T&E AGENDA: 2/9/26
ITEM: (d)3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: John Ristow

SUBJECT: **SEE BELOW**

DATE: January 19, 2026

Approved

Date: 1/20/26

SUBJECT: Citywide Pavement Conditions, Funding, and Maintenance Program Delivery Strategy Status Report

RECOMMENDATION

Accept the status report on citywide pavement conditions, funding strategies and program delivery construction progress.

SUMMARY AND OUTCOME

The City's overall pavement condition is "Good." A major funding source, Measure T, is expected to sunset by Fiscal Year 2027-2028, which raises the need to identify new revenue to ensure the City can sustain this overall pavement condition level.

BACKGROUND

In 2010, the City Council set a goal of improving pavement conditions to an overall "Good" rating, defined as an average Pavement Condition Index (PCI) of 70 on a scale of 0 to 100, where 100 represents a new street, by 2020. In 2011, as the funding targets were not met and the maintenance backlog grew, the City Council provided direction to prioritize use of available maintenance funds on the City's most important and heavily traveled major streets. This resulted in the designation of the 967-mile Major Street Network, representing 38% of the entire street system, that carries over 85% of City traffic. DOT has been able to stabilize and maintain the average PCI for these streets to an overall PCI of 71, or "Good" condition. After several years of significant investment in the 1,552-mile Local and Neighborhood Street Network, the PCI of these streets improved to 74, or "Good" condition from the beginning of the expanded pavement maintenance program in 2018, when the PCI for these streets was 61. Measure T, the primary funding source behind the resurfacing in local streets, will expire in Fiscal Year (FY) 2027-2028.

The City's overall pavement condition maintained a "Good" rating for the fourth consecutive year with a current average PCI of 73. The Department of Transportation (DOT) and its partners successfully maintained and rehabilitated 191 of the 2,519-mile street network during the 2025 construction season, with some streets paused due to winter suspension. The winter suspension applies to 60 miles, largely due to the early and sustained appearance of rain and cold weather earlier in the construction season than is typical. These streets are scheduled for completion in 2026. Pavement conditions are expected to remain in the good category (above 70 PCI) for the next few years due to consistent funding sources such as 2016 VTA Measure B, State Senate Bill (SB1), and City Measure T.

ANALYSIS

DOT utilizes a standard set of pavement condition rating criteria established by the Metropolitan Transportation Commission to assess the conditions of the City's streets. The condition of a street, or network of streets, falls into one of four categories in the PCI rating system that range from "Excellent" (PCI 100) to "Failed" (PCI 0). Attachment A provides a table and a general description of the PCI rating scale and visual examples of pavement in conditions that correlate to the PCI scale.

Current Pavement Condition and Projections

The average annual funding available over the next 10-year period is approximately $66.1 million. This amount includes re-budgets from the prior fiscal year to projects that were already awarded but not yet encumbered, resulting in approximately a $2 million increase to the 10-year average. To sustain an overall "Good" condition (PCI 70 or above), and further reduce the backlog of deferred maintenance, the City needs to invest $66.3 million annually for that same 10-year period, making the projected annual shortfall $0.2 million. For reference, the annual shortfall was $42.7 million in 2018 and $77.5 million in 2017. Further, the City will need to invest $74.9 million annually to maintain its current PCI of 73, meaning the program has a $8.8 million shortfall to achieve that goal. Measure T funding is expected to be exhausted by the end of FY 26-27, and the annual base paving budget will decrease to $54.6 million and remain at that level through FY 2034-2035, as shown in Attachment B. The condition of the network is illustrated in more detail in Figure 1 and is summarized below.

Overall: The overall condition of the City's entire 2,519-mile street remains "Good" with a PCI of 73. There is a one-time maintenance funding need totaling $370 million[1] which has increased from the $313.1 million backlog reported last year as shown in Attachment C.

Major Streets: The City's 967-mile Major Street Network continues to be rated as "Good" with a PCI of 71. The PCI decreased as increased construction costs have decreased miles maintained on this network. There is a one-time need on the Major Streets of $147.6 million, an increase from the $65.7 million from the previous report.

