



CITY OF HUNTINGTON PARK

Public Works Department
City Council Agenda Report

October 3, 2017

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

RESOLUTION APPROVING LIST OF POTENTIAL STREET REHAB PROJECTS FOR FISCAL YEAR (FY) 2017/18 UNDER THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1 BEALL)

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt Resolution No. 2017-32, approving list of potential street rehab projects for FY 2017/18 under the Road Repair and Accountability Act of 2017 (SB1 Beall).

BACKGROUND

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statute 2017), which is known as the Road Repair and Accountability Act of 2017 to address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system. SB1 increases per gallon fuel excise taxes, increases diesel fuel sales taxes and vehicle registration fees, and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032 (h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and road systems.

Road Maintenance and Rehabilitation Account (RMRA), SB1 Beall

The Road Repair and Accountability Act of 2017 (SB1 Beall) is a significant new investment in California's transportation systems of about \$5.2 billion per year. The Act increases per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes, stabilizes the problematic price-based fuel tax rates and provides for inflationary

RESOLUTION APPROVING LIST OF POTENTIAL STREET REHAB PROJECTS FOR FISCAL YEAR (FY) 2017/18 UNDER THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1 BEALL)

October 3, 2017

Page 2 of 5

adjustments to rates in future years. The Act will more than double local streets and road funds allocated through the Highway Users Tax Account, allocating funds from new taxes through a new "Road Maintenance and Rehabilitation Account (RMRA). Pursuant to Streets and Highways Code Section 2030, RMRA local streets and roads allocations must be used for projects "that include, but are not limited to," the following:

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Traffic control devices
- 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."

Maintenance of Effort: RMRA

The Road Repair and Accountability Act contains a local agency maintenance of effort (MOE) requirement that applies to funds allocated through the RMRA. The Act states that the MOE requirement is to ensure that these new road funds do not supplant existing levels of city and county general revenue spending on streets and roads. The MOE for the receipt of RMRA funds state that a city or county must maintain general fund spending for street, road, and highway purposes at no less than the average of 2009-10, 2010-11, and 2011-12 years. In making this calculation an agency may exclude one-time funds. A city or county that fails to comply in a particular year may make it up with additional expenditures in the following year. The Act provides that the State Controller may perform audits to ensure compliance with these MOE rules. If the State Controller determines that a city or county has not met its MOE, the agency will be required to reimburse the state for the funds it received during that fiscal year. However, a city or county that fails to comply in a particular fiscal year may expend during that fiscal year and the following fiscal year a total amount that is sufficient to comply. Any funds withheld or returned as a result of a failure to comply will be reapportioned to the other counties and cities whose expenditures are in compliance.

Spending Plans and Reports: RMRA

The Road Repair and Accountability Act stipulates that, prior to receiving RMRA funds in a fiscal year, a city or county must submit to the California Transportation Commission (CTC) a project list pursuant to an adopted budget. The list must include for each project: description, location, schedule, useful life. [Streets and Highways Code Sec 2034(a)] The Road Repair and Accountability Act also requires that a city or county submit to the CTC an annual report of project completion in order to receive RMRA funds. The report must include descriptions of all projects for which RMRA funds were

RESOLUTION APPROVING LIST OF POTENTIAL STREET REHAB PROJECTS FOR FISCAL YEAR (FY) 2017/18 UNDER THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1 BEALL)

October 3, 2017

Page 3 of 5

expended including: description, location, funds expended, completion date, and estimated useful life of the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The City's allocation for FY 2017-18 is estimated to be \$337,412 as shown on the table below:

ATTACHMENT B

Local Streets and Roads - Projected FY2017-18 Revenues

Based on State Dept of Finance statewide revenue projections as of May 2017

Estimated 11 May 2017

LOS ANGELES COUNTY	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					Loan	TOTAL	Road Maintnc	TOTAL
	Sec2103 ⁽⁵⁾	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	Repayment ⁽⁶⁾	HUTA	Rehab Acct ⁽⁷⁾	
HUNTINGTON PARK	263,757	355,204	219,430	459,208	7,500	68,329	1,373,428	337,412	1,710,840

