

STREET FUNDING

August 8th, 2019



Street Improvements vs Maintenance

Street Improvements

Design and Construction of Major Improvements

- Street Slurry Sealing
- Street Rehabilitation and Reconstruction
- Curb Ramp and Curb & Gutter Reconstruction
- Center Median Construction or Modifications



Street Maintenance

Operational level repairs

- Signing and Striping Preservation
- Potholes
- Grinding of sidewalk (trip hazards)
- Street Light Repair

Street Funding Sources

Allowable Funding Sources and Uses:

Measure M2	Roadway Maintenance & Improvements
SB-1 (new gas tax)	Roadway Maintenance & Improvements
State and Federal Gas Tax	Roadway Maintenance & Improvements
* General Fund	Allowable when designated by Council
* Grants	Limited to uses as allowed by Grant
* One-Time Revenues	Sale of City land or miscellaneous items

* Not typically available so not considered in ongoing planning efforts. Incorporated into plan when obtained.

Funding Comments

- Other City funds (Sewer Enterprise, Park Dwelling, Water Fund, Airport Fund, etc....) CANNOT be used for street improvements

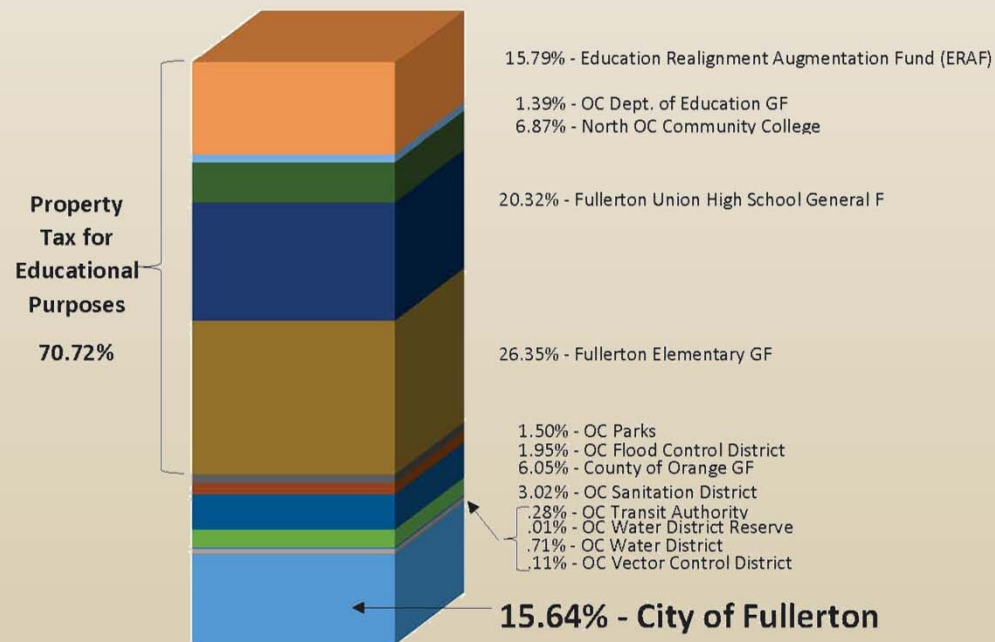
General Fund

Annual Revenues Collected = \$97M±

- Property Tax = \$45.2 M
 - Sales Tax = \$22.2 M
 - Charges for Services = \$12.0 M
 - Other Taxes = \$ 6.1M
 - Franchise Fees = \$ 4.5 M
 - Other Revenues = \$ 7.2 M
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- General Fund can be used for any general purpose
 - Property Tax Revenue makes up 46% of the General Fund

General Fund

City of Fullerton 1% Property Tax Distribution



The City of Fullerton receives only 15.6 % of the basic levy (1%) property tax you pay each year. The majority of all property tax paid goes to support education. The basic levy 1% property tax does not include additional amounts such as for school bonds, community college bonds, or special assessment charges for mosquito, fire ant assessment, sewer user fee, or other similar charges.

Example:

Property tax bill is \$4,000. Of this amount, the City of Fullerton receives \$625.60.

Public Safety is 70% of the City General Fund so Police and Fire receive \$437.92

All other Departments receive \$187.68.

Public Works receives approximately **\$43.80** of this example property tax bill to maintain City parks, streets, and other infrastructure needs.

