



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** APRIL 17, 2018  
**DEPARTMENT:** PUBLIC WORKS  
**FROM:** JIM SANDOVAL, CITY ENGINEER/ASSISTANT DIRECTOR  
**TITLE:** SB 1 ROAD REPAIR AND ACCOUNTABILITY ACT – FY 2018/19 PROJECTS

RECOMMENDED MOTION:

A motion to approve a resolution to approve the local street maintenance and rehabilitation projects proposed to be partially or fully funded by California Senate Bill 1 in Fiscal Year 2018/19.

RECOMMENDATION:

Staff recommends that the City Council approve a Resolution to approve the local street maintenance and rehabilitation projects proposed to be partially or fully funded by California Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, in Fiscal Year 2018/19.

BACKGROUND:

SB 1, the Road Repair and Accountability Act of 2017 was passed by the California Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide. Annually, \$500 to \$650 million will go to cities statewide, allocated on a per capita basis. A vast majority of the new revenues for cities will come out of the newly created Road Maintenance and Rehabilitation Account (RMRA) where cities would have to prioritize fixing their existing infrastructure first before having some additional flexibility for those funds for other transportation needs. SB 1 will provide Salinas an estimated \$2,697,985 in RMRA funding in FY 2018-19.

By May 1, 2018, the City must submit a road maintenance and rehabilitation project list to the California Transportation Commission (CTC) of projects proposed to receive funding in FY 2018-19 from the RMRA. The City's proposed list is included in the attached Resolution. It was developed through a combination of the recent Pavement Management System (PMS)<sup>1</sup> findings, direct community feedback to Council members and staff, feedback by the community at public meetings, and transportation infrastructure assessments by City engineering and maintenance staff.

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<sup>1</sup> PMS is an industry practice of defined procedures for collecting, analyzing, maintaining, and reporting pavement condition data, to assist decision makers in developing cost-effective strategies for sustainably maintaining roads. Its findings were presented to the City Council on March 6, 2018.

Note, there are more projects on the list than SB 1 funding can cover. Staff developed the robust list to enable flexibility in prioritizing projects and in the utilization of the City's varied funding sources for FY 2018-19, such as SB 1, Measure X, the \$33.8 million in bonds approved by the City Council<sup>2</sup>, Transportation Impact Fees, General Fund, grants, etc.

The City may elect to reprioritize its project list at any time. Formal notification to the CTC of any changes to the list is not required. However, the Project Expenditure Report form submitted to the CTC each year will provide an opportunity for the City to communicate such changes to the CTC as part of the regular reporting process.

The City's PMS estimates a \$258 million backlog of deferred maintenance. Although the funding provided by SB 1 and the other funding sources is nowhere near the amount needed, it will help the City address immediate maintenance needs annually and help make our transportation infrastructure safer, smoother and more sustainable in the long term, not to mention create jobs and help grow the local economy. In most cases, maintaining local roads is less expensive and time consuming than waiting for them to deteriorate and having to completely replace them.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

#### STRATEGIC PLAN INITIATIVE:

The staff recommendation supports the Council goals of a safe, livable community and excellent infrastructure.

#### FISCAL AND SUSTAINABILITY IMPACT:

Beginning this fiscal year, SB-1 will bring \$926,597 to help maintain Salinas Streets, and an estimated \$2,697,985 in 2018-19, and in years thereafter, to fund capital improvement projects that help the City maintain and rehabilitate transportation infrastructure.

California Proposition 69, slated for the June 2018 ballot, would prohibit the State Legislature and Governor from borrowing or diverting SB 1 revenues. On March 6<sup>th</sup>, the City Council provided the League of California Cities with a Resolution in support of Proposition 69.

Nonetheless, the future of SB 1 is uncertain because it is being challenged by large transportation companies. A ballot measure coming forward to the voters in November 2018, referred to as "Attorney General #17-0033", would rescind SB 1.

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<sup>2</sup> On January 9, 2018, the City Council approved the execution and delivery of Certificates of Participation (i.e., bonds) through the Total Road Improvement Program to finance street improvement projects. Debt-service for the bonds will be funded with approximately \$2 million of Measure X funds per annum.

ATTACHMENTS:

Resolution