

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 17-18, 2024

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.6, Action

Prepared By: LeighAnn Battaion
Program Analyst

Published Date: October 4, 2024

Subject: Adoption of the Fiscal Year 2024-25 Road Maintenance and Rehabilitation Account, Local Streets and Roads Funding Subsequent Report of Eligible Cities, Resolution G-24-69

Recommendation:

Staff recommends the California Transportation Commission (Commission) adopt the Fiscal Year 2024-25 Road Maintenance and Rehabilitation Account, Local Streets and Roads Funding Subsequent Report of Eligible Cities (Subsequent Report) as provided in Attachment B, and direct staff to transmit the list of eligible jurisdictions to the State Controller (Controller).

Issue:

The Commission adopted the Initial Report of Eligible Cities and Counties (Initial Report) on August 15, 2024, and transmitted the report to the Controller on August 27, 2024. Those jurisdictions deemed eligible began receiving monthly apportionments in September 2024. The Initial Report reflected eligibility for 520 jurisdictions (462 cities and 58 counties) out of 539 total jurisdictions.

The Controller has held the monthly apportionments for the 19 jurisdictions not included in the Initial Report pending the Commission's adoption of the Subsequent Report. The Commission must submit the adopted Subsequent Report to the Controller by October 31, 2024, in order for those jurisdictions to start receiving monthly formulaic apportionment disbursements from the Controller in November 2024.

The 19 cities not included in the Initial Report did not provide a complete project list and resolution to the Commission by the initial deadline of July 1, 2024. The Commission has since received complete submittals from all 19 remaining jurisdictions by the subsequent September 30, 2024, deadline in accordance with the adopted 2021 Local Streets and Roads Funding Program Guidelines. These jurisdictions, now deemed eligible for funding, are identified in the Subsequent Report (Attachment B).

With the adoption of the Subsequent Report, 539 jurisdictions (481 cities and 58 counties) will be deemed eligible for fiscal year 2024-25 funding. This is the sixth consecutive year that 100 percent of jurisdictions have been deemed eligible for funding.

Background:

On April 28, 2017, Governor Brown signed Senate Bill 1 (Beall, Chapter 5, Statutes of 2017). A percentage of the Road Maintenance and Rehabilitation Account funding created by Senate Bill 1 is apportioned by formula and disbursed monthly by the Controller's Office 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.

Pursuant to Streets and Highways Code Section 2034, for jurisdictions to be included in the initial eligibility report presented to the Commission for consideration, a list of projects adopted by resolution must be submitted to the Commission, each year.

In March 2021, the Commission adopted the 2021 Local Streets and Roads Funding Program Reporting Guidelines to amend the 2019 Local Streets and Roads Funding Program Reporting Guidelines. Amendments made to the guidelines provided technical clarification for program terms and processes already in practice, provided clarification on the program's eligibility requirements, and modified the program's reporting schedule.

Cities and counties that receive program funds are required to submit an expenditure report to the Commission each year. Expenditure reports are due to the Commission by December 1, to account for all program funds received and spent in the fiscal year.

Attachments:

- Attachment A: Resolution G-24-69
- Attachment B: Fiscal Year 2024-25 Road Maintenance and Rehabilitation Account, Local Streets and Roads Funding Subsequent Report of Eligible Cities

CALIFORNIA TRANSPORTATION COMMISSION
Adoption of the Fiscal Year 2024-25 Road Maintenance and Rehabilitation
Account Local Streets and Roads Funding
Subsequent Report of Eligible Cities

RESOLUTION G-24-69

- 1.1 **WHEREAS**, on April 28, 2017, Governor Brown signed Senate Bill 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 California 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, 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 California State 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 California State 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 California State Controller's Office and other stakeholders, developed the 2021 Local Streets and Roads Funding Program Annual Reporting Guidelines adopted by the Commission on March 24, 2021, revising the detail and process for the project list submittal and project expenditure reporting; and
- 1.7 **WHEREAS**, Commission staff collected the Fiscal Year 2024-25 project list resolution submittals from cities and counties as required by Streets and Highways Code Section 2034(a)(1); and
- 1.8 **WHEREAS**, Commission staff, pursuant to Streets and Highways Code Section 2034(a)(1), reviewed submittals for completeness. Commission staff did not select or authorize the projects listed; and
- 1.9 **WHEREAS**, on August 15, 2024, the Commission adopted the Initial Report of Eligible Cities and Counties including 462 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 2024-25 monthly formula apportionments of Road Maintenance and Rehabilitation Account Local Streets and Roads Funding; and
- 1.10 **WHEREAS**, there were 19 cities whose complete project list resolution submittals were not received by the July 1, 2024 deadline and whose eligibility to receive Fiscal Year 2024-25 monthly formulaic program apportionments could not be determined; and
- 1.11 **WHEREAS**, these remaining 19 cities provided the Commission their complete project list resolution by September 30, 2024 and were found eligible to receive Fiscal Year 2024-25 monthly formula apportionments, as reflected in the Subsequent Report of Eligible Cities (Attachment B); and
- 1.12 **WHEREAS**, Attachment B is intended to serve as the subsequent report of eligible cities as required by Streets and Highways Code Section 2034(a)(2), for transmittal to the California State Controller.

- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission adopts the attached Fiscal Year 2024-25 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 California State Controller as required by Streets and Highways Code Section 2034(a)(2).

CALIFORNIA TRANSPORTATION COMMISSION
FISCAL YEAR 2024-25
ROAD MAINTENANCE AND REHABILITATION ACCOUNT,
LOCAL STREETS AND ROADS FUNDING PROGRAM
SUBSEQUENT REPORT OF ELIGIBLE
CITIES

Pursuant to Streets and Highways Code Section 2034, the cities listed below provided the Commission their complete project list resolution submittals by September 30, 2024, and are deemed eligible for Fiscal Year 2024-25 funding.

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

ELIGIBLE CITIES

| City | County | Project Count | City | County | Project Count |
|-------------------------|---------------------|----------------------|----------------------|------------------------|----------------------|
| Union City | Alameda County | 10 | City of Perris | Riverside County | 1 |
| City of Concord | Contra Costa County | 4 | City of Barstow | San Bernardino County | 7 |
| City of Huntington Park | Los Angeles County | 1 | City of Yucaipa | San Bernardino County | 1 |
| City of Sierra Madre | Los Angeles County | 1 | City of Morro Bay | San Luis Obispo County | 1 |
| City of Sausalito | Marin County | 1 | Redwood City | San Mateo County | 1 |
| City of Point Arena | Mendocino County | 1 | City of Montague | Siskiyou County | 1 |
| City of Willits | Mendocino County | 1 | City of Dixon | Solano County | 1 |
| City of Gonzales | Monterey County | 1 | City of Rohnert Park | Sonoma County | 1 |
| Sand City | Monterey County | 3 | City of Wheatland | Yuba County | 2 |
| City of Riverside | Riverside County | 1 | | | |

SUMMARY OF ALL ELIGIBLE CITIES AND COUNTIES
Total Fiscal Year 2024-25 Eligibility (Initial and Subsequent Eligibility)

| Cities Eligible | Proposed Projects | Counties Eligible | Proposed Projects | Total Cities & Counties | Total Proposed Projects |
|----------------------------|------------------------------|------------------------------|------------------------------|--|------------------------------------|
| 481 | 1259 | 58 | 1209 | 539 | 2468 |