

City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/ City Engineer
Kevin Sin, Deputy City Engineer
Deanna Lestina, Project Manager

SUBJECT: Approve the FY 2025-26 SB-1 Funding Project List

RECOMMENDED ACTION

It is recommended that the City Council approve Resolution No. 2025-14 approving the Fiscal Year 2025-26 Project List to be funded by SB-1: The Road Repair and Accountability Act.

BACKGROUND

On Wednesday, March 29, 2017, Governor Jerry Brown announced a transportation funding agreement. The agreement was passed by the State Legislature and signed into law in April of 2017 as Senate Bill 1 (SB-1) or the Road Repair and Accountability Act of 2017. SB-1 is funded by various mechanisms including an initial 12 cent gas excise tax increase, a reset price-based excise tax at 17.3 cents, a 20 cent diesel excise tax, a 4% diesel sales tax increase, a \$25-\$175 annual transportation improvement fee based on vehicle value, and a \$100 annual zero emissions vehicle fee, with annual increases based upon changes in the Consumer Price Index (CPI) beginning July 1, 2020. From these sources, SB-1 is expected to provide \$5.2 billion annually and \$15 billion for local streets and roads over the next ten years. Specifically, local agencies will be funded through the Road Maintenance and Rehabilitation Account (RMRA), which consists of the new gas tax, the transportation improvement fee, and part of the diesel excise tax. The local share will be split evenly between cities and counties with city revenues being allocated per capita. The City of Hesperia will receive an estimated \$2,625,961 for FY 2025-26.

SB-1 will provide investments to make significant improvements to the State's highway system as well as local transportation facilities in disrepair. Cities and Counties will use SB-1 funds for complete streets projects, railroad grade separations, traffic control devices, increasing mobility options for residents, and increasing access to multi-modal transportation options by expanding transit, bicycle, and pedestrian friendly opportunities. However, the main focus of RMRA is to improve deteriorating roads throughout the state through maintenance and rehabilitation projects, as well as critical safety projects. Therefore, SB-1 requests that, to the extent possible, local agencies prioritize basic maintenance and safety projects.

ISSUES/ANALYSIS

SB-1 includes accountability and transparency measures to ensure the residents of the City are aware of the projects proposed for funding in our community. Cities and counties will adopt a project list by resolution each year and provide year-end reporting on completed projects, including necessary amendments if applicable. Prior to receiving funds, cities are required to

annually approve a list of all projects by resolution that are proposed to receive funding from the RMRA. The project list must include a description and the location of each proposed project as well as the estimated useful life of the improvement.

City Staff will submit a list of projects to the California Transportation Commission that includes projects approved by Council. The following previously proposed and adopted projects may also use Fiscal Year 2025-26 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

The Street Improvement Project scheduled for this year (CO 7167) consists of the following streets: Jacaranda Avenue which includes select level course and crack and cape seal on Jacaranda Avenue between Bear Valley Road and Eucalyptus Avenue which has an estimated useful life of 10 years; Seventh Avenue which includes selected removal and replacement and slurry seal and crack seal and/or grind and overlay of asphalt on Seventh Avenue between Main Street and Mesquite Street which has an estimated useful life of 10 years as well as Seventh Avenue which includes select crack and slurry seal of asphalt on Seventh Avenue between Willow Street and Cajon Street which has an estimated useful life of 10 years. Construction is anticipated to commence in late July 2025 and the anticipated completion date of this project is December 2025.

Maple Avenue Rehabilitation consists of select removal and replacement of asphalt on Maple Avenue between Main Street and Rancho Road which has an estimated useful life of 20 years. Construction is anticipated to commence in April 2026, and the anticipated completion date of this project is October 2026.

Forward planning for Fiscal Year 2025-26 will incorporate the following list of new projects anticipated to utilize Road Maintenance and Rehabilitation Account revenues:

FY 2025-26 Street Improvement Project consists of the select removal and replacement of asphalt on Seventh Avenue between Willow Street and Bear Valley Avenue which has an estimated useful life of 20 years. Construction is anticipated to commence in late July 2025 and the anticipated completion date of this project is December 2025.

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement - Continually evaluate capital improvement priorities.

Financial Health - Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

There is no direct fiscal impact as a result of this subject item. This action simply approves the FY 2025-26 SB-1 Funding Project List for the purpose of receiving and expending SB-1 RMRA funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2025-14