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First Vice President  
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Committee Chair**

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Human Development  
Bill Jahn, Big Bear Lake  
  
Energy & Environment  
Margaret Clark, Rosemead  
  
Transportation  
Paul Glaab, Laguna Niguel

**No. 536  
MEETING OF THE**

**REGIONAL COUNCIL**

**PLEASE NOTE TIME**  
**Thursday, February 2, 2012**  
**11:45 a.m. – 1:00 p.m.\***

***\*Los Angeles County Draft 2012 RTP Workshop will be held at 1:00 pm (or immediately after the Regional Council meeting) in the SCAG Main Office, Board Room. A Public Hearing will follow at 3:00 pm.***

**SCAG Main Office**  
**818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor**  
**Board Room**  
**Los Angeles, CA 90017**  
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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 at [salcido@scag.ca.gov](mailto:salcido@scag.ca.gov). In addition, regular meetings of the Regional Council may be viewed live or on-demand at [www.scag.ca.gov/scagtv](http://www.scag.ca.gov/scagtv)

Agendas & Minutes for the Regional Council are also available at: [www.scag.ca.gov/committees/rc.htm](http://www.scag.ca.gov/committees/rc.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 request 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.



**Regional Council**  
*Roster – February 2012*

**Members**

**Representing**

<b>President</b>	<b>1. Hon. Pam O'Connor</b>	<i>Santa Monica</i>	<b>District 41</b>
<b>1st Vice-President</b>	<b>2. Hon. Glen Becerra</b>	<i>Simi Valley</i>	<b>District 46</b>
<b>2nd Vice-President</b>	<b>3. Hon. Greg Pettis</b>	<i>Cathedral City</i>	<b>District 2</b>
<b>Immed. Past President</b>	<b>4. Hon. Larry McCallon</b>	<i>Highland</i>	<b>District 7</b>
	5. Hon. Jack Terrazas		Imperial County
	6. Hon. Michael Antonovich		Los Angeles County
	7. Hon. Mark Ridley-Thomas		Los Angeles County
	8. Hon. Shawn Nelson		Orange County
	9. Hon. Jeff Stone		Riverside County
	10. Hon. Gary Ovitt		San Bernardino County
	11. Hon. Linda Parks		Ventura County
	12. Hon. Don Hansen	<i>Huntington Beach</i>	OCTA
	13. Hon. Mary Craton	<i>Canyon Lake</i>	RCTC
	14. Hon. Brad Mitzelfelt	<i>San Bernardino County</i>	SANBAG
	15. Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
	16. Hon. Cheryl Viegas-Walker	<i>El Centro</i>	District 1
	17. Hon. Jim Hyatt	<i>Calimesa</i>	District 3
	18. Hon. Ronald Loveridge	<i>Riverside</i>	District 4
	19. Hon. Ronald Roberts	<i>Temecula</i>	District 5
	20. Hon. Jon Harrison	<i>Redlands</i>	District 6
	21. Hon. Deborah Robertson	<i>Rialto</i>	District 8
	22. Hon. Paul Eaton	<i>Montclair</i>	District 9
	23. Hon. Glenn Duncan	<i>Chino</i>	District 10
	24. Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
	25. Hon. Paul Glaab	<i>Laguna Niguel</i>	District 12
	26. Hon. Joel Lautenschleger	<i>Laguna Hills</i>	District 13
	27. Hon. Sukhee Kang	<i>Irvine</i>	District 14
	28. Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
	29. Hon. Michele Martinez	<i>Santa Ana</i>	District 16
	30. Hon. John Nielsen	<i>Tustin</i>	District 17
	31. Hon. Leroy Mills	<i>Cypress</i>	District 18
	32. Hon. Kris Murray	<i>Anaheim</i>	District 19



**Regional Council**  
*Roster – February 2012*

**Members**

**Representing**

33. Hon. Andy Quach	<i>Westminster</i>	District 20
34. Hon. Sharon Quirk-Silva	<i>Fullerton</i>	District 21
35. Hon. Brett Murdock	<i>Brea</i>	District 22
36. Hon. Bruce Barrows	<i>Cerritos</i>	District 23
37. Hon. Gene Daniels	<i>Paramount</i>	District 24
38. Hon. David Gafin	<i>Downey</i>	District 25
39. Hon. Lillie Dobson	<i>Compton</i>	District 26
40. Hon. Frank Gurulé	<i>Cudahy</i>	District 27
41. Hon. Judy Dunlap	<i>Inglewood</i>	District 28
42. Hon. Steven Neal	<i>Long Beach</i>	District 29
43. Hon. James Johnson	<i>Long Beach</i>	District 30
44. Hon. Stan Carroll	<i>La Habra Heights</i>	District 31
45. Hon. Margaret Clark	<i>Rosemead</i>	District 32
46. Hon. Keith Hanks	<i>Azusa</i>	District 33
47. Hon. Barbara Messina	<i>Alhambra</i>	District 34
48. Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
49. Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
50. Hon. Carol Herrera	<i>Diamond Bar</i>	District 37
51. Hon. Paula Lantz	<i>Pomona</i>	District 38
52. Hon. James Gazeley	<i>Lomita</i>	District 39
53. Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
54. Hon. Frank Quintero	<i>Glendale</i>	District 42
55. Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
56. Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
57. Hon. Bryan A. MacDonald	<i>Oxnard</i>	District 45
58. Hon. Carl Morehouse	<i>Ventura</i>	District 47
59. Hon. Ed P. Reyes	<i>Los Angeles</i>	District 48
60. Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
61. Hon. Dennis Zine	<i>Los Angeles</i>	District 50
62. Hon. Tom LaBonge	<i>Los Angeles</i>	District 51
63. Hon. Paul Koretz	<i>Los Angeles</i>	District 52
64. Hon. Tony Cárdenas	<i>Los Angeles</i>	District 53



SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS

## Regional Council

*Roster – February 2012*

### Members

### Representing

65. Hon. Richard Alarcón	<i>Los Angeles</i>	District 54
66. Hon. Bernard C. Parks	<i>Los Angeles</i>	District 55
67. Hon. Jan Perry	<i>Los Angeles</i>	District 56
68. Hon. Herb Wesson, Jr.	<i>Los Angeles</i>	District 57
69. Hon. Bill Rosendahl	<i>Los Angeles</i>	District 58
70. Hon. Mitchell Englander	<i>Los Angeles</i>	District 59
71. Hon. Eric Garcetti	<i>Los Angeles</i>	District 60
72. Hon. José Huizar	<i>Los Angeles</i>	District 61
73. VACANT	<i>Los Angeles</i>	District 62
74. Hon. Darcy Kuenzi	<i>Menifee</i>	District 63
75. Hon. Matthew Harper	<i>Huntington Beach</i>	District 64
76. Hon. Ginger Coleman	<i>Town of Apple Valley</i>	District 65
77. Hon. Lupe Ramos Watson	<i>Indio</i>	District 66
78. Hon. Mario F. Hernandez	<i>San Fernando</i>	District 67
79. Hon. Mark Calac		Pechanga Band of Luiseño Indians
80. Hon. Lisa Bartlett	<i>Dana Point</i>	TCA
81. Mr. Randall Lewis	<i>Lewis Group of Companies</i>	Ex-Officio
82. Hon. Antonio Villaraigosa	<i>Los Angeles</i>	(At-Large)

# REGIONAL COUNCIL

## AGENDA

### FEBRUARY 2, 2012

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*The Regional Council 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. Pam O'Connor, President)*

**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 Council, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all public comments to twenty (20) minutes.

#### **REVIEW AND PRIORITIZE AGENDA ITEMS**

#### **PRESIDENT'S REPORT**

**Page No.**

New Members

New Committee Appointments

#### **EXECUTIVE DIRECTOR'S REPORT**

*(Hasan Ikhata, Executive Director)*

1. California Transportation Commission (CTC) 2011 Annual Report to the CA Legislature, 2011 Statewide Transportation System Needs Assessment **Attachment** **1**  
*(Chairman Dario Frommer)*

**Recommended Action:** Receive presentation from CTC Chairman Dario Frommer and CTC Commissioner Fran Inman and provide feedback on recommended next steps.

2. 2012 RTP/SCS Economic and Job Creation Strategy Update

#### **COMMITTEE REPORTS/ACTION ITEMS**

#### **Executive/Administration Committee (EAC) Report**

*(Hon. Pam O'Connor, Chair)*

3. Support of SB 659 (Padilla-Hernandez) and SB 654 (Steinberg) re Redevelopment Authority (RDA) Abolishment Legislation **Attachment** **11**

**Recommended Actions:** 1) Support SB 654 (Steinberg) regarding allowing for RDA retention of assets for affordable housing as described; and 2) Authorize the SCAG President to transmit letters to the Governor and Legislative leadership regarding the action of the Regional Council.

# REGIONAL COUNCIL

## AGENDA

### FEBRUARY 2, 2012

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**Page No.**

4. Approve the California High Speed Rail Authority (CHSRA) Memorandum of Understanding (MOU) with CHSRA and Southern California Transportation Agencies Attachment 25

**Recommended Actions:** 1) Authorize Executive Director to execute the MOU with CHSRA and Southern California Transportation Agencies and 2) Staff will report regularly on the status of the MOU as described in the report.

#### **Nominating Committee Report** *(Hon. Larry McCallon, Chair)*

5. Nominations for the 2012-2013 SCAG Officers Attachment to be provided under separate cover

**Recommended Action:** Approve the nominations for the 2012-2013 SCAG Officer positions as submitted by the Nominating Committee, subject to the receipt of additional nominations from the floor.

#### **Community, Economic and Human Development Committee (CEHD) Report** *(Hon. Bill Jahn, Chair)*

6. Draft Regional Housing Needs Assessment (RHNA) Allocation Plan Attachment 33

**Recommended Action:** Approve the distribution of the draft RHNA Allocation Plan as recommended by CEHD.

#### **Regional Housing Needs Assessment (RHNA) Subcommittee Report** *(Hon. Bill Jahn, Chair)*

#### **Energy and Environment Committee (EEC) Report** *(Hon. Margaret Clark, Chair)*

#### **Transportation Committee (TC) Report** *(Hon. Paul Glaab, Chair)*

#### **Legislative/Communications and Membership Committee (LCMC) Report** *(Hon. Judy Mitchell, Chair)*

### **CONSENT CALENDAR**

#### **Approval Items**

7. Minutes of the January 5, 2012 Meeting Attachment 45
8. Draft FY 2012/13 Comprehensive Budget Attachment 55

# REGIONAL COUNCIL

## AGENDA

### FEBRUARY 2, 2012

		<u>Page No.</u>
9.	<u>SCAG Sponsorship of Annual Event: California State University of San Bernardino (CSUSB) “ 2012 Southern California Transportation &amp; Logistics Summit” on March 9, 2012 (\$1,250)</u>	<b>Attachment 107</b>
10.	<u>Amendment \$75,000 or Greater/Amendment Requiring RC Approval: Contract No. 12-008-C1, Interactive Web Design for Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS); and Contract No. 11-034-C1, RTP/SCS Outreach</u>	<b>Attachment 109</b>
11.	<u>Contracts \$200,000 or Greater: Contract No. 12-019-C1, Monthly Managed Information Technology (IT) Services</u>	<b>Attachment 115</b>
12.	<u>Contracts \$200,000 of Greater: Contract No. 12-020-C1, On-Call Bench Contract for Transportation Modeling and Air Quality Related Services</u>	<b>Attachment 119</b>
13.	<u>California Strategic Growth Council Sustainable Communities Planning Grant and Incentive Program Application</u>	<b>Attachment 123</b>
14.	<u>Regional Housing Needs Assessment (RHNA) Procedures for Revision Requests, Appeals and Trade &amp; Transfers</u>	<b>Attachment 127</b>
15.	<u>Policies for Regional Housing Needs Assessment (RHNA) Transfers Due to Annexations and Incorporations</u>	<b>Attachment 159</b>
<b><u>Receive &amp; File</u></b>		
16.	<u>Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000</u>	<b>Attachment 167</b>
17.	<u>January 2012 State and Federal Legislative Update</u>	
<b><u>INFORMATION ITEM</u></b>		
18.	<u>CFO Monthly Report</u>	<b>Attachment 171</b>
<b><u>FUTURE AGENDA ITEM(S)</u></b>		
<b><u>CLOSED SESSION</u></b>		
19.	<u>Conference with Legal Counsel – Anticipated Litigation</u> Initiation of litigation pursuant to Government Code Section 54956.9(c) One potential case	
20.	<u>Public Employee Performance Evaluation</u> Pursuant to Government Code Section 54957(b) Title: Executive Director	

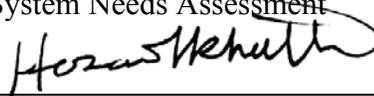
#### **ADJOURNMENT**

*The next regular meeting of the Regional Council will be held on Thursday, March 1, 2012 at the SCAG Los Angeles Office.*

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**DATE:** February 2, 2012  
**TO:** Regional Council  
**FROM:** Hasan Ikhata, Executive Director, 213-236-1944, [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov)  
**SUBJECT:** California Transportation Commission (CTC) 2011 Annual Report to the CA Legislature, 2011 Statewide Transportation System Needs Assessment

**EXECUTIVE DIRECTOR'S APPROVAL**



**RECOMMENDED ACTION:**

Receive presentation from CTC Chairman Dario Frommer and CTC Commissioner Fran Inman and provide feedback on recommended next steps.

**EXECUTIVE SUMMARY:**

*The California Transportation Commission (CTC) is required to adopt and submit an annual report to the Legislature by December 15 of each year. The report must include a summary of the Commission's prior-year decisions in allocating transportation capital outlay appropriations, and identify timely and relevant transportation issues facing the State of California. The annual report must also include an explanation and summary of major policies and decisions adopted by the Commission during the previously completed state and federal fiscal year, with an explanation of any changes in policy associated with the performance of its duties and responsibilities over the past year. In addition, the Commission launched an effort to update the Ten-Year Needs Assessment (last published in 1999). The goal of this report is to detail what is needed to preserve and maintain California's transportation system. This report is an important state analysis of transportation infrastructure 10-year investment need. All Statewide key transportation stakeholders worked together to provide input into the analysis. The information provided from Southern California agencies including SCAG is consistent with the draft 2012-2035 SCAG RTP/SCS.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan.

