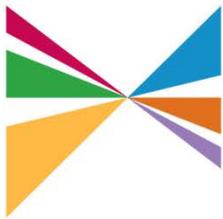


SOUTHERN CALIFORNIA



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## MEETING OF THE

# COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

***Thursday, August 7, 2014  
10:00 a.m. – 12:00 p.m.***

**SCAG Main Office  
818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
Policy Committee Room B  
Los Angeles, CA 90017  
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Lillian Harris-Neal at (213) 236-1858 or via email [harris-neal@scag.ca.gov](mailto:harris-neal@scag.ca.gov)

Agendas & Minutes for the Community, Economic, and Human Development Committee are also available at:  
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SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1858. We require at least 72 hours (three days) notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

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**Community, Economic, and Human Development Committee**  
***Members – August 2014***

**Members**

**Representing**

<b>Chair*</b>	<b>1. Hon. Margaret E. Finlay</b>	<i>Duarte</i>	<b>District 35</b>
<b>Vice Chair*</b>	<b>2. Hon. Bill Jahn</b>	<i>Big Bear Lake</i>	<b>District 11</b>
	3. Hon. Sam Allevato	<i>San Juan Capistrano</i>	OCCOG
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	5. Hon. Carol Chen	<i>Cerritos</i>	GCCOG
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	10. Hon. Ron Garcia	<i>Brea</i>	OCCOG
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	16. Hon. Robert Joe	<i>South Pasadena</i>	Arroyo Verdugo
*	17. Hon. Jim Katapodis	<i>Huntington Beach</i>	District 64
	18. Hon. Paula Lantz	<i>Pomona</i>	SGVCOG
	19. Hon. Joe Lyons	<i>Claremont</i>	SGVCOG
	20. Hon. Charles Martin		Morongo Band of Mission Indians
*	21. Hon. Larry McCallon	<i>Highland</i>	District 7
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	24. Hon. Susan McSweeney	<i>Westlake Village</i>	LVMCOG
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	28. Hon. Steve Nagel	<i>Fountain Valley</i>	OCCOG
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	34. Hon. Sonny R. Santa Ines	<i>Bellflower</i>	GCCOG
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*	36. Hon. Tri Ta	<i>Westminster</i>	OCCOG
	37. Hon. Ray Torres		Torres Martinez Band of Cahuilla Indians
	38. Hon. Frank Zerunyan	<i>Rolling Hills Estates</i>	SBCCOG

\*Regional Council Member

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# COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA AUGUST 7, 2014

*The Community, Economic and Human Development (CEHD) Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.*

## **CALL TO ORDER & PLEDGE OF ALLEGIANCE**

*(Hon. Margaret E. Finlay, Chair)*

**PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments to twenty (20) minutes.

## **REVIEW AND PRIORITIZE AGENDA ITEMS**

## **RHNA AND HOUSING ELEMENT REFORM SUBCOMMITTEE UPDATE**

*(Hon. Bill Jahn, Chair)*

## **INFORMATION ITEMS**

	<u>Time</u>	<u>Page No.</u>
1. <u>Review of SCAG/CalPoly Pomona Planning Studio - Land Use Scenario Approach Measuring Land Use Impacts on Transportation and Environmental Factors</u> <i>(Mr. Michael Woo, Dean of the College of Environmental Design, Dr. Richard Wilson; Professor and Chair of the Department of Urban and Regional Planning; and Dr. Do Kim, Associate Professor and Graduate Coordinator of the Department of Urban and Regional Planning)</i>	Attachment 45 mins.	1
2. <u>Additional Development Approaches in the Post-Redevelopment (RDA) Era</u> <i>(Donald Monti, President &amp; CEO, Brandon Palanker, Vice President of Marketing &amp; Public Affairs, Renaissance Downtowns, and Neil Takemoto, Founder of the CSPM Group)</i>	PowerPoint attachment will be distributed under separate cover 20 mins.	12
3. <u>25th Annual SCAG/USC Demographic Workshop held on June 9, 2014 – Summary Report</u> <i>(Simon Choi, SCAG Staff)</i>	Attachment 20 mins.	14
4. <u>Progress of the Bottom-up Local Input Process for the 2016 Regional Transportation Plan and Sustainable Communities Strategy (2016 RTP/SCS)</u> <i>(Kimberly Clark, SCAG Staff)</i>	Attachment 15 mins.	31

# COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA AUGUST 7, 2014

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## **CONSENT CALENDAR**

**Time**      **Page No.**

### **Approval Item**

5. Minutes of the June 5, 2014 Meeting      **Attachment**      **48**

### **Receive and File**

6. 2014 Regional Council and Policy Committees Meeting Schedule      **Attachment**      **53**
7. SCAG Sustainability Planning Grants Program – Monthly Update      **Attachment**      **54**
8. SCAG Sustainability Planning Grants Program – New Member Project Applications      **Attachment**      **62**
9. Information Regarding Receipt of Transfer Agreements Related to the 5th Cycle Regional Housing Needs Assessment (RHNA)      **Attachment**      **64**
10. Federal Highway Administration Nonmotorized Transportation Pilot Program Final Report      **Attachment**      **71**
11. 2016 South Coast Air Quality Management Plan (AQMP) Update      **Attachment**      **79**
12. State Approved Cap-and-Trade Expenditure Plan      **Attachment**      **90**

## **CHAIR’S REPORT**

*(Hon. Margaret E. Finlay, Chair)*

## **STAFF REPORT**

*(Frank Wen, SCAG Staff)*

## **FUTURE AGENDA ITEM(S)**

## **ADJOURNMENT**

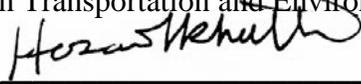
*The next CEHD meeting will be held on Thursday, September 11, 2014 at the SCAG Los Angeles Office.*

**DATE:** August 7, 2014

**TO:** Community, Economic and Human Development (CEHD) Committee

**FROM:** Huasha Liu, Director of Land Use and Environmental Planning; 213-236-1838;  
[liu@scag.ca.gov](mailto:liu@scag.ca.gov)

**SUBJECT:** Review of SCAG/Cal Poly Pomona Planning Studio - Land Use Scenario Approach  
Measuring Land Use Impacts on Transportation and Environmental Factors

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**

*Mr. Michael Woo, Dean of the College of Environmental Design; Dr. Richard Wilson, Professor and Chair of the Department of Urban and Regional Planning; and Dr. Do Kim, Associate Professor and Graduate Coordinator of the Department of Urban and Regional Planning, will provide a review of the SCAG/Cal Poly Pomona Planning Studio Class - Land Use Scenario Approach Measuring Land Use Impacts on Transportation and Environmental Factors.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective b: Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner.

**BACKGROUND:**

Following the Regional Council's direction to expand collaboration with local universities, the Department of Urban and Regional Planning at Cal Poly, Pomona and SCAG, jointly developed and completed a two-quarter (Winter/Spring 2014) Transportation Planning Studio class through SCAG's University Partnership Program. The Planning Studio class was expected to teach young planning students how land use and transportation is coordinated as part of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) development process while understanding the regional vision of the SCS that maximizes current voluntary local efforts that support the goals of SB 375.

Three cities were selected for the study area (Claremont, La Verne, and Pomona). The Planning Studio developed future land use scenarios for the study area, and estimated the impacts of the land use scenarios on regional transportation. By quantifying the changes of transportation and environmental factors associated with the land use scenarios, the class measured and compared the positive and/or negative impacts of land use changes on regional transportation. The Planning Studio found that the majority of new housing and job growth in high-quality transit areas and other opportunity areas in existing main streets, downtowns, and commercial corridors, showed an improvement in transportation and environmental measures. Transit-oriented development (TOD) supporting public transit and active transportation particularly improved the performance of regional transportation and the environment.

**FISCAL IMPACT:**

Work associated with this item was included in the FY 2013-14 Budget under 14.055.SCG00133.05

# REPORT

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**ATTACHMENT:**

PowerPoint Presentation: SCAG-Cal Poly Pomona Planning Studio - Land Use Scenario Approach  
Measuring Land Use Impacts on Transportation and Environmental Factors

# LAND USE SCENARIO APPROACH

Measuring Land Use Impacts on Transportation and Environmental Factors

DEPARTMENT OF URBAN AND REGIONAL PLANNING  
California Polytechnic State University, Pomona  
Winter + Spring 2014

Do Kim, Ph. D.  
Associate Professor  
doyungkim@csupomona.edu

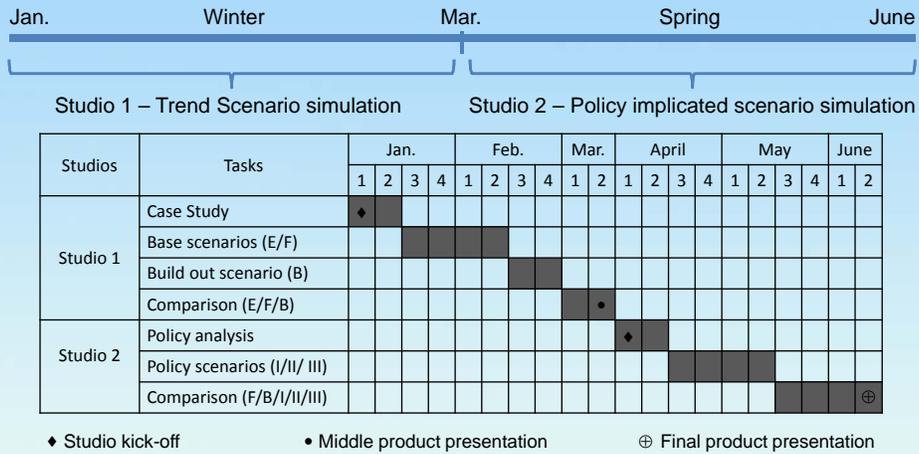


## Goals and Objectives

- Understanding the relationship between land use and transportation by applying the concept of land use scenario planning including the allocation of population and employment to parcels
- Exploring potential methodologies for the development of Sustainable Communities Strategy (SCS) required by Senate Bill 375 (SB 375) for reducing greenhouse gas (GHG) emission

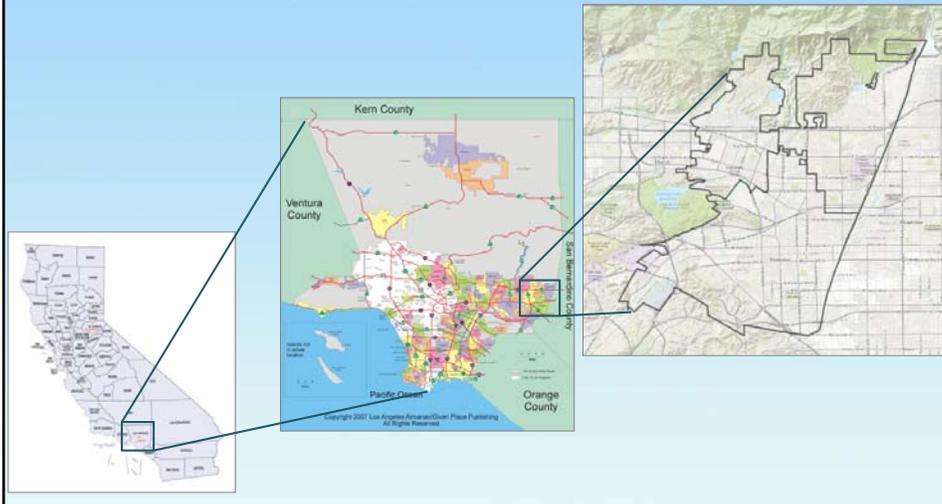


## Studio Structure



## Studio Project Area

Three cities: Claremont, La Verne, and Pomona.



## Land Use Scenario Development Method

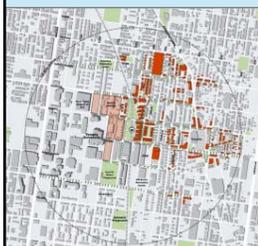
- Allocating prototypical land use types to developable parcels
- Quantifying households, population, and employment of the land use types



Land Use	Density	Dwelling Units	Population	FAR	Employment
Single Family	Low	1.1	4.1	-	-
	Medium	5.1	18.0	-	-
	High	10.9	38.2	-	-
Multi-Family	Low	4.5	15.0	-	-
	Medium	15.9	46.1	-	-
	High	46.3	134.3	-	-
Retail/ Commercial	Low	-	-	0.2	17.5
	Medium	-	-	0.3	25.5
	High	-	-	0.6	47.3
Office/ Service	Low	-	-	0.4	58.1
	Medium	-	-	0.6	87.1
	High	-	-	1	125.2
Industrial	Low	-	-	0.3	13.1
	Medium	-	-	0.5	21.3
	High	-	-	0.7	28.3
Government/ Institution	Low	-	-	0.2	21.8
	Medium	-	-	0.4	43.6
	High	-	-	0.7	79.5
Mixed-Use	Low	11.5	34.9	0.5	21.8
	Medium	18.3	55	0.8	34.8
	High	16.5	49.5	1.2	94.1

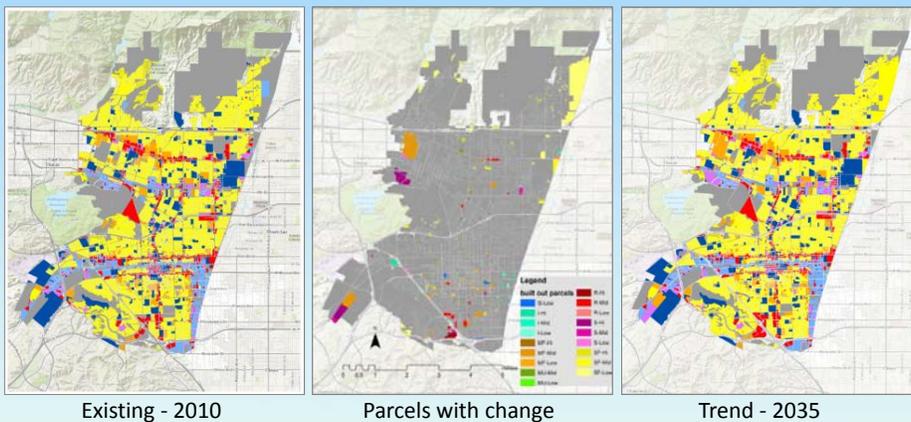
## Land Use Scenarios

- Envisioning the future land use status following the existing land use patterns
  - Trend Scenario
- Applying policies that can lead future land use changes
  - Gold Line TOD scenario
  - Downtown infill development scenario
  - R&D campus development scenario



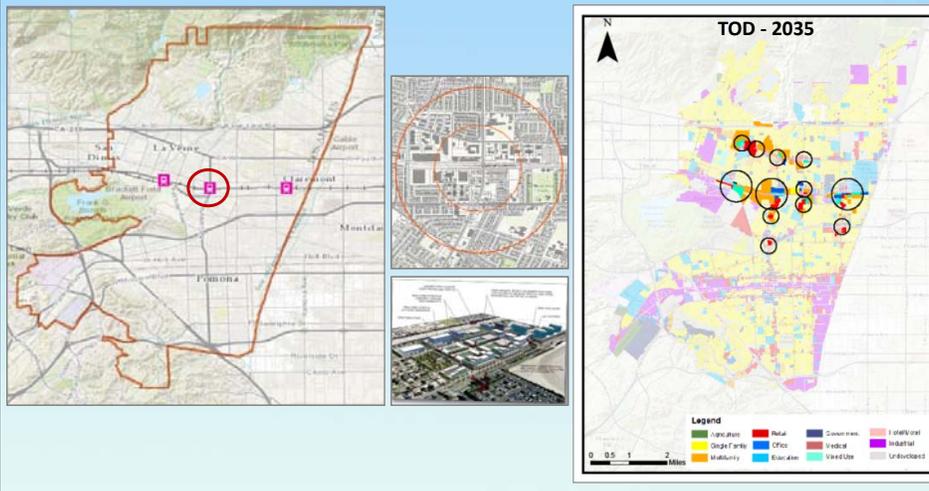
## Trend Scenario

Following land use/land development trends without policy implications



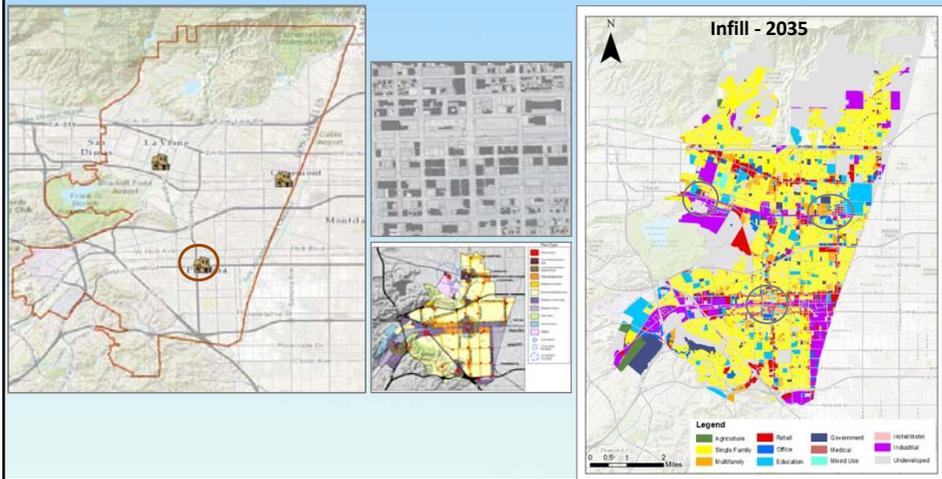
## Gold Line TOD Scenario

Azusa and Montclair Phase of Gold Line (light rail) Extension



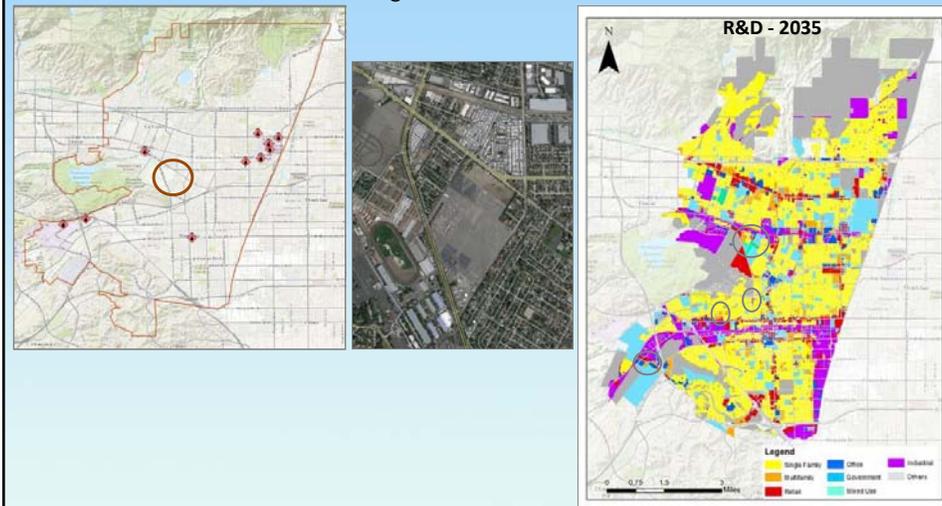
## Downtown Infill Development

Underutilized parcels within downtowns and adjacent MetroLink stations



## R&D Campus Development

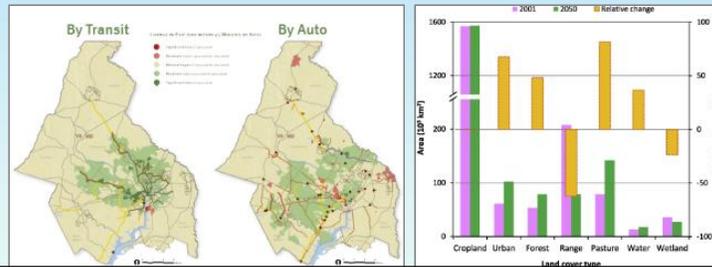
Eleven universities and colleges



## Scenario Development

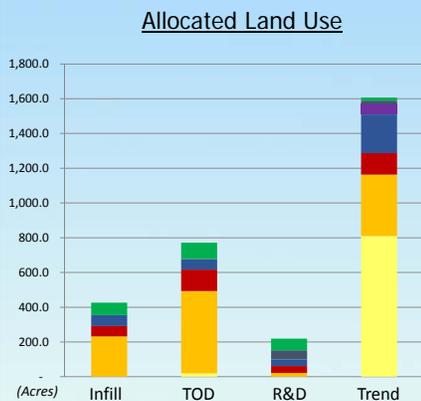
Evaluating both the trend scenarios and the policy implicated scenarios using a variety of performance measures

- Land use
  - population density/mixed use/land use diversity
- Transportation
  - VMT/public transit ridership
- Environment
  - CO<sub>2</sub> emissions/water consumption

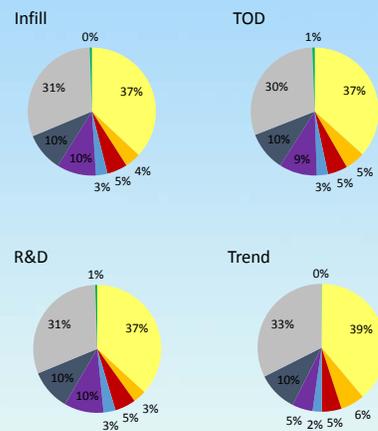


## Scenario Comparison

### Land Use

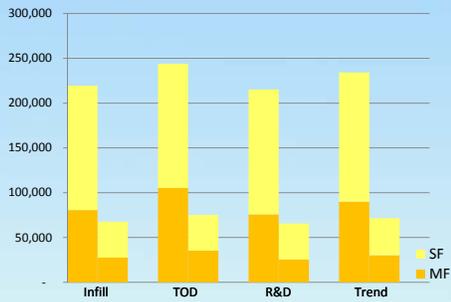


### Land Use Composition 2035

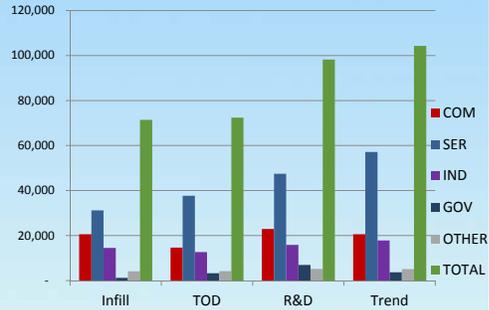


## Scenario Comparison

### Socio-Demographics



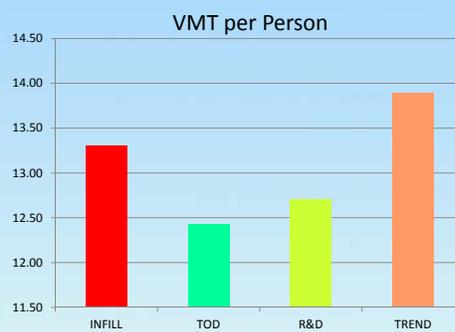
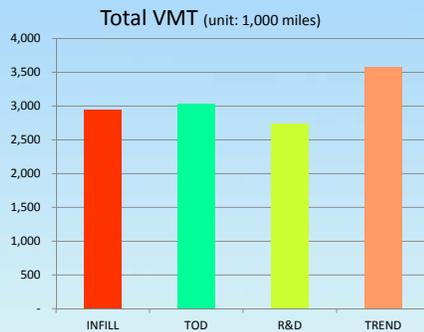
	INFILL	TOD	R&D	TREND
POP Density	9.29	10.34	9.08	9.12
MF-SF Ratio	0.69	0.89	0.64	0.73



	INFILL	TOD	R&D	TREND
EMP Density	3.02	3.19	4.06	4.4
EMP-POP Balance	0.76	0.81	0.61	0.62

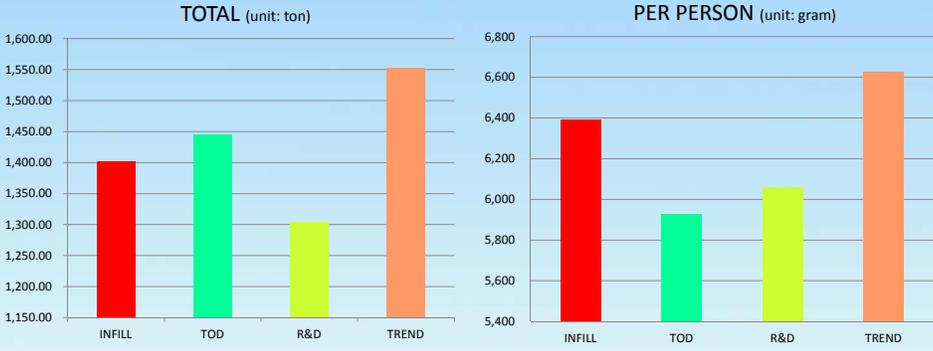
## Scenario Comparison

### Transportation



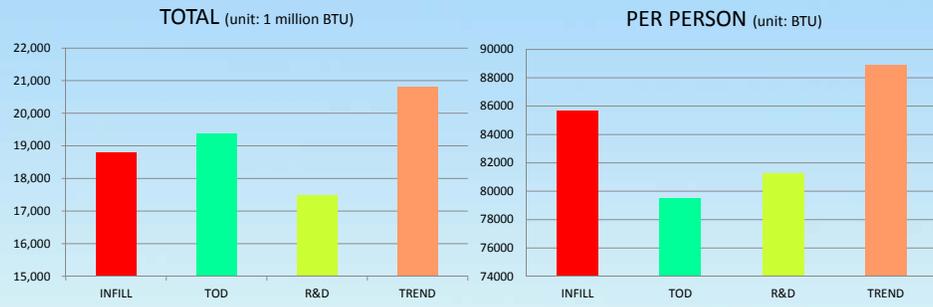
# Scenario Comparison

## Environment- Co<sub>2</sub> Emission



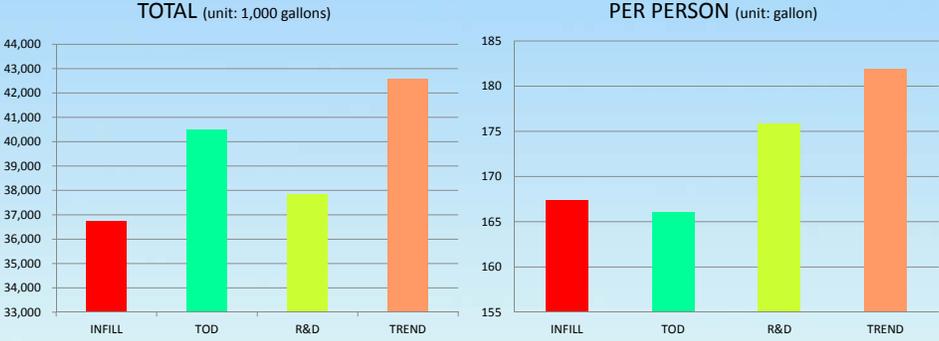
# Scenario Comparison

## Environment- Energy Consumption



# Scenario Comparison

## Environment- Water Consumption



# Q & A



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**REPORT**

**DATE:** August 7, 2014

**TO:** Community, Economic and Human Development (CEHD) Committee

**FROM:** Hasan Ikhata, Executive Director; (213) 236-1944; [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov)

**SUBJECT:** Additional Development Approaches in the Post-Redevelopment (RDA) Era

**EXECUTIVE DIRECTOR'S APPROVAL:** 

**RECOMMENDED ACTION:**

For Information Only – No Action Required

**EXECUTIVE SUMMARY:**

*With the dissolution of redevelopment agencies (RDAs), new and different approaches are needed to continue revitalization efforts. This past April, Larry Kosmont of Kosmont Companies presented options for economic development in the post-RDA era to the CEHD Committee. In a similar fashion and to provide CEHD members with additional ideas for redevelopment, Donald Monti, President & CEO, Brandon Palanker, Vice President of Marketing & Public Affairs, Renaissance Downtowns, and Neil Takemoto, Founder of the CSPM Group will provide a presentation regarding other development approaches, focusing specifically on effective community participation and advocacy of economic development in cities with a population between 25,000 and 150,000 with existing or proposed rail connections.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**

In 2011, the Legislature enacted AB 1X 26 (Blumenfield) which eliminated RDAs and established procedures for winding down the agencies, paying off enforceable obligations, and disposing of agency assets. AB 1X 26 established successor agencies (typically the city or county that established the agency) to take control of all RDA assets, properties, and other items of value. Under the law, successor agencies dispose of an agency's assets as directed by an oversight board, made up of representatives of local taxing entities, with the proceeds transferred to the county auditor-controller for distribution to taxing agencies within each county.

The legislation to dissolve RDAs was legally challenged and, as a result of the landmark decision of the California Supreme Court in *California Redevelopment Association et al. v. Matosantos*, 53 Cal. 4<sup>th</sup> 213 (2011), the dissolution law was upheld and, as of February 1, 2012 all existing RDAs throughout the State were dissolved, with successor agencies established to assume all the authority, rights, powers, duties and obligations previously vested with the respective former redevelopment agency.

At its April meeting, the CEHD Committee heard a presentation from Larry Kosmont regarding options for economic development in the post-RDA era. In a similar fashion and in an effort to provide CEHD members with additional ideas related to redevelopment, representatives from Renaissance Downtowns

and CSPM Group will give a presentation regarding other approaches to redevelopment with an emphasis on how to engage and utilize community participation as an integral factor in the development process.

## **Additional Approaches to Redevelopment**

With the dissolution of redevelopment agencies, new and different approaches are needed to continue revitalization efforts and gain public support and advocacy. Coupled with the ongoing structural shifts in how and where people chose to live, economic development and redevelopment become increasingly important. In particular, redevelopment and economic development in high-barrier or entry market transit-oriented, or suburban downtown areas and areas that have significant resistance to growth, could be better served with a forward-thinking vision and strategy, and a new approach to the standard development/entitlement process.

Representatives from Renaissance Downtowns and CSPM Group will provide information on two (2) methodologies—the Unified Development Approach (UDA) and Crowdsourced Placemaking (CSPM) — that have been successful tools to engage redevelopment in the East Coast. Renaissance Downtowns projects all begin within a Public-Private-Community (PPC) structure to co-create and implement a development plan that includes participation by the municipality, major private property owners, and most importantly, the community at large. UDAs demonstrate incentives for private property owners to work with the master developer and municipality to incorporate their land within a comprehensive development program through zone-based codes and other tools.

CSPM is a social networking platform that engages countless community members in the conversation of responsible placemaking and economic development, allowing for a bottom-up approach whereby the process results in a final development plan that is “fingerprinted” and thus has buy-in from all sectors of a community. The result of this inclusive and comprehensive approach is the ability to gain support for the right scale and mix of development at and around transit stops within a significantly reduced time frame as compared to typical one-off, infill approaches to development of suburban downtowns.

### **ATTACHMENT:**

PowerPoint Presentation: “The Power of Community-Driven Transformative Redevelopment: Engaging the Silent Majority.” **(To be distributed under separate cover)**

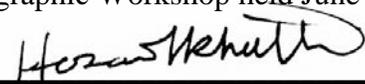
**REPORT**

**DATE:** August 7, 2014

**TO:** Community, Economic and Human Development (CEHD) Committee  
Energy and Environment Committee (EEC)

**FROM:** Simon Choi, Chief of Research and Forecasting; 213-236-1849; [choi@scag.ca.gov](mailto:choi@scag.ca.gov)

**SUBJECT:** 25<sup>th</sup> Annual SCAG/USC Demographic Workshop held June 9, 2014 - Summary Report

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**

*SCAG staff will provide a summary report of the 25<sup>th</sup> Annual Demographic Workshop with the University of Southern California (USC) held on June 9, 2014 at the USC Davidson Conference Center.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective b: Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner.

**BACKGROUND:**

SCAG and the USC Sol Price School of Public Policy co-hosted the 25th Annual Demographic Workshop: "Demographics of Poverty and Progress after the Recession" held on June 9, 2014 at the Davidson Continuing Education Conference Center at USC.

The luncheon keynote speaker was Professor Raphael W. Bostic of USC, a former Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development. His keynote speech was on "Poverty and Progress", and addressed three questions: "Where are we now? What has been accomplished? and What are our next steps?"

The first panel presented on (1) "California's Population and the Future" by Dr. Walter Schwarm, Research Program Specialist for the Demographic Research Unit of the California Department of Finance (DOF); (2) "Tracking -- and Modeling -- Nativity In State and Sub-state Population Projections for California" by Mr. John Pitkin, President of Analysis and Forecasting, Inc.; and (3) "The New Generational Future of Los Angeles" by Dr. Dowell Myers, Professor of Policy, Planning, and Demography for Sol Price School of Public Policy at USC.

The second panel featured "New Methods for Calculating Poverty," presented by Dr. Sarah Bohn, Research Fellow for Public Policy Institute for California (PPIC), and "Poverty Trends and Links to Demographic and Economic Change," presented by Dr. Frank Wen, Manager of Research and Analysis at SCAG.

The third panel highlighted strategies to address poverty, specifically "The Role of Education and Training – What Else is Needed?" presented by Mr. Stephen Levy, Director and Senior Economist of Center for Continuing Study for the California Economy; and the "Poverty Concentration in the Inland Empire and Possible Solutions" by Dr. John Husing, Chief Economist of the Inland Empire Economic Partnership (IEEP).

Afternoon roundtable discussions provided participants with new information about diverse demographic topics such as the (1) American Community Survey of the US Census Bureau; (2) Data Resources of the DOF Demographic Research Unit; (3) Migration of Population Forecasts; (4) School Forecasting and Operations; (5) Income Inequality Trends from a Regional Housing Policy Standpoint; and (6) Birth Trends in Los Angeles County and Potential Health Impacts.

