



**CONSENT CALENDAR**

**Agenda Item # 6**

**AGENDA REPORT SUMMARY**

**Meeting Date:** July 11, 2017

**Subject:** Resolution No. 2017-31: Cycle 2 One Bay Area Grant – Fremont Avenue Asphalt Concrete Overlay

**Prepared by:** Kathy Small, Assistant Civil Engineer

**Reviewed by:** Susanna Chan, Public Works Director

**Approved by:** Chris Jordan, City Manager

**Attachment:**

1. Resolution 2017-31

**Initiated by:**

Staff, Cycle 2 of One Bay Area Grant (OBAG) Guaranteed to City of Los Altos

**Previous Council Consideration:**

None

**Fiscal Impact:**

The City Council will need to approve for a new CIP project with a total budget of \$455,000; \$119,000 for local match and \$336,000 OBAG2 funds awarded to the City of Los Altos.

**Environmental Review:**

Categorically Exempt pursuant to CEQA Section 15301 (c)

**Policy Question(s) for Council Consideration:**

- Does the Council wish to adopt a resolution to demonstrate compliance with the Surplus Land Act (as amended by Assembly Bill 2135) to satisfy requirements of the Metropolitan Transportation Commission (MTC) for its One Bay Area Grant (OBAG) program?
- Does the Council wish to appropriate \$119,000 for the required City of Los Altos matching funds?

**Summary:**

- City of Los Altos is to adopt a resolution to demonstrate compliance with the Surplus Land Act (as amended by Assembly Bill 2135) to satisfy requirements of the Metropolitan Transportation Commission (MTC) for its One Bay Area Grant (OBAG) program
- City Council to approve \$119,000 from the CIP funds as a local match for the approved OBAG funds of \$336,000
- City Council to approve a new CIP project, Fremont Avenue Asphalt Overlay, for a total budget of \$455,000



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**Staff Recommendation:**

Adopt Resolution No. 2017-31 to demonstrate compliance with the Surplus Land Act as amended by Assembly Bill 2135 per MTC requirement for the \$336,000 OBAG funds and allocate \$119,000 for a new CIP project total budget of \$455,000 to resurface Fremont Avenue, between Grant Road and City Limit to City of Sunnyvale.



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### **Purpose**

Adopt a resolution affirming compliance with the Surplus Land Act as amended by AB 2135, effective January 1, 2015 to received OBAG2 funds for a new pavement project on Fremont Avenue and allocate \$119,000 from City funds as local match for the \$336,000 OBAG2 grant.

### **Background**

MTC's OBAG Program provides federal funding to support its commitments to regional transportation priorities while advancing the Bay Area's land use and housing goals. On November 18, 2015, MTC adopted Resolution No. 4202, the Project Selection Criteria and Programming Policy for the second round of the OBAG program, known as OBAG2. This funding is projected to total roughly \$916 million to fund projects from 2017-2018 through 2021-2022. The program framework was revised on July 27, 2016, on October 26, 2016, and on December 21, 2016 to distribute additional funding and to incorporate housing-related policies to the program.

On July 27, 2016, MTC adopted several revisions to the OBAG2 funding and policy framework set forth in Resolution 4202. The revisions include new eligibility requirements for OBAG2 funding related to affordable housing, including a requirement that cities and counties adopt a resolution affirming compliance with the Surplus Land Act as amended by AB 2135, effective January 1, 2015.

The Surplus Lands Act was enacted in 1968 and contains procedures for disposition by sale or lease of surplus properties by local agencies. Surplus land is land owned by a local agency that is determined to be no longer necessary for the agency's use, except land being held by the agency for the purpose of exchange or which is exempt under the Act, such as land less than 5,000 square feet, less than the minimum legal residential lot size, or land that has no record access and is less than 10,000 square feet. Prior to AB 2135, the Act required that the City provide notice to and negotiate in good faith to sell or lease surplus property to entities that undertake affordable housing, parks, or school development. If the price or terms of a lease or sale could not be agreed upon within sixty (60) days, the City could sell the surplus land for fair market value to any interested party. AB 2135 added provisions to the Act to prioritize affordable housing development on surplus lands: It extended the good faith negotiation period to ninety (90) days; deepened affordability requirements where an affordable housing project is developed on the site; and added a requirement that if negotiations with one of the specified entities are unsuccessful then any residential development on the surplus land over 10 units must make at least 15% of the units affordable.

### **Discussion/Analysis**

The Valley Transportation Authority (VTA) is the Congestion Management Agency that administers the OBAG2 funds in Santa Clara County. OBAG2 is allocated into two parts. One of which is focused on projects related to a Priority Development Areas (PDA), which is a competitive program within the County. Another is a guaranteed program based on formula distribution.



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The City is scheduled to receive \$336,000 OBAG2 grant funding through the Guarantee Program for FY 2018/19, which requires the City to provide \$119,000 in matching funds. These funds are proposed to be used for resurfacing work on Fremont Avenue, between Grant Road and City Limit to Sunnyvale, which will be a new CIP project. In order to receive OBAG2 funding, the City must first comply with MTC's eligibility requirements. This requires submittal of a Council resolution affirming the City's compliance with the Surplus Land Act. The resolution is due to VTA no later than July 31, 2017.

### Options

- 1) Adopt the resolution to demonstrate compliance with the Surplus Land Act as amended by Assembly Bill 2135 per MTC requirement for the \$336,000 OBAG funds and allocate \$119,000 for a new CIP project total budget of \$455,000 to resurface Fremont Avenue, between Grant Road and City Limit to City of Sunnyvale

**Advantages:** Additional grant money to fund the resurfacing of the City's collector street, Fremont Avenue between Grant Road and City limit.

**Disadvantages:** None

- 2) Do not adopt the resolution.

**Advantages:** None

**Disadvantages:** City will not receive \$336,000 OBAG2 or any future OBAG funds and have to use its approved pavement project budgets to complete the resurfacing work on Fremont Avenue

### Recommendation

The staff recommends Option 1

**RESOLUTION NO. 2017-31**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
TO COMPLY WITH ASSEMBLY BILL 2135, SURPLUS LAND ACT**

**WHEREAS**, the City of Los Altos has been approved of \$336,000 of the Metropolitan Transportation Commission's (MTC) One Bay Area Grant (OBAG) for street resurfacing on Fremont Avenue and is in the process of approving \$1,000,000 of the Vehicle Emission Reduction Based at Schools (VERBS), which is a MTC One Bay Area Safe Routes to School program, for the Miramonte Pathway Improvement, between Berry and City limit with City of Mountain View; and

**WHEREAS**, the San Francisco region has the highest housing costs in the United States; and

**WHEREAS**, the Bay Area produced less than 30% of the need for low- and moderate-income housing units from 2007-2014; and

**WHEREAS**, there are limited funding sources available to secure land for the construction of low- and moderate-income housing; and

**WHEREAS**, public lands can play a critical role in increasing the supply of land for affordable housing; and

**WHEREAS**, the Metropolitan Transportation Commission adopted Resolution No. 4202, outlining the programming policy and project selection criteria for the One Bay Area Grant Program (OBAG 2), including certain requirements to access these funds.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Los Altos, State of California, as follows:

1. That the City of Los Altos agrees to comply with the terms of Surplus Land Act – Assembly Bill 2135 (California Government Code § 54220, et seq.), as exists now or may be amended in the future.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 11<sup>th</sup> day of July, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Mary Prochnow, MAYOR

Attest:

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Jon Maginot, CMC, CITY CLERK