**BACKGROUND:**

**2011 Annual Report to the CA Legislature**

The CTC is required to adopt and submit an annual report to the California Legislature by December 15<sup>th</sup> each year. The report must contain a summary of the Commission's prior-year decisions in allocating transportation capital outlay appropriations, as well as identify transportation issues in the State of California. The report also must contain an explanation and summary of major policies and decisions adopted by the Commission during the previously completed state and federal fiscal year. The annual report can also include a discussion of any potentially significant transportation issues that could be of concern to the public and the Legislature.

# REPORT

## Issues For 2012

The Annual Report identifies six issues that the state will face in 2012:

1. Reliable Transportation Funding

Over the years, the primary issue facing transportation is, and will continue to be, limited transportation funding. Funding continues to rely on static funding levels even though the state's ability to fund critical system improvements has constantly eroded due to increased vehicle fuel efficiency and gas taxes that have not been raised for years. Transportation funding has been the primary issue in each of the Commission's Annual Reports since the 2002 Annual Report.

2. The State's Transportation System

In recent years, investment in the state's transportation system has not kept pace with the increasing demands for the movement of both people and goods. Without adequate investment in the system, California's roads, highways, bridges, airports, seaports, railways, border crossings, and public transit infrastructure will lead to further decay and deterioration, which will take many years and a larger investment to restore the system to a safe and reliable state that can move people and goods effectively and efficiently.

3. Federal Re-Authorization: Key Issues For California

As reported in the 2009 and 2010 Annual Reports, the federal act for highway and surface transportation (the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU) lapsed on September 30, 2009. Since then, Congress has passed several resolutions to continue the lapsed authorization. Overall, the greatest challenge for re-authorization is the insolvency of the Highway Trust Fund and the inability to effectively plan for future projects that meet growth and demand.

4. Regulatory Compliance: Costs & Benefits

Regulatory agencies should be held to a higher expectation of making the regulatory process more transparent, agencies more accountable, and regulations more cost effective. Regulations should be subjected to cost-benefit analyses and to greater scrutiny by the entities that are being regulated. Lawmakers from both parties and both chambers of Congress introduced a measure on September 22, 2011 that, if passed, could streamline and bring transparency to the process by which federal agencies analyze and formulate new regulations and guidance documents. At the state level, on October 6, 2011, Governor Brown signed SB 617 into law, which is intended to reform the regulatory process to promote business growth.

5. Innovative Project Delivery

In California, innovative project delivery concepts such as design-build and public private partnerships (P3) are codified in law under Chapter 6.5 (Section 6800) of Part 1 of Division 2 of the Public Contract Code and Section 143 of the Streets and Highways Code, respectively. Chapter 6.5 established the Design-Build Demonstration Program, which allows Caltrans and local transportation entities, if authorized by the Commission, to use the design-build procurement method to deliver a limited number of projects on a demonstration basis (through January 1, 2014). Section 143 authorizes Caltrans and regional transportation agencies to enter into an unlimited number of comprehensive development lease agreements with public or private entities for the development of transportation projects (until January 1, 2017). Under design-build, local agencies are not allowed to use any of the five local slots to implement priority projects on the state highway system (SR-91 Express Lane Project required special legislation to commence as a stand-alone project-specific

authority). SCAG sought legislation to allow local entities this authority as one of the high priority adopted actions from the Southern California Job Recovery and Economic Growth Strategy; however, the legislature did not wish to proceed in the last session.

Under P3, there are a number of issues that the Legislature and Administration should address:

- A. Clarification on what constitutes an appropriate P3 project and what is not.
- B. A clear understanding of how to determine whether a P3 is financially beneficial.
- C. More meaningful oversight.

The Commission urges the Legislature and the Administration to bring clarity and certainty to critical alternatives to conventional project delivery.

## 6. Implementation of SB 375

The Sustainable Communities and Climate Protection Act of 2008 (SB 375) is the nation's first legislation to link transportation, land use, and housing planning. Planning strategies to address congestion, urban sprawl, interregional travel, jobs/housing balance, and other elements of a sustainable community must now be incorporated in the regional transportation plans (RTP) prepared by the metropolitan planning organizations (MPO). These strategies place a responsibility on the MPO to maximize strategic planning decisions to promote a reduction of greenhouse gas (GHG) emissions while ensuring that the decisions made today can be maintained in the future. As the state's MPOs move forward with the implementation of SB 375, the state will be a critical funding and process partner to ensure that the objectives of the bill are achieved in both an aggressive and economically viable way.

## Overview of 2011

The following are highlights that dominated the Commission's agenda in 2011:

- Approved the 2012 Fund Estimate (FE) of State Highway Operation and Protection Program (SHOPP) and State Transportation Improvement Program (STIP) programming capacity for 2012-13 through 2016-17 on August 10, 2011. The 2012 FE includes new capacity of \$1.483 billion for STIP over the five year period 2012-13 through 2016-17, and \$6.045 billion for SHOPP over the same period.
- Adopted the 2012 STIP Guidelines on August 10, 2011.
- Continued with programming of remaining Proposition 1B funds which primarily represent State-Local Partnership Program (SLPP) funds, which are to be programmed over multiple years, and award savings from construction projects in the Corridor Mobility Improvement Account (CMIA).
- Continued to administer the program of projects for the \$950 million of Proposition 1A, even though the Schwarzenegger and the Brown Administrations vetoed budget appropriations for all but the Positive Train Control projects in budget years 2010-11 and 2011-12.
- Approved additional projects for procurement utilizing the Design-Build Demonstration Program, and continued the debate on P3.
- Continued to work with statewide transportation stakeholders, allocating nearly \$5.5 billion in state and federal transportation funds, helping the state to achieve transportation construction activity in excess of \$9.5 billion in state construction contracts alone.

## Points of Interest

### *2012 STIP Fund Estimate*

The development of the 2012 STIP FE was adopted on August 10, 2011, which covers the five-year period of 2012-13 through 2016-17. Key FE assumptions include:

- Fuel Excise Tax revenues will not grow through 2012. Starting in 2013 and continuing through 2016-17, revenues will increase by about 1.8 percent for gasoline and 2.8 percent for diesel each year.
- Weight fee revenues will remain flat from 2010-11 through 2012. Starting in 2013 and continuing through 2016-17, weight fee revenues will increase by their ten-year growth rate of 2.3 percent.
- Federal Obligation Authority (OA) will remain at the 2008-09 level of \$3.0 billion. This was the last year of the Safe, Accountable, Flexible, Efficient Transportation Equity Act; A Legacy for Users (SAFETEA-LU) and, without any changes in law, this level is assumed to remain constant through the FE period. The August redistribution is assumed to be \$109 million per year based on the average received from 2007-08 through 2009-10.
- No pre-Proposition 42 loan repayments will occur over the FE period, and other loan repayments will occur in the year consistent with state statute.
- The SHA, which is the primary funding source of the SHOPP, will reach insolvency levels from 2011-12 through 2013-14, unless a General Fund loan is made to this account.
- Caltrans will gradually accumulate an Advanced Construction level that is equivalent to one year's OA by the end of the FE period, to be used as a cash management tool and as a reservation of federal eligible projects.

The FE forecasts additional funding capacity of \$1.483 billion for the five-year period. The 2012 STIP FE also includes \$2.1 billion in carryover capacity from projects carried over from the 2010 STIP and net decreases in capacity for transit projects (PTA funded). The approximately \$1.48 billion in net new capacity is available mostly in the two years added to the STIP (2015-16 and 2016-17).

## SHOPP

Caltrans is required (Streets and Highways Code Section 164.6) to prepare a cost estimate of rehabilitation needs to achieve specific milestones and quantifiable accomplishments, such as miles of highways to be repaved and number of bridges to be retrofitted. This goal-constrained cost estimate is reflected in the 2011 SHOPP Plan, which has a ten-year need of \$74 billion, an increase of \$11 billion from the 2009 SHOPP Plan. The 2011 SHOPP Plan covers the ten-year period from 2012-13 through 2021-22. Caltrans also prepares a financially-constrained SHOPP Plan based on the anticipated funding available during the ten-year timeframe.

Projects that will be implemented under the Ten-Year 2011 SHOPP Plan will be primarily funded through the SHOPP. Caltrans also biennially prepares a SHOPP, and the 2012 SHOPP will be a four-year program of projects for the period covering 2012-13 through 2015-16. Proposed expenditures will also be consistent with the annual funding levels in the 2012 FE. Projected funding available for the SHOPP is \$2 billion per year, which is 37 percent of the \$7.4 billion annual need.

## Proposition 1B Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006

Proposition 1B, approved by the voters in November 2006, authorized the issuance of \$19.925 billion in state general obligation bonds for specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system. To date, the Commission has programmed \$10.9 billion of the \$11.6 billion of the Proposition 1B funds within its purview. The remaining \$770 million represents primarily State-Local Partnership Program (SLPP) funds.

As with most state programs during 2010-11, the most pressing issue for the Proposition 1B programs has been the state's ongoing financial challenges and the limited availability of cash to fund projects. Since January 2009, the Commission's ability to allocate funding to Proposition 1B projects and to allow those

projects to proceed with construction has been constrained by both the State Treasurer's ability to sell bonds and the availability of bond proceeds for transportation projects. During the summer and fall of 2010, more than \$700 million of shovel ready projects were put on hold until bond sales in late 2010 enabled the Commission to allocate to these projects in January 2011. Constraints on bond sales also threaten Proposition 1B projects under construction as current cash reserves only provide funding through March 2012. In 2009 and 2010, the downturn in the economy provided one tangible benefit for Proposition 1B projects, which were lower construction costs.

### Trade Corridors Improvement Fund (TCIF)

In 2007, the Commission developed a corridor-based (based on geographic programming ranges) programming approach to the TCIF. The targets reflected the intent of the Commission to establish an ongoing goods movement program for the state while also acknowledging that the infrastructure needs far exceeded the \$2 billion provided under Proposition 1B. The Commission also supported the funding strategy proposed by Caltrans and the Corridor Coalitions to increase TCIF funding by approximately \$500 million. The geographic programming targets adopted in the 2007 guidelines included \$1.5 billion for the Los Angeles/Inland Empire Corridor. The Commission adopted the initial TCIF program of 79 projects (valued at \$3.1 billion) in April 2008. Since new revenue sources to fund the over-programming are not available due to the current condition of the economy, the Commission is currently working with the Corridor Coalitions and project sponsors to address over-programming.

### Public Private Partnerships and Design-Build

The Commission has authorized nine projects for design-build procurement since 2009. Out of those nine, four projects are in Southern California (LA-10/605 Director Connectors, LA-10/110 ExpressLane Project, SBd-15/215 Devore Interchange, and the LA-710 Gerald Desmond Bridge Replacement). Of the two design-build projects currently under construction, one is in Southern California (LA-10/110 ExpressLane Project). In addition, one of the two additional projects that have received Commission allocation votes is also in Southern California (LA-710 Gerald Desmond Bridge Replacement). All of the projects, with the exception of the SBd-15/215 Devore Interchange project, have gone through the request for qualifications process. In addition, there is one Legislature-Named Additional Project (Riv-91 Express Lanes).

### High Occupancy Toll (HOT) Lanes

To date, the Commission supported two HOT lanes projects, both of which are from Southern California:

1. Public Partnership Application for HOT Lanes for the Interstate 15 Corridor and HOT Lane Project in Riverside County, submitted by the Riverside County Transportation Commission (RCTC). The Commission (CTC) found this project to be eligible in April 2008.
2. Lost Angeles Region ExpressLanes Project, submitted by the Los Angeles County Metropolitan Transportation Authority (LA Metro). The Commission found this project to be eligible in July 2008.

The RCTC project proposed to add two Tolloed Express Lanes and one General Purpose Lane in each direction from SR 60 to SR 74. The project also proposes adding one High Occupancy Vehicle (HOV) Lane in each direction from SR 74 to the I-15/I-215 interchange. The project is currently in the environmental phase (scheduled for completion in 2014), with construction scheduled to start in 2016. Due to the project covering approximately 44 miles, construction will be segmented into several contracts, with completion of the final contract scheduled for 2020.

The LA Metro project proposes to convert existing HOV lanes on the I-10, I-110, and I-210 to HOT lanes that facilitate greater throughput of rapid buses, vanpools, and HOVs with three or more passengers. The

ExpressLanes Project is currently in the construction phase for the I-10 and I-110 corridors, with anticipated completion of both corridors in 2013.

### State Rail Program – High Speed Rail

The Commission adopted its Proposition 1A High-Speed Passenger Train Bond guidelines in February 2010. They were not, however, able to allocate any Proposition 1A funds due to the lack of a state budget and bond proceeds. On October 8, 2010, Governor Arnold Schwarzenegger vetoed most of the funds appropriated for high-speed rail projects. On June 30, 2011, Governor Jerry Brown also vetoed funds for projects other than positive train control (PTC). With these vetoes, the Commission has put a hold on the High-Speed Rail program (with the exception of PTC Projects) until the High-Speed Rail Authority, Caltrans, and local agencies develop a state-wide rail plan that includes connectivity to high-speed rail.

### **2011 Statewide Transportation System Needs Assessment**

The goal of the Needs Assessment is to detail what is needed for California’s transportation system and how we can pay for it. The last needs assessment for California’s transportation system was published in 1999 for the State Senate Transportation Committee and the State Senate President pro Tempore. In 2010, the California Transportation Commission (CTC) launched an effort to update the assessment. This effort was led by the state’s metropolitan planning organizations (MPOs) and regional transportation planning agencies (RTPAs).

- **Costs**

For the ten-year period from 2011 to 2020, the total cost of all system preservation, system management, and system expansion projects is nearly \$538.1 billion. Of this total, the cost of system preservation projects (both rehabilitation projects and maintenance costs) is \$341.1 billion. It is important to note that the costs for system preservation contained in the Needs Assessment are based on the goal of meeting accepted standards that would bring transportation facilities into a “state of good repair” within the ten-year period. Deferred maintenance—because of funding shortfalls—has caused many elements of the transportation system to fall into poor condition, and they now require expensive reconstruction to bring them back to acceptable operating conditions. The cost of system management projects and system expansion projects over the same period is estimated at \$197 billion. These cost estimates are taken primarily from adopted Regional Transportation Plans (RTPs), which are “fiscally constrained.” This means that the number and types of projects are limited to those for which revenues can be reasonably identified during the planning period.

