

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
ALAN ALTON, CHIEF FINANCIAL OFFICER
SUBJECT: TUBBS FIRE PUBLIC INFRASTRUCTURE RECOVERY UPDATE
AND FUNDING PLAN

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works and the Finance Departments that the Council receive the Tubbs Fire Public Infrastructure Recovery update and by resolution: 1) approve the recommended PG&E Settlement fund projects; 2) appropriate PG&E Settlement funds to the respective project accounts; and 3) delegate authority to the Assistant City Manager to shift funds between the approved projects as needed to cover actual costs.

EXECUTIVE SUMMARY

Staff will provide Council with a status update on the completion of public infrastructure projects helping the city continue its recovery from the devastating 2017 Tubbs Fire. In addition, staff will outline how Community Development Block Grant – Disaster Recovery funds from the United States Department of Housing and Urban Development, Emergency Relief funds from the Federal Highway Administration and PG&E Settlement funds will be used to deliver many of these critical infrastructure projects. Lastly, the Council will be asked to appropriate PG&E Settlement funds to allow project development and construction to proceed.

BACKGROUND

The historic 2017 Tubbs Fire (DR-4344) caused widespread damage to Northern California and the City of Santa Rosa in October of 2017. At the time, it was the most destructive wildfire California had ever experienced. Locally, drought conditions aligned with a significant Diablo wind weather event and the Tubbs Fire spread quickly from the surrounding mountains into the City – burning 36,000 acres, causing many fatalities, and destroying numerous properties.

Immediately following the disaster, City staff began meeting with the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) to evaluate the damage and develop initial damage assessments, organize the damaged assets into Federally authorized project worksheets and begin the process of implementing repairs. At the scale of the Tubbs Fire disaster, this process proved to be very tedious and time consuming. While some projects were completed early in the process under the emergency declaration order, most required several months of detailed evaluation by FEMA and CalOES to determine the final eligible repair costs leading to Federal obligation. Projects were then eligible to be initiated.

The initial damage assessment identified 29 projects with an estimated repair cost of roughly \$111 million. As the projects progressed, the scope of work for several were adjusted to comply with the Federal Stafford Act regulations resulting in a final damage assessment estimate of \$71,150,000.

During the course of project development, FEMA determined that the following projects or project components were ineligible for funding through the Public Assistance (PA) program:

- Project 36358 (Category C) – Public Sidewalk Fire Damage
- Project 36366 (Category E) – Fire Station No. 5 Permanent Relocation
- Project 36380 (Category G) – Park Vegetation Restoration
- Project 40270 (Category A) – Pavement Damaged by the Debris Removal Mission – Off-System Roads (Residential Streets)
- Project 40437 (Category B) – Donated Resources
- Project 43559 (Category A) – Sidewalk Damage by the Debris Removal Mission

In addition, by statute, FEMA does not allow the use of PA funds to repair damage to On-System Roads, which are identified as arterial and collector streets such as Fountaingrove Parkway and Hopper Avenue. Instead, the Federal Highway Administration provides financial support through their Emergency Relief program for these facilities through a separate process.

Following many appeals for the FEMA denied projects, staff has developed a financial proposal to address some of the most critical, visible and financially challenging projects.

Between 2018 and 2021, City staff met with Congressman Thompson, Congressman Huffman, Senator Feinstein, Senator Padilla, and Speaker Pelosi’s offices in addition to the FEMA, FHWA and USDOT headquarters to discuss the critical projects that were denied financial support by FEMA. In response to our requests, Congressman Thompson led an effort to increase funding through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program to assist communities that were impacted by the 2017 wildfires with their infrastructure recovery. This action ultimately resulted in an award of approximately \$34 million to the City of Santa Rosa to fill many of the financial gaps in the public infrastructure recovery process with a particular focus on financing the relocation of Fire station No. 5.