This year's workshop included 130 participants from 30 different government agencies, non-profit organizations and universities in California. SCAG Regional Council and Policy Committee members who attended are as follows: Mayor Pam O'Connor of Santa Monica, Mayor Ray Musser of Upland, Mayor Debbie Franklin of Banning, Mayor Pro Tem Margaret Clark of Rosemead, and Council Member Sandra Genis of Costa Mesa. Representatives from the San Diego Association of Governments (SANDAG), Sacramento Area Council of Governments (SACOG), and Santa Barbara County Association of Governments also attended the workshop.

The program, presentation materials, photo gallery, and the press release are posted on the SCAG website at <http://www.scag.ca.gov/calendar/Pages/DemographicWorkshop.aspx>.

**FISCAL IMPACT:**

Work associated with this item was included in FY 2013-14 Budget under 800.SCG00160.04

**ATTACHMENT:**

Summary of 25<sup>th</sup> Annual SCAG/USC Demographic Workshop (June 9, 2014)

# Summary of the 25th Annual SCAG-USC Demographic Workshop (June 9, 2014): DEMOGRAPHICS OF POVERTY AND PROGRESS AFTER THE RECESSION

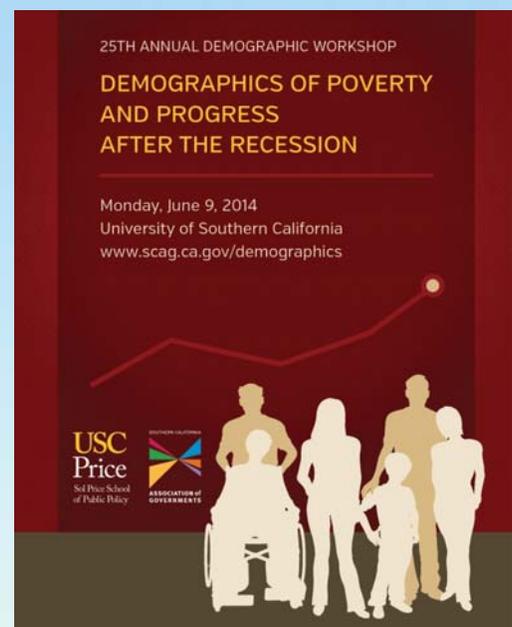
Simon Choi, Chief of Research and Forecasting  
Frank Wen, Manager of Research and Analysis

Community, Economic & Human Development (CEHD) Committee,  
Energy and Environment Committee (EEC),  
August 7, 2014



## Findings from the 25<sup>th</sup> Annual Demographic Workshop

1. Supplemental Poverty Measures (SPM)
  - Broader policy options
2. Demographic trends (Prof. Myers' research)
  - Slow population growth
    - Less children
    - Less immigrants
  - Aging
    - Longevity
3. Future challenges/opportunities along with key strategies to fight the war on poverty

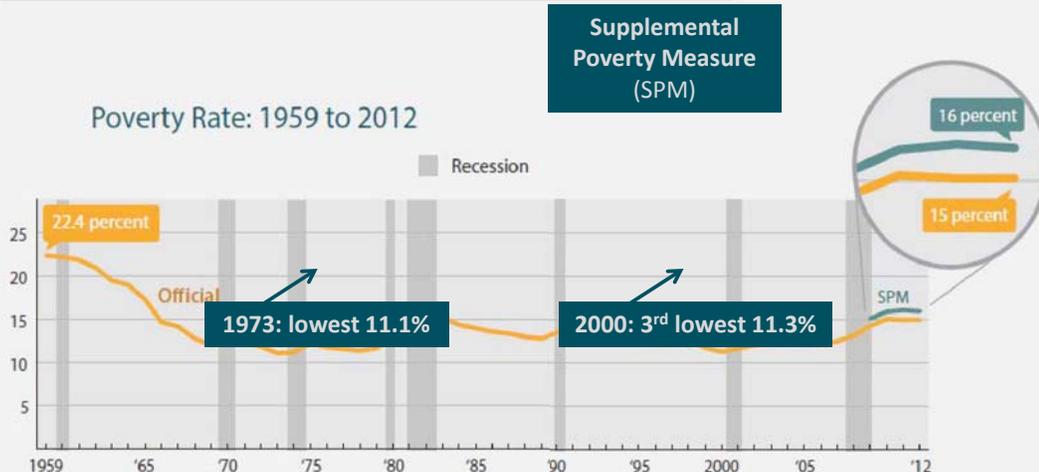


# Bureau of the Census Measurement of Poverty

## The Official Measure



The United States has an **official** measure of poverty. The current official poverty measure was developed in the early 1960s when President Lyndon Johnson declared war on poverty. This measure does not reflect the key government policies enacted since that time to help low-income individuals meet their needs.



Note: The data points are placed at the midpoints of the respective years.  
Source: U.S. Census Bureau, Current Population Survey, 1960 to 2013 Annual Social and Economic Supplements.

## Explicit and Interconnected Policy Options to Fight Poverty from SPM

### What resources do people have to meet their needs?

What we count as available resources differs between the two poverty measures.

The official measure uses cash income, such as wages and salaries, Social Security benefits, interest, dividends, pension or other retirement income.



The SPM starts with cash income, then...

#### ADDING BENEFITS

The SPM adds benefits from the government that are not cash but help families meet their basic needs.

#### SUBTRACTING EXPENSES

The SPM subtracts necessary expenses like taxes, health care, commuting costs for all workers, and child care expenses while parents work.

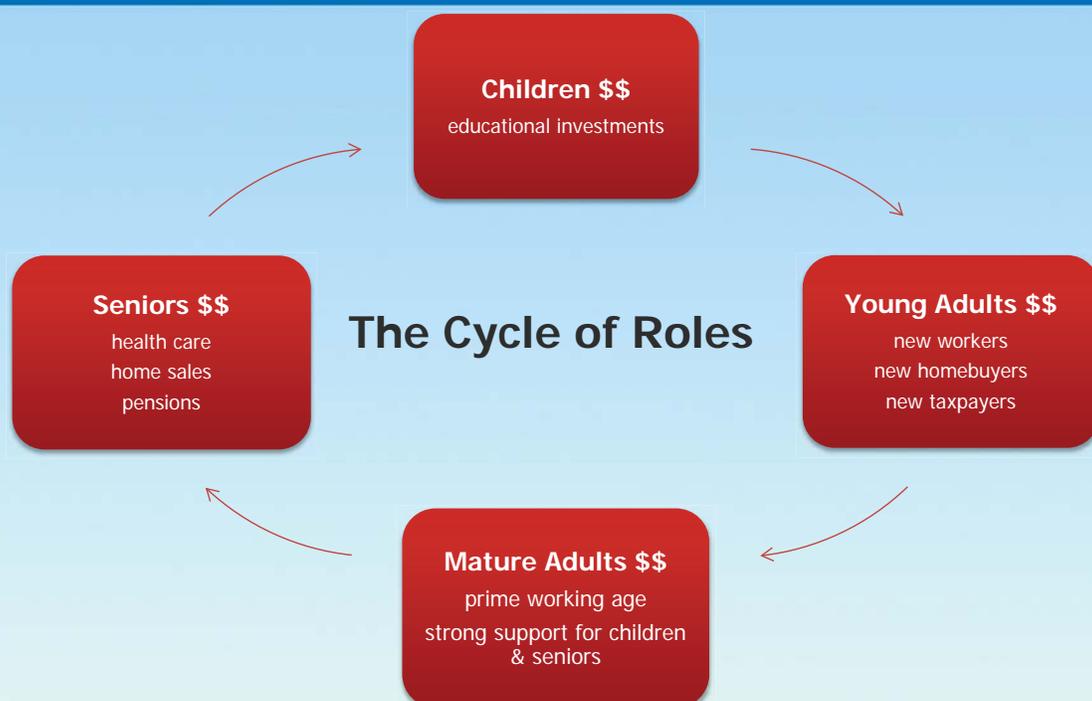


# 10 Major Demographic Changes

1. Continued low population growth
2. Declining number of children
3. Annual flow of new immigrants is plunging
4. Foreign born is peaked or declining
5. Long settled foreign born
6. Rise of immigrants second generation
7. Slower racial and ethnic changes
8. A soaring senior ratio- population aging
9. The home grown (growth from native Californians) revolution
10. Rising index of Children's importance

Source: Dowell Myers, "The New Generation Future of Los Angeles," 25th Annual Demographic Workshop, June 9, 2014.

## The Intergenerational Partnership



Source: Dowell Myers, "The New Generation Future of Los Angeles," 25th Annual Demographic Workshop, June 9, 2014.

# Top 5 Solutions to Cut Poverty Proposed by President Obama in State of the Union Address

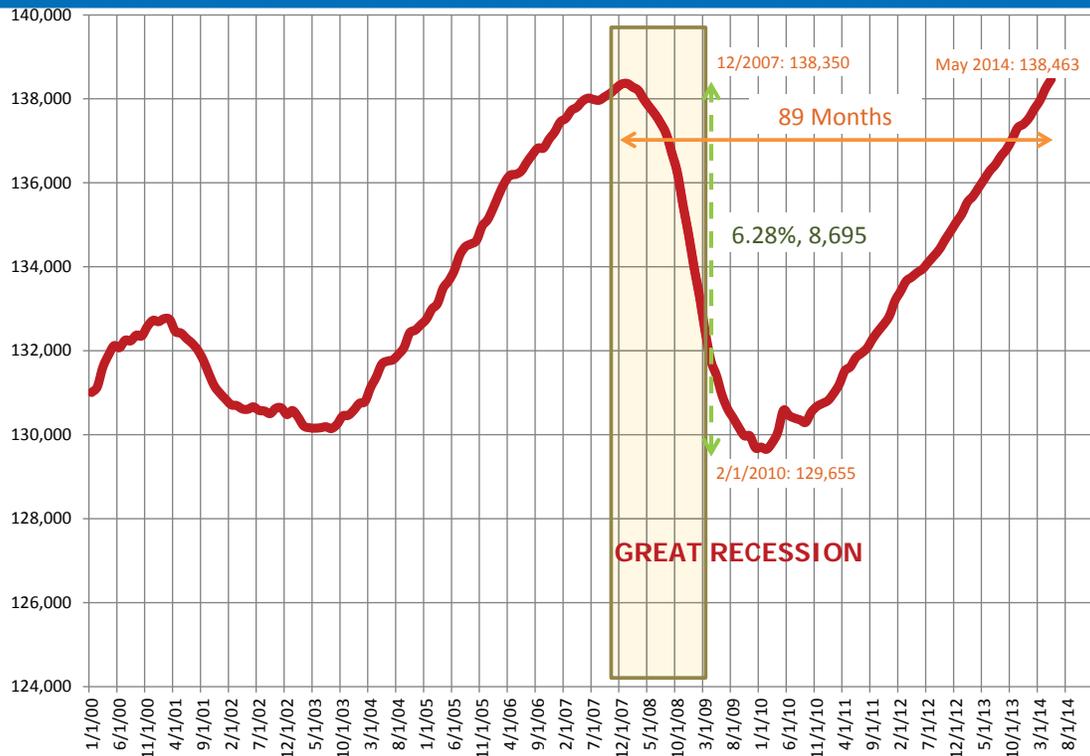
1. Creating good jobs
2. Raising wages
3. Training the next generation of workers
4. Investing in children
5. Strengthening families



## Challenges and Implications

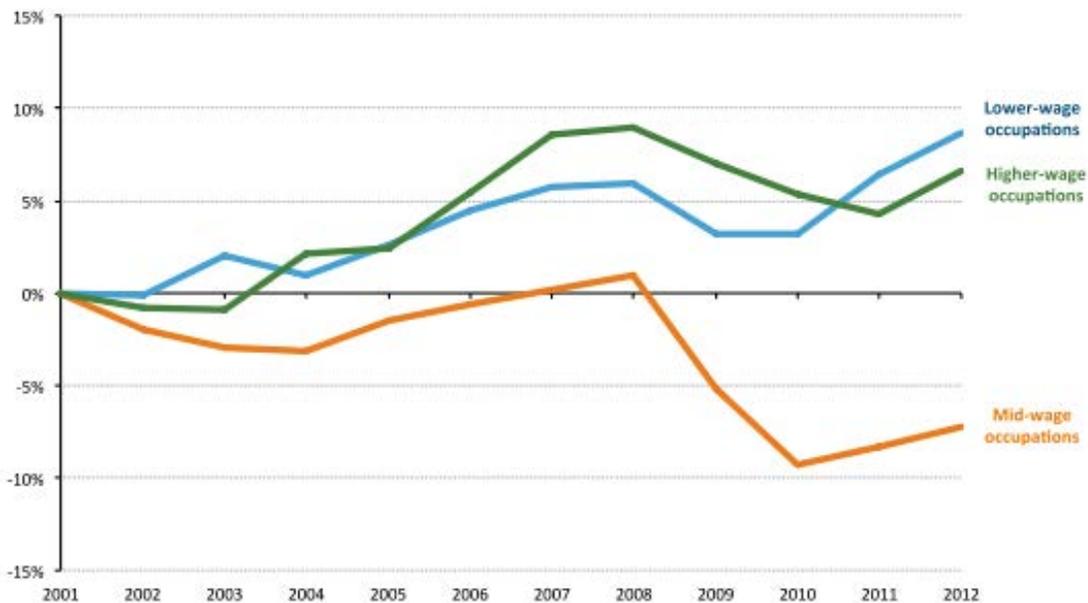
1. Job growth and the quality of job growth
2. Education/labor force training
3. Globalization
  - Outsourcing in health care, R & D
  - Immigration
4. Income Distribution
  - Labor market dysfunction
  - Wages
5. Family and household structure
  - Married couple household
  - Single person household
  - Multi-generation household?
6. Aging population
  - Baby Boomers – 10,000 everyday turning 65+ for the next 20 years
  - Impacts on economic growth
  - Challenges on government budget and program at all levels

# We Finally Came Back, but Level of Job Growth May Post Challenges in the Future?



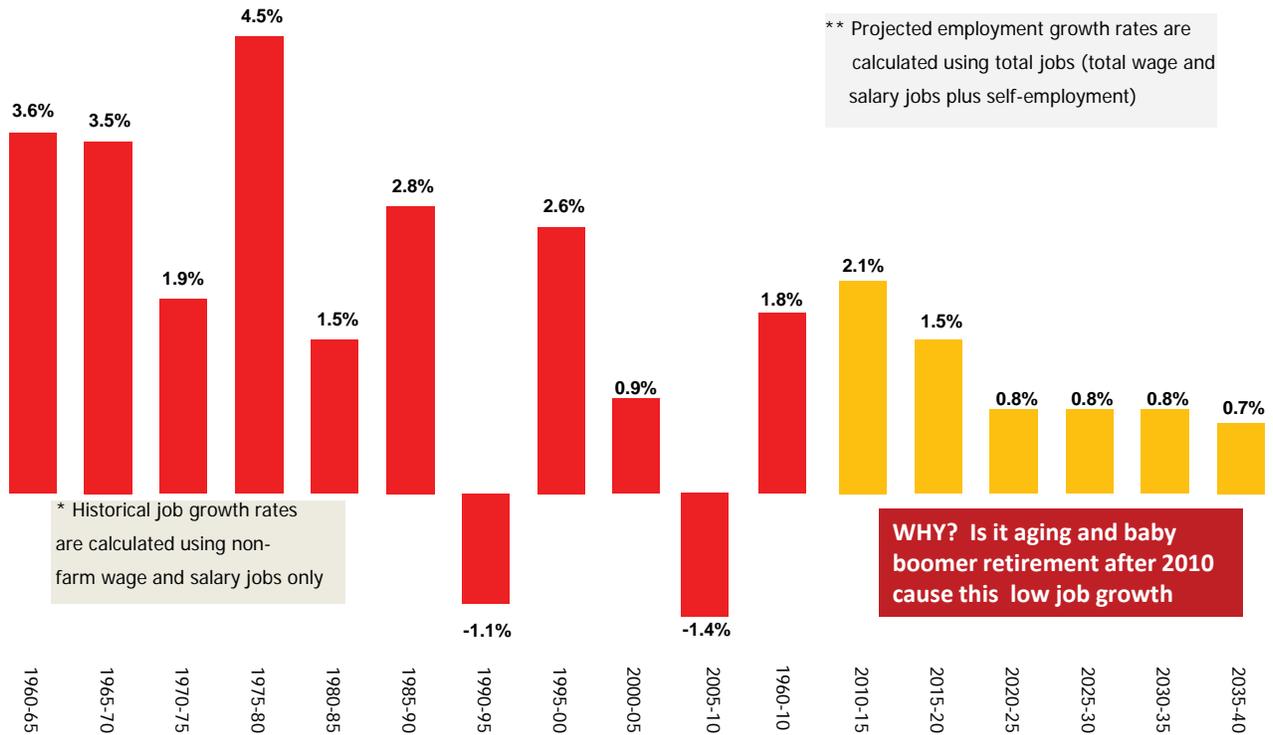
## Quality of Job Growth (Good Pay) is the Issue

Occupational growth rates, indexed to 2001



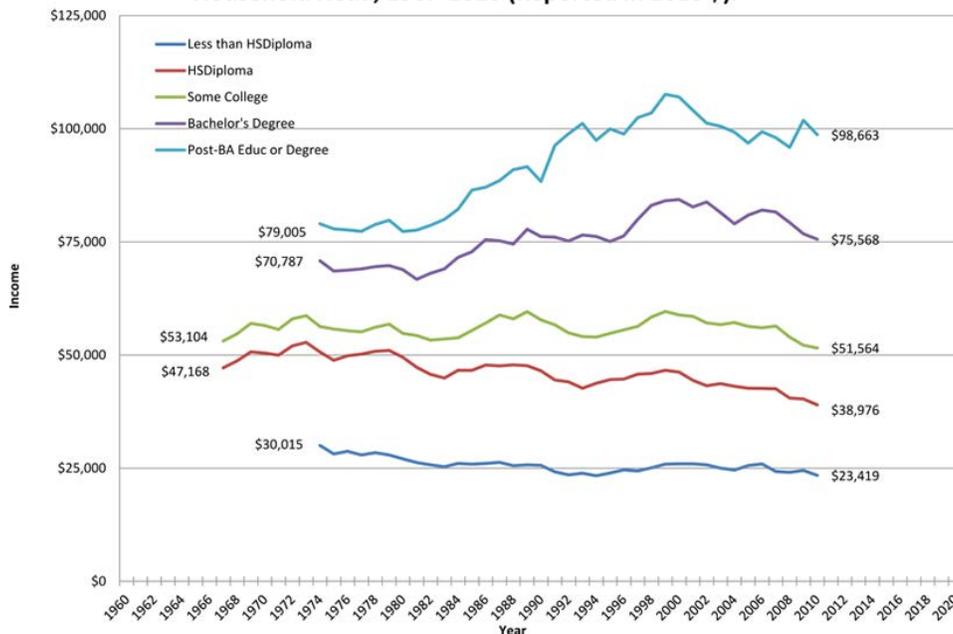
Source: NELP analysis of Current Population Survey. All estimates measured at Quarter 1.

# SCAG Historical\* and Projected\*\* Employment Growth



## Without a Bachelor's Degree and Above, No Real Income Changes

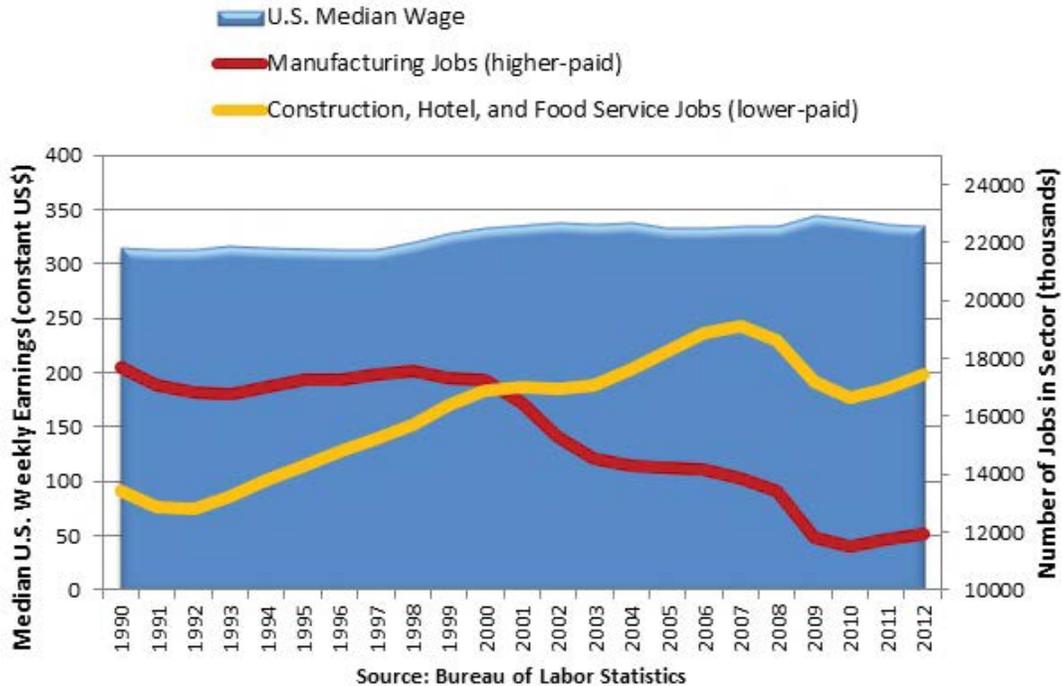
Real Median Household Income by Educational Attainment of Household Head, 1967-2010 (Reported in 2010 \$).



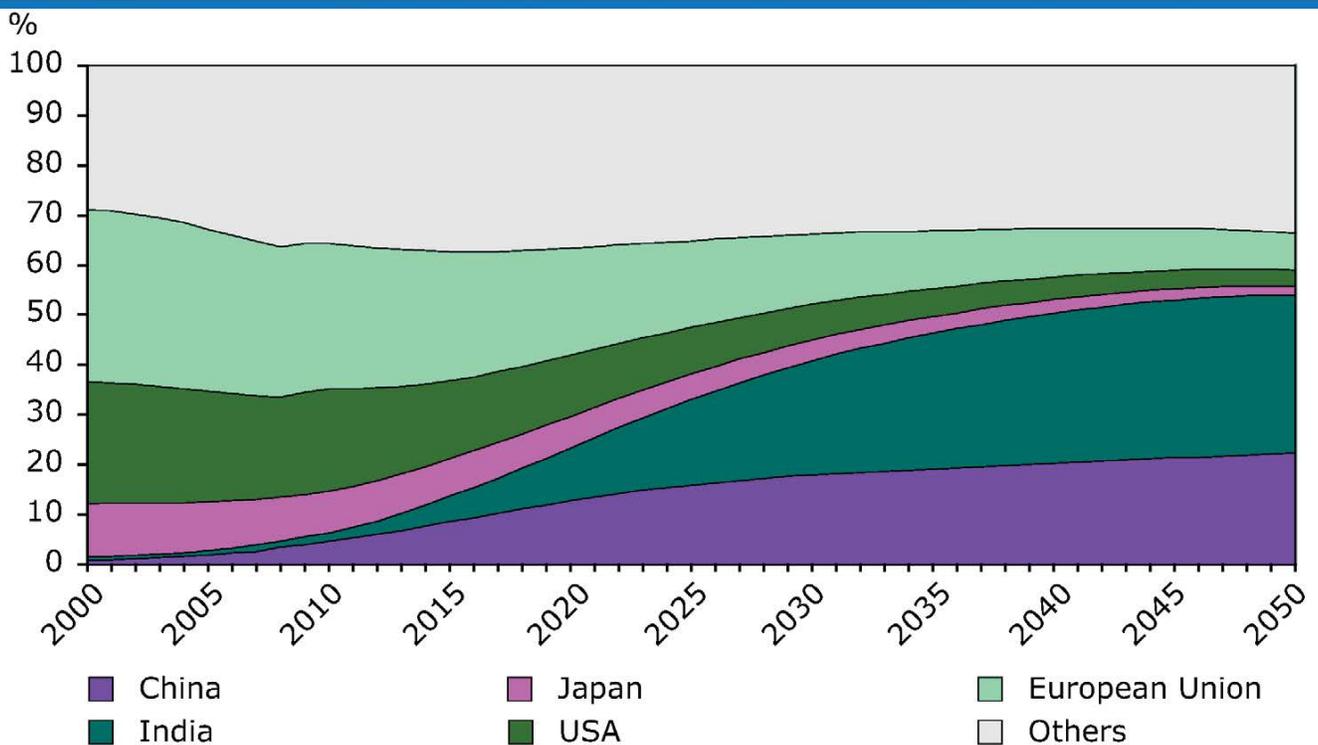
Data Source: U.S. Census Bureau. 2011. Tables H-13 and H-14, Educational Attainment and Years of School Completed, from Historical Income Tables, @ <http://www.census.gov/hhes/www/income/data/historical/index.html>.

# The Negative Impacts from Globalization?

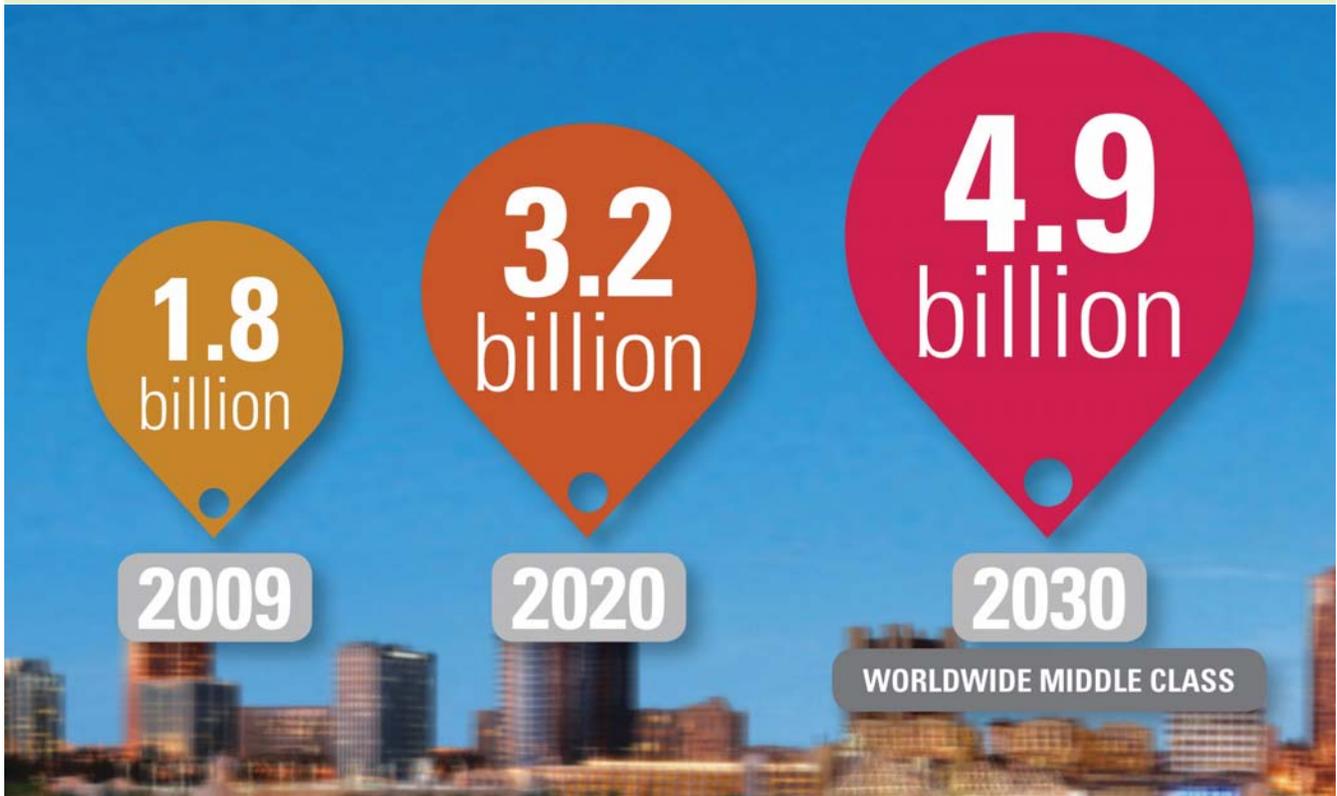
## Stagnant Wages in the Era of "Free Trade"



## Emerging Global Middle Income Class



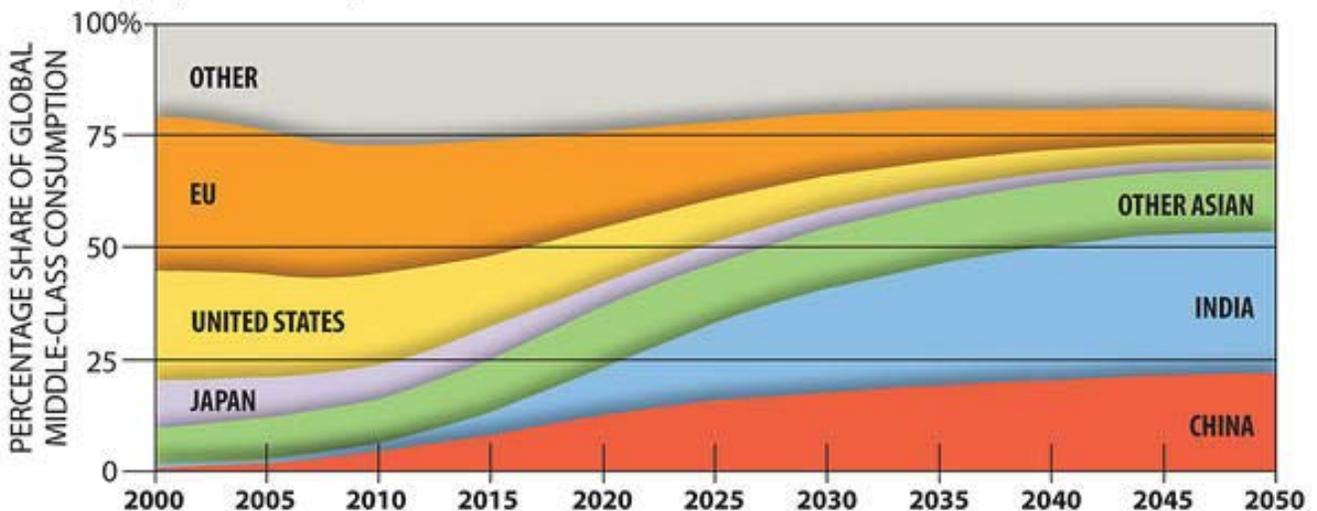
## Emerging Global Middle Income Class



## Emerging Global Middle Income Class

### The global middle-class wave

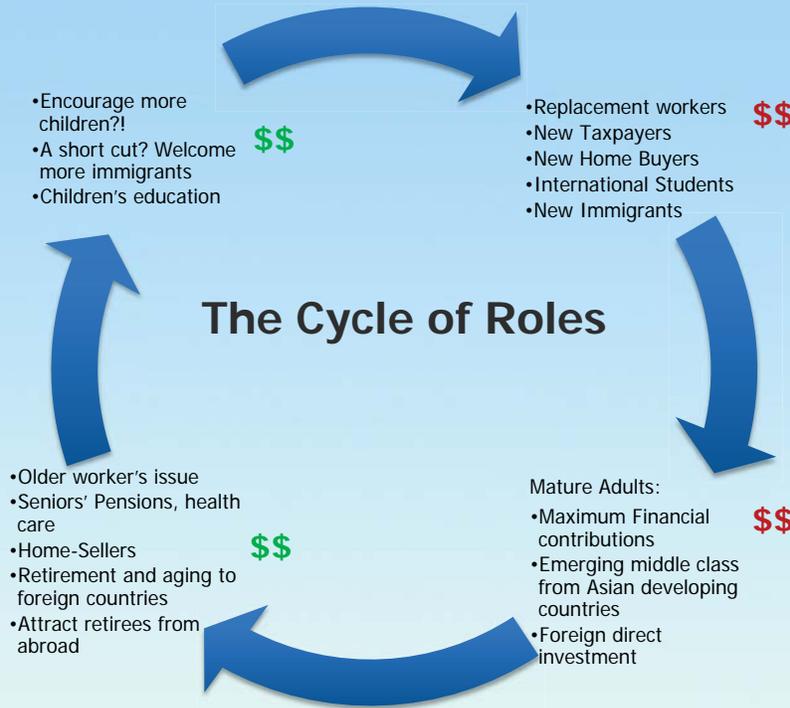
Global middle-class consumption will shift heavily toward China, India, and other Asian countries (excluding Japan) as the high-income countries see their share decrease.