General Fund

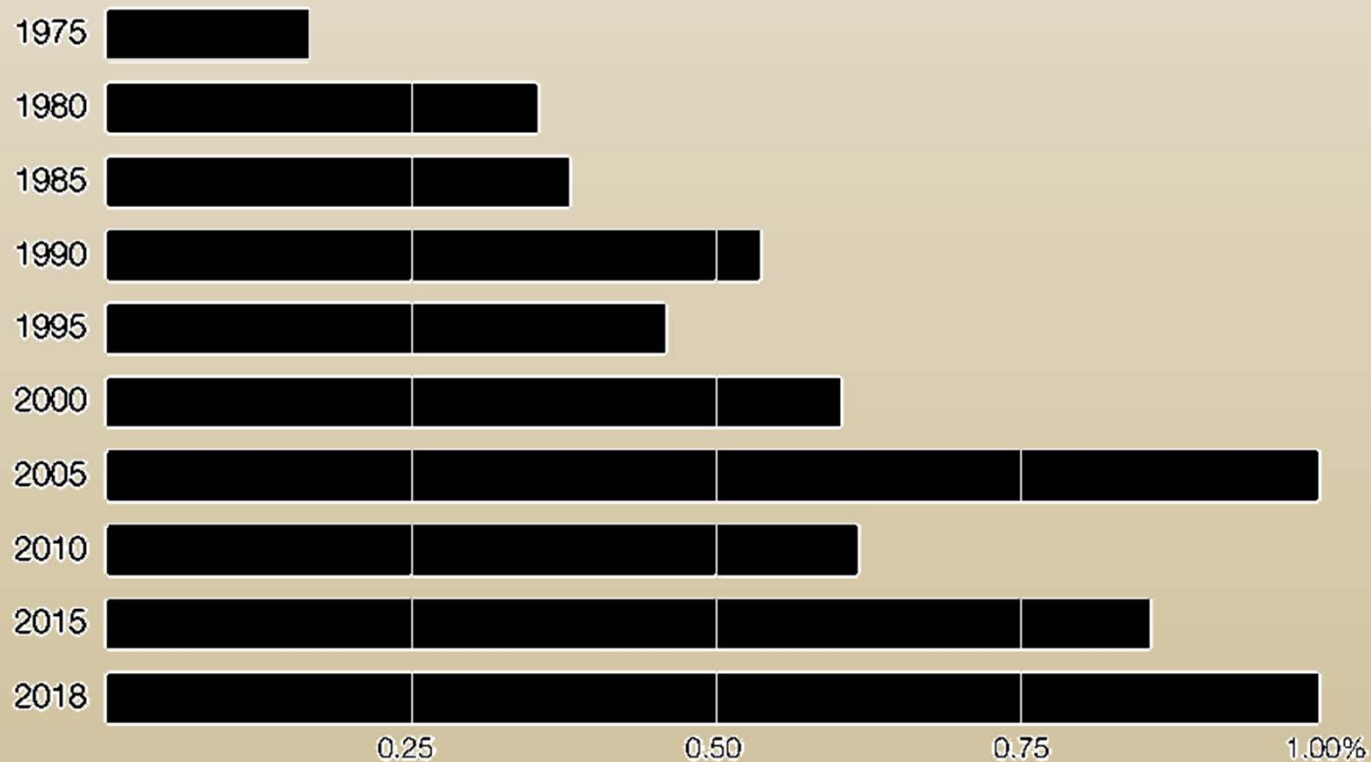
PAID TO COUNTY: (Paid to County for Assessed Property Value)	FULLERTON RECEIVES ONLY: 15.6¢ per dollar paid in prior column (Pays for Police, Fire, Parks, Recreation, Library, Building, Planning, etc.)
\$400	\$62.40 yr / \$5.20 mo
\$1,000	\$156 yr / \$13 mo
\$2,000	\$312 yr / \$26 mo
\$3,000	\$468 yr / \$39 mo
\$5,000	\$780 yr / \$65 mo
\$7,000	\$1,092 yr / \$91 mo
\$9,000	\$1,404 / \$117 mo

