



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2026

ITEM NO: 8

DATE: May 19, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution to Adopt a List of Projects for Fiscal Year 2026-27
Funded by State Senate Bill 1, the Road Repair and Accountability Act of
2017**

RECOMMENDATION: Adopt a resolution adopting a list of projects for Fiscal Year 2026-27 funded by State Senate Bill 1, the Road Repair and Accountability Act of 2017.

FISCAL IMPACT:

The adoption of this resolution does not appropriate funding; however, it is required to maintain eligibility for an estimated \$1,917,808 in SB 1 RMRA funds in FY 2026-27. These funds are programmed within the Street Repair and Resurfacing Project (4118101, 411815, 4218119, 4218146, 4218510; CIP No. 811-9901) as part of the FY 2026-27 – 2030-31 Capital Improvement Program.

Failure to adopt and submit the required project list may make the Town ineligible to receive FY 2026-27 SB 1 RMRA funding unless corrected in accordance with California Transportation Commission requirements.

STRATEGIC PRIORITY:

This item addresses the Strategic Priority of prudent fiscal management and aligns with the Core Goals of Fiscal Stability and Quality Public Infrastructure by leveraging external SB 1 funding to maintain roadway conditions, extend pavement life, and reduce long-term capital costs associated with deferred maintenance.

PREPARED BY: Gary Heap
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

BACKGROUND:

State Senate Bill 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 \$1,917,808 in Road Maintenance and Rehabilitation Account (RMRA) funding through SB 1 in FY 2026-27.

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 is recommending the 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 prioritized roadway segments based on pavement condition index (PCI), traffic volumes, and cost-effectiveness to maximize lifecycle benefits and maintain the Town’s overall pavement network condition. Staff has identified the project segments shown in Table 1 for use of SB 1 funding in FY 2026-27, and upcoming years. Detailed treatment types, estimated useful life, and construction schedules for each segment are included in Attachment 1 (Resolution), consistent with SB 1 reporting requirements.

Table 1. Roadways Where FY 2026-27 SB1 Funds May Be Used

Street	Begin Location	End Location
Albert Ct	Albert Dr	End
Albert Dr	Nino Av	Calfhill Ct
Alberto Wy	Hwy 9	End
Almond Blossom Ln	Harwood Rd	City Limits
Bird Av	Woodland Av	Chester St
Brooklyn Av	Pleasant	Chicago Ave
Calfhill Ct	Albert Dr	End
Chester St	Woodland Av	University Av
Church St	High School Ct	E Main St
Clifton Av	Broadway	End

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Cooper Ct	University Av	End
Fisher Av	Roberts Rd	Nino Av
Forrest Av	Roberts Av	Oak Meadow Dr
High School Ct	E Main St	Church St
Lundy Ln	W Main St	End
New York Av	Pleasant St	End (Nw)
Nino Av	Los Gatos Bl	Nino Wy
Nino Wy	Nino Av	End
Ohlone Ct	Roberts Rd	End
Park Av	W. Main St	End
Roberts Rd East	Blossom Hill Rd	Los Gatos Bl
Terrace Ct	Pleasant	End
Woodland Av	Chester St	Wraight Av
Wraight Av	Chester St	Hwy 9

The required work on the identified streets may exceed the available SB 1 funding. Funding from other paving related sources would be required to complete the required paving; in the event that funding is not available the number of streets proposed for repaving would be reduced.

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 2026 Street Repair and Resurfacing project is anticipated to start in the summer of 2026.

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 considers this MOE requirement every year in developing the proposed capital improvement program budget. As an example, the actual street expenditure summary for Fiscal Year 2024-25 was \$6.6 million, 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.

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. SB 1 funding allows the Town to advance pavement

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maintenance in a proactive, cost-effective manner, reducing long-term rehabilitation costs and preserving roadway conditions for all users.

COORDINATION:

This staff report was coordinated with the Finance Department.

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 2026-27 Funded by the State Senate Bill 1: The Road Repair and Accountability Act of 2017.