



## MEMORANDUM

**TO:** CITY COUNCIL

**FROM:** BILL ROBESON, ASSISTANT CITY MANAGER/PUBLIC WORKS DIRECTOR  
NICOLE VALENTINE, ACCOUNTING MANAGER

**BY:** JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

**SUBJECT:** CONSIDERATION OF A RESOLUTION TO ADOPT PROJECTS TO BE FUNDED BY THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1) FUNDING FOR FISCAL YEAR 2021-22

**DATE:** APRIL 27, 2021

### **SUMMARY OF ACTION:**

Adopting the Resolution enables the City to be eligible for Senate Bill 1 (SB1) funding for road repair projects during Fiscal Year 2021-22.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

The City's allocation of SB1 funding for FY 2021-22 is projected to be \$349,381. This additional funding will be utilized to maintain the City's street system. With this allocation, and the City's Gas Tax funding of \$472,157 the total funding available for street and road maintenance is \$821,538.

### **RECOMMENDATION:**

It is recommended the City Council 1) Adopt a Resolution approving a list of projects to be funded by SB1 in Fiscal Year 2021-22; and 2) Authorize the Acting Director of Administrative Services to submit the list of projects to the California Transportation Commission (CTC).

### **BACKGROUND:**

On April 28, 2017, the Governor signed SB1, known as the Road Repair and Accountability Act of 2017. SB1 increases gasoline and diesel taxes and vehicle registration fees to address deferred maintenance on the state highway system and the local street and road system. These additional taxes are deposited by the State Controller into the Road Maintenance and Rehabilitation Account (RMRA). A portion of this funding is apportioned by formula to eligible cities and counties, including Arroyo Grande, pursuant to California Streets and Highways Code Section (SHC) 2032(h) and are to be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

## **CITY COUNCIL**

### **CONSIDERATION OF A RESOLUTION TO ADOPT PROJECTS TO BE FUNDED BY THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1) FUNDING FOR FISCAL YEAR 2021-22**

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Because SB1 emphasizes accountability and transparency in transportation funding, programming and use of the new funds is contingent on recipient cities and counties providing annual project reporting. Per SHC Section 2034(a)(1), prior to receiving any RMRA funding, cities and counties must submit a list of projects, adopted by Resolution, to be funded with the RMRA funds.

SHC Section 2030(b) provides a number of example projects and uses for RMRA funding that include, but are not limited to, the following:

- Road Maintenance and Rehabilitation
- Safety Projects
- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project)
- Traffic Control Devices
- Matching funds to state or federal funds for projects under this subdivision

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030 if the city's or county's average Pavement Condition Index (PCI) meets or exceeds 80. The City of Arroyo Grande's current PCI is estimated to be 61.

The City maintains its 66 miles of streets through two mechanisms: The City's in-house street crew that provides daily efforts to keep the condition of streets from declining, and capital projects to provide long term maintenance. Based on the SHC, the City can use its RMRA funds for either of these purposes. Historically, the City has utilized its RMRA funds to augment the City's pavement management program for upcoming roadway rehabilitation projects as opposed to allocating the funds to the City's in-house street maintenance program. This has been staff's recommendation to Council due to uncertainties that would be created by a decline in RMRA revenues or a possible repeal of SB1. In these events, it would be less impactful to cut a specific project or portion thereof than to reduce the City's in-house street maintenance program that addresses constant, immediate short- and medium-term street safety issues (e.g., debris removal, potholes, skin patching, re-striping, storm water and drainage repairs, etc.).

#### **ANALYSIS OF ISSUES:**

In accordance with Streets and Highway Code Section 2036, the City must maintain its existing commitment of local funds for street purposes to remain eligible for allocations of RMRA funds. This commitment is generally referred to as Maintenance of Effort (MOE). In order to receive these RMRA funds, each year the City must expend from its General

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Fund for street purposes an amount not less than the annual average of General Fund expenditures during fiscal years (FY) 2009-10, FY 2010-11 and FY2011-12, as reported to the State Controller’s Office, pursuant to Streets and Highway Code Section 2151. For the City of Arroyo Grande, the amount of annual expenditures that must be spent from the General Fund for street purposes is \$1,431,971.