SOURCE: H. Kharas (2010), 'The Emerging Middle Class in Developing Countries,' OECD Development Centre Working Paper No. 285

RICH CLABAUGH/STAFF

# International/Intergenerational Social Contract



Source: SCAG revision based on Immigrants and Boomers, Chapter 9

## The Growth of Economy is Not Equitability Shared?!

### The Great Prosperity: 1947-79

#### Pay Rose With Productivity ...

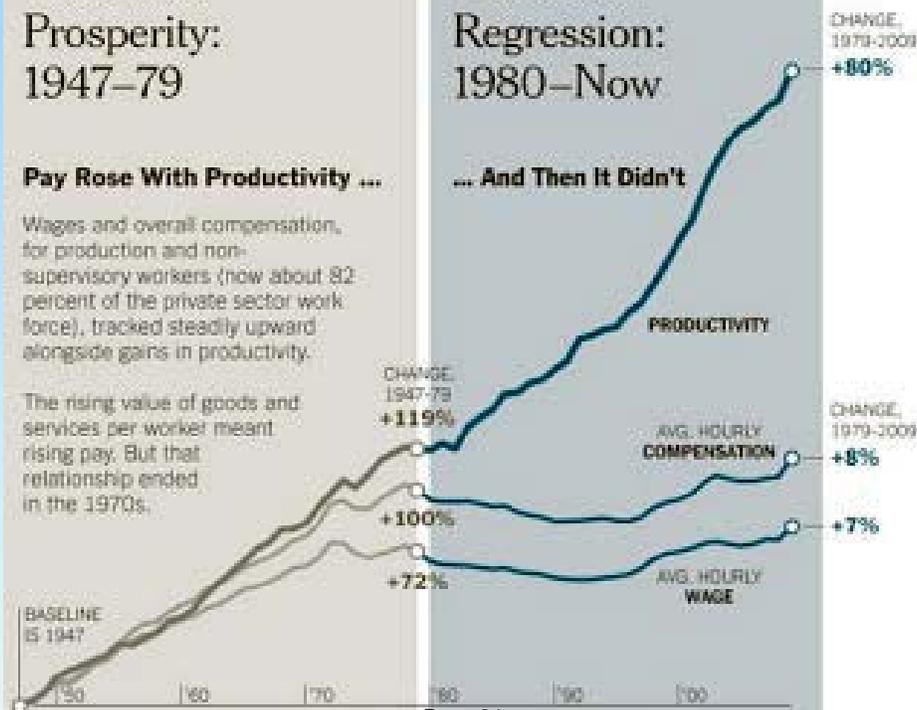
Wages and overall compensation, for production and non-supervisory workers (now about 82 percent of the private sector work force), tracked steadily upward alongside gains in productivity.

The rising value of goods and services per worker meant rising pay. But that relationship ended in the 1970s.

BASELINE IS 1947

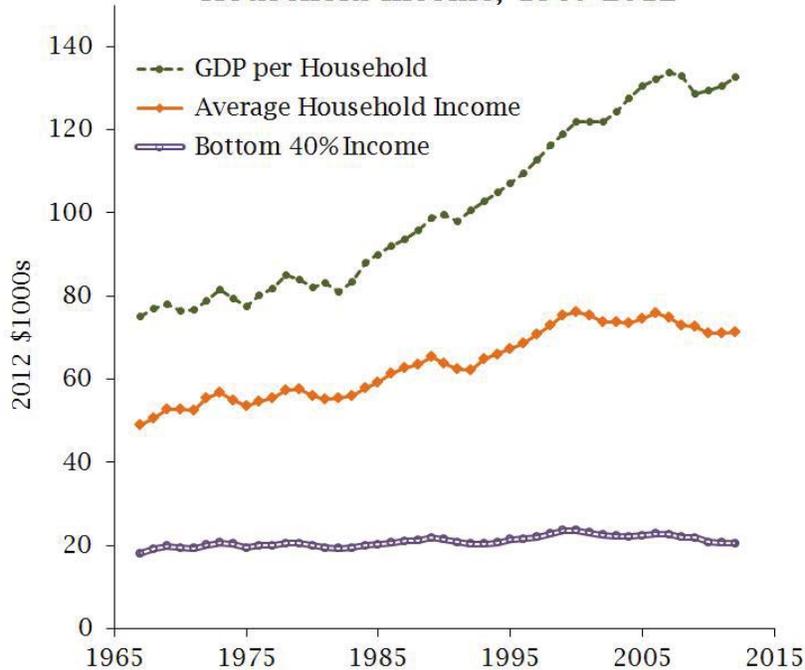
### The Great Regression: 1980-Now

#### ... And Then It Didn't



# Another Example: Growth of Economy is Not Equitability Shared?!

The Market Economy and Household Income, 1967-2012

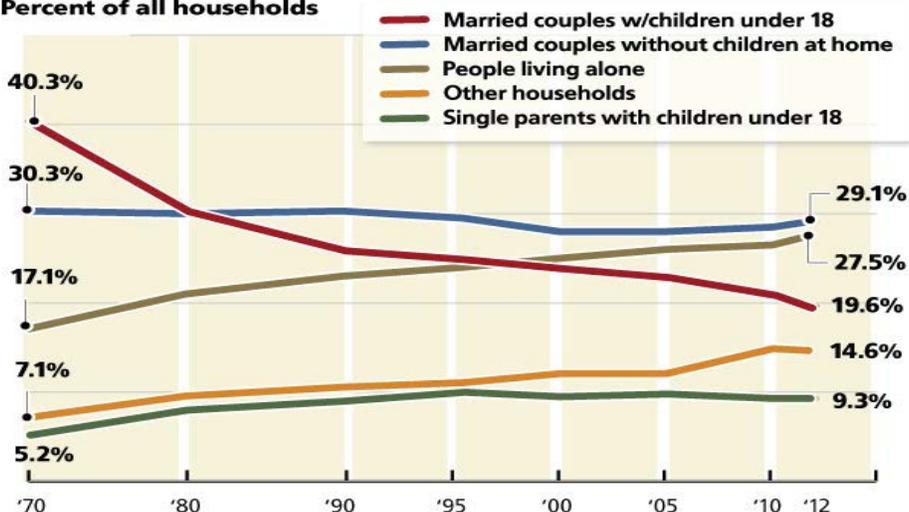


## Changes in American Family Structure Have Been a Huge Challenge to Address Poverty

### Changing families, changing households

As America's families have grown smaller, with fewer children and more unmarried couples, Utah has changed too — but more slowly. New census data indicate that, nationally, married couples with children under 18 have declined by about half since 1970, while the number of people living alone has risen by about a third.

Percent of all households

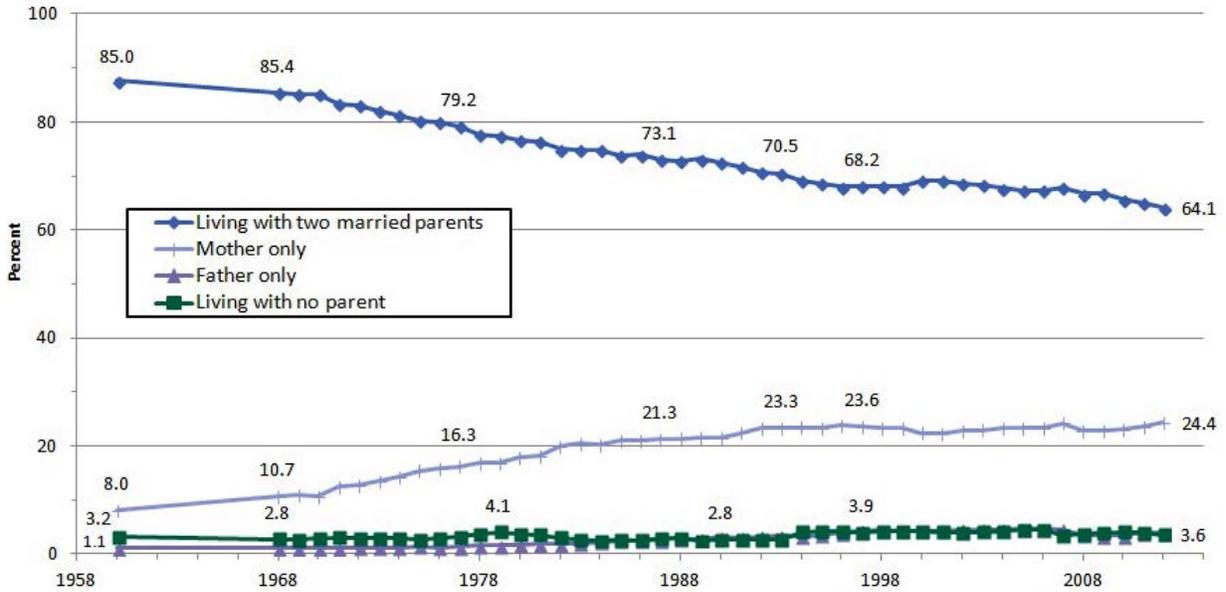


Source: U.S. Census Bureau, Current Population Survey

The Salt Lake Tribune

# Major Trends Cause High Poverty Rates for Children

## Living Arrangements of Children Under 18, 1970-2012



Note: Children living with two married parents may be living with biological, adoptive, or non-biological parents. Children living with mother only or father only may also be living with the parent's unmarried partner.  
 Source: Data for 2008-2012: Child Trends calculations of U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement. "America's Families and Living Arrangements".

## Emerging Housing Demand?

The new American household: 3 generations, 1 roof.



separate exterior entrance



private bed, bath & living



personal kitchenette & laundry



affordable family living

*"The perfect option for any dual living arrangement"*

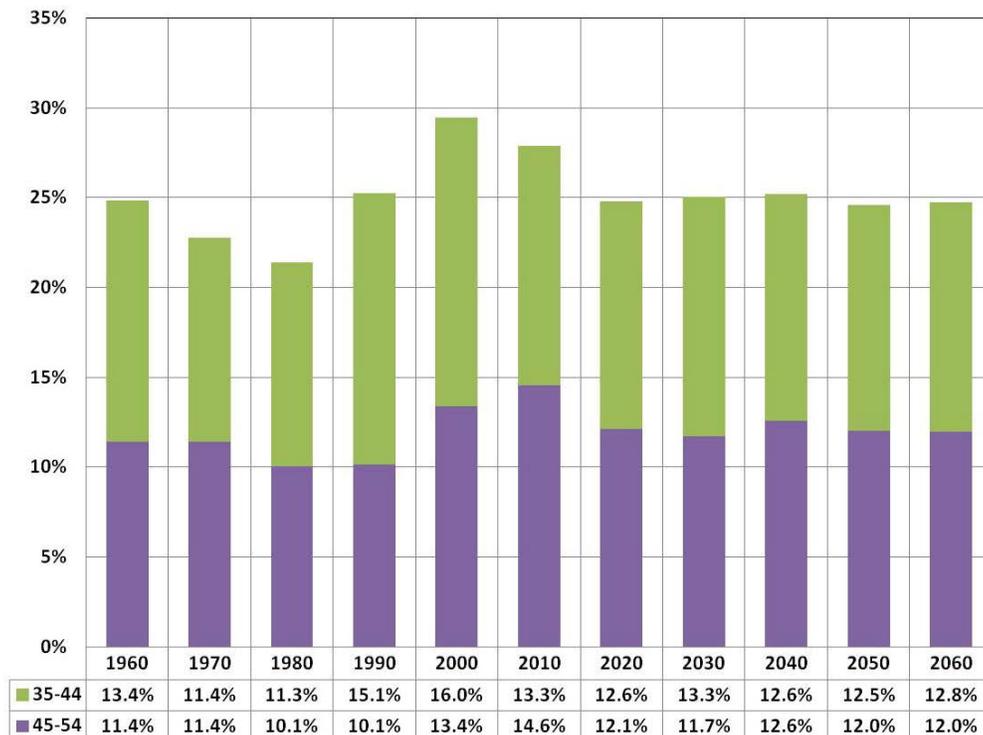
# Aging: Who Are Baby Boomers?

A Snapshot as of 2000 and 2010

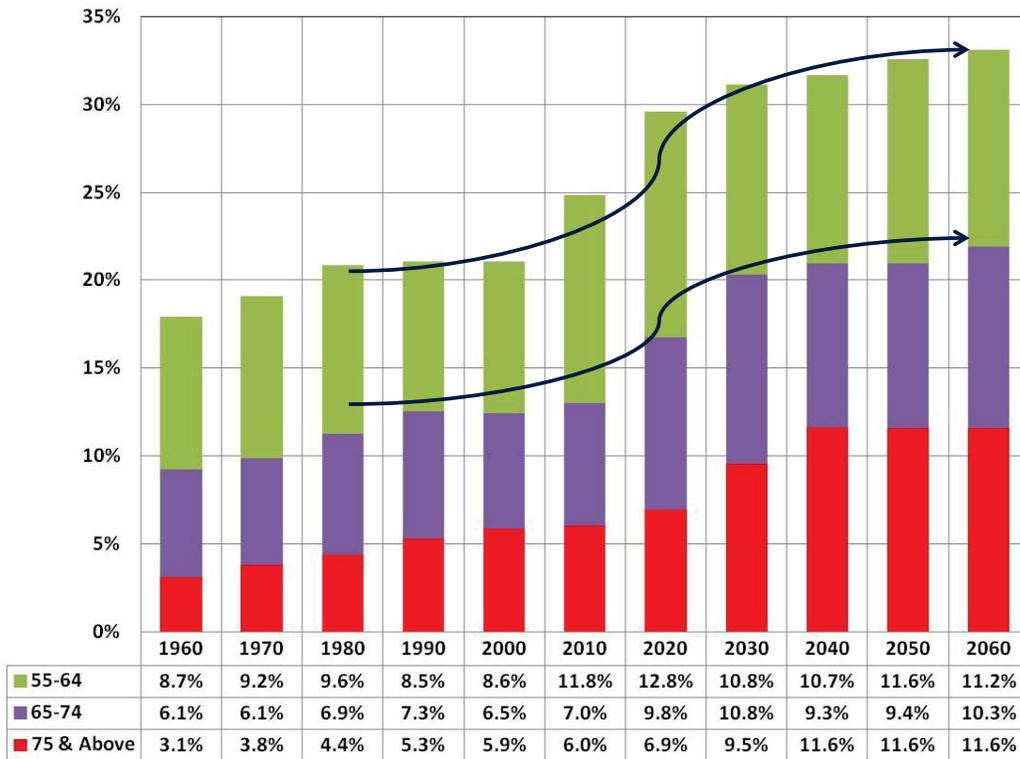
## Who Are Baby Boomers (Born between 1946-64)?

	As of 2000	As of 2010
Age ranges	36-54	46-64
Population size	83,484,000	81,489,455
Share of total population	30%	26%
Number of employed workers	63,633,700	54,827,000
Share of employed workers	46%	39%
Share of total income	54%	46%
Share of expenditures	50%	43%
Share of taxes paid	57%	60%

## Historical and Projected US Population Shares by Age Cohorts 35-44 and 45-54

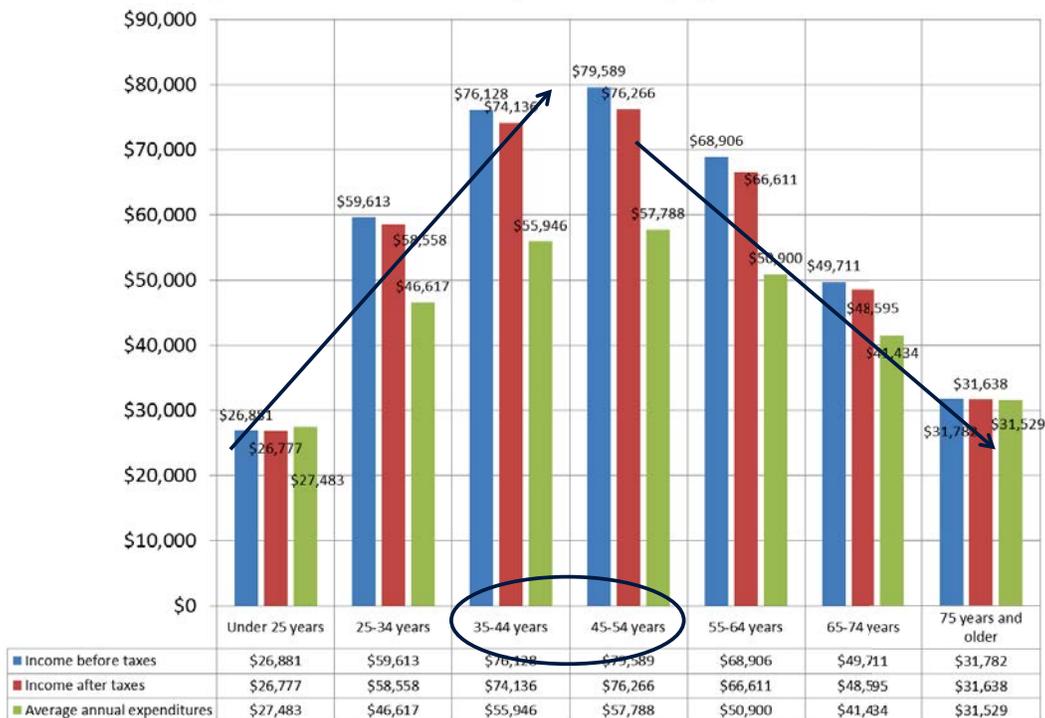


# Historical and Projected US Population Shared by Age Cohorts 55 and Above



## Average Consumer Income and Expenditures by Age Cohorts: 2010

Average Consumer Income & Expenditures by Age Cohorts: 2010

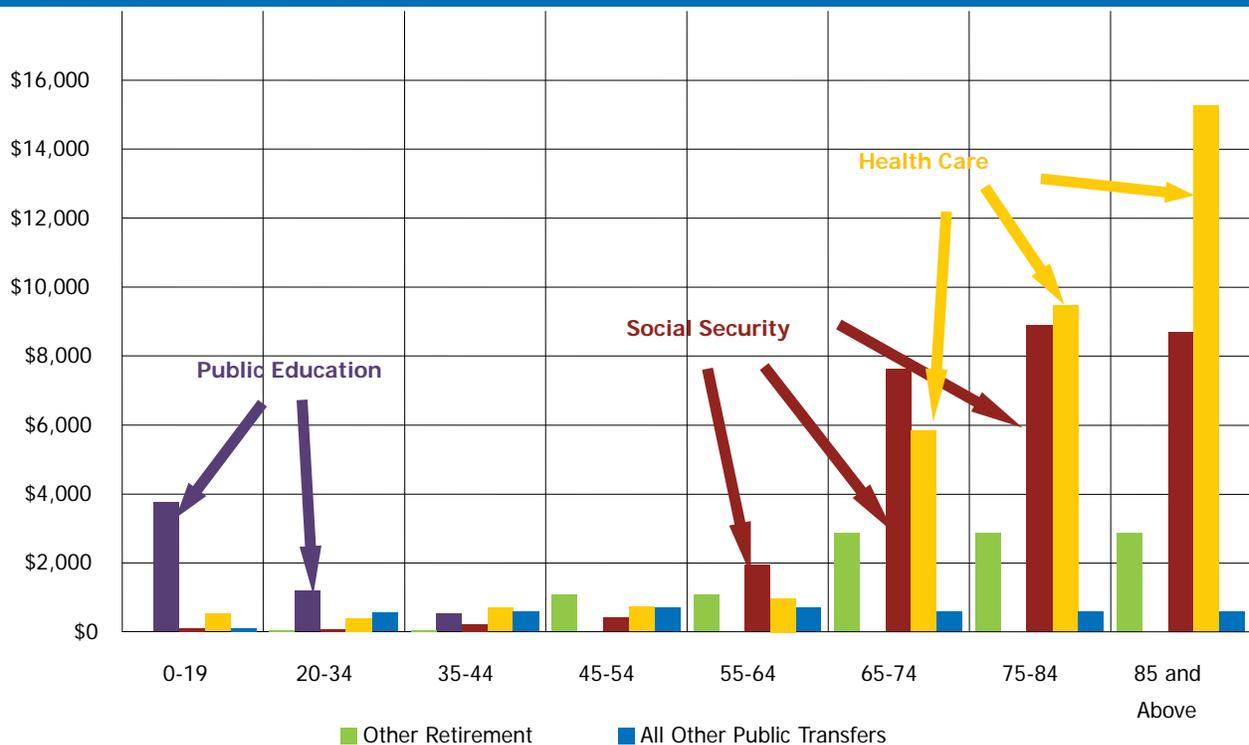


# US: % Change in Growth Rate vs. Constant 2010 Household Age Distribution Using 2010 Consumer Expenditure Survey (CEX)

US: % Change in Growth Rate vs. Constant 2010 Household Age Distribution Using 2010 Consumer Expenditure Survey (CEX)



# Government Related Services Per Capita



For more information  
please contact

Simon Choi, Ph. D.  
Chief of Research and Forecasting  
[choi@scag.ca.gov](mailto:choi@scag.ca.gov)



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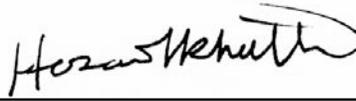
**DATE:** August 7, 2014

**TO:** Community, Economic and Human Development (CEHD) Committee  
Energy and Environment Committee (EEC)  
Transportation Committee (TC)  
Regional Council (RC)

**FROM:** Kimberly Clark, Senior Regional Planner, Land Use and Environmental Planning,  
213-236-1844, clark@scag.ca.gov

**SUBJECT:** Progress of the Bottom-up Local Input Process for the 2016 Regional Transportation Plan and Sustainable Communities Strategy (2016 RTP/SCS)

**EXECUTIVE DIRECTOR'S APPROVAL:**



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**RECOMMENDED ACTION:**

For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**

*SCAG staff continues with its past practice of engaging in a bottom-up local input process for the 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (“2016 RTP/SCS” or “Plan”), which employs a “local control - regional collaboration” strategy for the Plan update. To facilitate and assist in the local review of the draft socioeconomic and geographic datasets for the 2016 RTP/SCS, staff has conducted meetings with jurisdictions one-on-one to collect data changes, answer questions, and provide technical guidance, as needed. To date, staff has requested sessions with all 197 jurisdictions, and has completed meetings with 195 jurisdictions, or 99% of all cities and counties in the SCAG region. This effort has resulted in feedback from 88% of jurisdictions on all or a portion of the current information requests for the Local Input Process. In the coming weeks, staff will process these datasets for integration into SCAG’s technical models, including travel demand analysis and land use scenario development. Additionally, results from the Local Surveys will be presented to the Technical Working Group (TWG) and policy committees for future integration into the 2016 Plan and also as a basis to document implementation of the 2012-2035 RTP/SCS.*

**STRATEGIC PLAN:**

This item supports SCAG’s Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

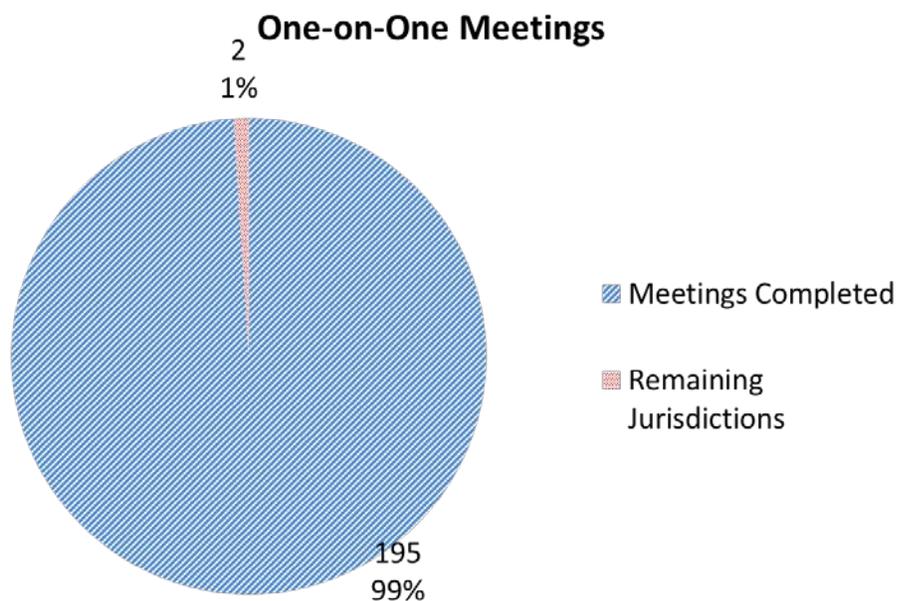
**BACKGROUND:**

SCAG’s Bottom-Up Local Input Process began in March 2013 and has been designed to engage local jurisdictions in establishing the base geographic and socioeconomic datasets for the 2016 RTP/SCS.

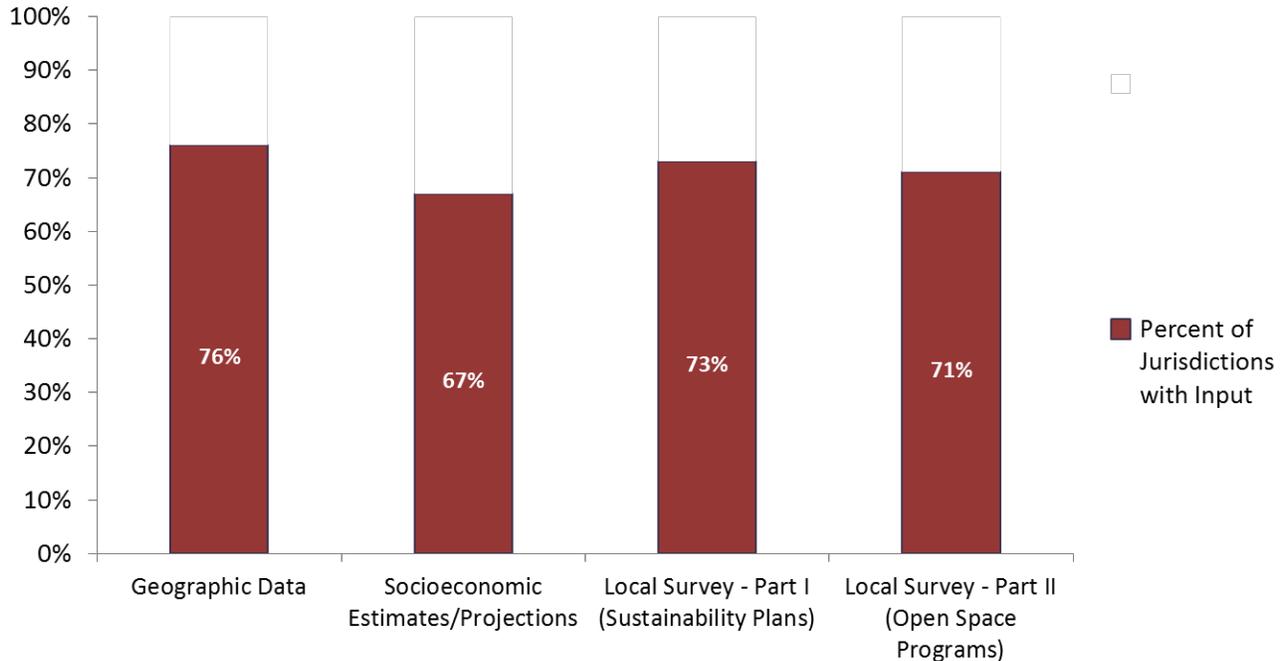
Early in this effort, staff sought guidance from the CEHD, the Technical Working Group (TWG), and our subregional partners to engage with local jurisdictions and to establish the schedule and protocol for this effort. Here is a summary of actions taken to date:

- March 2013 – Each jurisdiction was contacted individually and was requested to provide their base general plan land use and zoning data to SCAG
- June 2013 – With approval from the CEHD, the protocol for local jurisdictions to provide input and approval of SCAG’s geographic and socioeconomic datasets was established
- October 2013 – Based on guidance from the CEHD; the TWG; and our subregional partners, staff distributed the schedule, protocol, and summary descriptions of SCAG’s base datasets in a letter to all regional city managers, planning directors, city clerks (for forwarding to all elected officials), subregional executive directors, and subregional coordinators. This letter also identified whom at each jurisdiction was assumed to be the main contact person to provide input to SCAG, and provided an opportunity for local jurisdictions to revise this information
- November 2013 through January 2014 – With input from the CEHD, TWG, and subregional staff, SCAG staff rolled-out our base geographic datasets and socioeconomic data in an individualized package for each jurisdiction (known as the “Data/Map Book”). At this time, staff also sought input from jurisdictions on any local sustainability plans and open space programs through SCAG’s Local Surveys
- November 2013 through July 2014 – Staff presented at standing subregional planning directors’ and city managers’ meetings and sought one-on-one meetings with each of SCAG’s 197 jurisdictions to go over the base datasets, answer questions, and provide assistance, as needed
- December 2013 through July 2014 – With support from our subregional partners and oversight from the CEHD, staff met with 99% of SCAG’s 197 jurisdictions one-on-one and received feedback from 88% of jurisdictions on all or a portion of our information requests

Additional information on the progress of SCAG’s one-on-one meetings with local jurisdictions and the level of input from each jurisdiction on SCAG’s datasets is available in the following graphs.



## Input from Local Jurisdictions on SCAG’s Datasets



Here is an initial summary of input for each of SCAG datasets. Note that this information is subject to update as input is collected and processed:

### Geographic Data

- 76% of jurisdictions provided feedback on SCAG’s Geographic Data
- 62% of jurisdictions provided feedback on SCAG’s general plan land use or zoning data
- 55% of jurisdictions provided feedback on SCAG’s existing land use data
- 55% of jurisdictions provided feedback on a selection of our resource area datasets (farmland, flood areas, protected open space, habitat conservation areas, etc.)

### Socioeconomic Estimates/Projections

- 67% of jurisdictions provided input on SCAG’s Socioeconomic Estimates and Projections
- Approval of SCAG’s draft population, household, and employment estimates and projections was given by 39% of jurisdictions
- 27% of jurisdictions reviewed SCAG’s data and provided revised figures to be used in place of the draft figures; 1% rejected SCAG’s draft figures and did not include specific revisions

### Local Survey – Part I (Sustainability Plans)

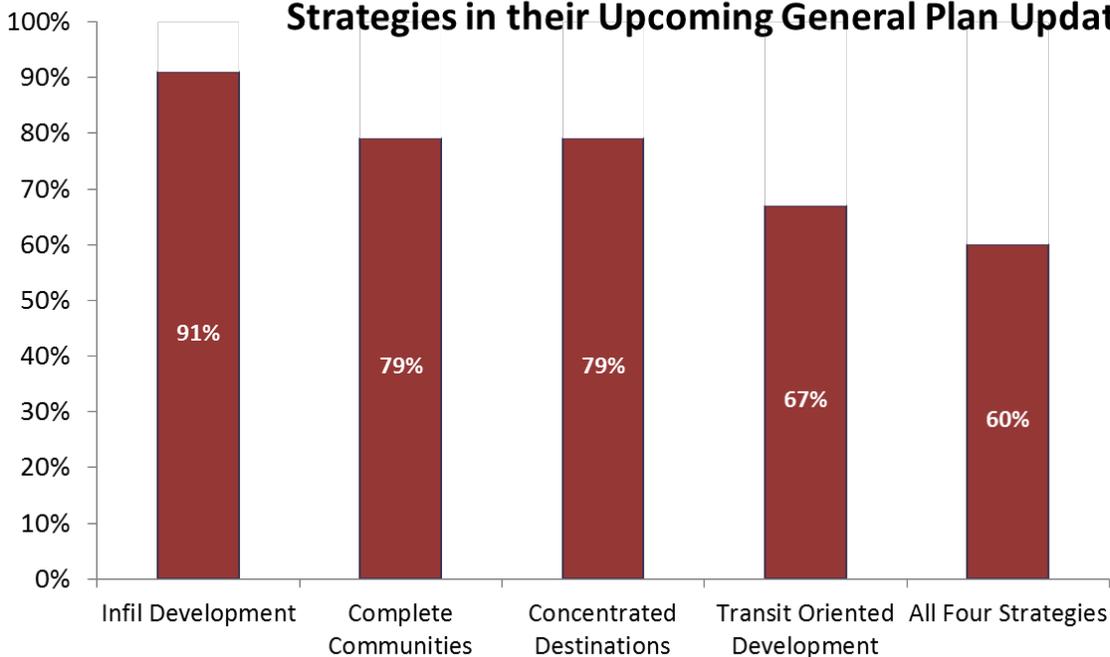
- 73% of jurisdictions provided a response to Part I of the Local Survey
- Just over 18% of local jurisdictions have updated their General Plan within the last 2 years, 36% did so within the last 5 years, and more than 58% have updated their General Plan within the last 10 years. About 30% are currently in the process of updating their General Plan
- Of jurisdictions currently updating their General Plan, strategies outlined in the 2012-2035 RTP/SCS are much more prevalent, with 91% reporting ‘Infill Development’ as a strategy to be supported by the new Plan, 79% selecting ‘Complete Communities’, 79% selecting

# REPORT

‘Concentrated Destinations’, & 67% reporting TOD to be a supported strategy in their updated General Plan. 60% of respondents currently updating their General Plan selected all 4 SCS strategies to be supported in the update (see graph below)

- About 76% of respondents indicate having an RTP-designated ‘High Quality Transit Area’ (HQTA) within their jurisdiction. Of these, about 40% report having policy incentives in place to encourage HQTA development
- 19% of jurisdictions have adopted a ‘Complete Streets’ policy, and 26% are in the process of doing so. Just over 41% of localities have adopted a ‘Safe Routes to School’ policy, and 24% are in the planning stages. Nearly 20% of respondents have adopted a local Pedestrian Plan, with another 22% in the process of doing so. 59% of reporting jurisdictions have adopted a Bicycle Plan, with another 36% planning to implement a policy. More than 56% of jurisdictions have adopted a Transportation Demand Management (TDM) policy, with another 12% in the process of doing so. Nearly 21% of respondents have adopted a local parking policy, with another 7% in the planning stages. About two-thirds of respondents have adopted an impact fee policy; with another 20% anticipate implementing a policy. About 31% of jurisdictions have adopted a public health policy, with another 26% in process

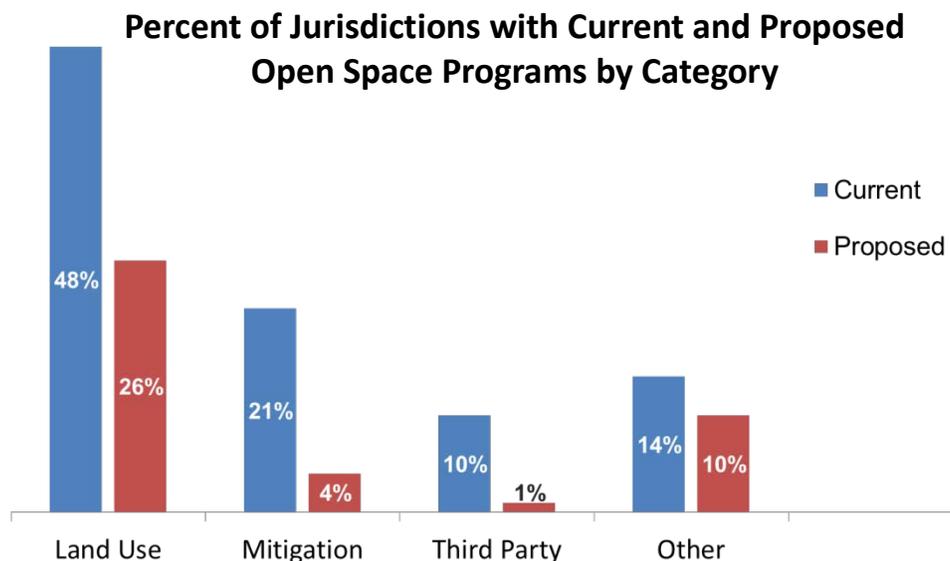
**Percent of Jurisdictions Including 2012-2035 RTP/SCS Strategies in their Upcoming General Plan Update**



# REPORT

## Local Survey – Part II (Open Space Programs)

- 71% of jurisdictions provided a response on Part II of the Local Survey
- Many jurisdictions have different types of open space programs or policies. 47% of jurisdictions have a program related to the protection of natural lands, 15% for the protection of agricultural areas, and 60% have parks and recreation open space programs
- Almost half of respondents (48%) listed land use programs/policies for open space in their jurisdiction, which were primarily general plan elements, such as open space element, parks and recreation element, natural resources element or conservation element. Other prevalent programs/policies were mitigation programs such as Natural Community Conservation Programs and Habitat Conservation Programs (21%). Third party programs, such as those led by non-profit organizations, represent 10% and several jurisdictions have other programs related to open space (14%). Many more jurisdictions have plans to implement open space programs (see graph below)
- 45% of respondents said mitigation activities are developed on a project-by-project basis, while about 20% said they develop on both a comprehensive and project-by-project basis. Only 4% develop projects solely on a comprehensive basis



Additional information on the nature of input provided from local jurisdictions on SCAG’s base datasets will be provided as this information is finalized for use in the next stages of development of the 2016 RTP/SCS.

