



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Date: May 5, 2026

Subject

Silicon Valley Hopper: A program overview and proposed strategy for future grant funding.

Recommended Action

Receive an update on 2025 SV Hopper service metrics and support staff's proposal to pursue a Transit and Intercity Rail Capital Program (TIRCP) Cycle 8 application in coordination with partner agencies.

Background

SV Hopper is a public, on-demand microtransit program serving Cupertino and southern Santa Clara (with expansion into north Santa Clara scheduled for July 2026). The service is designed to provide reliable first/last-mile mobility, improve access to regional passenger rail, and reduce the need for single-occupancy vehicle travel. Managed by Cupertino in partnership with the City of Santa Clara and operated by Via Transportation (Nomad LLC.), the service uses dynamic routing algorithms to match riders and enable corner-to-corner ridesharing.

Program Partnership and Expenses

Cupertino staff are the primary contact for all grant administration and communications with Caltrans, VTA, and Via management. Agency meetings between the cities of Cupertino and Santa Clara staff are held weekly to review and discuss operational and programmatic matters. Staff from the two cities also attend weekly meetings with Via staff to discuss program operations, ridership trends, and any other relevant topics. Both cities both have access to online data and ticketing platforms where rider data is collected.

The SV Hopper program is funded through a combination of local and grant funding. Initially, an \$8.5M Transit and Intercity Rail Capital Program (TIRCP) award from the California State Transportation Agency (CalSTA) was secured, which funded 50% of a four-year continuation of the initial pilot program. Subsequently, the program was awarded \$500,000 in Transportation Fund for Clean Air (TFCA) funding for service in FY25/26 (year 3 of 4) and \$726,979 in 2016 Measure B Innovative Transit funding for FY26/27 (year 4 of 4).

In addition to pursuing traditional competitive grants, since 2022, staff also submits annual requests for Congressional discretionary funding for SV Hopper through the Community Project Funding (CPF) program. In FY 2024/25, Cupertino asked Congressman Ro Khanna to advance a budget proposal that would fully fund the program. After three unsuccessful attempts, staff revised its strategy in FY 2025/26 and requested a \$6M appropriation to fully fund a fifth year of SV Hopper service. Although the full request was not awarded, Cupertino did receive \$1.2M in CPF funding that could support future SV Hopper operations. Staff will work with Congressman Khanna’s office and Caltrans, which administers the federal CPF funds, to determine whether there is flexibility to advance those funds for use in Year 4. A similar \$6M budget request was also submitted to Assemblymember Ahrens Office in February to extend SV Hopper service.

The non-grant-funded costs of the program are shared between Cupertino and Santa Clara based on the geographic area served within each city during each operating year. For the program's first three years, Cupertino covers 58% of these costs, while Santa Clara covers 42%. This distribution changes in the fourth year of the program with the expansion into northern Santa Clara. Starting in FY 26/27, Cupertino will be responsible for 39% of the non-grant-funded costs, and Santa Clara will cover the remaining 61%, matching the new service area’s geographic distribution.

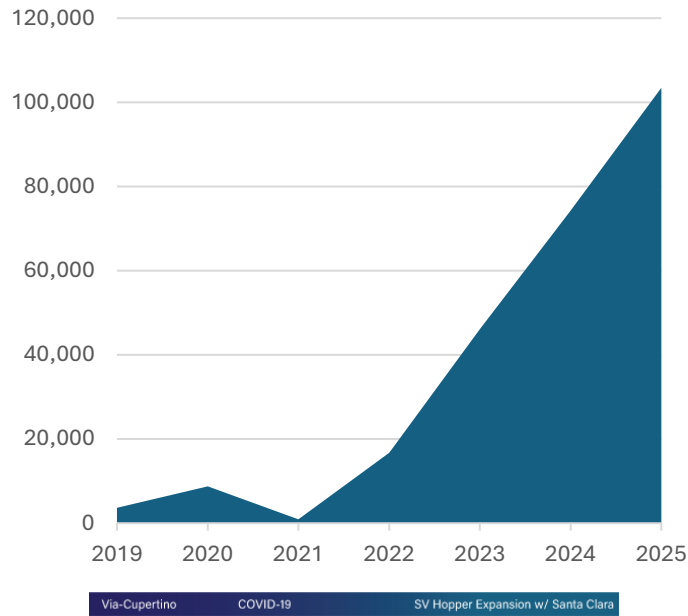
The program’s long-term viability depends on diversified funding strategies, including grant support, exploration of new partnership-based funding mechanisms to sustain service beyond current funding horizons, and advocating for regional transportation agencies to operate the program.

