

SOUTHERN CALIFORNIA



**ASSOCIATION OF
GOVERNMENTS**

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Keith Millhouse, Ventura County

Transportation Commission

MEETING OF THE

COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

PLEASE NOTE TIME

Thursday, November 1, 2012

10:00 a.m. – 12:00 p.m.

**SCAG Main Office
818 W. 7th Street, 12th 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 Deby Salcido at (213) 236-1993 or via email salcido@scag.ca.gov

Agendas & Minutes for the Community, Economic, and Human Development Committee are also available at:

www.scag.ca.gov/committees/cehd.htm

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) 236-1993. 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
November 2012

Members

Representing

Chair*	1. Hon. Paula Lantz	Pomona	District 38
Vice Chair*	2. Hon. Margaret Finlay	Duarte	District 35
	3. Hon. Sam Allevato	San Juan Capistrano	OCCOG
	4. Hon. Josue Barrios	Cudahy	GCCOG
	5. Hon. James Butts, Jr.	Inglewood	SBCCOG
	6. Hon. Don Campbell	Brawley	ICTC
	7. Hon. Carol Chen	Cerritos	Gateway Cities
	8. Hon. Ron Garcia	Brea	OCCOG
	* 9. Hon. James Gazeley	Lomita	District 39
	10. Hon. Joseph J. Gonzales	South El Monte	SGVCOG
	11. Hon. Elba Guerrero	Huntington Park	GCCOG
	12. Hon. Julie Hackbarth-McIntyre	Barstow	SANBAG
	* 13. Hon. Jon Harrison	Redlands	District 6
	* 14. Hon. Steven Hofbauer	Palmdale	District 43
	* 15. Hon. Bill Jahn	Big Bear Lake	District 11
	* 16. Hon. Sukhee Kang	Irvine	District 14
	* 17. Hon. Darcy Kuenzi	Menifee	District 63
	18. Hon. Randon Lane	Murrieta	WRCOG
	* 19. Hon. Joel Lautenschleger	Laguna Hills	District 13
	20. Hon. Mike Leonard	Hesperia	SANBAG
	* 21. Hon. Ronald Loveridge	Riverside	District 4
	* 22. Hon. Bryan A. MacDonald	Oxnard	District 45
	23. Hon. Charles Martin		Morongo Band of Mission Indians
	* 24. Hon. Larry McCallon	Highland	District 7
	25. Hon. Kathryn McCullough	Lake Forest	OCCOG
	26. Hon. Susan McSweeney	Westlake Village	LVMCOG



Community, Economic, and Human Development Committee
November 2012

Members

Representing

27. Hon. John Mirisch	Beverly Hills	WSSCOG
* 28. Hon. Carl Morehouse	Ventura	District 47
29. Hon. Gene Murabito	Glendora	SGVCOG
* 30. Hon. Kris Murray	Anaheim	District 19
31. Hon. Ray Musser	Upland	SANBAG
* 32. Hon. John Nielsen	Tustin	District 17
33. Hon. Laura Olhasso	La Cañada/Flintridge	Arroyo Verdugo Cities
34. Hon. John Palinkas		Pechanga Band of Luiseño Indians
* 35. Hon. Linda Parks	Ventura County	VCCOG
36. Hon. R. Rex Parris	Lancaster	North Los Angeles County
* 37. Hon. Jan Perry	Los Angeles	District 56
* 38. Hon. Andy Quach	Westminster	District 20
* 39. Hon. Ed P. Reyes	Los Angeles	District 48
40. Hon. Bob Ring	Laguna Woods	OCCOG
* 41. Hon. Deborah Robertson	Rialto	District 8
42. Hon. Becky Shevlin	Monrovia	SGVCOG
43. Hon. Michael Wilson	Indio	CVAG

*Regional Council Member

COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA NOVEMBER 1, 2012

The Community, Economic and Human Development 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. Paula Lantz, 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

CONSENT CALENDAR

Time Page

Approval Item

- | | | | |
|--|-------------------|--|----------|
| 1. <u>Minutes of the October 4, 2012 Meeting</u> | Attachment | | 1 |
|--|-------------------|--|----------|

ACTION ITEMS

- | | | | |
|--|-------------------|-----------------|----------|
| 2. <u>Response to the California Department of Housing and Community Development (HCD) on the Eligibility of Jurisdictions to Take Regional Housing Needs Assessment (RHNA) Credit (Huasha Liu, Director of Land Use and Environmental Planning)</u> | Attachment | 10 mins. | 7 |
|--|-------------------|-----------------|----------|

Recommended Action: Review the proposed response letter to HCD on the eligibility of jurisdictions to take RHNA credit. Pending the CEHD Committee's review, staff will send the letter to HCD.