The total estimated revenue from all sources during the ten-year period is \$242.4 billion (this estimate does not assume sources that are not currently authorized). This represents about 45 percent of the overall estimated costs of projects and programs that were identified in the Needs Assessment, which results in a shortfall of about \$295.7 billion over the ten-year period. The majority of funding, \$158.4 billion (65%) is expected to come from local sources. State and federal sources are expected to provide \$84 billion (22% and 13%, respectively). If it is assumed that revenues for both preservation (rehabilitation and maintenance) and system expansion and system management projects are provided at historical levels (~43% and ~48%), then the amount of revenue available will be approximately \$147.7 billion and \$94.7 billion, respectively, for the estimated costs of needed projects.

The funding to pay for most maintenance and repair on the state highway system comes from the State Highway Operation and Protection Program (SHOPP). The sole funding source for that program is the State Highway Account (SHA), which is funded mostly through excise taxes on gasoline and diesel fuel. SHA funding is declining due to reduced fuel consumption, as well as shortfalls in the Federal Highway Trust Fund. The SHA is projected to provide an estimated \$1.8 billion of funding per year. The estimate for rehabilitation and reconstruction of the state highway system, however, is \$70.38 billion for fiscal years 2012-13 through 2021-22.

- **Performance Analysis**

It is estimated that the Total Value Added to the Gross State Product (GSP) for the ten-year period would range from an additional \$110 billion (Low) to an additional \$140 billion (High). This represents about 5 to 7 percent of the current GSP (estimated at \$1.9 trillion). In addition, it is estimated that over the same period, the projects would add between 77,000 and 108,000 jobs annually, compared with the No-Build alternative.

Overall, the results of the initial performance analysis suggest that the transportation system investments identified in the ten-year Needs Assessment would provide significant positive impacts for the state. The economic benefits (job growth and growth in GSP) would be significant. In addition, these investments would appear to support certain non-economic benefits, such as reductions in criteria air pollutants and increases in transit mode share. Funding of the system preservation projects and programs would lead to significant improvements in asset conditions, which would subsequently lead to greater long-term efficiency and lower ongoing maintenance costs for transportation systems.

- **System Preservation**

*State Highways & Local Roads*-The funding to pay for most maintenance and repair on the state highway system comes from the State Highway Operation and Protection Program (SHOPP). SHOPP is solely funding from the State Highway Account (SHA), which is funded primarily through excise taxes on gasoline and diesel fuel. SHA funding is declining because of 1) reduced fuel consumption, and 2) funding shortfalls in the Federal Highway Trust Fund. The projected funding available from the SHA for preservation of state highway infrastructure is approximately \$1.8 billion a year. The funding needed for the rehabilitation and reconstruction of the state highway system, however, is \$70.38 billion for fiscal years 2012-13 through 2021-22. This amount represents the current cost estimate for capital construction, right-of-way acquisition, and support for project development and construction engineering (the estimate does not account for expected future increases in construction costs). In addition to rehabilitation and reconstruction, funding is also required for maintaining the state highway system. For the same period, the need for maintenance is \$9.28 billion.

The current (2010) pavement condition index for local streets and roads is 66, which is about 2 points below the range found in 2008. This rating falls into the “at risk” category. A majority of counties in the state have pavement conditions that are in either “at risk” or “poor” condition (62% and 5% of the state’s local streets and roads, respectively). Total funding needs for the entire local streets and roads network of the next ten years is \$102.9 billion.

- *Public Transit*

Transit operating goals are typically refined according to locally preferred definitions of safety (e.g., number of vehicle service miles provided between accidents), effectiveness (e.g., cost per passenger mile), and efficiency (e.g., cost per vehicle service hour). Assumptions about the funds needed to continue to operate at the same level of service as is currently provided were made in developing the estimated needs for public transit. Transit capital goals are usually further refined to include measures of vehicle and facility asset preservation, such as state of good repair, or fleet service reliability. The ten-year preservation needs for transit is estimated at \$142.357 billion (\$32.675 billion for rehabilitation and \$109.682 for maintenance).

- *Intercity Rail*

The current average annual cost to conduct heavy overhaul of the state's existing fleet of cars and locomotives varies between \$12-\$15 million. An annual budget of \$15 million will be required to ensure that the existing fleet of cars and locomotives are adequately maintained and overhauled appropriately. This cost could potentially increase if additional rolling stock is acquired. Changes in federal requirements for safety-related systems will require funding in order for the fleet of cars to remain in compliance. These systems include passenger inter-communication and information systems, emergency exit pathway markings and signage, and emergency lighting. The one-time cost of bringing the fleet of 88 cars into compliance with these regulations is approximately \$9 million. The only unknown and potentially costly change in federal law that may affect Caltrans' fleet of locomotives is the retrofitting of existing locomotives to meet any possible changes in the future to emissions requirements.

- *Freight Rail*

California is the primary gateway for containerized products imported from throughout the Pacific Rim. Increased consumer demand has led to increased levels of traffic on California's rail network. The Association of American Railroads estimates that the Class I railroads (freight railroad companies having annual carrier operating revenues of \$250 million or more) will be able to fund only 70% of the \$135 billion needed to meet growing demands in the freight rail network over the next 30 years. For the remaining 30%, states will need to collaborate with the railroads on public-private partnerships (P3) and support federal investment tax credits where the capacity improvements involved are determined to be in the public interest. The ten-year needs for system preservation of Class I railroads has yet to be determined and the needs for short line (local) railroads is \$64.420 million.

To maintain the state's economic health and to continue its contributions to economies throughout the nation, California's rail network must be preserved to the maximum extent feasible. Maintaining the freight rail network at its current level—or even after making minor improvements—will still result in more freight being carried by truck, which in turn leads to: 1) goods not being shipped by rail, which is more efficient than shipping by truck (one freight train can carry the load of approximately 280 trucks), and 2) increased congestion on the state highway system.

- *Seaports*

California's seaports, which receive little in the way of state assistance, compete with nations and other states that subsidize their ports. The business environment is fiercely competitive, and with the upcoming expansion of the Panama Canal, that competitiveness will become even fiercer. Funding is constantly an issue and there are more needs than can be met by existing sources of revenue. There is a limit to how much a port can charge shippers before those shippers move their business to a more competitive port. Projects that improve ship access to ports via deep water, as well as those that ensure sufficiently large berthing and docking facilities are in good repair, are generally not funded with money from the state. Limited funding is available for dredging projects, and meeting air quality requirements is expensive. In addition, the road and rail infrastructures tied to the seaports are absolutely crucial to California's ports. Infrastructure "outside the port gates" is critical to ensuring the efficient and predictable movement of goods to and from the ports. The ten-year funding needs for projects at California's 12 seaports are an estimated \$4.6 billion.

The lack of investment in the maintenance and expansion of California's ports will lead to the loss of many thousands of jobs associated with goods movement, as well as those in industries related to the ports. Those jobs will invariably go to other states or countries, which would be a real impediment to California's economy and growth prospects.

### **System Management**

System management initiatives identified for California will cost about \$13.5 billion for the ten-year period (approximately \$1.4 billion annually). Since there are limited state resources dedicated to system management, projects must often compete with other projects or programs for funding. When significant funding does exist, it is typically at the regional level, which leads to fragmentation of services across regions and service gaps in rural areas.

Of all the statewide system management projects proposed, about \$11.5 billion of them focus on safety and traffic management. Managed lane projects and intelligent transportation systems (ITS) projects account for \$700 million and \$600 million, respectively. An additional \$300 million will be required for expansions projects. Transportation demand management (TDM) and smart fare and toll media projects account for approximately \$200 million.

### **System Expansion**

- *State Highways & Local Roads*

Regional transportation agencies have identified approximately \$79 billion in projects that would expand the state highway system's capacity over the ten-year period. Of that amount, \$40.7 billion would be used towards adding general purpose lanes. Managed lanes, high-occupancy vehicle (HOV) lanes, and toll road projects would require \$38.1 billion, primarily on Interstate highways in urban areas. Regional transportation agencies have also identified approximately \$24.1 billion in projects that would expand local roads over the ten-year period.

# REPORT

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- *Public Transit*

Approximately \$31 billion will be required for projects that would expand public transit over the next decade. There are over 350 projects, including rail, bus rapid transit, and local bus expansion projects.

- *Intercity Rail*

Caltrans and regional transportation agencies have identified approximately \$6.2 billion in projects that would expand intercity passenger rail service over the ten-year period. For high-speed rail to be successful, however, funding will be needed for the entire system. This includes substantial investment in new and improved intercity and commuter rail and bus services to link passengers to high-speed rail stations.

In addition, opportunities exist for substantial investment in infrastructure improvements such as train capacity increases, grade separations, corridor preservation, and stations enhancements in Southern California, or more specifically, in the Los Angeles-San Diego-San Luis Obispo (LOSSAN) rail corridor, which is the second busiest passenger rail corridor in the United States.

- *Freight Rail*

Caltrans and several regional transportation agencies have identified \$21.9 billion in projects that would expand freight rail capacity over the ten-year period.

## **Conclusion**

The CTC and the MPO Executive Directors are making a presentation to the Senate Transportation Committee on January 24<sup>th</sup> to discuss next steps including holding public workshops to receive public feedback on potential solutions. CTC Chairman Dario Frommer and CTC Commissioner Fran Inman will attend the February 2<sup>nd</sup> Regional Council meeting to discuss the report, the Senate Committee discussion and potential next steps.

## **FISCAL IMPACT:**

None.

## **ATTACHMENT:**

None.

**DATE:** February 2, 2012

**TO:** Executive Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Sharon A. Neely, Deputy Executive Director, Strategy, Policy & Public Affairs,  
[neely@scag.ca.gov](mailto:neely@scag.ca.gov), (213) 236-1992

**SUBJECT:** Support of SB 659 (Padilla-Hernandez) and SB 654 (Steinberg) regarding  
Redevelopment Authority (RDA) Abolishment Legislation

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDED ACTIONS:**

- 1) Support SB 654 (Steinberg) regarding allowing for RDA retention of assets for affordable housing as described below.
- 2) Authorize the SCAG President to transmit letters to the Governor and Legislative leadership regarding the action of the Regional Council.

**EXECUTIVE SUMMARY:**

*There are 171 RDA's within the SCAG region. The Legislative & Communications Committee met on January 17<sup>th</sup> and recommended support in concept of the SB 659 (Padilla-Hernandez) legislation to extend the abolishment deadline to April 15<sup>th</sup> to provide for a more orderly transition process for the reasons described below. Since the SCAG meeting, it became clear after investigation in Sacramento that the Administration and leadership were not in favor of extending the RDA abolishment deadline to April 15<sup>th</sup>. Therefore the bill did not progress by the deadline. In addition, the Committee recommended support in concept of SB 654 (Steinberg) legislation which would allow RDA's to retain assets if they were designated for affordable housing projects. As of this writing, the bill is on the Senate Floor for passage. The Committee also requested that a summary of current known facts regarding the RDA abolishment process and potential impacts be provided to the Regional Council.*

**BACKGROUND:**

On December 29, 2011, the California Supreme Court issued its opinion in *California Redevelopment Assn. v. Matosantos*, the case which challenged the validity of recent legislation (ABX1 26 and ABX1 27) passed as part of the State's budget compromise which sought to dissolve and reenact with changes the framework for redevelopment agencies in California. As Legal Counsel previously reported to the Regional Council, the Court unanimously upheld ABX1 26, allowing the dissolution of redevelopment agencies to proceed, but in a 6-1 decision, invalidated ABX1 27, the "voluntary" buy-back program that would have allowed redevelopment agencies to continue to operate if payments were made to state funds benefitting schools and special districts.

Regarding ABX1 26, the Court reasoned that because redevelopment agencies (or "RDAs") were created by the Legislature, the Legislature could also eliminate them. However with respect to ABX1 27, the Court concluded that the "voluntary payment" portions of ABX1 27 ran afoul of Proposition 22, adopted by voters in November 2010, concluding that ABX1 27 was substantively indistinguishable

from earlier efforts by the State to shift property tax increment from RDAs to the State's educational revenue augmentation funds (or "ERAFs") – the very circumstance that Proposition 22 sought to prevent. The Court further concluded that based upon specific provisions in the respective legislation, the Legislature intended ABX1 26 to be severable and to act independent of ABX1 27, whereas the remaining provisions in ABX1 27 were not severable from the improper payment provisions. Thus the Court upheld ABX1 26 in its entirety, and struck down ABX1 27 in its entirety. Thus, the Court's decision means that all California redevelopment agencies ("RDAs") will be dissolved under ABX1 26 and none will have the opportunity to opt into continued existence under ABX1 27.

Finally, the Court examined the implementation of ABX1 26 in light of its earlier stay of that law and the passage of time that has rendered some its original time frames impossible. The Court concluded that it had the power to reform the law, and chose a relatively simple solution by extending all initial dates in ABX1 26 which fall before May 1, 2012 by four months, representing the time period during which the Court's partial stay was in place. As a result, the original deadline of October 1, 2011 for redevelopment agencies to be dissolved is shifted now by four months, to February 1, 2012.

### **RDAs Actions under the Court Decision**

According to a Goldfarb and Lipman report, the Successor Agency will be the Sponsoring Community of the RDA unless it elects not to serve in that capacity. In that case, the Successor Agency will be the first taxing entity submitting to the County Auditor-Controller a duly adopted resolution electing to become the Successor Agency.

In regards to the non-housing aspects of redevelopment, unless a city or county that created the RDA ("Sponsoring Community") elects to not serve as the successor agency to a dissolving RDA by January 13, 2012, then the Sponsoring Community will be the successor agency. If the Sponsoring Community opts out, then the taxing entities in the redevelopment project area may compete to become the first to claim successor agency status. In that case, the Successor Agency will be the first taxing entity submitting to the County Auditor-Controller a duly adopted resolution electing to become the Successor Agency.

The Sponsoring Community may also elect to become the successor housing agency.

The Sponsoring Community has until January 31, 2012 to make the decision to be a successor housing agency. But it may make the decision as to whether or not to become the successor agency at the same time it makes the non-housing determination on January 13, 2012.

