



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 05/06/2025

ITEM NO: 12

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DATE: May 1, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: Adopt a Resolution to Define a List of Projects for Fiscal Year 2025-26 to be Funded by the State Senate Bill 1, the Road Repair and Accountability Act of 2017

**RECOMMENDATION:**

Staff recommends that the Town Council adopt a resolution to define a list of projects for fiscal year 2025-26 to be funded by the State Senate Bill 1, the Road Repair and Accountability Act of 2017.

**STRATEGIC PRIORITIES:**

This project supports the Core Goals of **Fiscal Stability** and **Quality Public Infrastructure**. The Town's annual paving project, which uses SB-1 funding, demonstrates an effective and efficient use of funds to maintain a costly Town asset (i.e., paved roadways). The annual paving project provides new pavement surfaces that support an improved flow of traffic and ensures a safe riding surface for all bicycle users along those improved roadways.

**FISCAL IMPACT:**

There is no immediate fiscal impact from this action, as it only involves identifying the streets proposed for SB 1 funding as part of the Town's FY 2025/26 – 2029/30 Capital Improvement Program within the Street Repair and Resurfacing project (CIP No. 811-9901). However, this action is a required step to remain eligible to receive an estimated \$1,821,518 in Road Maintenance and Rehabilitation Account (RMRA) funding for FY 2025/26. By submitting the annual report and project list, the Town complies with SB 1 program requirements and ensures continued receipt of these funds. Should project costs exceed available SB 1 funding, additional funding sources identified in the Town's Capital Improvement Program will be used.

**PREPARED BY:** Gary Heap  
Town Engineer

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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BACKGROUND:

SB 1, the Road Repair and Accountability Act of 2017, was passed by the State Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide. SB 1 is intended to enable cities and counties to better address significant maintenance, rehabilitation, and safety needs on their local street systems. Maintenance and rehabilitation projects are used to extend the serviceable life of streets. The Town will receive an estimated \$1,831,518 in Road Maintenance and Rehabilitation Account (RMRA) funding through SB 1 in FY 2025/26.

Built into the Road Repair and Accountability Act (RMRA) are accountability and transparency measures, including a requirement that a list of all streets proposed to receive RMRA funding be adopted by the applicable governing body at a regular meeting. To comply, the Town Council must adopt a resolution with a list of streets that may receive RMRA funding in the upcoming fiscal year, including a description and the location of each proposed street segment, a proposed schedule for the project's completion, and the estimated useful life of the improvement.

DISCUSSION:

In considering which roads may receive RMRA funding, staff recommends Town road segments that carry heavier traffic loads and volumes, such as arterials that may involve more design scope and construction work to repair and maintain compared to other local roadways. Staff have identified the project segments shown in Table 1 for use of SB 1 funding in FY 2025/26 and upcoming years.

**Table 1. Roadways Where FY 2025/26 SB1 Funds May Be Used**

Street	Begin Location	End Location
Almond Blossom Ct	Almond Blossom Ln	End
Almond Blossom Ln	Harwood Rd	City Limits
Bacigalupi Dr	Harwood Rd	End
Belblossom Dr	Belgatos Rd	Westhill Dr
Belblossom Way	Belwood Gateway	Belgatos Rd
Belhaven Dr	Harwood Rd	Bacigalupi Dr
Belridge Dr	Harwood Rd	Bacigalupi Dr
Belvue Dr	Belgatos Rd	Bacigalupi Dr
Blossom Hill Rd	Highway 880 (17)	400' East of Hwy 17
Cambrian View Wy	Kensington Wy	End
Campos Verde	Old Orchard Dr	End
Harwood Ct	Harwood Rd	End
Old Orchard Ct	Old Orchard Dr	End
Old Orchard Dr	Westhill Dr	Westhill Dr
Surmont Ct	Surmount Dr	City Limits
Surmont Dr	Westhill Dr	End
Westhill Dr	Blossom Hill Rd	Belgatos Rd
Belvue Dr	Bacigalupi Dr	Harwood Rd

The required work on the identified streets may exceed the available SB 1 funding. Funding from other sources would be required to complete the projects. These additional sources are defined in the Town's adopted and proposed Capital Improvement Programs.

Modifications to the SB 1 funding project list are permitted, and staff may recommend modifications when greater needs for funding emerge; for example, due to winter weather impacts. Construction for the Annual 2025 Street Repair and Resurfacing project is anticipated to start in the summer of 2025.

One important element associated with SB 1 is a continued Maintenance of Effort (MOE) requirement. The MOE is the average discretionary street expenditures of the three base fiscal years as set by SB 1 (FY 2009-10 - FY 2011-12). The MOE requirement is relevant to the Town of Los Gatos because the local funding for routine street maintenance must not be less than the MOE. The Town of Los Gatos MOE is \$3,738,858. Staff have confirmed that this MOE requirement is reviewed and met in our annual streets report every year by the Finance team. As an example, the actual street expenditure summary for 2024 was \$7,600,390, which exceeds the minimum MOE requirement. As the State continues to refine the calculation and reporting requirements for the MOE, it is important for the Town to sustain historical maintenance funding levels to avoid the risk of losing the annual RMRA appropriation.

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CONCLUSION:

Adoption of the recommended resolution would meet the SB 1 RMRA funding requirement to have an adopted project list and allow the continuation of the Town's roadway maintenance through the Capital Improvement Program.

ENVIRONMENTAL ASSESSMENT:

Adoption of this resolution is not a project as defined by CEQA. The paving work is categorically exempt per CEQA Section 15301, because it involves maintenance of existing roads. The Categorical Exemption will be discussed with the award of the contract.

Attachments:

1. Resolution Adopting a List of Projects for Fiscal Year 2025/26 Funded by the State Senate Bill 1: The Road Repair and Accountability Act of 2017.