- | | | | |
|---|-------------------|-----------------|-----------|
| 3. <u>Senate Bill 535 (de León) – California Global Warming Solutions Act of 2006; Greenhouse Gas Reduction (GHGR) Fund (Huasha Liu, Director of Land Use and Environmental Planning)</u> | Attachment | 20 mins. | 12 |
|---|-------------------|-----------------|-----------|

Recommended Action: Approve the Legislative/Communications and Membership Committee (LCMC) recommendation to authorize SCAG to work with stakeholders to help identify disadvantaged communities for the purposes of SB 535, and to support the inclusion of statewide transportation coalition principles, which include adopted regional sustainable communities strategies, into the project selection criteria and process for allocating cap and trade revenues.

COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA NOVEMBER 1, 2012

SUBCOMMITTEE REPORT

Sustainability Subcommittee Update

CHAIR'S REPORT

(Hon. Paula Lantz, Chair)

STAFF REPORT

(Frank Wen, SCAG Staff)

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The Community, Economic, and Human Development (CEHD) Committee meeting for December is cancelled.

The Third Annual Economic Summit is scheduled for Thursday, December 6, 2012, 9:00 a.m. – 2:00 p.m., at the Westin Bonaventure Hotel, 404 South Figueroa Street, Los Angeles, CA 90071.

The next CEHD Committee meeting is scheduled for Thursday, January 3, 2013 at the SCAG Los Angeles Office.

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

**October 4, 2012
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. Josue Barrios, Cudahy	GCCOG
Hon. Carol Chen, Cerritos	GCCOG
Hon. Margaret Finlay, Duarte	District 35
Hon. Ron Garcia, Brea	OCCOG
Hon. James Gazeley, Lomita	District 39
Hon. Joseph Gonzales, South El Monte	SGVCOG
Hon. Jon Harrison, Redlands	District 6
Hon. Bill Jahn, Big Bear Lake	District 11
Hon. Darcy Kuenzi, Menifee	District 63
Hon. Paula Lantz, Pomona (Chair)	District 38
Hon. Joel Lautenschleger	District 13
Hon. Bryan MacDonald, Oxnard	District 45
Hon. Larry McCallon, Highland	District 7
Hon. Kathryn McCullough, Lake Forest	OCCOG
Hon. Carl Morehouse, San Buenaventura	District 47
Hon. Gene Murabito, Glendora	SGVCOG
Hon. Kris Murray, Anaheim	District 19
Hon. Ray Musser, Upland	SANBAG
Hon. Linda Parks, Ventura	VCOG
Hon. Bob Ring, Laguna Woods	OCCOG
Hon. Deborah Robertson, Rialto	District 8
Hon. Becky Shevlin, Monrovia	SGVCOG

Members Not Present

Hon. Sam Allevato, City of San Juan Capistrano	OCCOG
Hon. James Butts, Inglewood	SBCCOG
Hon. Don Campbell, Brawley	ICTC
Hon. Elba Guerrero, Huntington Park	GCCOG
Hon. Steve Hofbauer, Palmdale	District 43
Hon. Sukhee Kang, City of Irvine	District 14
Hon. Randon Lane, Murrieta	WRCOG

Members Not Present (Cont'd)

Hon. Mike Leonard, Hesperia	SANBAG
Hon. Ronald Loveridge, Riverside	District 4
Hon. Charles Martin	Morongo Band of Mission Indians
Hon. Julie Hackbarth-McIntyre, Barstow	SANBAG
Hon. Susan McSweeney, Westlake Village	LVMCOG
Hon. John A. Mirisch, Beverly Hills	WSSCOG
Hon. John Nielsen, Tustin	District 17
Hon. Laura Olhasso, La Canada-Flintridge	Arroyo Verdugo COG
Hon. John Palinkas	Pechanga Band of Luiseno Indians
Hon. Rex Parris, Lancaster	North Los Angeles County
Hon. Jan Perry, Los Angeles	District 56
Hon. Andy Quach, Westminster	District 20
Hon. Ed Reyes, Los Angeles	District 48
Hon. Michael Wilson	SGVCOG

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Paula Lantz, Chair, called the meeting to order at approximately 10:05 AM and led the Committee in the Pledge of Allegiance.

ELECTION OF VICE-CHAIR

Joann Africa, Chief Counsel, opened the election for Vice-Chair by announcing the two nominated candidates, Councilmembers Steve Hofbauer and Margaret Finlay. Ms. Africa asked the members to complete the voting ballots. The ballots were collected by Ms. Africa and Jane Embry, Assistant to the CEHD Committee. After the ballots were counted, the Chair announced the results of the election and congratulated Margaret Finlay as the new Vice-Chair of CEHD.

PUBLIC COMMENT PERIOD

There were no public comments.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda.

CONSENT CALENDAR

Approval Item

1. Minutes of the June 7, 2012 Meeting
A MOTION was made (Jahn) to approve the Consent Calendar. The MOTION was SECONDED (Ring) and UNANIMOUSLY APPROVED.

ACTION ITEMS

2. Proposed Final 5th Cycle Regional Housing Needs Assessment (RHNA) Allocation Plan
Hon. Bill Jahn, District 11, provided a summary of the 5th cycle RHNA process and thanked the RHNA Subcommittee and SCAG staff for their dedication and hard work throughout the process.

