



## STAFF REPORT

**DATE:** JUNE 9, 2026

**TO:** MAYOR AND CITY COUNCIL

**FROM:** JEANNIE NAUGHTON, DIRECTOR OF COMMUNITY DEVELOPMENT AND PUBLIC WORKS

**SUBJECT:** RESOLUTION NO. 2624 – ADOPTING A PROJECT FOR FISCAL YEAR 2026/27 TO BE FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

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### OVERVIEW

For City Council consideration and approval is a resolution adopting the Fiscal Year 2026-27 adopting The Intersection Capacity Improvements at Palos Verdes Drive North and Dapplegray School Entrance project, Phase I (“Project”), to be partially funded by the Road and Maintenance and Rehabilitation Account (RMRA), created by Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017.

### BACKGROUND AND ANALYSIS

On April 28, 2017, the Governor signed Senate Bill 1, the Road Repair and Accountability Act of 2017, which created the Road Maintenance and Rehabilitation Account (RMRA), to address basic road maintenance, rehabilitation and critical safety needs on highways and local streets, which is funded through a per gallon fuel tax and vehicle registration fees.

The City is projected to receive \$230,622 in RMRA funds for FY 2026-27. All projects eligible for use of Highway User Tax Account (HUTA or gas tax) funds are eligible for use of RMRA / SB 1 funds.

Prior to receiving an apportionment of RMRA funds from the State Controller, cities must submit to the California Transportation Commission (CTC) a list of projects proposed to be funded with these funds by July 1, 2026, for Fiscal Year 2026-27. Fiscal Year 2025-26 appropriations were approved last May by City Council Resolution No. 2597 and approved by the CTC last summer.

The list of projects must include a description and the location of each proposed project (or on-going, already approved projects), a proposed schedule for the project’s completion, and the estimated useful life of the improvement. The project list does not limit the flexibility of an eligible city to fund projects in accordance with local needs and

priorities so long as the projects are consistent with RMRA priorities. However, if during the year new priorities arise and the City uses the RMRA funding on different projects not on the list, it is acceptable if the projects meet the stated criteria for use of the RMRA funding.

The current fiscal year (2026-27) RMRA funds will partially fund Phase I of the Project. To minimize impacts on local school operations, construction in the roadway is restricted to summer windows when school is out of session. Consequently, the Project will be executed in two phases spanning three Fiscal Years:

Phase 1 (FY25/26 & FY 26/27): Work begins June 8, 2026, and concludes August 25, 2026.

Phase 2 (FY 26/27 & FY 27/28): Work resumes June 14, 2027, with final completion scheduled for August 13, 2027.

On May 12, 2026, the City Council awarded a Public Works Contract for the Project to Sequel Contractors, Inc. in the amount of \$6,341,282.50, plus a 10% contingency (\$634,128.25) for a grand total of \$6,975,410.75.

The Project is intended to reduce congestion during peak school and commuter hours while maintaining safe access for vehicles, pedestrians, bicyclists, and school-related traffic. Improvements include roadway widening, pavement rehabilitation, new and modified curb and gutter, retaining walls, drainage features, ADA-compliant pedestrian facilities, traffic signal modifications, signing and striping, and associated utility adjustments.

In addition to RMRA funds, staff identified additional restricted funding sources, coupled with the Measure M Subregional Funds and Traffic Mitigation Funds already allocated, to fully fund the project. The following funding sources have been identified in the FY 2025-26 budget, proposed FY 2026-27 budget and will be included in the proposed FY 2027-28 budget, to carry out this project:

<b><u>FUNDING SOURCES</u></b>	<b><u>AMOUNT</u></b>
Measure M Subregional Funds	\$4,167,940
Traffic Mitigation Fees	\$712,579
Restricted Funds (inclusive of FYs 2025-26, 2026-27 & 2027-28: Prop C, Measure M, SB1 RMRA, HUTA, Measure M Local Return	\$2,249,437
City of Rolling Hills Uncommitted Assigned Prop C Funds	\$110,879
<b>TOTAL:</b>	<b>\$7,240,835</b>

## **Project Description for SB 1 Funding (Resolution No. 2624)**

The Fiscal Year 2026-27 RMRA funds are proposed to partially fund construction of the following project:

Project Title: Intersection Capacity Improvements at Palos Verdes Drive North and Dapplegray School Entrance, Phase I.

Project Description: The City of Rolling Hills Estates seeks to improve traffic operations and safety at the intersection of Palos Verdes Drive North and the Dapplegray School entrance through targeted roadway, signal, and streetscape improvements. The project is intended to increase intersection capacity and reduce congestion during peak school and commuter hours while maintaining safe access for vehicles, pedestrians, bicyclists, equestrians, and school-related traffic. Improvements include roadway widening, pavement rehabilitation, new and modified curb and gutter, retaining walls, drainage features, ADA-compliant pedestrian facilities, traffic signal modifications, signing and striping, and associated utility adjustments. The work is located within an active roadway corridor adjacent to a school, requiring careful coordination, traffic control, and sequencing to minimize impacts to the public and the surrounding neighborhood.

