

2017 LOCAL STREETS AND ROADS PROGRAM DRAFT GUIDELINES

June 8, 2017

California Transportation Commission



NOTE: These Draft Local Streets and Roads Guidelines are currently under development. This information is provided in draft form, and is subject to further modification and refinement. This draft information does not represent any final determination by the Commission on any of the issues addressed in these draft guidelines.

CALIFORNIA TRANSPORTATION COMMISSION
2017
LOCAL STREETS AND ROADS PROGRAM GUIDELINES

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I. Introduction

1. Background and Purpose of Guidelines

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is 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, SB 1: increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, various portions of the funding collected from these increased taxes and fees will be deposited into the newly created Road Maintenance and Rehabilitation Account (RMRA), resulting in more than double the total amount of state local streets and roads funding apportioned annually to cities and counties by the State Controller's Office for road maintenance and rehabilitation (for a detailed breakdown of RMRA funding sources and the disbursement of funding, please see Section 5 of these guidelines).

SB 1 also emphasizes the importance of accountability and transparency in the delivery of California's transportation programs and therefore requires cities and counties to provide basic project reporting to the California Transportation Commission (Commission) regarding the use of RMRA funding.

The reporting of RMRA project information to the Commission pursuant to the requirements outlined in SB 1 will be known as the Local Streets and Roads Program (program) which will be administered by the Commission in partnership with the State Controller's Office (Controller). These guidelines describe the general policies and procedures for carrying out the program's statutory objectives as outlined in Chapter I Section 2 below.

The guidelines were developed in consultation with stakeholders representing state, regional, and local government entities. The Commission may amend these guidelines after first giving notice of the proposed amendments. In order to provide clear and timely guidance, it is the Commission's policy that a reasonable effort be made to amend the guidelines prior to a call for project lists or the Commission may extend the deadline for project list submission in order to facilitate compliance with the amended guidelines.

2. Program Objectives and Statutory Requirements

Pursuant to California Streets and Highways Code (SHC) Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects.

SHC 2032.5(a) articulates the general intent of the legislature that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads, and are accountable to the people through performance goals that are tracked and reported.

The main requirements for the program are codified in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

- Prior to receiving an apportionment of RMRA funds from the State Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting [SHC 2034(a)(1)].
- The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement [SHC 2034(a)(1)]. Further guidance regarding the scope, content, and submittal process for project lists prepared by cities and counties is provided in Sections 9-10.
- The project list does 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 RMRA priorities as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The Commission will report to the Controller the cities and counties that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of the report from the Commission, shall apportion RMRA funds to eligible cities and counties [SHC 2034(a)(2)].
- For each fiscal year in which RMRA funds are received and expended, counties must submit documentation to the Commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)]. Further guidance regarding the scope, content, and submittal process for project reports is provided in Sections 12-13.
- Cities and counties receiving an apportionment of RMRA funds are required to sustain a maintenance of effort by spending at least the same amount as previous fiscal years on transportation purposes from the city or county's general fund [SHC 2036]. Monitoring and enforcement of the maintenance of effort requirement for RMRA funds will be carried out by the Controller and is addressed in more detail in Section 16.
- A city or county may spend its apportionment of RMRA funds on transportation priorities other than basic road maintenance and RMRA priorities as outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation & investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038]. Further information regarding the Board Guidelines and future Board-sponsored grant opportunities is available in Section 15.

Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures.

3. Program Roles and Responsibilities

Below is a general outline of the roles and responsibilities of recipient cities/counties, the Commission, and the Controller in carrying out the program's statutory requirements:

Recipient Cities/Counties:

- Develop and submit a list of projects to the Commission each fiscal year.
- Develop and submit a project expenditure report to the Commission each fiscal year.
- Comply with all auditing requirements as well as any additional reporting requirements for RMRA funding imposed by the Controller.

Commission:

- Provide technical assistance to cities and counties in the preparation of project lists and reports.
- Receive project lists from cities and counties each fiscal year.
- Provide a list to the Controller each fiscal year of cities and counties eligible to receive RMRA apportionments.
- Receive project expenditure reports from cities and counties each fiscal year and provide aggregated statewide information regarding use of RMRA funds to the Legislature and the public (e.g. the Commission's Annual Report to the Legislature and a SB 1 Accountability Website).