If a Sponsoring Community decides not to become the successor housing agency, then the housing authority in the territorial jurisdiction of the former RDA would become the successor housing agency. If there is more than one housing authority that operates in the territorial jurisdiction of a former RDA, for example a local city housing authority and county housing authority having the authority to operate in the same city, then the Sponsoring Community would be able to select which housing authority would be the successor housing agency.

Even though a Sponsoring Community elects to become the successor housing agency, the Sponsoring Community might not have the resources to carry out the actual functions of the successor housing agency such as monitoring housing developments funded by the RDA. This is because existing unencumbered housing fund balances from the dissolving RDAs would not be transferred to the successor housing agency. Future loan repayments and other income may be used to conduct or administer housing activities going forward.

In such a case, the county housing authority or the local housing authority could enter into a joint powers agreement or a contractual arrangement with the Sponsoring Community under which the county housing authority or the local housing authority would undertake the successor housing agency activities in accordance with standards set forth in the joint powers agreement or the contract.

If there is no local housing authority in the territorial jurisdiction of the former RDA, then the Department of Housing and Community Development would become the successor housing agency for that RDA.

Private and non-profit developers should ask the redevelopment agency which entity will assume the redevelopment agency's housing functions after February 1st once the redevelopment agency is officially dissolved. The entity that assumes the redevelopment agency's housing functions will be charged with the oversight and administration of existing enforceable obligation.

A Successor Agency is required to dispose of the former RDA's assets or properties expeditiously and in a manner aimed at maximizing value (proceeds to be distributed similar to normal property tax proceeds). A Successor Agency is required to also effectuate the transfer of housing functions of the former RDA to its Successor Housing Agency (i.e. the Sponsoring Community or applicable Housing Authority or the Department of Housing and Community Development).

The Department of Finance estimates that the total tax increment that will be liberated by the demise of redevelopment amounts to roughly \$5 billion, but roughly \$2 billion of that will immediately go back to successor agencies so that they can fulfill RDAs' debt obligations. The Governor's budget estimates that of the \$1.7 billion that will be recovered from RDA's this year, \$1.05 billion will go to K-14 schools, thus offsetting the state's Prop 98 General Fund obligations. That leaves nearly \$600 million for "pass-through" payments to counties (\$340 million), cities (\$220 million), and special districts (\$170 million), according to CP & DR report.

## **RDA Abolishment Timeline**

### **January 13**

Counties that do not wish to serve as "successor agencies" and instead want to pass those duties on to the state must notify the County Auditor-Controller.

### **February 1**

Redevelopment agencies are officially dissolved. Successor agencies have the option of retaining RDAs' affordable housing functions or passing those functions off to local housing authorities or, in some cases, to the State Housing Authority.

Each successor agency must review its respective RDA's interim enforceable obligation payment schedule (EOPS), which outline the RDA's contracts and obligations. Successor agencies may modify their EOPS and may thereafter only make payments outlined in the EOPS.

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## **March 1**

Each successor agency must adopt a permanent Recognized Obligation Payment Schedule (ROPS), which succeeds the EOPS. Each County Auditor-Controller will allocate property tax increment to pay obligations enumerated in the ROPS.

## **April 1**

Successor agencies report to the state on whether the amount of tax increment identified by the County Auditor-Controller is sufficient to fund ROPS obligations for the next six-month fiscal period.

## **April 15**

Successor agencies submit their respective ROPSs to the State Dept. of Finance and State Controller for approval.

## **May 1**

Oversight boards are formed and must file membership with the Dept. of Finance. Successor agencies henceforth must pay obligations in the approved ROPS; no other obligations may be paid.

## **May 16 and onward**

County Auditor-Controllers transfer funds to the successor agencies' Redevelopment Obligation Retirement Fund for payment of obligations described in the ROPS.

## **Potential Abolishment Impacts**

(1) Bondholder lawsuits – AB1x26 converts tax increment into ad valorem property taxes and then commingles the money into an account so that the credit for tax allocation bonds are eliminated (i.e., the identification of tax increment from a specific project area). In addition, the law creates so much uncertainty that Moody's just downgraded all California RDA tax allocation bonds (see attached announcement). Moreover, the way AB1x26 converts tax increment into a commingled ad valorem property tax fund has significant potential effects for reducing value on the secondary market.

(2) Dept of Finance (DOF) position on use of unexpended bond proceeds and bond liability – Many RDAs issued bonds prior to the effective date of AB1x26 and DOF is taking the position the unexpended bond proceeds from those issuances cannot be used for projects but have to be used to defease the bonds. In most cases that position will result in a violation of bond covenants. Successor agencies that wish to use the unexpended bond proceeds consistent with the bond covenants so as to avoid a default under the bond covenants may have to sue their oversight board and/or DOF if the DOF does not revise their position.

(3) Clawback Provision -- AB1x26 contains a “clawback” provision that allows the State Controller to order the reversal of lawful “asset transfers” that took place after January 1, 2011 even though AB1x26 was not effective until June 28, 2011 when the Governor signed it. The clawback provision likely will result in litigation especially if the Controller seeks to clawback lawful transfers supported by fair market value consideration or seeks to clawback transactions that the Controller believes, but the successor agency does not believe, involved an asset transfer.

(4) Pledges or contractual commitments for payment under a Disposition and Development Agreement (DDA) or Owner Participation Agreement (OPA) could be defaulted because of (a) the elimination tax

increment as the defined source of the pledge or contractual commitment and (b) likely delays in receipt of monies from the county auditor controller even for “recognized obligations” due to the requirement for oversight board approval (and potential DOF veto of oversight board approval) of the recognized obligation payment schedule.

(5) Under AB1x26, the Oversight Board can unilaterally void any agreement it does not find advances the interests of the taxing agencies even where it results in having to pay compensation for such termination. The problem is that for certain agreements the payment of damages is not sufficient where only specific performance fulfills the benefit of the bargain, and secondly even if damages are paid there is likely to be litigation over the amount of compensation especially where termination results in a dispute over economic or consequential damages. The uncertainty of potential termination is a significant problem. What entity that is not a party to an agreement can just come in and unilaterally void a contract? In this case the oversight board can. How can a private party with a DDA or OPA that is an enforceable obligation get financing for a project when the agreement can be voided at any time? And in such event the successor agency is likely left holding the bag to pay for damages (true, the successor agency’s liability is limited to the amount of distribution of former tax increment the successor agency is eligible to receive plus the value of any RDA fixed or land assets transferred to the successor agency, but if there is a large judgment that includes economic or consequential damages how can the large judgment be paid plus the enforceable obligations from that same pot?).

## **Other Organization Activities**

In recognition of the Court’s December 29 ruling, on January 4, 2012 the Board of Directors of the League of California Cities met and authorized staff to work with legislators, the Governor, California Redevelopment Association (CRA) and other stakeholders on a proposal to extend the February 1 deadline for the elimination of agencies so all parties can work on legislation to address state and local goals for job creation, infrastructure development, affordable housing, brownfield remediation, blight removal, military base reuse, and many of the purposes of redevelopment agencies. A coalition of labor, business, local government, public safety and affordable housing advocates sponsored an effort to work with members of the Legislature to introduce SB 659 by Senator Alex Padilla and co-sponsored by Senator Hernandez that would extend the abolishment deadline to April 15<sup>th</sup>. The SCAG Legislative & Communications Committee reviewed the bill at their meeting on January 17<sup>th</sup> and recommended to support in concept.

Passage of a bill to extend the dissolution date of RDA elimination was important for a number of reasons, including:

- Allowing time for follow-up action on development of pragmatic reforms and a workable version of redevelopment agencies;
- Allowing critical time to develop a new job creation and neighborhood renewal program;
- Allowing time to find a revised definition of “blight” that addresses prior concerns of abuse of legislative intent; and
- If agencies are dissolved on February 1, 2012, successor agencies are responsible for winding down all assets, properties, contracts, leases, records, buildings, and equipment of the former redevelopment agencies, and laying off workers - actions that are incredibly difficult to undo – likely leading to substantial/mass litigation and confusion; shutting down projects will lead to a loss of jobs and making it more difficult to develop a new job creation and community revitalization program in California.

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Unfortunately, subsequent to the SCAG Legislative & Communications Committee meeting, it was learned that the Administration and the Legislative Leadership did not support the extension and therefore the above recommended actions do not include action on SB 659 since the abolishment will take effect on February 1<sup>st</sup>.

## **SB 654 (Steinberg)**

SB 654 passed unanimously out of Senate Appropriations Committee and of this writing is on the Senate Floor for passage. This bill does not include an extension but would allow those RDA's to designate their assets for affordable housing purposes.

SB 654, an urgency measure, would make changes to statutes enacted by ABx1 26, the redevelopment agency elimination bill. Specifically, this bill would:

- Authorize a city, county, or city and county that authorized the creation of a redevelopment agency to retain the funds on deposit in a dissolving agency's L&M fund and require the city or county to expend those funds in compliance with the housing provisions of the Community Redevelopment Law.
- Authorize the local housing authority to retain L&M funds and housing responsibilities if the successor entity opts-out of these activities.
- Require HCD to retain these funds and activities, if neither the successor entity nor the local housing authority retains responsibility.
- Require, rather than permit, an entity assuming the housing functions of an agency to enforce affordability covenants on affordable housing properties.
- Expand the definition of an "enforceable obligation" to include two additional types of loan agreements between an agency and its host city or county:
  - 1) a loan that was executed within two years of the date of creation of a project area, if the loan is specific to that project area; and
  - 2) a loan to fund the agency's 2009-10 SERAF payment to schools.

This bill is intended to preserve the outstanding balances in the L&M funds maintained by redevelopment agencies throughout the state for affordable housing. In the absence of this legislation, those funds not otherwise dedicated to existing obligations will be liquidated and distributed as property tax revenues to cities, counties, special districts, and schools.

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## **Financial Analysis of SB 654**

The Controller's Community Redevelopment Agencies Annual Report for the fiscal year ending June 30, 2010 shows a statewide aggregate L&M Fund Balance of approximately \$5.02 billion, of which \$3.66 billion is "reserved" for expenditure, \$967 million is "unreserved designated" (which reflects tentative plans or intent), and \$391 million is "unreserved undesignated" or unencumbered.

The Committee financial analysis of SB 654 indicates that the bill would prevent the general reallocation of approximately \$1.36 billion in unreserved L&M funds to local governments, including schools. This figure could increase if it is later determined that amounts reported by redevelopment agencies as "reserved" are not enforceable obligations. To the extent this bill prevents these revenues from flowing to schools following the dissolution of redevelopment agencies statewide, there would be a corresponding loss of General Fund savings. These funds would otherwise offset General Fund obligations to schools, pursuant to the Proposition 98 minimum funding guarantee. Assuming approximately 50% of local property tax revenues are allocated to schools, this bill would result in a one-time loss to the General fund of as much as \$700 million. The actual magnitude of lost savings is unknown at this time, and would depend upon the actual amounts of unreserved L&M funds that would otherwise be allocated to K-14 schools, absent this bill.

## **Conclusion**

Staff recommends support of SB 654 (Steinberg) legislation as described above and authorize the President to transmit the Regional Council action to the Governor and Legislative Leadership.

## **ATTACHMENTS:**

1. Fitch Ratings Press Release on California Bonds
2. Moody's Investor Service Downgrades California Bonds



**FOR IMMEDIATE RELEASE:**

January 24, 2012

**CONTACT:**

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**FITCH RATINGS PLACES CALIFORNIA TAX ALLOCATION BONDS ON “RATING WATCH NEGATIVE”,  
CITING A NUMBER OF “UNCERTAINTIES” AND “INCONSISTENCIES” WITH SHORT TIMEFRAME TO  
DISSOLVE REDEVELOPMENT AGENCIES**

**Fitch Downgrade Comes on Heels of Moody’s Investor Services Downgrade Last Week**

**Sacramento** – Following on the heels of a rating downgrade by Moody’s Investor Services last week, today Fitch placed California bonds secured by redevelopment tax increment revenue on “Rating Watch Negative”.

Fitch cited “the short timeframe to create guidelines to implement the legislation and the apparent lack of progress in resolving a number of inconsistencies and uncertainties contained therein.”

Fitch also noted “... it is clear that a number of questions remain which ultimately may need to be addressed through follow-up legislation.”

Concern over timely bond payments is just one of the many unforeseen consequences resulting from implementation of AB 1x 26 and the February 1, 2012 deadline to dissolve redevelopment agencies. Members of the Coalition for Jobs and Neighborhood Renewal are supporting SB 659 (Padilla) which postpones the February 1 deadline to April 15, giving the legislature time to address these implementation issues.

From Fitch’s review (link to the full review [here](#))

- “The Rating Watch Negative reflects Fitch's belief that recently implemented state legislation creates a heightened risk at all rating levels that the flow of funds to holders of tax allocation bonds (TABs) may be inconsistent with the requirements of bond indentures. This concern is a **result of the short timeframe to create guidelines to implement the legislation and the apparent lack of progress in resolving a number of inconsistencies and uncertainties contained therein.**”
- “The Rating Watch Negative further reflects the uncertainty during the next several weeks of transition about the mechanics of administering the revenues, including those pledged to bond repayment. While the intent to uphold existing obligations is clearly stated in the legislation, the mechanics of implementation are not.”
- “... it is clear that a number of questions remain which ultimately may need to be addressed through follow-up legislation.”



**Rating Action: MOODY'S DOWNGRADES CALIFORNIA TAX ALLOCATION BONDS DUE TO NEAR-TERM CASH FLOW RISKS ARISING FROM REDEVELOPMENT AGENCIES' IMPENDING DISSOLUTION; ALL TAX ALLOCATION RATINGS REMAIN ON REVIEW FOR POSSIBLE FURTHER DOWNGRADE**

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Global Credit Research - 17 Jan 2012

**Approximately \$11.6 Billion in Debt Affected**

New York, January 17, 2012 -- Moody's Investors Service has downgraded by one notch all California tax allocation bonds rated Baa2 and above. All California tax allocation bond ratings remain on review for possible downgrade.

**SUMMARY RATING RATIONALE**

The downgrade primarily reflects near-term cash flow risks arising from legislation recently upheld by the state supreme court that dissolves all redevelopment agencies. Effective February 1, 2012, every redevelopment agency statewide will be replaced by a "successor agency" charged with winding down the redevelopment agency's affairs. This wind-down includes the payment of existing debts according to their terms. However, the implementation and potential for varying interpretations of the new legislation incrementally raises the risk that some debt service payments will not be made on a timely basis.

