

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00123-0047

Date: June 11, 2020

To: Budget and Finance Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Subject: **PUBLIC WORKS – BUREAU OF STREET SERVICES – FEASIBILITY OF RESTORING FUNDING FOR THE REPAIR AND RECONSTRUCTION OF FAILED STREETS TO THE 2019-20 FUNDING LEVELS (BUDGET MOTION 47 – C.F. 20-0600-S47)**

## RECOMMENDATION

Note and file this Motion.

## DISCUSSION

Budget Motion Number 47 instructs this Office to report on the feasibility of restoring funding for the repair and reconstruction of failed asphalt streets and failed concrete streets to 2019-20 funding levels.

Restoring funding for the repair and reconstruction of failed asphalt streets and failed concrete streets to 2019-20 funding levels requires a net additional appropriation of \$2.81 million.

- Funding for the repair of concrete streets was reduced by \$4.75 million from \$7.0 million in 2019-20 to \$2.25 million in 2020-21.
- Funding for the repair of asphalt streets increased by \$1.94 million from \$18.14 million in 2019-20 to \$20.08 million in 2020-21. The increase was due to full year funding of positions in 2020-21 that were provided nine-months funding in 2019-20.

Eligible funding sources for the repair of asphalt and concrete streets include General Fund, Gas Tax, SB1, Measure R and Measure M. The Street Damage Restoration Fee (SDRF) Fund can also be used for the repair of asphalt streets but not concrete streets, as the fee is not charged when cuts are made into concrete streets. The SDRF Ordinance requires that concrete street panels be replaced in-kind when work is performed. Proposition A & C are eligible funding sources when repairing and maintaining streets used by public transit. However, each of these funding sources have been completely programmed for 2020-21. Additionally, there is significant uncertainty in each of these revenue sources given their sensitivity to the economy.

In light of the City's current economic condition and the uncertainty of revenues in 2020-21, the action in this Motion is not recommended.

## **FISCAL IMPACT STATEMENT**

The recommendation to note and file this Budget Motion will have no fiscal impact. If the Motion is approved, offsetting appropriations or additional revenues in the amount of \$2.81 million will need to be identified.

## **FINANCIAL POLICY COMPLIANCE**

The recommendation in this report complies with the City's Financial Policies.

*RHL:NCT:06200111*