Total Program Costs (Grant and Municipal Funds)									
Phase	Fiscal Year	City of Cupertino % Service Area	City of Cupertino	City of Santa Clara % Service Area	City of Santa Clara	TIRCP	TFCA	Measure B	Total Program Cost
1	FY 23/24	58%	\$2,655,941	42%	\$1,923,267	\$5,561,000	-	-	\$2,764,381
	FY 24/25						-	-	\$3,801,453
	FY 25/26						\$500,000	-	\$4,074,374
2	FY 26/27	39%	\$850,056	61%	\$1,329,575	\$2,904,000		\$726,979	\$5,810,610
Total			\$3,505,997		\$3,252,842	\$8,465,000	\$500,000	\$726,979	\$16,450,819

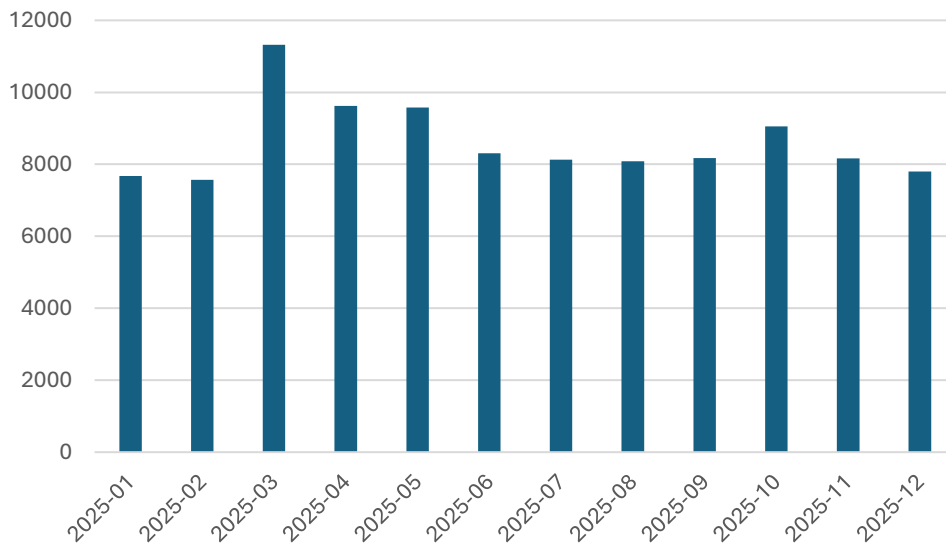
Ridership and Cost per Passenger

SV Hopper achieved a monthly ridership record of 11,324 riders in March 2025 and averaged 8,622 monthly riders in 2025. A map visualizing 2025 complete trips is included as Attachment A.

In 2025, SV Hopper’s cost per passenger, after accounting for TIRCP funding, was \$15.91. This reflects the fact that TIRCP covers 50% of the contract costs. Based on the geographic cost-sharing arrangement between Cupertino and Santa Clara, Cupertino’s per-passenger subsidy was \$9.23.



SV Hopper 2025 Completed Rides



Demographics

SV Hopper is a partnership with the City of Santa Clara, and we do not segment the ridership base by assumed residency. However, staff does conduct semi-regular rider demographic surveys. The most recent being 2025, and the results are shown below.