Project Location: Palos Verdes Drive North/Dapplegray School Entrance (London Lane) Intersection, Rolling Hills Estates, CA 90274

Estimated Project Schedule (Phase I): Start (06/26)– Completion (08/26)

Estimated Project Useful Life: 20-25 years

### **FISCAL IMPACT**

Once approved, the RMRA funds in the amount of \$230,622 will be allocated toward Phase 1 construction costs for the Project.

### **PUBLIC OUTREACH**

The agenda and staff report for this item were posted and noticed as required; no further outreach was conducted.

### **RECOMMENDATION**

Staff recommends that the City Council adopt Resolution No. 2624, adopting a project for Fiscal Year 2026-27 to be partially funded by SB 1, the Road Repair and Accountability Act of 2017.

### **Attachments:**

A. *Resolution No. 2624*

**CITY OF ROLLING HILLS ESTATES**

**LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION NO. 2624**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTATES  
ADOPTING A PROJECT FOR FISCAL YEAR 2026/27 TO BE FUNDED BY  
SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

**WHEREAS**, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

**WHEREAS**, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which 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; and

**WHEREAS**, the City, will receive an estimated \$230,622 in RMRA funding in Fiscal Year 2026-27 from SB 1, which the City intends to use in its entirety, to complete Phase I of the project as further described below; and

**WHEREAS**, this is the tenth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

**WHEREAS**, the City has undergone a robust public process since 2023, to ensure public input into our community's transportation priorities/the project list, including stakeholder meetings over the course of two years, that included nearby residential neighborhoods, community interest groups, Palos Verdes Peninsula Unified School District, and the Los Angeles County Sheriff and Fire Departments, and three City Council meetings to solicit feedback from the community; and

**WHEREAS**, the City began exploring this project, based on a 2007 Technical Memorandum, which identified measures to mitigate traffic impacts on Palos Verdes Drive North, resulting from projected residential growth in the City's commercial district. Palos Verdes Drive North serves as the primary roadway that provides access to the Palos Verdes Peninsula,

for the cities of Rolling Hills Estates, Rolling Hills, Rancho Palos Verdes, and Palos Verdes Estates. Subsequent Technical Reports were utilized to develop the SB 1 project list, to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

**WHEREAS**, the funding from SB 1 will help the City to improve traffic operations and multi-modal safety at the intersection of Palos Verdes Drive North and the Dapplegray School entrance (London Lane) through targeted roadway, signal, and streetscape improvements. The project is intended to increase intersection capacity and reduce congestion during peak school and commuter hours while maintaining safe access for vehicles, pedestrians, bicyclists, equestrians, and school-related traffic. Improvements include roadway widening, pavement rehabilitation, new and modified curb and gutter, drainage features, ADA-compliant pedestrian facilities, traffic signal modifications, signing and striping, bus shelter improvements, and associated utility adjustments; and

**WHEREAS**, the revenue will help us complete the Phase I of the project, which will improve operational capacity and multi-modal safety on a regionally important roadway that provides primary access to four cities on the Palos Verdes Peninsula; and

**WHEREAS**, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits, including regional multi-modal operational and safety improvements.

**NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND** by the City Council of the City of Rolling Hills Estates, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The following project, Phase I, will be funded in-part with Fiscal Year 2026-27 Road Maintenance and Rehabilitation Account revenues:

**Project Title: Intersection Capacity Improvements at Palos Verdes Drive North and Dapplegray School Entrance.**

**Project Description: The City of Rolling Hills Estates seeks to improve traffic operations and safety at the intersection of Palos Verdes Drive North and the Dapplegray School entrance through targeted roadway, signal, and streetscape improvements. The project is intended to increase intersection capacity and reduce congestion during peak school and commuter hours while maintaining safe access for vehicles, pedestrians, bicyclists, equestrians, and school-related traffic. Improvements include roadway widening, pavement rehabilitation, new and modified curb and gutter, retaining walls, drainage features, ADA-compliant pedestrian facilities, traffic signal modifications, signing and striping, and**

**associated utility adjustments. The work is located within an active roadway corridor adjacent to a school, requiring careful coordination, traffic control, and sequencing to minimize impacts to the public and the surrounding neighborhood.**

**Project Location: Palos Verdes Drive North/Dapplegray School Entrance (London Lane) Intersection, Rolling Hills Estates, CA 90274**

**Estimated Project Schedule: Phase I: Start (06/26)– Completion (08/26)**

**Estimated Project Useful Life: 20-25 years**

**PASSED AND ADOPTED** by the City Council of the City of Rolling Hills Estates, State of California, this 9<sup>th</sup> day of June, 2026.

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FRANK V. ZERUNYAN, MAYOR

ATTEST:

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LAUREN PETTIT, CITY CLERK

I HEREBY CERTIFY that the foregoing Resolution No. 2624 was duly and regularly adopted by the City Council of the City of Rolling Hills Estates at a regular meeting held thereof on the 9<sup>th</sup> day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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LAUREN PETTIT, CITY CLERK