To ensure adequate resources are allocated, various departments within SCAG have been involved and Frank Wen, Manager, Research & Analysis Department, continues to serve as the main point of contact for this process. He can be reached at: 213-236-1854 or [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).

### **FISCAL IMPACT:**

Activities related to the 2016 RTP/SCS development are included in the FY15 OWP under 010.SCG0170.01, 020.SCG1635.01, 055.SCG0133.025, and 070.SCG0130.10.

### **ATTACHMENT:**

PowerPoint Presentation: “Progress of the Bottom-up Local Input Process for the 2016 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)”

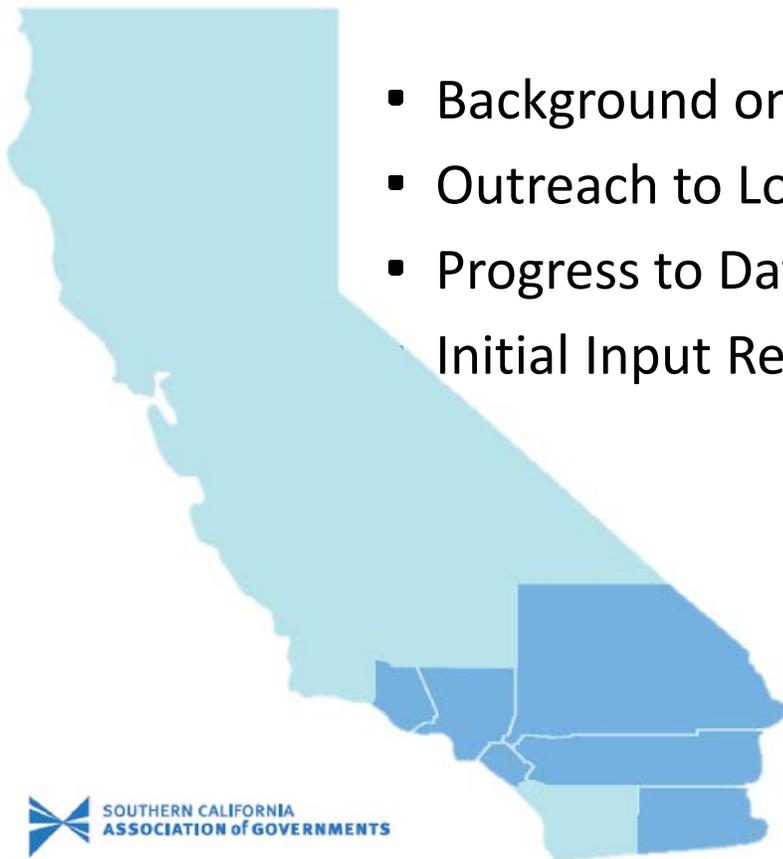
# ***Progress of the Bottom-up Local Input Process for the 2016 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)***



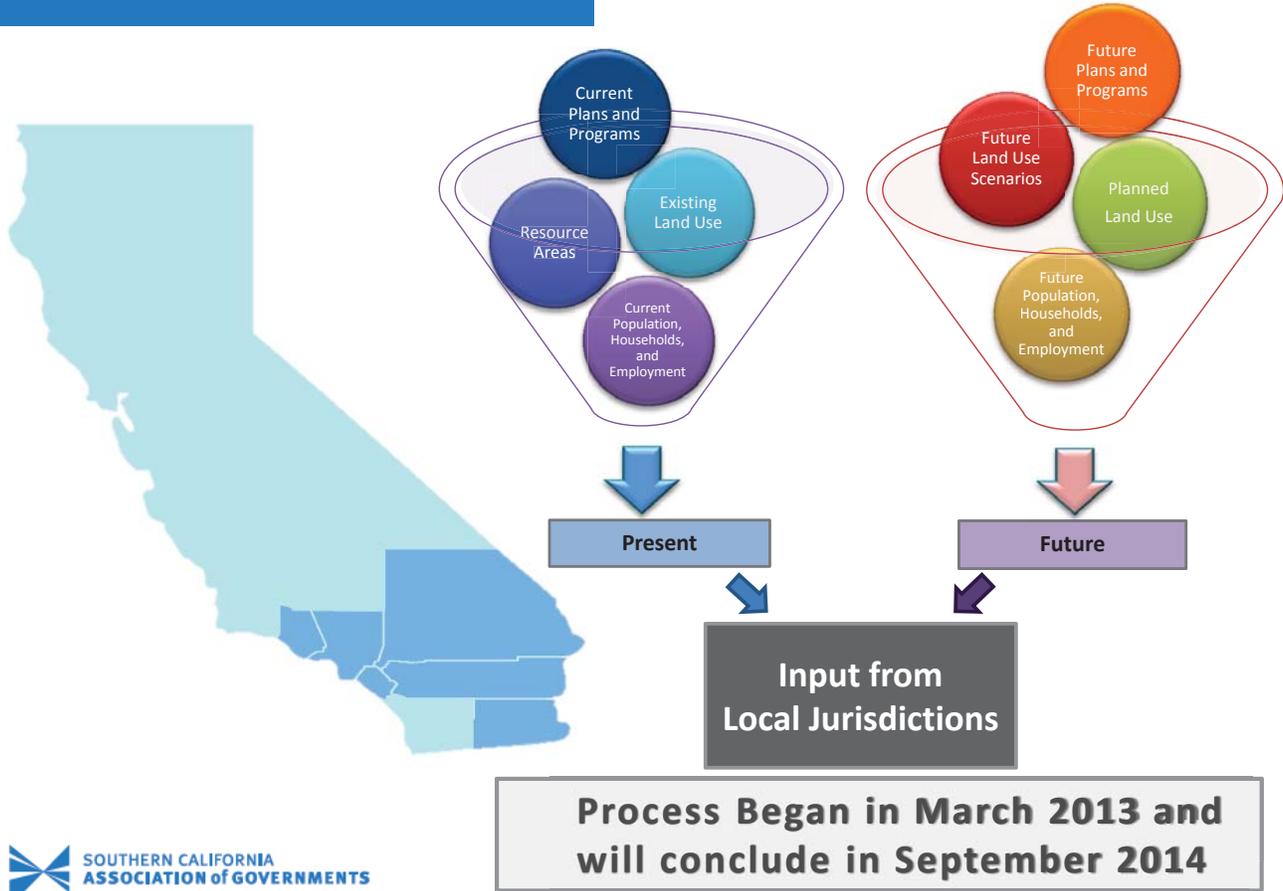
## Overview

- Background on Local Input Process
- Outreach to Local Jurisdictions
- Progress to Date

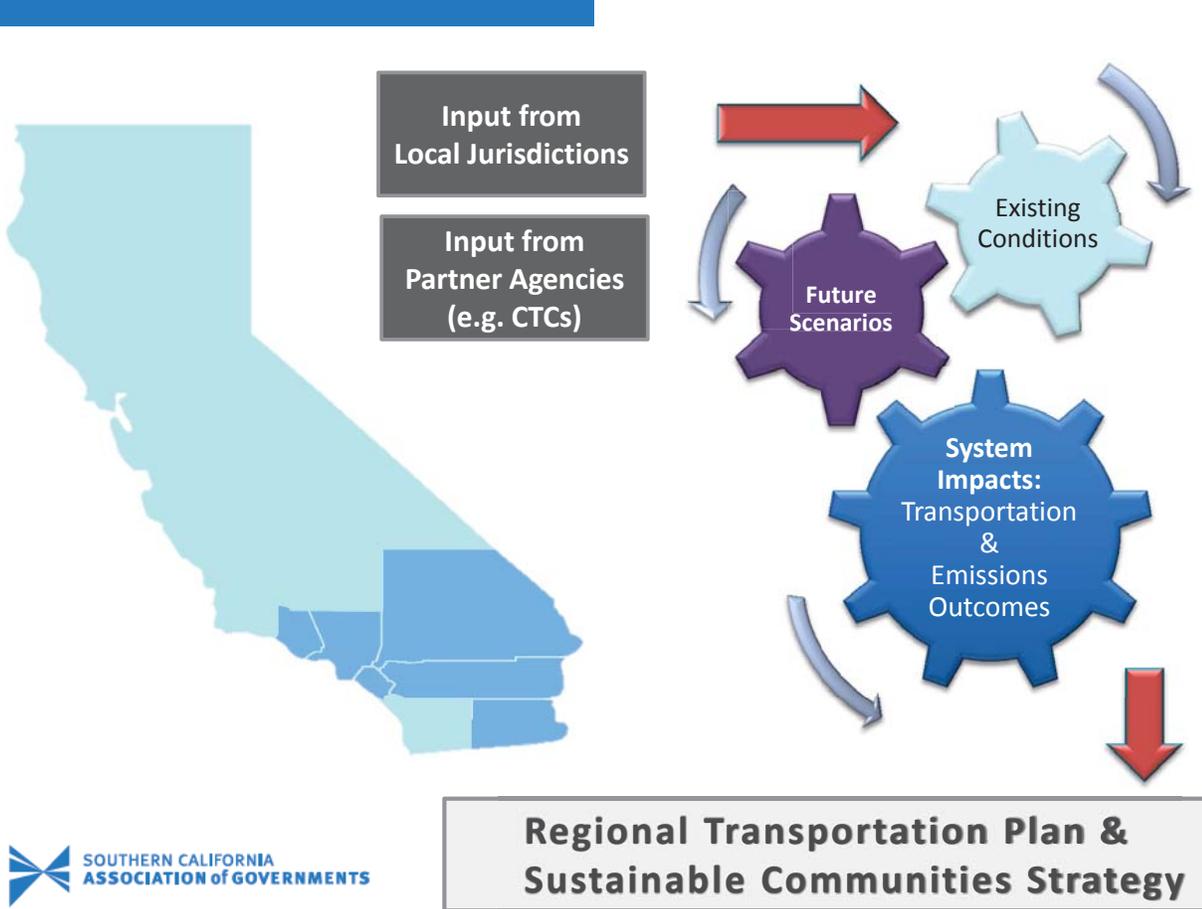
Initial Input Results



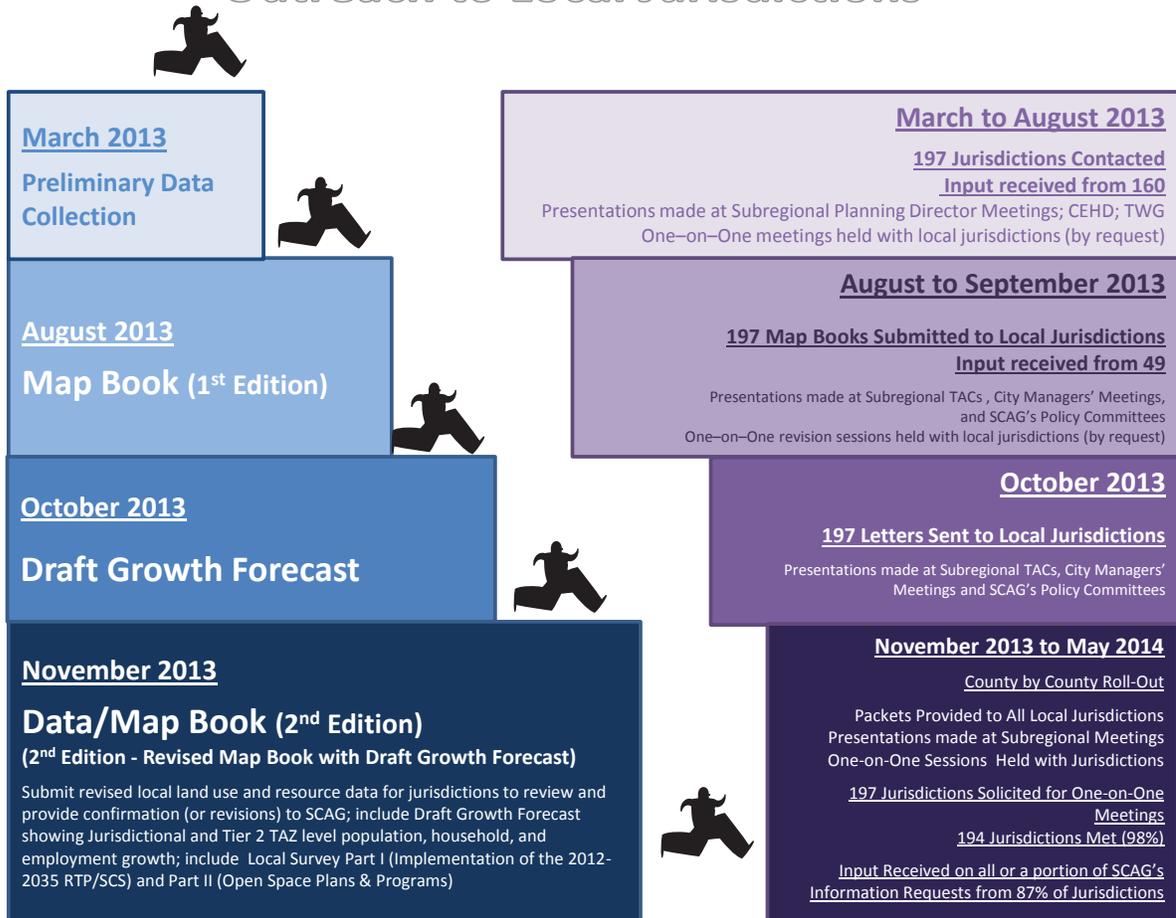
## Background of Local Input Process



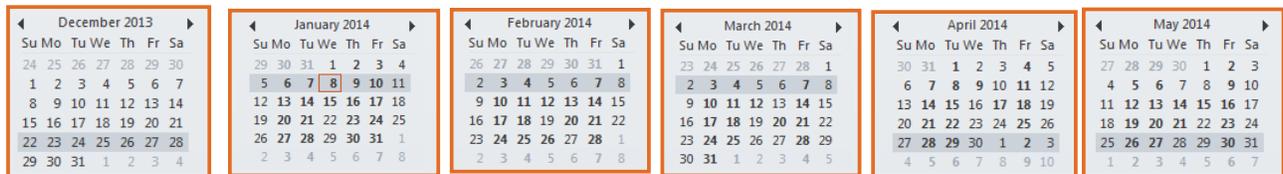
## Background of Local Input Process



# Outreach to Local Jurisdictions



## Role of One-on-One Meetings



## Goals

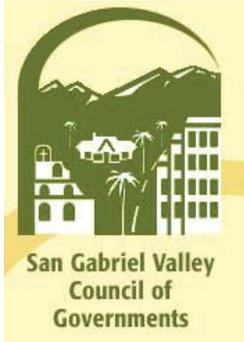
Provide an opportunity for jurisdictions to offer local knowledge and input to inform SCAG's regional datasets

Ensure that all local governments are fully informed of the 2016 RTP/SCS Planning Process

Improve the overall accuracy and local relevance of the Plan

# Local Collaboration

## Subregional Organizations



# Local Collaboration

Collaboration with Staff at Local Jurisdictions

**Staff Hours Varied According to:**

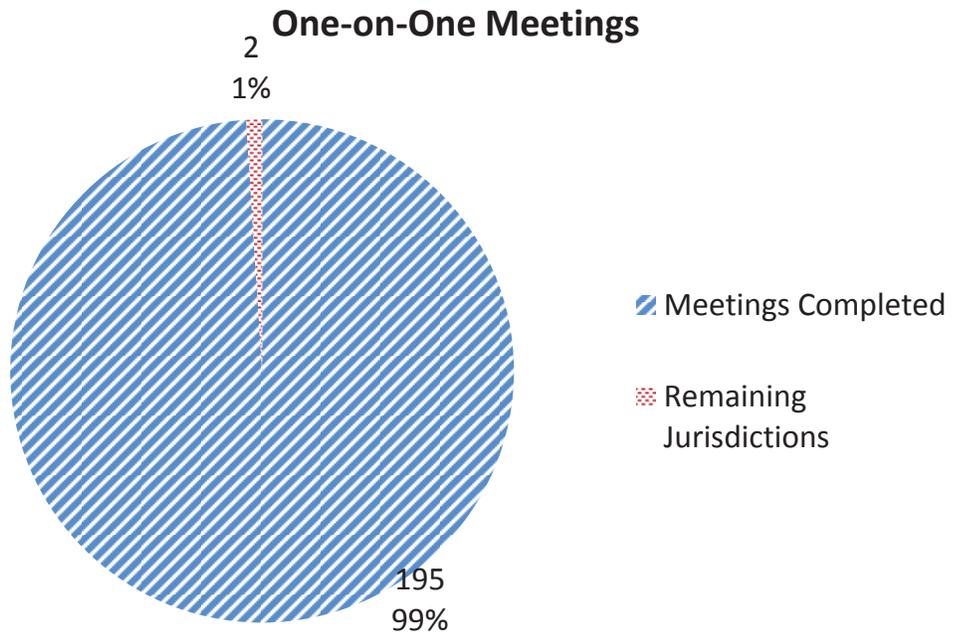
**Jurisdiction Size**

**Amount of Available Data**

**GIS Capabilities**

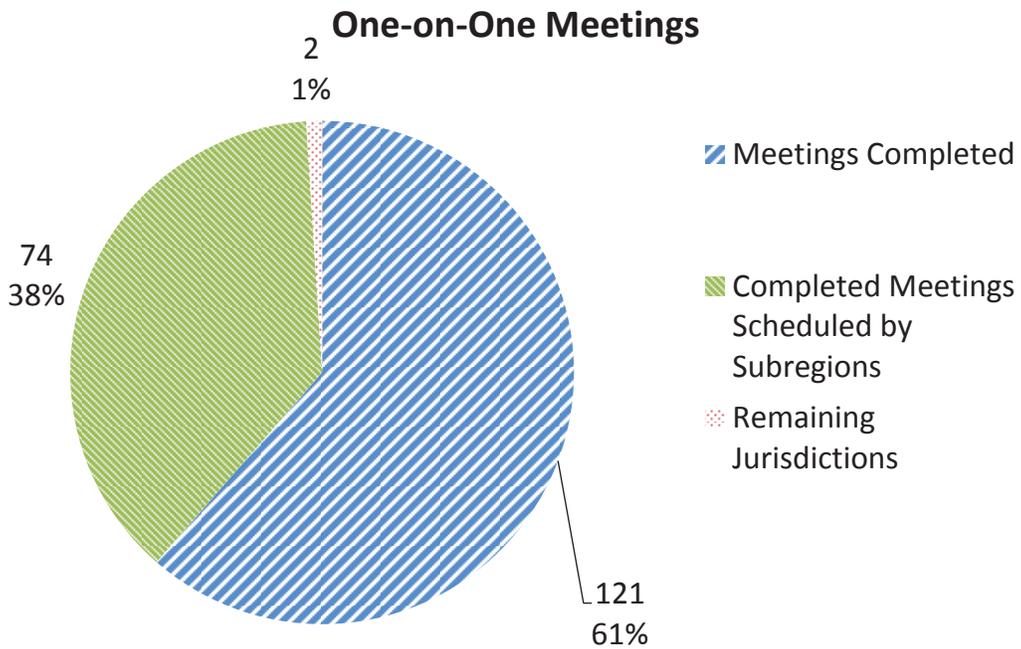
SCAG Assistance + Future Applications

# Progress to Date



Percent of Jurisdictions Solicited for One-on-One Sessions: 100%

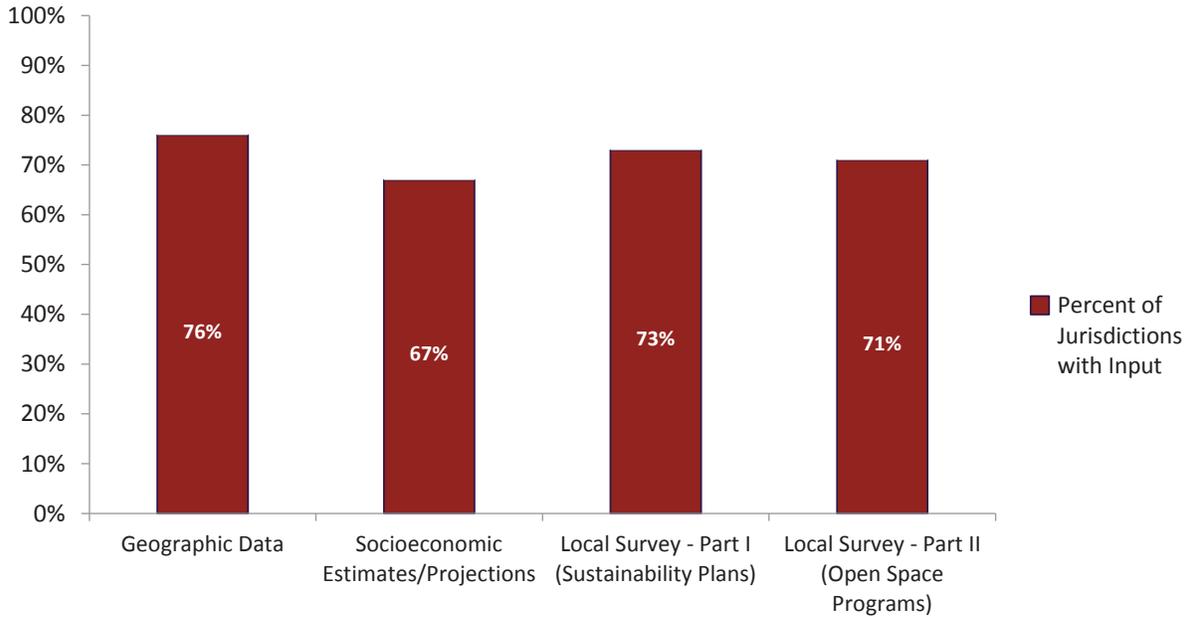
# Progress to Date



Percent of Jurisdictions Solicited for One-on-One Sessions: 100%

# Progress to Date

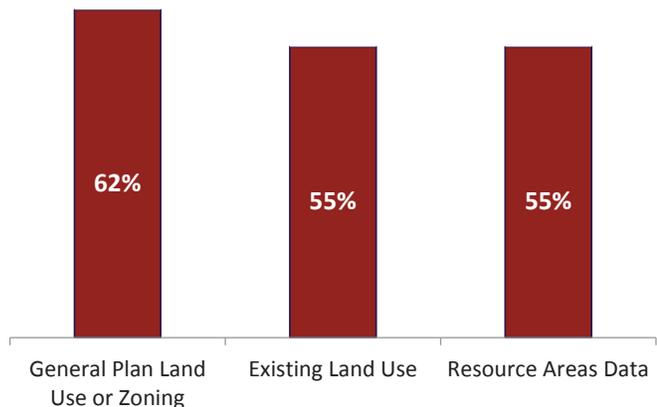
Input from Local Jurisdictions on SCAG's Datasets



## Geographic Data Initial Input Results

Total Jurisdictions Providing Input:  
**149**

Response Rate:  
**76%**



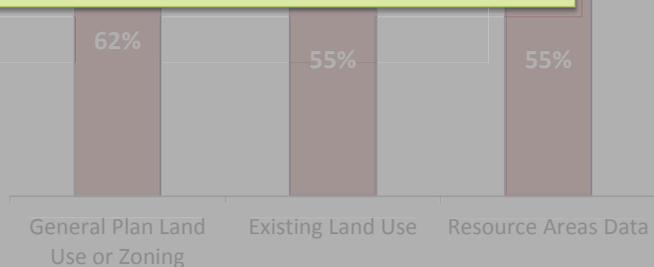
Percent of Jurisdictions Providing Input on SCAG's Geographic Datasets

# Geographic Data Initial Input Results

## Future Data Uses

- Scenario Planning for the 2016 RTP/SCS
- Regional Data Inventory for Local Plans
- Local Data for Day-to-Day City Business

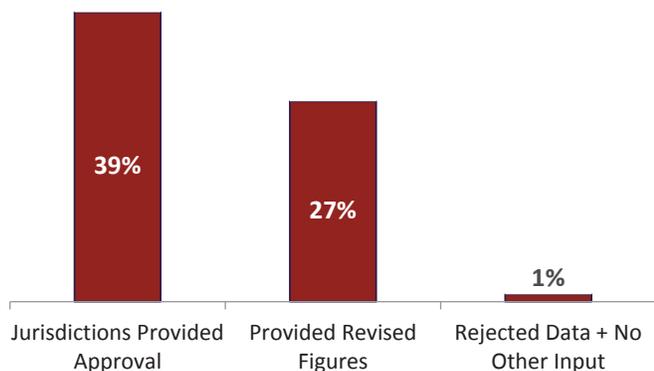
Response Rate:  
**70%**



# Socioeconomic Estimates/Projections Initial Input Results

Total Jurisdictions  
Providing Input:  
**132**

Response Rate:  
**67%**



Nature of Input on SCAG's Socioeconomic Data

# Socioeconomic Estimates/Projections

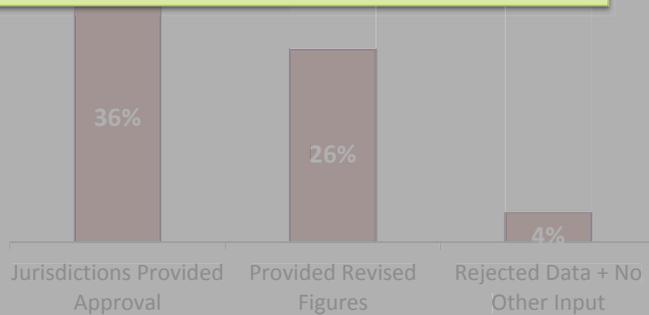
## Initial Input Results

### Future Data Uses

- Scenario Planning for the 2016 RTP/SCS
- Travel Demand Modeling for the 2016 RTP/SCS
- Regional Data for Use in Local Planning Efforts

Response Rate:

**65%**



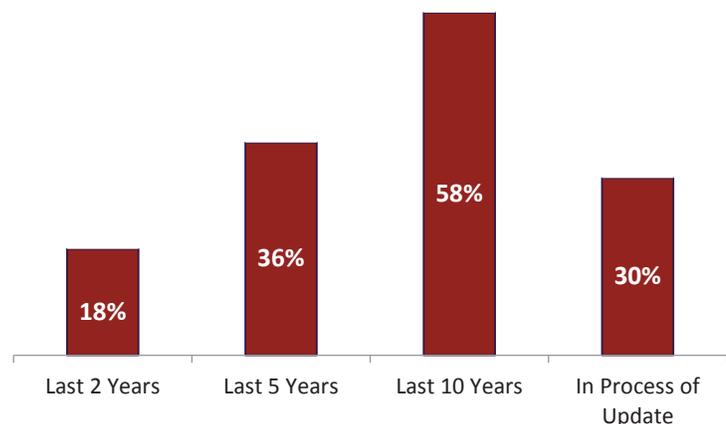
## Local Survey Part I – Implementation Initial Input Results

Total Surveys Completed As of  
7/29/2014 :

**143**

Response Rate:

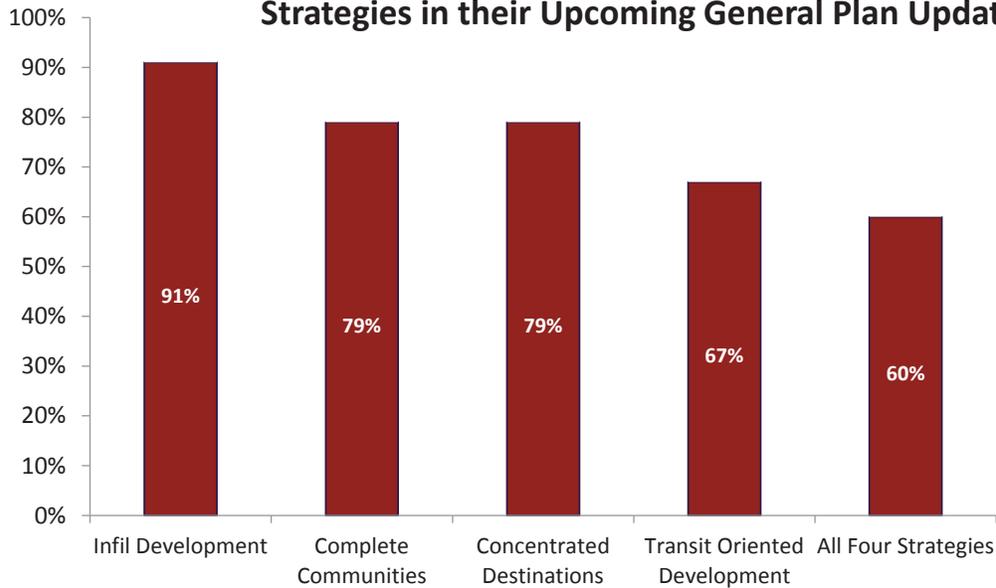
**73%**



Updates to Local Jurisdictions' General Plans

# Initial Input Results

Percent of Jurisdictions Including 2012-2035 RTP/SCS Strategies in their Upcoming General Plan Update

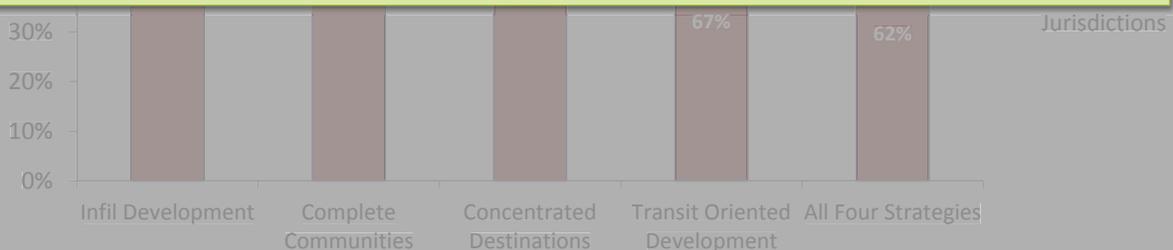


## Initial Input Results

Percent of Jurisdictions Including 2012-2035 RTP/SCS Strategies in their Upcoming General Plan Update

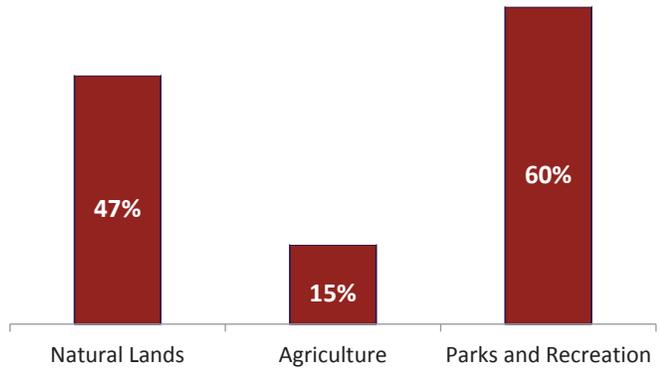
### Future Data Uses

- Monitor Initial Implementation of 2012-2035 RTP/SCS
- Regional Database of Local Sustainability Programs
- Establish framework for outcome-based monitoring



