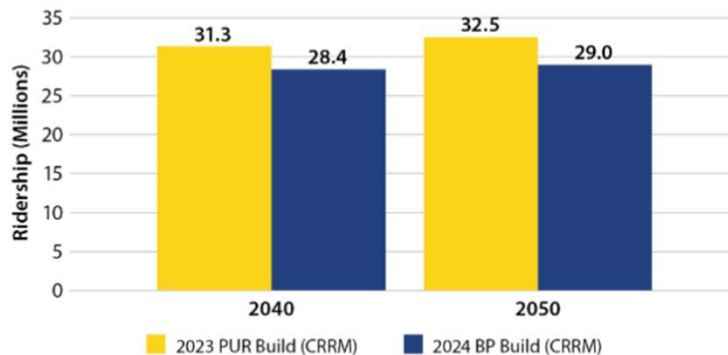
Table 5.3: Phase 1 High, Medium and Low Ridership by Year (Riders in Millions)

Ridership Level	2033	2034	2035	2040	2045	2050	2055	2060
High Ridership	17.9	36.4	41.9	50.0	52.6	55.2	58.1	61.0
Medium Ridership	12.8	27.8	32.0	38.6	40.5	42.6	44.8	47.1
Low Ridership	10.3	21.3	24.5	29.3	30.8	32.3	34.0	35.7

Because full funding for the system has not been identified, the phasing assumptions used for developing the forecasts and estimates are for illustrative purposes.

- CAHSRA lowered ridership forecasts in 2023 and 2024:

Exhibit 1.4.1: Los Angeles/Anaheim - San Francisco Phase 1 Ridership Projections



- Latest report (issued 8/22/25) contains a maximum ridership assumption of 18.02 million with no specific date

Gilroy – Palmdale with Merced Extension

With the delivery of the Merced extension under the Gilroy – Palmdale scenario, the Authority expects ridership to range from 12.52 million to 18.02 million annually, which would result in similar passenger revenue of \$1.1 billion to \$1.6 billion, as shown in **Table 1.4**. Ancillary revenue is projected to be around \$114 million to \$260 million.

However, the operation and maintenance costs increase to \$625 million to \$658 million, reducing the recovery ratio to between 186 percent to 304 percent.

This segment is estimated to cost \$90.85 billion and would be operational by early 2038. See **Table C.3** and **Exhibit C.1** in **Appendix C**.