Compliance with the requirements of the new legislative framework may prove challenging, particularly in the near term as affected agencies attempt to interpret the law and comply with its specified timelines. Most significantly, in the new law County Auditor-Controllers are given new auditing requirements to be met by July 1, 2012, and on-going administrative responsibilities that may initially conflict with existing bond indentures. The resolution of any such conflicts according to the new law's property tax reallocation process could take a substantial amount of time, and it is entirely untested. The limited, one-notch downgrade across the Baa2-and-above rating spectrum reflects the broad-based but modest nature of this new risk. While Baa3-and-lower rated tax allocation bonds also face this new risk, their overall risk profile remains consistent with their current ratings.

While we believe that existing legal protections for contracts, as well as the legislature's clearly stated intent in the new law, almost certainly preserves tax allocation bonds' fundamental security, our tax allocation bond ratings remain on review for possible further downgrade. This continued review reflects the near-term practical and potential legal challenges to implementing the new dissolution legislation while maintaining tax allocation bonds' credit quality above a minimum level. We expect that the promulgation of implementation guidelines in the near future and the resolution of any conflicting interpretations of the law should permit a reevaluation of these ratings within our standard 90-day timeframe.

**STRENGTHS**

- Successor agencies, which replace the dissolved redevelopment agencies, remain explicitly obligated to honor existing bond contracts, with recognition of legally pledged revenue streams, debt service reserve funding requirements, and other performance requirements in existing bond documents.
- While the mechanics of the new law may be problematic, the legislature's intent to honor existing obligations is clearly stated in the law.
- County Auditor-Controllers have generally indicated a very strong willingness and ability to comply with

the new revenue allocation requirements on a sufficiently timely basis to allow successor agencies to meet existing debt service payment obligations.

## CHALLENGES

- The law establishes an initial allocation of property tax revenues that conflicts with existing bond documents, and the effectiveness of the resolution process on a timely basis is uncertain.
- The timeframe for property tax disbursements is more restricted than it had been previously, potentially resulting in mismatched receipt and disbursement schedules over the course of a year.
- The new law's audit requirements and sheer complexity may result in unexpected payment delays as legal and administrative clarification is pursued.

## WHAT COULD MAKE THE RATINGS GO UP

- Implementation of the legislation in a manner that clearly preserves timely debt service payment and enables compliance with bond documents
- Legislative or judicial clarification that compliance with bond documents takes precedence over other, apparently conflicting aspects of the legislation
- In the long-run, assuming resolution of the legal and practical cash flow uncertainties, a sustained resumption of property tax growth

## WHAT COULD MAKE THE RATINGS GO DOWN

- Implementation of the legislation in a way that does not preserve timely debt service payment
- Continued legal uncertainty and conflict between the law's requirements and compliance with existing bond documents
- Judicial clarification that compliance with bond documents is subordinate or to be balanced against other objectives of the legislation

The principal methodology used in this rating was Moody's Analytic Approach To Rating California Tax Allocation Bonds published in December 2003. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

## REGULATORY DISCLOSURES

Although this credit rating has been issued in a non-EU country which has not been recognized as endorsable at this date, this credit rating is deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on [www.moody.com](http://www.moody.com).

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction

structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

Information sources used to prepare the rating are the following: parties involved in the ratings and public information.

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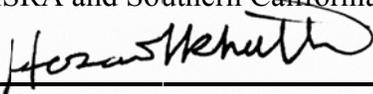
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**DATE:** February 2, 2012

**TO:** Regional Council (RC)

**FROM:** Hasan Ikhata, Executive Director, [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov), 213-236-1800

**SUBJECT:** Approve the California High Speed Rail Authority (CHSRA) Memorandum of Understanding (MOU) with CHSRA and Southern California Transportation Agencies

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTIONS:**

- 1) Authorize Executive Director to execute the attached MOU with CHSRA and Southern California Transportation Agencies (attached).
- 2) Staff will report regularly on the status of the MOU as described below.

**EXECUTIVE SUMMARY:**

*The RTP/SCS Subcommittee approved retaining the CHSRA Southern California projects within the draft 2012-2035 financially constrained plan pending MOU agreement by February with CHSRA and Southern California Transportation Agencies regarding early implementation of the blended approach goals described in Chapter 2 of the Draft CSHRA Business Plan. On January 20<sup>th</sup>, the Chief Executive Officers from the agencies noted below met with CSHRA and agreed to take the attached MOU to their respective Boards for MOU approval. Further, they established a two week cut-off date on the candidate project list of \$1 billion in Southern California projects that would implement regional interconnectivity to the CSHRA project, improve speed, capacity and safety of the existing interregional rail system. Per the MOU, based upon the performance criteria, the candidate project list will be evaluated against the performance criteria and a final prioritized project list completed by June. Staff will continue to participate in these discussions and report on the progress at future meetings.*

**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 c) Provide practical solutions for moving new ideas forward.

**BACKGROUND:**

RTP/SCS Subcommittee

On October 20, 2011, the Subcommittee recommended to retain the CHSRA Phase 1 in the financially constrained Draft 2012-2035 RTP/SCS subject to a more defined commitment such as an MOU coming forward by February and if not, the project would be included in the Strategic Plan of the RTP/SCS. Since that time, the following actions have occurred:

- CHSRA Board approved the SCAG letter requesting extension of public comment for the Draft Business Plan from January 1 to January 16, 2012. This would allow time for the Regional Council

to discuss the matter at the January 5<sup>th</sup> Board meeting and submit a public comment letter on the Draft Business Plan regarding how Southern California would be affected by early implementation of the blended approach described in Chapter 2 which describes the phased implementation (or blended approach) in Northern and Southern California. Chapter 2 also describes committing to early investments that increase regional interconnectivity and increased speed of existing regional rail services. The goal is to increase connectivity and mobility by expanding the inter-connected transportation investments in order to attract new riders and feed the CHSRA system. The attached letter thanks the CHSRA for approving the public comment extension request.

- CHSRA representatives have met collaboratively with SCAG and Southern California Transportation Agencies and indicated that they are committed to meeting the February MOU deadline noted above along with agreement on more specificity on early project investments (by 2020) in Southern California of \$1 billion. All agencies have committed to take the attached MOU to their respective Boards in January and February.
- CHSRA representatives and agency staff have collaborated on a draft project list that would improve the speed of existing regional rail services and improve regional interconnectivity. A staff meeting to address the SCAG Board comments at the January meeting was held on January 20<sup>th</sup> and a two week cut-off date was established for the candidate project list. In addition, revisions to the performance criteria were discussed. A subsequent meeting was held January 25<sup>th</sup> and further progress has been made to review the information. Another meeting is scheduled for February 1<sup>st</sup>. A revised draft candidate project list and revised performance criteria will be distributed to the Regional Council after the February 1st meeting.

## MOU with CHSRA and Southern California Transportation Agencies (attached)

Parties to the MOU include:

- California High Speed Rail Authority (CSHRA)
- Metrolink
- Southern California Association of Governments (SCAG)
- San Diego Associated Governments (SANDAG)
- Los Angeles County Metropolitan Transportation Authority (Metro)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino Associated Governments (SANBAG)

Key Principles of the MOU include:

- CHSRA agreement to an additional \$1 billion early investment in Southern California above and beyond the already committed \$950 million committed (but unallocated) statewide for interregional rail services
- Candidate Project list attached to the MOU for the \$1 billion early investment in Southern California by 2020
- Performance criteria attached to the MOU for selecting the projects from the candidate project list

# REPORT

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- Process for selecting the prioritized project list of early investments in Southern California by 2020 by June 2012
- Agreement of MOU by February, 2012
- Execution of agreement by all parties by June, 2012

## Next Steps

On January 20th, the CEOs met with representatives of the CHSRA to approve the MOU, agree to seek Board approval at their respective January/February Board meetings, finalize their input to the candidate project list within two weeks, and finalize the performance criteria for selecting the prioritized project list by February 1<sup>st</sup>.

## **FISCAL IMPACT:**

None

## **ATTACHMENT:**

MOU with CHSRA, SCAG, SANDAG, Metrolink, Metro, OCTA, SANBAG, and RCTC  
*(Please Note: Attachments referenced in the MOU will be distributed after the February 1<sup>st</sup> meeting as noted above )*

# DRAFT MOU

MEMORANDUM OF UNDERSTANDING CONTRACT # XXXXXX

BY AND BETWEEN

CALIFORNIA HIGH-SPEED RAIL AUTHORITY (CHSRA);

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG);

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (Metro);

ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA);

RIVERSIDE COUNTY TRANSPORTATION COMMISSION (RCTC);

SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG);

SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG); and

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (METROLINK),

COLLECTIVELY REFERRED TO HEREIN AS THE "PARTIES", FOR THE PREPARATION OF STUDY, DESIGN AND CONSTRUCTION OF HIGH-SPEED RAIL THROUGH THE SOUTHERN CALIFORNIA REGION, INCLUDING IDENTIFIED HIGH-SPEED RAIL CORRIDORS SOUTH OF BAKERSFIELD.

## RECITALS:

**Whereas**, the California High-Speed Rail Authority (CHSRA) is responsible for planning, building and maintaining an 800-mile statewide high-speed rail system, providing more than 600,000 jobs and improved mobility through the development of safe, clean, reliable rail technology; and

**Whereas**, CHSRA, in partnership with the Federal Railroad Administration has completed and certified a Program EIR/EIS for a proposed California High-Speed Train (HST) network linking the major metropolitan areas of the State of California, and the HST system approved by the CHSRA includes corridors into and through Southern California; and

**Whereas**, the CHSRA's responsibility for planning, construction and operation of high-speed passenger train service in California is exclusively granted to CHSRA by PUC Section 185032.a.2; and

**Whereas**, the CHSRA is charged with accepting grants, fees and allocations from the state, from political subdivisions of the state and from the federal government, foreign governments, and private sources (PUC section 185034(4)); and

**Whereas**, the CHSRA DRAFT 2012 Business Plan proposes to incrementally develop the HST utilizing a blended system and blended operations involving coordinated passenger rail system development and operations with existing passenger rail systems, and this emphasis reflects the recognition that a key to success in developing the statewide rail network, including the high-speed system, is in coordinated infrastructure development that improves, enhances and expands the integration of high-speed and regional/local passenger rail systems; and

**Whereas**, this blended approach requires a series of incremental investments in local rail corridors to prepare for integrated service and operations and the CHSRA recognizes the need for a collaborative effort with regional and local agencies to identify early investment projects along existing rail corridors, that increase speed, improve safety and efficiency, and create linkages between HST and local passenger rail service; and

**Whereas**, local transportation improvement projects are required to be included in a Regional Transportation Plan (RTP) and both the Southern California Association of Governments (SCAG) and the San Diego Association of Governments (SANDAG) are each charged with developing a RTP every four years for their respective regions to provide guidance for transportation investments within each region, and development of regional transportation strategies to address the regions' mobility needs; and

**Whereas**, SCAG adopted the 2008 RTP to identify the facilities, services and programs necessary to meet the SCAG region's travel needs through the year 2035, and that document recognizes the need for HSR ground transportation to serve these needs; and

**Whereas**, the Sustainable Communities and Climate Protection Act of 2008 (SB 375, Steinberg, Statutes of 2008) requires subsequent RTPs to include a Sustainable Communities Strategy (SCS), showing evidence of integrated planning, goals that establish and strengthen the crucial linkages between the economy, land use development and regional transportation system to improve access to jobs, education, healthcare, and regional amenities in ways that improve the overall quality of life in the region; and

**Whereas**, the DRAFT 2012 SCAG RTP identifies Phase 1 of the California High-Speed Rail program in the constrained plan to facilitate the development of HSR early investment projects in passenger rail corridors in the SCAG region and that the HST development objectives are consistent with achieving SB 375 goals to reduce greenhouse gas emissions by 8 percent per capita by 2020 and 16% by 2035; and

**Whereas**, SANDAG adopted the 2050 RTP on October 28, 2011, including a SCS, with similar transportation goals and including the Authority's Phase 2 Los Angeles to San Diego via Inland Empire HST corridor in its constrained plan and extensive capital and operations improvements along the San Diego segment of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor, the nation's second busiest passenger rail corridor, and

**Whereas**, the CHSRA already had an MOU in place with SCAG, Metro , OCTA , RCTC, SANDAG, SANBAG , California Department of Transportation, Division of Rail, and the San Diego County Regional Airport

Authority that guide discussion and participation in the collaborative development of technical studies, sharing of technical information, and regional outreach coordination; and

**Whereas**, Metro, OCTA, SANDAG, SANBAG, RCTC and Metrolink are involved in the planning, funding, construction and/or operation of heavy and light rail transit, buses, and/or commuter train services in Los Angeles/Orange/Riverside/SANBAG/San Diego counties and are considering intermodal service integration, including linkages to the proposed HST service; and

**Whereas**, it is the intent and purpose of this MOU to strengthen the working relationship between CHSRA and the Parties to facilitate the development and implementation of passenger rail improvements that will improve local passenger rail service and operations while preparing designated HST corridors for eventual HST operation to achieve region-wide systems integration of rail service in Southern California; and

**Whereas**, the PARTIES also intend to communicate and coordinate with rail operators such as Metrolink, Amtrak, Burlington Northern & Santa Fe, Union Pacific Railroad and Caltrans' Division of Rail in the development and implementation of rail improvements and enhancements; and to include them in the California State Rail Plan.

**Now, THEREFORE**, it is mutually understood and agreed to by the PARTIES as follows:

1. To collaboratively agree to the statement of purpose of the MOU in order to identify and move forward with a program of early investments in the regional and local rail systems to facilitate the blended approach as described in Chapter 2 of the CHSRA Draft 2012 Business plan regarding coordination of increasing interregional connectivity of the existing systems (rail, bus, airports, and highways).
2. Parties to this MOU agree to support improved rail operations in Southern California in a manner that is in keeping with the statutory requirements of Proposition 1A, and that prioritized projects supported by this MOU will emphasize the need to improve speed and operations into Southern California.

