

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 14-15, 2019

From: SUSAN BRANSEN, Executive Director

Reference Number: 4.9, Action

Prepared By: Elika Changizi  
Program Analyst

Published Date: August 2, 2019

**Subject: Adoption of the Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Funding Subsequent Report of Eligible Cities, Resolution G-19-39**

**Issue:**

Should the California Transportation Commission (Commission) adopt the subsequent report of cities that are eligible to receive Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Funding?

**Recommendation:**

Staff recommends the Commission adopt the Subsequent Report of Cities Eligible to Receive Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Funding, as provided in Attachment B; and direct staff to transmit the list of eligible jurisdictions to the State Controller's Office (Controller).

**Background:**

On April 28, 2017, the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017). A percentage of the new Road Maintenance and Rehabilitation Account funding created by SB 1 is apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

**Statutory Requirements and Reporting Guidelines**

Pursuant to Streets and Highways Code Section 2034, the Commission adopted the Initial Report of Eligible Cities and Counties for Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Funding on June 26, 2019. The initial report reflecting the eligibility of 527 cities and counties was

transmitted to the Controller on June 27, 2019, prior to the close of the State Fiscal Year.

The adopted Fiscal Year 2019-20 initial report of eligibility identified 12 cities that did not provide a complete project list resolution submittal by May 1, 2019 in accordance with Streets and Highways Code Section 2034(a)(1) and the Commission adopted 2019 Local Streets and Roads Funding Program Reporting Guidelines.

In accordance with Streets and Highways Code Section 2034(a)(4), the Controller will retain the Fiscal Year 2019-20 formula apportionments for those remaining 12 cities. The funds will be held for a period of 90 days from when the Controller received the initial report of eligibility.

Any city not included in the subsequent eligibility report (Attachment B) will forfeit their Fiscal Year 2019-20 monthly formula program apportionment. Those funds will be reapportioned (per Streets and Highways Code Section 2034[a][C]) to those cities listed in the Commission adopted eligibility reports transmitted to the Controller.

#### Fiscal Year 2019-20 – List of Projects and Jurisdiction Eligibility Report

Commission staff worked closely with the 12 remaining cities to collect their complete project list resolution submittals by August 1, 2019. All but one city, La Habra Heights, met the subsequent eligibility submittal due date.

The City of La Habra Heights has committed to provide the Commission their complete project list resolution submittal prior to the Commission's August meeting, per the July 26, 2019 correspondence received and included as Attachment C.

All 12 cities appear in the Subsequent Eligibility Report (Attachment B), with the City of La Habra Heights' eligibility noted as contingent upon the Commission's receipt of the complete project list resolution submittal by August 13, 2019.

Once the City of La Habra Heights' complete submittal is received and their eligibility is no longer considered contingent, all 539 cities and counties will have been deemed eligible for Fiscal Year 2019-20 funding. This will mark the first time in the program's three-year history in which 100 percent eligibility was obtained.

Upon Commission adoption, Attachment B will serve as the official Subsequent Report of Eligible Cities to receive Fiscal Year 2019-20 program funding and will be transmitted to the Controller in accordance with Streets and Highways Code Section 2034(a)(2). The Controller, upon receipt of the subsequent report, will apportion funds as applicable to all eligible jurisdictions.

#### Accountability and Transparency

Per Streets and Highways Code Section 2034(b), cities and counties that receive program funding are expected to annually report program expenditures made in the

fiscal year on a project by project basis. Jurisdictions are also expected to report on any project list and priority changes made throughout the reporting fiscal year.

In the program's first reporting cycle, for Fiscal Year 2017-18, 100 percent of the jurisdictions that received funds submitted an expenditure report by October 1, 2018.

The Commission anticipates that each of the 538 jurisdictions that received Fiscal Year 2018-19 program funds will submit fiscal year expenditure reports by October 1, 2019, per the Commission's adopted guidelines. Information gathered from the expenditure reports collected are included in the Commission's Annual Report to the Legislature.

Access to CalSMART for Fiscal Year 2018-19 Expenditure Reporting will be available by August 26, 2019. To assist with CalSMART navigation for reporting, Commission staff will hold a technical training webinar on August 13, 2019. The webinar will cover reporting improvements made to the system, an overview of the program expenditure reporting requirements, and a live CalSMART reporting demonstration.

As of August 2, 2019, over 575 individuals had registered for the training, representing roughly 395 cities and counties. Slides from the technical training will be posted on the Commission's Local Streets and Roads Funding Program webpage at: [www.catc.ca.gov/programs/sb1/local-streets-roads-program](http://www.catc.ca.gov/programs/sb1/local-streets-roads-program).