# Local Survey Part II – Open Space Initial Input Results

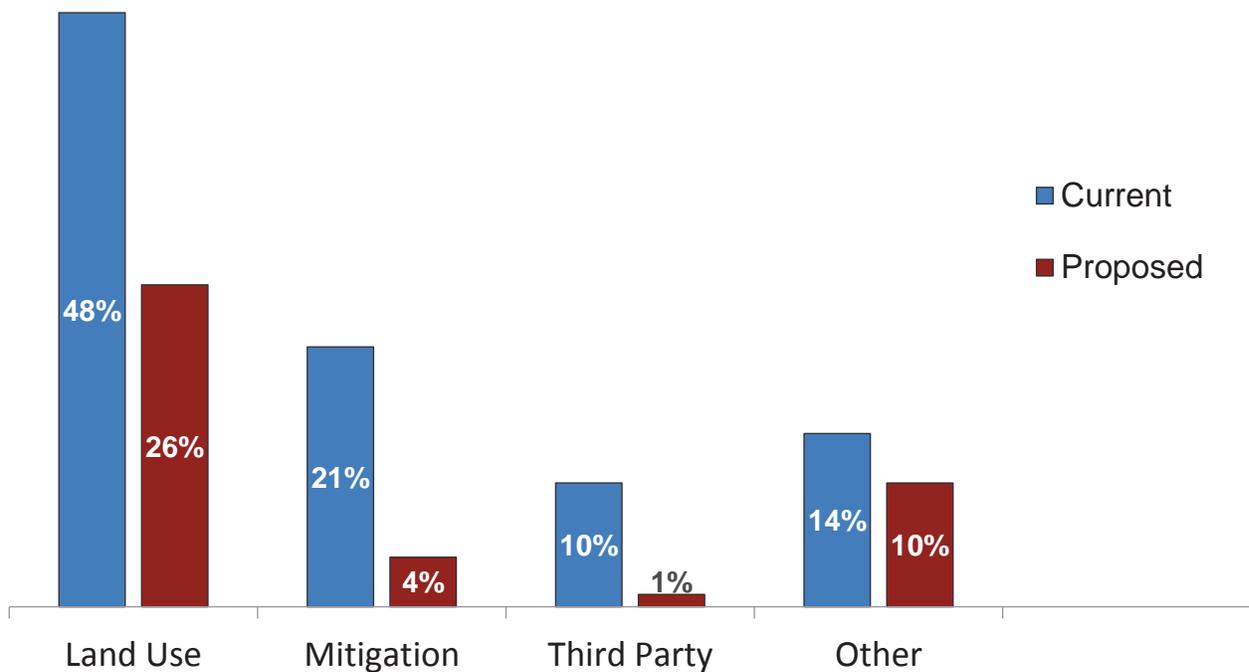
Total Surveys Completed As of 7/29/2014 :  
**139**  
Response Rate:  
**71%**



Jurisdictions with Open Space Programs and Policies by Type

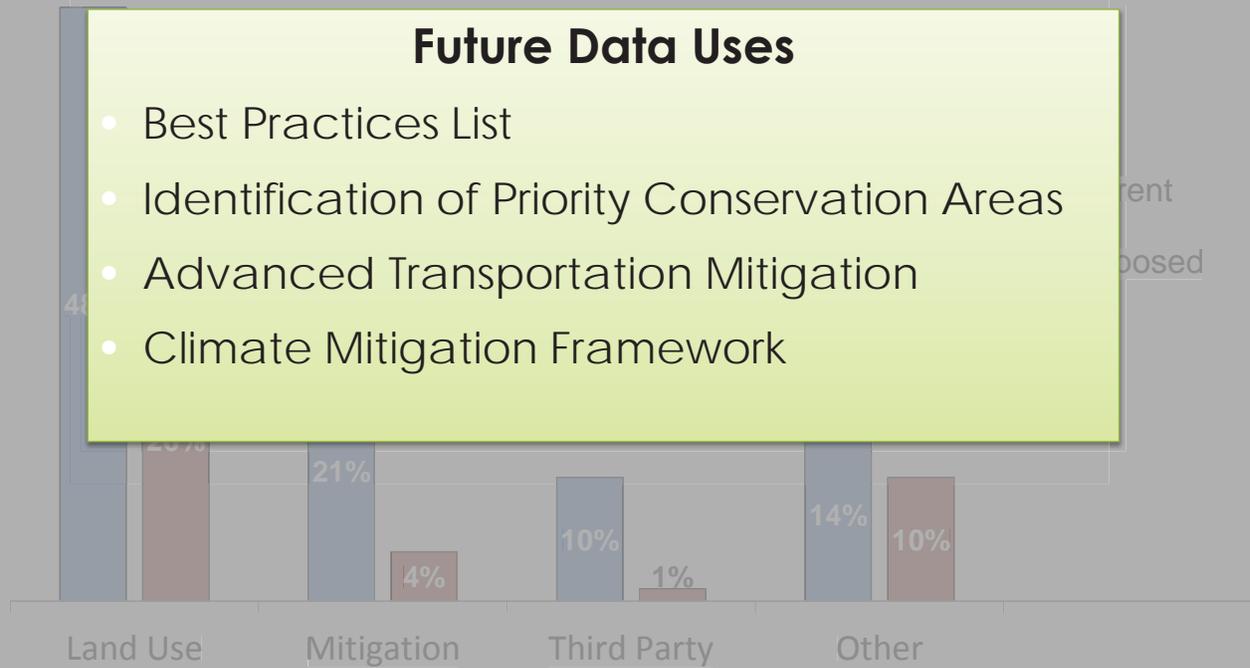
## Initial Input Results

### Current and Proposed Open Space Program Categories



# Initial Input Results

## Current and Proposed Open Space Program Categories



## Next Steps

**SCAG Staff will continue their outreach  
with local jurisdictions**

**Regional Datasets will be finalized  
by the end of September**

Questions?

Thanks!!

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**COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE  
of the  
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**June 5, 2014  
Minutes**

**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE. AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING.**

The Community, Economic & Human Development Committee held its meeting at SCAG's downtown Los Angeles office.

**Members Present**

Hon. Don Campbell, Brawley	ICTC
Hon. Carol Chen, Cerritos	GCCOG
Hon. Steven Choi, City of Irvine	District 14
Hon. Jeffrey Cooper, Culver City	WSCCOG
Hon. Lynne Dvorak, City of Laguna Woods	OCCOG
Hon. Rose Espinoza, City of La Habra	OCCOG
Hon. Margaret Finlay, Duarte ( <b>Chair</b> )	District 35
Hon. Debbie Franklin, Banning	WRCOG
Hon. Ron Garcia, Brea	OCCOG
Hon. James Gazeley, Lomita	District 39
Hon. Michael Goodland, Jurupa Valley	WRCOG
Hon. Tom Hansen, City of Paramount	GCCOG
Hon. Robert Joe, South Pasadena	Arroyo Verdugo Cities
Hon. Jim Katapodis, Huntington Beach	District 64
Hon. Paula Lantz, Pomona	District 38
Hon. Joe Lyons, City of Claremont	SGVCOG
Hon. Larry McCallon, Highland	District 7
Hon. Kathryn McCullough, Lake Forest	District 13
Hon. Joe McKee, City of Desert Hot Springs	CVAG
Hon. Carl Morehouse, San Buenaventura	District 47
Hon. Ray Musser, Upland	SANBAG
Hon. Steve Nagel, City of Fountain Valley	OCCOG
Hon. John Nielsen, Tustin	District 17
Hon. Ed Paget, Needles	SANBAG
Hon. Julio Rodriguez, Perris	District 69
Hon. Sonny Santa Ines, Bellflower	GCCOG
Hon. Tri Ta, Westminster	District 20

**Members Not Present**

Hon. Sam Allevato, City of San Juan Capistrano	OCCOG
Hon. Joseph Gonzales, South El Monte	SGVCOG
Hon. Steve Hofbauer, Palmdale	District 43

**Members Not Present (Cont'd)**

Hon. Bill Jahn, Big Bear Lake (Vice-Chair)	District 11
Hon. Charles Martin	Morongo Band of Mission Indians
Hon. Julie Hackbarth-McIntyre, Barstow	SANBAG
Hon. Susan McSweeney, Westlake Village	LVMCOG
Hon. Gene Murabito, Glendora	SGVCOG
Hon. John Palinkas	Pechanga Band of Luiseno Indians
Hon. Rex Parris, Lancaster	North Los Angeles County
Hon. Becky Shevlin, Monrovia	SGVCOG
Hon. Ray Torres	Torres-Martinez Desert Cahuilla Indians
Hon. Frank Zerunyan, Rolling Hills Estates	SBCCOG

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Hon. Margaret Finlay, Chair, called the meeting to order at approximately 10:00 AM. Jason Golding, City of Duarte, led the Committee in the Pledge of Allegiance.

The Chair welcomed the following new CEHD members to the Committee:

- Hon. Joe McKee, City of Desert Hot Springs, representing CVAG
- Hon. Jim Katapodis, City of Huntington Beach, representing District #64
- Hon. Steve Nagel, City of Fountain Valley, representing OCCOG
- Hon. Joe Lyons, City of Claremont, representing SGVCOG
- Hon. Julio Rodriguez, City of Perris, representing District #69

**PUBLIC COMMENT PERIOD**

There were no public comments.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

There was no reprioritization of the agenda.

**RHNA AND HOUSING ELEMENT REFORM SUBCOMMITTEE UPDATE**

Hon. Margaret Finlay reported that the Subcommittee held its latest meeting on May 29, 2014. Glen Campora, Assistant Deputy Director of Housing Community Development (HCD), provided an update on possible legislative changes to the aspects of RHNA and the housing element process. Mr. Campora noted that HCD is in the process of gathering information from the COGs and other stakeholders throughout the state for the consideration of an Omnibus Bill in 2015. Hon. Finlay stated that the actions taken by the Subcommittee will be presented in a final report to CEHD after the conclusion of the Subcommittee's work.

**INFORMATION ITEMS**

1. Transit-Oriented Development (TOD): Benefits, Challenges, and Best Practices  
Ping Chang, Program Manager of Land Use and Environmental Planning, provided an overview of the draft paper included in the agenda packet, which focuses on the benefits, challenges, and best practices for TODs. Mr. Chang noted that the draft paper was developed based on literature review, expert interviews, and two case studies of TODs in the region. Mr. Chang emphasized that TOD implementation is not only building a particular project, but is also building sustainable communities.

Hon. Larry McCallon, representing District #7, inquired if research indicates that people are choosing to locate in TODs because of the transit or for other reasons. Mr. Chang stated that national studies show an increased utilization of transit and active transportation for people living in TODs.

Hon. Carol Chen, representing GCCOG, emphasized the importance of exploring the commercial component of TODs. Hon. Chen suggested utilizing the expertise of other countries such as Japan and China.

2. California Environmental Protection agency (Cal/EPA) California Communities Environmental Health Screening (CalEnviroScreen Tool Draft Version 2.0)  
Ping Chang provided an update on the latest version of the CalEnviroScreen Tool, Draft Version 2.0. Developed by Cal/EPA, it is a screening tool with the objective to identify communities that are disproportionately impacted by multiple sources of pollution.

Hon. Joe McKee, representing CVAG, expressed concern that some communities will have a problem qualifying for the Cap-and-Trade money, if they have no monitoring system in place. Huasha Liu, Director of Land Use and Environmental Planning, stated that her department will convey this information to AQMD. Pursuant to SB535, CalEnviroScreen is expected to be used to focus a portion of the state's Cap-and-Trade auction proceeds to the most impacted communities.

Hon. Larry McCallon reiterated from earlier discussions that communities should not be labeled as disadvantaged communities. Hon. McCallon has suggested to Cal/EPA to identify these communities as SB 535 eligible.

3. Program for 25<sup>th</sup> Annual SCAG/USC Demographic Workshop – June 9, 2014  
Dr. Simon Choi, Chief of Research and Forecasting, reported that SCAG will co-host the 25<sup>th</sup> Annual Demographic Workshop with the University of Southern California (USC) on Monday, June 9, 2014 at the USC Davidson Conference Center. The theme of the workshop is “Demographics of Poverty and Progress after the Recession.”

4. Progress of One-on-One Meetings with Local Jurisdictions to Provide Assistance for a Bottom-up Local Input Process  
Kimberly Clark, Senior Regional Planner, provided an overview of the one-on-one meetings that have been scheduled with local jurisdictions to assist in the review of the draft socioeconomic and geographic datasets for the 2016 RTP/SCS. At these meetings, staff is collecting data changes, answering questions, and providing technical guidance. Ms. Clark reported that staff has met with 96% of the 197 jurisdictions in the SCAG region. Ms. Clark acknowledged the support of SCAG's subregional organizations, noting that 38% of the one-on-one meetings were scheduled by our subregional partners. The next stage will be land use scenario planning.

Dr. Frank Wen, Manager of Research and Analysis, emphasized that the focus of the input process is the growth forecast. He noted that local jurisdictions are evaluating the city level growth forecast in terms of population/household. As there is no RHNA component in the 2016 planning cycle, cities are providing their growth forecast in terms of future growth, which could be used as a basis for RHNA in the 2020 RTP/SCS.

**CONSENT CALENDAR**

**Approval Item**

- 5. Minutes of the April 3, 2014 Meeting

**Receive and File**

- 6. 2014 Regional Council and Policy Committees Meeting Schedule
- 7. SCAG Sustainability Planning Grants Program – Monthly Update

A MOTION was made (Franklin) to approve the Consent Calendar. The MOTION was SECONDED (Goodland) and APPROVED by the following vote:

**AYES:** Campbell, Choi, Espinoza, Finlay, Franklin, Goodland, Hansen, Katapodis, Lantz, Lyons, McCullough, McKee, Musser, Nagel, Paget, Santa Ines

**NOES:** None

**ABSTAIN:** Ta

**CHAIR’S REPORT**

The Chair announced that the RC and Policy Committees are dark in July and will reconvene on August 7, 2014.

**STAFF REPORT**

Dr. Frank Wen encouraged members to register for the Demographic Workshop.

**FUTURE AGENDA ITEMS**

There were no future agenda items presented.

**ANNOUNCEMENTS**

Hon. Larry McCallon stated that CEHD is outgrowing Policy Room B, and suggested finding another solution.

**ADJOURNMENT**

The Chair adjourned the meeting at 12:00 PM.

Minutes Approved By:



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Frank Wen, Manager  
Research & Analysis

**Community, Economic & Human Development Committee Attendance Report**

		2014																	
		X = County Represented					X = Attended		No Meeting			NM = New Member		EA = Excused Absence					
Member (including Ex-Officio) LastName, FirstName	Representing	IC	LA	OC	RC	SB	VC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Allevato, Sam	OCCOG			X															
Campbell, Don*	ICTC	X						X	X		X		X						
Chen, Carol	Gateway Cities		X					X	X		X		X						
Choi, Steven	City of Irvine (District 14)			X				X	X		X		X						
Cooper, Jeffrey	WSCCOG		X					X					X						
Dvorak, Lynne	OCCOG			X							NM		X						
Espinoza, Rose	OCCOG			X				X	X		X		X						
Finlay, Margaret* (Chair)	Duarte (District 35)		X						X		X		X						
Franklin, Debbie	WRCOG				X			X	X		X		X						
Garcia, Ron	OCCOG			X					X				X						
Gazeley, James*	Lomita (District 39)		X					X	X		X		X						
Gonzales, Joseph J.	SGVCOG		X						X										
Goodland, Michael	WRCOG				X						X		X						
Hansen, Tom	Gateway Cities							X	X		X		X						
Hofbauer, Steve	Palmdale (District 43)		X					X	X		X								
Jahn, Bill* (Vice-Chair)	SANBAG (District 11)					X		X	X										
Joe, Robert	Arroyo Verdugo		X					X	X		X		X						
Katapodis, Jim	District 64			X										NM					
Lantz, Paula*	Pomona (District 38)		X					X	X		X		X						
Lyons, Joe	SGVCOG		X											NM					
Martin, Charles	Morongo Indians				X			X											
McCallon, Larry*	Highland (District 7)					X			X					X					
McCullough, Kathryn*	OCCOG			X				X	X					X					
Hackbarth-McIntyre, Julie	SANBAG																		
McKee, Joe	CVAG				X										NM				
McSweeney, Susan	Las Virgenes/Malibu COG		X																
Morehouse, Carl*	VCOG (District 47)						X	X	X		X		X						
Murabito, Gene*	SGVCOG		X																
Musser, Ray	SANBAG					X		X	X		X		X						
Nagel, Steve	OCCOG			X											NM				
Nielsen, John*	Tustin (District 17)			X				X			X		X						
Paget, Ed	SANBAG					X		X	X				X						
Palinkas, John	Pechanga Indians				X														
Parris, Rex	North L.A. County Subregion		X																
Rodriguez, Julio	District 69														NM				
Santa Ines, Sonny	GCCOG		X					X			X		X						
Shevlin, Becky	SGVCOG		X						X		X								
Ta, Tri*	District 20			X					X					X					
Torres, Ray	Torres Martinez				X														
Zerunyan, Frank	SBCCOG		X					X	X		X								
Regional Council Member*																			

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# 2014 MEETING SCHEDULE

## REGIONAL COUNCIL AND POLICY COMMITTEES

**Main Office**

818 West Seventh Street  
12th Floor  
Los Angeles, California  
90017-3435  
  
t (213) 236-1800  
f (213) 236-1825  
  
www.scag.ca.gov

**Officers**

President  
Carl Morehouse, San Buenaventura  
  
First Vice President  
Cheryl Viegas-Walker, El Centro  
  
Second Vice President  
Michele Martinez, Santa Ana  
  
Immediate Past President  
Greg Pettis, Cathedral City

**Executive/Administration  
Committee Chair**

Carl Morehouse, San Buenaventura

**Policy Committee Chairs**

Community, Economic and  
Human Development  
Margaret Finlay, Duarte  
  
Energy & Environment  
Deborah Robertson, Rialto  
  
Transportation  
Alan Wapner, San Bernardino  
Associated Governments

### All Regular Meetings are scheduled on the 1<sup>st</sup> Thursday of each month, except for September\*

Executive/Administration Committee (EAC)	9:00 AM – 10:00 AM
Community, Economic and Human Development Committee (CEHD)	10:00 AM – 12:00 PM
Energy and Environment Committee (EEC)	10:00 AM – 12:00 PM
Transportation Committee (TC)	10:00 AM – 12:00 PM
Regional Council (RC)	12:15 PM – 2:00 PM

January 2, 2014

February 6, 2014

March 6, 2014

April 3, 2014

**May 1 – 2, 2014**

**(SCAG 2014 Regional Conference & General Assembly)**

June 5, 2014

**DARK IN JULY**

August 7, 2014

**September 11, 2014\***

**(Note: League of California Cities Annual Conference in Los Angeles, Sept. 3 – 5)**

October 2, 2014

November 6, 2014

December 4, 2014

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**DATE:** August 7, 2014

**TO:** Regional Council (RC)  
Executive/Administration Committee (EAC)  
Community, Economic, and Human Development (CEHD) Committee  
Energy and Environment Committee (EEC)  
Transportation Committee (TC)

**FROM:** Hasan Ikhata, Executive Director, [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov), 213-236-1944

**SUBJECT:** SCAG Sustainability Planning Grants Program – Monthly Update

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Receive and File.

**EXECUTIVE SUMMARY:**

*SCAG is providing a monthly update (attached) regarding successful implementation of the 73 Sustainability Grants to member agencies. Forty-four (44) of the seventy-three (73) approved SCAG Sustainability Planning Grants were funded in the fall of 2013. An additional fifteen (15) projects were funded in the summer of 2014. Six of these projects will be funded by an award to SCAG from the California Strategic Growth Council. At the time this report was distributed, forty-five (45) grant projects have had Scopes of Work developed and finalized, forty-three (43) grant projects have had Request for Proposals (RFPs) released, forty-two (42) grant projects have selected consultants, and thirty-three (33) grant projects have had contracts executed.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies.

**BACKGROUND:**

On September 12, 2013, the Regional Council approved seventy-three (73) Sustainability Planning Grant projects and directed staff to proceed with funding projects with available funds for Phases I and Phase II projects (total of 44 projects). The remaining projects will be part of Phase III and will proceed as additional funds become available in FY 2014/2015.

SCAG staff is providing monthly updates to the Board regarding implementation of the seventy-three (73) grants. At the time this report was distributed, *forty-five (45)* grant projects have had scopes of work developed in partnership with the cities, *forty-three (43)* grant projects have had RFPs released, *forty-two (42)* grant projects have consultants selected and *thirty-three (33)* grant projects have completed negotiations and have contracts executed.

# REPORT

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**FISCAL IMPACT:**

Funding is included in SCAG's FY 2014-15 Overall Work Program (OWP) Budget. Staff's work budget for the current fiscal year are included in FY 2014-15 OWP 065.SCG02663.02.

**ATTACHMENT:**

Summary Progress Chart

# SCAG Sustainability Planning Grants

July 29, 2014

Regional Council Progress Update

Rank	Applicant	Project	Working / Last Contact	Scope	RFP	Selection	Contract
<b>Phase 1 (Available funds FY 13-14)</b>							
1	San Bernardino County	Bloomington Area Valley Blvd. Specific Plan Health and Wellness Element - <b>Public health; Active transportation; Livability; Open space</b>	x	x	x	x	x
2	Los Angeles - Department of City Planning	Van Nuys & Boyle Heights Modified Parking Requirements - <b>Economic development; TOD; Livability</b>	x	x	x	x	x
3	Los Angeles - Department of City Planning	Bicycle Plan Performance Evaluation - <b>Active transportation; performance measures</b>	x	x	x	x	x
4	Western Riverside Council of Governments	Public Health: Implementing the Sustainability Framework - <b>Public health; Multi-jurisdiction coordination; Sustainability</b>	x	x	x	x	x
5	Santa Ana	Complete Streets Plan - <b>Complete streets; Active transportation; Livability</b>	x	x	x	x	x
6	San Bernardino Associated Governments	Climate Action Plan Implementation Tools - <b>GHG reduction; Multi-jurisdiction coordination; Implementation</b>	x	x	x	x	x
7	Riverside	Restorative Growthprint Riverside - <b>GHG reduction; Infrastructure investment; Economic development</b>	x	x	x	x	x
8	Orange County Parks	Orange County Bicycle Loop - <b>Active transportation; Multi-jurisdictional; Public health</b>	x	x	x	x	x
9	Ventura County	Connecting Newbury Park - Multi-Use Pathway Plan - <b>Active transportation; Public health; Adaptive re-use</b>	x	x	x	x	x
10	Imperial County Transportation Commission	Safe Routes to School Plan - <b>Multi-modal; Active transportation</b>	x	x			

Rank	Applicant	Project	Working /				
			Last Contact	Scope	RFP	Selection	Contract
11	Yucaipa	College Village/Greater Dunlap Neighborhood Sustainable Community - <b>Complete Streets; TOD</b>	x	x	x	x	x
12	Las Virgenes-Malibu Council of Governments	Multi-Jurisdictional Regional Bicycle Master Plan - <b>Active transportation; Public health; Adaptive re-use</b>	x	x	x	x	x
13	Eastvale	Bicycle & Pedestrian Master Plan - <b>Active Transportation</b>	x	x	x	x	x
14	West Covina	Downtown Central Business District - <b>Multi-modal; Active transportation</b>	x	x	x		
15	Placentia	General Plan/Sustainability Element & Development Code Assistance - <b>General Plan Update; Sustainability Plan</b>	x	x	x	x	x
16	Paramount/Bellflower	Regional Bicycle Connectivity - West Santa Ana Branch Corridor - <b>Active transportation; multi-jurisdiction</b>	x	x	x	x	x
17	Costa Mesa	Implementation Plan for Multi-Purpose Trails - <b>Active Transportation</b>	x	x	x	x	x
<b>Phase 2 (Available funds)</b>							
18	Fullerton	East Wilshire Avenue Bicycle Boulevard - <b>Active transportation; Livability; Demonstration project</b>	x	x	x	x	x
19	Beaumont	Climate Action Plan - <b>GHG reduction</b>	x	x	x	x	x
20	Palm Springs	Sustainability Master Plan Update - <b>Leverages larger effort; commitment to implement</b>	x				
21	Big Bear Lake	Rathbun Corridor Sustainability Plan - <b>Multi-modal; Economic development; Open space</b>	x	x	x	x	x
22	Western Riverside Council of Governments	Land Use, Transportation, and Water Quality Planning Framework - <b>Integrated planning, Sustainability</b>	x	x	x	x	x
23	Anaheim	Bicycle Master Plan Update - <b>Active transportation</b>	x	x	x	x	x

Rank	Applicant	Project	Working /				
			Last Contact	Scope	RFP	Selection	Contract
24	Ontario	Ontario Airport Metro Center - <b>Multi-modal; Visualization; Integrated planning</b>	x				
25	Coachella Valley Association of Governments	CV Link Health Impact Assessment - <b>Active transportation; Public health; Multi-jurisdiction</b>	x	x	x	x	x
26	San Bernardino Associated Governments	San Bernardino Countywide Complete Streets Strategy - <b>Multi-modal; Livability; Multi-jurisdiction</b>	x	x	x	x	
27	Chino Hills	Climate Action Plan and Implementation Strategy - <b>GHG reduction; Implementation; Sustainability</b>	x	x	x	x	x
28	Coachella	La Plaza East Urban Development Plan - <b>Mixed-use, TOD, Infill</b>	x	x	x	x	x
29	South Bay Bicycle Coalition/Hermosa, Manhattan, Redondo	Bicycle Mini-Corral Plan - <b>Active transportation; implementable; good value</b>	x	x	x	x	x
30	Hawthorne	Crenshaw Station Area Active Transportation Plan and Overlay Zone - <b>Multi-modal; Active transportation; GHG reduction</b>	x	x	x	x	x
31	Chino	Bicycle & Pedestrian Master Plan - <b>Multi-modal; Active transportation</b>	x	x	x	x	x
32	Stanton	Green Planning Academy - <b>Innovative; Sustainability; Education &amp; outreach</b>	x	x	x	x	
33	Hermosa Beach	Carbon Neutral Plan - <b>GHG reduction; Sustainability</b>	x	x	x	x	x
34	Palm Springs	Urban Forestry Initiative - <b>Sustainability; Unique; Resource protection</b>	x	x	x	x	
35	Orange County	"From Orange to Green" - County of Orange Zoning Code Update - <b>Sustainability; implementation</b>	x	x	x	x	x
36	Calimesa	Wildwood and Calimesa Creek Trail Master Plan Study - <b>Active transportation; Resource protection</b>	x	x	x	x	

Rank	Applicant	Project	Working /				
			Last Contact	Scope	RFP	Selection	Contract
37	Western Riverside Council of Governments	Climate Action Plan Implementation - <b>GHG Reduction; Multi-jurisdiction; implementation</b>	x	x	x	x	x
38	Lynwood	Safe and Healthy Community Element - <b>Public health &amp; safety, General Plan update</b>	x	x	x	x	x
39	Palmdale	Avenue Q Feasibility Study - <b>Mixed-use; Integrated planning</b>	x	x	x	x	x
40	Long Beach	Willow Springs Wetland Habitat Creation Plan - <b>Open Space; Resource protection</b>	x	x	x	x	
41	Indio	General Plan Sustainability and Mobility Elements - <b>Sustainability; Multi-modal, General Plan update</b>	x	x	x	x	
42	Glendale	Space 134 - <b>Open space/Freeway cap; Multi-modal</b>	x	x	x	x	
43	Rancho Palos Verdes/City of Los Angeles	Western Avenue Corridor Design Implementation Guidelines - <b>Urban Infill; Mixed-use; Multi-modal</b>	x	x	x	x	x
44	Moreno Valley	Nason Street Corridor Plan - <b>Multi-modal; Economic development</b>	x	x	x	x	x
<b>Phase 3 (Pending additional funds)</b>							
45	Park 101/City of Los Angeles	Park 101 District - <b>Open space/Freeway cap; Multi-modal</b>	x				
46	Los Angeles/San Fernando	Northeast San Fernando Valley Sustainability & Prosperity Strategy - <b>Multi-jurisdiction; Economic development; Sustainability</b>	x				
47	San Dimas	Downtown Specific Plan - <b>Mixed use; Infill</b>	x				
48	Los Angeles - Department of City Planning	CEQA Streamlining: Implementing the SCS Through New Incentives - <b>CEQA streamlining</b>	Oct-13				
49	Pico Rivera	Kruse Road Open Space Study - <b>Open space; Active transportation</b>	x				

Rank	Applicant	Project	Working /				
			Last Contact	Scope	RFP	Selection	Contract
50	South Bay Cities Council of Governments	Neighborhood-Oriented Development Graphics - public outreach	x				
51	San Bernardino Associated Governments	Safe Routes to School Inventory - <b>Active transportation; Public health</b>	x				
52	Burbank	Mixed-Use Development Standards - <b>Mixed use; Urban infill</b>	x				
53	San Bernardino Associated Governments	Countywide Habitat Preservation/Conservation Framework - <b>Open Space; Active Transportation</b>	x				
54	Rancho Cucamonga	Healthy RC Sustainability Action Plan - <b>Public health; implementation</b>	Oct-13				
55	Pasadena	Form-Based Street Design Guidelines - <b>Complete Streets; Multi-modal; Livability</b>	Oct-13				
56	South Gate	Gateway District/Eco Rapid Transit Station Specific Plan - <b>Land Use Design; Mixed Use; Active Transportation</b>	x				
57	Lancaster	Complete Streets Master Plan - <b>Complete Streets Plan</b>	Oct-13				
58	Rancho Cucamonga	Feasibility Study for Relocation of Metrolink Station - <b>Transit Access</b>	Oct-13				
59	Santa Clarita	Soledad Canyon Road Corridor Plan - <b>Land Use Design; Mixed Use Plan</b>	Oct-13				
60	Seal Beach	Climate Action Plan - <b>Climate Action Plan</b>	Oct-13				
61	La Mirada	Industrial Area Specific Plan - <b>Land Use Design</b>	Oct-13				
62	Hemet	Downtown Hemet Specific Plan - <b>Land Use Design; Mixed Use Plan</b>	Oct-13				
63	Hollywood Central Park/City of Los Angeles	Hollywood Central Park EIR - <b>Open Space/Freeway Cap; Multi-modal</b>	x				
64	Desert Hot Springs	Bicycle/Pedestrian Beltway Planning Project - <b>Active Transportation</b>	Oct-13				

		Working /					
Rank	Applicant	Project	Last Contact	Scope	RFP	Selection	Contract
65	Cathedral City	General Plan Update - Sustainability - <b>General Plan Update; Sustainability Plan</b>	Oct-13				
66	Westminster	General Plan Update - Circulation Element - <b>General Plan Update; Complete Streets</b>	x				
67	La Canada Flintridge	Climate Action Plan - <b>Climate Action Plan</b>	Oct-13				
68	Huntington Beach	Neighborhood Electric Vehicle Plan - <b>Electric Vehicle</b>	Oct-13				
69	Pasadena	Green House Gas (GHG) Emission Reduction Evaluation Protocol - <b>Climate Action Plan</b>	Oct-13				
70	San Bernardino Associated Governments	Countywide Bicycle Route Mobile Application - <b>Active Transportation</b>	Oct-13				
71	Dana Point	General Plan Update - <b>General Plan Update</b>	Oct-13				
72	Garden Grove	RE:IMAGINE Downtown - Pedals & Feet - <b>Active Transportation; Infill</b>	Oct-13				
73	Barstow	Housing Element and Specific Plan Update - <b>Housing; Land Use Design</b>	Oct-13				

**DATE:** August 7, 2014

**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)  
Transportation Committee (TC)  
Community, Economic and Human Development (CEHD)  
Energy and Environment (EEC)

**FROM:** Hasan Ikhata, Executive Director, [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov), 213-236-1944

**SUBJECT:** SCAG Sustainability Planning Grants Program – New Member Project Applications

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION FOR EAC AND RC:**

Approve staff recommendation.

**RECOMMENDED ACTION FOR EEC, CEHD AND TC:**

Receive and File.

**EXECUTIVE SUMMARY:**

*Consistent with previous staff reports to the Regional Council regarding the City of Bell's Sustainability Planning Grant applications, and encouraging jurisdictions to become SCAG members, staff seeks approval from EAC/Regional Council to add project applications from two new member cities, the City of Bell and the City of Fountain Valley, to the approved list of Sustainability Planning Grant projects.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies.

**BACKGROUND:**

On September 12, 2013, the Regional Council approved seventy-three (73) Sustainability Planning Grant projects and directed staff to proceed with funding projects with available funds for Phases I and Phase II projects (total of 44 projects). The remaining projects will be part of Phase III and will proceed as additional funds become available in FY 2014-2015.

The City of Bell submitted two project applications that were included in the list approved by the Regional Council pending SCAG membership. The City of Bell became a member of SCAG in November, 2013.

The City of Fountain Valley did not submit a project application because of its non-member status. The City of Fountain Valley joined as a member of SCAG in December 2013 and submitted a Sustainability Planning Grant application in June 2014. SCAG staff has reviewed the application and confirmed that it meets other Sustainability Planning Grants program project selection criteria and is eligible for funding.

SCAG staff recommends including two new projects, one each from Bell and Fountain Valley, with a maximum project value of \$200,000, in Phase III of the Sustainability Planning Grant projects.

