

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(4), Action Item

Prepared By: James R. Anderson, Chief  
Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR A STATE-ADMINISTERED MULTI-FUNDED STATE TRANSPORTATION IMPROVEMENT PROGRAM AND ACTIVE TRANSPORTATION PROGRAM PROJECT, ON THE STATE HIGHWAY SYSTEM, PER STIP AND ATP GUIDELINES WAIVER 26-61**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project allocation for the State-Administered State Transportation Improvement Program (STIP) and Active Transportation Program (ATP) Gualala Downtown Streetscape Enhancement project (PPNO 4579), in Mendocino County, for the time period as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the Commission extend the period of project allocation for the State-Administered STIP and ATP Gualala Downtown Streetscape Enhancement project (PPNO 4579), in Mendocino County, for the time period as identified in the attachment.

### **BACKGROUND:**

The Department will be unable to request an allocation of funds by the June 30, 2026 deadline. The attachment shows the details of the project and an explanation for the delays that have resulted in this time extension request.

Current STIP and ATP Guidelines adopted by the Commission, stipulate that funds programmed for all components of local grant projects are available for allocation only until the end of the fiscal

year programmed. The Commission may approve a one-time waiver to the timely use of funds deadlines, one-time only, for up to 20 months for STIP and ATP.

Attachment

**Time Extension/Waiver – Project Allocation  
Multi-Funded STIP and ATP**

Project Number: 1  
Applicant: Department of Transportation  
County: Mendocino  
District: 01  
PPNO: 4579  
Allocation Amount: \$8,533,000 (STIP: \$1,200,000 and ATP: \$7,333,000)  
Phase: Construction and Construction Support  
Number of Months Requested: 20 Months  
Extended Deadline: 02/29/2028  
Department Recommendation: Support

**Gualala Downtown Streetscape Enhancement project**

The Department requests a 20-month time extension for the period of project allocation for the construction (CON) phase of the Gualala Downtown Streetscape Enhancement project, in Mendocino County. The Department experienced delays during Right of Way (RW) acquisition.

The project proposes to construct two 12-foot wide travel lanes, two 5-foot Class II bicycle lanes, two 8-foot parking lanes, and two 6-foot wide sidewalks through the most congested area, Americans with Disabilities Act-compliant sidewalks. Sidewalks will help to reduce conflict points of vehicles entering and leaving State Route 1. This project will also include new pavement rehabilitation, and drainage system upgrades funded by The Department.

The project has encountered several delays affecting the timely allocation of funds, including permit acquisition, Landscape Maintenance Agreement (LMA) approval, and RW acquisition.

The Coastal Development Permit (CDP) approval process extended beyond the original schedule due to multiple appeals. The permit was first appealed to the County Board of Supervisors and subsequently to the California Coastal Commission after July 2025 approval. Final approval of the CDP was granted by the California Coastal Commission on February 4, 2026. This extended approval timeline was not anticipated in the original project schedule.

Additionally, review and execution of the required LMA with Mendocino County required additional coordination and collaboration, due to non-standard landscaping and erosion control resulting in further delays. The agreement was ultimately approved in April 2026.

Finalization of the Plans, Specifications, and Estimate was delayed due to setbacks in permit acquisition, completion of the LMA, and RW acquisition. The Resolution of Necessity was delayed in early 2025, and heard and approved at the December 2025 Commission meeting. RW Certification was approved in February 2026.

Additional schedule risk is associated with eminent domain proceedings. Although the RON was approved in December 2025 and an Order of Possession is expected before December 2026, because the eminent domain is a legal process, this can result in additional delays.

The project's future milestones include achieving Ready to List status by November 2027, Contract Award in June 2028, and Project Completion in December 2029.

Therefore, the Department is requesting a 20-month time extension for the period of project allocation for the CON phase from June 30, 2026 to February 29, 2028.