Hon. Larry McCallon, District 7, stated that the RHNA meetings were open and transparent and were of great service to every city involved. He also thanked the RHNA Subcommittee and SCAG staff for their dedication and commitment throughout the process.

Hon. Linda Parks, VCOG, suggested tapping into the resources and expertise of the current and past RHNA Subcommittees in order to improve the next RHNA process. Huasha Liu, Director of Land Use and Environmental Planning, stated that staff will come back to CEHD with a recommendation.

After further discussion, a MOTION was made (McCallon) to recommend that the Regional Council adopt the Final RHNA Allocation Plan. The MOTION was SECONDED (Jahn) and UNANIMOUSLY APPROVED.

3. Support of the SCAG/Metro Joint Work Program Resolution and the Metro Countywide Sustainability Planning Policy

Diego Cardoso, Executive Officer, Countywide Planning and Development, with Metro provided an overview of the joint Metro and SCAG work effort. Mr. Cardoso also provided an overview of the Memorandum of Understanding (MOU) developed to highlight the projects, some of which are policy-oriented and others are resource-related that Metro is allocating in order to better elevate the sustainability elements of the transportation investments in Los Angeles County. Mr. Cardoso stated that the passage of Measure R has increased the ability of Los Angeles County and Metro to facilitate more projects, and if the extension of Measure R passes, it will further expedite the ability of Metro to implement those projects. Mr. Cardoso further stated that he has noticed an increase in interest from localities in re-adapting cities and centers of commerce into the new emerging transportation system in Los Angeles County. He stated that he has also noticed an increased interest in infill development along the transportation corridors and in alternative modes of transportation.

Hon. Deborah Robertson, District 8, inquired if staff would be seeking similar types of collaboration agreements with other counties. Huasha Liu, Director of Land Use & Environmental Planning, stated that staff would be reaching out to the other five (5) counties to form similar partnerships.

Hon. Paula Lantz, District 38, expressed concern that the extension of Measure R does not include the Gold Line extension into San Bernardino County, stopping at I-605 rather than continuing on into the City of Montclair and to the Ontario Airport.

After further discussion, a MOTION was made (Lautenschleger) to recommend that the Regional Council support the SCAG/Metro Joint Work Program Resolution and support the Metro Countywide Sustainability Planning Policy. The MOTION was SECONDED (Jahn) and UNANIMOUSLY APPROVED.

INFORMATION ITEMS

4. SCAG Geographic Information Systems (GIS) Services Program

Kimberly Clark, SCAG staff, provided an overview and status report on SCAG's GIS program. Ms. Clark stated that the objective of the program is to collect local land use information to improve local and regional planning, assist in the implementation process of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and use GIS technology to promote data sharing, data updating, and data standardization. Ms. Clark further stated that 79 local jurisdictions are participating in the program and staff is actively working to recruit additional cities.

5. California Department of Housing and Community Development (HCD) Clarification Regarding Housing Element Planning and Regional Housing Needs Assessment (RHNA) Projection Periods, and Eligibility of Jurisdictions to Take RHNA Credit

Huasha Liu, Director of Land Use and Environmental Planning, summarized the letter from HCD wherein they stated that any existing units that have been permitted or built in any jurisdiction cannot be taken as credit toward the 5th RHNA cycle.

Hon. Deborah Robertson, District 8, suggested that SCAG respond to the HCD letter. Hon. Robertson further suggested bringing this item back to the November 1, 2012 CEHD meeting as an action item so that the Committee can provide direction to staff on how to proceed with this matter.

Joann Africa, Chief Counsel, asked for clarification regarding whether this request could be included as part of the staff report related to reconvening the RHNA Subcommittee or whether the Committee wanted this to be considered as a separate, stand-alone item. Hon. Robertson and Hon. Lantz responded that the matter should be addressed independently at the November 1, 2012 CEHD meeting.

6. Existing Housing Needs Statistics Data to Support Local Jurisdictions' Housing Element Updates

Huasha Liu, Director of Land Use and Environmental Planning, stated that staff is assisting the jurisdictions in streamlining their data by extracting data from the census database and customizing it to fit the individual cities and counties. Ms. Liu further stated that this is a collaborative effort between SCAG's planning staff and IT staff. She encouraged feedback from the cities in order to improve the process.

7. Draft Subcommittees Work Plans

Huasha Liu, Director of Land Use and Environmental Planning, provided a report on the six (6) new subcommittees that have been established under the direction of the Regional Council and SCAG's President, Glen Becerra. The Subcommittees are as follows: 1) Transportation Finance; 2) High-Speed Rail & Transit; 3) Goods Movement; 4) Active Transportation; 5) Sustainability; and 6) Public Health. Ms. Liu noted that work plans for each of the Subcommittees are included in the agenda packet. Ms. Liu stated that the Subcommittees will hold monthly meetings over the next six (6) months and conclude in February 2013. Ms. Liu further stated that any policy recommendations by the Subcommittees will be brought to the appropriate governing policy committee for approval in March 2013; to the Regional Council for approval in April 2013; and to the General Assembly for adoption in May 2013.

