



Item No. {{item.number}} Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: JUNE 21, 2023

**SUBJECT: ADOPT A RESOLUTION APPROVING A PROJECT LIST FOR
THE ROAD MAINTENANCE AND REHABILITATION ACT OF
2017 (SB1)**

RECOMMENDATION

It is recommended that the Council adopt a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1) for fiscal year 2023-24.

BACKGROUND

Senate Bill 1 (SB1), the Road Maintenance and Rehabilitation Act of 2017 (RMRA) is a landmark transportation investment to rebuild California by fixing neighborhood streets, freeways and bridges in communities across California and targeting funds toward transit and congested trade and commute corridor improvements. SB1 invests \$5.4 billion annually over a decade to fix California's transportation system. It addresses a backlog of repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future. SB1 sets aside approximately \$200 million annually in funds available for road maintenance and rehabilitation through the RMRA program for cities and counties. Allocation of these funds are determined by a specified formula on a per capita basis. SB1 provides various funds to the RMRA as follows:

- A revenue attributed to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax effective November 1, 2017;
- 50% of a \$0.20 per gallon increase in the diesel excise tax effective November 1, 2017;
- A portion of a new Vehicle License Fee that varies fee between \$25 and \$175 based on the vehicle value effective January 1, 2018; and
- A new \$100 annual vehicle registration fee applicable to zero-emission vehicles model year 2020 and later effective July 1, 2020.

The Road Repair and Accountability Act of 2017 (SB1 Beall) also adopted annual inflationary adjustments to all per-gallon motor vehicle fuel excise taxes including the rates allocated through the Highway Users Tax Account (HUTA).

The passage of the Road Maintenance and Rehabilitation Act of 2017 (SB 1) in April 2017 created new permanent funding sources for road maintenance and rehabilitation projects for cities and counties. SB 1 includes accountability and transparency provisions to ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year.

Each year, cities and counties must adopt via resolution a project list comprised of projects on which they intend to expend SB 1 funds. These project lists must be submitted to the California Transportation Commission (CTC) by July 1, 2023, in order to be eligible for SB 1 distributions beginning funding for the fiscal year. The project list must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvements.

ANALYSIS

Staff utilizes its Pavement Management Program to assist in prioritizing road maintenance projects. The Town Pavement Management Program maintains a listing of the Pavement Condition Index for Town streets and provides recommendations on the type and timing of pavement rehabilitations. Staff recommends a strategy that allocates the majority of the SB1 funds to remove and replace poor pavement, place asphalt overlays and place various rehabilitation treatments on select streets.

FY 2023-2024 SB1 Funding is estimated at \$169,000 and is included in the proposed Capital Improvement Program Budget. Attachment A details the RMRA Resolution which includes the project list for fiscal year 2023-24 as follows:

- Tuscaloosa Avenue – Between El Camino Real and Austin Avenue (Overlay)

Upon adoption of the resolution approving the project list for fiscal year 2023-24, staff is required to submit the list to the CTC with the accompanying resolution for allocation of funding.

FISCAL IMPACT

There is no fiscal impact related to the adoption of a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1). The Town Draft Capital Improvement Program includes appropriation of \$1.58M for Road Maintenance Projects in FY 2023-24 using funds from Measure A, Measure M, remaining Special Parcel Tax funds and Gas Tax. SB1 is only one funding component of the Town's Road Maintenance Program.

The Road Repair and Accountability Act requires that local agencies maintain and report a local maintenance of effort (MOE). The MOE requirement is to ensure that the new road funds do not supplant existing levels of city general revenue spending on streets and roads. Cities must maintain general fund spending at no less than the average of 2009-10, 2010-11, and 2011-12 years. Audits are performed to ensure the requirements are met. Failure to maintain the MOE results in the withholding of SB1 contributions and/or the return of funds allocated. The Town's MOE is

estimated at \$1.06 million. The proposed Capital Improvement Program budget for FY2023-2024 includes sufficient funds to meet the required MOE.

GOAL ALIGNMENT

This Report and its contents are in alignment with the following Council Policy Goals:

- Goal Area A – Maintain Fiscal Responsibility
- Goal Area B – Preserve Small Town Character and Quality of Life
- Goal Area D – Manage Circulation and Improve Safety
- Goal Area F – Be Forward-Thinking, Well-Managed, and Well-Planned

POLICY FOCUS

There are no significant policy issues related to the adoption of a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1).

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders –to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item has not been before a Town Committee or Commission

ATTACHMENTS

1. Draft 2023-24 Road Repair and Accountability Act of 2017 (SB1) Resolution