



Board Report

File #: RES 18-049, **Version:** 1

- a. Adopt a resolution approving Monterey County's FY 2018-19 list of projects funded by Senate Bill 1 (SB1): The Road Repair and Accountability Act; and
- b. Authorize the RMA Director or RMA Deputy Director of Public Works, Parks and Facilities to submit the Monterey County's FY 2018-19 list to the California Transportation Committee (CTC). (ADDED VIA ADDENDA)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Adopt a resolution approving Monterey County's FY 2018-19 list of projects funded by Senate Bill 1 (SB1): The Road Repair and Accountability Act; and
- b. Authorize the RMA Director or RMA Deputy Director of Public Works, Parks and Facilities to submit Monterey County's FY 2018-19 list to the California Transportation Committee (CTC).

SUMMARY/DISCUSSION:

In April 2017, Senate Bill 1 (SB1) was approved, making funds available for road repair and maintenance state wide. It was initially estimated that Monterey County's share would be about \$10 million annually. The revenue allocations to counties will come through the Road Maintenance and Rehabilitation Account (RMRA). Eligible uses under this account include, but are not limited to: road maintenance and rehabilitation; safety projects; railroad grade separations; complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project; traffic control devices; and, to satisfy a match requirement to obtain state or federal funds for projects.

Prior to receiving an allocation of funds, cities and counties are required annually to provide to the California Transportation Committee (CTC) a list of projects to be financed by SB1 funds.

For FY 2017-18, Resource Management Agency (RMA) submitted a list to CTC back in October 2017.

According to California State Association of Counties (CSAC), the project list for FY2018-19 must be submitted by May 1, 2018. Different from FY2017-18, counties must adopt the project list via resolution instead of the budget process.

RMA has scheduled work on 35 projects totaling \$19.1 million in FY 2018-19 to be funded through various sources, including SB1. Of that amount, only \$2.3 million are for projects to be funded by SB1, as there was uncertainty regarding the SB1 repeal effort. Gloria Road/Iverson Road, which is a joint project with the City of Gonzales and Salinas Valley Solid Waste Authority, was established as the top priority on the list of projects.

Now, it appears that SB1 funding will continue, and the State has estimated that Monterey County will receive \$7.8M for FY 2018-19. Therefore, RMA is proposing funding augmentations in the amount of \$2.5 million, that are eligible expenses under SB1, such as chip seal, street sweeping, drainage/ditch maintenance, a Project Manager II, and vegetation removal/mowing (road safety). One of the augmentations is for \$1.7 million for the annual chip seal, which is historically funded with Transient Occupancy Tax (TOT) that had to be redirected to prevent impacts to critical staffing levels. Combining the original scheduled project work of \$2.3 million with the augmentations of \$2.5 million, a total of \$4.8 million in SB1 funding is proposed for FY 2018-19 budget.

Staff has also been in discussions with the City of Salinas about the City's Laurel Drive sidewalk project that includes County-owned lands (joint project).

Attachment A includes staff's recommended list for SB1 funding and estimated timing. This list is used as a planning document. The proposed list will not fully encumber all the estimated revenue. RMA recommends not fully allocating all of these funds since the road fund currently has no balance/reserve, and we have programmed the entire allocations from TOT (road related) and HUTA (Gas Tax). RMA recommends retaining the unallocated funds to be available for unexpected road safety/maintenance expenses such as emergency response (storms), pot holes, striping, sign replacement, guard rail repairs, signal repairs, etc. RMA does not recommend adding more projects to what is already programmed, and what will be added with the 2017 Winter Storm projects.

Once submitted, the funds will not be limited to the list of projects. Cities and counties will have the flexibility to fund projects based on their needs and priorities as long as the projects are consistent with the eligible uses. Scheduling of projects depends on when and how much funding is received. Therefore, projects listed in future years may change depending on the funding and changing needs. If additional funding is realized, staff could return to the Board with a revised program/list.

When funds are received, environmental review for the projects is conducted pursuant to the California Environmental Quality Act (CEQA).

FINANCING:

Prior to receiving an apportionment of funds under SB 1, the County is required to submit to the CTC a list of projects proposed to be funded with SB 1 revenue pursuant to an adopted resolution. Staff anticipates receiving approximately \$7.8 million in FY 2018-19 in SB1 funds. Where possible, staff intends to use SB1 funds as leverage/matches for federal and/or state grants. Staff will also coordinate with cities for projects that benefit both jurisdictions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

A key objective has been to find funding sources for much needed maintenance to the County's transportation infrastructure. SB1 helps to fulfill this objective. Combining these funds with federal and/or state grants will extend funding even further. The recommended action supports the following Board of Supervisors' Strategic Initiative below:

- ☐ Economic Development
- ☐ Administration
- ☐ Health & Human Services
- ☒ Infrastructure
- ☒ Public Safety

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Approved by: Carl P. Holm, AICP, RMA Director

Attachment is on file with the Clerk of the Board:

Attachment A - Resolution