Local and Neighborhood Streets: The City's 1,552 mile Local and Neighborhood Street Network has a PCI of 74, a rating in the "Good" category, which is an improvement of one point from the previous report. The one-time backlog on the network has decreased from $247.4 million to $222.4 million.

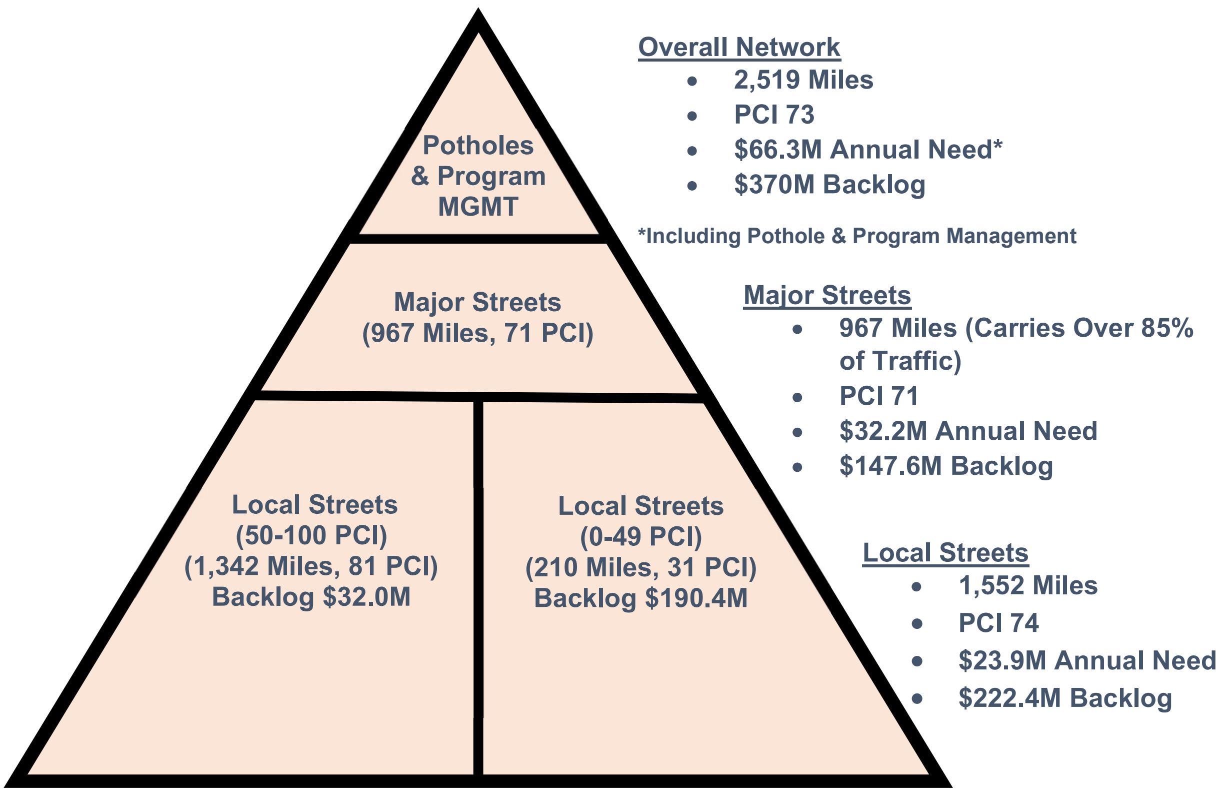

Figure 1 – San José Pavement Maintenance Pyramid

At projected funding levels, the backlog of deferred pavement maintenance is expected to decrease to $306 million by the end of 2027. By comparison, the 2017 report estimated the 2027 backlog to reach **$1.1 billion**, indicating that timely and aggressive investments have decreased that projection by nearly **$751 million**. The backlog will

[1] "Backlog" is the one-time cost to maintain every street in "poor" condition (PCI 50 or below) and every street that has not received maintenance in the past eight years.

begin to trend upwards as Measure T funding expires. The 10-year backlog of deferred maintenance is projected to increase to $673 million by 2035 (Attachment C).

Through the 2034 construction season, $66.3 million will be enough to fully fund pothole repairs and program management at $10.2 million annually. Annual funding for the Major Street Network over the next 10 years is $27 million, which will partially support the $32.2 million per year needed to maintain an average PCI of 70 or higher.