Joann Africa, Chief Counsel, stated that as the Sustainability Subcommittee reports to CEHD, a monthly report from the Subcommittee will be provided to the CEHD members beginning with the November 1, 2012 meeting, as a standing agenda item and will continue until the Subcommittee concludes.

Hon. Larry McCallon, District 7, requested that all the Subcommittee Agenda Packets be put into the SCAG drop-box for easy access.

8. Preliminary Draft 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Development Schedule

Huasha Liu, Director of Land use and Environmental Planning, highlighted the major milestones in the schedule and noted in particular that if any of the 15 subregions wish to take delegation for the next RTP/SCS, the deadline for submitting their intent will be September 2014.

CHAIR'S REPORT

There was no report provided.

STAFF REPORT

Frank Wen, Manager of Research & Analysis, introduced himself as the new lead staff member for CEHD.

FUTURE AGENDA ITEMS

The response to HCD's RHNA credit letter will be brought back as an action item at the November 1, 2012 meeting.

ANNOUNCEMENTS

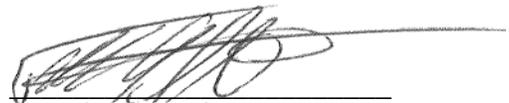
The Chair introduced new CEHD member, Hon. Becky Shevlin, representing SGVCOG.

Hon. Kathryn McCullough, Mayor of Lake Forest, thanked the Committee for its support on the issues involving the San Onofre Nuclear Power Plant.

ADJOURNMENT

The Chair adjourned the meeting at approximately 11:16 AM.

Minutes Approved By:



Frank Wen
Manager, Research & Analysis

Community, Economic & Human Development Committee Attendance Report

2012

Member (including Ex-Officio) LastName, FirstName	Representing	X = County Represented						X = Attended			= No Meeting NM = New Member EA = Excused Absence											
		IC	LA	OC	RC	SB	VC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Allevato, Sam	OCCOG			X																		
Barios, Josue	Gateway Cities		X					X	X	X				X				X				
Butts, James	SBCCOG		X																			
Campbell, Don*	ICTC	X						X		X			X	X								
Chen, Carol	Gateway Cities		X					X		X			X	X				X				
Finlay, Margaret*	Duarte (District 35)		X					X		X				X				X				
Garcia, Ron	OCCOG			X					X	X			X	X				X				
Gazeley, James*	Lomita (District 39)		X					X	X	X			X	X				X				
Gonzales, Joseph J.	SGVCOG		X					X	X					X				X				
Guerrero, Elba	Gateway Cities		X																			
Hamison, Jon	District 6					X		X		X								X				
Hofbauer, Steve	Palmdale (District 43)		X					X	X	X			X									
Jahn, Bill*	SANBAG (District 11)					X		X	X	X			X					X				
Kang, Sukhee*	City of Irvine (District 14)							X	X	X			X	X								
Kuenzi, Darcy	WRCOG				X			X										X				
Lane, Randon	WRCOG				X				X													
Lantz, Paula* Chair	Pomona (District 38)		X					X	X	X			X	X				X				
Lautenschleger, Joel	District 13			X				X	X	X			X					X				
Leonard, Mike	SANBAG					X																
Lovendige, Ronald*	Riverside (District 4)				X				X	X												
MacDonald, Bryan*	Oxnard (District 45)						X		X				X	X				X				
Martin, Charles	Morongo Indians				X								X									
McCallon, Larry*	Highland (District 7)					X		X	X				X	X				X				
McCullough, Kathryn	OCCOG			X				X		X				X				X				
Hackbarth-McIntyre, Julie	SANBAG								X													
McSweeney, Susan	Las Virgenes/Malibu COG		X																			
Minisch, John A.	WSCCOG		X																			
Morehouse, Carl*	VCOG (District 47)						X	X	X	X			X	X				X				
Murabito, Gene	SGVCOG		X					X	X	X			X	X				X				
Murray, Kris*	Anaheim (District 19)							X	X				X					X				
Musser, Ray	SANBAG					X		X		X			X	X				X				
Nielsen, John*	Tustin (District 17)			X					X	X												
Olhasso, Laura	Arroyo Verdugo		X					X														
Palinkas, John	Pechanga Indians				X																	
Parks, Linda*	Ventura County						X		X				X					X				
Pamis, Rex	North L.A. County Subregion		X																			
Perry, Jan	Los Angeles		X																			
Quach, Andy*	Westminster (District 20)			X																		
Reyes, Ed*	Los Angeles		X					X	X	X				X								
Ring, Bob	OCCOG			X				X	X	X				X				X				
Robertson, Deborah*	Rialto (District 8)					X		X		X				X				X				
Shevlin, Becky	SGVCOG		X					X	X	X								X				
Wilson, Michael	CVAG	X																				
Regional Council Member*																						

DATE: November 1, 2012

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

FROM: Huasha Liu, Director, Land Use and Environmental Planning, 213-236-1838, liu@scag.ca.gov

SUBJECT: Response to the California Department of Housing and Community Development (HCD) on the Eligibility of Jurisdictions to Take Regional Housing Needs Assessment (RHNA) Credit

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Review the proposed response letter to HCD on the eligibility of jurisdictions to take RHNA credit. Pending the CEHD Committee's review, staff will forward the letter to HCD.