Only 15,000 San Francisco Caltrain Riders Pre-COVID

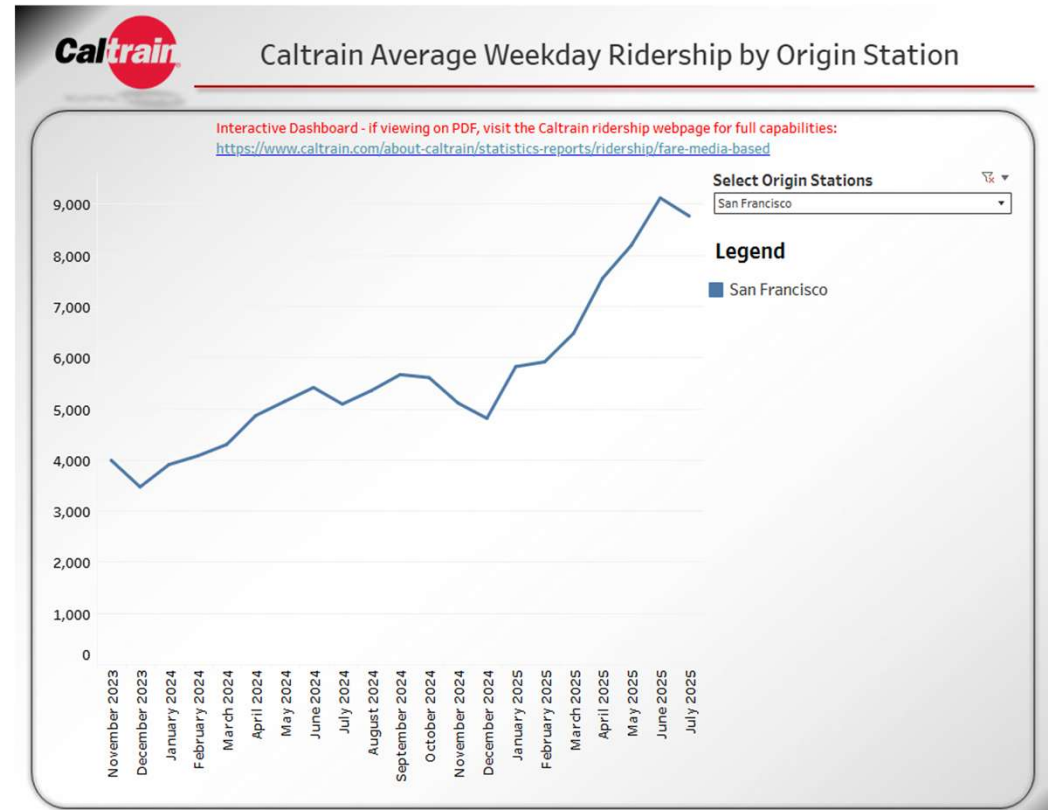
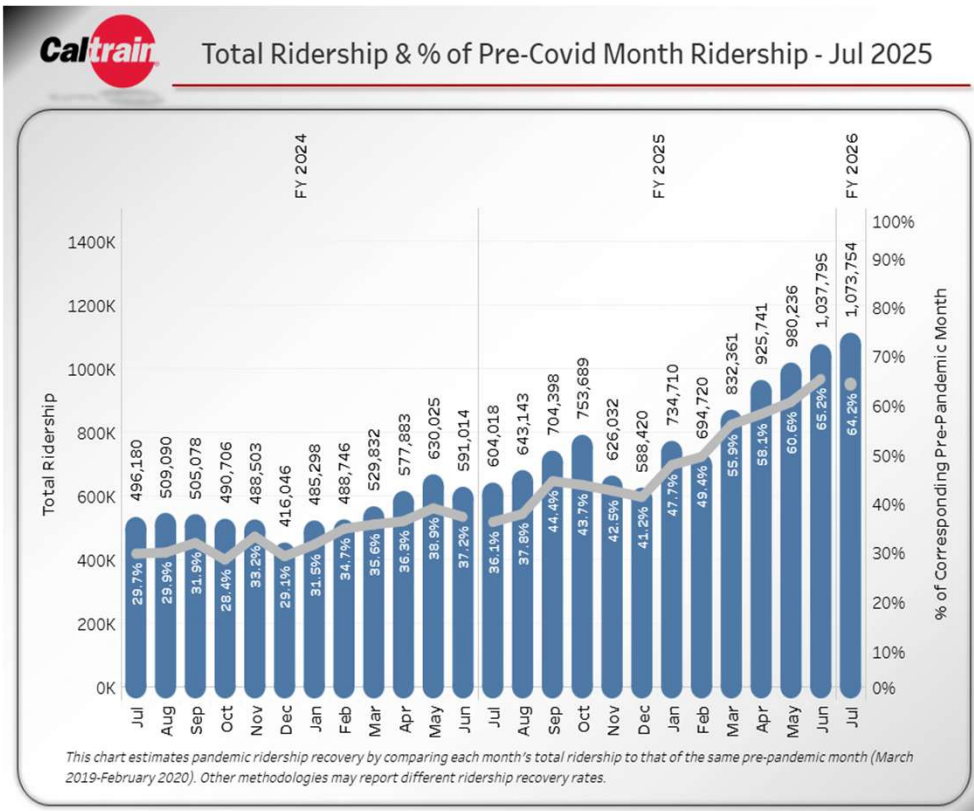
Table 1: Top 10 Ridership Stations – Numeric Comparison 2018 To 2019