On February 23, 2021, staff provided council with a comprehensive update of Tubbs Fire Recovery projects. During that briefing, staff noted that of the 29 projects, all were currently in process with anticipated completion dates in FY 2021-22 except for the Fire Station No. 5 project, which is estimated to be completed in FY 2024-25. Staff indicated that some projects, such as the pavement and landscape repair projects, required additional funds before work could progress and that staff would not only be working to incorporate those into the CDBG-DR program funds that had just been awarded to Santa Rosa, but also requesting PG&E Settlement funds.

In July 2021, City Council provided unanimous support to dedicate \$20 million of the PG&E Settlement funds to be used toward the restoration of three key projects:

Allocated Amount:	PG&E Settlement
\$20,000,000	
Projects:	
• Park & Landscape Vegetation Restoration	\$7,000,000
• Residential Street Pavement Repair	\$7,000,000
• Hopper Avenue Sidewalk, Landscape and Pavement Restoration	\$6,000,000

While the City is not proposing to generally repair fire or debris mission sidewalk damage, the Hopper Avenue corridor has been a point of contention between the city, fronting property owners, and the Coffey Strong community group. With the frontage being separated from the private property by the community reconstructed soundwall, it seems appropriate that the City would take on repair and ongoing maintenance of the sidewalk and landscape areas of the frontage. In that regard, staff added the Hopper Avenue project to the list supported by the Council.

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In 2018, the US Department of Housing and Urban Development (HUD) issued another financial resource in the form of a Community Development Block Grant – Disaster Recovery (CDBG-DR) with specific emphasis on community infrastructure (CDBG-INF) and mitigation (CDBG-MIT) efforts. HUD has delegated management of the CDBG-DR program through the California State Department of Housing and Community Development (HCD). Based on the initial program description and call for projects associated with the \$34 million allocated specifically for Santa Rosa, the City hoped to use the funds as follows:

Allocated Amount:	CDBG-INF	CDBG-MIT
	\$13,835,903	\$20,152,130
Projects:		
• Fire Station No. 5	\$11,245,741	\$8,954,259
• PA Local Match Recovery	\$2,587,855	
• Residential Street Pavement Repair		\$6,877,209
• Laguna Treatment Plant Floodwall		\$4,320,662

Additionally, the City has been engaged with the Federal Highway Administration (FHWA) seeking approval of several Damage Assessment Forms (DAFs) associated with pavement damage to On-System Roads caused by the Debris Removal Mission. In November 2021, the city was informed that the projects were approved with an 88.53% Federal share:

Allocated Amount:	FHWA ER
	\$4,558,157
Projects:	
• Fountaingrove Parkway	\$3,571,607
• Bicentennial Way	\$437,022
• Hopper Avenue	\$619,653

The addition of these three funding sources totaling approximately \$59 million in non-FEMA funding is providing the city with the opportunity to fulfill its public infrastructure recovery. The table shown below is represented in more detail in Attachment B outlining the current status of all 29 projects. The yellow highlighted boxes show changes from the February 2021 update.