EXECUTIVE SUMMARY:

Per state law and as clarified in a letter from HCD to SCAG (dated May 21, 2012), residential units approved, permitted, or produced during the 4th cycle RHNA cannot be credited towards the 5th cycle RHNA, which starts on January 1, 2014. At the request of the CEHD Committee at its October 4, 2012 meeting, SCAG staff has drafted a response to HCD's letter indicating that some jurisdictions have concerns with the effect of current housing law relative to this issue.

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:

As a response to several inquiries regarding applying credit for housing activity towards the 5th cycle housing element, HCD provided a letter on May 21, 2012 that outlines key dates of the projection and planning periods and the eligibility of jurisdictions to apply such credit. Due to the statutory definitions of the housing element planning and RHNA projection periods, the adoption date of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy, and the overlap of the 4th and 5th RHNA and housing element cycles, the start date of the 5th housing element planning period (October 15, 2013) occurs three (3) months before the start of the 5th cycle RHNA projection period (January 1, 2014). Per state law, residential units approved, permitted, or produced during the 4th cycle RHNA cannot be credited before the start of the 5th cycle RHNA projection period, or January 1, 2014. This information was previously made available to SCAG jurisdictions by posting the HCD letter on the SCAG website and distributed electronically to SCAG-region planning directors, city managers, and county executive officers.

SCAG staff presented the HCD letter to the CEHD Committee at its October 4, 2012 meeting as an information item. The CEHD Committee directed SCAG staff to respond to HCD's letter to indicate that some jurisdictions have concerns with the effect of current housing law relative to this issue.

FISCAL IMPACT:

Work associated with this item is included in the current FY 12-13 General Fund Budget (13-800.0160.03:RHNA)

ATTACHMENTS:

1. Draft letter in response to the May 21, 2012 letter from HCD
2. Letter from HCD dated May 21, 2012



ASSOCIATION of GOVERNMENTS

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Policy Committee Chairs

Community, Economic and Human Development
Paula Lantz, Pomona

Energy & Environment
Cheryl Viegas-Walker, El Centro

Transportation
Keith Millhouse, Ventura County Transportation Commission

November 2, 2012

Mr. Glen A. Campora
Assistant Deputy Director
California Department of Housing and Community Development
1800 3rd Street, Room 450
Sacramento, CA 95811

SUBJECT: HCD Letter Regarding Eligibility of Jurisdictions to Take RHNA Credit

Dear Mr. Campora:

Thank you for your May 21, 2012 letter (attached) regarding the clarification of eligibility of jurisdictions to take Regional Housing Needs Assessment (RHNA) credit. SCAG acknowledges that there are no changes from prior RHNA cycles regarding jurisdictions taking RHNA credit. However, some of our jurisdictions have concerns on the effect of current housing law relative to this matter.

As mentioned in your letter, the start date of the 5th cycle RHNA planning period is October 15, 2013, whereas the start date of the 5th cycle RHNA projection period is January 1, 2014. In prior cycles, jurisdictions could take credit between the start of the projection period and the start of the planning period. However, in this particular cycle, the projection period occurs after the start of the planning period and there is no opportunity to take credit for housing activity prior to the start of the planning period. Although the 5th housing element due date is less than one year away, jurisdictions currently approving and constructing housing units are unable to take credit for current housing activity for the 5th cycle housing element.

SCAG recognizes that the RHNA and housing element update is a complex process and appreciates the collaboration we have with HCD. This complexity is illustrated by this matter related to RHNA credit. Moving forward and as part of SCAG's post-5th cycle RHNA efforts, SCAG would like to continue working with HCD to re-evaluate RHNA legislation and HCD policies on the credit eligibility and other RHNA issues to further ensure that the RHNA and housing element process is efficient, fair, and transparent. Should you have any questions regarding this letter, please contact Ms. Huasha Liu, Director, Land Use and Environmental Planning, at (213) 236-1838; or me at (213) 236-1800.

Sincerely,

Hasan Ikhata
Executive Director

encl

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



Attachment 2

May 21, 2012

Ms. Huasha Liu
Planning Director, Land Use & Environmental Planning Department
SCAG
818 West 7th Street
Los Angeles, CA 90017

RE: Clarification of Housing Element (HE) Planning Period and Due Date, Regional Housing Need Assessment (RHNA) Projection Period, and Eligibility of Jurisdictions to Take RHNA Credit

Dear Ms. Liu:

The Department is responding to your recent request, on behalf of some members of the Southern California Association of Governments (SCAG), for the Department (HCD) to address (a) specific statutory changes regarding the HE "planning" period and due date and the RHNA "projection" period applicable to SCAG jurisdictions for the 5th RHNA and HE update cycle, and (b) jurisdictions' eligibility to take RHNA credit for housing units approved, permitted, or produced.

