

DATE: May 28, 2025

TO: Bicycle/Pedestrian Advisory Committee

FROM: Brandon Whyte, Active Transportation Planner
Ria Hutabarat Lo, Transportation Manager

VIA: Allison Boyer, Assistant Public Works Director

SUBJECT: **Transportation Development Act Article 3 Funding**

RECOMMENDATION

Recommend to the City Council to allocate the accumulated Transportation Development Act Article 3 funds to SB-1 Streets, CIP 23-03.

BACKGROUND

Transportation Development Act Article 3 (TDA3) funding is an annual state grant program that provides funding for pedestrian and bicycle projects based on a return of a portion of sales tax revenues per capita. The Santa Clara Valley Transportation Authority (VTA) administers the TDA3 grant process for Santa Clara County and provides each city and the County of Santa Clara a portion of the TDA3 funding on a formula basis.

On an annual basis, agencies can identify funding to be allocated to one or more projects. VTA also allows cities to bank their share of TDA3 funds for up to five years to enable cities to accumulate funds for larger projects. Once TDA3 funding has been allocated to a project, the City must complete the work and submit invoices for reimbursement within three years.

Recently funded projects include bicycle- and pedestrian-related intersection improvements, crossing enhancements, protected bikeways, sidewalks, curb ramps, audible and countdown pedestrian signals, bicycle maps, bicycle racks, and education programs. Historically, the City has generally banked its allocation until it had sufficient funds for larger projects.

As shown in Table 1 below, the amount of annual TDA3 funding received by the City has varied in recent years based on the amount of the total sales tax revenues received.

Table 1: Recent TDA Article 3 Awards to Mountain View

Fiscal Year	Award	Allocation	Amount	Cumulative Available
2017-18	\$68,874	Banked	-	\$186,012
2018-19	\$63,958	Citywide Crosswalk Enhancements	\$100,000	\$149,970
2019-20	\$91,798	Villa/Shoreline Intersection Improvements	\$241,768	\$0
2020-21	\$83,174	Banked	-	\$83,174
2021-22	\$82,299	Banked	-	\$165,473
2022-23	\$113,394	Banked	-	\$278,867
2023-24	\$67,630	Miramonte Avenue Improvements, Project 20-01	\$346,497	\$0
2024-25	\$121,052	Miramonte Avenue Improvements, Project 20-01	\$121,052	\$0
2025-26	\$104,530	TBD	-	

For Fiscal Year 2018-19, the City allocated \$100,000 in TDA3 funds toward Citywide Crosswalk Enhancements; and in Fiscal Year 2019-20, the City allocated \$241,768 toward Villa/Shoreline Intersection Improvements. Both projects have been completed, and the City has been reimbursed for the work.

For Fiscal Years 2023-24 and 2024-25, the City allocated \$346,497 and \$121,052 respectively in TDA3 funds toward Miramonte Avenue Improvements, Project 20-01. Project limits are from Cuesta Drive to Castro Street. TDA3 funding for this project supports the following elements:

- A two-way protected cycle track between Hans Avenue and Castro Street;
- An enhanced midblock crossing at Hans Avenue;
- Buffered bicycle lanes;
- New sidewalk to fill a sidewalk gap;
- High-visibility crosswalks; and
- Installation of a road diet to calm traffic speeds.

The project will also resurface Miramonte Avenue, including the bicycle lanes, and will install intersection improvements at Castro Street and Miramonte Avenue.

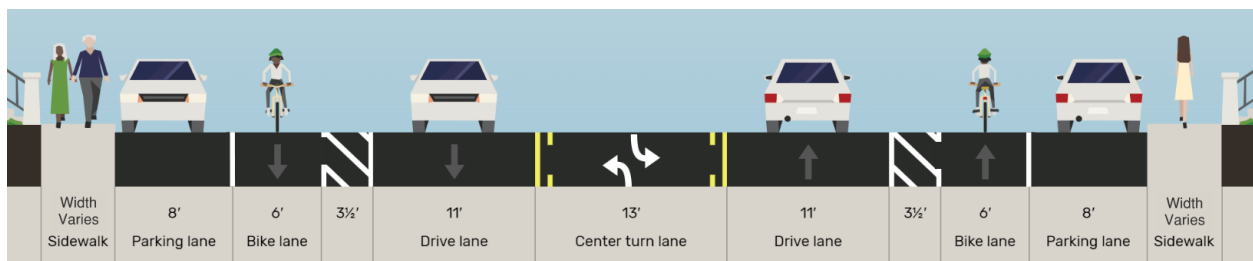


Figure 1: Miramonte Avenue Sample Road Diet Cross Section

Requirements for the use of TDA3 funds include that projects have no outstanding legal, environmental, or right-of-way issues; that the applicant has sufficient staffing and local match funds to complete the project; and that the project has been conceptually reviewed to the point that all contingent issues have been considered. To avoid potential rescission of funds, projects must be ready to implement within one year of the application cycle.

