

Legislation Text

File #: #18-076, Version: 1

PREPARED BY: MATT RODRIGUEZ

DATE OF MEETING: 03/05/18

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO SUPPORTING THE LEAGUE OF CALIFORNIA CITIES' REQUEST TO SUPPORT PROPOSITION 69 SAFEGUARDING TRANSPORTATION FUNDING AND OPPOSING A POTENTIAL BALLOT MEASURE TO REPEAL SB 1 LEGISLATION

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

Infrastructure is a major strategic policy initiative, and *Street Maintenance* a policy category contained in the adopted FY 2018-21 Council Priority Workplan, effective November 1, 2017.

CEQA Compliance Statement

This is not a project under CEQA.

BACKGROUND

California transportation and other infrastructure funding has been declining over the last decade. To address this issue, last year the California State Legislature passed both ACA 5 (Frazier) and SB 1 (Beall), the Road Repair and Accountability Act of 2017, which is the State's overall transportation infrastructure investment bill.

ACA 5 seeks to constitutionally protect the new transportation funding created by SB 1 so that it can be protected from future raids, and will solely be used for its intended purpose - transportation funding. ACA 5 will appear on the June 2018 ballot as Proposition 69. The full text of ACA 5/Proposition 69 is attached for review (See Attachment).

California cities and counties are seeing a significant influx of new revenue to invest in the local street and road system from the SB 1 legislation which was signed by Governor Brown on April 28, 2017. This measure was in response to California's significant funding shortfall to maintain the state's multimodal transportation network, which is the backbone of the economy and critical to the quality of life in the Golden State.

SB 1 increased several taxes and fees to raise over \$5 billion annually in new transportation revenues. Moreover, SB 1 provides for inflationary adjustments so that the purchasing power of the revenues does not diminish as it has in the past. SB 1 prioritizes funding towards maintenance and rehabilitation and safety improvements on state highways, local streets and roads, and bridges and to improve the state's trade corridors, transit, and active transportation facilities.

The revenues will be phased-in over several years as follows:

- The fuel tax increase began on November 1, 2017,
- The value-based transportation improvement fee began on January 1, 2018,
- The price-based excise tax will be reset on July 1, 2019, and
- The new zero emissions vehicle fee will begin on July 1, 2020.

Once fully implemented, approximately \$1.5 billion per year in new revenue is earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including complete streets projects, traffic signals, and drainage improvements. California's cities will share about \$750 million annually, and the same amount will be allocated to counties as well.

In addition to formula funding, local streets and roads will be eligible to compete for additional funding for active transportation and complete streets projects, congested corridor projects, goods movement improvements, and additional state matching funds would assist self-help jurisdictions that pass sales taxes or impose comprehensive development fees to fund transportation. This funding package is a huge step forward for every Californian who relies on our transportation system

Repeal of SB 1 Legislation

A proposed state ballot initiative that has not yet qualified for the November 2018 ballot seeks to repeal the SB 1 legislation. If SB1 is repealed, the City of San Pablo would lose approximately \$8.7 million of funding for local road and street maintenance over the next 10 years. In addition, there are millions of SB1 funds available to the City for the funding of Capital Improvement Projects. Without SB1 funding, many of the City's projects will have insufficient funding to proceed as follows:

Projects already funded with SB1 funds:

- Randy Lane Improvement Project
- \$500,000 Annual Road Maintenance Program (FY 2017/18)

Projects expected to be funded with SB1 funds in FY 2018/19:

- Rumrill Avenue Complete Streets Project
- \$500,000 Annual Road Maintenance Program

Future projects that will likely utilize SB1 funding are:

- San Pablo Dam Road/I-80 Interchange Project (Phase 2)
- Increased funding for the Annual Road Maintenance Program

League of CA Cities Request of Local Cities

In February 2018, to help protect SB1 funds, the League of California Cities (LCC) has requested that our City formally support Proposition 69, and pre-emptively oppose any SB 1 repeal effort. To assist the LCC with their State-wide request to local cities, LCC have suggested we take the following actions:

- Adopt a Resolution of Support for Proposition 69 and Opposition to SB 1 Repeal (See Attachment)
- Read and distribute the Fact Sheet on Yes on Prop. 69 and No on SB 1 Repeal (See Attachment)

- Read and distribute the Myth vs. Facts on Prop. 69 and No on SB 1 Repeal Document (See Attachment)
- Pursue membership of the Coalition to Protect Local Transportation Improvements, a diverse collation of local government, business, labor, transportation and other organizations throughout the State in support of Proposition 69, and opposing the repeal of SB 1 legislation. See more information at the following link:

[<https://fixcaroads.com/coalition-list/>](https://fixcaroads.com/coalition-list/)

Current local government members include the following agencies and organizations:

- California State Association of Counties (CSAC)
- League of California Cities
- California Association of Councils of Governments (CALCOG)
- California Contract Cities Association
- City of Alameda
- City of Clayton
- City of Delano
- City of Malibu
- City of Santa Cruz
- City of Santa Monica
- City of Suisun City
- Gateway Cities Council of Governments
- Los Angeles County Division, League of California Cities
- San Benito County Board of Supervisors
- Sonoma County Mayors' and Councilmembers' Association
- Urban Counties of California

Budget, Fiscal, and Legislative Standing Committee Review

On February 27, 2018, the Standing Committee (Calloway/Kinney) reviewed the LCC request and DRAFT Resolution and recommended its formal consideration by the City Council at their regular meeting scheduled on March 5, 2018.

FISCAL IMPACT

There is no fiscal impact for taking this action. However, if SB1 funding is repealed, the City will lose at least \$8.7 million in dedicated funds as well as an undetermined amount (but expected to be in the tens of millions) of Capital funds over a 10-year period for local road and street improvements.

Attachments:

- (1) Fact Sheet on Yes on Prop. 69 and No on SB 1 Repeal
- (2) Myth vs. Facts Document for Prop. 69 and SB 1 Repeal