



CITY OF ALBANY CITY COUNCIL AGENDA STAFF REPORT

Agenda Date: July 7, 2025
Reviewed by: NA

SUBJECT: Roadway Rehabilitation & Transportation Funding: Road Repair and Accountability Act of 2017: Local Partnership Program (Formulaic & Competitive)

REPORT BY: Devora Zauderer, Program Manager

SUMMARY

The California Road Repair and Accountability Act of 2017 (SB1) authorized the distribution of state funds through the Local Partnership Program (LPP), which allocates funds annually statewide for transportation purposes. The City of Albany has been determined to be eligible to receive incentive and formulaic funding distributions, as well as eligibility for the competitive program.

STAFF RECOMMENDATION

For information only.

BACKGROUND

The [Road Repair and Accountability Act of 2017](#) (Senate Bill 1, Beall) was passed by the California State Legislature and signed into effect by the Governor in 2017, increasing transportation funding significantly throughout the state.

Currently, the City receives state pass-through funding annually via the SB1 Local Street and Road Maintenance and Rehabilitation Program¹. This program dedicates approximately \$1.5 billion per year in new formula revenues apportioned by the State Controller to cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. These funds are paid to the City out of the State Road Maintenance and Repair Account (RMRA) and are assigned annually in July to a street rehabilitation project within the Annual Street Rehabilitation Program (CIP No. 21000).

SB1 also established the Local Partnership Program (LPP), in which the City had not previously been enrolled. This program provides local and regional agencies that have passed transportation-specific sales tax measures, developer fees, or other imposed transportation fees

¹ a.k.a. the Local Streets and Roads Program, revenues which are referenced internally as "SB1/RMRA" funds and collected in Fund 2009.

with allocations of funds from a continuous total appropriation of \$200 million annually to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects. In addition to a [Formulaic Program](#), which distributes funds to jurisdictions based on various structured pass-through criteria, the program also includes a [Competitive Program](#) for more traditional grant-based allocation.

City staff have been in discussion with California Transportation Commission (CTC) staff since August 2024 to review and confirm Albany's eligibility. Albany's current local transportation funding includes the 2006 Measure F Street & Storm Drain Parcel Tax (Measure F), as well as the Measure P1/C Sidewalk and Pathway Repair Parcel Tax (Sidewalk Tax) renewed and expanded in November 2024.

DISCUSSION & FISCAL CONSIDERATIONS

Staff submitted both Measure F and Sidewalk parcel taxes as evidence of Albany's eligibility for the Local Partnership Program. CTC staff confirmed Albany's eligibility in the following categories:

1) Formulaic

A) Incentive

The CTC provides one-time incentive funds to agencies adopting new or renewing funding mechanisms for transportation purposes. CTC staff recommended to the CTC to award one-time incentive funds in the amount of \$396,000 to Albany. This recommendation was included in materials for their June 26-27 meeting and is awaiting confirmation from the CTC. These funds are allocated in response to the renewal of Albany's Sidewalk Tax in November 2024.

B) Annual

Annual allocations via the Formulaic Program are determined by amount of local transportation-focused revenues levied and received by a jurisdiction annually. The minimum allocation to an eligible and registered jurisdiction is \$200,000 annually. Distribution details are outlined in [section 9](#).

CTC staff confirmed Albany's eligibility based on both Measure F and the Sidewalk Tax as per the letter attached to this report as Attachment X, but funding recommendations will not be made to the CTC until August 2025. City staff will bring back a consent calendar item to the Council once the allocation is determined and adopted by the CTC.

All Formulaic funds are distributed to jurisdictions on a reimbursement basis, much like grant funds. Projects must be registered ahead, as is done for SB1/RMRA funds, and require local match funding of 25%-100% depending on the project.

2) Competitive

The LPP Competitive Program has the same eligibility requirements as the Formulaic Program, but operates more as a traditional grant program. New Cycles will be programmed every two years and Albany is invited to submit a project as appropriate. The next cycle is expected for Fall 2026.

SUSTAINABILITY & SOCIAL EQUITY CONSIDERATIONS

This project supports the following Climate Action & Adaptation Plan goal:

Area 1. Advance active, shared, and electric transportation

Goal 1: Decrease passenger vehicle miles traveled (VMT) through use of alternative modes.

