

Date of Hearing: June 21, 2021

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 640 (Becker) – As Amended May 20, 2021

SENATE VOTE: 39-0

SUBJECT: Transportation financing: jointly funded projects

SUMMARY: Authorizes local governments to sponsor local streets and roads (LSR) projects to be jointly funded by their apportionments from SB 1 (Beall), Chapter 5, Statutes of 2017 (the Road Repair and Accountability Act).

Specifically, **this bill:**

- 1) Authorizes two or more eligible cities, or one or more cities and a county, to propose a project to be jointly funded with their respective LSR apportionments.
- 2) Requires each city or county that proposes to jointly fund a project to include its participation in the project in its list of projects submitted to the California Transportation Commission (CTC).
- 3) Requires a proposed jointly funded project be endorsed by a memorandum of understanding (MOU) approved by all of the entities proposing to jointly fund the project.
- 4) Requires the MOU to identify the project's lead agency and a description of the individual contributions of each participating city and county to the project.
- 5) Requires each participating city and county of jointly funded projects to submit documentation to the CTC detailing the expenditure of LSR funds.

EXISTING LAW:

- 1) Continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account established by SB 1 (Beall), Chapter 5, Statutes of 2017 to cities and counties for eligible projects on the LSR network.
- 2) Requires each city and county eligible to receive LSR funds to annually provide to the CTC a list of projects proposed to be funded by its apportionment that has been adopted at a regular meeting by the applicable City Council or Board of Supervisors.
- 3) Requires the list to include a description and the location of each proposed project, the proposed schedule for that project's completion, and the estimated useful life of the improvement. CTC then submits reports to the State Controller for the apportionment of funds.
- 4) Requires each city and county expending LSR funds to annually submit documentation to the CTC that details the expenditures, including a description and location of the

completed project, the amount of funds expended, the completion date, and the estimated useful life of the improvement.

FISCAL EFFECT: Unknown

COMMENTS: According to the City of Belmont, the sponsor of this bill, in times where multiple jurisdictions have a project of mutual interest, this bill allows them to pool their SB 1 resources for one combined regional project. Further, the city says this change would allow for SB 1 money to be stretched further and allow the regional jurisdictions to negotiate a more competitive rate than one small city could do alone.

This bill would clarify that local governments can sponsor jointly funded local streets and roads projects. Cities and counties have jointly funded projects under current law, and since the enactment of SB 1, cities and counties have reported to the CTC jointly funding 18 projects. These cities and counties also have submitted project information to the CTC that would be essentially the same under this bill.

According to the author, “In my district, small cities like the City of Belmont have long prioritized improving local streets and road projects by seeking funding through SB 1 (Beall), also known as the Road Repair and Accountability Act of 2017. However, they are often outbid by larger cities. Inspired by the City of Belmont in my district, SB 640 permits small cities to pool their SB 1 Local Streets and Roads dollars to bid jointly for a project where the thoroughfare runs through multiple local jurisdictions. By passing SB 640, local governments will save time and money by avoiding project delays and piecemeal projects on roads everyone utilizes.”

Arguments in support. The League of Cities in support of this bill writes” SB 640 is a step in the right direction, allowing cities to negotiate more competitive rates, thus maximizing SB 1 dollars on regional projects, as well as creating added flexibility in the spending of that funding.”

REGISTERED SUPPORT / OPPOSITION:

Support

American Public Works Association California Advocacy Committee
 Belmont; City of
 California Asphalt Pavement Association
 Campbell Strategy & Advocacy, LLC
 City of Burlingame
 City of Corona
 City of Fresno
 City of Long Beach
 City of Los Altos
 City of San Carlos
 City of San Mateo
 Cruz Strategies
 Fresno Council of Governments
 Fresno; City of
 League of California Cities
 Orange County Transportation Authority

San Carlos; City of
San Mateo; County of
South San Francisco Public Works Department

Opposition

None on file

Analysis Prepared by: Farra Bracht / TRANS. / (916) 319-2093