Station	2018		2019		Change in AMWR
	Rank	AMWR	Rank	AMWR	
San Francisco	1	15,427	1	15,027	-400
Palo Alto	2	7,764	2	7,384	-380
San Jose Diridon	3	4,876	3	4,795	-81
Mountain View	4	4,810	4	4,560	-251
Redwood City	5	4,212	5	4,220	8
Hillsdale	8	3,229	6	3,217	-12
Sunnyvale	6	3,364	7	3,208	-156
Millbrae	7	3,340	8	3,194	-146
San Mateo	9	2,291	9	2,324	33
22nd Street	10	1,977	10	1,872	-106

Source: <https://www.caltrain.com/media/1359/download>



Systemwide and San Francisco Ridership Still Down



Source: <https://www.caltrain.com/about-caltrain/statistics-reports/ridership/fare-media-based>



Caltrain Ridership Numbers Inconsistent Over Time

From: <https://www.caltrain.com/about-caltrain/statistics-reports/ridership/fare-media-based>

Prior to April 2020: Ridership was estimated using a model that used Annual Count and Triennial Survey data to calibrate fare media sales data.

April 2020 through October 2023: Due to pandemic-induced changes in travel patterns, ridership estimates were temporarily calculated using a combination of Clipper tap data and limited conductor counts.

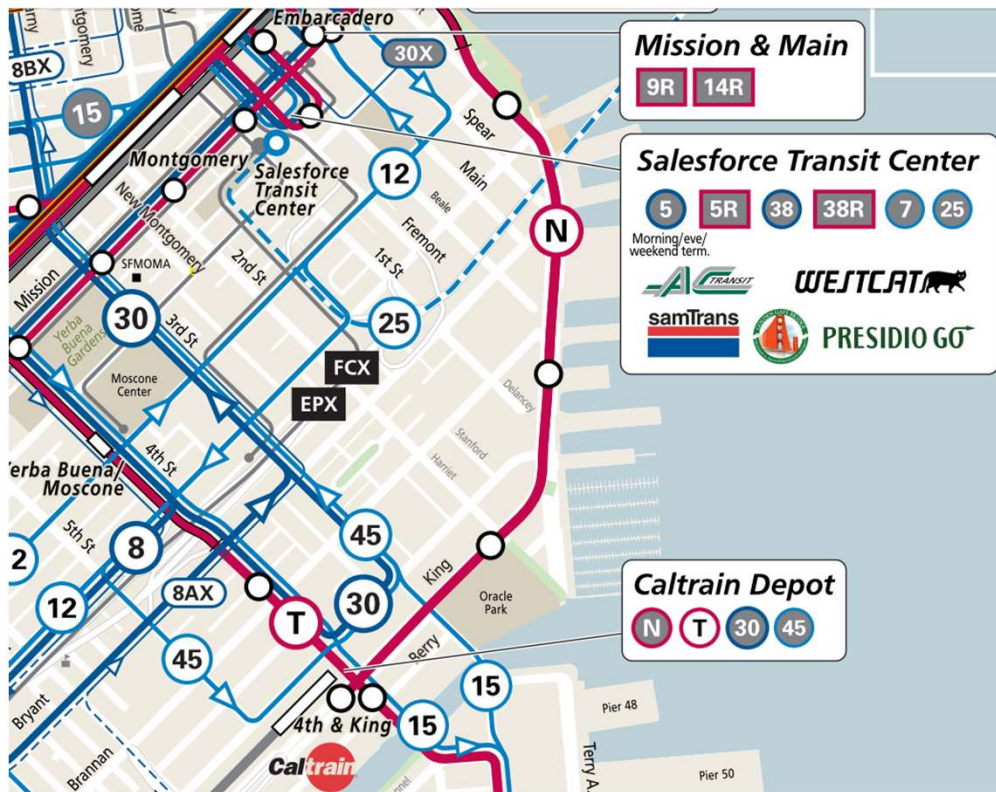
November 2023 through December 2024: Caltrain implemented a fare media sales-based ridership model, with a methodology that emphasizes simplicity and automation.

