



Item No. 14 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

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

THROUGH: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

FROM: DAVID HUYNH, PW MAINTENANCE MANAGER

DATE: MAY 18, 2022

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

RECOMMENDATION

Adopt a Resolution approving a project list for the Road Maintenance and Rehabilitation Act of 2017 (SB1) for fiscal year 2022-23.

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, 2022, 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 2022-2023 SB1 Funding is estimated at \$143,000 and is included in the proposed Capital Improvement Program Budget. Attachment A details the RMRA Resolution which includes the project list for fiscal year 2022-23 as follows:

Linden Avenue – Between Middlefield Road and Catalpa Drive (Overlay)

Upon adoption of the resolution approving the project list for fiscal year 2022-23, staff is required to submit the list to the CTC with the accompanying resolution for allocation of funding.

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).

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 spends, on average, \$800,000 per year on Road Maintenance Projects 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.

However, 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 FY2022-2023 includes sufficient funds to meet the MOE requirement.

GOAL ALIGNMENT

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

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

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 District, service providers (water, power, and sewer), and regional elected officials.

ATTACHMENTS

Attachment A: Draft RMRA Resolution

RESOLUTION NO. 22-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
ADOPTING THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1)
PROJECT LIST AND AMENDING GAS TAX APPROPRIATIONS FOR FISCAL YEAR
2022-2023**

WHEREAS, 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 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will 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; and

WHEREAS, the Town of Atherton must adopt by resolution a list of all projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, in the Town budget, which 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 improvement; and

WHEREAS, this is the fourth year in which the Town will be receiving SB 1 funding and will enable the Town to continue essential road maintenance and rehabilitation projects; and

WHEREAS, the Town, will receive an estimated \$143,000 in RMRA funding in Fiscal Year 2022-23 from SB 1; and

WHEREAS, the adoption of the Town's RMRA project list is not a "project" as defined by Public Resources Code section 21065 because it is not an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, thus no environmental review is required under the California Environmental Quality Act, Public Resources Code section 21000, et seq.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the Town of Atherton hereby find the foregoing recitals are true and correct and hereby adopts the attached SB1 project list for Fiscal Year 2022-23, incorporated as though fully set forth herein, to be funded in-part or solely with fiscal year 2022-23 Road Maintenance and Rehabilitation Account revenues.

PASSED AND ADOPTED at a meeting of the City of Council of the Town of Atherton held on the 18th day of May, 2022, by the following vote:

AYES:

NAYS:

ABSENT:

Rick DeGolia, MAYOR

ATTACHMENT 1

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

Mona G. Ebrahimi, City Attorney

Attachment: FY 2022-23 SB-1 Project List

FY 2022-23 SB-1 Project List

Project Description: The project is to grind two-inch of existing asphalt and overlay with new asphalt, and/or cape seal/micro-surface seal various streets in the Town of Atherton. Specific locations, listed below, have been identified through an engineering survey conducted by independent assessors of pavement conditions. The overlay and cape seal/micro-surface seal maintenance strategies for each location are based on the assessed pavement conditions.

Project Locations: The project will be for various roadways which are listed below:

Overlay: Linden Ave. – Between Middlefield Road and Catalpa Drive

Micro-Surface Seal: N/A

Scheduled Completion: Project construction is planned to be completed by October 31, 2023, for Fiscal Year 2022-23.

Estimated Useful Life: 5 years for Micro-Surface Seal and 10 years for Overlay