



AGENDA REPORT SUMMARY

Meeting Date: June 27, 2023

Subject Consider the adoption of Resolution No 2023-XX, identifying street maintenance projects to be funded by Senate Bill 1 (SB-1) Road Repair and Accountability Act; consider finding the adoption of the resolution exempt pursuant to California Environmental Quality Act Guidelines Section 15301 (Existing Facilities)

Prepared by: Nafiseh Shahbazi Majd, Associate Engineer

Reviewed by: James Sandoval, Engineering Services Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Resolution 2023-XX List of Street Repairs for Fiscal Year 2023-24 for use of SB1 Funds
2. Local Streets and Roads – Projected Revenues for Fiscal Year 2023-24

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

The current FY 2023-24 State of California budget estimates \$767,341¹ for street improvements from the State's Road Maintenance and Rehabilitation Account (RMRA) revenues created by Senate Bill 1 (SB-1). The state provides the SB-1 funds to the City monthly.

Environmental Review:

The adoption of the resolution is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), in that Section 15301(c) provides an exemption for operation, repair, maintenance, or minor alteration of existing rights of way involving negligible or no expansion of existing or

¹ \$767,341 is the State Department of Finance's May 2023 revenue projection for Los Altos. The state imposes taxes on gas, diesel, and vehicle registrations to generate the RMRA/SB1 and Highway Users Tax Account/"Gas Tax" (HUTA) revenue for cities and counties. They adjust the revenue projections each month until the close of the fiscal year. The \$782,816 in RMRA/SB1 funding that Council approved in the FY-23/24 CIP budget for project TS-01001-Annual Street Resurfacing was based on the state's April projection.

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JD



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former use. The adoption of the proposed resolution will facilitate funding for ordinary street maintenance, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies.

Policy Question(s) for Council Consideration:

None

Summary:

- Senate Bill 1 generates funding through gas taxes for Cities and Counties to address road improvement needs. The Fiscal Year 2023-24 SB-1 estimated allocation for the City of Los Altos is \$767,341.
- To be eligible to receive SB-1 funds, a list of projects to be funded through the program must be provided annually to the State of California via resolution.
- A total of 16 street segments are included in the list of streets to be eligible for SB1 funding.

Staff Recommendation:

Adopt Resolution No. 2023-XX to incorporate a list of projects planned for funding with the Road Maintenance and Rehabilitation Account revenues created by Senate Bill 1 in Fiscal Year 2023-24.

Purpose

Adopt Resolution No. 2023-XX to incorporate a list of projects planned for funding with the Road Maintenance and Rehabilitation Account revenues created by Senate Bill 1 (SB1) in Fiscal Year 2023-24.

Background

Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the 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 the local street system. The City of Los Altos will receive approximately \$767,341 in SB-1 funding in the Fiscal Year 2023-24.

Discussion/Analysis

Accountability and transparency measures are built into SB-1, including a requirement that Cities and Counties adopt project lists at the start of every fiscal year via resolution and provide year-end reporting on completed projects by December 1st. The City must include a list of all projects proposed to receive funding through SB-1 in the City's budget, which will include a description



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and the location of each proposed project, a proposed schedule for the project’s completion, and the estimated useful life of the improvement.

As part of the FY 2023-24 CIP budget, the City allocated \$2,607,816 for street maintenance and rehabilitation in projects TS-01001-Annual Street Resurfacing and TS-01004-Annual Street Slurry Seal. Funding sources include HUTA/Gas Tax, County Measure B, Vehicle Registration Fee (VRF), and \$767,341 from the SB1 program. Street maintenance carried out by the Public Works Street Maintenance Division is funded by the General Fund. This meets the City’s obligation of contributing \$1,968,208 from the General Fund in order to meet the state’s Maintenance of Effort requirement.

The list of proposed street sections for use of SB1 funds in the FY 2023-24 is attached in the Council resolution. Note, this list only includes streets to be overlaid with asphalt. Streets to be slurry/micro-seal coated are not listed in the resolution because they have different funding sources—i.e., VRF and HUTA/Gas Tax. The resolution’s list includes more streets to be overlaid than SB1 funding will cover. A larger list was developed to provide more flexibility in prioritizing projects depending on changes in funding. The City may reprioritize its project list at any time. The Project Expenditure Report to be submitted to the California Transportation Commission (CTC) will give the City an opportunity to communicate any changes to the list proposed.

Recommendation

Adopt Resolution No. 2023-XX to incorporate a list of projects planned to be funded with SB1 Road Maintenance and Rehabilitation Account in Fiscal Year 2023/24.