ANALYSIS

As shown in Table 1, in Fiscal Year 2025-26, the City will receive \$104,530 in new TDA3 funds. There were no existing banked funds; therefore, the total TDA3 funding available is \$104,530.

Staff is proposing four options for potential allocation of TDA3 funding:

1. Interim Pedestrian Mall Improvements, Castro Intersections (23-49): This project aims to improve pedestrian crossings at the Castro Street intersections with Dana Street and Villa Street, including a center crossing to support the pedestrian pathway and traffic signal upgrades. Concepts for Dana Street and Villa Street are under development for Bicycle/Pedestrian Advisory Committee (BPAC) review. At the California Street and Castro Street intersection, the project will design a modern roundabout, incorporate bike infrastructure, and connect to existing bike lanes.
2. Grant/Sleeper Intersections Phase 2 Rengstorff and Junction (21-39): This option would fund a pedestrian hybrid beacon at the Rengstorff Avenue and Junction Avenue intersection, potentially freeing up funds for another intersection in Phase 3. This location was identified as Vision Zero Action Plan (VZAP) Recommendation I-19.
3. Conversion of Buffered to Protected Bike Lanes (25-29): This would be accomplished by installing flex posts on La Avenida, Macon Avenue, Maude Avenue, Phyllis Avenue, and Whisman Road. Approximately one mile of Class IV protected bikeway would be developed. City streets crews would be utilized for this quick-build-style improvement. The Whisman Road portion of this project is one part of VZAP Recommendation I-14.
4. SB-1 Streets (23-03): This project will improve various street locations with pavement treatments, install high-visibility crosswalks, replace noncompliant Americans with Disabilities Act (ADA) curb ramps, install new green bicycle lane markings in conflict zones (such as Shoreline Boulevard at Central Expressway), and refresh pavement markings around schools and downtown. The project is at 100% design and has a funding deficit of approximately \$280,000. Given the ability to improve conditions for walking and biking Citywide, the funding gap, and the fact that this project will not increase workload and delay other projects, staff recommends allocating funding to this project.

Consistent with the requirements for the use of TDA3 funds, all projects are ready to implement. Staff evaluated the option of banking this year's allocation and utilizing the funds in a later year. Given the recent cost escalation and revenue reductions, staff does not recommend banking.

Staffing and Funding Constraints

During the Capital Improvement Program (CIP) development efforts over the past three years, staff reduced the recommended number of new projects to better align with staff's capacity to deliver the projects and respond to the reduction of available CIP funding as compared to prepandemic amounts. While staffing levels have improved, staff is still catching up to the backlog of capital projects, particularly in pavement, transportation, and larger facility projects. There remains a high number of active CIP projects, and staffing limitations affect the capacity to add new projects.

In addition, the cost impacts from recent high inflation rates are creating the need to add funding to existing and planned projects, which reduces funding available for new projects. While inflation has reduced from the 2021 rate of 13.4%, the California Construction Cost Index increase has remained elevated at 9.3% and 9.4% in 2022 and 2023 respectively. Costs have been rising for materials and labor, which has affected project delivery.

Meanwhile, revenues that support City projects have been going down. With the exception of the Shoreline Regional Park Community, most funding sources available for the Fiscal Year 2024-25 CIPs have declined between 15% and 48% compared to funding in Fiscal Year 2023-24. The Unrestricted Fund sources, CIP Reserve, and Construction/Conveyance Tax are the key City funding sources the City has utilized for transportation, facility, and other projects without dedicated funding sources or to address project shortfalls for these projects. These two sources can be used for a wide array of projects, are in high demand, and fluctuate with the trends in the economy, including downward trends we are currently experiencing.

The impacts of previous staffing shortages, rising costs, and reduced revenues have slowed project delivery and required City staff to focus on completing projects and funding shortfalls to existing projects before new projects can be assigned.

NEXT STEPS

Staff will be bringing the TDA3 funding allocation to the City Council for consideration in June 2025 and will be sharing BPAC's recommendation.

RECOMMENDATION

Recommend to the City Council to allocate the accumulated Transportation Development Act Article 3 funds to SB-1 Streets, CIP 23-03.

ALTERNATIVES

1. Recommend to the City Council to allocate the accumulated TDA3 funds to another listed project.
2. Recommend banking TDA3 funds and utilizing the funds in a future year.

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