



DATE: June 5, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

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SUBJECT: Resolution to Approve the Proposed Project List for Fiscal Year 23/24, per the Requirements of Senate Bill 1 to Obtain Road Maintenance and Rehabilitation Account Funds

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution to approve the proposed project list for Fiscal Year 23/24, per the requirements of Senate Bill 1 to obtain road maintenance and rehabilitation account funds.

BACKGROUND

On April 28, 2017, Senate Bill 1 (SB 1) was signed into law by the Governor of California. Included in this legislative package is the Road Repair and Accountability Act of 2017, which provides funding to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system. SB 1 secures funding for this purpose through increased per-gallon fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees, and provides for inflationary adjustments to tax rates in future years.

On November 1, 2017, the State Controller began apportioning this new funding into the newly created Road Maintenance and Rehabilitation Accounts (RMRA). A percentage of this new RMRA funding is apportioned by formula to eligible cities and counties pursuant to the Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. A percentage of RMRA funds are also made available to cities and counties through a variety of specialized funding programs with variable eligibility requirements and guidelines.

Projects eligible for funding include road maintenance and rehabilitation projects, safety projects, railroad grade separation projects, complete street components, and traffic control devices. RMRA funds can also be used to match other local, state, or federal funds.

SB 1 emphasizes accountability and transparency in the delivery of transportation programs and establishes eligibility requirements for cities as follows:

- At the beginning of each fiscal year, the City must submit to the California Transportation Commission (Commission) a list of proposed RMRA-funded projects that are included in the capital improvement budget as adopted at a City Council meeting. The project list is not meant to limit the flexibility of the City to fund locally needed projects that are consistent with the RMRA priorities, and the list may be modified if City priorities change during the year. The list of projects must include a description and location, a proposed schedule for completion, and the estimated useful life of the improvements.
- At the end of each fiscal year, the City is required to submit an expenditure report that accounts for apportioned RMRA funds. The expenditure report is due October 1 of the subsequent year. The City will submit an expenditure report this October for funds received in FY 21/22.
- To receive RMRA funds, cities and counties must meet a “maintenance of effort” (MOE) requirement to ensure that these new road funds do not supplant existing levels of general revenue spending on streets and roads. The City is required to sustain MOE by spending at least the annual average of its discretionary street expenditures from the City’s General Fund during the 09/10, 10/11, and 11/12 fiscal years for streets, roads, and highway purposes (SHC Section 2036).
- There are no use-it or lose-it requirements in SB1, so multiyear projects are eligible, which allows an agency to “save up” funds from previous years or allocate from future years.

For additional information on the RMRA program see “The California Local Government Finance Almanac Shared Revenue Estimates: State Revenue Allocations to Cities and Counties Local Streets and Roads Estimates: 2022-23, 2023-24 Including Highway Users Tax Account (HUTA) and Road Maintenance and Rehabilitation Account (RMRA)” at this link:

<http://www.californiacityfinance.com/LSR2301.pdf>

DISCUSSION

SB 1 has provided substantial funding for past road maintenance and rehabilitation projects in the city, which has included:

- Pavement Restoration 17/18 C16101823 – Crack sealing, high volume slurry sealing, sidewalk, curb, and gutter repair, and new ADA Curb ramps at various locations throughout the city.
- Pavement Restoration 18/19 C16101823 – Complete rehabilitation of Sonoma Mountain Parkway from Corona Road to Campus Circle Drive, and from Wyndham Way to East Washington Street, including new ADA curb ramps.

- Pavement Restoration 19/20 C16102037 – Complete rehabilitation of Maria Drive, from Sonoma Mountain Parkway to Rainier Avenue, including new ADA curb ramps along the project area.
- Pavement Restoration 20/21 C16102139 – Crack sealing, high volume slurry sealing, sidewalk, curb, and gutter repair, and new ADA Curb ramps at various locations throughout the city.

It is recommended that the City submit the proposed project list to the California Transportation Commission for use of Senate Bill 1, RMRA Funds. The current recommended list for SB 1 funding includes two CIP road maintenance and rehabilitation projects:

- North McDowell Complete Streets C16102147—rehabilitation of North McDowell Boulevard from Sunrise Parkway to Old Redwood Highway. Construction began in the Fall of 2022.
- Pavement Restoration 2022-2023 – Garfield C16102248—rehabilitation of Garfield Drive from East Washington St to Wren Lane. Construction began in the Spring of 2023.

SB 1 projects can be updated in the future if priorities change or if funding or lower-than-expected costs allow additional street segments to be added.

PUBLIC OUTREACH

On December 6, 2021, staff presented an overview of the City's Pavement Management and Active Transportation Program Update to the City Council. Public comments and the City Council's feedback were received.

The draft five-year plan and the current pavement moratorium list (i.e., road segments paved in the last five years), can be found on the City's website: <https://cityofpetaluma.org/street-pavement>. Also, the City includes the pavement restoration work in the adopted budget, thus, it is available through the public forums for budgetary meetings.

This agenda item appeared on the City Council's tentative agenda document on May 15, 2023, which was a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

The proposed action meets the Council's goals and the following workplan items:

- Workplan Item #15: Identify funds and develop a plan to improve Petaluma's streets and roads.
- Workplan Item #20: Better integrate multi-modal transportation with street designs.
- Workplan Item #84: Enhance the pavement management program to improve the safety and serviceability of our roads and to protect drivers, cyclists, and pedestrians.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The project for North McDowell Blvd. will develop improvements for roadways and active transportation that will help reduce the use of motor vehicles. As a Complete Streets project, the North McDowell Blvd. improvements will reduce greenhouse gas emissions through vehicle trip reductions. Improving pedestrian facilities with curb ramps and properly marked roadway crossings will encourage residents to safely walk in the area. The connection to the Sonoma Marin Area Rail Transit multi-use pathway will provide greater regional linkage for pedestrians and bicyclists. Additionally, this project will be using sustainable materials, including recycled asphaltic concrete throughout paved areas.

The project for Garfield Drive will develop improvements for the roadway and active transportation that will help reduce the use of motor vehicles by improving pedestrian crosswalks and multi-use path crossings. Additionally, this project will be using sustainable materials, including full-depth reclamation to reduce the amount of asphalt that is required.

ENVIRONMENTAL REVIEW

This action of proposing and submitting a list of projects to be funded by RMRA funds is not a “project” pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378 as this is a fiscal and administrative activity. If the City receives RMRA funds, the City will analyze the specific projects for CEQA compliance. However, the use of the RMRA funds for the specific projects will likely be categorically exempt pursuant to the California Environmental Quality Act and Title 14, the California Code of Regulations (“CEQA Guidelines”), Section 15301(c), because the project consists of the repair, maintenance, and minor alteration of existing public facilities involving negligible or no expansion of existing or former use, including existing highways and streets, and the mitigation of pavement conditions to enhance the safety for motorists and bicyclists. Accordingly, there is negligible or no expansion of use beyond what currently exists and there are no cumulative impacts, unusual circumstances, or other factors that would make the exemption inapplicable.

FINANCIAL IMPACTS

The RMRA funding for FY 23/24 is projected to be \$1,478,666 (<http://www.californiacityfinance.com/LSR2301.pdf>). This funding is reflected in the draft Capital Improvement Plan (CIP) budget for the Pavement Restoration Capital Improvement Project.

ATTACHMENTS

1. Resolution with Exhibit A (Project List)