January 2025 and on: Based on results of the 2024 Origin & Destination Survey, **the fare media model's estimated monthly pass ridership was increased from 26 to 37 trips/pass/month** (weighted by days of week).

This creates the appearance of a more rapid ridership increase from electrification than may be the case.



Reaching Downtown from Caltrain Station



Two light rail lines, two bus lines, and bicycle docking stations are already available



BART Silicon Valley Extension Phase II



Phase I Ridership Well Below VTA Forecast

Silicon Valley Berryessa Extension Project

San Jose, California

(November 2012)

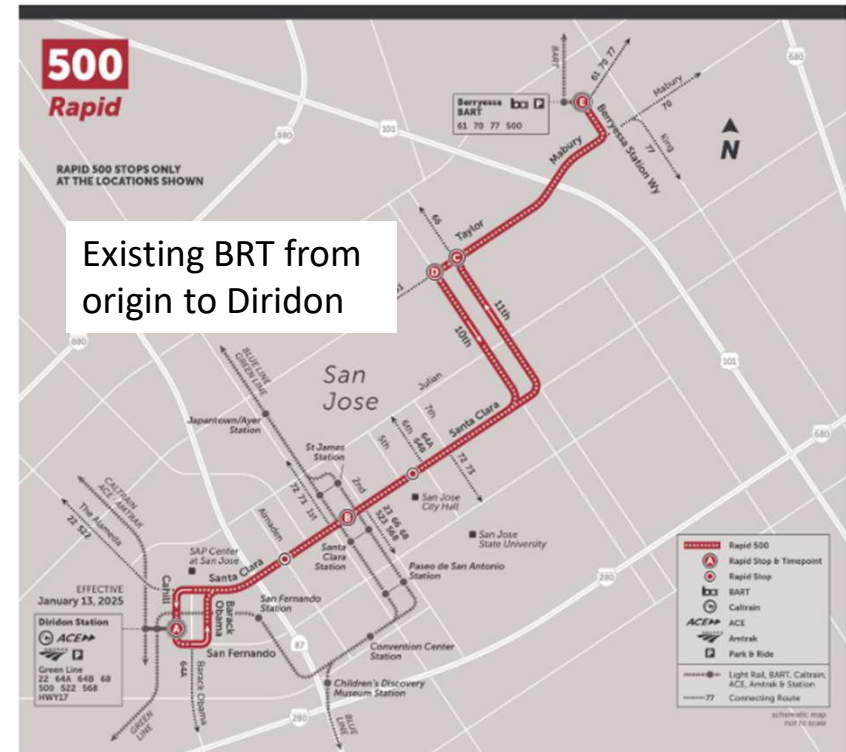
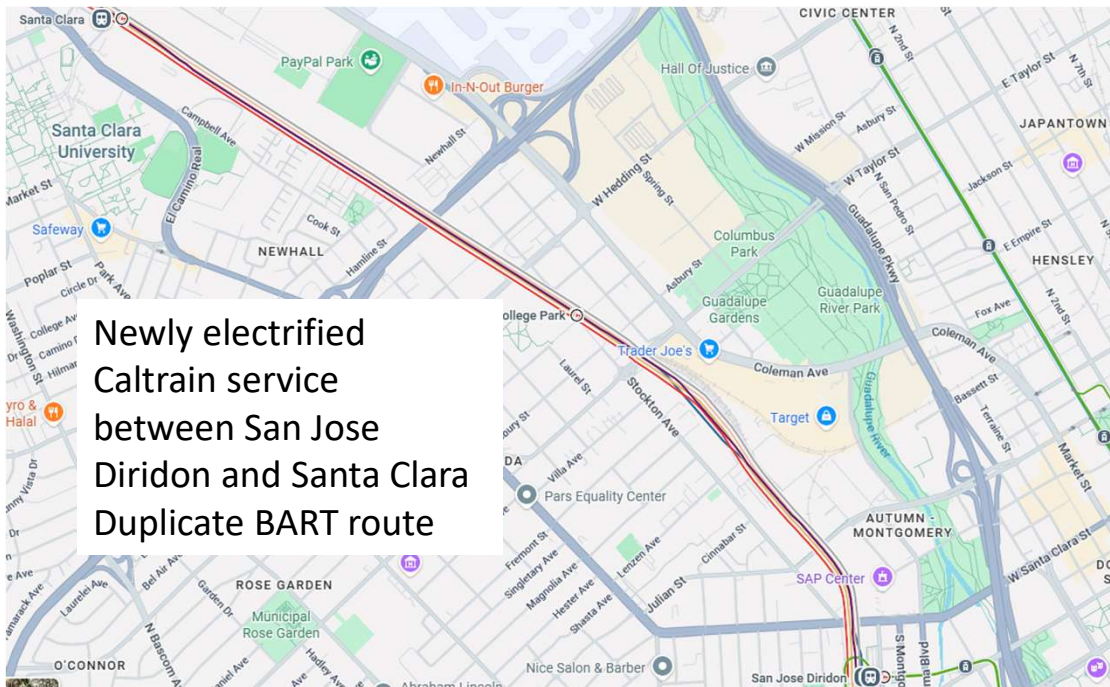
The Santa Clara Valley Transportation Authority (VTA) is constructing a 10.15-mile extension of the Bay Area Rapid Transit (BART) heavy rail system from Fremont to Berryessa Road in San Jose. The Silicon Valley Berryessa Extension (SVBX) project will be built on former Union Pacific freight railroad right-of-way, linking the future Warm Springs BART station in Fremont to Berryessa with an intermediate station adjacent to the existing VTA Montague light rail station in Milpitas. The SVBX will be a two-track, third rail powered, exclusive guideway heavy rail system operating under automatic train control. The project includes the purchase of 40 new BART passenger cars for operation on the extension, 4,800 parking spaces as well as improvements to the existing BART-Hayward rail car storage and maintenance yard. [The project is expected to serve 46,000 average weekday trips in 2035.](#)