Cat	FEMA Project #	EMMIE PW #	CIP Project #	Project Name	Status	% Complete	Ant. Completion Date
A	38594	323		Vegetative debris within Fountaingrove and Coffey Park neighborhoods	Complete	100%	
A	64204	353		Hazard Tree Removal	Construction	70%	Fall 2022
B	38591	324		Citywide Emergency Protective Procedures First 30 days	Complete	100%	
B	38592	328		Emergency Protective Procedures-Citywide-Remaining Period 31 Days Plus	Complete	100%	
B	38593	259		TPW Emergency Protective Measures. First 30 days	Complete	100%	
B	38852	280		Water Dept. Emerg. Protc. Measures First 30 days	Complete	100%	
B	40509	315		Water Dept. Emerg. Protc. Measures First 31 days	Complete	100%	
B	40510	275		TPW 31 Plus Emerg. Protective Measures	Complete	100%	
B	102107	352		City of Santa Rosa Sewer Lateral Plugging	Complete	100%	
C	36351	124	2226, 2233	Roads, signs, poles, & melted conduit City Wide	Complete	100%	
C	36353	120	2247	Roads & Bridges-Vehicular Bridges	Pending	0%	Withdrawn
C	36383	293	2227	Road & Bridges-Storm Drain, Pipes, Catch Basins, & Drop Inlets	Pending	100%	
C	37170	312	2176, 2178, 2179	City wide work completed storm drains	Complete	100%	
C	37829	221	2245	Roads & Bridges City-wide asphalt & pavement damage from Burnt Debris	Pending	0%	Withdrawn
E	36366	147	2184	Bldg. & Equip. Fire St. 5 Bldg.	Scoping	5%	Withdrawn
E	36370	291	2183	Bldg. & Equip. Former Fire St. 5 Bldg	Complete	100%	
E	36371	119	-	Bldg. & Equip. Vehicle Losses & Sign Damage	Complete	100%	
E	42404	192	2183	Temp. Relocation of New Fire St. 5	Complete	100%	
F	36373	229	2208	Utilities-Portable Water Pumps & Reservoirs	Construction	95%	Spring 2022
F	36375	228	2208	Utilities-Sewer Lift Stations	Construction	95%	Spring 2022
F	36378	325	2222, 2213	Contaminated Water Supply System	Complete	100%	
F	37303	170	2208	Sewer Lift Station 1	Construction	95%	Spring 2022
F	38687	258	2240	Water Dept. Metering-City Wide-Water meter replacement	Complete	100%	
F	38691	187	2201	Sewer Lift Station - 2	Construction	95%	Spring 2022
F	38692	226	2201	Sewer Lift Station 20	Construction	85%	Spring 2022
G	36360	167	2249	Burned Parks Irrigation System	Design	11%	Fall 2022
G	36379	173	2229	Pedestrian Bridge at Francis Nielsen Park, Parker Hill Road	Complete	100%	
G	36380	193	2248	Parks, Fences, Recreation & Other City Wide	Design	72%	Fall 2022
Z	39364	359		City of Santa Rosa PAAP-DAC	Pending		

The new reference showing “Withdrawn” indicates that the city has withdrawn that specific project from the PA funding process with FEMA. The withdrawal resulted from further project evaluation and determination that the project was either:

- no longer necessary
- that seeking reimbursement for the small Federal allocation would be more costly than project value or
- that other funding sources are available to ensure a better project delivery.

PRIOR CITY COUNCIL REVIEW

Staff provided a council briefing on February 23, 2021, describing a status update for Tubbs Fire Recovery projects.

In a study session on July 13, 2021, staff outlined a strategy for utilizing PG&E Settlement funds. Council unanimously recommended allocating \$20 million toward three Tubbs Fire Recovery projects: Hopper Avenue Corridor, Residential Street Repair and Re-Landscaping and Vegetation Restoration.

ANALYSIS

Staff is excited about securing the additional \$59 million through the PG&E Settlement, CDBG-DR and FHWA ER funding sources to complete and restore damaged critical public facilities. As coordination with HCD has proceeded to implement the CDBG-DR programs Santa Rosa, HCD has made modifications and alterations to the program criteria as well as the application and delivery processes. These changes have had a significant impact on the projects originally identified for funding under the initial program guidance. In that regard, over the past three years, staff has been working closely with HCD and our consultant Hagerty Consulting to restructure the city’s projects to ensure that the most critical projects are able to be delivered. HCD continues to refine and adjust the program which is causing additional variability in the amount of local funds required for each project, and some flexibility with the use of PG&E Settlement funds is important.

Issue #1: HCD informed the city that while a single project could benefit and utilize funds from both the CDBG-INF and CDBG-MIT funds, contracts drawing from those funds would need to be tracked separately through individual contracts. This resulted in significant challenges for fully funding the Fire Station No. 5 project.

Resolution #1: Staff concluded that the Fire Station No. 5 project met the program criteria for the CDBG-MIT funds. Being the larger of the two CDBG-DR allocations, staff developed a funding program that maximized financial benefit from that source and utilized up to \$7 million in PG&E Settlement Funds for the balance by swapping the originally designated \$13,835,903 in CDBG-INF funds associated with the Fire Station No. 5 project and PA Local Match Recovery with the Residential Street Pavement Repair project. The \$6,877,209 in CDBG-MIT originally assigned to the Pavement Repair project would shift to the Fire Station No. 5 project resulting in a funding swap that fully funds both projects. The PA Local Match Recovery project was determined ineligible by HCD which made those originally designated funds available for other projects.