Parties to the MOU agree to collaboratively partner in delivering the California High-Speed Rail project to Southern California as a whole by supporting efforts to obtain funding, enhance stakeholder support, secure environmental clearance and all other aspects that will move the implementation of Proposition 1A and all its endeavors to achieve.

4. Parties to this MOU agree to collaboratively improve and increase community outreach in Southern California to improve community understanding and support of the HSRA Business Plan and proposed projects in Southern California.
5. This MOU establishes a framework for the recommendation of candidate improvement projects for consideration for funding and implementation. The framework includes the application of performance-based criteria to prioritize candidate projects, select projects for funding consideration, and a process for the Parties to achieve regional consensus on the projects to be recommended to CHSRA for funding. A subsequent project level MOU (or other agreement(s)

may be developed to specify the details of approved projects that implement the goals of this MOU.

6. The PARTIES agree to work together through the Southern California Passenger Rail Planning Coalition to develop, refine and update the project development and selection process for projects that may be funded in whole or in part by the CHSRA that will be reviewed and approved by the Regional Chief Executive Officer's Group, which is comprised of parties to this MOU.
7. The PARTIES have developed a list of candidate rail improvement and enhancement projects attached hereto as Attachment A. This list of projects will be further refined to prioritize these projects both according to their utility and extent that they achieve the goals identified in the CSHRA's 2012 Business Plan in implementing projects related to the "Blended Systems and Blended Operations" concept. The projects are consistent with the CHSRA's phased implementation strategy for developing the statewide High-Speed System. The candidate project list will be used to develop a "Prioritized Rail Improvement List "(PRIL) for a region-wide series of rail improvements and enhancements, including work on Phase 1 High-Speed Rail corridors and on feeder rail corridors that support the Blended Systems/Blended Operations model.
8. Attachment B details the performance criteria that will be used to review the candidate rail project list and refine the list through collaboration with the PARTIES to develop the PRIL. The PRIL will be completed, including approval of said list by all respective participating governing Boards of the PARTIES, by June, 2012.
9. The PRIL is intended to be incorporated into the California State Rail Plan as applicable.
10. PARTIES will utilize the PRIL to develop a specific funding plan, including investment by the California High-Speed Rail Authority, State and, and federal matching funds based upon an agreed strategy.
  - a. CHSRA will work with the other parties to the MOU to seek early approval and release of the \$950 million already committed to interregional service statewide.
  - b. CHSRA will commit an additional \$1 billion in unallocated Prop 1A funds to implement the PRIL projects that meet the performance criteria identified in Attachment B by 2020.
  - c. CHSRA will work with necessary funding partners (state, private, and federal) to assist in seeking and releasing the funds necessary to implement the PRIL projects. Local agencies may provide local funds, real property or in-kind resources as matching funds where matching funds are required to qualify for grant funding. PARTIES agree to work together to identify appropriate amounts and types of local resources that may be used to support a specific PRIL project.
  - d. CHSRA and appropriate local agencies will coordinate to obtain federal and private funding using a mutually agreed upon strategic approach. In the event that funding for the HST program is constrained by statute, rescission of existing law, change in funding requirements or eligibility, reduction in funding level or availability, the CSHRA shall

notify the Parties in a timely manner of same and provide a statement of impact of such change on the prioritized candidate list.

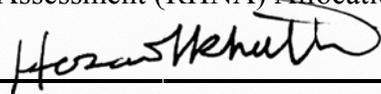
11. In the event that the funding provided for under this MOU is not approved by the CHSRA by 2020, the MOU is deemed to be terminated effective thirty (30) days upon notice by CHSRA.

12. Any non-CHSRA Party may withdraw from this MOU at any time prior to notice of a grant award for a PRIL project by giving notice to the other parties of the MOU of such termination (including the effective termination date) at least thirty (30) calendar days before the effective date of such termination.

13. If through any cause, the CHSRA shall fail to fulfill in a timely and proper manner its obligations under this MOU regarding approval of the prioritized candidate list or the PRIL, the other parties to the MOU shall thereupon have the right to withdraw from the MOU by giving not less than thirty (30) days written notice of the intent to terminate and specifying the effective date thereof.

DRAFT

**DATE:** February 2, 2012  
**TO:** Regional Council  
**FROM:** Community, Economic & Human Development Committee (CEHD)  
**BY:** Frank Wen, Manager, Research, Analysis and Information Services, 213-236-1854, [wen@scag.ca.gov](mailto:wen@scag.ca.gov)  
Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov)  
**SUBJECT:** Draft Regional Housing Needs Assessment (RHNA) Allocation Plan

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Approve the distribution of the draft RHNA Allocation Plan, as recommended by CEHD.

**EXECUTIVE SUMMARY:**

*The Draft RHNA Allocation Plan (Draft RHNA Plan) represents the draft projected housing need for each city and county in the SCAG region for the 2013-2021 planning period. The Draft RHNA Plan was developed using the RHNA Allocation Methodology, which was adopted by the Regional Council on November 3, 2011. The revision request and appeals processes will occur subsequent to the Draft RHNA Plan approval for distribution.*

**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:**

Per Government Code Section 65584.05, SCAG is required to distribute a draft allocation of regional housing needs to each local government in the region based on the RHNA Allocation Methodology, which was adopted by the Regional Council on November 3, 2011. The Draft RHNA Plan must be distributed prior to the adoption of the final Regional Transportation Plan (RTP), which is scheduled to take place in April 2012.

Using the adopted RHNA Allocation Methodology, staff has developed the attached Draft RHNA Plan, which represents the total draft housing need allocation by income category, for all cities and unincorporated counties. Per the adopted RHNA Allocation Methodology, each draft allocation comprises the need derived by calculating the projected household growth, healthy market vacancy need, and replacement need for the 2013-2021 5<sup>th</sup> housing element cycle planning period. For jurisdictions with significantly high existing vacancy rates, for this cycle only, an excess vacancy credit as authorized by the California Department of Housing and Community Development (HCD) is applied to the sub-total need determined by the three (3) growth components. To ensure a minimal fair share for all jurisdictions in accordance with Government Code Section 65584 (d)(1), which requires that the RHNA plan result in each jurisdiction receiving an allocation of units for low- and very low- income households, all jurisdictions will receive a minimum draft allocation of two (2) units. In cases where the excess vacancy credit is higher than

# REPORT

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the sub-total need, SCAG will assign a minimum draft allocation of 1% of the jurisdiction's sub-total need, with a minimum of two (2) units.

The draft RHNA Allocation Plan was reviewed on January 5, 2011 by CEHD, which recommended Regional Council approval. Once the Draft RHNA Plan has been, approved for distribution by the Regional Council, SCAG will begin the revision request process, which will subsequently be followed by the appeals process. Draft guidelines for these two processes are also included with today's Regional Council agenda packet for approval.

After the conclusion of the revision request and appeals processes, SCAG will issue a proposed final RHNA Plan by September 2012 that shall include appropriate adjustments to the draft allocations as a result of the revision request and appeals processes. Within 45 days of the release of the proposed final RHNA Plan, SCAG will hold a public hearing to adopt the final RHNA Plan, anticipated to occur in October 2012. Once the final RHNA Plan is adopted, jurisdictions in the SCAG region will have one year to complete their local housing element update and submit to HCD by October 2013.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 11-12 General Fund Budget (12-800.0160.03: RHNA).

**ATTACHMENTS:**

1. Draft Example Calculation of Draft RHNA Allocation
2. Draft RHNA Allocation Plan

# Draft RHNA Allocation Formula: Example

500	Household Growth (2014-2021)
+	
14	Base Vacancy Needs
+	
6	Total Replacement Needs
<hr/>	
520	HH Growth + base vacancy needs + replacement needs
-	
220	Vacancy Credit
<hr/>	
<b>300</b>	<b>City A Net Draft RHNA Allocation</b>

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHINA	Number of households				Total
						very low income	low income	moderate income	above moderate income	
Imperial	17,428	479	49	1,404	16,551	4,194	2,553	2,546	7,258	16,551
Los Angeles	200,572	6,131	1,268	28,297	180,067	45,720	27,497	30,074	76,779	180,070
Orange	41,530	1,143	414	6,150	37,965	8,734	6,246	6,971	16,015	37,966
Riverside	120,308	2,948	175	22,059	101,372	24,117	16,319	18,459	42,479	101,374
San Bernardino	70,623	1,890	469	16,833	57,208	13,399	9,265	10,490	24,053	57,207
Ventura	19,628	523	41	647	19,553	4,612	3,160	3,617	8,164	19,553
SCAG	470,089	13,113	2,416	75,390	412,716	100,776	65,040	72,157	174,748	412,721

**Draft**

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

**Draft**

County	City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Imperial	Brawley city	3,080	90	4	141	3,034	760	470	466	1,338	3,034
Imperial	Calxico city	3,139	91	8	13	3,224	817	489	490	1,428	3,224
Imperial	Calipatria city	187	5	0	48	144	37	22	22	63	144
Imperial	El Centro city	2,118	64	8	265	1,924	487	300	297	840	1,924
Imperial	Holtville city	222	7	1	20	209	54	31	32	92	209
Imperial	Imperial city	1,367	32	1	91	1,309	349	205	202	553	1,309
Imperial	Westmorland city	230	7	3	8	233	57	35	36	105	233
Imperial	Unincorporated	7,085	182	25	819	6,474	1,633	1,001	1,001	2,839	6,474
Los Angeles	Agoura Hills city	113	2	0	0	115	31	19	20	45	115
Los Angeles	Alhambra city	1,580	52	0	141	1,492	380	224	246	642	1,492
Los Angeles	Arcadia city	1,141	30	0	117	1,054	276	167	177	434	1,054
Los Angeles	Artesia city	112	3	5	0	120	31	18	20	51	120
Los Angeles	Avalon city	149	6	3	79	80	20	12	14	34	80
Los Angeles	Azusa city	868	25	6	120	779	198	118	127	336	779
Los Angeles	Baldwin Park city	528	14	15	0	557	142	83	90	242	557
Los Angeles	Bell city	40	1	6	0	47	11	7	8	21	47
Los Angeles	Bellflower city	91	3	0	115	2	1	1	0	0	2
Los Angeles	Bell Gardens city	33	1	12	0	46	11	7	8	20	46
Los Angeles	Beverly Hills city	271	9	34	324	3	1	1	1	0	3
Los Angeles	Bradbury city	7	0	1	7	2	1	1	0	0	2
Los Angeles	Burbank city	2,767	88	62	234	2,684	694	413	443	1,134	2,684
Los Angeles	Calabasas city	325	7	0	3	330	88	54	57	131	330
Los Angeles	Carson city	1,662	36	0	0	1,698	447	263	280	708	1,698
Los Angeles	Cerritos city	84	2	0	0	86	23	14	14	35	86
Los Angeles	Claremont city	372	9	0	8	373	98	59	64	152	373
Los Angeles	Commerce city	44	1	0	0	46	12	7	7	20	46
Los Angeles	Compton city	11	0	4	302	2	1	1	0	0	2
Los Angeles	Covina city	310	9	2	90	230	60	35	38	97	230
Los Angeles	Cudahy city	303	12	3	0	318	80	46	51	141	318
Los Angeles	Culver City city	180	5	0	0	185	48	29	31	77	185
Los Angeles	Diamond Bar city	1,122	23	0	0	1,146	308	182	190	466	1,146
Los Angeles	Downey city	854	25	19	84	814	210	123	135	346	814
Los Angeles	Duarte city	329	8	0	0	337	87	53	55	142	337

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County		City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Los Angeles		El Monte city	2,069	67	34	28	2,142	529	315	352	946	2,142
Los Angeles		El Segundo city	60	2	7	0	69	18	11	12	28	69
Los Angeles		Gardena city	394	12	0	9	397	98	60	66	173	397
Los Angeles		Glendale city	2,291	77	61	411	2,017	508	310	337	862	2,017
Los Angeles		Glendora city	661	15	9	0	686	181	106	115	284	686
Los Angeles		Hawaiian Gardens city	124	4	3	2	129	32	19	21	57	129
Los Angeles		Hawthorne city	711	26	0	55	683	170	101	112	300	683
Los Angeles		Hermosa Beach city	1	0	0	0	2	1	1	0	0	2
Los Angeles		Hidden Hills city	18	0	3	2	18	5	3	3	7	18
Los Angeles		Huntington Park city	845	31	18	0	895	216	128	149	402	895
Los Angeles		Industry city	0	0	0	0	0	0	0	0	0	0
Los Angeles		Inglewood city	1,159	39	75	261	1,013	250	150	167	446	1,013
Los Angeles		Irwindale city	15	0	1	1	15	4	2	2	7	15
Los Angeles		La Canada Flintridge city	110	2	0	0	112	30	18	20	44	112
Los Angeles		La Habra Heights city	117	2	1	1	119	32	19	21	47	119
Los Angeles		Lakewood city	425	10	0	32	403	107	63	67	166	403
Los Angeles		La Mirada city	230	5	0	0	235	62	37	40	96	235
Los Angeles		Lancaster city	3,980	107	33	1,610	2,510	627	384	413	1,086	2,510
Los Angeles		La Puente city	942	25	0	0	967	246	143	159	419	967
Los Angeles		La Verne city	585	13	3	39	562	147	88	94	233	562
Los Angeles		Lawndale city	368	13	0	0	381	96	57	62	166	381
Los Angeles		Lomita city	36	1	9	0	47	12	7	8	20	47
Los Angeles		Long Beach city	9,487	309	0	2,748	7,048	1,773	1,066	1,170	3,039	7,048
Los Angeles		Los Angeles city	95,023	3,186	0	16,207	82,002	20,427	12,435	13,728	35,412	82,002
Los Angeles		Lynwood city	453	14	27	0	494	123	72	81	218	494
Los Angeles		Malibu city	130	3	3	198	2	1	1	0	0	2
Los Angeles		Manhattan Beach city	37	1	0	0	38	10	6	7	15	38
Los Angeles		Maywood city	50	2	1	0	53	13	8	9	23	53
Los Angeles		Monrovia city	388	12	14	25	389	101	61	65	162	389
Los Angeles		Montebello city	1,031	32	3	0	1,066	269	161	175	461	1,066
Los Angeles		Monterey Park city	755	21	41	2	815	205	123	137	350	815
Los Angeles		Norwalk city	187	5	9	0	201	52	31	33	85	201