Two new stations served 2900 daily riders in July 2025 according to BART's monthly ridership report.

	July 2025 Actuals
Ridership by Station (Average Weekday)	
Richmond	2,399
El Cerrito Del Norte	3,854
El Cerrito Plaza	2,062
North Berkeley	1,845
Downtown Berkeley	5,636
Ashby	2,054
Antioch	1,801
Pittsburg Center	545
Pittsburg / Bay Point	2,305
North Concord / Martinez	669
Concord	2,700
Pleasant Hill	2,664
Walnut Creek	3,188
Lafayette	1,837
Orinda	1,411
Rockridge	2,849
MacArthur	3,861
19th St / Oakland	4,544
12th St / Oakland City Center	5,507
Berryessa / North San Jose	1,443
Milpitas	1,439



Already Existing Transit Service on this Route





Robotaxis Will Compete with BART Well Before 2039

NEWS

San José Welcomes Arrival of Waymo's Autonomous Taxi Fleet

By *San Jose Inside* / May 20, 2025

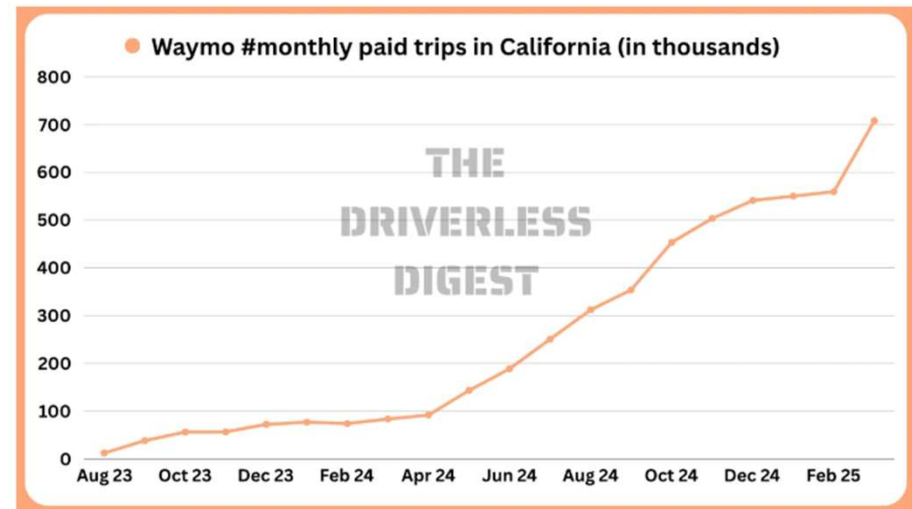


Waymo driverless taxi pickup up customers in San Francisco. Photo courtesy of Waymo



Look out, San Jose – here comes Waymo.

The California Public Utilities Commission announced it has approved an amendment to Waymo's existing operating permit, the final step in allowing the company to offer passenger service in San Jose.





Other Points/Suggestions

Coastal California Counties: Slow Population Growth



State (Forecaster)	County	2025-2045 Population Change
California (California Dept. of Finance)	San Francisco	2.1%
	Santa Clara	2.2%
	Los Angeles	-1.2%
Florida (University of Florida BEBR)	Duval	16.8%
	Hillsborough	20.1%
	Miami-Dade	9.6%
Texas (Texas Demographic Center)	Dallas	10.5%
	Harris	18.3%
	Tarrant	21.7%

DOT Order (February 2025):
To the maximum extent permitted by law, DOT-supported or -assisted programs and activities [shall] give preference to communities with marriage and birth rates higher than the national average.



Transparency

- If more documents relevant to the Capital Investment Grant program were in the public domain, it would be easier for independent analysts to assess them and raise concerns.
- Types of reports to consider making public include:
 - Project Management Oversight Contractor Reports
 - Before and After Studies (Information Collection and Analysis Plan)
 - Ridership Analyses and Other Documents Provided with CIG Applications

I am writing to you regarding your FTA FOIA Request, FY24-00253. Pursuant to the Freedom of Information Act, 5 USC 552, you requested all Before and After Studies received from sponsors and accepted since 2015, as well all as all Project Management Oversight (PMO) Reviews received since 2015 This is a very large request for many thousands of records/documents. FTA, therefore, requests that you narrow your request by focusing on a specific project or projects and dates. We also suggest that you go to the FTA Electronic Website where you can view examples of information and status reports for specific projects, including PMO Reports for specific dates.

- FTA Email received by Cato Institute, 10/25/2024



Addressing Bias in Ridership Forecasting

Los Angeles Times, April 26, 2019 :

At one time, Cambridge Systematics, the consultant that developed ridership models, estimated that more than 90 million people would ride the trains every year, based on an overly optimistic assumption that 90% of motorists along the route would switch to trains, said David Brownstone, a UC Irvine economics professor who reviewed the work of consultants that provided ridership estimates.

“Once we pointed out all the problems, they lowered it to 25 million and characterized it as a minor change,” he said. “Calling that a minor adjustment was a flat-out lie. The mistakes were obvious and crude.”

In Brownstone’s opinion, the rail authority didn’t question the calculations because high ridership estimates supported its revenue projections.

“Some of these consultants will tell you whatever you want to hear for a fee,” Brownstone said.

Cambridge Systematics declined to comment.

Recommendation: Assign ridership analysis to independent contractors not working for the applicant or ask federal employees to perform the analysis.