The brief answers to your questions are that SCAG's RHNA "projection" period is from January 2014 through October 2021, whereas the HE due date is October 15, 2013 for the "planning" period from October 2013 through October 2021. The anomaly of the HE due date for SCAG jurisdictions (October 2013) preceding the RHNA start date (January 2014) by three (3) months is due to (a) legislative changes and statutory definitions described below and (b) the date that SCAG adopted its Regional Transportation Plan. Statutory changes applicable for the 5th and subsequent HE update cycles specify the HE due date to be 18 months from the RTP adoption date. The October 2013 HE due date for SCAG jurisdictions follows 18 months from SCAG's April 5, 2012 RTP adoption date.

Regarding jurisdictions taking RHNA credit, nothing has changed. The jurisdiction authorized to permit a particular housing development can take RHNA credit for "new" units approved, permitted, or produced to accommodate "new" housing need projected since the start date of the "new" RHNA projection period. Units approved, permitted, or produced before the start of the "new" RHNA projection period relate to the previous housing need and can only be credited and reported for the previous RHNA and HE update cycle.

Legislative Changes to RHNA Projection Period and HE Planning Period and Due Date

Senate Bill 375 (Steinberg, Chapter 728, 2008 Statutes and Senate Bill 575 (Steinberg, Chapter 354, 2009 Statutes) added Government Code (GC) Sections defining HE planning period and due date and RHNA projection period per below italicized text:

RHNA Projection Period

The new projection period shall begin on the date of December 31 or June 30 that most closely precedes the end of the previous projection period.” [GC 65588(e)(6)]

“Projection Period” shall be the time period for which the regional housing need is calculated. [GC 65588(f)(2)]

Note: HCD uses January 1 or July 1 dates for RHNA determination start date purposes as these are the effective dates used by Department of Finance (DOF) in updating DOF housing estimates and population projections. Also, once HCD has determined the RHNA, there is no statutory authority to make any revision to the RHNA projection period or RHNA determination.

HE Planning Period and Due Date

“Planning Period” shall be the time period between the due date for one housing element and the due date for the next housing element. [GC 65588(f)(1)]

For purposes of determining the existing and projected need for housing within a region pursuant to Sections 65584 to 65584.08, inclusive, the date of the next scheduled revision of the housing element shall be deemed to be the estimated adoption date of the regional transportation plan update described in the notice provided to the Department of Transportation plus 18 months. [GC 65588(e)(5)]

Note: For HE due dates falling before and after the 15th day of a month, HCD rounds “up” the HE due date to fall on either the 15th day or last day of a month. Also, while a change in the “actual” adoption date of the RTP from the “estimated” adoption date of the RTP (after HCD has determined the RHNA and identified the HE due date) can subsequently cause a change to the HE due date and HE “planning” period, it would not change the RHNA determination or “projection” period.

Ms. Huasha Liu
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Thank you for the opportunity to address questions raised by SCAG's membership. If SCAG or its members have questions, please contact Anda Draghici, Housing Policy Specialist, by email (adraghici@hcd.ca.gov) or telephone (916.327-2640).

Sincerely,



Glen A. Campora
Acting Deputy Director

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DATE: November 1, 2012

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

FROM: Hasan Ikhtrata, Executive Director,  ikhtrata@scag.ca.gov, (213) 236-1800

SUBJECT: Senate Bill 535 (de León) – California Global Warming Solutions Act of 2006;
Greenhouse Gas Reduction (GHGR) Fund

RECOMMENDED ACTION:

Approve the Legislative/Communications and Membership Committee (LCMC) recommendation to authorize SCAG to work with stakeholders to help identify disadvantaged communities for the purposes of SB 535, and to support the inclusion of statewide transportation coalition principles, which include adopted regional sustainable communities strategies, into the project selection criteria and process for allocating cap and trade revenues.

EXECUTIVE SUMMARY

SB 535 (de León), enacted on September 30, 2012, requires that the California Environmental Protection Agency (CalEPA) identify disadvantaged communities for investment opportunities, that the Department of Finance allocate 25% of the available moneys in the GHGR Fund to projects that provide benefits to disadvantaged communities, and to allocate a minimum of 10% of the available moneys in the GHGR Fund to projects located within disadvantaged communities. These provisions afford the first opportunity for input into the process that will eventually determine how certain cap and trade revenues are allocated for benefit of disadvantaged communities throughout the region. These communities shall be identified by CalEPA based on geographic, socioeconomic, public health, and environmental hazard criteria. Staff seeks direction to consider and forward factors for consideration by CalEPA to identify disadvantaged communities for investment opportunities, as well as authorization to work with stakeholders to promote the inclusion of statewide transportation coalition principles, which include adopted regional sustainable communities strategies, into the project selection criteria and process as part of the overall statewide investment plan that will allocate cap and trade revenues.

