



## CITY OF SALINAS

## COUNCIL STAFF REPORT

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**DATE:** **APRIL 30, 2019**

**DEPARTMENT:** **PUBLIC WORKS**

**FROM:** **JIM SANDOVAL, CITY ENGINEER/ASSISTANT DIRECTOR**

**TITLE:** **SB 1 ROAD REPAIR AND ACCOUNTABILITY ACT – FY 2019/20 PROJECTS**

**RECOMMENDED MOTION:**

A motion to approve a resolution regarding the local street maintenance and rehabilitation projects proposed to be partially or fully funded by California Senate Bill 1 in Fiscal Year 2019/20.

**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 2019/20.

**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 \$2,677,790 in RMRA funding in FY 2019/20. In the current fiscal year, staff is utilizing the City's 2018/19 \$2.7 million SB 1 allocation on the Slurry Seal Improvements Project that the City Council approved for construction November 6, 2018. Given the cold and wet winter, the construction start date was delayed until March 21, 2019.

By May 1, 2019, 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 2019/20 from the RMRA. The City's proposed list is included in the attached Resolution. It was

developed through a combination of the 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. Note, there are more projects on the list than SB 1 funding can cover. Staff developed the longer list to enable flexibility in prioritizing projects and in the utilization of the City's varied funding sources for FY 2019/20, such as SB 1, Measure X, the \$40.6 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.

#### DEPARTMENTAL COORDINATION

The Public Works and Finance Departments work very closely in tracking SB 1 allocations, budgeting the funds appropriately, and adhering to the reporting requirements of the CTC.

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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.

<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.

**FISCAL AND SUSTAINABILITY IMPACT:**

Thanks to SB 1 the City will receive nearly \$2.7 million in 2019/20, and annually in years thereafter, to fund capital improvement projects that help the City maintain and rehabilitate transportation infrastructure.

**ATTACHMENTS:**

Resolution