Attachments:

- Attachment A: Resolution G-19-39
- Attachment B: Subsequent Report of Cities Eligible to Receive Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Program Funding
- Attachment C: City of La Habra Heights Contingent Eligibility Letter

**CALIFORNIA TRANSPORTATION COMMISSION**  
**Adoption of The Fiscal Year 2019-20 Road Maintenance and Rehabilitation**  
**Account Local Streets and Roads Funding**  
**Subsequent Report of Eligible Cities and Counties**

**RESOLUTION G-19-39**

- 1.1 **WHEREAS**, on April 28, 2017, the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017 to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system; and
- 1.2 **WHEREAS**, beginning November 1, 2017, portions of new funding from increases to certain fuel excise and sales taxes and vehicle registration fees were deposited into the Road Maintenance and Rehabilitation Account, and a percentage of this new funding is apportioned monthly by formula by the State Controller pursuant to paragraph (2) of subdivision (h) of Section 2032 of the Streets and Highways Code to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads; and
- 1.3 **WHEREAS**, Streets and Highways Code Section 2034(a)(1) requires that prior to receiving an apportionment of Road Maintenance and Rehabilitation Account funds pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the California Transportation Commission (Commission) a list of projects proposed to be funded with these funds pursuant to an adopted resolution; and
- 1.4 **WHEREAS**, Streets and Highways Code Section 2034(a)(2) requires that the Commission report to the Controller the cities and counties that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds under the program for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds to eligible cities and counties; and
- 1.5 **WHEREAS**, Streets and Highways Code Section 2034(a)(1) specifies that the project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with Streets and Highways Code Section 2030(b); and
- 1.6 **WHEREAS**, the Commission, in consultation with cities, counties, and their representatives as well as the State Controller's Office and other stakeholders, developed the 2019 Local Streets and Roads Funding Program Annual Reporting Guidelines adopted by the Commission on August 15, 2018, revising the detail and process for the project list submittal and project expenditure reporting; and
- 1.7 **WHEREAS**, Commission staff worked with city and county representatives to identify enhancements needed for the online California State Multi-Modal Application and Reporting Tool to improve the submittal and reporting experiences of the cities and counties while ensuring data integrity; and

- 1.8 **WHEREAS**, Commission staff collected the Fiscal Year 2019-20 project list resolution submittals from cities and counties as required by Streets and Highways Code Section 2034(a)(1); and
  - 1.9 **WHEREAS**, Commission staff (per Streets and Highways Code Section 2034(a)(1)) reviewed submittals for completeness, Commission staff did not select or authorize the projects listed; and
  - 1.10 **WHEREAS**, on June 26, 2019, the Commission adopted the Initial Report of Eligible Cities and Counties including 469 cities and 58 counties. The eligible cities and counties provided complete project list resolution submittals and were therefore deemed eligible by the Commission to receive Fiscal Year 2019-20 monthly formula apportionments of Road Maintenance and Rehabilitation Account Local Streets and Roads Funding; and
  - 1.11 **WHEREAS**, since the Commission's adoption of the initial report on June 26, 2019, Commission staff worked with 12 cities whose complete project list resolution submittals were not received and whose eligibility to receive Fiscal Year 2019-20 monthly formula program apportionments could not be determined; and
  - 1.12 **WHEREAS**, per Streets and Highways Code Section 2034(a)(1) Commission staff compiled a list of those cities that provided the Commission their complete project list resolution submittals by August 1, 2019, as reflected in the attached Subsequent Report of Eligible Cities and are therefore eligible to receive Fiscal Year 2019-20 monthly formula program apportionments; and
  - 1.13 **WHEREAS**, that attachment upon adoption by the Commission will serve as the subsequent report of eligible cities and counties as required by Streets and Highways Code Section 2034(a)(2).
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- 2.1 **NOW, THEREFORE, BE IT RESOLVED** that the Commission adopts the attached Fiscal Year 2019-20 Road Maintenance and Rehabilitation Account Local Streets and Roads Funding Subsequent Report of Eligible Cities; and
  - 2.2 **BE IT FURTHER RESOLVED**, that Commission staff is authorized to make minor technical changes as needed to the report; and
  - 2.3 **BE IT FURTHER RESOLVED**, that the Commission directs staff to transmit the report to the State Controller as required by Streets and Highways Code Section 2034(a)(2).

**CALIFORNIA TRANSPORTATION COMMISSION  
 FISCAL YEAR 2019-20  
 ROAD MAINTENANCE AND REHABILITATION ACCOUNT  
 LOCAL STREETS AND ROADS FUNDING PROGRAM  
 ADOPTED SUBSEQUENT REPORT OF ELIGIBLE CITIES**

Pursuant to Streets and Highways Code Section 2034, the cities listed below provided the Commission their complete project list resolutions submittals in accordance with the subsequent eligibility requirements and are therefore eligible for Fiscal Year 2019-20 funding.

