



CITY COUNCIL AGENDA REPORT

MEETING DATE: MARCH 4, 2008

ITEM NUMBER:

SUBJECT: PROPOSITION 1B TRANSPORTATION BOND FUNDING RESOLUTION

DATE: FEBRUARY 21, 2008

FROM: PUBLIC SERVICES DEPARTMENT

PRESENTATION BY: PETER NAGHAVI, ACTING PUBLIC SERVICES DIRECTOR

**FOR FURTHER INFORMATION CONTACT: DONNA THERIAULT, MANAGEMENT ANALYST
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RECOMMENDATION:

Approve attached Resolution and direct staff to seek release of Proposition 1B Funds.

BACKGROUND:

In November 2006, the voters in the State of California adopted the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Prop. 1B). The State Legislature intends that the proceeds of bonds will be deposited in the State's "Transportation Fund", and shall be used to fund the mobility, safety, and air quality improvements over the next decade. Total bonds issued amounted to \$19.925 billion. The State appropriated \$950 million in the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 for apportionment to cities (\$550 million) and counties (\$400 Million).

The allocation to cities and counties is determined by the most recent population estimate prepared by the Department of Finance. The City of Costa Mesa has been allocated \$1,830,475.94 in Prop. 1B funds in FY 2007-2008. Prop. 1B funds must be spent within a three year time frame, which means that all Prop. 1B funds received by the City must be spent by June 30, 2011.

ANALYSIS:

The funds apportioned to a city or county shall be used for improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety that may include, but not be limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices, or the maintenance, and rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation funds for similar purposes.

In order to receive the Prop. 1B allocation, each city and county must submit to the Department of Finance a list of projects expected to be funded with bond funds. The list of projects must include a description of the proposed project, a proposed schedule for the project's completion, and the estimated useful life of the capital improvement. The City will be submitting the Citywide Street Maintenance Project for the Prop. 1B allocation. This project addresses the top arterial and residential streets requiring rehabilitation or reconstruction per the City's Pavement Management System.

In addition, the project included on the list submitted to Department of Finance must also be included in the jurisdiction's budget that has been adopted by the jurisdiction's council or board at a regular public meeting. The City of Costa Mesa has met this requirement. The City's FY 2007-2008 adopted Capital Improvement Budget included a \$3 million Citywide Street Maintenance Project.

ALTERNATIVES CONSIDERED:

The City Council could choose to not approve the resolution, and not authorize staff to submit the project list required to receive the Prop. 1B allocation.

FISCAL REVIEW:

The City will receive \$1,830,475.94 in Prop. 1B funding from the State of California Department of Finance for FY 2007-2008. These funds will be appropriated to the Citywide Street Maintenance Project.

LEGAL REVIEW:

No legal review is required.

CONCLUSION:

The State of California has allocated \$1,830,475.94 to the City of Costa Mesa as the City's share of Prop. 1B funds. The City is required to submit a project list to the State Department of Finance in order to receive the Prop. 1B funds. Staff recommends that the City Council approve the resolution and direct staff to seek the release of Prop. 1B funds.

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DISTRIBUTION: City Manager
 City Attorney
 Finance Director
 Deputy City Clerk
 Staff

ATTACHMENTS: 1 [Resolution](#)