Ongoing Pavement Maintenance Funding Needs and Projected Conditions

The investment needed for City streets to remain in the current "Good" condition (not drop below PCI 70) is $66.3 million and the current average 10-year funding is $66.1 million. The average annual investment required to maintain the current PCI of 73 over the next 10 years is $74.9 million. The average network PCI is expected to maintain a rating of “Good” (PCI 70) until 2028 but will subsequently decrease, potentially dropping below PCI 70 after 2030. The chart in Attachment B further illustrates the funding needs and contrasts them with current projected funding estimates.

Complete Streets, Accessibility, and Traffic Safety

In 2018, City Council adopted the “San José Complete Streets Design Standards and Guidelines” which help guide implementation of the Envision San José 2040 General Plan as it relates to the public right of way and city street system. Both VTA 2016 Measure B and Senate Bill 1 call for complete street elements that result in safer streets with improved mobility options. DOT uses these guidelines to incorporate complete street elements to the best extent possible as projects are planned, designed, budgeted, and delivered. Coordinating improvements with the paving cycle provides a cost-effective opportunity to reconfigure vehicle lanes, enhance existing or install new bike lanes, and upgrade vehicle and bike detection systems in ways that maximize safety and the flow of traffic for all roadway users while minimizing the impact to vehicle capacity and on-street parking. In 2025, DOT added 7.1 miles of bikeways through the pavement maintenance projects.

All major streets, including Vision Zero Priority Safety corridors, under the 2026 pavement program will be evaluated for traffic safety improvements. With unsafe speeds continuing to be the leading contributing factor in traffic fatalities and severe injuries, these roadways will be evaluated for quick-build improvements such as narrowed travel lanes, new or enhanced bike lines, and upgraded crosswalks. These improvements are intended to slow vehicular traffic and create a safer, and more comfortable environment for people walking or biking.

Project Delivery

In 2025, DOT turned the approved transportation dollars into 29 pavement construction projects to maintain 234 miles of streets and install 1,738 Americans with Disabilities Act (ADA) compliant curb ramps along pavement corridors. DOT successfully completed 191 miles before suspending activities due to winter weather conditions. All ADA curb ramps for 2025 were completed. Work on the remaining winter suspension miles will resume when weather permits, around February 2026.

Three-Year Pavement Plan (2026-2028)

To ensure public transparency and accountability, DOT developed a three-year look ahead that is updated annually. The plan demonstrates a commitment to prioritize hundreds of miles of local streets in poor condition, while continuing to maintain major streets that carry the most traffic through the city. This plan has been coordinated with internal and external stakeholders including utility companies, managers of planned construction projects, elected officials, and other City departments. Notably, this plan enables DOT to carefully overlay multiple department strategies by examining potential Vision Zero interventions, pedestrian safety enhancements, and bike plan recommendations and deliver them more quickly and efficiently. Each year, this plan is shared publicly, giving residents and commuters an idea of when the streets they use will be refreshed or resurfaced. The most updated three-year plan (2026-2028) includes 397 miles of city streets slated to be preserved or rehabilitated by the end of 2028, encompassing 159 miles of major streets and 239 miles of local and neighborhood streets. An interactive pavement project map on the City's website[2] allows the public to view the overall program and see which streets will be maintained.

Outreach

DOT has refined its planning with contractors, utility companies, and other jurisdictions through the inclusion of its local street pavement plan in the annual coordination process with external stakeholders. DOT will also continue to mitigate resident concerns through proactive notification, increased internal and external stakeholder coordination, presence at community meetings, and project implementation measures taken to minimize the impact of pavement maintenance activities. Resident outreach and education are critical to the successful implementation of maintenance on the local and neighborhood streets as vehicles must be moved, trees trimmed, and extensive ADA ramp and concrete work performed where required.

Innovation

[2] City of San Jose Pavement Webpage: https://www.sanjoseca.gov/paving

DOT has been implementing sustainable construction methods and materials on the City's roadways including Cold In-Place Recycling, which reuses existing roadway asphalt at the construction site rather than hauling it off-site, and Rubberized Hot Mix Asphalt derived from recycled tires. In addition, staff developed specifications for low-carbon concrete mix designs while maintaining required concrete strength and quality. The low-carbon mix design used resulted in approximately 40% reduction in global warming potential compared to a baseline mix design.

