




**Agenda Item No: 6.b**  
**Meeting Date: August 19, 2024**

<b>SAN RAFAEL CITY COUNCIL AGENDA REPORT</b>	
<b>Department: Public Works</b>	
<b>Prepared by: Jonathan Schellin,</b> <b>Public Works Deputy Director</b> <b>April Miller, Public Works Director</b>	<b>City Manager Approval:</b> _____

**TOPIC:            SIDEWALK REPAIR PROGRAM UPDATE**

**SUBJECT:        APPROVE THE SIDEWALK REPAIR PROGRAM AS A PERMANENT PROGRAM AND AUTHORIZE A \$1,000 INCREASE IN ALLOWABLE REIMBURSEMENT AMOUNT, FOR A NEW TOTAL REIMBURSEMENT UP TO \$2,000 IN FISCAL YEAR 2024-25, WITH AN ALLOWABLE YEARLY INCREASE TIED TO THE CONSUMER PRICE INDEX, UP TO A MAXIMUM OF 3.5% A YEAR.**

**RECOMMENDATION:**

Approve the Sidewalk Repair Program as a permanent program and authorize a \$1,000 increase in allowable reimbursement amount, for a new total reimbursement up to \$2,000 in Fiscal Year 2024-25, with an allowable yearly increase tied to the Consumer Price Index, up to a maximum of 3.5% a year.

**BACKGROUND:**

In Fiscal Year 2016-17 the City conducted considerable community outreach on sidewalk issues, including three public meetings held at various community centers, and through an online survey. The City also received input from the community through the CP Connect Constituent Relationship Management (CRM) system, as well as the City’s “Contact Public Works” [webpage](#).

In 2017 the City adopted [Municipal Code Chapter 11.60](#), which, in accordance with California Streets and Highway Code Section 5610, confirms that the responsibility of sidewalk maintenance lies with the adjacent property owner. In conjunction with the adoption of Municipal Code Chapter 11.60, the City Council called for the development of a pilot program which attempted to share the financial burden associated with sidewalk maintenance between the City and the property owners.

The program initially had an application process through CP Connect (a precursor to SeeClickFix). All repairs were grouped together by neighborhood and a pre-construction inspection was completed by City staff. The program provided repairs for sidewalks that had a tripping hazard of 2 inches or more, and waived permit fees for program participants.

The City used one contractor during this first phase of the program to secure preferred pricing for the work. Under the program, the City paid the contractor directly for the work and then sought

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**Disposition:** \_\_\_\_\_

reimbursement from the property owner once the work was completed. The City would cover 50% of the sidewalk repair cost up to \$1,000 and 100% of curb and gutter repair up to \$4,000. During this work, trees were assessed for their role in the sidewalk damage. The trees were removed if they were Liquid Ambers, a type of tree known for their roots damaging sidewalks, or if it was determined they would not survive a root trimming.

Over the course of phase one 431 properties participated, with an average of more than 100 properties participating in a year. The average reimbursement was \$1,388 and the average cost to the property owner was \$2,297. Because of phase one's structure, where the City paid for the work and then billed the resident, some participants were late in repaying the City, or in some cases have yet to still make payment. The City continues to send invoice reminders to those with outstanding balances.

While phase one was successful in increasing sidewalk repairs in the City, there were clear needs for structural improvements to the program to address issues which included decreasing the burden on staff time, expanding beyond one contractor or area at a time and addressing unpaid invoices by participants.

Phase two began in April 2022 and is still in effect. Its new structure sought to alleviate the burden of staff time, expand beyond one contractor, and eliminate non-payment by participants in the program. In phase two, property owners apply for the program via SeeClickFix and an Encroachment Permit is issued at no charge. The Public Works (DPW) inspector completes a pre-construction inspection and logs the measurements the City designates as reimbursable. The owner is sent a copy of the measurements to give to a contractor of their choice. Once the owner has received a proposal from their contractor, they email it to DPW and an agreement is created. Once all parties have signed the agreement, the Encroachment Permit is approved, and construction can begin. After construction is complete, a final inspection is performed by the City. Once inspected, the property owner can apply for reimbursement from the City. The key difference in this phase is now the property owner is leading the process from coordinating with the contractor to making the payment, and the City has moved to a supporting role with inspections and reimbursing the property owner.

This new proposed process allows owners to select their own contractors, thereby eliminating the capacity and geographic constraints of one contractor and reducing staff time to coordinate every project between owner and contractor. It also put the responsibility to pay the contractor onto the owner, thereby eliminating the City's need to invoice owners, as well as the risk of not being reimbursed. The reimbursement amount of up to \$1,000 for phase two is the same as phase one.

