



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 26-071

January 27, 2026

Introduced: 1/22/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Receive the Measure AA Committee's funding recommendations and provide direction as deemed appropriate.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive the Measure AA Committee's funding recommendations; and,
- b. Provide direction as deemed appropriate

SUMMARY:

The Measure AA Ad Hoc Committee was established by the Board of Supervisors on January 7, 2025, following voter approval of Measure AA in November 2024. Measure AA is a 1% sales tax dedicated to general government purposes and consumption within unincorporated areas of Monterey County. On January 14, 2025, the Board appointed Supervisors from Districts 2 and 3 to serve on the committee.

On August 26, 2025, the Board approved maintaining FY 2025-26 budget priorities consistent with FY 2024-25 priorities, establishing quarterly funding allocations beginning in FY 2026-27 independent of the annual budget process, prioritizing new and highly visible projects including roads, parks, and homelessness initiatives.

Recognizing the ongoing need for Measure AA oversight, the Board transitioned the ad hoc committee into a standing committee in October 2025, retaining the existing membership from Districts 2 and 3 to ensure continuity. This action reflects the long-term nature of responsibilities, which include monitoring revenues, assessing projections, and reviewing projects for potential funding-tasks that warrant continued oversight and public engagement.

In December 2025, the Measure AA Committee (Committee) convened to review potential projects for recommendation to the Board. The Committee's recommended projects, outlined in Attachment A, align with the Board-approved FY 2025-26 priority areas in terms of categories for allocation revenue. Recommendations are organized into two categories: Tier 1 projects, which can be fully funded with currently available revenue and substantially completed before the close of FY 2025-26, and Tier 2 projects, which would be prioritized when additional funding becomes available. In developing its recommendations, the Committee considered the Board's established priorities and identified projects that include road and park improvements, preparation of a battery energy storage system ordinance, housing element implementation, and fire preparedness initiatives such as home hardening and defensible space programs. The total recommended allocation for Tier 1 projects is \$9.5 million. The Committee further recommends that unspent allocation balances for approved projects be carried forward to future

fiscal years.

Staff wishes to convey the following options for Board consideration:

1. Approve the Committee's recommendations as proposed.
2. Adjust the Committee's recommendations.
3. Continue this item to the February 10, 2026 Pre-Budget Workshop for further discussion
4. Refer the item back to the Committee for additional review.

Should the Board elect to proceed with options 1 or 2, staff would return with a budget resolution reflecting the Board's direction.

In addition, the Committee has reviewed and provided recommendations related to the development of signage for Measure AA project sites. That item will be brought forward for Board consideration at a future meeting.

Staff will also return at a future meeting to request formal establishment of the citizens' oversight committee.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office coordinated with the Office of County Counsel on the development of this report. The Measure AA Committee provided the proposed recommendations during its meeting on December 8, 2025.

FINANCING:

To date, the County has collected \$7.0 million in FY 2024-25 and \$8.5 million in FY 2025-26 (covering 4 months of collections); for a total combined \$15.5 million in collections year-to-date since inception (covering 7 months of collections). The FY 2025-26 Budget has allocated \$5.9 million in Measure AA funding as approved by the Board. The remaining balance is \$9.7 million based on collected revenue.

The recommendations from the Measure AA committee include allocations totaling \$9.5 million for Tier 1, while Tier 2 recommendations total \$2.7 million. Based on the current available balance, should Tier 1 recommendations be approved, the balance will be \$192,025.

Measure AA revenue is estimated at \$24 million annually. This is a new revenue source, the County does not have a full year of collections and therefore is not allocating the full amount of estimated revenues.

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Attachments: List of recommended projects