# REPORT

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**FISCAL IMPACT:**

Funding is included in SCAG's FY 2014-15 Overall Work Program (OWP) Budget. Staff's work budget for the current fiscal year are included in FY 2014-15 OWP 065.SCG02663.02.

**ATTACHMENT:**

None

**DATE:** August 7, 2014

**TO:** Community, Economic and Human Development Committee (CEHD)

**FROM:** Ma' Ayn Johnson, Senior Regional Planner, 213-236-1975, [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov)

**SUBJECT:** Information Regarding Receipt of Transfer Agreements Related to the 5<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA)

**EXECUTIVE DIRECTOR'S APPROVAL:**



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**RECOMMENDED ACTION:**

For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**

*SCAG staff has been informed of a mutual RHNA transfer agreement related to an annexation agreement reached between Los Angeles County and the City of Palmdale. SCAG was notified of the RHNA transfer in July 2014, which impacts the 5<sup>th</sup> RHNA cycle. Information related to the transfer agreement is provided herein. Per Government Code Section 65584.07(d), mutually agreed-upon RHNA transfers due to an annexation are automatically effective on the date of SCAG's receipt of the notifications and do not require Regional Council action.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**

SCAG staff received a mutually accepted RHNA transfer agreement between the County of Los Angeles and the City of Palmdale, which transfers a total of 6 units to the City of Palmdale as a result of annexation. SCAG received written notice on July 3, 2014 of the mutually accepted transfer from the County of Los Angeles to the City of Palmdale. SCAG staff informed the State Department of Housing and Community Development (HCD) of this RHNA transfer. By state law, the transfer was automatically effective on the date of SCAG's receipt of the notification. Since the effective date of the transfer is after the October 15, 2013 adoption deadline for the 5<sup>th</sup> cycle housing element, the transfer affects the 5<sup>th</sup> cycle RHNA.

Pursuant to past practice, SCAG staff is providing notice of the RHNA transfer for the CEHD Committee's information. Staff plans to inform the Committee of such transfers on a periodic basis.

**State Law Regarding RHNA Transfers from Annexations or Incorporations**

The following provides further background regarding the law related to RHNA transfers resulting from annexations or incorporations. AB 242 (Blakeslee), codified into state law in 2008 as part of Government Code Section 65584.07, governs the transfer of regional housing needs between a county and city in the event of an annexation or incorporation. If the annexation or incorporation was not accounted for when the RHNA numbers were first determined and distributed, the county and the city may mutually agree to a transfer or RHNA need (hereinafter referred to as a "transfer agreement"), which must be accepted by the Council of Governments (COG). Despite the requirement that the COG accept the transfer agreement, the

# REPORT

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actual transfer agreement is effective immediately upon its receipt by the COG under the law.

Alternatively, if a transfer agreement cannot be reached by the respective city and county, either party may submit a written request (hereinafter referred to as a “written request”) to the COG to consider the facts, data, and methodology presented by both parties and make a determination on the number of units, by income category, that should be transferred from the county’s allocation to the city. The COG has 180 days from receipt of the written request to finalize the RHNA transfer for the subject city and county.

Any transfer of RHNA numbers, whether by way of a transfer agreement or resulting from the written request submitted to the COG, shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities and counties. Based upon the review of the written request and any additional documentation, the final determination of the COG must be based on the methodology used to assign the RHNA Allocation Plan within the region. A copy of the transfer finalized by the COG shall be submitted to HCD.

Newly incorporated cities receiving RHNA transfers are required to amend their housing element and identify sites where the transfer may be implemented within 30 months from the date of incorporation. Cities receiving RHNA transfers as a result of an annexation of unincorporated land must update their housing elements and identify suitable sites within 180 days from the effective date of transfer.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2014-15 General Fund Budget.

**ATTACHMENT:**

Notification from County of Los Angeles regarding RHNA transfer for the City of Palmdale, dated June 24, 2014

## Ma'Ayn Johnson

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**From:** Elaine Sainz <esainz@planning.lacounty.gov>  
**Sent:** Thursday, July 03, 2014 10:59 AM  
**To:** Dorothea Park; Marjorie Santos; Jason Tajima; Ma'Ayn Johnson; Susan Koleda (skoleda@cityofpalmdale.org); Kite, Richard; Chuck Heffeman (cheffeman@cityofpalmdale.org)  
**Cc:** cchung@planning.lacounty.gov  
**Subject:** REGIONAL HOUSING NEEDS ALLOCATION TRANSFER TO THE CITY OF PALMDALE FOR ANNEXATION NO. 2011-07  
**Attachments:** S\_AP\_062414\_L\_IKHRATA\_RHNA.pdf

Please see the attached letter that you were copied on, dated June 24, 2014, titled Regional Housing Needs Allocation Transfer to the City of Palmdale for Annexation No. 2011-07.

Should you have any questions, please contact Connie Chung @ (213) 974-6417 or [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov).

*Elaine Sainz, Secretary*

Los Angeles County Department of Regional Planning  
Advance Planning Division  
320 W. Temple Street, 13th Floor  
Los Angeles, CA 90012  
Phone 213.974.6457  
[esainz@planning.lacounty.gov](mailto:esainz@planning.lacounty.gov)



Los Angeles County  
Department of Regional Planning

*Planning for the Challenges Ahead*



Richard J. Bruckner  
Director

June 24, 2014

Hasan Ikhata, Executive Director  
Southern California Association of Governments  
818 West Seventh Street, 12<sup>th</sup> Floor  
Los Angeles, CA 90017

Dear Mr. Ikhata:

**REGIONAL HOUSING NEEDS ALLOCATION (RHNA) TRANSFER TO THE CITY OF PALMDALE FOR ANNEXATION NO. 2011-07**

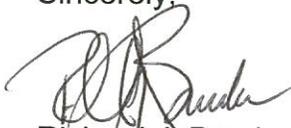
The Local Agency Formation Commission for the County of Los Angeles (LAFCO) has certified and recorded Annexation No. 2011-07. As part of this annexation, the City of Palmdale has agreed to accept a RHNA transfer of six units from the County of Los Angeles (see enclosures), to apply to the 2014-2021 Housing Element planning period. The table below provides the income breakdown of this transfer:

<b>RHNA TRANSFER BY INCOME LEVEL</b>	
Very Low Income	2 units
Lower Income	1 unit
Moderate Income	1 unit
Above Moderate Income	2 units
<b>Total</b>	<b>6 units</b>

Mr. Hasan Ikhata  
June 24, 2014  
Page 2

Should you have any questions, please contact Connie Chung at (213) 974-6417 or by e-mail at [cchung@planning.lacounty.gov](mailto:cchung@planning.lacounty.gov). Our office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.

Sincerely,



Richard J. Bruckner  
Director

RJB:MC:CC:cc:ems

Enclosures:

RHNA Transfer Confirmation Letter from the City of Palmdale  
RHNA Transfer Calculation for Annexation No. 2011-07

c: Chief Executive Office (Dorothea Park, Marge Santos, Jason Tajima)  
City of Palmdale (Susan Koleda, Richard Kite, Chuck Heffeman)  
Southern California Association of Governments (Ma'Ayn Johnson)

S\_AP\_062414\_L\_IKHRATA\_RHNA

**DRAFT RHNA CALCULATION FOR ANNEXATION NO. 2011-07**

APN	Vacant	Antelope Valley Area Plan Land Use	Zone	Acres	Potential*
3005014018	Y	N1 (0.5 du/ac)	A-2-2	2.3	1
3005014045	Y	N1 (0.5 du/ac)	A-2-2	1.15**	1
3005014019	Y	N1 (0.5 du/ac)	A-2-2	2.53	1
3005010008	Y	N1 (0.5 du/ac)	A-2-2	2.2	1
3005010023	Y	N1 (0.5 du/ac)	A-2-2	1.29**	1
3005010015	Y	N1 (0.5 du/ac)	A-2-2	2.58	1
3005014046	N	N1 (0.5 du/ac)	A-2-2	1.3	0
3005014048	N	N1 (0.5 du/ac)	A-2-2	1.3	0
3005014047	N	N1 (0.5 du/ac)	C-M-DP	1.07	0
3005010007	N	N1 (0.5 du/ac)	A-2-2	2.57	0
3005010016	N	N1 (0.5 du/ac)	A-2-2	1.25	0
<b>TOTAL</b>					<b>6</b>

\*Potential is based on the maximum allowable units per GP and zoning, and on vacant parcels.

\*\*Per the County's zoning code, sites that do not meet the minimum required area permit 1 house.

<b>RHNA Allocation By Income Level - 5th Revision of the Housing Element</b>	
Very Low (26.1% of allocation)	2 units
Lower (15.4 % of allocation)	1 units
Moderate (16.8% of allocation)	1 units
Above Moderate (41.7% of allocation)	2*** units
<b>TOTAL</b>	<b>6 units</b>

Source: Department of Regional Planning General Plan Development and Housing Section  
6/6/2013, 6/24/14

\*\*\*changed from 3 units to 2 units to address rounding and to maintain 6 unit total.



# PALMDALE

*a place to call home*

September 10, 2013

JAMES C. LEDFORD, JR.  
*Mayor*

TOM LACKEY  
*Mayor Pro Tem*

LAURA BETTENCOURT  
*Councilmember*

MIKE DISPENZA  
*Councilmember*

STEVEN D. HOFBAUER  
*Councilmember*

Ms. Rita Robinson  
Deputy Chief Executive Officer  
County of Los Angeles  
500 West Temple Street, Room 713  
Los Angeles, CA 90012

**Re: Proposed Agreement for Transfer of Regional Housing Needs Assessment (RHNA) Allocation from the County of Los Angeles for Palmdale Annexation No. 2011-07**

Dear Ms. Robinson:

Thank you for the correspondence of September 4, 2013, regarding the transfer of Southern California Association of Governments (SCAG) Regional Housing Needs Assessment (RHNA) allocations from the unincorporated area to the City of Palmdale, associated with Palmdale Annexation No. 2011-07. City staff has reviewed the transfer calculations and agree with the RHNA transfer identified in your September 4, 2013, letter.

If you have any questions, please contact Susan Koleda, Senior Planner, or me at (661) 267-5200.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Kite".

Richard Kite  
Planning Manager

cc: Chuck Heffernan, Director of Development Services

*Auxiliary aids provided for*

*communication accessibility*

*upon 72 hours notice and request.*

*www.cityofpalmdale.org*

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**REPORT**

**DATE:** August 7, 2014

**TO:** Energy & Environment Committee (EEC)  
Community Economic and Human Development Committee (CEHD)  
Transportation Committee (TC)

**FROM:** Sarah Jepson, Manager, Active Transportation & Special Programs,  
213-236-1955, [jepson@scag.ca.gov](mailto:jepson@scag.ca.gov)

**SUBJECT:** Federal Highway Administration (FHWA) Nonmotorized Transportation Pilot Program  
Final Report

**EXECUTIVE DIRECTOR'S APPROVAL:** 

**RECOMMENDED ACTION:**

Receive and File

**EXECUTIVE SUMMARY:**

*In May 2014, the Federal Highway Administration (FHWA) released an updated report on the Nonmotorized Transportation Pilot Program (NTPP). The NTPP was administered by FHWA from August 2005 through 2013 and provided approximately \$25 million to four pilot communities for pedestrian and bicycle infrastructure and nonmotorized programs. The updated report includes the results of seven years of data collection on program implementation; transportation mode shift towards walking and bicycling; and related health and environmental benefits. The findings reflect that the NTPP provided substantial community benefits by increasing community mobility, enhancing air quality and improving public health.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective 3: Provide practical solutions for moving new ideas forward

**BACKGROUND:**

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) provided approximately \$25 million through the NTPP to four pilot communities (Columbia, Missouri; Marin County, California; Minneapolis area, Minnesota; and Sheboygan County, Wisconsin) for pedestrian and bicycle infrastructure and nonmotorized programs. As part of the NTPP, FHWA was required to submit reports to Congress on the program's progress and outcomes. This report represents an update to the findings in the 2012 Final Report to Congress with evaluation of three additional years of data, reflecting additional projects that have been completed. This report also expands the scope of analysis to further consider priority themes of access, environment, safety, and public health.

Key outcomes from NTPP described in this report include:

- **Spending:** After seven years and as of late 2013, the four NTPP pilot communities reported investing \$88.5 million of NTPP funds in nonmotorized transportation projects or programs (\$79.8 million in on- and off-street infrastructure, \$7.5 million in outreach, education, and marketing programs, and \$1.3 million in bicycle/parking). The pilot communities also leveraged \$59 million in other Federal, State, local, and private funds.

# REPORT

- **Mode Share Shift:** An estimated 85.1 million vehicle miles traveled (VMT) were averted from increased nonmotorized trips between 2009 and 2013 relative to the 2007 baseline. The walking mode share increased 15.8 percent from 2007 to 2013, while the bicycling mode share increased 44 percent over the same period. This translates to 22.8 percent and 48.3 percent increase in the number of pedestrian and bicycle trips across the four communities.
- **Project-Level Outcomes:** Trip counts increased up to 56 percent and 115 percent at individual pedestrian and bicycle project sites, respectively. Infrastructure projects also enhanced nonmotorized transportation routes to community amenities and transit hubs. Community outreach programs increased knowledge of nonmotorized transportation options and safety, and some projects expanded access to bicycling for underserved populations.
- **Access and Mobility:** NTPP expanded bicycle network access to approximately 240,000 people, 106,000 housing units, and 102,000 jobs. More than 70 percent of all NTPP infrastructure projects connect to employment centers, schools, parks, and recreation areas.
- **Environment and Energy:** NTPP saved an estimated 25 pounds of CO<sub>2</sub> pollution in 2013 per capita in the pilot communities, or a total of 9,065 tons. This is equivalent to saving over 1.25 gallons of gas per capita in 2013 or nearly 3.6 million gallons between 2009 and 2013. NTPP saved an estimated 3.6 million gallons of gasoline between 2009 and 2013. This translates to an estimated 34,629 tons of CO<sub>2</sub> emissions averted over that time period. In 2013, the pilot communities reduced emissions of hydrocarbons (33.4 tons), particulate matter (255 pounds PM<sub>10</sub> and 241 pounds PM<sub>2.5</sub>), nitrogen oxides (23.3 tons), and carbon monoxide (304.6 tons) that contribute to local air pollution.
- **Safety:** Despite large increases in nonmotorized transportation, the pilot communities collectively observed a 20 percent decline in the number of pedestrian fatalities and a 28.6 percent decline in the number of bicycle fatalities from 2002 to 2012. Similarly, over the same time period, three of the communities experienced declines in the number of pedestrian injuries and pedestrian injury rates declined between 17.9 percent and 55.1 percent in each of the four communities. Bicycle injuries increased in three of the four communities, but bicycling injury rates (incidents per number of trips) declined between 8.6 and 38.2 percent in each of the four communities.
- **Public Health:** Based on the added bicycling trips observed just in 2013, the U.S. Centers for Disease Control and Prevention (CDC) estimates reduced economic cost of mortality of \$46.3 million from bicycling in 2013. This does not include reduced economic cost of mortality from walking or benefits from reduced economic costs of morbidity, which are likely higher than mortality.
- **Build-Out:** The benefits of the NTPP investments will continue into the future. Depending on future walking and bicycling trends in the pilot communities, the pilot communities' nonmotorized transportation investments could avert 266 million VMT over the next ten years, and other benefits, such as health, safety, and environmental benefits, would increase under similar potential scenarios.

# REPORT

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The analysis of the NTPP is a useful tool for understanding the potential benefits of large investments in nonmotorized transportation planning, infrastructure, and programs. The report also includes lessons learned on planning, implementing and evaluation of non-motorized funding programs that staff will consider during the development of the 2016 RTP/SCS and state and regional guidelines for future cycles of the Active Transportation Program.

The full report may be viewed

at: [http://www.fhwa.dot.gov/environment/bicycle\\_pedestrian/ntpp/2012\\_report/final\\_report\\_april\\_2012.pdf](http://www.fhwa.dot.gov/environment/bicycle_pedestrian/ntpp/2012_report/final_report_april_2012.pdf)

**FISCAL IMPACT:**

None

**ATTACHMENT:**

Final Report Executive Summary

## Executive Summary

### Introduction

Section 1807 of the Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) P.L. 109-59 established the Nonmotorized Transportation Pilot Program (NTPP) in August 2005.<sup>1</sup> Over the span of 4 years, the NTPP provided roughly \$25 million annually in contract authority allocated equally among four pilot communities (Columbia, Missouri; Marin County, California; Minneapolis, Minnesota; and Sheboygan County, Wisconsin) “to construct ... a network of nonmotorized transportation infrastructure facilities, including sidewalks, bicycle lanes, and pedestrian and bicycle trails, that connect directly with transit stations, schools, residences, businesses, recreation areas, and other community activity centers.” From its inception, the NTPP was designed as a demonstration program to gather statistical information on transportation mode share shifts before and after the implementation of nonmotorized transportation infrastructure and educational or promotional programs. The program was intended to “demonstrate the extent to which bicycling and walking can carry a significant part of the transportation load, and represent a major portion of the transportation solution, within selected communities.”

Throughout the program to date, the four communities, each with unique physical and demographic characteristics, identified and implemented a locally devised strategy to significantly increase the use of nonmotorized transportation, along with the accompanying safety, environmental, and health benefits. This report represents the culmination of that initial implementation and analytical effort.

Key outcomes of the NTPP described in this report include:

- An estimated 16 million miles were walked or bicycled that would have otherwise been driven in 2010, and an estimated 32 million driving miles were averted between 2007 and 2010.<sup>2</sup>
- Counts in the four pilots saw an average increase of 49 percent in the number of bicyclists and a 22 percent increase in the number of pedestrians between 2007 and 2010.
- In each community, a greater percentage of pedestrian and bicycling trips included transit in 2010 than in 2007.
- Mode share increases in the pilot communities to bicycling and walking and away from driving from 2007 to 2010 outpaced the national average from 2001 to 2008. For the communities in sum, bicycling mode share increased 36 percent, walking mode share increased 14 percent, and driving mode share decreased 3 percent between 2007 and 2010.
- The additional nonmotorized trips in the pilot communities in 2010 reduced the economic cost of mortality by an estimated \$6.9 million.
- While each pilot community experienced increases in bicycling and walking from 2005 to 2009, fatal bicycle and pedestrian crashes held steady or decreased in all of the communities.
- The pilot communities saved an estimated 22 pounds of CO<sub>2</sub> in 2010 per person or a total of 7,701 tons. This is equivalent to saving over 1 gallon of gas per person or nearly 1.7 million gallons from 2007 to 2010.
- Thousands of people were reached by training classes, personalized outreach, and other educational and promotional activities; many people tried bicycling for the first time in their adults lives or ever.

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<sup>1</sup> Since the expiration of SAFETEA-LU on September 30, 2009, the NTPP received additional funds through SAFETEA-LU extensions during Fiscal Year 2010.

<sup>2</sup> 2007 was used as the base year for analysis since that was the first year of consistent data collection among the pilot communities; very few projects were implemented before that time.

- New plans and studies funded through NTPP will continue to improve nonmotorized transportation into the future.
- Education and training for local planners, engineers, and elected officials has helped to institutionalize nonmotorized planning and projects into the future.
- Expanded transportation options for all segments of the population, prioritizing access to schools, shopping, transit, and other community centers.

The remainder of the Executive Summary provides an overview of the four pilot communities, the program investments, evaluation results, and lessons learned.

**Table 1: Pilot Communities**

Pilot Community	Population	Project Name	Key Community Characteristics
Columbia, Missouri	108,500	Getabout Columbia	<ul style="list-style-type: none"> <li>• College town; large institutional employers (university, medical, and insurance)</li> </ul>
Marin County, California	252,409	WalkBikeMarin	<ul style="list-style-type: none"> <li>• Topography is a major challenge with smaller towns situated in valleys separated by steep ridges, limited connecting roadways</li> <li>• Pilot target area focused on eastern, urbanized corridor, including 11 cities and towns</li> </ul>
Minneapolis, Minnesota	382,578	Bike Walk Twin Cities	<ul style="list-style-type: none"> <li>• Largest and most diverse population of the pilot communities and most densely developed</li> <li>• Relatively flat, extreme winter weather</li> <li>• Pilot area includes primary city and portions of adjacent municipalities</li> </ul>
Sheboygan County, Wisconsin	115,507	NOMO	<ul style="list-style-type: none"> <li>• Largest land area of the pilot communities</li> <li>• Limited prior experience with nonmotorized transportation</li> <li>• 15 townships, 10 villages, 3 cities</li> <li>• Manufacturing remains a significant employment sector</li> </ul>

### Program Investments

The NTPP funding provided an opportunity for pilot communities to make significant investments in walking and bicycling infrastructure and education.

As shown in Figure 1, program-wide, the vast majority of total program funds (89.2 percent) have been spent on infrastructure, with the next highest share (7.9 percent) spent on outreach, education, and marketing programs. The remaining funds have been spent on bicycle parking (2.1 percent) and planning (0.8 percent). In addition to funding infrastructure and non-infrastructure projects, the communities set aside funds for evaluation, communications support, and program administration. Combined, the four communities spent approximately \$1.6 million on evaluation, \$2.1 million on communications support, and \$6 million on program administration. The Federal Highway Administration (FHWA) also contributed approximately \$360,000 of its own research funds to support NTPP evaluation.

**Figure 1: Percent Funding by Project Type**

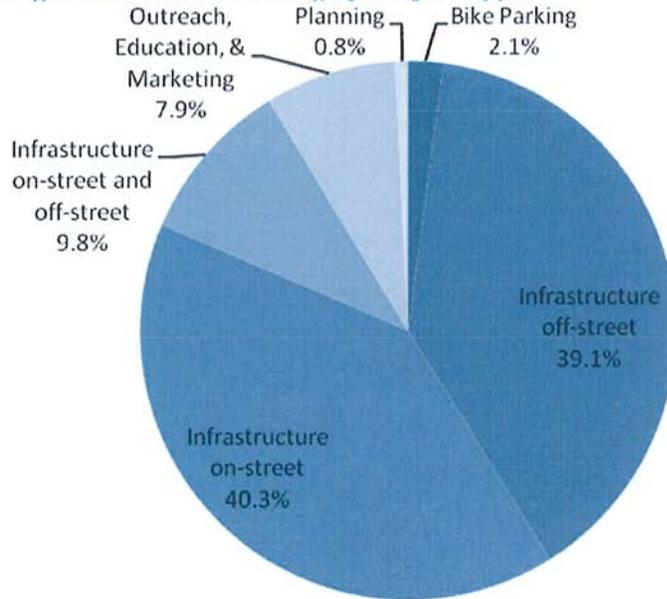


Table 2 shows the extent of planned and completed infrastructure projects funded through the program. In addition to infrastructure projects, strategic and innovative outreach and educational programming have reached thousands of residents, providing information and skills to help increase walking and bicycling activity. These efforts were instrumental in helping to institutionalize nonmotorized transportation projects in each pilot community and continue the cultural shift in travel behavior.

**Table 2: Planned and Completed Capital Projects in all NTPP Communities**

Project Type	Miles/Spaces (funded)	Miles/Spaces (complete)*	% Complete*
On-road facilities	333	214	64%
Off-road facilities	23	7	31%
Bicycle parking	5,727	5,461	95%

\* as of August 2011

Each community had a unique approach to program implementation and project selection, depending on existing facilities, plans, and identified needs. While all of the communities invested heavily in infrastructure, areas with fewer existing facilities focused primarily on laying foundations for comprehensive nonmotorized transportation networks, including through planning, while in other settings, more complicated gap-filling projects were most appropriate.

### Evaluation Results

To respond to the legislation, the FHWA and the pilot communities created a Working Group (WG) composed of representatives from the administering agencies in each of the communities, FHWA, the U.S. Department of Transportation’s Volpe National Transportation Systems Center (Volpe Center), Rails-to-Trails Conservancy (RTC), the Marin County Bicycle Coalition, and the Centers for Disease Control and Prevention (CDC). The WG first met in the fall of 2005 and has held regular teleconferences and annual meetings to discuss progress and challenges and coordinate efforts across the pilot communities. The WG developed and implemented both project-level and community-wide evaluation approaches to assess the travel behavior impacts of the nonmotorized investments. These two concurrent evaluation efforts were as follows:

- **Project-Level Evaluation:** identified the specific impact of individual projects. Each community selected a handful of infrastructure and non-infrastructure projects to evaluate and then undertook counts and surveys to determine their effectiveness.
- **Community-Wide Evaluation:** each community selected several infrastructure projects, both individually and synergistically, and non-infrastructure projects, such as nonmotorized encouragement and marketing campaigns.

This approach relied on directly collected data and supplementary local and national data sources. In coordination with consultants and academic experts, the WG's Evaluation Subgroup guided the data collection effort and helped resolve technical issues as they arose.

For project-level evaluation, each community selected a small subset of projects to receive more in-depth evaluation. For infrastructure projects, counts revealed substantial increases and continual growth in nonmotorized travel activities in each of the studied corridors and intersections. Projects implemented towards the beginning of the program show annual and absolute increases in users over multiple years. In addition to increased nonmotorized travel, anecdotal project-level studies revealed slower driving speeds and safer conditions for pedestrians and bicyclists. Non-infrastructure projects resulted in training and outreach for thousands of participants; improving the awareness of nonmotorized issues and directly benefiting a variety of community members and professionals in each of the pilots.

For community-wide evaluation, bookend counts following the National Pedestrian and Bicycle Documentation Project methodology, showed walking and bicycling increased in each of the communities between 2007 and 2010. These counts point to an increase of 22 percent for walking and 49 percent for bicycling across the count locations. Furthermore, utilizing survey data, the WG found that for most of the communities increased bicycling and walking trips were primarily attributable to utilitarian trips in 2010 compared to 2007,<sup>3</sup> though recreational and exercise activity increased as well.

The WG developed two models, the NTPP and Intercept Survey models, to determine the impacts of the NTPP regarding energy, the environment, and health in terms of trips and vehicle miles averted. These models conservatively estimate that between 2007 and 2010, people walked or bicycled between 32.3 and 37.8 million more miles in the pilot communities than they would have without the NTPP (controlling for population growth). Assuming a one-to-one trade-off between vehicle trips and nonmotorized trips, the WG used the Intercept Survey model to estimate that between 2007 and 2010, 1.67 million gallons of gasoline were conserved and over 30.8 million pounds of carbon dioxide emissions averted as a result of the NTPP. Substantial reductions/savings in other criteria air pollutants that contribute to health problems were also noted.

## Lessons Learned

Through the course of the pilot program, FHWA and the four communities have learned many lessons about nonmotorized transportation planning, implementation, and evaluation. Several lessons are listed below, with greater detail provided in the text of the report.

### Pilot Program Design

- Program status elevates agency commitment
- Funding flexibility supports innovations to meet local needs
- Delivery of small projects should be streamlined
- Short-term results underestimate benefits
- WG approach adds value

<sup>3</sup> Note that while Columbia, Marin County, and Sheboygan County administered their surveys on weekdays and a weekend day during various times in the afternoon, notably, Minneapolis only administered their survey on a weekday during the commute time period between 4:00 and 6:00 p.m.

#### Program Planning and Implementation

- Comprehensive bicycle/pedestrian plans and street design policies provide advantages
- Leveraging funds expands program impact
- Nonmotorized programs must combine capital and programmatic investments

#### Building Capacity

- Projects and outreach efforts must be culturally and generationally appropriate
- Education and training for engineers and local staff provide long-term benefit
- Exposure to best practices leads to breakthroughs
- Local examples help build public support

#### Stakeholders and Partnerships

- Broad public education and outreach create better understanding of program goals
- NTPP provides opportunities to build relationships with local employers
- Early support from local officials benefits projects through entire process
- New inter-agency and intra-agency connections highlight common goals

#### Research and Evaluation

- WG collaboration leads to new evaluation approaches
- Evaluation highlights importance of both community-wide and project-level approach
- Institutionalized location counts are significant
- Count data provide basis to measure community-wide results

### Continuing the Progress

Programs like NTPP reflect the ability of nonmotorized investments to transform communities, improving quality of life, by expanding safe and healthy travel options. The findings from NTPP demonstrate the importance of nonmotorized transportation and how these transportation modes can enrich communities. In March 2010, the U.S. Department of Transportation (DOT) released a *Policy Statement on Bicycle and Pedestrian Accommodation Regulations and Recommendations* which stressed the importance of building safe and convenient multimodal transportation systems. The findings from the NTPP affirm the words of the *Policy Statement*:

Increased commitment to and investment in bicycle facilities and walking networks can help meet goals for cleaner, healthier air; less congested roadways; and more livable, safe, cost-efficient communities. Walking and bicycling provide low-cost mobility options that place fewer demands on local roads and highways. DOT recognizes that safe and convenient walking and bicycling facilities may look different depending on the context — appropriate facilities in a rural community may be different from a dense, urban area. However, regardless of regional, climate, and population density differences, it is important that pedestrian and bicycle facilities be integrated into transportation systems. While DOT leads the effort to provide safe and convenient accommodations for pedestrians and bicyclists, success will ultimately depend on transportation agencies across the country embracing and implementing this policy.

**REPORT**

**DATE:** August 7, 2014

**TO:** Energy and Environment Committee (EEC)  
Community, Economic & Human Development Committee (CEHD)  
Transportation Committee (TC)

**FROM:** Rongsheng Luo, Program Manager, 213-236-1994, [luo@scag.ca.gov](mailto:luo@scag.ca.gov)

**SUBJECT:** 2016 South Coast Air Quality Management Plan (AQMP) Update

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Receive and File

**EXECUTIVE SUMMARY:**

*Pursuant to federal and state laws, the 2016 South Coast Air Quality Management Plan (AQMP) is under development to attain federal and state air quality standards in the South Coast Air Basin. The three agencies responsible for developing the AQMP are the South Coast Air Quality Management District (SCAQMD), the California Air Resources Board (ARB), and SCAG. The staff report includes a status update of the 2016 South Coast AQMP development process.*

**BACKGROUND:**

Pursuant to the Federal Clean Air Act (CAA), state implementation plans (SIPs) demonstrating attainment with the 2008 8-hour ozone and the 2012 annual PM<sub>2.5</sub> National Ambient Air Quality Standards in the South Coast Air Basin are required to be prepared and submitted to the U.S. Environmental Protection Agency (EPA). In addition to the SIPs, the 2016 AQMP will also include an update to the previously submitted 1997 8-hour ozone and 1-hour ozone SIPs. The 2016 AQMP is being prepared by the SCAQMD, the lead agency; the ARB; and SCAG.

SCAG is required to prepare its portion of the 2016 AQMP, the Regional Transportation Strategy and Control Measures, based on the upcoming 2016 RTP/SCS. Therefore, the 2016 RTP/SCS may need to consider how regional policies, strategies, and investment programs can appropriately contribute to attaining the more stringent new ozone and PM<sub>2.5</sub> standard for our region.

The 2016 AQMP will include an important component relative to future regional transportation planning and federal transportation conformity requirements, the motor vehicle ozone emissions budgets, which set an upper limit that on-road transportation activities are permitted to emit. The ozone and PM<sub>2.5</sub> emission budgets established as part of the 2016 AQMP process and adopted in the final SIP will become the functioning ozone and PM<sub>2.5</sub> emission budgets for transportation conformity for future RTP/Federal Improvement Program (FTIP) and RTP/FTIP amendments post the effectiveness date of the new emission budgets.

At EEC's meeting on January 2, 2014, staff presented an overview of the requirements, challenges, and status of the 2016 South Coast AQMP. The following status update highlights the major 2016 AQMP development activities since the last report:

## 2016 AQMP Advisory Group Meetings:

- Two AQMP Advisory Group meetings were held in April and May 2014, respectively, to discuss 1) the formation and goals of the 2016 AQMP Advisory Group; 2) the first components of 2016 AQMP/State Implementation Plan (SIP) submittals to the U.S. Environmental Protection Agency (EPA) by July 2014; and 3) the formation of White Paper Working Groups. SCAG staff, Huasha Liu and Jonathan Nadler, are members of the AQMP Advisory Group.

## White Paper Working Groups Meetings:

- Purpose of White Papers: To lay out technical and policy issues associated with various emission sectors and to initiate dialogues with stakeholders regarding SIP strategy development, SCAQMD staff will coordinate the preparation of nine White Papers covering the following topics during 2014 and 2015:
  - ✓ Preface to White Papers
  - ✓ 21st Century Goods Movement System and Air Quality
  - ✓ Passenger Transportation (will include discussion of vehicle technology/fuel strategies mainly under ARB's jurisdiction as well as VMT reduction/infrastructure strategies based on SCAG's RTP/SCS)
  - ✓ Energy Outlook
  - ✓ Residential and Commercial Energy Use
  - ✓ Industrial Facility Modernization
  - ✓ VOC Controls
  - ✓ PM Controls
  - ✓ A Business Case for Clean Air

The Attachment includes an outline for each of the nine proposed White Papers.

- White Paper Working Groups: Nine White Paper Working Groups have been formed. Each Working Group has 9 to 25 organizations, and each AQMP Advisory Group member organization has one seat at the table. SCAG staff is participating in all White Paper Working Groups. Of particular note, SCAG staff will be providing information relative the 2012 and 2016 Regional Transportation Plan/Sustainable Communities Strategy as major components of the Passenger Transportation and Goods Movement White Papers. Any interested parties can attend the White Paper Working Group meetings and working group members and interested parties will receive meeting notices. If interested in receiving additional information, send an email to [aqmp@aqmd.gov](mailto:aqmp@aqmd.gov).
- White Paper Working Group Meetings: Each of the nine White Paper Working Groups held its first meeting between June 24 and July 23, 2014. These initial meetings were held to solicit input from members of the Working Groups to identify issues and scope for the respective White Papers.