**ANALYSIS:**

The reimbursement rate has not increased since the program's inception in 2017, while the cost of concrete and labor has increased significantly. Subsequently the City has seen a decline in program participation partly due to these increased costs. Therefore, staff recommends increasing the program reimbursable amount by \$1,000, for a new maximum reimbursement of \$2,000 for sidewalk replacement work. This updated reimbursement amount aims to help increase program participation and improve walkability for all pedestrians.

Staff recommends a 3<sup>rd</sup> phase, with a targeted, proactive approach in areas of high traffic and/or increased risk for trip-and-fall incidents. This would yield increased safety for the greatest number of pedestrians in a more cost-effective manner as opposed to phase two's entirely voluntary citywide inspection and noticing effort. As a result of this there would be occasional instances where the City moves forward with repairs to the property and bills the resident afterwards when a property owner does not voluntarily participate in the reimbursable sidewalk repair program. This would be done in conjunction

with either nearby repairs, or in batches to reduce the overall cost and achieve better rates for each property. To support this proactive approach the City will utilize a combination of staff time and contractors to conduct additional inspections in high traffic areas, along with the implementation of the City's asset management system to collect, track, and coordinate sidewalk repair needs throughout the City.

Staff are in the process of exploring a program for property owners who may have a financial hardship. Staff will bring financial hardship program options to the City Council Finance Subcommittee for review in the coming months.

**COMMUNITY OUTREACH:**

In phase one property owners applied for the program via the City's former CRM system and repairs were grouped together by neighborhoods. Currently, the program participants mainly hear of the program via word-of-mouth in the community and through a local contractor, who does many of the projects in the program. Property owners often see the construction company working on a neighboring property and inquire with them about the program and are directed to the City.

In addition, the program is advertised on the City's website, and information on the program is provided via the City's current CRM system (SeeClickFix) portal. Finally, any time the City becomes aware of a segment of sidewalk needing repair, a notice letter is sent to the adjacent property owner(s), which directs them to the appropriate DPW contact and the website.

**FISCAL IMPACT:**

By increasing the available City reimbursement amount by \$1,000 the City would expect costs to increase by almost the full \$1,000 for each participant given the rise in construction and labor costs. This would result in an estimated increase of \$45,000 each year with the current participation rate of roughly 50 participants a year, however the proposed increase could result in more community interest in the program. Staff will closely monitor the budget to ensure all expenses are covered.

The current FY 2024-25 budget appropriated \$350,000 for the Sidewalk Repair Program. The program funds sidewalk shaving, tree root trimming and replacement, and sidewalk, curb and gutter repairs and replacement. This budget is anticipated to cover the increased costs of the recommended additional \$1,000 reimbursement increase. The additional investment in sidewalk repairs is expected to be partially offset by corresponding risk reduction in potential claim payouts by the City. This is supported by the fact that since the implementation of the sidewalk repair program in 2017, the City's payout for trip-and-fall claims has decreased in number of instances and average amount paid out per claim.

On top of the \$1,000 reimbursement increase, staff anticipates the next phases of the program will have a more proactive, targeted approach could increase costs for future fiscal years because of more inspections resulting in added sidewalk segments identified as needing repair. Further analysis will be needed to determine how much the program costs may increase with this proactive approach, and these increased costs would be included in the next fiscal year budget request.

Authorizing a CPI increase with a maximum amount of 3.5% allows the program to stay current with growing costs for property owners, while capping its growth potential for more reliable budget estimates.

If authorized, the overdue grace period payment, could recover up to \$85,433 if 100% of delinquent payments are made, however it's more likely that at least some of those invoices would need to be sent to a collection agency, which would take a percentage of the payment for their administrative fee. The overdue payments sent to collections would be conducted as part of a wider City program that includes how best to collect on all City department's overdue fees or unpaid fines.

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Authorize the Sidewalk Repair Program's transition to a permanent program and approve staff's recommended actions.
2. Direct staff to return with more information.
3. Take no action and continue with the current program procedures.

**RECOMMENDED ACTION:**

Approve the Sidewalk Repair Program as a permanent program and authorize a \$1,000 increase in allowable reimbursement amount, for a new total reimbursement up to \$2,000 in Fiscal Year 2024-25, with an allowable yearly increase tied to the Consumer Price Index, up to a maximum of 3.5% a year.