The City's required local MOE amount for FY 2017/18 is estimated to be \$1,137,529 as shown on the table below:

Maintenance of Effort - General Fund for Streets & Roads - Estimated Unofficial

Road Maintenance and Rehabilitation Account per Streets & Hwys Code Sec 2036¹

revised est: 08/07/2017

Streets and Roads Annual Report - Reported General Fund for Street Purposes					Adjustment	RMRA M.O.E.
	FY2009-10	FY2010-11	FY2011-12	Average		
HUNTINGTON PARK	1,191,582	1,179,006	1,041,999	1,137,529		1,137,529

City of Huntington Park Use of SB1 Funds and the Required Local Match

The City's local match identified by the State is significantly higher. As indicated above, the City's MOE is \$1,137,529 and the State's allocation is \$337,412 which means the City would be required to expend \$1,137,529 in approved projects in order to receive the allocated funds of \$337,412. Currently, the only approved and budgeted street improvements are through the CDBG Funded Street Improvement Project (\$377,652) and Middleton Safe Routes to School Project (\$406,740). Two projects currently budgeted but not yet approved by Metro and City Council are, Traffic Signal Synchronization (\$368,000) and the Federal Transportation Earmark Exchange Grant (\$832,000). Staff spoke with California League of Cities, which is providing advice and assistance regarding these issues, and such high contribution amounts for various cities will be later discussed with the State for clarifications with the hope that the State will consider adjusting these amounts to reasonable levels. In the meantime, California

RESOLUTION APPROVING LIST OF POTENTIAL STREET REHAB PROJECTS FOR FISCAL YEAR (FY) 2017/18 UNDER THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1 BEALL)

October 3, 2017

Page 4 of 5

League of Cities recommended the City of Huntington Park formulate a list of potential streets, and submit it to the State. If reasonable adjustments are made by the State in the future, City would then be able to use the funds, if such adjustments are within City's budget levels.

The following streets are identified as potential candidates for FY 17-18 SB1 Funding:

Street Name	Beginning Location	Ending Location
Albany St	Zoe Ave	Florence Ave
Mortimer Ave	CDS	Santa Fe Ave
Marbrisa Ave	Mortimer Ave	Florence Ave
Saturn Ave	Alameda St	Santa Fe Ave
Everett Ave	Slauson Ave	E 60 th St
Loma Vista Ave	Slauson Ave	E 61 st St
E 59 th Pl	Maywood Ave	Loma Vista Ave
E 60 th St	Maywood Ave	Loma Vista Ave
E 60 th Pl	Maywood Ave	Loma Vista Ave
E 61 st St	Maywood Ave	Carmelita Ave
Intersection	Gage Ave	Santa Fe Ave
Intersection	Gage Ave	Middleton St.
Intersection	Gage Ave	Malabar St.
Intersection	Zoe Ave	Santa Fe Ave
Pacific Blvd	Florence Ave	Slauson Ave
State St	Slauson Ave	Santa Ana St
Miles Ave	Florence Ave	Slauson Ave
Florence Ave	Santa Fe Ave	California Ave
Gage Ave	Alameda St	Salt Lake Ave

**RESOLUTION APPROVING LIST OF POTENTIAL STREET REHAB PROJECTS
FOR FISCAL YEAR (FY) 2017/18 UNDER THE ROAD REPAIR AND
ACCOUNTABILITY ACT OF 2017 (SB1 BEALL)**

October 3, 2017

Page 5 of 5

FISCAL IMPACT/FINANCING

There is no fiscal impact with the adoption of Resolution No. 2017-32, approving list of potential street rehab projects for FY 2017-18. The City will allocate funding, once it fulfills the requirements under the Road Repair and Accountability Act of 2017 (SB1 Beall).

CONCLUSION

Upon City Council approval, staff will proceed with the recommended actions.

Respectfully submitted,



EDGAR P. CISNEROS
City Manager



Daniel Hernandez
Director of Public Works

ATTACHMENT(S)

A. Resolution 2017-32

ATTACHMENT "A"

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PASSED, APPROVED, AND ADOPTED this 3rd day of October 2017.

Marilyn Sanabria, Mayor

ATTEST:

Donna G. Schwartz, CMC
City Clerk