



Administrative Report

H.5., File # 21-2527

Meeting Date: 6/8/2021

To: MAYOR AND CITY COUNCIL
From: TED SEMAAN, PUBLIC WORKS DIRECTOR

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2106-052, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2021-22 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

EXECUTIVE SUMMARY

Senate Bill 1, the Road Repair and Accountability Act of 2017, was signed into law on April 28, 2017 and will provide and invest \$52.4 billion over the next decade to fix roads, freeways and bridges in communities across California. The bill created a new Road Maintenance and Rehabilitation Account (RMRA) funded by raising gasoline and diesel excise taxes, diesel sales tax, and vehicle fees. Redondo Beach received \$403,764 in new RMRA fees in FY17-18, \$1,259,412 in FY18-19, and \$1,185,944 in FY19-20. The City is expected to receive a total allocation of \$1,148,351 for the full FY20-21, and is programmed to receive \$1,286,974 in new RMRA fees in FY21-22. Previous year allocations were appropriated for the North Redondo Beach Commercial Streets Project, the Manhattan Beach Boulevard Resurfacing Project - Aviation Boulevard to Inglewood Avenue, and the Residential Street Rehabilitation Project.

The original adopted guidelines of the California Transportation Commission (CTC) required Cities to submit an updated list of projects to be funded by SB 1 by May 1st of each year. However, due to the impacts of COVID-19, the CTC submittal deadline was extended until July 15th in 2020. The submittal deadline for 2021 and future years will be July 1st. The Resolution appropriates the FY21-22 SB 1 funding to the Residential Street Rehabilitation Project - Cycle 2, Phase 3 as reflected in the proposed Capital Improvement Program.

BACKGROUND

Senate Bill 1, the Road Repair and Accountability Act of 2017, was signed into law on April 28, 2017 and will provide and invest \$52.4 billion over the next decade to, in part, fix roads, freeways and bridges in communities across California. These funds will be split equally between state and local investments. California's state-maintained transportation infrastructure will receive approximately \$26 billion of SB 1 revenue. The other \$26 billion will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes. Each year, this new funding will be used to address deferred maintenance needs both on the state highway system and the local road system. Some maintenance needs are:

1. Repairs to Local Streets and Roads: \$1.5 billion (over 10 years)
2. Maintenance/Rehabilitation of State Highway System: \$1.5 billion (over 10 years)
3. Maintaining/Repairing the State's Bridges & Culverts: \$400 million (over 10 years)

Road Maintenance and Rehabilitation Account (RMRA) funds are generated by raising gasoline and diesel excise taxes, diesel sales tax, and vehicle fees. The gasoline and diesel tax increases took effect on November 1, 2017 and the vehicle fee increases took effect on January 1, 2018.

The City previously received approximately \$1.6M of Gas Tax funds (Highway Users Tax) on an annual fiscal year basis. The RMRA funds from SB 1 increased the amount of gas tax-related funds the City receives. For FY17-18, RMRA revenue from SB 1 was collected from November 1, 2017 through June 30, 2018 (8 months). As such, Redondo Beach received \$403,764 of FY17-18 RMRA funds. In FY18-19, RMRA revenue from SB 1 for the City increased to \$1,259,412 reflecting gas tax collections for a full year including the busy summer driving months and a full year of vehicle fee collections. For FY19-20, the City received \$1,185,944, an amount that was impacted by the spring onset of the COVID-19 pandemic. For FY20-21 the City is estimated to receive \$1,148,351 reflecting a full year of collections but with a reduction due to the impacts of the COVID-19 pandemic. For FY21-22 the City is estimated to receive \$1,286,974 in new RMRA fees. Previous year allocations were appropriated for the North Redondo Beach Commercial Streets Project, the Manhattan Beach Boulevard Resurfacing Project - Aviation Boulevard to Inglewood Avenue, and the Residential Street Rehabilitation Project.

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Construction of the Residential Street Rehabilitation Project - Cycle 2, Phase 3 is currently under design and construction is expected to occur this fall.

COORDINATION

The resolution has been reviewed by the Financial Services Department and approved as to form by the City Attorney's Office.

FISCAL IMPACT

New FY21-22 RMRA revenue is recommended for appropriation for the following project:

Residential Street Rehabilitation Project - Cycle 2, Phase 3 \$1,100,000

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. SB 1 Resolution
2. Residential Street Rehabilitation Project - Cycle 2, Phase 3 Maps