Local Streets and Roads Funding Program
Guideline Discussion Webinar

February 9, 2021
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## Agenda

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Please note: The amount of time dedicated to each topic will depend on the level of comments and discussion. Additional topics may be added or carried over to future workshops.
Program Purpose

Authority – Senate Bill (SB) 1 [April 2017]

Program Purpose

- Approximately $1.5 billion in SB 1 Program Funds are apportioned by formula and disbursed monthly by the Controller’s Office to eligible cities and counties pursuant to Streets and Highways Code Section 2032(h).

- Funds are for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.
Webinar Objective

• Present Discussion Draft Guidelines
  • Stakeholder Feedback Desired
  • Staff will post draft guidelines to the program website by no later than February 19\textsuperscript{th} for a 30-day comment period
  • Guidelines will be presented for adoption at the March 2021 Commission Meeting

• Discuss Maintenance of Effort Updates
Webinar Will Not Cover

- Road Maintenance and Rehabilitation Account Revised Revenue Estimates for Fiscal Year 2020-21 in Detail
- CalSMART Technical Assistance
- Other SB 1 Reporting Requirements
Funding Program Objectives and Statutory Requirements

• Failure to include the details required by SHC 2034(a)(1) in the project list adopted for eligibility could result in a jurisdiction’s submittal being deemed non-compliant, thereby jeopardizing their ability to receive the upcoming fiscal year apportionment.
Funding Program Schedule

Initial Proposed Project List Submittals Due
- July 1st Each Year

Adopt Initial Eligibility List and Transmit to State Controller’s Office
- August Commission Meeting Each Year
- Transmit By August 31st Each Year

Subsequent Proposed Project List Submittals Due
- September 30th Each Year

Adopt Subsequent Eligibility List and Transmit to State Controller’s Office
- October Commission Meeting Each Year (if needed)
- Transmit By October 31st Each Year

Expenditure Reporting
- December 1st Each Year
Project List Submittal

Section 9 – Content and Format of Project List

• In the event an agency chooses to reserve program funds across multiple fiscal years to fully fund a project, the agency must continue to submit an annual list of proposed projects intended to utilize the program funds. The list must be adopted via resolution or staff report by the agency’s respective city council or county board of supervisors.
Section 9(a) – Adopted Resolution

• An acceptable public record shall include a signed, executed copy of the city or county’s adopted resolution or staff report, that includes the relevant list of projects and required project detail documenting its approval at a regular public meeting.

Section 9(b) – List of Projects (Content)

• Cities and counties should include more detailed project information as described below in the project list that is to be created and submitted to the Commission using the California Statewide Multi-Modal Application and Reporting Tool (CalSMART).
Section 9(b) – List of Projects (Content): Location

The following are examples of how location description may appear for each project component being proposed:

• Construction and Pre-Construction: Cities and Counties should provide specific project location detail whenever possible. General neighborhoods or project boundaries may be identified when several street segments throughout the jurisdiction will receive the proposed improvements. If project locations are subject to change based on priority need or available funding throughout the year, cities and counties are encouraged to provide the following statement in addition to the location detail, “The following locations identified are an estimate and have yet to be finalized”.

• Procurement/Operational Needs: Cities and Counties may use city or county-wide for the location description, when the project proposed is not directly tied to a specific location or neighborhood. This would include but not limited to public works related studies, plans, or the procurement of public works related material or equipment.
Section 12(a) – Scope of the Annual Project Expenditure Report: Funds Apportioned and Fund Balance

- Cities and Counties are expected to report to the Commission the amount of program funds apportioned to them in the reporting fiscal year. The State Controller’s Office begins disbursing monthly apportionments to eligible cities and counties each September, the final apportionment for the fiscal year is disbursed in August. Any unspent program funds from a prior year will be carried over for reporting purposes and cities and counties are asked to include any interest accrued from the funds apportioned and report on the expenditure of those funds.
Commission Reporting of Project Information Received

Section 14

- Project detail and related expenditure information, reported to the Commission by the cities and counties, will be uploaded to the Commission’s website as well as the Rebuilding California – SB 1 website within a month of the program update delivered at the January Commission meeting each year. The Commission will also post a statewide summary of the analyzed and aggregated project expenditure report data collected, which will include the number of projects reported, type of projects reported on, completed project outcomes, and the amount of RMRA funds spent. The statewide summary data will be included in the Commission’s Annual Report to the California State Legislature.
Questions & Comments
Maintenance of Effort
Proposed Trailer Bill
Language
(Not Under Commission Purview)
Maintenance of Effort

Department of Finance – Trailer Bill Language Proposed February 3, 2021:

(g) For the 2019–20 fiscal year, cities and counties are not required to comply with the annual expenditure requirements set forth in subdivision (b) or (c).

(h) For the 2020–21 fiscal year, the Controller shall adjust the annual expenditure requirements in subdivisions (b) and (c) in proportion to any decrease in taxable sales within the applicable city or county from the 2018–19 fiscal year to the 2019–20 fiscal year. The Controller shall not make an adjustment if taxable sales increased.

(i) For the 2021–22 fiscal year, the Controller shall adjust the annual expenditure requirements in subdivisions (b) and (c) in proportion to any decrease in taxable sales within the applicable city or county from the 2018–19 fiscal year to the 2020–21 fiscal year. The Controller shall not make an adjustment if taxable sales increased.

(j) In a city or county where transient occupancy tax revenues exceed sales tax revenues in the 2018–19 fiscal year, the city or county may petition the Controller to use transient occupancy tax revenues, in lieu of taxable sales, for purposes of adjusting the calculation in subdivision (h) and (i).
Questions & Comments
Resources

Local Streets and Roads Funding Program Website
  • https://catc.ca.gov/programs/sb1/local-streets-roads-program

California State Association of Counties: Revised Fiscal Year Fund Estimates

The California League of Cities: Revised Fiscal Year Fund Estimates
  • http://www.californiacityfinance.com/#TRANSPORTATION

Department of Finance: Trailer Bill Language
  • https://esd.dof.ca.gov/trailer-bill/trailerBill.html
Thank You!

More Information

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RebuildingCA.ca.gov

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