Controller:

- Receive list of cities and counties eligible for RMRA apportionments each fiscal year from the Commission.
- Apportion RMRA funds to cities and counties.
- Oversee MOE and other auditing requirements for RMRA funds as well as reporting required pursuant to SHC 2151.

4. Program Schedule

The following schedule lists the major milestones for the development of the 2017 Local Streets and Roads Program Guidelines, initial submittal of project lists, and transmittal of eligibility list to the Controller. See Appendix C for a more detailed program schedule.

Draft Guidelines Circulated for Public Review	June 19 – July 10, 2017
Commission Adoption of Guidelines	August 16-17, 2017
Call for Project Lists	August 18, 2017
Project Lists due to Commission	September 15, 2017
Commission Adopts List of Eligible Cities and Counties	October 18-19, 2017
Commission Submits List to Controller	November 1, 2017

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II. Funding

5. Source

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles with allocation dedicated to transportation purposes. These allocations flow to cities and counties through the Highway Users Tax Account (HUTA) and the newly established RMRA created by SB 1.

The Local Streets and Roads Program administered by the Commission in partnership with the Controller is supported by RMRA funding which includes portions of revenues pursuant to SHC 2031 from the following sources¹:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- An additional vehicle registration tax called the “Transportation Improvement Fee” with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later effective July 1, 2020.
- Annual rate increases to these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1st thereafter equal to the change in the California Consumer Price Index (CPI).

SHC 2032(h)(2) specifies that 50 percent of the balance of revenues deposited into the RMRA, after certain funding is set aside for various programs, will be continuously appropriated for apportionment to cities and counties by the Controller pursuant to the formula in SHC Section 2103(a)(3)(C)(i) and (ii). The other 50 percent of RMRA revenues are allocated to the California Department of Transportation (Caltrans) for purposes of the State Highway Operation and Protection Program (SHOPP).

6. Estimation of Funds

[Placeholder for language regarding how estimates of available RMRA funds will be developed and communicated to cities and counties.]

7. Disbursement of Funds

Upon receipt of a list of cities and counties that are eligible to receive an apportionment of RMRA funds pursuant to SHC 2032(h)(2) from the Commission, the Controller is required to apportion RMRA funds to eligible cities and counties consistent with the formula outlined in SHC Section 2103(a)(3)(C)(i) and (ii).

It is expected that the Controller will apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of Highway User Tax Account HUTA apportionments.

¹ The California Local Government Finance Almanac. Updated May 11, 2017. Page 7. Accessed at: <http://www.californiacityfinance.com/LSR1704.pdf>

III. Eligibility and Program Priorities

8. Eligible Recipients

Eligible recipients of RMRA funding apportionments include cities and counties that have prepared and submitted a project list to the Commission pursuant to SHC Section 2034(a)(1) and that have been included in a list of eligible entities submitted by the Commission to the Controller pursuant to SHC Section 2034(a)(2).

Recipients of RMRA apportionments must comply with all relevant federal and state laws, regulations, policies, and procedures.

9. Program Priorities and Example Projects

Pursuant to SHC Section 2030(a), RMRA funds made available for the Local Streets and Roads Program shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects.

SHC Section 2030(b) provides a number of example projects and uses for RMRA funding that include but are not limited to the following:

- Road Maintenance and Rehabilitation
- Safety Projects
- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project) [Note: need to clarify/better understand what the complete streets component language in parenthesis means]
- Traffic Control Devices
- Satisfying Match Requirement for State or Federal Funds (for an RMRA eligible project)

SHC Section 2030(c)-(f) specifies desired aspirational uses of RMRA funds by cities and counties to the extent possible and cost effective, and where feasible (as deemed by cities and counties) on the following:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).

- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than basic road maintenance outlined in SHC Section 2030 if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80.

IV. Project List Submittal

10. Content and Format of Project List

Pursuant to SHC Section 2034(a)(1), prior to receiving an apportionment of RMRA funds from the State Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget.

Listed below are the specific statutory criteria for the content of the project list along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Included in an Adopted Budget

All proposed projects must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting.

To ensure transparency and to meet the intent of SHC Section 2034(a)(1) "included in a city or county budget" can mean either of the following:

- a.) A specific list of projects proposed for RMRA funding adopted as part of the city/county's regular operating budget, at a regular public meeting; or
- b.) A specific list of projects proposed for RMRA funding amended into the city/county's regular operating budget, at a regular public meeting.

Documentation of Inclusion in an Adopted Budget

A city or county must provide with a project list a public record that projects proposed for RMRA funding through the Local Streets and Roads Program have been included in an adopted city or county operating budget. This public record can be either of the following:

- a.) A copy of the city/county's regular operating budget (or amendment) including the adopting resolution;
- b.) A copy of the city/county's regular operating budget (or amendment) including meeting minutes documenting approval at a regular public meeting.

Submittal of electronic copies of the operating budget (or amendment) and support documentation (i.e. resolution or minutes) is encouraged. Support documentation requirements are further explained in Appendix A.

b.) List of Projects – Content

Pursuant to SHC 2034(a)(1), the project list must include a description and the location of each proposed project, a proposed schedule for each project's completion, and the estimated useful life of the improvement.

Development and Content

The Commission recognizes the inherent diversity of road maintenance and rehabilitation needs among the approximately 540 jurisdictions across the state that may utilize Local Streets and Roads Program funding.

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, cities and counties are encouraged to prioritize RMRA funding for the most critical road maintenance, rehabilitation, and safety needs. It is also vitally important that cities and counties clearly articulate how these funds are being utilized through the development of a robust project list.

To promote statewide consistency in the content and format of project information received and to facilitate transparency within the Local Streets and Roads Program, the following guidance is provided regarding the key components of the project list.

Additionally, Appendix A has been developed to provide an example of project list content and format.

Project Description

The list must include a project description for each proposed project. The city/county is encouraged to provide a brief non-technical description (3-5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand what is being done and why it is a critical or high-priority need.

Looking to resources such as the most recently adopted Capital Improvement Program may be helpful in understanding the appropriate level of project detail.

Project Location

The list must include a project location for each proposed project. The city/county is encouraged to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project is being undertaken. For example, providing specific street names where improvements are being undertaken and specifying project termini when possible are preferable to more general information such as "south-west side of city/county". If project-specific geolocation data is available, it is highly encouraged to be included.

Proposed Schedule for Completion

The list must include a completion schedule for each proposed project. The city/county is encouraged to provide a high-level timeline that provides a clear picture to the public of when a project can reasonably expected to be completed.

Estimated Useful Life

The list must include an estimate useful life for each proposed project. The city/county is encouraged to provide information regarding the estimated useful life of the project that is

clear, understandable, and based on industry-standards for the project materials and design.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies desired uses of RMRA funds by cities and counties to the extent possible and cost effective, and where feasible for the following:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective, and feasible, in the design and development of projects for RMRA funding.

To meet the intent of SHC 2032.5(a) as outlined in Section 2 of these Guidelines, in addition to the statutory requirements outlined in Section 10, the Commission may also ask cities and counties to consider and provide additional information in the proposed project list in order to better communicate that RMRA funding recipients are meeting state performance goals.

The Commission intends to develop a reporting platform that will enable cities and counties to report on each project that meets these additional goals.

Other Statutory Considerations for Project Lists

Pursuant to SHC Section 2034(a)(1), 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 SHC Section 2030(b).

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80.

c.) List of Projects – Standard Format

To promote statewide consistency of project information received, a standard project list format using Microsoft Excel has been developed and is further explained in Appendix A.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form available here [hyperlink to excel form].

In future fiscal years, the Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

11. Process and Schedule for Project List Submittal

A city or county must submit a Project List and support documentation by **September 15, 2017** to the Commission. All materials should be provided electronically. Project lists, support documentation, and any questions can be remitted to:

Laura Pennebaker, Associate Deputy Director
Program Manager
California Transportation Commission
Laura.Pennebaker@dot.ca.gov
(916) 653-7121

12. Commission Submittal of Eligible Entities to the State Controller's Office

Upon receipt of Project Lists and support documentation, Commission staff will review submittals to ensure they are complete. Once a project list submittal has been received and deemed complete by staff, the city or county will be added to a list of jurisdictions eligible to receive RMRA funding as required by SHC Section 2034(a)(2). All project lists and support documentation submitted by cities and counties will be posted to the Commission's website.

The list of eligible cities and counties will be brought forward for Commission consideration at a regularly scheduled meeting where staff will request Commission direction to transmit the list to the Controller. Upon direction of the Commission, staff will transmit the list to the Controller and the cities and counties included will be deemed eligible to receive RMRA apportionments pursuant to SHC Section (a)(1). Upon receipt of the list from the Commission, the Controller is expected to apportion funds to the cities and counties included on the list pursuant to SHC Sections 2034(a)(2) and 2032(h).

In the event a city or county does not provide a complete project list and support documentation in a timely manner for Commission consideration and eligibility designation as outlined in these guidelines, cities and counties are expected to work cooperatively with Commission staff to provide any missing information. Once completed information is provided, Commission action to establish eligibility will be taken at the next earliest opportunity or within 60 days.

The Controller will hold RMRA funding apportionments for cities and counties that have not been deemed eligible until eligibility is established by the Commission and communicated to the Controller at which point apportionments (including any outstanding balances accrued) will begin/resume.

V. Project Expenditure Reporting and Auditing

13. Scope of Completed Project Expenditure Report

Pursuant to SHC Section 2034(b), for each fiscal year in which an apportionment of RMRA funds is received and upon expenditure of funds, cities and counties shall submit documentation to the Commission that includes: a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

Listed below are the specific statutory criteria for the content of the completed project expenditure report along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Completed Project Expenditure Report – Content

Development and Content

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, it is vitally important that cities and counties clearly articulate the public benefit of these funds through the development of a robust Completed Project Report.

To promote statewide consistency in the content and format of completed project expenditure information submitted and to facilitate transparency and robust reporting within the Local Streets and Roads Program, the following guidance is provided regarding the key components of the completed projects expenditure report. Additionally, Appendix B has been developed to provide an example of completed project expenditure report content and format.

The completed project expenditure report must cover the full fiscal year and should include projects that have completed construction and are fully operational.

Completed Project Description

The report must include a project description for each completed project. The city/county is encouraged to provide a brief non-technical description (3-5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand exactly what work was completed.

Completed Project Location

The report must include a project location for each completed project. The city/county is encouraged to provide completed project location information that, at a minimum, would allow the public to clearly understand where within the community the project was constructed. For example, providing specific street names where improvements were undertaken and specifying project termini when possible are preferable to more general information such as "south-west side of city/county". If project-specific geolocation data is available, it is highly encouraged to be included.

The Amount of Funds Expended and the Project Completion Date

The report must include the amount of RMRA funds expended on the project and its date of completion.

Estimated Useful Life

The report must include an estimated useful life for each completed project. The city/county is encouraged to provide information regarding the estimated useful life of the completed project that is clear, understandable, and based on industry-standards for the project materials and design.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies desired uses of RMRA funds by cities and counties to the extent possible and cost effective, and where feasible for the following:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding. In the event that completed projects contain technology, climate change, and complete streets considerations pursuant to SHC 2030(c)-(f), cities and counties must include this information in the completed project expenditure report so that the Commission may report on the implementation of these practices at a statewide level.

To meet the intent of SHC 2032.5(a) as outlined in Section 2 of these Guidelines, in addition to the statutory requirements outlined in Section 13, the Commission may also ask cities and counties to consider and provide additional information in the completed project expenditure report in order to better communicate that RMRA funding recipients are meeting state performance goals.

The Commission intends to develop a reporting platform that will enable cities and counties to report on each project that meets these additional goals.

Other Statutory Considerations for Completed Project Reports

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than basic maintenance outlined in SHC Section 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision however, does not eliminate the requirement for cities and counties to prepare and submit a completed project expenditure report or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

b.) Completed Project Expenditure Report – Standard Format

To promote statewide consistency of project information submitted, a standard completed project expenditure report format using Microsoft Excel has been developed and is further explained in Appendix B.

For the initial submittal of project expenditure reports in 2017, cities and counties are required to use the standard form available here [hyperlink to excel form].

In the future, an online platform will be available so that cities and counties can quickly and easily enter completed project information online.

14. Process and Schedule for Project Report Submittal

Completed Project Reports must be developed and submitted to the Commission according to the statutory requirements of SHC Section 2034(b) as outlined above in Section 12.

A city or county must submit a Completed Project Report by **October 1, 2018** to the Commission. All materials should be provided electronically. Reports and any questions can be remitted to:

Laura Pennebaker, Associate Deputy Director
Program Manager
California Transportation Commission
Laura.Pennebaker@dot.ca.gov
(916) 653-7121

15. Commission Reporting of Project Information Received

In order to meet the requirements of SB 1 which include accountability and transparency in the delivery of California's transportation programs, it is vitally important that the Commission clearly communicate the public benefits achieved by RMRA funds. The Commission intends to articulate these benefits through the development of an SB 1 accountability website and through other reporting mechanisms such as the Commission's Annual Report to the Legislature.

Upon receipt of Completed Project Reports, Commission staff will review submittals to ensure they are complete. If any critical project information is missing (i.e. SHC 2034(b) requirements such as project description, location, etc.) Commission staff will work with city/county staff to complete.

All Completed Project Reports submitted by cities and counties will be posted to the Commission's SB 1 Accountability website. The Commission will also analyze the Completed Project Reports provided by cities and counties and aggregate the project information to provide both statewide

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and city/county level summary information such as the number, type, and location of RMRA funded projects. This information will also be provided on the Commission's SB 1 Accountability website by December 1st each year, and included in the Commission's Annual Report to the Legislature which is delivered to the Legislature by December 15th each year.

In the event a city or county does not provide a Completed Project List by the deadline requested (October 1st each year) to allow for Commission analysis and inclusion on the SB 1 accountability website and in the Annual Report to the Legislature, absence of the report will be noted on the website, in the Annual Report, and will be reported to the State Controller.

16. Additional Project Reporting and Signage Requirements

In addition to the RMRA completed project reporting requirements outlined in SHC Section 2034(b), SHC Section 2151 requires each city and county to file an annual report of expenditures for street or road purposes with the State Controller's Office. SHC Section 2153 imposes a mandatory duty on the State Controller's Office to ensure that the annual streets and roads expenditure reports are adequate and accurate. Additional information regarding the preparation of the annual streets and roads expenditure report is available online in the [Guidelines Relating to Gas Tax Expenditures for Cities and Counties](#) prepared and maintained by the State Controller's Office. These Guidelines were last updated in August 2015 and are anticipated to be updated again to address new accountability provisions of SB 1.

Pursuant to SHC Section 2038, by July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board that address participation & investment in, or partnership with, new or existing pre-apprenticeship training programs. Upon California Workforce Development Board adoption of guidelines and grant funding opportunities in this area, the Commission will update the Local Streets and Roads Program Guidelines to incorporate this information by reference. [Placeholder for standardized language].

In order to ensure the delivery of RMRA funded projects is visible to the public, projects utilizing RMRA funds must post Project Funding Information signage illustrating that the project was made possible by SB 1 – The Road Maintenance and Rehabilitation Act of 2017. [Placeholder for SB 1 Funding Signage language, need to insert PFI signage standards, similar to Proposition 1B]

17. Project Auditing and Maintenance of Effort Requirement

Expenditure authority for RMRA funding is governed by Article XIX of the California Constitution as well as Chapter 2 (commencing with Section 2030) of Division 3 of the California Streets and Highways Code. RMRA funds are subject to audit by the State Controller's Office pursuant to SHC Section 2036.

[Note: this is placeholder language]

SHC Section 2036

(a) cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for RMRA funding apportionment.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund

expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

Appendix A – Local Streets and Roads Project List Form

[Placeholder for Project List form and examples] This will be a Microsoft Excel form with drop down menus for certain fields to ensure accuracy of information provided. Eventually we hope to have an online platform and underlying data base through which cities and counties can enter project information online. For discussion purposes, examples of the nature/type of information that would be asked for is compiled below:

General Info:

- City/County Name
- Point of Contact
- Legislative Districts
- Average City/County PCI
- Fiscal Year

Proposed Project A

Description:

- 3-5 sentences, written in a non-technical way that is understandable the public
- Have city/county check a box specifying the type of project it is based on RMRA priorities or “other” and the inclusion of any aspirational elements (SHC 2034)
- Ask for specific measureable changes to the built environment resulting from the project (i.e. feet/miles of pavement, presence of complete streets components)

Location:

- Should be as specific as possible (i.e. street names and project termini) and geolocation information should be provided if available (to make mapping projects possible and also to potentially determine the location of projects within Disadvantaged Communities)

Proposed Schedule for Completion:

- Could be as simple as a drop down menu to select the date that the project will be complete/operational etc.

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards

Other:

- Describe process used to identify the project as a priority to meet Performance Goals

Support Documentation

- Electronic Copy of the City/County’s Adopted Budget or Budget Amendment and reference to where within the budget the proposed project is included
- Adopting resolution or meeting minutes to document budget/amendment approval

Appendix B - Local Streets and Roads Completed Project Expenditure Report Form

[Placeholder for Completed Project Expenditure Report form and examples] This will be a Microsoft Excel form with drop down menus for certain fields to ensure accuracy of information provided. Eventually we hope to have an online platform and underlying data base through which cities and counties can enter project information online. For discussion purposes, examples of the nature/type of information that would be asked for is compiled below:

General Info:

- City/County Name
- Point of Contact
- Legislative Districts
- Average City/County PCI

Completed Project A

Description:

- 3-5 sentences, written in a non-technical way that is understandable the public
- Have city/county check a box specifying the type of project it is based on RMRA priorities or “other” and the inclusion of any aspirational elements (SHC 2034)
- Ask for specific measureable changes to the built environment resulting from the project (i.e. feet/miles of pavement, presence of complete streets components)

Location:

- Should be as specific as possible (i.e. street names and project termini) and geolocation information should be provided if available (to make mapping projects possible and also to potentially determine the location of projects within Disadvantaged Communities)

Amount of Funds Expended:

- Enter the amount of RMRA funds expended on the project and the total project cost
- Enter the amount and type of other funds expended on the project

Completion Date:

- Drop down menu to select the date that the project is complete/operational etc.

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards

Other:

- Certify that California Workforce Development Board Guidelines were followed (effective July 1, 2023)
- Reporting on meeting Performance Goals
- Project Signage Requirements are met

NOTE: These Draft Local Streets and Roads Guidelines are currently under development. This information is provided in draft form, and is subject to further modification and refinement. This draft information does not represent any final determination by the Commission on any of the issues addressed in these draft guidelines.

Appendix C – Local Streets and Roads Program Schedule

[Placeholder, for discussion]

FY 17-18	
Adoption of Final Guidelines Call for Project Lists	August 18, 2017
Technical Assistance and Outreach to Cities/Counties	August 18 – September 15, 2017
Project Lists due to Commission	September 15, 2017
Commission Adopts List of Eligible Cities and Counties	October 18-19, 2017
Commission Submits List to Controller	November 1, 2017
Controller FY 17-18 Apportionments Begin	TBD
Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year	October 1, 2018
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2018
FY 18-19	
Guidelines Update	Needed?
Call for Project Lists	March, April, May 2018?
Commission Review, Approval & Adoption of List of Eligible Cities and Counties	March, April, May 2018?
Commission Submits List to Controller	No later than mid-June 2018
Controller FY 18-19 Apportionments Begin	July 1, 2018
Completed Project Report Submitted to Commission for 2018 - 2019 Fiscal Year	October 1, 2019
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2019

NOTE: These Draft Local Streets and Roads Guidelines are currently under development. This information is provided in draft form, and is subject to further modification and refinement. This draft information does not represent any final determination by the Commission on any of the issues addressed in these draft guidelines.