



# COUNCIL REPORT

**DATE:** June 9, 2026

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **Fiscal Year 2026-27 Transportation Development Act (TDA) Article 3 Funding—Recommended Project**

## **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Approving a Request to the Metropolitan Transportation Commission for the Allocation of Fiscal Year 2026-27 Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Accept \$165,225 in Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding and appropriate funds to Interim Pedestrian Mall Improvements, Castro Intersections, Project 23-49. (Five votes required)

## **BACKGROUND**

Transportation Development Act Article 3 (TDA3) is a state program that provides funding for pedestrian and bicycle projects. These guaranteed funds (one-quarter cent of the general statewide sales tax) are distributed annually to the Metropolitan Transportation Commission (MTC), the regional transportation planning agency for the Bay Area, to allocate to local agencies on a per-capita basis. In Santa Clara County, the Santa Clara Valley Transportation Authority (VTA) is responsible for submitting a coordinated Countywide claim for TDA3 funds to MTC for each city and the County.

The amount of annual TDA3 funding allocated varies depending on the total sales tax revenue generated. The City was allocated \$165,225 in Fiscal Year 2026-27 TDA3 funds. The City has used past TDA3 grant funds for a variety of pedestrian and bicycle projects, including improvements to sidewalks, curb ramps, intersections, audible and countdown pedestrian signals, bike maps, bike racks, and bike education programs.

Requirements for the use of TDA3 funds include that the project has 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 completed in the allocated time (fiscal year of allocation plus two additional fiscal years). Additionally, VTA guidelines allow agencies to bank up to five years of annual TDA3 allocations. For the City of Mountain View to receive TDA3 funds, the Bicycle/Pedestrian Advisory Committee (BPAC) must prioritize and recommend a proposed project (or projects) for TDA3 funding, and the City Council must adopt a resolution approving the project(s) and request allocation of the TDA3 funding from MTC.

### Interim Pedestrian Mall Improvements, Castro Intersections, Project 23-49

The Castro Intersections project is a two-phase project, the first phase of which is a pedestrian-focused enhancement to improve pedestrian crossings at the Castro Street intersections with Dana Street and Villa Street within the Castro Street Pedestrian Mall. This includes a center pedestrian crossing aligned with the existing pedestrian mall central walkway to support pedestrian movement. The improvements include shortened pedestrian crossings, new traffic and accessible pedestrian signals, pavement enhancements within the intersection, improved lighting, and bollards for safety.

BPAC reviewed the design concept for this first phase of the project at their June 25, 2025, meeting and recommended that the Council Transportation Committee (CTC) recommend to City Council approval of the design concept. The CTC recommended approval on December 2, 2025, and the Council approved the design conception [March 10, 2026](#). Design for both phases is fully funded, and design for Phase 1 will be completed by the end of 2026, with construction anticipated to begin in early 2027.

The second phase of the project is located at the California Street and Castro Street intersection. This phase will begin after the design of the first phase is complete and will incorporate a modern roundabout, bike infrastructure, and connections to existing bike lanes.

### **ANALYSIS**

As part of the City's determination of the use of TDA3 funds, the BPAC recommends a proposed project (or projects) for TDA3 funding, and the City Council must adopt a resolution approving the project for TDA3 funding and requesting allocation of the TDA3 funding from MTC.

At its April 29, 2026 meeting, BPAC reviewed two project options and recommended Phase 1 of the Interim Pedestrian Mall Improvements, Castro Intersections, Project 23-49, for receipt of the City's Fiscal Year 2026-27 allocation of \$165,225 in TDA3 funding. Consistent with the BPAC's recommendation, staff recommends Council accept and appropriate the \$165,225 in Fiscal Year 2026-27 TDA3 funds to Project 23-49. If Council approves the recommended action, staff will submit the TDA3 project application (Exhibit B within Attachment 1) to VTA.

**FISCAL IMPACT**

Interim Pedestrian Mall Improvements, Castro Intersections, Project 23-49, is funded as follows:

**Table 1: Project Funding**

<b>Source</b>	<b>Current Amount</b>	<b>Additional Amount</b>	<b>Total Amount</b>
General Non-Operating Fund	\$1,500,000	\$2,700,00*	\$4,200,000
Transportation Reserve	1,000,000		1,000,000
<b>TOTAL:</b>	<b>\$2,500,000</b>	<b>\$2,700,000</b>	<b>\$5,200,000*</b>

\* Pending approval of the recommended Fiscal Year 2026-27 Budget and Funding for Fiscal Year 2026-27 Capital Improvement Projects being considered by Council on June 23, 2026.

Staff recommends that Council appropriate \$165,225 in Fiscal Year 2026-27 TDA3 funds to Project 23-49. If Council approves the recommended Fiscal Year 2026-27 Budget and funding for Fiscal Year 2026-27 Capital Improvement Projects, there will be sufficient funding in the project budget to complete Phase 1 construction (Dana and Villa Street intersections).

Construction of Phase 2 (California Street intersection) is currently unfunded at this time. Staff will return to Council at a future date with a recommended funding plan once Phase 2 project costs have been further refined through the design process.

**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](http://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. Do not adopt a resolution approving a request for allocation of Fiscal Year 2026-27 TDA3 funding, and direct staff to bank the \$165,225 TDA3 funding for allocation to a different project.
2. Provide other direction.

**PUBLIC NOTICING** – Agenda posting.

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Attachment: 1. Resolution Requesting TDA3 Funding Allocation

cc: APWD—Arango, APWD—Boyer, PCE—Gonzales, SCE—Cervantes, SMA—Goedicke, SMA—  
Nuñez, File (23-49)