General Fund

Property Tax

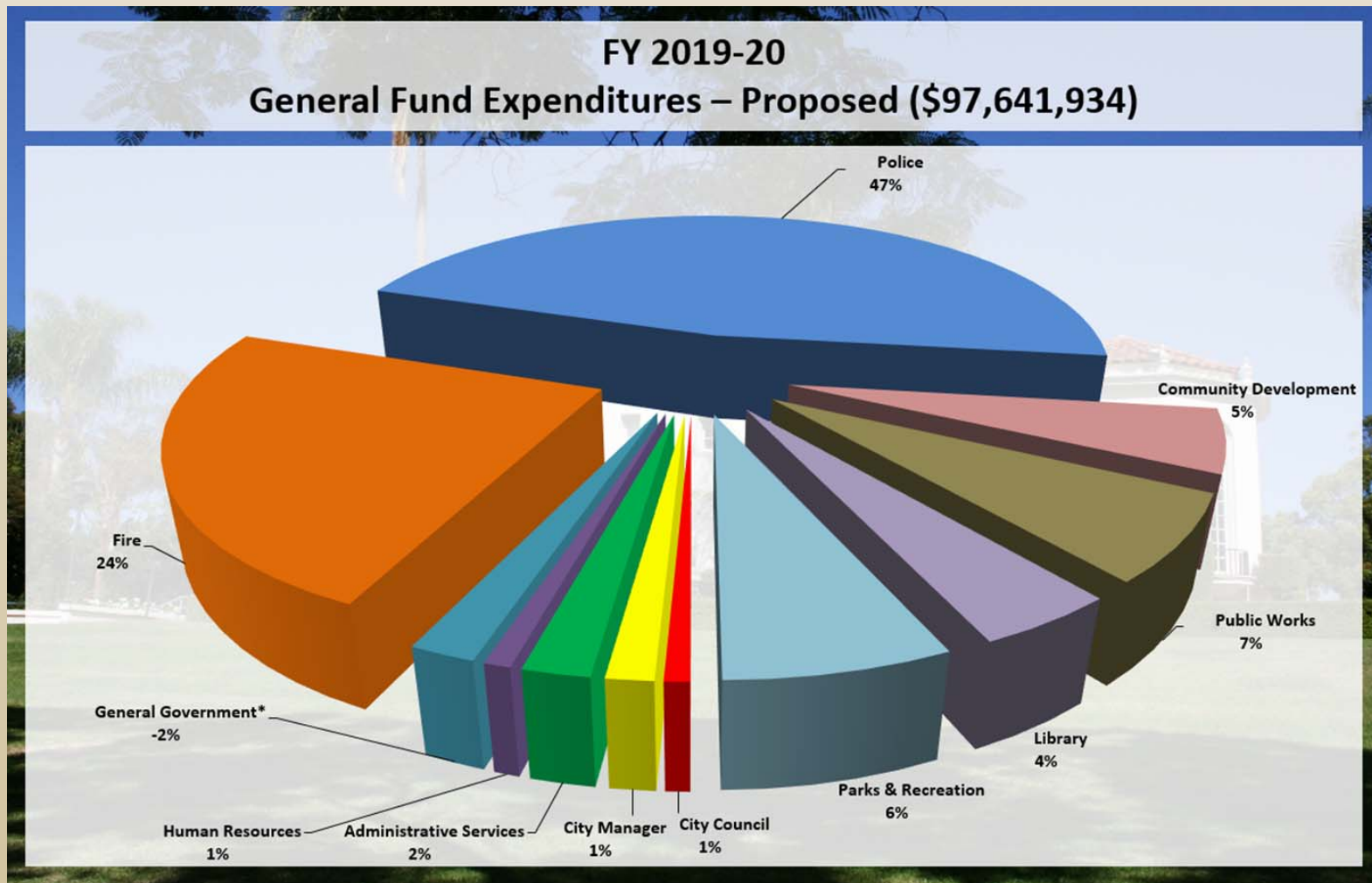
Average Effective Tax Rate by Purchase Year

The State Constitution sets the tax rate on real property at 1%. That rate, however, is applied to the *assessed value* of the house, which equals the initial purchase price grown by a maximum of 2% per year. Because housing prices have historically grown faster than 2%, homeowners who have been in their homes longer tend to pay lower *effective* tax rates (tax rate as a share of the home's market value).