Additionally, SHC Section 2034(a)(1) details the requirement that cities and counties must comply with when submitting its list of proposed projects to the CTC to be funded with RMRA funds each fiscal year. The requirements include:

1. The proposed projects must be adopted by Resolution by the City Council at a regular public meeting
2. A description and the location of each proposed project
3. A proposed schedule for the project’s completion
4. The estimated useful life of the improvement

The State has provided an estimate for the amount of FY 2021-22 RMRA funding available to the City of Arroyo Grande as \$349,381. It is recommended these RMRA funds be used to augment the City’s pavement management program in correcting base failures (digouts) on certain streets. These streets include:

<b>Street Segment</b>	<b>From</b>	<b>To</b>
Valley Road	Sunrise Terrace	Los Berros Creek Bridge
Corbett Canyon Road	Route 227	City Limits (n/o Gularte Rd)
Fair Oaks Avenue	South Halcyon Road	Fred Grieb Bridge
Wesley Street	End of Street (n/o of Larchmont Dr)	West Branch Street
Vernon Street	End of Street (n/o of Larchmont Dr)	West Branch Street
East Grand Avenue	Halcyon Road	El Camino Real
North Halcyon Road	El Camino Real	East Grand Avenue
South Elm Street	Ash Street	City Limits (s/o Paul Place)
Rancho Parkway	James Way	West Branch Street

This is consistent with staff’s recommendation in its April 27, 2021 staff report identifying the streets to be included in the 2021 Street Repairs Project.

**ALTERNATIVES:**

The following alternatives are provided for the Council’s consideration:

1. Approve staff’s recommendations;
2. Do not approve staff’s recommendations and request further information;
3. Modify staff’s recommendation and approve; or
4. Provide direction to staff.

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**ADVANTAGES:**

Submitting a list of projects will allow the City to receive RMRA funds. The projects will help to protect the City's investment in its roadway system and maintain the roadways before they deteriorate beyond routine maintenance.

**DISADVANTAGES:**

There will be traffic inconveniences to the traveling public during construction. Staff will monitor the traffic control to conform to the requirements of the Municipal Uniform Traffic Control Devices manual (MUTCD) to mitigate any negative effects. City inspectors will be at the site during all phases of the operations to make adjustments for isolated instances (driveway access, etc.).

**ENVIRONMENTAL REVIEW:**

The use of RMRA funds for correcting base failures (digouts) on City streets is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline Section 15301(c) covering the repair and maintenance of existing streets, sidewalks, gutters and similar facilities.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Proposed Resolution

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2021-22 FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

**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 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 the City of Arroyo Grande (“City”) are aware of the projects proposed for funding in the community and which projects have been completed with such funding each fiscal year; and

**WHEREAS**, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, 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**, it is anticipated that the City will receive an estimated \$349,381 in RMRA funding in Fiscal Year 2020-21 from SB1; and

**WHEREAS**, this is the fifth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

**WHEREAS**, the City has undergone a robust public process to ensure public input into the community’s transportation priorities/the project list; and

**WHEREAS**, the City used its Pavement Management System and collaboration of the City’s various Departments to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community’s priorities for transportation investment; and

**WHEREAS**, the funding from SB1 will help the City maintain and rehabilitate its approximately 66 miles of streets/road throughout the City this year and numerous similar projects into the future; and

**WHEREAS**, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City’s streets and roads are in an at-risk condition and this revenue will help the City to maintain the overall quality and safety of its road system and will help to keep the City’s streets and roads from falling into a poor condition; and

**RESOLUTION NO.  
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**WHEREAS**, the SB1 project list and overall investment in local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Arroyo Grande hereby:

1. Finds that the foregoing recitals are true, correct and incorporated herein by this reference.
2. The following list of newly proposed projects will be funded in-part or solely with fiscal year 2021-22 Road Maintenance and Rehabilitation Account revenues:

**FY 2021-22 List of Projects**

Project Title:	2021 Street Repairs, PW 2021-01
Project Description:	Structural repairs on various street sections on
Project Location:	Valley Road, Corbett Canyon Road, Fair Oaks Avenue, Wesley Street, Vernon Street, South Elm Street, East Grand Avenue
Estimated Project Schedule:	August 2021 - December 2021
Estimated Project Useful Life:	7 Years

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**  
**NOES:**  
**ABSENT:**

The foregoing Resolution was passed and adopted this 27<sup>th</sup> day of April, 2021.

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**CAREN RAY RUSSOM, MAYOR**

**ATTEST:**

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**JESSICA MATSON, CITY CLERK**

**APPROVED AS TO CONTENT:**

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**WHITNEY MCDONALD, CITY MANAGER**

**APPROVED AS TO FORM:**

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**TIMOTHY J. CARMEL, CITY ATTORNEY**

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