



COUNCIL REPORT

DATE: May 26, 2026

CATEGORY: Consent

DEPT.: Public Works Department

TITLE: **Transportation Priorities for Santa Clara Valley Transportation Authority Local Investment Plan Related to Senate Bill 63 Revenue Measure**

RECOMMENDATION

Approve City of Mountain View’s transportation priorities for the Santa Clara Valley Transportation Authority’s Local Investment Plan for Senate Bill 63 and authorize the City Manager to sign the letter to VTA (Attachment 1 to Council report).

BACKGROUND

Senate Bill (SB) 63 was enacted into state law in 2025. It authorizes creation of a Public Transit Revenue District across five Bay Area Counties: Santa Clara, San Francisco, San Mateo, Alameda, and Contra Costa Counties. SB 63 authorizes a half-cent sales tax (one cent in San Francisco) regional transportation revenue measure for voter consideration in November 2026. The bill would fund public transit operations, capital improvements, and transit-supportive roadway investment. The bill is intended to stabilize Bay Area transit operations, which have faced severe funding gaps due to steep declines in ridership and revenues since the COVID-19 pandemic.

This measure, if approved, is anticipated to generate \$313 million dollars annually within Santa Clara County over the 14-year term. Under SB 63, 84.37% of the sales tax collected in Santa Clara County, or \$264 million, is anticipated to be allocated to the Santa Clara Valley Transportation Authority (VTA) for public transit expenses and roadway repaving on roads served by fixed route transit. The remaining funding would be allocated to Caltrain for operations and capital improvements (10.38%), the MTC Transit Transformation Action Plan (5%), and program administration (0.25%). The regional measure is a citizen’s initiative, requiring 50 percent plus one for voter approval.

VTA is developing its [Local Investment Plan](#), which will define spending priorities should the measure pass. VTA staff presented an overview of SB 63 and VTA’s process to develop the Local Investment Plan to the City Council on April 14, 2026. The draft plan will be presented to the VTA Board of Directors for adoption on June 4, 2026.

ANALYSIS

Transit is an essential component of the transportation system in Mountain View, with a transit commute mode share (6.8%) more than double the county rate (2.9%). The Mountain View Transit Center is a regionally important transit hub, bringing together Caltrain, VTA's Light Rail, five VTA bus routes, and public and private shuttle systems. These essential transit services in Mountain View facilitate local trips and allow people throughout the region to travel to work in North Bayshore, where technology jobs are abundant. The Transit Center has the third highest ridership in the Caltrain System at 2,288 average weekday boardings in 2025. VTA's highest ridership bus lines, the 22 and 522, travel through Mountain View on El Camino Real, providing service to neighboring cities and San Jose. The Mountain View Community Shuttle further promotes transit use by providing first/last-mile connections to VTA and Caltrain and local circulation to areas not directly served by VTA.

VTA has invited local agencies to share their priorities for the Local Investment Plan. This is an opportunity to align the proposed plan with the City's transit and safety goals, including General Plan Goal MOB-5: "Local and regional transit that is efficient, frequent, convenient, and safe."

The attached draft letter to VTA outlines the City's transportation priorities for the Local Investment Plan. To identify potential projects, staff referred to the April 14, 2026 City Council discussion and considered local priorities that align with the measure's language and support VTA's desired outcomes: ridership growth, increased productivity, and enhanced customer experience.

Under the SB 63 enabling legislation, regional measure funds may be used for "...public transit expenses and roadway re-pavement projects on roads served by fixed-route transit." In accordance, City staff recommends the following City priorities for VTA's Local Improvement Plan:

- **Increase VTA Transit Services in Mountain View**

Mountain View strongly supports the implementation of VTA's Visionary Network within the City. The Visionary Network will increase light rail and frequent buses to 10-minute headways, local buses to 20-minute headways, and expand service hours to reach early morning and late-night customers. Increased frequency on VTA Light Rail, and Local Bus Routes 40 and 21 will significantly improve transfers at the Mountain View Transit Center. Increased frequency on Route 51 will support students at Mountain View High School and Graham Middle School. Enhancements to Rapid 522 and Route 22 will improve connections to neighboring cities and further strengthen El Camino Real as the backbone of the transit system. Across the city, these improvements will meet the community's needs and make transit a viable option for more trips across the city.

- Provide Financial Support for Mountain View's Community Shuttle

The Mountain View Community Shuttle is a fixed-route bus service that provides critical first- and last-mile connections, extending the reach and viability of Caltrain and VTA. The service connects riders to the Mountain View Transit Center, VTA Light Rail stations, and major bus transfer points such as Showers Drive. It provides access to schools, medical facilities, community services, and employment centers that have minimal or no VTA transit service. The shuttle is extremely well-used, serving over 22,000 riders a month.

The City fully funds the service from its own budget, but with stagnant revenues and many competing City priorities, it is a concern as to how much longer the City can continue to operate the shuttle service at current levels. As a fixed-route transit service, the shuttle is eligible for SB 63 funding. Providing financial support for the shuttle supports VTA's goal of growing ridership by directly funding the service and strengthening shuttle connections to VTA's own transit services.

- Help Close the Funding Gap for the Rengstorff Grade Separation Project

The City has been working on the Rengstorff Grade Separation project for almost 20 years. This important project will provide much-needed transit, pedestrian, and bicycle safety improvements in the most economically disadvantaged area of the City. It will eliminate collisions at the tracks, significantly improving Caltrain operations and, in turn, supporting ridership growth, productivity, and customer experience. The project will also eliminate significant backups on Rengstorff Avenue at the Caltrain crossing, increasing productivity and customer experience for VTA's Bus Route 40 and the Mountain View Community Shuttle, which are subject to major daily delays due to the at-grade rail crossing.

The City is partnering with VTA to complete design and construction of this long-awaited critical project for Mountain View. The \$400 million project is 75% funded. SB 63 funds can help reduce the funding shortfall, provide local match funding, and make the project more competitive for grants and other funding sources.

- Help Fund Complete Streets Projects on Fixed Route Transit Corridors

Mountain View has planned significant improvements for corridors with fixed-route transit: El Camino Real, Rengstorff Avenue, Shoreline Boulevard, San Antonio Road, Middlefield Road, California Avenue, Charleston Road, Whisman Road, and Grant Road. These projects will construct complete streets components, including signal upgrades to reduce transit delays, green streetscapes to improve the transit customer experience, and safety improvements to enhance first- and last-mile connections. These major projects represent a once-in-several-

decades opportunity to green streets, enhance safety, and improve operations for Mountain View residents and transit customers.

Additionally, staff requests that VTA's plan invest the sales taxes raised in Mountain View into transit services and improvements in Mountain View.

FISCAL IMPACT

The action will have no direct fiscal impact. However, if VTA chooses to include the City's recommended transportation priorities in the SB 63 local expenditure plan, the City may see increased revenue for these priorities.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

ALTERNATIVES

1. Modify the letter to VTA outlining Mountain View Priorities for SB 63 Local Investment Plan.
2. Provide other direction.

PUBLIC NOTICING – Agenda Posting

Prepared by:

Lauren Ledbetter
Transportation Manager

Approved by:

Jennifer Ng
Public Works Director

Audrey D. Seymour
Assistant City Manager

Attachment: 1. Letter to VTA: Mountain View Priorities for SB 63 Local Investment Plan