General Fund

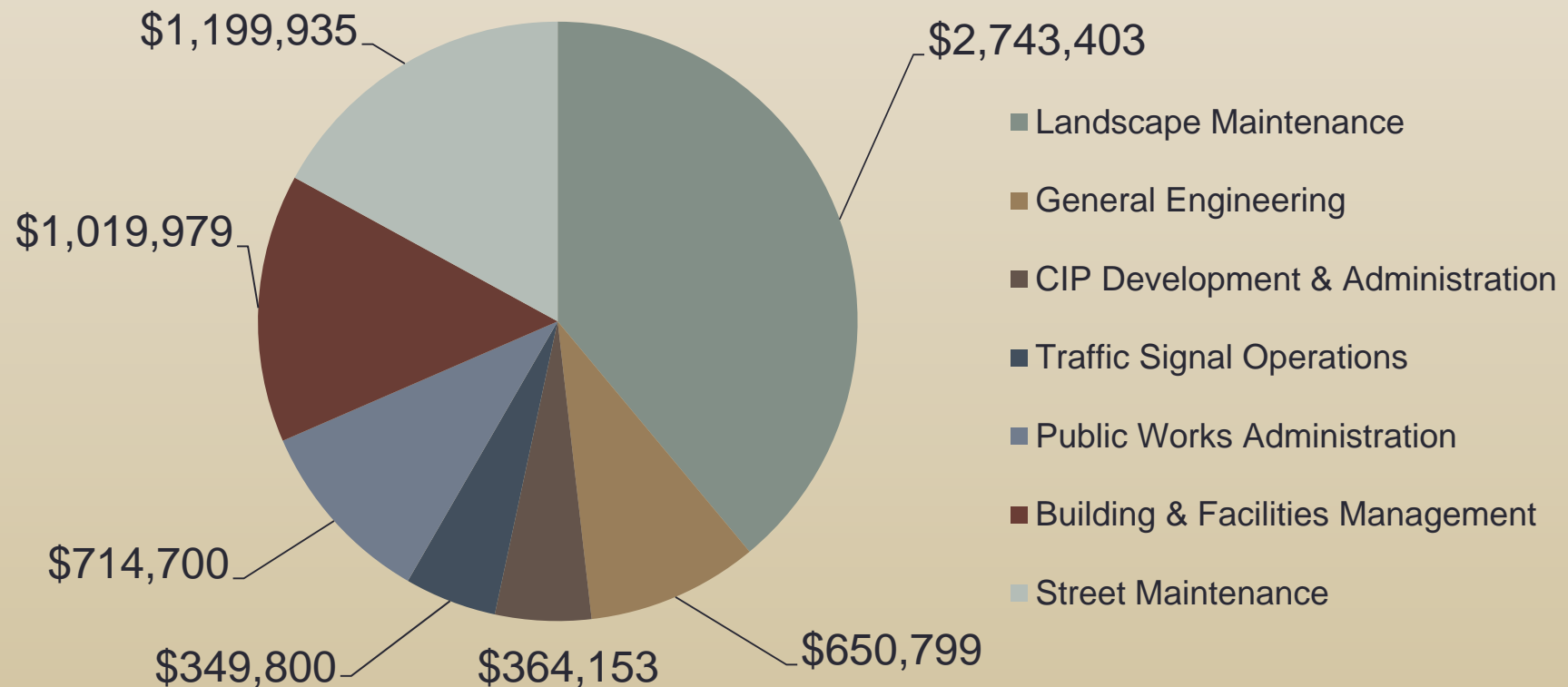
Typical Uses



General Fund

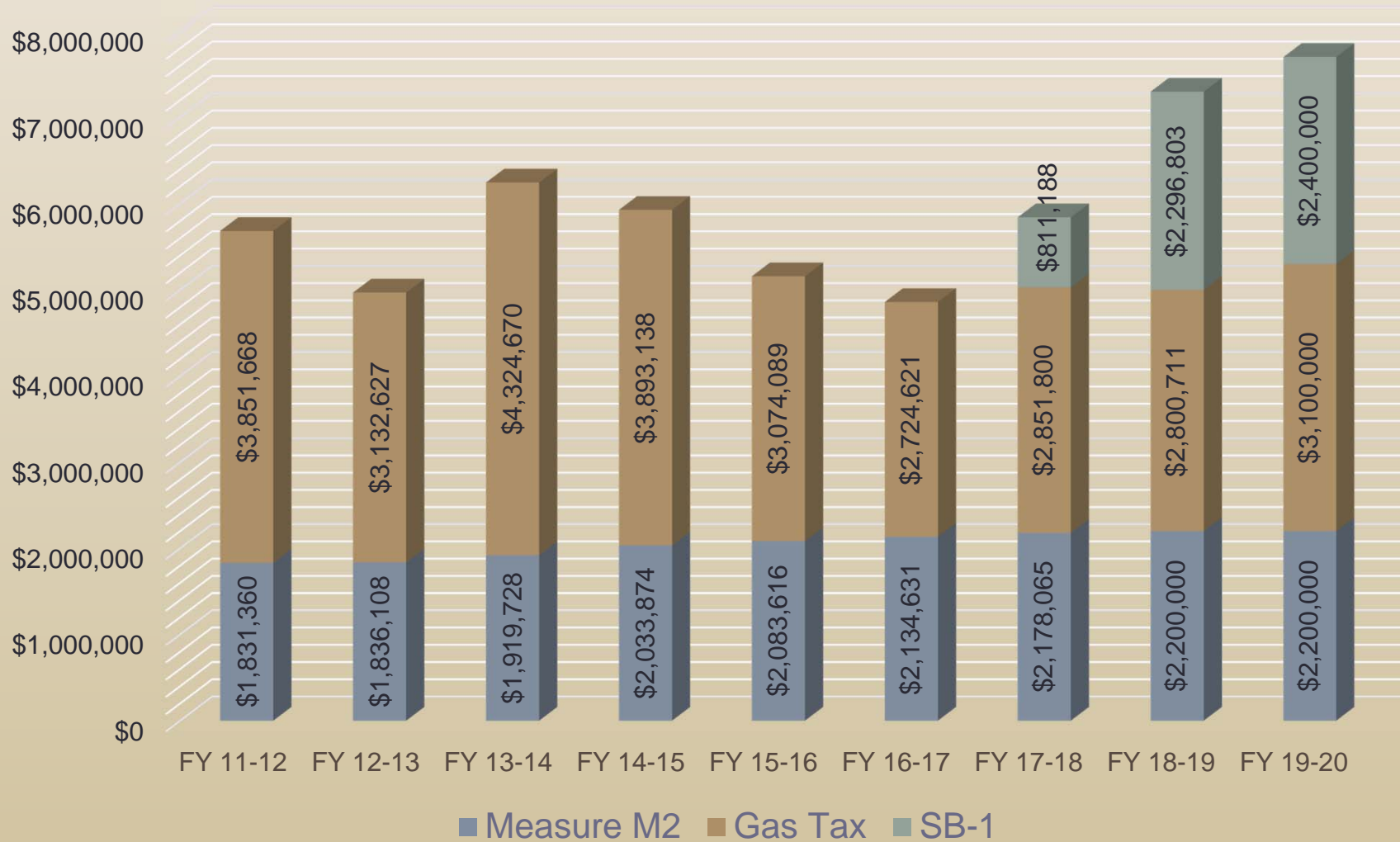
Public Works Breakdown

Public Works General Fund Allocations



Other Sources – Measure M2, Gas Tax, SB-1

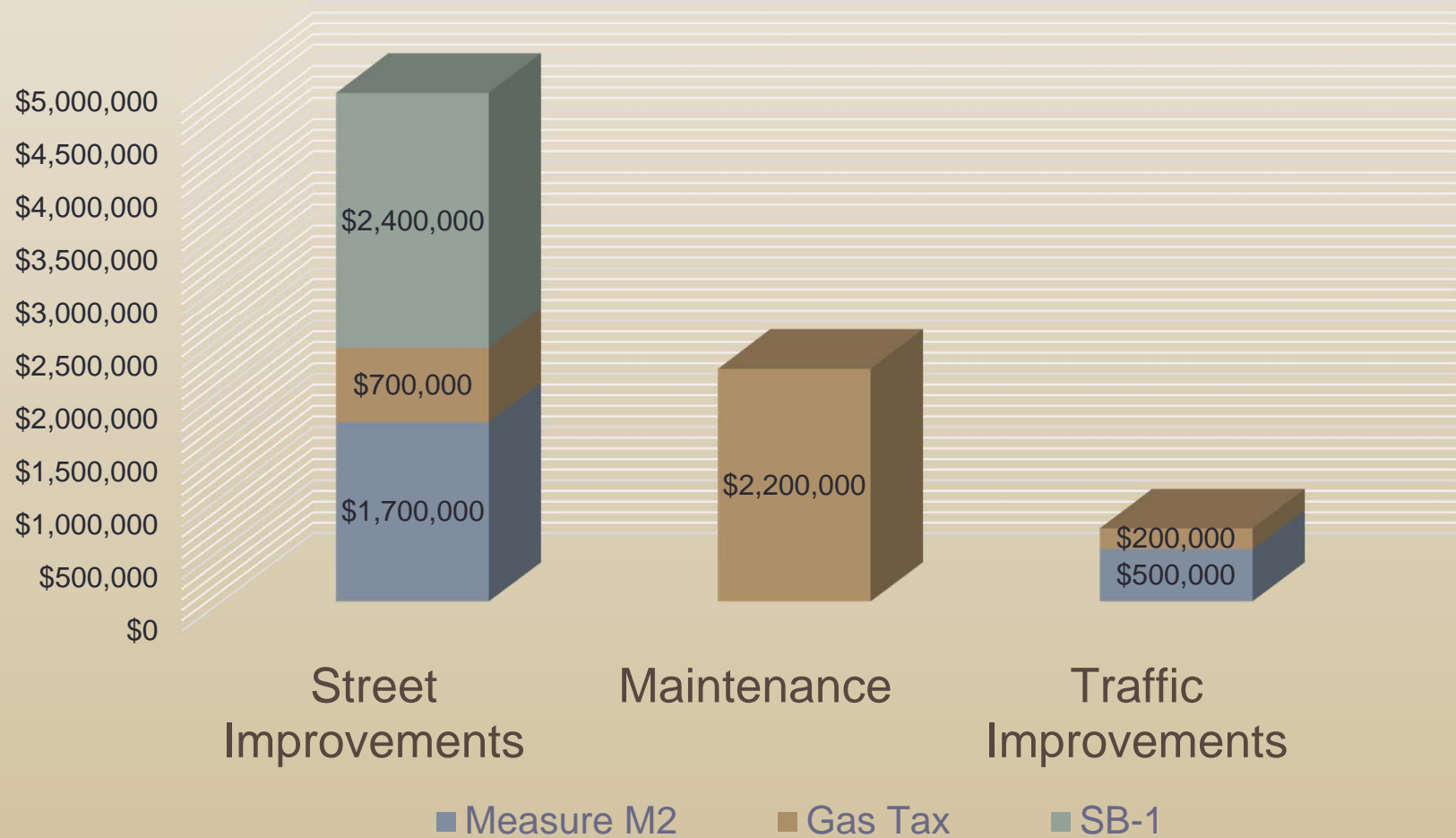
*excludes General Fund & Sanitation Fund



Use of Other Sources

*excludes General Fund & Sanitation Fund

Fiscal Year 2019-20



Use of Other Funds - Improvements

Typical Allocation of Street Improvement Funds

- *Total Funding Available = \$4.8 M*
- Arterial/Major Streets
 - \$ 2.4 M (100% of available SB-1 funds)