Approach: Encourage active transportation through infrastructure and parking management.

This funding will support the City's various efforts to upgrade curb ramps, increase pavement quality, and advance active transportation goals.

CITY COUNCIL STRATEGIC PLAN INITIATIVES

Procuring this funding for Albany supports the following City Council Strategic Plan Goals:

GOAL 5: Increase Revenue & Economic Development to Sustain City Services

Albany can expect a one-time allocation of \$396,000 plus at least \$200,000 per year in formulaic funds, in addition to eligibility for biennial grant programs, to support roadway rehabilitation and improvements. As the landscape for revenue generation based on gas taxes changes, among other reasons due to the increased adoption of electric vehicles, City funding which currently supports the Annual Street Rehabilitation Program (CIP No. 21000) and other roadway and transportation improvement projects will similarly need to adapt. Additionally, increased material costs in these areas due to changes to tariffs and inflation will result in higher project costs, which will similarly need to be addressed. These funds enable the City to proactively plan for these changing conditions without impact to the General Fund.

GOAL 3: Promote Streets that Support Safety, Transportation & Mobility Options

Albany's adoption of two local taxes, one for sidewalk and pathway repair and rehabilitation, and one for street & storm drain rehabilitation, are key in supporting the City's efforts for necessary stewardship of core assets. The Annual Street Rehabilitation Program (CIP No. 21000), the Annual Sidewalk Rehabilitation Program (CIP No. 22000), and the Annual Storm Drain Rehabilitation Program (CIP No. 35000) are made possible through these two funding sources. The new LPP funds will enable resilience in the Street Program, which has the most diversity and potential vulnerability of funding sources and enable forward progress on other capital renewal and transportation enhancement priorities as funding permits.

FINANCIAL CONSIDERATIONS

The one-time allocation of incentive funding totals \$396,000. Staff is working in concert with CTC staff to set up process for nomination of projects and acceptance of funds and will provide updates to the Council as appropriate.

Ongoing annual allocations are still in development and will be determined later in the summer. A minimum of \$200,000 per year will be distributed, to be determined based on the revenues Albany generates from Measure F and the Sidewalk Parcel Tax. Distributions will be subject to the same process as above. It is likely that renewal and rehabilitation projects will be the most appropriate use for both incentive and formulaic funds.

Competitive grant allocations may allow the City to move projects forward for more discretionary transportation uses. Staff will monitor grant cycles and recommend projects for consideration as appropriate.

Program eligibility will remain active as long as Albany collects eligible revenue locally. The Sidewalk Tax is currently adopted for 10 years, and Measure F does not expire.

NEXT STEPS

Staff will continue to develop processes to accept incentive/formulaic funding, register projects with the CTC, and establish all necessary financial infrastructure for the new funds.

Project nominations and appropriations of funds will be brought to the Council as consent items at the appropriate milestones.

Staff will continue to monitor competitive funding cycles and will recommend projects for grant applications as appropriate, in alignment with the CIP (Capital Improvement Project) Plan.

Attachment

1. California Transportation Commission – Letter of Eligibility Confirmation

City of Albany Eligibility for the Local Partnership Program

From Ward, Leishara@CATC [REDACTED]

Date Wed 6/11/2025 10:58 PM

To Devora Zauderer [REDACTED]

Cc Giese, Kayla@CATC [REDACTED]; Yosgott, Matthew J@CATC [REDACTED]

Warning: This email originated from outside the City of Albany. Think before you click!

Hello Devora,

Congratulations and welcome to the Local Partnership Program!

We commend the City of Albany on the success of a *renewed* voter-approved property tax initiative and want to express our gratitude to you for providing the documents required to verify the City's eligibility for the Local Partnership Program (LPP).

As you may know, the LPP has two types of programs: the Formulaic and the Competitive.

To be eligible for the Formulaic Program, an agency must be a local or regional transportation agency that has sought and received voter approval of taxes, tolls, or fees and those taxes, tolls, or fees are dedicated solely to transportation improvements. To be eligible that agency must also administer those taxes, tolls, or fees.