## First Components of 2016 AQMP/SIP Submittals:

- Reasonably Available Control Technology (RACT) Demonstration: As a component of the 2016 AQMP, SCAQMD was required to submit a RACT Demonstration to U.S. EPA by July 20, 2014. The RACT analysis is a comprehensive assessment of the adequacy and comparative levels of stationary source emissions controls achieved in practice throughout the nation. South Coast Air District staff has performed the analysis demonstrating that SCAQMD current rules largely meet U.S. EPA's criteria for RACT acceptability and inclusion in the SIP. The analysis also identifies a few areas for further evaluation as part of the 2016 AQMP control measure development. On June 6, 2014, SCAQMD

# REPORT

Governing Board approved a Resolution certifying that the SCAQMD's current air pollution rules and regulations fulfill the 8-hour ozone Reasonably Available Control Technology requirements, and adopting the RACT SIP revision, and directed SCAQMD staff to forward the updated analysis to ARB for review and submission to the U.S. EPA.

- **Base Year 2012 8-Hour Ozone Baseline Emission Inventory:** The Federal Clean Air Act (CAA) requires states and local governments to prepare baseline emission inventories for all areas exceeding the National Ambient Air Quality Standards within two years of designation. An emission inventory is a systematic listing of air pollutant sources, along with an accounting of the amount of pollutants emitted by each source or category over a given period of time. This accounting is an estimate of emissions, not a direct measurement of ambient concentrations. The emission inventory is an essential tool to support the evaluation, control, and mitigation of air pollutants. Inventory data is used as primary input for air quality modeling, for developing control strategies, and to provide a means to track progress in meeting emissions reduction commitments. More specifically, the inventories are used to assist in demonstrating attainment of the standards.

ARB staff has compiled the statewide Base Year 2012 Emission Inventory SIP Submittal which reflects the most up-to-date emission inventory for all the sixteen 2008 8-hour ozone nonattainment areas in California, including the South Coast and the other six nonattainment areas in the SCAG region. Since the statewide attainment challenges for the national 8-hour ozone standard occur in the summer months, the Base Year 2012 Emission Inventory includes the 2012 baseline summer season (May-October) planning emission inventories (tons/day) for nitrogen oxides (NOx) and volatile organic compounds (VOCs), the two precursors to ozone formation, for the sixteen areas. On June 26, 2014, the ARB Board approved a Resolution adopting the Base Year 2012 Emission Inventory SIP Submittal as a revision to the California SIP, and directed the ARB Executive Officer to forward the Emission Inventory SIP Submittal to U.S. EPA.

## **Next Steps:**

Subject to the final 8-hour ozone implementation rule, SCAQMD plans to submit to U.S. EPA the Reasonable Further Progress demonstration by July 2015, and the ozone attainment demonstration, including SCAG's Regional Transportation Strategy and Control Measures, by July 2016.

SCAG staff will continue to provide status updates and other relevant information to policy committees as appropriate.

## **FISCAL IMPACT:**

Work associated with this item is included in the current FY 2014-15 Overall Work Program (15-025.SCG0164.01: Air Quality Planning and Conformity).

## **ATTACHMENT:**

SCAQMD White Papers Presentation to 2016 AQMP Advisory Group

# Agenda Item #4: White Papers

**Elaine Chang, DrPH**  
**Deputy Executive Officer**  
**Planning and Rules**

## Background



- 2016 AQMP
  - ❑ Better integrated planning (air quality, climate, energy, transportation)
  - ❑ Prepare a series of white papers to lay out technical and policy issues

# Topics



- “Preface to White Papers”
- 21st Century Goods Movement System and Air Quality
- Passenger Transportation
- Energy Outlook
- Residential and Commercial Energy Use
- Industrial Facility Modernization
- VOC Controls
- PM Controls
- A Business Case for Clean Air

## “Preface to White Papers”



- Purpose of white papers
- Review of topics and inter-relationship between topics
- General format of white papers

# 21st Century Goods Movement System and Air Quality



- Include all goods movement sectors
- Advanced technology and operational efficiency opportunities with potential scenario analysis
- Infrastructure needs and possible schedule
- Needed Investments
- Potential business case
- Job opportunities and education/training needed
- Action Plan

# Passenger Transportation



- Advanced technology and operational efficiency opportunities with potential scenario analysis
- Programs for accelerated vehicle turnover
- Infrastructure needs and possible schedule
- Investment Plan – Public and private funding needs/opportunities
- Job opportunities and education/training needed
- Action Plan

# Energy Outlook



- Energy demand and supply assessment by fuel type for various potential scenarios
- Identifying any new infrastructure needs and potential costs
- Action plan including inter-agency coordination

# Residential and Commercial Energy Use



- Residential and commercial building energy use
  - ❑ opportunities for energy efficiency, load shift/shaving, renewable, distributed generation
  - ❑ enhanced inclusion in AQMP

# Industrial Facility Modernization



- Advanced technology and efficiency opportunities with potential scenario analysis
- Identify barriers/incentives for equipment modernization via equipment replacement
- NSR modernization to incentivize clean technologies
- Incentive/Financing programs

# VOC Controls



- The role of VOC in ozone attainment strategy: where and how much
- Practical applications for time, place, and reactivity controls and “off-season” manufacturing activity
- Potential enhancement to existing regulatory programs
- Job training programs
- Consumer products and public education

# PM Controls



- Evaluation of control technology feasibility
  - ❑ Commercial cooking
  - ❑ Further SO<sub>x</sub> reductions
  - ❑ Fugitive dust
  - ❑ Ammonia

# A Business Case for Clean Air



- Costs and benefits of clean air
- What is the business case?
- Are there winners and losers?/Who pays and who benefits?

# Process



- Close collaboration with CARB
- Close collaboration with SCAG, CTCs, and subregional COGs on transportation/land use issues
- Periodic updates to Mobile Source Committee and AQMP Advisory Group
- AQMP White Paper Subgroups
  - ❑ AQMP Advisory Group members
  - ❑ Other interested parties
  - ❑ Technology experts
  - ❑ Open to the public
- Schedule: 2014- 2015

# AQMP White Paper Subgroups



- “Preface to White Papers”
  - ❑ Susan Nakamura/Sam Atwood
- 21st Century Goods Movement System and Air Quality
  - ❑ Peter Greenwald/Henry Hogo
- Passenger Transportation
  - ❑ Henry Hogo
- Energy Outlook
  - ❑ Susan Nakamura/Aaron Katzenstein

## AQMP White Paper Subgroups *(continued)*



- Residential and Commercial Energy Use
  - ❑ Phil Fine/Aaron Katzenstein
- Industrial Facility Modernization
  - ❑ Susan Nakamura
- VOC Controls
  - ❑ Phil Fine/Joe Cassmassi
- PM Controls
  - ❑ Phil Fine/Tracy Goss
- A Business Case for Clean Air
  - ❑ Elaine Chang/Peter Greenwald

## AQMP White Paper Subgroups Participation



- Encouraged to participate in subgroups that will address the specific policy paper topics
- If interested in participating, send email to [aqmp@aqmd.gov](mailto:aqmp@aqmd.gov)
- Include name, organization, contact information (e.g., email, phone number) and interested white paper topic(s)
- Please signup by Friday, April 25, 2014

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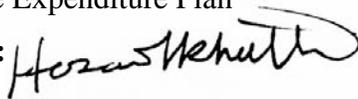
**DATE:** August 7, 2014

**TO:** Regional Council (RC)  
Executive/Administration Committee (EAC)  
Community, Economic and Human Development Committee (CEHD)  
Energy and Environment Committee (EEC)  
Transportation Committee (TC)

**FROM:** Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836; [chidsey@scag.ca.gov](mailto:chidsey@scag.ca.gov)

**SUBJECT:** State Approved Cap-and-Trade Expenditure Plan

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDATION:**

For Information Only – No Action Required

**EXECUTIVE SUMMARY:**

*On June 20, 2014, Governor Brown signed the Fiscal Year (FY) 2014-15 California state budget (effective July 1, 2014) which, in addition to providing \$108 billion to pay down debt, build the state's rainy day fund, and provide additional money for schools and health care, also establishes an expenditure plan for Cap-and-Trade revenues. The approved expenditure plan is the culmination of a process of development of the plan to allocate Cap-and-Trade revenues begun by the state in 2012. SCAG, as part of its board adopted 2013 and 2014 legislative priorities, has partnered with transportation, local government, business and environmental stakeholders from around the state to work closely with the legislature to ensure that equitable allocations of Cap-and-Trade revenues flow to transportation programs and policies reducing Greenhouse Gas Emissions (GHGs), in recognition of the fact that transportation is the largest single sector emitter responsible for approximately 40% of all carbon emissions statewide. This report summarizes major provisions of the Cap-and-Trade Expenditure Plan passed by the Legislature and signed by the Governor.*

**BACKGROUND:**

AB 32, the nation's first comprehensive climate state law passing in 2006, requires California to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2020 - a reduction of approximately 15 percent below emissions expected under a "business as usual" scenario. AB 32 also requires the California Air Resources Board (ARB) to develop a Scoping Plan, to be updated every five (5) years, that lays out California's strategy for meeting the goals. The Scoping Plan identifies a market-based Cap-and-Trade program as one of the strategies utilized by California to reduce GHG emissions. Under Cap-and-Trade, companies must hold enough emission allowances to cover their emissions, and are free to buy and sell allowances on the open market. The intended effect is for market forces to spur technological innovation and investment to encourage polluting industries to operate more cleanly to ensure compliance with AB 32 goals as quickly and efficiently as possible.

The Cap-and-Trade rules came into effect on January 1, 2013 and apply to large electric power plants and large industrial plants. In 2015, they will extend to fuel distributors (including distributors of heating and transportation fuels). At that stage, the program will encompass approximately 360 businesses

throughout California and nearly 85 percent of the state's total GHG emissions. California held its first auction of GHG allowances on November 14, 2012.

Also in 2012, the legislature passed and the Governor signed into law the following related bills: AB 1532 (Pérez, Chapter 807); SB 535 (De León, Chapter 830); and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) – that establish the Greenhouse Gas Reduction Fund to receive Cap-and-Trade auction proceeds and to provide the framework for how the auction proceeds will be administered. Among the requirements of these enacted laws are that the Department of Finance (DOF), in consultation with ARB, develop and submit a three-year investment plan to the legislature outlining allocation of the Cap-and-Trade revenues, and that required minimum allocations be directed for benefit of disadvantaged communities. This plan, originally to be enacted in 2013 was delayed until 2014 because the Scoping Plan had not been fully completed when the FY 2013-14 state budget was enacted and, thus, allocation decisions were deemed by the Legislature and the Governor to be better made after the Scoping Plan was completed in 2013. The requirements of these laws and the Scoping Plan have largely directed development of the Cap-and-Trade expenditure plan passed as part of the FY 2014-15 state budget.

In October 2012, the Regional Council adopted support of Cap-and-Trade principles developed by statewide transportation, business, environment, and local government organizations forming the Statewide Coalition of Liveable Communities', outlining how and for what purposes Cap-and-Trade revenues should be allocated for transportation related programs and policies to reduce GHG emissions, with the overarching goal of ensuring that allocations to the sector mirror its overall responsibility for creating harmful carbon emissions, estimated at approximately 40%. The Regional Council followed this by adopting as part of the 2013 and 2014 SCAG state legislative priorities support of legislation ensuring that an equitable portion of revenues generated from the implementation of the Cap-and-Trade program are allocated to transportation improvements that result in the reduction of pollution and GHG emissions commensurate with the transportation sector's impact in causing these emissions. SCAG fully participated with Coalition efforts, meeting with legislative and Administration staff and appearing at state legislative budget committee hearings in 2013 and 2014 to secure funding consistent with the adopted principles. Additionally, SCAG advocated for regional allocation of Cap-and-Trade funding, which was not passed as part of the final expenditure plan as addressed herein.

### **Cap-and-Trade Expenditure Plan**

The 2014-15 state budget establishes an expenditure plan for Cap-and-Trade auction revenues to meet the goals set for by the California Global Warming Solutions Act of 2006 (AB 32). This law sets a goal of reducing overall state greenhouse gas emissions to 1990 levels by 2020, of which the Cap-and-Trade program will be responsible for achieving approximately 30 percent of these reductions.

On June 20, 2014, the Governor signed the FY 2014-15 state budget that includes the first investment plan for Cap-and-Trade auction revenues. This brief outlines the main points of interest for regional transportation planning agencies, summarizes the scope of key programs. The adopted budget bill and a series of "trailer bills" implement two aspects of the Cap-and-Trade expenditure plan: a budget year (2014-15) appropriation (SB 852) with fixed dollar amounts going to specified programs, and, in 2015-16 and thereafter, specified programs will receive set percentages of annual Cap-and-Trade proceeds (SB 862: Cap-and-Trade program trailer bill).

In summary, primary provisions of both bills indicating ongoing appropriations under the Cap-and-Trade program as well as the FY 2014-15 are as follows:

- Only two categories under Cap-and-Trade program receive multi-year allocations – which total 60% of future revenues: Transit, Housing, and Sustainable Communities (35%); and High-Speed Rail (25%). The other 40% of Cap-and-Trade funds will be subject to the annual budget process for other program areas;
- Funding for FY 2014-15 varies from this formula because of a one-time \$200 million allocation to clean transportation. FY 2014-15 appropriations are broken down as follows:
  - \$130 million allocated to Affordable Housing and Sustainable Communities (AHSC);
  - \$250 million allocated to High Speed Rail;
  - \$200 million allocated to Clean Vehicle Program;
  - \$50 million allocated to Transit;
  - \$242 million for non-transportation related programs for energy, water, waste diversion and weatherization.
- SB 862 apportions 20 percent of the Greenhouse Gas Reduction Fund proceeds on an annual basis to the AHSC program beginning in FY 2015-16;
- The AHSC Program is intended to further the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development;
- Funding for the AHSC program is subject to the following requirements:
  - Half (50%) of this money must be used for affordable housing;
  - Other half (50%) for projects typically included in a regional transportation plan, such as but not limited to, transit capital and programs supporting transit ridership; active transportation projects; Transit Oriented Development (TOD) projects; ‘Complete Streets’ projects; planning to support SCS implementation, including local plans; programs must be in a draft or adopted SCS and subject to SCS guidelines.
  - Distribution of funds is not further defined and there is no provision for regional parity.
  - The percentage of funds that must be appropriated for benefit of disadvantaged communities is doubled under the budget proposal from 25% (under SB 525) to 50% of funds;
  - The Strategic Growth Council (SGC) is given authority to develop guidelines for the allocation of Cap-and-Trade funds with consideration of comments from local and regional governments and the public and, after guidelines are developed, is required to coordinate with Metropolitan Planning Organizations and other regional agencies to recommend projects.
  - Anticipated schedule for the AHSC program guidelines and funding solicitation are: draft and final guidelines to SGC in October and December 2014, respectively; funding solicitation January 2015; applications due April 2015; award announced June 2015. \*
  - SGC held a public meeting on July 10, 2014, in which they approved a parallel structure for implementation of the program, whereby the California Department of Housing and Community Development (HCD) will be responsible for the technical administration of the housing and sustainable communities component and the Natural Resources Agency will technically administer the agricultural lands component on behalf of SGC. SGC retains final oversight authority for the program.
- \* SGC will hold an AHSC Program Guideline Development Workshop (with registration required) on August 15, 2014 at Caltrans District 7 Office in Los Angeles. Workshop

information including registration is available at <http://www.sgc.ca.gov>

- Of the \$50 million allocated to transit, \$25 million is for Transit Operations or Capital (local) – funded by State Transit Assistance formula, subject to ARB guidelines and Caltrans approval; and \$25 million for Transit Capital or Operations (State) - including bus transit, and commuter and intercity and urban light rail – funded on competitive basis at California Transportation Commission, California State Transportation Agency review.

Attachment 1 is a comprehensive policy brief prepared by the California Association of Councils of Governments (CALCOG) that details the overall cap-and-trade program with a detailed summary of 2014-15 budget allocations and references to related sections of existing statute concerning program requirements and other provisions. Attachment 2 is the presentation from the July 10, 2014 SGC meeting including a handout from the Air Resources Board (ARB) which summarizes ARB’s statutory responsibilities and roles related to the Greenhouse Gas Reduction Fund and upcoming milestones. More information on the 2014-15 budget may be obtained at the California Department of Finance website: [www.ebudget.ca.gov](http://www.ebudget.ca.gov)

SCAG will continue its work with the SGC and the ARB in developing implementation guidelines for the Cap-and-Trade program going forward and will provide regular updates to the Regional Council.

#### **ATTACHMENTS:**

1. CALCOG Cap-and-Trade Policy Brief
2. Overview of Affordable Housing and Sustainable Communities Program Concept
3. SGC July 10, 2014 Public Meeting Presentation and ARB Handout



# CAP & TRADE POLICY BRIEF

## TRANSIT, HOUSING, & SUSTAINABLE COMMUNITIES PROGRAM

California Association of Councils of Governments

June 23, 2014

### I. INTRODUCTION

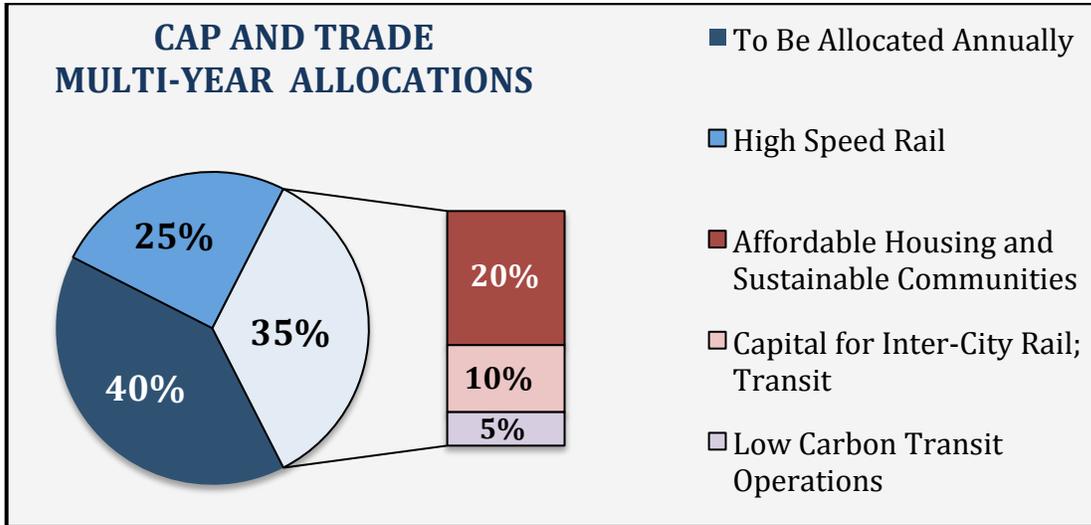
Last week, the Legislature adopted—and the Governor signed—a budget for FY 2014-15 that includes the first investment plan for Cap and Trade auction revenues. This brief outlines the main points of interest for regional transportation planning agencies, summarizes the scope of key programs, and provides selected language from SB 852 (allocations) and SB 862 (cap and trade program trailer bill).

### II. CAP AND TRADE PROGRAM HIGHLIGHTS

1. **The Big News: Ongoing Appropriation.** Only two categories (totaling 60% of future revenues) get multi-year allocations: Transit, Housing, and Sustainable Communities (35%) and High-Speed Rail (25%). Other program areas will be subject to the annual budget process. *See chart, next page.*
2. **But FY 14-15 is Different.** Funding is different the first year largely because of a \$200 million allocation to clean transportation. Thus, \$130 million is allocated to affordable housing and sustainable communities; and \$50 million for transit split evenly between the Transit Capital and Transit Operations. An additional \$242 million for non-transportation related programs for energy, water, waste diversion, and weatherization.

FY 14-15 Appropriations	\$ in Millions
High Speed Rail	\$250
Clean Vehicle Program	\$200
Housing/Sustainable Comm.	\$130
Transit	\$50
Other Programs	\$242
<b>TOTAL</b>	<b>\$872</b>

3. **Reporting and Quantification.** The Air Resource Board will develop guidance on GHG reporting and quantification methods for all state agencies that receive appropriations to ensure that the requirements of AB 32 are met.
4. **Strategic Growth Council Change.** The Senate and Assembly each get to appoint a public member to the Strategic Growth Council—making the council 3 public members and seven senior members of the Administration.
5. **20% for Affordable Housing & Sustainable Communities.** This funding is subject to a specific set of rules and guidelines:
  - i. **Half for Housing.** Half (10%) must be used for affordable housing. SGC will be the lead agency, though SGC likely will “leverage” HCD’s expertise.
  - ii. **“Other Half” Eligibility.** Threshold eligibilities include projects typically included in a regional transportation plan (see table on page 3). But it also includes agriculture mitigation and undefined “other programs.”
  - iii. **Distribution Undetermined.** The distribution method is to be determined; no provision is made for regional parity, though non-MPO areas are included.



- iv. *50% for Disadvantaged Communities.* The percentage for disadvantaged communities is doubled from the SB 535 standard of 25% to 50%.
  - v. *State Guidelines.* The council is directed to “leverage the programmatic and administrative expertise of relevant state departments” in developing the guidelines. Comments from local and regional governments are to be “considered” in the same manner as other stakeholders in public hearings.
  - vi. *“Coordinated” Project Selection.* After guidelines are developed, the Council is required to “coordinate” with regional agencies to recommend projects.
6. **Transit and Intercity Rail Capital Program.** This program is for commuter and inter-regional rail and bus rapid transit projects. The Transportation Agency will develop guidelines, review applications, and make recommendations to the CTC. Funding must comply with the SB 535-standard 25% for disadvantaged communities; and achieve “geographic equity” and SCS consistency.
- *Special Note:* Clean up language on this element is in the works to explicitly authorize bus transit as an eligible use under the program.
7. **Low Carbon Transit.** Funding goes out under the State Transit Assistance formula for new and expanded service (including equipment); and 50% of the funding must be expended for disadvantaged communities. Caltrans must approve all expenditures to determine they meet the guidelines.
8. **High-Speed Rail.** High speed rail gets \$250 million in the first year; 25% going forward; and gets an additional \$400 million from prior year auction sales.
9. **Disadvantaged Communities & CalEnviroscreen.** The CalEnviroscreen tool (that identifies disadvantaged communities) came under scrutiny throughout the budget process. New language provides that the Air Resources Board, working with CalEPA, shall develop guidelines for the use of the CalEnviroscreen tool, including how “benefits” should be “maximized.”



### III. SUSTAINABLE COMMUNITIES SCOPE & ELIGIBILITY

<b>PROGRAM:</b>	<b>AFFORDABLE HOUSING &amp; SUSTAINABLE COMMUNITIES</b>
<b>Administered By:</b>	Strategic Growth Council
<b>Target:</b>	50% must benefit disadvantaged communities; 50% for Affordable Housing
<b>Project Eligibility:</b>	<ul style="list-style-type: none"> <li>• Affordable housing that supports infill and compact development</li> <li>• Transit capital and programs “supporting transit ridership”</li> <li>• Active transportation projects (infrastructure &amp; non-infrastructure)</li> <li>• TOD projects</li> <li>• Capital projects that implement complete streets</li> <li>• Projects that reduce GHG emissions by reducing auto trips and VMT</li> <li>• Acquisition of easements or other approaches to protect agricultural lands under threat of development</li> <li>• Planning to support SCS implementation, including local plans</li> <li>• Must be in draft or adopted SCS</li> <li>• Subject to SGC guidelines</li> </ul>
<b>PROGRAM:</b>	<b>TRANSIT &amp; INTER-CITY RAIL (AND BUS) CAPITAL PROGRAM</b>
<b>Administered By:</b>	Transportation Agency develops guidelines, scores applications. and makes recommendations, CTC allocates funds
<b>Target:</b>	25% must benefit disadvantaged communities; achieve geographic equity
<b>Project Eligibility:</b>	<ul style="list-style-type: none"> <li>• Rail capital</li> <li>• Bus rapid transit and other bus investments to increase ridership and reduce GHGs</li> <li>• Service improvements to improve reliability &amp; decrease travel times</li> <li>• Integrated ticketing and scheduling systems, shared-use corridors, related planning efforts and service integration initiatives</li> <li>• Must be consistent with SCS</li> <li>• Subject to SGC guidelines</li> </ul>
<b>PROGRAM:</b>	<b>LOW CARBON TRANSIT OPERATIONS PROGRAM</b>
<b>Administered By:</b>	Operator (or RTPA for population-based funds) must submit project to Caltrans for approval and verification that it qualifies as a GHG reducing project. Controller allocates funds
<b>Target:</b>	50% must benefit disadvantaged communities
<b>Project Eligibility:</b>	<ul style="list-style-type: none"> <li>• Transit capital and operating expenses that enhance transit service and reduce GHG emissions</li> <li>• Support new or expanded bus or rail services, or expanded intermodal facilities and equipment, fueling and maintenance for those facilities.</li> </ul>

**III. FY 14-15 Budget Allocations (SB 852)**

<b>FY 14-15 Cap and Trade Allocations Related to Transportation</b>	
with Budget Line Item and SB 852 Page Number	
<b>Affordable Housing and Sustainable Communities</b>	
- For Local Assistance (0650-101-3228, page 34)	129,201,000
- For Support of OPR (0650-001-3228, page 40)	799,000
<b>Subtotal</b>	<b>130,000,000</b>
<b>Transit and Rail Capital and Transit Operations</b>	
- Transit Operations (2640-101-3228, page 116)	25,000,000
- Rail and Transit Capital (2660-101-3228, Page 132)	24,791,000
- Support, Dept. of Transp. (2660-001-3228, page 124)	208,000
- Capital Outlay (2660-301-3228, page 143)	1,000
<b>Subtotal</b>	<b>50,000,000</b>
<b>High Speed Rail</b>	
- Capital Outlay (2665-306-3228, page 164)	191,414,000
- Capital Outlay (2665-301-3228, page 163)	58,586,000
<b>Subtotal</b>	<b>250,000,000</b>
Clean Transportation (3900-101-3228, Page 275)	197,266,000
ARB Support - All Programs (3900-001-3228, page 274)	11,520,000
<b>TOTAL</b>	<b>638,786,000</b>

**Notes:**

- *AB 852 Language.* Key provision related to these programs are included at the end of this document. A copy of SB 852 is posted on our website.
- *Final Determination and the Last 25%.* The last 25% of any fund cannot be allocated until the Department of Finance makes a final determination based on auction proceeds after the last auction of the year. See Section 15.13 of SB 852 (page 683).
- *Affordable Housing & Sustainable Communities.* These funds “may be available for transfer to the Department of Transportation, the Department of Housing and Community Development, the Department of Conservation, and the Natural Resources Agency for support costs and local assistance. . .”
- *California Transit Association.* A note of appreciation for the California Transit Association for identifying the key line items in SB 852.

## V. SEVEN ADMINSTRATIVE PROCESSES

<b>1. Reporting and quantification methods for GHG reductions</b>	
<b>Scope:</b>	Define how projects further regulatory purposes of AB 32 contribute to reducing GHGs, and applicability of other non-greenhouse gas reduction objectives of AB 32
<b>Agency:</b>	Air Resources Board
<b>Process:</b>	Undefined (ARB hearing likely)
<b>Statute:</b>	Government Code § 16428.9(b)
<b>2. Identification of Disadvantaged Communities</b>	
<b>Scope:</b>	<i>(Already in Statute)</i> Geographic, socioeconomic, health, environmental hazard, pollution, and concentration of low income, high unemployment, high rent, or other factors.
<b>Agency:</b>	California Environmental Protection Agency
<b>Process:</b>	At least one public hearing
<b>Statute:</b>	Health and Safety Code § 38711
<b>3. Funding Guidelines Relating to Disadvantaged Communities for Administering Agencies</b>	
<b>Scope:</b>	Agencies shall “maximize benefits for disadvantaged communities.”
<b>Agency:</b>	Air Resources Board, in consultation with CALEPA
<b>Process:</b>	ARB shall provide an “opportunity for public input” prior to final guidelines.
<b>Statute:</b>	Public Resources Code § 39715
<b>4. Coordinate Activities of SGC Member Agencies that related to Program</b>	
<b>Scope:</b>	Coordinate programs SGC members in way that is consistent with requirements for disadvantaged communities, GHG reporting, and transit priority projects.
<b>Agency:</b>	Strategic Growth Council, in consultation with Air Resources Board
<b>Process:</b>	No public process is defined
<b>Statute:</b>	Public Resources Code § 75200.1
<b>5. Affordable Housing &amp; Sustainable Community Guidelines and Selection Criteria</b>	
<b>Scope:</b>	Develop guidelines that are consistent with extensive eligibility and policy objectives included in the statute (See Pub. Resources §§ 75210 to 75214).
<b>Agency:</b>	SGC with member agencies and departments; ARB, other state entities as needed
<b>Process:</b>	At least two workshops (one north, one south); draft guidelines published 30 days in advance; consider comments from local and regional governments, stakeholders; conduct outreach to disadvantaged communities.
<b>Statute:</b>	Public Resources Code § 75215
<b>6. Guidelines for Transit and Inter-City Rail Capital Program</b>	
<b>Scope:</b>	Extensive criteria provided by statute
<b>Agency:</b>	California State Transportation Agency
<b>Process:</b>	At least two public workshops with draft posted at least 30 days prior.
<b>Statute:</b>	Public Resources Code § 75222
<b>7. Guidelines for Low Carbon Transit Operations Program</b>	
<b>Scope:</b>	Develop guidelines that describe methodologies that recipient transit agencies shall use to demonstrate that proposed expenditures will meet the established criteria
<b>Agency:</b>	CalTrans (working with ARB)
<b>Process:</b>	Undefined
<b>Statute:</b>	Public Resources Code Section 75230(f)

## VI. ILLUSTRATIVE REVENUE ESTIMATE

The “ballpark” projections below are only “illustrative.” We cannot predict future auction revenues. But planners and economists make such projections all the time—see (for example) any forecast in a regional transportation plan. The table estimates revenues from FY 14-15 through FY 19-20 (but the two auctions in the first half of FY 20-21 are not included). Its based on the following assumptions:

- **Total Allowances.** ARB has published the number of state allowances that will be sold each year through 2020. But this assumption may be “optimistic” if the state elects to give more allowances away in lieu of sale if (for example) there is significant public concern about the economic effects (*e.g.*, price of gas increases).
- **75% Sell Rate for Allowances.** Not all allowances sell at every auction. The table below includes a very “back-of-the-envelope” guess that 75% of the allowances will actually sell. Some would call this assumption “conservative.”
- **Price.** Under current policy, the minimum price for allowances increases by 5% plus an inflation factor each year. This table starts with the minimum price in the first half of FY 14-15 and adds 5% (with no inflation factor) each year. The LAO noted in its *Cap and Trade Report* for the FY 14-15 Budget that “several economists” have estimated that the average price would be between \$15 and \$20 per ton. Thus, this could also be a conservative assumption.

The total revenue under these assumptions (counting the omitted two auctions) is approximately \$8.8 billion, well shy of the \$12 to \$45 billion range cited by the LAO. Accordingly, the table below may be a conservative estimate—which is why they are presented here for illustrative purposes only.