DOT completed the reconstruction of Katherine Court, one of the few streets in the city constructed with concrete pavement. DOT utilized permeable interlocking concrete pavement for the first time, consisting of a permeable paver surface that allows stormwater to infiltrate through the paver joints and into layers of open-graded aggregate, where it continues downward into the soil subgrade. This design helps reduce stormwater and pollutant runoff while providing a durable pavement that has a longer service life compared to a typical asphalt pavement. This new construction is both innovative and a form of green stormwater infrastructure that will be counted as a "No Missed Opportunities" project as defined in the Stormwater Municipal Regional Permit.

In 2026, DOT will be piloting the use of cape seal, a multi-layer preventative maintenance treatment, throughout several residential neighborhoods. This will allow the City to stretch limited funding further, reduce emergency repairs, and support sustainability goals through lower material use and emissions, ultimately delivering better roads to residents at a lower overall cost.

Equity Priority Communities (EPC)

DOT started considering equity as a prioritization criterion for the Local and Neighborhood Pavement Maintenance program in 2022. DOT cross-referenced the selected zones with census tracts designated by Metropolitan Transportation Commission as "Equity Priority Communities" (EPC) to better track equity in service delivery. Results confirmed that 233 out of 262 miles (roughly 89%) of local and neighborhood streets designated in EPC's will be maintained by the end of 2026. In the 2025 construction season, DOT maintained 26 miles of streets in EPCs, which is roughly 14% of the 183 miles of local and neighborhood streets selected for maintenance in 2025. Of the 154 miles of local and neighborhood streets to be paved in the 2026 construction season, 16 miles are in EPCs.

In FY 2023-2024, DOT introduced a core service measure that compares the pavement condition of EPC streets to non-EPC streets. A value greater than 1 means that the EPC streets are, on average, in better condition than non-EPC streets. A value less than 1 means that the EPC streets are, on average, in worse condition than non-EPC streets. The metric for FY 2024-25 is 1.01, indicating that EPC streets are, on average, in better condition than non-EPC streets.

Public Right-of-Way Accessibility Guidelines

The Public Right-of-Way Accessibility Guidelines (PROWAG) are federal guidelines developed by the U.S. Access Board to ensure accessibility and compliance with the ADA within public rights-of-way. These guidelines address the unique challenges associated with the construction and maintenance of accessible pedestrian facilities, including curb ramps, sidewalks, crosswalks, pedestrian signals, and other infrastructure in the public right-of-way.

PROWAG becomes enforceable when adopted by the U.S. Department of Justice and the U.S. Department of Transportation. As of December 18, 2024, the U.S Department of Transportation has adopted these guidelines as part of its ADA standards solely for transit stops in the public rights-of-way, with the rule becoming effective on January 17, 2025. Compliance with the new standards across the entire public right-of-way is expected to have fiscal implications for the pavement program due to the additional costs associated with meeting the updated requirements, and DOT has been proactively planning to account for these impacts.

CONCLUSION

Since 2019, DOT has built a pavement project delivery team and implemented virtual project management software, used multi-year contracts, utilized minor contracts to increase efficiency and engage local businesses, incorporated equity as a core service measure, and used low carbon concrete across thousands of curb ramps constructed each year. As a result, the City's overall PCI has improved from 66 to 73 during this period, exceeding the initial goal of the nine-year program (PCI 70) in its fifth year. With Measure T funding set to expire by Fiscal Year 2028, the City faces its most significant challenge to the street network in a decade. DOT staff will continue to engage and inform stakeholders to ensure that the unprecedented gains in pavement conditions in San José are maintained.

COORDINATION

This report has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/
JOHN RISTOW
Director of Transportation

For questions, please contact Jennifer Seguin, Deputy Director, (408) 794-6453.

ATTACHMENTS

Attachment A: City Streets – PCI Rating System and Condition Examples
Attachment B: Condition and Backlog Projections
Attachment C: Ongoing Funding Levels and Needs