



County of San Mateo

Inter-Departmental Correspondence

Department: PUBLIC WORKS

File #: 18-342

Board Meeting Date: 4/24/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works
Subject: Approval of Road Project List for Senate Bill 1 Road Maintenance and Rehabilitation Account funds allocated in Fiscal Year 2018-2019

RECOMMENDATION:

Adopt a resolution approving the Road Project List to be funded with the Senate Bill 1 Road Maintenance and Rehabilitation Account funds for Fiscal Year 2018-2019 to be adopted by your Board at a regular public meeting.

BACKGROUND:

Senate Bill 1 (SB1) (Beall, Chapter 5, Statutes of 2017), is known as the Road Repair and Accountability Act of 2017 and was filed with the Secretary of State on April 28, 2017. This bill established a Road Maintenance and Rehabilitation Account (RMRA) in the State Transportation Fund that is intended to address deferred maintenance on the state highway system and the local street and road systems. The bill also requires the California Transportation Commission (CTC) to adopt criteria to ensure efficient use of these funds. The SB1 funds will be provided to cities and counties on a monthly basis, with the first distribution made in January 2018.

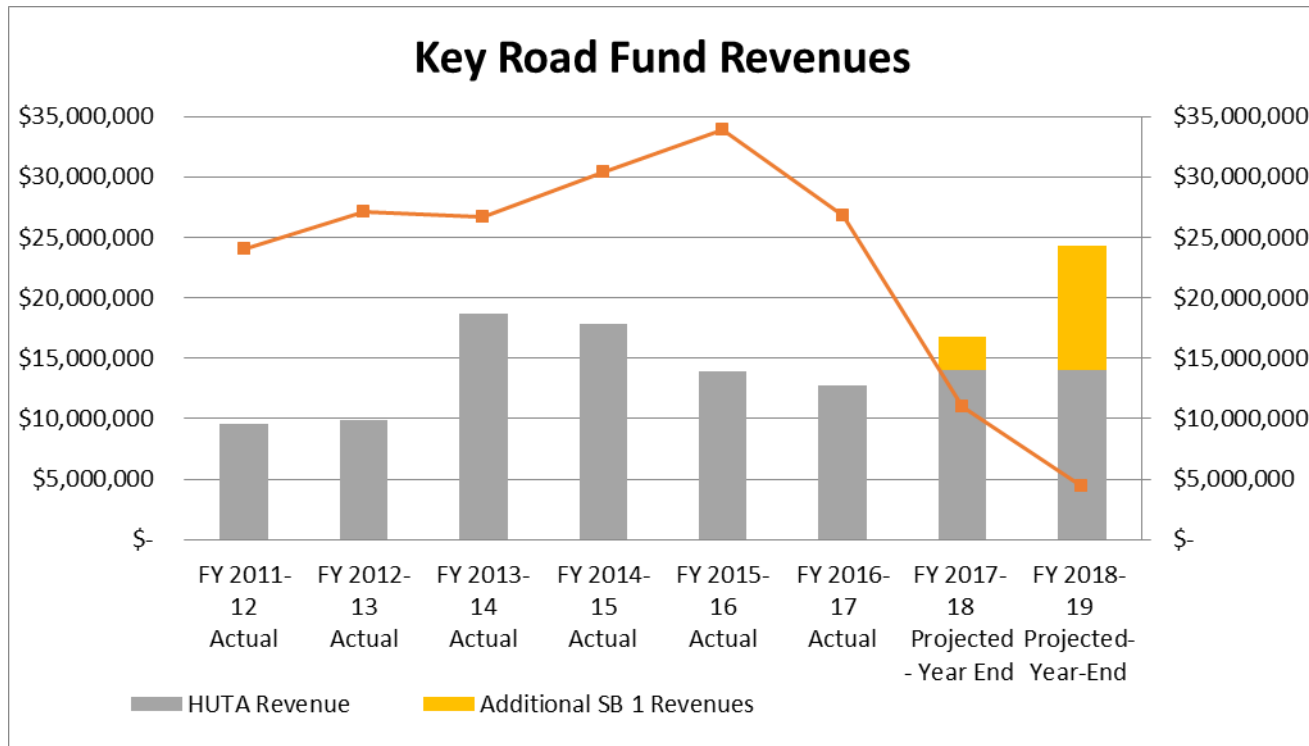
The County is expected to receive approximately \$9,659,877 for FY 2018-2019, based on current estimates, which is to be used on the County maintained road system.

Based on the anticipated receipt of the RMRA funds and the SB1 requirements, the County must establish and approve a list of projects. The list of projects must include the specific type of project, approximate project's location, the anticipated completion of the projects, and indicate the estimated useful life of the projects. The list of projects should include all projects in which SB1 funds will be expended in FY 2018-19.

DISCUSSION:

SB1 funds are necessary to help address the funding gap between the declining Road Fund revenues (Highway Users Tax Account [HUTA]) and the increasing road maintenance and repair needs. Beginning in FY 2015-2016 the County's Road Fund balance began to significantly decline

as depicted in the graph below. Although this is partially due to higher than expected expenditures in the winter of FY 2016-2017, this trend is expected to continue and without the SB1 funding, roads in the State and the County will be in significant jeopardy. With inflation and operating and capital costs increasing at an alarming rate in recent years, additional revenues such as SB1 are needed to maintain roadway operations, maintain the roadway infrastructures, and construct improvements. Without revenue from SB1, the County, would need to cancel or significantly reduce the number of road improvement capital projects throughout the County. The following graph illustrates the recent restricted transportation revenue and fund balance actuals and projections. SB1 revenue projections are based on the most recent estimates provided by CSAC, which continue to change as more is known about the new source of funds.



The Department is recommending approval of the attached resolution to satisfy the requirements of SB1 relative to holding local governments accountable for the efficient investment of public funds to maintain public streets and roads. Specifically, the main requirements for the use of RMRA funding are codified in the Streets & Highways Code (SHC) Sections 2034, 2036, 2037, and 2038. Section 2034 of the SHC describes the requirements for adopting the projects.

Section 2034 of the SHC states:

“(a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget. All projects proposed to receive funding shall be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project’s completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so

long as the projects are consistent with subdivision (b) of Section 2030.”

The criteria developed by the CTC requires that the SB1 funded projects for FY 2018-2019 be adopted by the governing board and submitted to the CTC no later than May 1, 2018. The Resolution and FY 2018-19 SB1 Project List (Project List), attached to the Resolution as Exhibit A, will be funded almost exclusively by SB1 funds for FY 2018-2019. Without SB1 funds, the work identified on the Project List will not be implemented. Staff is aware of an effort to qualify a ballot initiative to repeal SB1 on the November 2018 ballot. A repeal of SB1 will have a significant negative impact on the Department’s ability to maintain our roadway system in its current condition.

County Counsel has reviewed and approved the resolution as to form.

Approval of this action will contribute to the Shared Vision 2025 outcome of a Livable Community by improving our roads for use by the traveling public to support livable connected communities.

FISCAL IMPACT:

The estimated cost of the projects, as listed on Exhibit A to the Resolution, is \$10,035,000, of which \$9,659,877 will be from SB1 funds and \$375,123 will be from the Road Fund. Exhibit A also includes projects in which FY 2017-2018 SB1 funds have been programmed and the construction work will span two fiscal years (FY 2017-2018 and 2018-2019). There is no impact to the General Fund.

The cost breakdown of the projects listed in Exhibit A to the Resolution is listed in the following table: