Agenda Item No: 1.j

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 16, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:
RESOLUTION ADOPTING FISCAL YEAR 2026-27 PROJECT LIST FOR COMPLIANCE WITH SB 1, THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

Financial Impact:
Projected Annual Revenue: $1,514,655 (State Gas Tax – RMRA Fund No. 217)

Summary:
The State Legislature approved Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017 (the "Act") in the Fiscal Year (FY) 2016-17 Legislative session. The Act provided local governments in California with a new annual revenue stream to fund road maintenance, repairs, and other related transportation projects. It is estimated that the City will receive a total of $1,514,655 in the Road Maintenance and Rehabilitation Account (RMRA) funds under this program in FY 2026-27, which will be used to repair and maintain Placentia's streets. Cities and counties receiving these funds must submit a list of proposed projects along with an adopted resolution to the California Transportation Commission (CTC) by July 1 of each year. Staff is recommending that the City Council adopt the proposed project list in conformance with the Act to continue receiving RMRA funding.

Recommended Action:
It is recommended that the City Council:

1. Approve Resolution No. R-2026-41, a Resolution of the City Council of the City of Placentia, California, adopting a List of Projects for Fiscal Year 2026-27 funded by SB 1, The Road Repair and Accountability Act of 2017; and
2. Authorize Staff to submit the project list and all necessary documentation to the California Transportation Commission to satisfy SB 1 funding requirements; and
3. Authorize the City Administrator and/or her designee to execute all necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:
This item aligns with Strategic Goal No. 3: Infrastructure, Facilities, and Public Spaces. This action will specify proposed projects that will use SB 1 funds to improve arterial and residential streets. Declaring projects that use SB 1 monies helps to provide funding to enhance the City's street infrastructure.

Discussion:

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1), also known as the Road Repair and Accountability Act of 2017. This legislation aimed to address essential road maintenance, rehabilitation, and safety needs for both state highways and local streets. SB 1 achieved this by increasing per-gallon fuel excise taxes, raising diesel fuel sales taxes and vehicle registration fees, and allowing for inflationary adjustments to tax rates in the future.

Since November 1, 2017, the State Controller began depositing this additional funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). Each month a percentage of the RMRA funds are apportioned by formula to the City pursuant to Streets and Highways Code Section 2032(h). As codified in the Streets and Highways Code (SHC), RMRA local streets and roads allocations must be used for projects that include, but are not limited to:

- Road maintenance and rehabilitation
- Bridge replacement and rehabilitation
- Safety projects
- Railroad grade separations
- Traffic control devices
- Completion of street 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.

This will be the tenth (10th) year in which the City is receiving SB 1 funding, which is a critical source of funding needed to help the City address its backlog in road maintenance and rehabilitation. Based on the released May 2026 estimates, the City is estimated to receive a total of $1,514,655 in RMRA funds in FY 2026-27.

As part of SB 1's various accountability and transparency measures and the CTC's 2021 Reporting Guidelines for Local Streets and Roads Funding Program, the City is required to adopt a resolution (Attachment 1) establishing the list of projects and submit that list annually to the CTC by July 1 and subsequently provide year-end updates on the progress and expenditures of previously proposed projects by December 1 of each year. In line with these guidelines, Staff has identified eligible projects for RMRA funding in the proposed FY 2026-27 Capital Improvement Program Budget. The following list of proposed projects will be funded in part or solely with SB 1 funding in FY 2026-27:

Project Name	Description	Proposed SB 1 Funding Amount
FY 26-27 Arterial Roadway Rehabilitation Project	Area of work includes E Palm Drive from Yorba Linda Blvd to Rose Drive. Scope of work includes grinding and overlaying the existing pavement section, localized full depth reconstruction, adjusting utilities to grade, striping, removing and replacing damaged sidewalk, curbs and gutters.	$1,001,664

FY 26-27 Residential Roadway Rehabilitation Project	Scope of work includes the placement of crack seal and slurry seal, grinding and overlaying the existing pavement section, full depth reconstruction, adjusting utilities to grade, striping, removing and replacing damaged sidewalk, curb, and gutter. The project is located in the northwest portion of the City (South of Bastanchury Rd and West of Kraemer Blvd), and includes residential streets such as Cambridge Ave, Nenno Ave, Lewis Pl, Armstrong Dr, Livingston Ave, Laurelwood Ave, and Kingston Rd.	$512,991

Staff is recommending that the City Council adopt the attached resolution (Attachment 1) and authorize Staff to submit the project list and necessary documentation to the CTC to remain eligible for funding.

Financial Summary:
Based upon the released May 2026 estimates, the City is estimated to receive a total of $1,514,655 in RMRA funds in FY 2026-27. The revenue received will be allocated to the State Gas Tax – RMRA Fund No. 217. To be eligible to receive RMRA funding, the City must prepare and submit a project list annually to the CTC by July 1. The City must also provide a public record which documents that the proposed projects have been adopted in the operating or capital budget. The recommended actions will enable the City to be eligible to receive RMRA funding in FY 2026-27.

Attachments
Attachment 1 - R-2026-41