SENATE BILL 535

SB 535 (de León) requires that the investment plan developed and submitted to the Legislature pursuant to AB 1532 allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to identified disadvantaged communities; and a minimum of 10% of the available moneys in the fund to projects located within identified disadvantaged communities. The bill requires CalEPA to identify disadvantaged communities for investment opportunities. While the bill does not specifically define ‘disadvantaged communities,’ it requires disadvantaged communities to be identified based on geographic, socioeconomic, public health, and environmental hazard criteria, which may include either of the following:

1. Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public effects, exposure, or environmental degradation; and,
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.

Additionally, the bill requires the investment plan related to the GHGR Fund to include all of the following allocations:

1. A minimum of 25% of the available moneys in the fund to projects that provide benefits to identified disadvantaged communities; and,
2. A minimum of 10% of the available moneys in the fund to projects located within identified disadvantaged communities. This minimum 10% allocation may be for projects included, in whole or in part, in the set of projects supported by the minimum 25% allocation described above.

SB 535 was co-sponsored by the California Environmental Justice Alliance, Coalition for Clean Air, Ella Baker Center, Greenlining Institute, NAACP, and the National Resource Defense Council, and has been supported by numerous health and environmental organizations throughout the legislative process. Opposition to the bill was registered from numerous business community groups including the California Chamber of Commerce, California Building Industry Association, and others. The bill was amended numerous times late in session, and thus recorded support and opposition reflect the positions of organizations at different times through the legislative process. No state or local transportation stakeholders took a position on SB 535, including members of the statewide transportation coalition that promulgated cap and trade principles that SCAG supports, Council of Governments, or other city or local government organization. As reported last month to the Regional Council, San Diego Association of Government (SANDAG) and Metropolitan Transportation Commission (MTC) have approved principles with respect to use of cap and trade revenues generally consistent with the coalition principles supported by SCAG, but neither took a position on SB 535.

The South Coast Air Quality Management District (SCAQMD) supported the bill, citing bill provisions in alignment with SCAQMD priorities, which are consistent with longstanding SCAG air quality and environmental mitigation objectives, including:

- Providing support/funding to areas disproportionately affected by environmental pollution that can lead to negative public health effects and exposure.
- The elimination of adverse environmental and/or economic impacts on environmental justice communities.
- The promotion of co-benefits; i.e., the simultaneous reduction of multiple types of emissions, including those of GHG, criteria pollutants, and toxic air contaminants.

Efforts by many of our partner agencies concerning implementation of SB 535 and how it impacts the overall process of revenue allocation and project selection appear to be early in the formative stage because this bill has passed so recently at the end of session.

SCAG CAP & TRADE PRINCIPLES POLICY ACTION

At its October 4, 2012 meeting the Regional Council adopted the recommendation of the Legislative/Communications & Membership Committee to support the principles for Cap and Trade Auction Revenues promulgated by a statewide transportation Coalition consisting of the League of California Cities, the California State Association of Counties, California Alliance for Jobs, California Transit Association, and Transportation California.

As a reminder, these Coalition principles consist of the following:

1. Dedicate the allocation of revenues related to fuels to transportation investments. This is consistent with the longstanding policy of the state to dedicate revenues related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.
2. Invest a major portion of fuels related revenues to implement the AB 32 regulatory program by reducing GHG emissions from transportation.
3. Dedicate revenues directly into transit and road operations and maintenance, as well as transit and complete streets infrastructure within existing urban infill and rural communities. These funds must be invested in a way that implements AB 32 using, where applicable, the SB 375 (Steinberg) regional strategies. In regions not within an MPO where SB 375 does not apply, other measurable greenhouse gas reduction strategies can be developed within regional transportation plans.
4. Structure the investments to favor integrated transportation and land use strategies. Funds should be allocated regionally by population, recognizing that different strategies are needed to achieve GHG reductions in different areas of the state. To maximize cost effective GHG reduction, additional incentives for regions with Sustainable Community Strategies that exceed GHG reduction targets, or equivalent Blueprint Plans or other regional plans. Within each region, funding should be allocated primarily through a competitive grant program based on cost effectiveness of GHG emission reductions from combined land use and transportation infrastructure and operations investments.
5. Improve modeling and verification systems to evaluate GHG reduction potential. Funding should be allocated to the development of performance measurement tools for local and regional actions that will allow evaluation and prediction of the GHG reduction and cost effectiveness of investment and land-use strategies.
6. Allow flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments. Provide the incentives and assistance that local governments need to make SB 375 work.
7. Project-funding determinations should be done at the regional level under established statewide criteria to encourage local innovation and flexibility.

The requirements of SB 535 to direct 25% of GHGR fund revenues to benefit disadvantaged communities as well as 10% to be spent within disadvantaged communities are not oppositional to the adopted coalition principles enumerated above. However, there is some question as to whether such determination—both from standpoint of project criteria and selection—will include transportation-specific projects within and beneficially impacting disadvantaged communities commensurate with the impact that the transportation sector has upon emitting GHGs.

LCMC APPROVES STAFF IMPLEMENTATION RECOMMENDATIONS

At its October 16 meeting, the Legislative/Membership and Communications Committee unanimously approved forwarding to the Regional Council for adoption recommendations to implement provisions of SB 535 and to work with stakeholders to secure the inclusion of statewide transportation coalition principles, including adopted regional sustainable communities strategies, into the project selection criteria and process for allocating cap and trade revenues.