FISCAL YEAR	14/15	15/16	16/17	18/19	17/18	19/20
<b>Allowances Offered (in millions)</b>	125	195	182	128	155	68
<b>75% Sell Rate (in millions)</b>	93.75	146.25	136.5	96	116.25	51
<b>Minimum Price</b>	<b>\$11.34</b>	<b>\$11.91</b>	<b>\$12.50</b>	<b>\$13.78</b>	<b>\$13.13</b>	<b>\$14.47</b>
<b>TOTAL AUCTION REVENUES</b>	<b>\$1,063,125,000</b>	<b>\$1,741,398,750</b>	<b>\$1,706,570,775</b>	<b>\$1,323,248,724</b>	<b>\$1,526,068,097</b>	<b>\$738,124,679</b>
<b>20% - Afford Housing &amp; Sustainable Communities</b>	<b>\$212,625,000</b>	<b>\$348,279,750</b>	<b>\$341,314,155</b>	<b>\$264,649,745</b>	<b>\$305,213,619</b>	<b>\$147,624,936</b>
<b>10% - Transit Capital</b>	<b>\$106,312,500</b>	<b>\$174,139,875</b>	<b>\$170,657,078</b>	<b>\$132,324,872</b>	<b>\$152,606,810</b>	<b>\$73,812,468</b>
<b>5%- Transit Operations</b>	<b>\$53,156,250</b>	<b>\$87,069,938</b>	<b>\$85,328,539</b>	<b>\$66,162,436</b>	<b>\$76,303,405</b>	<b>\$36,906,234</b>
<b>“SUSTAINABLE” TOTAL</b>	<b>\$372,093,750</b>	<b>\$609,489,563</b>	<b>\$597,299,771</b>	<b>\$463,137,053</b>	<b>\$534,123,834</b>	<b>\$258,343,638</b>

## VII. SELECTED LANGUAGE from SB 862

**SECTION 1.** (a) The Legislature **finds and declares** all of the following:

*.... (omitted text)*

*(6) As required by existing law, the use of the moneys appropriated from the GGRF for the Cap-and-Trade Expenditure Plan furthers the regulatory purposes of AB 32 by facilitating the achievement of reductions in greenhouse gases in the state. The Cap-and-Trade Expenditure Plan includes the following programmatic investment areas:*

*(A) Transit, Affordable Housing, and Sustainable Communities.*

*(B) High-Speed Rail.*

*(C) Low Carbon Transportation.*

*(D) Energy Efficiency and Renewable Energy.*

*(E) Natural Resources and Waste Diversion.*

*(7) Programs included in the Cap-and-Trade Expenditure Plan include the following:*

*(A) Expenditures for low-carbon transportation that include, but are not limited to, cleaning up cars, trucks, buses, and freight movement to meet federally mandated clean air requirements and long-term greenhouse gas emissions reduction goals, funding for heavy-duty freight, electric vehicle programs and rebates, and off-road vehicles.*

*.... (omitted text)*

*(D) The Affordable Housing and Sustainable Communities Program, which authorizes the Strategic Growth Council to fund land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas emissions. These projects, which were described in the AB 32 Scoping Plan, facilitate the reduction of the emissions of greenhouse gases by improving mobility options and increasing infill development, which decrease vehicle miles traveled and associated greenhouse gas and other emissions, and by reducing land conversion, which would result in emissions of greenhouse gases.*

*(E) The Transit and Intercity Rail Capital Program, which authorizes the California Transportation Commission to provide grants, based on determinations of the Transportation Agency, to fund capital improvements and operational investments that will modernize California's transit systems and intercity, commuter, and urban rail systems to reduce emissions of greenhouse gases by reducing vehicle miles traveled throughout California.*

*(F) The Low Carbon Transit Operations Program, which authorizes the Controller to provide funding allocations based on project evaluation from the Department of Transportation and the State Air Resources Board, to fund operation investments to increase transit ridership and reduce emissions of greenhouse gases by reducing vehicle miles traveled throughout California.*

*(G) The High Speed Rail Program, which authorizes the High Speed Rail Authority to utilize funds to begin the initial operating segment and the Phase I Blended System, and further environmental and design work on the statewide high speed rail system. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2940) of Division 3 of the Streets and Highways Code), approved by the voters in 2008, specifies that the high-speed train system, once it is completed and becomes operational, will contribute significantly toward the goal of reducing emissions of greenhouse gases and other air pollutants and will help reduce California's dependence on foreign energy sources. As recognized in the AB 32 Scoping Plan, implementation of a high speed rail system will*

*facilitate the reduction of emissions of greenhouse gases and other air pollutants by providing the foundation for a large-scale transformation of California’s transportation infrastructure, displacing millions of vehicle miles traveled on the road, reducing demand for air travel, and increasing train ridership to ensure that the state’s greenhouse gas emission reductions are maintained and continued.*

*..... (omitted text)*

**SEC. 3.** Section 16428.9 of the Government Code is **amended** to read:

**16428.9.** (a) Prior to expending any moneys appropriated to it by the Legislature from the fund, a state agency shall prepare a record consisting of all of the following:

- (1) A description of each expenditure proposed to be made by the state agency pursuant to the appropriation.
- (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.
- (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
- (4) A description of how the state agency considered the applicability and feasibility of other nongreenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
- (5) A description of how the state agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

*(b) The State Air Resources Board shall develop guidance on reporting and quantification methods for all state agencies that receive appropriations from the fund to ensure the requirements of this section are met. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 does not apply to the procedures developed pursuant to this subdivision.  
(omitted text)*

**SEC. 5.** Section 39711 of the Health and Safety Code is **amended** to read:

**39711.** (a) The California Environmental Protection Agency shall identify disadvantaged communities for investment opportunities related to this chapter. These communities shall be identified based on geographic, socioeconomic, public health, and environmental hazard criteria, and may include, but are not limited to, either of the following:

- (1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- (2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

*(b) The California Environmental Protection Agency shall hold at least one public workshop prior to the identification of disadvantaged communities pursuant to this section.*

*(c) Chapter 3.5 (commencing with Section 11340) of the Part 1 of Division 3 of Title 2 of the Government Code does not apply to the identification of disadvantaged communities pursuant to this section.*

**SEC. 6.** Section 39715 of the Health and Safety Code is **amended** to read:

**39715.** (a) *The state board, in consultation with the California Environmental Protection Agency shall develop funding guidelines for administering agencies that receive appropriations from the fund to ensure the requirements of this chapter are met. The guidelines shall include a component for how administering agencies should maximize benefits for disadvantaged communities, as described in Section 39711.*

(b) *The state board shall provide an opportunity for public input prior to finalizing the guidelines.*

(c) *Chapter 3.5 (commencing with Section 11340) of the Part 1 of Division 3 of Title 2 of the Government Code does not apply to the guidelines developed pursuant to this section.*

**SEC. 7.** Section 39719 is **added** to the Health and Safety Code, to read:

**39719.** (a) *The Legislature shall appropriate the annual proceeds of the fund for the purpose of reducing greenhouse gas emissions in this state in accordance with the requirements of Section 39712.*

(b) *To carry out a portion of the requirements of subdivision (a), annual proceeds are continuously appropriated for the following:*

(1) *Beginning in the 2015–16 fiscal year, and notwithstanding Section 13340 of the Government Code, 35 percent of annual proceeds are continuously appropriated, without regard to fiscal years, for transit, affordable housing, and sustainable communities programs as following:*

(A) *Ten percent of the annual proceeds of the fund is hereby continuously appropriated to the Transportation Agency for the Transit and Intercity Rail Capital Program created by Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.*

(B) *Five percent of the annual proceeds of the fund is hereby continuously appropriated to the Low Carbon Transit Operations Program created by Part 3 (commencing with Section 75230) of Division 44 of the Public Resources Code. Funds shall be allocated by the Controller, according to requirements of the program, and pursuant to the distribution formula in subdivision (b) or (c) of Section 99312 of, and Sections 99313 and 99314 of, the Public Utilities Code.*

(C) *Twenty percent of the annual proceeds of the fund is hereby continuously appropriated to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program created by Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code. Of the amount appropriated in this subparagraph, no less than 10 percent of the annual proceeds shall be expended for affordable housing, consistent with the provisions of that program.*

(2) *Beginning in the 2015–16 fiscal year, notwithstanding Section 13340 of the Government Code, 25 percent of the annual proceeds of the fund is hereby continuously appropriated to the High-Speed Rail Authority for the following components of the initial operating segment and Phase I Blended System as described in the 2012 business plan adopted pursuant to Section 185033 of the Public Utilities Code:*

(A) *Acquisition and construction costs of the project.*

(B) *Environmental review and design costs of the project.*

(C) *Other capital costs of the project.*

(D) *Repayment of any loans made to the authority to fund the project.*

(c) *In determining the amount of annual proceeds of the fund for purposes of the calculation in subdivision (b), the funds subject to Section 39719.1 shall not be included.*

**SEC. 20.** Section 75121 of the Public Resources Code is **amended** to read:

**75121.** (a) The Strategic Growth Council is hereby established in state government and it shall consist of the Director of State Planning and Research, the Secretary of the Natural Resources Agency, the Secretary for Environmental Protection, the Secretary of Transportation, the Secretary of California Health and Human Services, the Secretary of Business, Consumer Services, and Housing, the Secretary of Food and Agriculture, *one member of the public appointed by the Speaker of the Assembly, one member of the public appointed by the Senate Committee on Rules*, and one member of the public to be appointed by the Governor. The public members shall have a background in land use planning, local government, resource protection and management, or community development or revitalization *and shall serve at the pleasure of the appointing authority*.

(b) Staff for the council shall be reflective of the council’s membership.

**SEC. 21.** Division 44 (commencing with Section 75200) is **added** to the Public Resources Code, to read: **Transit, Affordable Housing, and Sustainable Communities Program**

**PART 1. Affordable Housing and Sustainable Communities**

**CHAPTER 1. General Provisions**

**75200.** *For the purposes of this part, the following terms have the following meanings:*

- (a) “Council” means the Strategic Growth Council established pursuant to Section 75121.*
- (b) “Disadvantaged communities” means communities identified as disadvantaged communities pursuant to Section 39711 of the Health and Safety Code.*
- (c) “Program” means the Affordable Housing and Sustainable Communities Program established pursuant to Section 75210.*

**75200.1.** *Consistent with Section 75125, the council, in consultation with the State Air Resources Board, shall review and coordinate the activities of member agencies of the council for the programs included in this part. The council shall review these programs, including grant guidelines of each program, consistent with Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code, including the recommendations of the investment plan, Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, and Chapter 4.2 (commencing with Section 21155) of Division 13 of this code.*

**CHAPTER 2. Affordable Housing and Sustainable Communities Program**

**75210.** *The council shall develop and administer the Affordable Housing and Sustainable Communities Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:*

- (a) Reducing air pollution.*
- (b) Improving conditions in disadvantaged communities.*
- (c) Supporting or improving public health and other cobenefits as defined in Section 39712 of the Health and Safety Code.*
- (d) Improving connectivity and accessibility to jobs, housing, and services.*
- (e) Increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highways Code.*
- (f) Increasing transit ridership.*



*(g) Preserving and developing affordable housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code.*

*(h) Protecting agricultural lands to support infill development.*

**75211.** *To be eligible for funding pursuant to the program, a project shall do all of the following:*

*(a) Demonstrate that it will achieve a reduction in greenhouse gas emissions.*

*(b) Support implementation of an adopted or draft sustainable communities strategy or, if a sustainable communities strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions.*

*(c) Demonstrate consistency with the state planning priorities established pursuant to Section 65041.1 of the Government Code.*

**75212.** *Projects eligible for funding pursuant to the program include any of the following:*

*(a) Intermodal, affordable housing projects that support infill and compact development.*

*(b) Transit capital projects and programs supporting transit ridership.*

*(c) Active transportation capital projects that qualify under the Active Transportation Program, including pedestrian and bicycle facilities and supportive infrastructure, including connectivity to transit stations.*

*(d) Noninfrastructure-related active transportation projects that qualify under the Active Transportation Program, including activities that encourage active transportation goals conducted in conjunction with infrastructure improvement projects.*

*(e) Transit-oriented development projects, including affordable housing and infrastructure at or near transit stations or connecting those developments to transit stations.*

*(f) Capital projects that implement local complete streets programs.*

*(g) Other projects or programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled within a community.*

*(h) Acquisition of easements or other approaches or tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl or those of special environmental significance.*

*(i) Planning to support implementation of a sustainable communities strategy, including implementation of local plans supporting greenhouse gas emissions reduction efforts and promoting infill and compact development.*

**75213.** *A project eligible for funding pursuant to the program shall be encouraged to promote the objectives of Section 75210, and economic growth, reduce public fiscal costs, support civic partnerships and stakeholder engagement, and integrate and leverage existing housing, transportation, and land use programs and resources.*

**75214.** *In implementing the program, the council shall support the goals established pursuant to Chapter 830 of the Statutes of 2012 by ensuring a programmatic goal of expending 50 percent of program expenditure for projects benefiting disadvantaged communities. To the extent feasible, the council shall coordinate outreach to promote access and program participation in disadvantaged communities.*

**75215.** *(a) Prior to awarding funds under the program, the council, in coordination with the member agencies and departments of the council, the State Air Resources Board, and other state entities, as needed, shall develop guidelines and selection criteria for the implementation*

*of the program.*

*(b) Prior to adoption of the guidelines and the selection criteria, the council shall conduct at least two public workshops to receive and consider public comments. One workshop shall be held at a location in northern California and one workshop shall be held at a location in southern California.*

*(c) The council shall publish the draft guidelines and selection criteria on its Internet Web site at least 30 days prior to the public meetings.*

*(d) In adopting the guidelines and selection criteria, the council shall consider the comments from local governments, regional agencies, and other stakeholders. The council shall conduct outreach to disadvantaged communities to encourage comments on the draft guidelines from those communities.*

*(e) Program guidelines may be revised by the council to reflect changes in program focus or need. Outreach to stakeholders shall be conducted, pursuant to subdivisions (a), (b), and (c) before the council adopts changes to guidelines.*

*(f) Upon the adoption of the guidelines and selection criteria, the council shall, pursuant to Section 9795 of the Government Code, submit copies of the guidelines to the fiscal and appropriate policy committees of the Legislature.*

*(g) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of the guidelines and selection criteria pursuant to this section.*

**75216.** *(a) The council shall leverage the programmatic and administrative expertise of relevant state departments and agencies in implementing the program.*

*(b) The council shall coordinate with the metropolitan planning organizations and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division.*

**75217.** *The executive director of the council shall report the progress on the implementation of the program in its annual report required pursuant to subdivision (e) of Section 75125.*

## **PART 2. Transit and Intercity Rail Capital Program**

**75220.** *(a) The Transit and Intercity Rail Capital Program is hereby created to fund capital improvements and operational investments that will reduce greenhouse gas emissions, modernize California's intercity, commuter, and urban rail systems to achieve all of the following policy objectives:*

*(1) Reduce greenhouse gas emissions.*

*(2) Expand and improve rail service to increase ridership.*

*(3) Integrate the rail service of the state's various rail operators, including integration with the high-speed rail system.*

*(4) Improve rail safety.*

*(b) The Transportation Agency shall evaluate applications for funding under the program consistent with the criteria set forth in this chapter and prepare a list of projects recommended for funding. The list may be revised at any time.*

*(c) The California Transportation Commission shall award grants to applicants pursuant to the list prepared by the Transportation Agency.*

**75221.** *(a) Projects eligible for funding under the program include, but are not limited to, all of the following:*

*(1) Rail capital projects, including acquisition of rail cars and locomotives, that expand,*



*enhance, and improve existing rail systems and connectivity to existing and future rail systems, including the high-speed rail system.*

*(2) Intercity and commuter rail projects that increase service levels, improve reliability, and decrease travel times.*

*(3) Rail integration implementation, including integrated ticketing and scheduling systems, shared-use corridors, related planning efforts, and other service integration initiatives.*

*(4) Bus rapid transit and other bus transit investments to increase ridership and reduce greenhouse gas emissions.*

*(b) In order to be eligible for funding under the program, a project shall demonstrate that it will achieve a reduction in greenhouse gas emissions.*

*(c) The program shall have a programmatic goal of providing at least 25 percent of available funding to projects benefiting disadvantaged communities, consistent with the objectives of Chapter 830 of the Statutes of 2012.*

*(d) In evaluating grant applications for funding, the Transportation Agency shall consider both of the following:*

*(1) The cobenefits of projects that support implementation of sustainable communities strategies through one or more of the following:*

*(A) Reducing auto vehicles miles traveled through growth in rail ridership.*

*(B) Promoting housing development in the vicinity of rail stations.*

*(C) Expanding existing rail and public transit systems.*

*(D) Implementing clean vehicle technology.*

*(E) Promoting active transportation.*

*(F) Improving public health.*

*(2) The project priorities developed through the collaboration of two or more rail operators and any memoranda of understanding between state agencies and local or regional rail operators.*

*(3) Geographic equity.*

*(4) Consistency with the adopted sustainable communities strategies and the recommendations of regional agencies.*

*(e) Eligible applicants under the program shall be public agencies, including joint powers agencies, that operate existing or planned regularly scheduled intercity or commuter passenger rail service or urban rail transit service. An eligible applicant may partner with transit operators that do not operate rail service on projects to integrate ticketing and scheduling with bus or ferry service.*

*(f) A recipient of funds under the program may combine funding from the program with other funding, including, but not limited to, the State Transportation Improvement Program, the Low Carbon Transit Operations Program, the State Air Resources Board clean vehicle program, and state transportation bond funds.*

**75222.** *(a) Applications for grants under the program shall be submitted to the Transportation Agency for evaluation in accordance with procedures and program guidelines adopted by the agency.*

*(b) The Transportation Agency shall conduct at least two public workshops on draft program guidelines containing selection criteria prior to adoption and shall post the draft guidelines on the agency's Internet Web site at least 30 days prior to the first public workshop. Concurrent with the posting, the agency shall transmit the draft guidelines to the fiscal committees and to the appropriate policy committees of the Legislature.*

*(c) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of procedures and program guidelines for the program pursuant to this section.*

**PART 3. Low Carbon Transit Operations Program**

*75230. (a) The Low Carbon Transit Operations Program is hereby created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities.*

*(b) Funding for the program is continuously appropriated pursuant to Section 39719 of the Health and Safety Code from the Greenhouse Gas Reduction Fund established pursuant to Section 16428.8 of the Government Code.*

*(c) Funding shall be allocated by the Controller consistent with the requirements of this part and with Section 39719 of the Health and Safety Code, upon a determination by the Department of Transportation that the expenditures proposed by a transit agency meet the requirements of this part and guidelines developed pursuant to subdivision (f), and the amount of funding requested that is currently available.*

*(d) Moneys for the program shall be expended to provide transit operating or capital assistance that meets all of the following criteria:*

*(1) Expenditures supporting new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.*

*(2) The recipient transit agency demonstrates that each expenditure directly enhances or expands transit service to increase mode share.*

*(3) The recipient transit agency demonstrates that each expenditure reduces greenhouse gas emissions.*

*(e) For transit agencies whose service areas include disadvantaged communities as identified pursuant to Section 39711 of the Health and Safety Code, at least 50 percent of the total moneys received pursuant to this chapter shall be expended on projects or services that meet requirements of subdivision (d) and benefit the disadvantaged communities, consistent with the guidance developed by the State Air Resources Board pursuant to Section 39715 of the Health and Safety Code.*

*(f) The Department of Transportation, in coordination with the State Air Resources Board, shall develop guidelines that describe the methodologies that recipient transit agencies shall use to demonstrate that proposed expenditures will meet the criteria in subdivisions (d) and (e) and establish the reporting requirements for documenting ongoing compliance with those criteria.*

*(g) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development of guidelines for the program pursuant to this section.*

*(h) A transit agency shall submit the following information to the Department of Transportation before seeking a disbursement of funds pursuant to this part:*

*(1) A list of proposed expense types for anticipated funding levels.*

*(2) The documentation required by the guidelines in developed pursuant to subdivision (f) to demonstrate compliance with subdivisions (d) and (e).*

*(i) Before authorizing the disbursement of funds, the department, in coordination with the State Air Resources Board, shall determine the eligibility, in whole or in part, of the proposed list of expense types, based on the documentation provided by the recipient transit agency to ensure ongoing compliance with the guidelines developed pursuant to subdivision (f).*



*(j) The department shall notify the Controller of approved expenditures for each transit agency, and the amount of the allocation for each transit agency determined to be available at that time of approval.*

*(k) The recipient transit agency shall provide annual reports to the Department of Transportation, in the format and manner prescribed by the department, consistent with the internal administrative procedures for use of fund proceeds developed by the State Air Resources Board.*

*(l) The Department of Transportation and recipient transit agencies shall comply with the guidelines developed by the State Air Resources Board pursuant to Section 39715 of the Health and Safety Code to ensure that the requirements of Section 39714 of the Health and Safety Code are met to maximize the benefits to disadvantaged communities as described in Section 39711 of the Health and Safety Code.*

**VIII. SB 852 (FY 14-15 Budget Allocations)**

**A. For Affordable Housing and Sustainable Communities**

0650-101-3228—For local assistance, Office of Planning and Research, Program 31-Strategic Growth Council ( ) .....\$129,201,000

1. The funds appropriated in this item may be available for transfer to the Department of Transportation, the Department of Housing and Community Development, the Department of Conservation, and the Natural Resources Agency for support costs and local assistance associated with administering the affordable housing and sustainable communities program.
2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure and encumbrance until June 30, 2017, for support and local assistance.

**B. State Transit Assistance (Low Carbon Transit Operations)**

2640-101-3228—For local assistance, State Transit Assistance, for allocation by the Controller pursuant to subdivisions (b) and (c) of Section 99312, Section 99313, and Section 99314 of the Public Utilities Code ( ).....\$25,000,000

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$14,355 of the amount appropriated in this item shall reimburse the Controller for expenditures for administration of State Transit Assistance funds.
2. Funds appropriated in this item shall not be allocated prior to the enactment of implementing legislation and fulfillment of any specified requirement of that legislation. This implementing legislation shall establish requirements that funds be used to support additional transit services that result in additional greenhouse gas emission reductions to further the regulatory purposes of the California Global Warming Solutions Act of 2006, in accordance with Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code, including the recommendations of the investment plan, and Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.



**C. Transit and Intercity Rail Capital Program**

Page 117 -118. 2660-101-3228—For local assistance, Department of Transportation, payable from the Greenhouse Gas Reduction Fund .... 24,791,000

1. Funds appropriated in this item shall be available for transit and intercity rail capital programs for allocation by the California Transportation Commission until June 30, 2016, and available for encumbrance and liquidation until June 30, 2020.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-301-3228. These transfers shall require the prior approval of the Department of Finance.

**D. General Provision Relating to Timing of Allocations**

(Page 683) SEC. 15.13. (a) Any appropriation from the Greenhouse Gas Reduction Fund, except for (1) appropriations in Items 2665-301-3228 and 2665-306-3228 and (2) appropriations for state operations expenditures necessary for program administration, including statewide coordination and reporting activities by the State Air Resources Board for cap and trade expenditures, shall be subject to the restrictions specified in subdivision (b).

(b) No department shall encumber or commit more than 75 percent of any appropriation prior to the fourth cap and trade auction in the 2014–15 fiscal year. Upon determination of the final amount of auction proceeds after the fourth cap and trade auction, the Department of Finance shall make a final determination for the expenditure of the remaining auction proceeds. The Department of Finance shall notify the Joint Legislative Budget Committee no later than 30 days after the final determination.

# Overview of Affordable Housing and Sustainable Communities Program Concept

Strategic Growth Council  
July 10, 2014

## Proposed Timeline

<b>Mid AUGUST 2014</b>	<b>Three Public Workshops on Guideline Development</b>
<b>Early OCTOBER 2014</b>	<b>Draft Guidelines presented to Council</b>
<b>OCTOBER 2014</b>	<b>Three Public Workshops on Draft Guidelines</b>
<b>DECEMBER 2014</b>	<b>Final Guidelines presented to Council for Approval</b>
<b>JANUARY 2015</b>	<b>Funding Solicitation Released</b>
<b>APRIL 2015</b>	<b>Applications Due</b>
<b>JUNE 2015</b>	<b>Awards Announced</b>

## 2014-15 Greenhouse Gas Reduction Fund Investments

Category	Department	Program	2014-15
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	\$250 m
	State Transit Assistance	Low Carbon Transit Operations Program	\$25 m
	Caltrans	Transit and Intercity Rail Capital Program	\$25 m
	<b>Strategic Growth Council</b>	<b>Affordable Housing and Sustainable Communities Program</b>	<b>\$130 m</b>
	Air Resources Board	Low Carbon Transportation	\$200 m
Energy Efficiency and Clean Energy	Dept. of Community Services and Development	Energy Efficiency Upgrades/Weatherization	\$75 m
	Energy Commission	Energy Efficiency for Public Buildings	\$20 m
	Dept. of Food and Agriculture	Agricultural Energy and Operational Efficiency	\$15 m
Natural Resources and Waste Diversion	Dept. of Fish and Wildlife	Wetlands and Watershed Restoration	\$25 m
	Dept. of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	\$42 m
	Cal Recycle	Waste Diversion	\$25 m

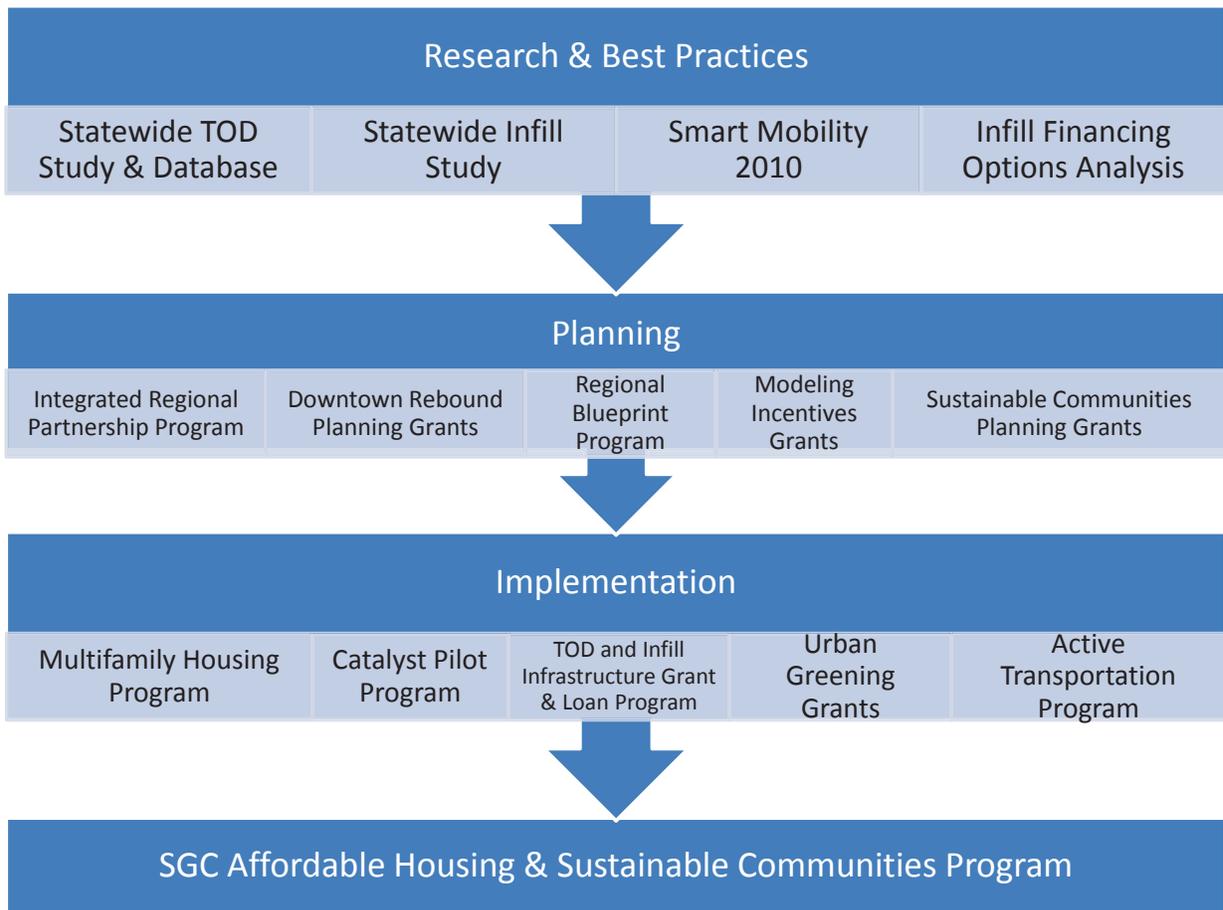
**TOTAL \$832 m**

# Legal Background for the Affordable Housing and Sustainable Communities Program

2006	AB 32	California Global Warming Solutions Act
2008	SB 375	Sustainable Communities and Climate Protection Act
2012	SB 535	Requires auction proceeds benefit and invest in Disadvantaged Communities
2012	AB 1532	Establishes public process and directs funds to reduce GHGs and achieve co-benefits
2012	SB 1018	Established the Greenhouse Gas Reduction Fund and accountability requirements
2014	SB 862	Created the Affordable Housing and Sustainable Communities Program

## Role of the California Air Resources Board

## Evolution of State Support for Sustainable Communities



7/10/2014

9

California  
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AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

## Examples of Sustainable Communities Implementation

# HCD Proposition 1C Programs

## Transit-Oriented Development (TOD) and Infill Infrastructure (Infill) Programs

TOD		Infill
\$300M		\$850M
Housing Loans	Infrastructure Grants	Infrastructure Grants
64% to Loans 34 contracts	36% to Grants 14 contracts	100% Grants 124 contracts
Housing Project must be within ¼ mile of qualifying transit station		Project must be a qualifying infill site
Loans Fund: affordable housing	Grants Fund: Wide variety of infrastructure including streets, sidewalks, sewer, utilities, bike and pedestrian improvements, transit stations and linkages, parks, traffic mitigation – in support of a qualifying project.	

\*HCD has administered three rounds of funding for these programs

7/10/2014

11

**1050 B St., San Diego**  
\$4M TOD Grant  
229 Affordable Units



## TOD/Infill Program Examples



**MacArthur Transit Village, Oakland**  
\$17M TOD Grant  
\$17M Infill Grant  
448 Total Units  
89 Affordable



**MacArthur Park Apartments, Westlake MacArthur Station, LA**  
\$16M TOD Loans, \$1M TOD Grant  
172 Affordable Units



**Union City Intermodal, Union City**  
\$8M TOD Grant  
344 Total Units  
155 Affordable

7/10/2014

12

# Affordable Housing and Sustainable Communities Program Concept

The SGC is authorized to fund land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce GHG emissions. These projects facilitate the reduction of the emissions of GHGs by improving mobility options and increasing infill development, which decrease vehicle miles traveled and by reducing land conversion, resulting in a reduction of GHG and other emissions.

((Sec. 1(a)(7)(D), SB 862, Chapter 36, Stats. 2014 )

## Statutory Requirements

- Demonstrate GHG reductions
- Consistent with State Planning Priorities
- Implement regional Sustainable Communities Strategy\*
- 50% of funding invested:
  - To benefit Disadvantaged Communities
  - To provide housing opportunities for lower income households

\*If a Sustainable Communities Strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions will meet this requirement.

## Eligible Uses

*Statutorily-eligible projects for funding include the following (PRC Sec. 75212):*

- Affordable Housing
- Transit
- Active Transportation
- Non-infrastructure Active Transportation Projects
- Transit-Oriented Development Projects
- Complete Streets Capital Projects
- Other GHG and Criteria Air Pollutant Reduction projects or programs
- Ag land protection strategies that support infill development
- SCS Implementation Plans

## Proposed Program Structure

- SGC provides central authority for program implementation
- Proposed parallel structure for implementation
  - AHSC component administered by HCD on behalf of SGC
  - Ag lands component administered by Natural Resources Agency on behalf of SGC
- Recommended distribution through a competitive process
- Funding would be distributed as loans and grants, as appropriate

## Public Policy Objectives

*Projects are also to support related and coordinated public policy objectives, including:*

- Reducing air pollution
- Improving conditions in disadvantaged communities
- Supporting or improving public health
- Improving connectivity and accessibility to jobs, housing and services
- Increasing options for mobility, including active transportation
- Promoting water conservation
- Increasing transit ridership
- Preserving and developing affordable housing for lower income households
- Protecting agricultural lands to support infill development
- Project scoring criteria shall support benefits per AB 1532 and SB 535 and other co-benefits

# Roles and Responsibilities

## Strategic Growth Council

- Policy Direction
- Approve Guidelines
- Approve Projects for Funding
- Oversight of Implementation

## SGC & Member Agency Staff

- Hosts Public Guideline Workshops
- Develops Draft Guidelines
- Oversees Proposal Review Process

## Implementing Agencies

- Contracts with Awardees
- Manages Contracts
- Monitors Implementation
- Reports to SGC on Project Progress

7/10/2014

19

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AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

## Role of Metropolitan Planning Organizations (MPOs)

- Per SB 862, “council shall coordinate with the metropolitan planning organizations and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division.”

## Proposed Timeline

Mid AUGUST 2014	Three Public Workshops on Guideline Development
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Questions/Comments?

Cap-and-Trade Auction Proceeds:  
Greenhouse Gas Emission Reduction Fund Investments  
**Air Resources Board Roles and Upcoming Milestones**

Air Resources Board (ARB) Statutory Responsibilities:

- Administer the Greenhouse Gas Reduction Fund (GGRF)
- Develop funding guidelines for agencies that receive GGRF appropriations that cover:
  - Expenditure record requirement to ensure investments further the purposes of AB 32
  - SB 535 requirement to maximize the benefits of investments to disadvantaged communities; California Environmental Protection Agency (CalEPA) to identify the communities and consult with ARB
  - Methodologies to quantify greenhouse gas emission reductions and other co-benefits
  - Project tracking and reporting to provide accountability and transparency
- Provide consultation to the Strategic Growth Council on development of Affordable Housing and Sustainable Communities Implementation Program
- Provide consultation to Department of Transportation on Low Carbon Transit Operations
- Manage the GGRF appropriation for Low Carbon Transportation
- Hold a public hearing on the triennial investment plan

**Near-Term Milestones for Program Implementation**

<i>July 2014</i>	<ul style="list-style-type: none"> <li>• ARB releases Interim Guidance for expenditure records and fiscal procedures</li> </ul>
<i>Aug 2014</i>	<ul style="list-style-type: none"> <li>• CalEPA releases the draft cutpoint for identification of disadvantaged communities for public comment (based on CalEnviroScreen 2.0)</li> <li>• ARB releases preliminary concepts for Interim Guidance on investment in disadvantaged communities for public comment</li> <li>• CalEPA and ARB hold joint public workshops on identification of disadvantaged communities and preliminary concepts for Interim Guidance</li> </ul>
<i>Sep 2014</i>	<ul style="list-style-type: none"> <li>• CalEPA finalizes identification of disadvantaged communities</li> <li>• ARB staff updates the Board at its September 18-19 public meeting and receives feedback on development of Interim Guidance</li> <li>• ARB releases Interim Guidance for use by State and local agencies</li> </ul>
<i>Oct 2014 to Mid 2015</i>	<ul style="list-style-type: none"> <li>• ARB, in consultation with CalEPA and administering agencies, develops full funding guidelines, holds public workshops to solicit public comment, and presents proposed guidelines to the Board for approval</li> <li>• ARB and agencies begin developing methodologies to quantify greenhouse gas reductions and other co-benefits; ARB will prioritize programs using emission reductions as a criterion in a competitive process to select projects</li> <li>• Administration begins process to update the three-year investment plan (due Jan 2016)</li> </ul>