SV Hopper Service Area		
Gender	SV Hopper (N=457)	ACS 2023
Male	43%	52%
Female	57%	48%
Age Category	SV Hopper (N=457)	ACS 2023
18 to 24	18%	12%
25 to 34	12%	24%
35 to 44	13%	19%
45 to 54	19%	15%
55 to 64	13%	14%
65 to 74	15%	9%
75 to 84	8%	4%
85 and older	3%	2%
The SV Hopper numbers reflect the demographics of 457 survey respondents who chose to participate in the rider survey, while the ACS numbers reflect the broader population living within the SV Hopper service area based on the U.S. Census Bureau's American Community Survey.		

Future Funding

Microtransit services managed by local municipal agencies have limited recurring grant funding options because many transit-related funding programs are either formula funding to transit agencies, or competitive programs limited to capital projects, fixed-route service, or transit agency-run operations, rather than municipal transit operations like SV Hopper. Since Cupertino first contracted with Via in 2019, the City has successfully secured grant support to sustain and strengthen the program, including Transit and Intercity Rail Capital Program (TIRCP) funding through FY 2026, as well as additional external funding from the Transportation Fund for Clean Air (TFCA) and VTA Measure B Innovative Transit.

To remain competitive for new grant opportunities, especially TIRCP, which is one of the few programs capable of supporting meaningful, multi-year funding, Cupertino must continue to think creatively about program scoping, partnerships, and how the service is framed as a first/last-mile (FMLM) option to passenger rail. SV Hopper was originally structured to strengthen FMLM access to major regional rail and transit connections, including Caltrain, ACE, Amtrak, and VTA, to reduce dependence on single-occupancy vehicles and advance sustainability objectives through its all-electric fleet.

Staff's recommended best path forward to securing future grant funding is to partner with Altamont Corridor Express (ACE) to submit a TIRCP Cycle 8 application by supporting ACE as they pilot fixed-route shuttle service design changes to improve FMLM access. This approach would allow Cupertino to maintain the current SV Hopper service area while positioning a defined portion of the program as a highly competitive, rail-connecting grant scope. Based on conversations City staff have had with CalSTA, this would be the most competitive project

proposal. TIRCP Cycle 8 funding would provide 50% of the total program cost. This proposal would be a 4-year program, with Cupertino's local match at ~\$1M annually if the City of Santa Clara chooses to remain a program partner. The City of Santa Clara is still considering its future participation in the SV Hopper program and has not yet confirmed its willingness to support future program funding, regardless of the term. While the final project scope and details for TIRCP Cycle 8 are still being refined, the limited number of grant programs that reliably support microtransit makes this TIRCP cycle the strongest opportunity to secure significant, longer-term external funding.

Sustainability Impact

SV Hopper is a zero-emission, on-demand public microtransit program. As a first/last-mile connection to commuter rail, local bus, and regional transit, SV Hopper helps reduce dependence on single-occupancy vehicle trips. Because SV Hopper operates with an all-electric fleet, local trips provided by the service generate no tailpipe emissions, creating a positive environmental benefit by both replacing potential gas-powered vehicle trips and improving access to transit for longer regional trips.

Fiscal Impact

The project is funded through the Cupertino General Fund, City of Santa Clara, and grant funds from the California State Transportation Agency, the Bay Area Air District, and the Valley Transportation Authority.

City Work Program (CWP) Item/Description

Yes, FY 20-21 & FY 21-22

Shuttle Bus Pilot Program Implementation: Community shuttle bus 18-month pilot program to increase connectivity throughout the City, nearby medical locations, and Caltrain in Sunnyvale. Explore complimentary opportunities to expand into other cities.

Council Goal:

Transportation, Environmental Sustainability

California Environmental Quality Act

SV Hopper, identified by the State under its project name, the South Bay Microtransit Project, received a Notice of Exemption under CEQA categorical exemption Section 15301. The exemption was filed under File No. ENV24465. If awarded future funding, Cupertino would need to submit a new environmental filing for SV Hopper.

Prepared by: Matthew Schroeder, Senior Transportation Planner

Reviewed by: Chad Mosley, Public Works Director

David Stillman, Transportation Manager

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – 2025 Completed Trips Map