Issue #2: We anticipate that the estimate to improve the sidewalk, landscaping and pavement of Hopper Avenue will be less than the PG&E Settlement funds authorized by council. The available funding for the Hopper Avenue project increased with the FHWA ER program provided funding to restore damaged pavement.

Resolution #2: Staff will conduct a community meeting to clearly discuss and understand the Coffey Park neighborhood’s ideas for restoring this primary entry corridor. Once a design concept has been developed and accepted by the community, staff will revise the estimated financial need, utilize the FHWA ER funds first and reassign any remaining balance of PG&E Settlement funds to either the Fire Station No. 5, Residential Street Pavement Repair or other currently unfunded fire related street repair projects within the burn scar that were not already identified for funding.

In that regard, the recommended funding table is as follows:

Ru	CDBG-INF	CDBG-MIT	PG&E Settlement	FHWA ER
Allocated Amount:	\$13,835,903	\$20,152,130	\$20,000,000	\$4,558,157
Projects:				
• Fire Station No. 5		\$16,175,180	\$3,824,820	
• Residential Street Pavement Repair*	\$13,835,903		\$3,175,180	
• Laguna Treatment Plant Floodwall**		\$3,976,950		
• Park & Landscape Vegetation Restoration			\$7,000,000	
• Hopper Avenue Sidewalk, Landscape and Pavement Restoration			\$6,000,000	\$619,653
• Fountaingrove Parkway				\$3,571,607
• Bicentennial Way				\$437,022

* Additional funding from PG&E associated with trench restoration in the amount of \$1,328,385 is also associated with this project bringing the total available funding to \$16,551,404.

** Hazard Mitigation Grant Funding (HMGP) in the amount of \$10,000,000 make-up the remaining funds for this project.

FISCAL IMPACT

Approval of this action will expand the initial direction from council regarding which Tubbs Fire recovery projects are eligible to utilize PG&E Settlement funds and appropriate funds to the specific project keys as follows:

- \$3,824,820 to JL 05018 – Fire Station No. 5
- \$3,175,180 to JL 17607 – Residential Street Pavement Repair
- \$7,000,000 to JL 17656 – Park & Landscape Vegetation Restoration
- \$6,000,000 to JL 17655 – Hopper Avenue Sidewalk, Landscape and Pavement Restoration

The total \$20M for these projects will be appropriated from General Fund fund balance, where the designated PG&E funds currently reside.

Additionally, a total of \$38,546,190 will be appropriated in specific projects noted above. These projects will have no impact on the General Fund as disaster recovery funds will fully cover the costs. Revenue from the corresponding funding sources (\$13,835,902 – CBDG-INF, \$20,152,130 – CBDG-MIT, \$4558,157 FHWA ER) will also be appropriated in the General Fund as federal grant revenue.

This action also delegates authority to the Assistant City Manager to shift funds as needed between the projects. Other JL Keys that would be eligible for funds are as follows:

- JL 17580 – OBAG 2 Pavement Rehab
- JL 17626 – Fire Damaged Roadway Landscaping – Irrigation
- JL 17628 – Fire Damaged Roadway Landscaping – Fountaingrove Revegetation
- JL 17657 – Fire Damaged Roadway Landscaping – Roadway Landscape Revegetation
- JL 17640 – Fire-Damaged Tree Removal Phase 3
- JL 17606 – FHWA Fire-Related Permanent Recovery Project
- JL 17658 – Fire Damaged Pavement Segments – Non-Reimbursable

Projects have been broken into multiple specific JL Keys to ensure proper tracking and compliance with the PA, CDBG-DR and HMGP program requirements. While not the city's normal approach, this will control project charges and streamline the invoicing requesting reimbursement.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Tubbs Fire Project Status – January 2022
- Attachment 2 – Detailed Project Descriptions
- Resolution

CONTACT

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