*Draft*

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County	City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of households				Total
							very low income	low income	moderate income	above moderate income	
Los Angeles	Palmdale city	6,432	158	0	1,139	5,452	827	898	2,332	5,452	
Los Angeles	Palms Verdes Estates city	3	0	15	2	16	3	3	6	16	
Los Angeles	Paramount city	151	5	0	51	105	16	17	46	105	
Los Angeles	Pasadena city	2,051	65	29	812	1,332	207	224	561	1,332	
Los Angeles	Pico Rivera city	829	20	0	0	850	131	140	362	850	
Los Angeles	Pomona city	3,862	110	0	346	3,626	543	592	1,572	3,626	
Los Angeles	Rancho Palms Verdes city	30	1	0	0	31	5	5	13	31	
Los Angeles	Redondo Beach city	1,293	38	121	56	1,397	223	238	564	1,397	
Los Angeles	Rolling Hills city	9	0	2	5	6	1	1	2	6	
Los Angeles	Rolling Hills Estates city	14	0	2	11	5	1	1	2	5	
Los Angeles	Rosemead city	550	17	35	0	601	88	99	262	602	
Los Angeles	San Dimas city	457	11	4	9	463	72	77	193	463	
Los Angeles	San Fernando city	221	6	5	15	217	32	35	95	217	
Los Angeles	San Gabriel city	958	29	0	57	930	142	154	398	930	
Los Angeles	San Marino city	2	0	0	0	2	1	0	0	2	
Los Angeles	Santa Clarita city	8,338	197	2	216	8,322	1,315	1,410	3,389	8,322	
Los Angeles	Santa Fe Springs city	350	9	0	35	324	50	53	139	324	
Los Angeles	Santa Monica city	1,745	64	83	218	1,674	263	283	700	1,674	
Los Angeles	Sierra Madre city	60	2	0	7	55	14	9	23	55	
Los Angeles	Signal Hill city	197	6	0	34	169	27	28	70	169	
Los Angeles	South El Monte city	162	5	6	0	172	43	28	76	172	
Los Angeles	South Gate city	1,172	37	53	0	1,262	185	205	558	1,262	
Los Angeles	South Pasadena city	130	4	3	74	63	10	11	25	63	
Los Angeles	Temple City city	531	14	61	2	603	93	99	252	603	
Los Angeles	Torrance city	1,416	40	38	43	1,450	227	243	600	1,450	
Los Angeles	Vernon city	0	0	0	0	2	1	0	0	2	
Los Angeles	Walnut city	892	17	0	0	908	144	155	363	908	
Los Angeles	West Covina city	806	20	5	0	831	129	138	347	831	
Los Angeles	West Hollywood city	408	16	0	347	77	12	13	33	77	
Los Angeles	Westlake Village city	44	1	0	0	45	7	8	18	45	
Los Angeles	Whittier city	911	25	3	60	878	135	146	369	878	
Los Angeles	Unincorporated	30,574	804	289	1,503	30,144	4,650	5,060	12,581	30,145	

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County	City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of households				Total
							very low income	low income	moderate income	above moderate income	
Orange	Aliso Viejo city	38	1	0	0	39	9	7	7	16	39
Orange	Anaheim city	6,877	209	0	1,385	5,702	1,256	907	1,038	2,501	5,702
Orange	Brea city	1,826	47	4	26	1,851	426	305	335	785	1,851
Orange	Buena Park city	349	10	7	27	339	76	53	62	148	339
Orange	Costa Mesa city	174	6	24	312	2	1	1	0	0	2
Orange	Cypress city	295	7	6	0	308	71	50	56	131	308
Orange	Dana Point city	474	13	17	178	327	76	53	61	137	327
Orange	Fountain Valley city	350	8	0	0	358	83	59	65	151	358
Orange	Fullerton city	2,163	62	32	416	1,841	411	299	337	794	1,841
Orange	Garden Grove city	715	20	12	0	747	164	120	135	328	747
Orange	Huntington Beach city	1,478	40	11	175	1,353	313	220	248	572	1,353
Orange	Irvine city	12,686	380	0	918	12,149	2,817	2,034	2,239	5,059	12,149
Orange	Laguna Beach city	32	1	1	172	2	1	1	0	0	2
Orange	Laguna Hills city	124	3	0	166	2	1	1	0	0	2
Orange	Laguna Niguel city	158	4	21	0	182	43	30	34	75	182
Orange	Laguna Woods city	129	3	0	443	2	1	1	0	0	2
Orange	La Habra city	135	4	0	135	4	1	1	1	1	4
Orange	Lake Forest city	2,663	63	0	0	2,727	647	450	497	1,133	2,727
Orange	La Palma city	9	0	0	0	9	2	2	2	3	9
Orange	Los Alamitos city	55	2	4	0	61	14	10	11	26	61
Orange	Mission Viejo city	173	4	0	0	177	42	29	33	73	177
Orange	Newport Beach city	533	15	0	608	5	1	1	1	2	5
Orange	Orange city	394	11	7	49	363	83	59	66	155	363
Orange	Placentia city	479	12	1	0	492	112	81	90	209	492
Orange	San Clemente city	12	0	1	31	2	1	1	0	0	2
Orange	San Juan Capistrano city	662	17	4	101	581	134	95	108	244	581
Orange	Santa Ana city	625	14	0	2	638	147	104	120	267	638
Orange	Seal Beach city	503	15	25	339	204	45	32	37	90	204
Orange	Stanton city	19	0	10	186	2	1	1	0	0	2
Orange	Tustin city	329	10	2	28	313	68	49	56	140	313
Orange	Villa Park city	1,219	36	127	155	1,227	283	195	224	525	1,227
Orange		14	0	0	0	14	3	2	3	6	14

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Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County	City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of households				Total
							very low income	low income	moderate income	above moderate income	
Orange	Westminster city	110	3	5	297	2	1	1	0	0	2
Orange	Yorba Linda city	633	13	24	0	669	160	113	126	270	669
Orange	Unincorporated	5,094	111	67	0	5,272	1,240	879	979	2,174	5,272
Riverside	Banning city	4,120	101	8	437	3,792	872	593	685	1,642	3,792
Riverside	Beaumont city	5,415	122	2	289	5,250	1,267	854	969	2,160	5,250
Riverside	Blythe city	565	17	15	194	402	91	64	75	172	402
Riverside	Calimesa city	2,439	51	1	150	2,341	543	383	433	982	2,341
Riverside	Canyon Lake city	141	3	0	61	83	21	14	16	32	83
Riverside	Cathedral City city	1,241	32	19	693	600	141	95	110	254	600
Riverside	Coachella city	6,871	181	1	283	6,771	1,555	1,059	1,212	2,945	6,771
Riverside	Corona city	1,081	27	5	343	770	192	128	142	308	770
Riverside	Desert Hot Springs city	4,944	151	3	903	4,196	946	661	772	1,817	4,196
Riverside	Hemet city	2,797	74	0	2,267	604	134	96	112	262	604
Riverside	Indian Wells city	291	6	1	138	160	40	27	31	62	160
Riverside	Indio city	4,053	103	0	1,131	3,025	714	487	553	1,271	3,025
Riverside	Lake Elsinore city	5,211	131	11	424	4,929	1,196	801	897	2,035	4,929
Riverside	Menifee city	6,842	150	0	748	6,245	1,488	1,007	1,140	2,610	6,245
Riverside	La Quinta city	1,336	30	18	1,020	364	91	61	66	146	364
Riverside	Moreno Valley city	7,114	182	15	1,142	6,169	1,500	993	1,112	2,564	6,169
Riverside	Murrieta city	2,174	52	4	657	1,573	395	262	289	627	1,573
Riverside	Norco city	809	17	4	12	818	205	136	151	326	818
Riverside	Palm Desert city	1,960	50	0	1,596	413	98	67	76	172	413
Riverside	Palm Springs city	2,010	55	8	1,802	272	63	43	50	116	272
Riverside	Perris city	4,693	118	4	536	4,280	1,026	681	759	1,814	4,280
Riverside	Rancho Mirage city	594	12	0	511	95	23	15	18	39	95
Riverside	Riverside city	9,534	270	35	1,556	8,283	2,002	1,336	1,503	3,442	8,283
Riverside	San Jacinto city	3,000	74	5	646	2,433	562	394	441	1,036	2,433
Riverside	Temecula city	1,903	46	14	470	1,493	375	251	271	596	1,493
Riverside	Wildomar city	2,620	60	1	146	2,535	621	415	461	1,038	2,535
Riverside	Unincorporated	36,548	834	0	3,903	33,478	7,956	5,396	6,115	14,011	33,478
San Bernardino	Adelanto city	3,276	91	8	534	2,841	633	459	513	1,236	2,841
San Bernardino	Apple Valley town	4,055	98	0	819	3,334	764	541	622	1,407	3,334

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County	City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHINA	Number of households				Total
							very low income	low income	moderate income	above moderate income	
San Bernardino	Barstow city	1,456	44	4	662	843	188	138	154	363	843
San Bernardino	Big Bear Lake city	188	5	11	776	2	1	1	0	0	2
San Bernardino	Chino city	3,008	73	0	187	2,894	707	478	533	1,176	2,894
San Bernardino	Chino Hills city	844	18	0	0	862	217	148	164	333	862
San Bernardino	Colton city	2,265	67	17	425	1,923	443	302	347	831	1,923
San Bernardino	Fontana city	6,385	155	0	564	5,977	1,442	974	1,090	2,471	5,977
San Bernardino	Grand Terrace city	158	4	0	44	118	28	19	22	49	118
San Bernardino	Hesperia city	2,416	60	7	768	1,715	398	274	314	729	1,715
San Bernardino	Highland city	1,744	44	3	291	1,500	349	246	280	625	1,500
San Bernardino	Loma Linda city	1,354	45	3	308	1,095	254	177	202	462	1,095
San Bernardino	Montclair city	709	19	3	35	697	164	114	125	294	697
San Bernardino	Needles city	359	10	3	191	181	38	29	34	80	181
San Bernardino	Ontario city	10,921	310	22	392	10,861	2,592	1,745	1,977	4,547	10,861
San Bernardino	Rancho Cucamonga city	1,002	26	9	188	848	209	141	158	340	848
San Bernardino	Redlands city	2,765	74	8	418	2,429	579	396	453	1,001	2,429
San Bernardino	Rialto city	3,304	85	0	674	2,715	636	432	496	1,151	2,715
San Bernardino	San Bernardino city	6,116	183	113	2,028	4,384	980	696	808	1,900	4,384
San Bernardino	Twentynine Palms city	807	28	2	384	454	103	72	84	195	454
San Bernardino	Upland city	1,945	54	3	412	1,589	382	260	294	653	1,589
San Bernardino	Victorville city	8,679	230	42	1,579	7,371	1,698	1,207	1,342	3,124	7,371
San Bernardino	Yucaipa city	1,942	44	13	395	1,605	376	261	299	669	1,605
San Bernardino	Yucca Valley town	1,262	33	2	366	930	209	149	172	400	930
San Bernardino	Unincorporated	3,662	89	197	4,392	39	9	6	7	17	39
Ventura	Camarillo city	2,229	54	0	59	2,224	539	366	411	908	2,224
Ventura	Fillmore city	714	18	2	40	694	160	112	128	294	694
Ventura	Moorpark city	1,135	25	4	0	1,164	289	197	216	462	1,164
Ventura	Ojai city	382	11	0	22	371	87	59	70	155	371
Ventura	Oxnard city	7,090	200	11	0	7,301	1,688	1,160	1,351	3,102	7,301
Ventura	Port Hueneme city	162	5	0	173	2	1	1	0	0	2
Ventura	Buenaventura (Ventura)	3,706	105	6	163	3,654	861	591	673	1,529	3,654
Ventura	Santa Paula city	1,261	35	2	14	1,285	288	201	241	555	1,285
Ventura	Simi Valley city	1,228	28	0	0	1,256	310	208	229	509	1,256

Draft Regional Housing Needs Allocation (by Components and Income), 1/1/2014-9/30/2021

County		City	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Net RHNA	Number of				
								very low income households	low income households	moderate income households	above moderate income households	
Ventura	Thousand Oaks city		188	4	0	0	192	47	32	36	77	192
Ventura	Unincorporated		1,534	37	15	177	1,410	342	233	262	573	1,410

*Draft*

Notes

\* The city boundaries for the base year and the projected year are based on January 1, 2011.

\*\* Eastvale and Jurupa Valley RHNA figures are still part of Riverside County RHNA allocation and will be determined and provided shortly.

\*\*\* Draft RHNA allocation (by components) = household growth (1/1/2014-9/30/2021)+base market vacancy needs-total replacement needs- vacancy credit

\*\*\*\* Draft RHNA allocation (by components) by jurisdiction is subject to rounding adjustment.

\*\*\*\*\* Tribal Land household growth credit (2,810) was already applied to household growth of selected local jurisdictions.

\*\*\*\*\* If the excess vacancy credit exceeds the sum of household growth, base vacancy needs, and replacement needs, then Draft RHNA allocation (Net RHNA) can be either of 2 units or 1% of the sum of household growth, base vacancy needs, and replacement needs, whichever is bigger.

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**NO. 535**  
**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**  
**REGIONAL COUNCIL**  
**MINUTES OF THE MEETING**  
**JANUARY 5, 2012**

**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN THE OFFICE OF REGIONAL COUNCIL SUPPORT.**

The Regional Council (RC) of the Southern California Association of Governments (SCAG) held its meeting at the Southern California Association of Governments, 818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor, Board Room, Los Angeles, CA 90017. The meeting was called to order by President Pam O'Connor, Santa Monica, District 41, at approximately 12:15 p.m. There was a quorum.