The LCMC noted that the region faces unique air quality and carbon emissions challenges arising from its shared international border with Mexico in Imperial County. Environmental regulation and protection is not as rigorous in Mexico as in the United States. Due to the proximity of over 1 million residents in the Calexico metropolitan area immediately across the border and in the same air basin, the region faces disproportionate air quality impacts. Other related issues identified by the committee include the inland port at Calexico, a major intermodal freight shipping project that is responsible for large amounts of diesel emissions on a daily basis; and the border crossing delays in Imperial County which also add significantly to overall emissions from passenger and freight vehicles. The LCMC recommended that SCAG include these factors when identifying disadvantaged communities for consideration by the state agencies and decision-making entities that will determine how cap and trade revenues are allocated.

The most immediate step in the implementation of SB 535 is, pursuant to bill provisions, determination by the CalEPA of what constitutes a ‘disadvantaged community’ for purposes of the bill, which specifies certain factors CalEPA must consider, and others that it may consider as described in the above bill summary. It is presupposed that CalEPA likely will consider an analytical tool they are developing (the *California Communities Environmental Health Screening Tool [CalEnviroScreen]*) in making this determination. CalEPA has been conducting statewide workshops on this tool through September and will issue its final report later this year, though the date has not yet been determined.

Staff has reviewed the factors CalEPA is evaluating to determine communities that are facing disproportionately high cumulative impacts of pollutants on communities, including factors related to exposure to pollutants (PM 2.5, ozone, traffic density, etc.), public health effects (asthma ER rates, cancer/heart disease mortality rates, etc.), environmental effects (brown fields, impaired water bodies, solid/hazardous waste facilities, etc.); as well as population characteristics including sensitive populations and socio-economic factors. Staff notes that on the areas disproportionately affected by environmental pollution or hazards, pursuant to SB 535, these could be identified through several different ways. The LCMC approved staff recommendation that SCAG work with the CalEPA and other stakeholders to ensure the following considerations are included within the process of final determination of what disadvantaged communities consist of:

- First, that disadvantaged communities should include “areas with high levels of criteria pollutant concentration (e.g., ozone, PM2.5)” due to the associated health impacts. In fact, these areas are generally correlated to the “areas with high risks of cancer or respiratory hazard.”
- Second, communities adjacent to transportation facilities could be disproportionately affected due to air pollution and noise impacts. This is particularly the case for “areas within 500 feet of high-volume freeways or other roadways” based on the results of many

research over the past decade. In addition, since goods movement and logistic facilities are major generators of pollution and source of health hazards, “areas surrounding major goods movement facilities and along the freight corridors, including all modes” should be included as part of the disadvantaged communities.

- Third, areas with high noise levels due to roadways or airports should also be considered.

The public comment period for CalEPA to receive comments was extended until October 16, 2012. There is no fixed date yet for issuance of its final report. CalEPA staff has informed that it will have a statewide meeting in December to discuss revisions in response to the comments it receives. Staff recommends authorization for SCAG to forward these considerations to CalEPA and follow up at the December revisions meeting to provide any assistance to assure full consideration by CalEPA of these factors for determination of disadvantaged communities. Staff believes that consideration of the above factors in CalEnviroScreen will support both the communities in most need, which suffer from the highest concentrations and levels of exposure to criteria pollutants as well as highest traffic densities, as well as most deserving projects throughout the region.

Additionally, the bill is legislatively tied to enactment of AB 1532 (Nunez), also chaptered on September 30, 2012, which establishes a three-year investment plan to set procedures for the investment of revenues derived from cap and trade (including investment within and for benefit of disadvantaged communities pursuant to SB 535, as well as for transportation and other purposes.) AB 1532 requires the Department of Finance (DOF), in consultation with ARB (and any other relevant state entity), to develop and submit a three-year investment plan to the Legislature for the May Revision (May 1, 2013). Beginning in the FY 2016-17 budget and every three years thereafter, DOF is required to include updates to the investment plan. All money must be appropriated through the annual Budget Act consistent with the investment plan. ARB is required under the bill to conduct two public workshops in different regions of the state and one public hearing on the proposed investment plan prior to the submission of the plan by DOF, but does not specify dates and ARB has not yet established the date and location of these workshops.

The LCMC approved staff recommendation to authorize SCAG to work with ARB, DOF, as well as transportation, local government, environmental, and other stakeholders to include the objectives of the statewide transportation coalition principles, which include adopted regional sustainable communities strategies, into the project selection criteria for projects funded by cap and trade revenues, to be incorporated into the investment plan submitted by DOF to the Legislature for funding through the budget process. Transportation comprises approximately 40% of the state’s share of GHG emissions in total; thus, recognizing that cap and trade represents the only new significant funding source to reduce GHG emissions, the transportation sector and low-carbon transportation improvements should receive a substantial share of proceeds from the cap and trade program.

ATTACHMENT: None