 - Results in approximately 1 mile of improvements annually
 - City has approximately 68 miles to maintain
- Local/Residential Streets
 - \$2.4 M (Measure M2 and Gas Tax)
 - Results in approximately 2.5 – 3.0 miles of improvements annually
 - City has approximately 226 miles to maintain
 - Typically combine improvements with water/sewer improvements to help extend the limited funding

Street Condition & Funding Comparison

<i>Agency</i>	<i>Citywide PCI ¹</i>	<i>Street Mileage</i>	<i>Annual Funding</i>	<i>Funding per Mile</i>	<i>Comments</i>
Brea (2017)	77.9 (81.7 2015)	117 mi	\$2.75M	\$23,504	PCI will decrease to 76.6 at FY23/24 at current funding
Placentia ² (2018)	67.0	131 mi	\$1.4M	\$10,687	PCI will decrease to 47 at FY29/30 at current funding
Anaheim (2017)	72.0 (71.0 2015)	585 mi	\$13.5M	\$23,077	PCI will decrease to 63 at FY23/24 at current funding
Orange (2018)	80.0 (78.0 2016)	314 mi	\$4.5M	\$14,331	PCI will decrease to 73 at FY24/25 at current funding
Fullerton (2018)	64.7 (61.6 2016)	294 mi	\$4.8M	\$16,326	PCI will decrease to 64.3 at FY24/25 at current funding

(1) = PCI (Pavement Condition Index). Conditions rated 0-100.

(2) = Report completed prior to approval of local ballot Measure U in Nov 2018

Questions?