- New or renewed voter-approved tax measures, tolls, or fees also qualify to receive one-time incentive funding if those tax measures, tolls, or fees meet the following criteria:
 - Have a minimum period of ten years, and
 - Are dedicated solely to transportation, and
 - For sales taxes, are equal to or greater than one quarter cent.

To be eligible for the Competitive Program, an agency must be a local or regional transportation agency that:

- has sought and received voter approval of taxes, tolls, or fees and those taxes, tolls, or fees are dedicated solely to transportation improvements and that agency administers those taxes, tolls, or fees; or
- imposes fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which fees are dedicated solely to transportation improvements.

EVALUATION

During our review of the documents submitted by the City of Albany, we evaluated the City's eligibility for both the Formulaic and Competitive Programs. Documents reviewed include the following:

1. A cover letter signed by the City Manager;
2. Albany City Resolution #2024-55 – A sidewalk and pathway repair policy, replacing the prior;
3. Ordinance No 2016-03 – A special parcel tax to fund repairing and upgrading public sidewalks and removing obstructions to improve safety and accessibility;
4. Ordinance No 06-04 – A street paving and storm drain facility improvement parcel tax;

5. Fiscal Year 2022-23 Annual Comprehensive Financial Report;
6. Full Text of Measure C / Ordinance 2024-02 – A special parcel tax to fund repairing and upgrading public sidewalks and pathways and removing obstructions to improve safety and accessibility;
7. Ballot Measure for General Municipal Election 2024 – Measure “C” – Safe and Accessible Sidewalks & Pathways Special Parcel Tax
8. Resolution No 2024-46 – Adjusting the FY 2024-25 rates to be applied to City of Albany special taxes and fees collected on the annual property tax bill;

Based on this review, we find that the new voter approved sales tax is dedicated solely to transportation improvements and the City of Albany is therefore **qualified for both the Local Partnership Formulaic and Competitive Programs**.

AWARD

FORMULAIC: Per Section III of the 2024 Local Partnership Formulaic Program Guidelines, the City of Albany will be eligible to receive formulaic funding on the first day following the measure effective date. The documents received note the measure effective date as of July 1, 2025.

Per Section III of the 2024 Local Partnership Formulaic Program Guidelines, the City of Albany also qualifies for one-time incentive funds based on the renewal of Measure C – the Safe and Accessible Sidewalks & Pathways Special Parcel Tax.

The City’s financial award will be available as follows:

- **\$396,000 2025 One-time Incentive Funding** – Please submit a project nomination per the 2024 LPP Formulaic Program Guidelines <https://catc.ca.gov/-/media/ctc-media/documents/programs/local-partnership-program/2024-lpp-formulaic-guidelines-final-revised-082924.pdf> 2024 Formulaic Program programming requests can be submitted as early as November 15, 2024 and no later than April 28, 2028.
- **2024 LPP Formulaic Distribution** – The annual formulaic distribution amount is variable and depends on the number of other eligible agencies participating in the program. The City’s 2024 Formulaic Program distribution will be determined with the August 2025 program fund update and will consider revenue generated by both the sidewalk parcel tax and the street paving and storm drain facility parcel tax. Please plan to review the meeting agenda documents early and contact program staff if you have any questions. If the Commission approves the program fund update, the City will be eligible to submit a project nomination according to the process outlined above for the full dollar amount identified in the formulaic program fund distribution update.

COMPETITIVE: Per Section II of the 2024 Local Partnership Competitive Program Guidelines, the City of Albany is also eligible for the LPP Competitive Program. We expect to begin the next cycle of program guidelines review in the fall of 2025 with guidelines adoption in the summer of 2026, followed immediately with a call for projects. Applicant project nominations must be prepared according to the 2026 LPP Competitive Program Guidelines and are expected to be due in the fall of 2026. Please visit our program website regularly for posted updates. <https://catc.ca.gov/programs/sb1/local-partnership-program>

This email serves as confirmation of the city’s eligibility. The City of Albany must notify the California Transportation Commission, Local Partnership Program Manager if there are future amendments made to **City Ordinance No. 2024-02, City Ordinance No. 06-04 or any of the associated Resolutions.**

Thank you for your patience with this process and for providing the required documents when requested. We look forward to working with you in the next funding cycle!



Leishara Ward (She/her/hers)
Associate Deputy Director
Local Partnership Program
California Transportation Commission