The City of La Habra Heights is identified with an asterisk, as their eligibility is noted as contingent upon the Commission's receipt of their complete project list resolution submittal. Should the city fail to provide the Commission their complete submittal on or before August 13, 2019, they will be removed from the list of subsequent eligible cities.

The final list of eligible cities will be posted on the Commission's website following the August 14-15, 2019 meeting and transmitted to the State Controller's Office.

A list of projects submitted by the eligible cities and counties is available on the Commission's website at: [www.catc.ca.gov/programs/sb1/local-streets-roads-program](http://www.catc.ca.gov/programs/sb1/local-streets-roads-program)

**ELIGIBLE CITIES**

| <b>City</b>       | <b>County</b> | <b>Projects</b> | <b>City</b> | <b>County</b>  | <b>Projects</b> |
|-------------------|---------------|-----------------|-------------|----------------|-----------------|
| Amador City       | Amador        | 3               | West Covina | Los Angeles    | 1               |
| Plymouth          | Amador        | 2               | Canyon Lake | Riverside      | 2               |
| La Habra Heights* | Los Angeles   | 2               | Riverside   | Riverside      | 2               |
| Santa Monica      | Los Angeles   | 5               | Montclair   | San Bernardino | 2               |
| South El Monte    | Los Angeles   | 1               | Del Mar     | San Diego      | 1               |
| South Pasadena    | Los Angeles   | 1               | Montague    | Siskiyou       | 1               |

**SUMMARY OF ALL ELIGIBLE CITIES AND COUNTIES**

Total Fiscal Year 2019-20 Eligibility (Initial and Subsequent Eligibility)

| <b>Cities Eligible</b> | <b>Proposed Projects</b> | <b>Counties Eligible</b> | <b>Proposed Projects</b> | <b>Total Cities &amp; Counties</b> | <b>Total Proposed Projects</b> |
|------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|--------------------------------|
| 481*                   | 1,209*                   | 58                       | 959                      | 539*                               | 2,168*                         |



## CITY OF LA HABRA HEIGHTS

1245 N. Hacienda Road  
La Habra Heights, CA 90631  
(562) 694-6302  
[www.la-habra-heights.org](http://www.la-habra-heights.org)

July 26, 2019

California Transportation Commission  
Attn: Elika Changizi  
1120 N Street, MS 52  
Sacramento, CA 95814

Dear Ms. Changizi,

This letter serves as the City of La Habra Heights' (City) agreement to meet the terms of the City's Contingent Eligibility status for Fiscal Year 2019-20 Local Streets and Roads Program Road Maintenance and Rehabilitation Account Funding.

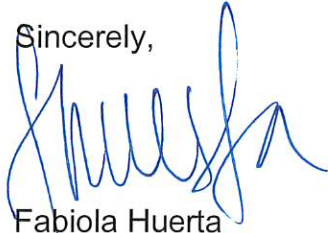
The Fiscal Year 2019-20 Local Streets and Roads Program Road Maintenance and Rehabilitation Account Funding Subsequent Eligibility Submittals are due to the California Transportation Commission (Commission) by August 1, 2019. The City has informed the Commission that we will not be able to meet this deadline as required. The Commission's Local Streets and Roads Program Manager, Alicia Sequeira Smith, has agreed that this City's eligibility is contingent upon the City's Fiscal Year 2019-20 Project List adoption on August 12, 2019, two days prior to the August 14, 2019 Commission meeting.

If the City is unable to comply with the Commission's deadlines, as indicated below, the City's Fiscal Year 2019-20 Apportionment of \$90,273 will be forfeited. Eligibility is contingent upon the City's completion of the following items prior to the Commission's August meeting:

- Provide Commission staff the City's draft Local Streets and Roads Fiscal Year 2019-20 Project List and Resolution, no later than August 1, 2019.
- The August 12, 2019 City Council Agenda will be published and shared with Commission staff no later than August 8, 2019
- The City will adopt the Fiscal Year 2019-20 Local Streets and Roads Project List on August 12, 2019.
- Provide Commission staff the executed signed resolution and list by 10 a.m. on August 13, 2019.

Please contact me if you have questions or concerns at (562) 694-6302 ext. 227 or email at [fhuerta@lhcity.org](mailto:fhuerta@lhcity.org).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Fhuerta', with a stylized flourish at the end.

Fabiola Huerta  
City Manager