**Members Present**

Hon. Pam O'Connor, President	<i>Santa Monica</i>	District 41
Hon. Glen Becerra, 1 <sup>st</sup> Vice-President	<i>Simi Valley</i>	District 46
Hon. Larry McCallon, Immediate Past President	<i>Highland</i>	District 7
Hon. Jack Terrazas		Imperial County
Hon. Michael Antonovich		Los Angeles County
Hon. Shawn Nelson		Orange County
Hon. John J. Benoit		Riverside County
Hon. Mary Craton	<i>Canyon Lake</i>	RCTC
Hon. Brad Mitzelfelt	<i>San Bernardino County</i>	SANBAG
Hon. Cheryl Viegas-Walker	<i>El Centro</i>	District 1
Hon. Jim Hyatt	<i>Calimesa</i>	District 3
Hon. Ronald Roberts	<i>Temecula</i>	District 5
Hon. Jon Harrison	<i>Redlands</i>	District 6
Hon. Deborah Robertson	<i>Rialto</i>	District 8
Hon. Glenn Duncan	<i>Chino</i>	District 10
Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
Hon. Paul Glaab	<i>Laguna Niguel</i>	District 12
Hon. Joel Lautenschleger	<i>Laguna Hills</i>	District 13
Hon. Michele Martinez	<i>Santa Ana</i>	District 16
Hon. Leroy Mills	<i>Cypress</i>	District 18
Hon. Kris Murray	<i>Anaheim</i>	District 19
Hon. Sharon Quirk-Silva	<i>Fullerton</i>	District 21
Hon. Brett Murdock	<i>Brea</i>	District 22
Hon. Bruce Barrows	<i>Cerritos</i>	District 23
Hon. Gene Daniels	<i>Paramount</i>	District 24
Hon. David Gafin	<i>Downey</i>	District 25
Hon. Lillie Dobson	<i>Compton</i>	District 26
Hon. Frank Gurulé	<i>Cudahy</i>	District 27
Hon. Steven Neal	<i>Long Beach</i>	District 29
Hon. James Johnson	<i>Long Beach</i>	District 30
Hon. Stan Carroll	<i>La Habra Heights</i>	District 31
Hon. Margaret Clark	<i>Rosemead</i>	District 32
Hon. Keith Hanks	<i>Azusa</i>	District 33

**Members Present - continued**

Hon. Barbara Messina	<i>Alhambra</i>	District 34
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
Hon. Carol Herrera	<i>Diamond Bar</i>	District 37
Hon. Paula Lantz	<i>Pomona</i>	District 38
Hon. James Gazeley	<i>Lomita</i>	District 39
Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
Hon. Frank Quintero	<i>Glendale</i>	District 42
Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
Hon. Carl Morehouse	<i>Ventura</i>	District 47
Hon. Ed P. Reyes	<i>Los Angeles</i>	District 48
Hon. Dennis Zine	<i>Los Angeles</i>	District 50
Hon. Mitchell Englander	<i>Los Angeles</i>	District 59
Hon. Darcy Kuenzi	<i>Menifee</i>	District 63
Hon. Matthew Harper	<i>Huntington Beach</i>	District 64
Hon. Ginger Coleman	<i>Town of Apple Valley</i>	District 65
Hon. Lisa Bartlett	<i>Dana Point</i>	TCA
Mr. Randall Lewis, Ex-Officio		Lewis Operating Group

**Members Not Present**

Hon. Greg Pettis, 2 <sup>nd</sup> Vice-President	<i>Cathedral City</i>	District 2
Hon. Don Hansen	<i>Huntington Beach</i>	OCTA
Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
Hon. Gary Ovitt		San Bernardino County
Hon. Linda Parks		Ventura County
Hon. Ronald Loveridge	<i>Riverside</i>	District 4
Hon. Paul Eaton	<i>Montclair</i>	District 9
Hon. Sukhee Kang	<i>Irvine</i>	District 14
Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
Hon. John Nielsen	<i>Tustin</i>	District 17
Hon. Andy Quach	<i>Westminster</i>	District 20
Hon. Judy Dunlap	<i>Inglewood</i>	District 28
Hon. Bryan A. MacDonald	<i>Oxnard</i>	District 45
Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
Hon. Tom LaBonge	<i>Los Angeles</i>	District 51
Hon. Paul Koretz	<i>Los Angeles</i>	District 52
Hon. Tony Cárdenas	<i>Los Angeles</i>	District 53
Hon. Richard Alarcón	<i>Los Angeles</i>	District 54
Hon. Bernard Parks	<i>Los Angeles</i>	District 55
Hon. Jan Perry	<i>Los Angeles</i>	District 56
Hon. Herb Wesson, Jr.	<i>Los Angeles</i>	District 57
Hon. Bill Rosendahl	<i>Los Angeles</i>	District 58
Hon. Eric Garcetti	<i>Los Angeles</i>	District 60
Hon. José Huizar	<i>Los Angeles</i>	District 61
Hon. Lupe Ramos Watson	<i>Indio</i>	District 66
Hon. Mario F. Hernandez	<i>San Fernando</i>	District 67
Hon. Mark Calac		Pechanga Band of Luiseño Indians

**Staff Present**

Hasan Ikhata, Executive Director  
Joann Africa, Chief Counsel  
Sharon Neely, Deputy Executive Director, Policy, Strategy & Public Affairs  
Debbie Dillon, Deputy Executive Director, Administration  
Douglas Williford, Deputy Executive Director, Planning and Programs  
Wayne Moore, Chief Financial Officer  
Huasha Liu, Director of Land Use & Environmental Planning  
Rich Macias, Director of Transportation Planning  
Sylvia Patsaouras, Interim Director of Regional Services and Public Affairs  
Deby Salcido, Officer to the Regional Council  
Tess Rey-Chaput, Office of Regional Council Support

**PUBLIC COMMENT PERIOD**

Miles Mitchell, Subregional Coordinator, representing Los Angeles, commented regarding the City of Los Angeles' positive negotiation and working experience with the consultant team of the high-speed rail project.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

President Pam O'Connor announced that Item No. 23, California Redevelopment Association, et al. v. Ana Matosantos, et al. (Case No. S194861) will be discussed following Item No. 6, California High Speed Rail Authority (CHSRA) Business Plan Presentation; and that Item No. 7, SCAG Recognition of the San Fernando Valley Council of Governments Subregion, will be discussed before Item No. 1, New Members' appointments.

**7. SCAG Recognition of the San Fernando Valley Council of Governments (COG) Subregion**

Staff provided background information on the matter. A motion was made (McCallon) to recognize San Fernando Valley Council of Governments (COG) Subregion. Motion was SECONDED (Lautenschleger) and UNANIMOUSLY approved.

**PRESIDENT'S REPORT****1. New Members****Representative to the Regional Council:**

Hon. Jeff Stone, representing Riverside County

**2. New Committee Appointments****Representative to the TC:**

Hon. Jess Talamantes, Burbank, representing SFVCOG

**Representative to the LCMC:**

Hon. Paul Glaab, Laguna Niguel, District 12

**Representatives to the CEHD:**

Hon. Ray Musser, Upland, representing SANBAG

Hon. Laurie Ender, Santa Clarita, representing SFVCOG

Representatives to the Bylaws and Resolutions Committee:

Los Angeles County: Hon. Margaret Clark, Rosemead, District 32  
 Hon. Pam O'Connor, Santa Monica, District 41  
 Hon. Mitch Englander, Los Angeles, District 59

Orange County: Hon. Michele Martinez, Santa Ana, District 16  
 Hon. Leroy Mills, Cypress, District 18

San Bernardino County: Hon. Gary Ovitt, San Bernardino County  
 Hon. Larry McCallon, Highland, District 7

Riverside County: Hon. Greg Pettis, Cathedral City, District 2 (Chair)

Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1

Ventura County: Hon. Keith Millhouse, Moorpark, VCTC

Representatives to the Nominating Committee:

Los Angeles County: Hon. Dennis Zine, Los Angeles, District 50

Orange County: Hon. Michele Martinez, Santa Ana, District 16

San Bernardino County: Hon. Gary Ovitt, San Bernardino County  
 Hon. Larry McCallon, Highland, District 7 (Chair)

Riverside County: Hon. Ron Roberts, Temecula, District 5

Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1

Ventura County: Hon. Linda Parks, Ventura County

Representatives to the General Assembly Host and Sponsorships Committee

Hon. Glen Becerra, Simi Valley, District 46 (Chair)

Hon. Margaret E. Finlay, Duarte, District 35 (Volunteer)

Representatives to the Scholarship Committee

Hon. Pam O'Connor, Santa Monica, District 41 (Chair)

Mr. Randall Lewis, Lewis Group of Companies

Professor Ronald Loveridge, University of California, Riverside

Professor Dohyung Kim, California Polytechnic University, Pomona

Rodolfo D. Torres, University of California, Irvine

Professor James Moore, University of Southern California

President Pam O'Connor announced that January 5, 2012 is the deadline for the Call for Resolutions and submission of proposed revisions to the SCAG Bylaws for consideration at the April 4 – 5, 2012 General Assembly. She also announced that to be considered for a 2012-2013 SCAG Officer position, a completed application form must be submitted by Friday, January 20, 2012. Lastly, President O'Connor announced that the New Board Member Orientation is scheduled for Tuesday, February 21, 2012, 10:00 a.m. to 1:00 p.m. at the SCAG Los Angeles Office, Board Room.

**EXECUTIVE DIRECTOR'S REPORT**

Hasan Ikhtrata, Executive Director, announced that the Draft 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and Program Environmental Impact Report (PEIR) are available on the SCAG's website with the RTP/SCS part of a new interactive webpage that will allow the visitors to make comments directly on the webpage. Mr. Ikhtrata also announced that the California Air Resources Board (ARB) meeting is scheduled on Thursday, February 23, 2012 in Sacramento where ARB will discuss and take action on the SCS.

In regard to the high-speed rail agenda item, Mr. Ikhata noted that Supervisor Mike Antonovich has initiated a motion asking the Metro Board of Directors to support a high-speed rail route that travels through the Antelope Valley between Los Angeles and Bakersfield—with a station in Palmdale—and for this to receive priority funding. Mr. Ikhata stated that he, along with the County Transportation Commissions (CTCs) and SCAG, are pleased with the collaboration received from the staff at the California High-Speed Rail Authority (CHSRA).

### **CALIFORNIA HIGH-SPEED RAIL AUTHORITY (CHSRA) PRESENTATION**

6. California High Speed Rail Authority (CHSRA) Business Plan Presentation; Authorize SCAG Executive Director to Submit Public Comment Letter Regarding the Draft Business Plan; and discuss Draft Memorandum of Understanding (MOU) with CHSRA and Southern California Transportation Agencies

Executive Director, Hasan Ikhata introduced and welcomed Mr. Dan Richard, CHSRA Board Member. Mr. Richard provided a brief bio and stated that he and Mr. Michael Rossi were appointed as Board Members to the CHSRA by Governor Jerry Brown in August 2011. He stated that the high-speed rail is a transformative system; must be integrated and interconnected with the existing local system; and is important for California. Mr. Richard stated that he is delighted with the opportunity to work with SCAG's Regional Council Members in drafting the business plan as the project requires a strong regional partnership to make it successful. Moreover, Mr. Richard stated that the high-speed rail project cannot be a separate discretionary expenditure; and as the state grows, mobility needs increase. He envisioned that the project will unfold within the next several decades as it will need to be constructed incrementally.

Will Kempton, Chief Executive Officer, Orange County Transportation Authority (OCTA), commented regarding the collaborative and positive working relationship between CHSRA and OCTA and noted that he is pleased that the draft business plan focused on and included a blended approach.

Ty Schuilling, Interim Executive Director, San Bernardino Associated Governments (SANBAG), commented on the significant opportunity to provide additional financing for the regional rail system and the positive improvement in the working relationship established between CHSRA staff and the regional participants within the last few months.

John Standiford, Deputy Director, Riverside County Transportation Commission (RCTC), concurred with the comments previously made and appreciated the collaborative efforts to fully discuss the regional investment need of high-speed rail.

Art Leahy, Chief Executive Officer, Metro, commented that he appreciated the discussions and shared concepts of the connectivity of the high-speed rail project that will benefit Southern California as a whole.

President Pam O'Connor opened the Public Comment Period.

Councilmember Marsha McLean, City of Santa Clarita, stated that she appreciated Mr. Richard's presentation and suggested an integrated approach of the high-speed rail project and consideration of its impact in the communities. In regard to the draft Memorandum of Understanding (MOU), Councilmember McLean suggested creating a timeline of the expenditures; a matrix of the upgrades; and where and when additional funding will become available for the project.

President Pam O'Connor closed the Public Comment Period.

Councilmember Alan Wapner, City of Ontario, and Chair of the Regional Transportation Plan (RTP) Subcommittee, reported that there was discussion that the high-speed rail will travel through Palmdale and improve existing Los Angeles–San Diego–San Luis Obispo (LOSSAN) and Metrolink corridors. He stated that the RTP Subcommittee made a recommendation to the Regional Council that the CHSRA Phase 1 be retained in the constrained plan of the Draft 2012-2035 RTP/SCS, subject to an MOU between Metrolink, LOSSAN and CHSRA by February 2012 and that CHSRA will include committing an investment of \$1 billion for the blended approach. Councilmember Wapner thanked the Regional Council for assuring that the CHSRA's draft business plan implemented blended approach goals and that the project will be integrated in the existing regional rail system. Lastly, Councilmember Wapner asked if the CHSRA's next meeting will include discussion relating to the high-desert alignment. Mr. Richard confirmed that the issue of Palmdale vs. Grapevine alignment will be revisited and discussed at the next CHSRA meeting.

Hasan Ikhata, Executive Director, provided additional comments on the draft letter relating to the CHSRA draft business plan.

Supervisor Shawn Nelson, Orange County, provided comments related to the high-speed rail and suggested building a rail service from Los Angeles to Bakersfield since rail will be constructed using an incremental approach. Mr. Richard agreed that simultaneous investments should be made for the areas that are lacking rail service. Mr. Richard noted that Proposition 1A allocates \$9 billion to the CHSRA for high-speed rail and that there is also an additional \$950 million provided for improving rail services connecting to the high-speed rail but will need additional funding to augment the \$950 million. While it is important for CHSRA to utilize its influence to obtain funding for these other areas and start pulling early investments in the system, Mr. Richard stated that the comments made by the Peer Review Report on the high-speed rail project may create standards and implications for the rest of the project and undermine CHSRA's ability to utilize the funding in these other areas. Lastly, Mr. Richard commented that the gap between Union Station and Bakersfield will need to be filled in California's rail transit.

Councilmember Bruce Barrows, Cerritos, District 23, commented that he is pleased with the working relationship between CHSRA and the counties and asked if the \$1 billion, as noted on the staff report, includes San Diego County. Mr. Ikhata responded that the \$1 billion includes the Southern California region.

Councilmember Barbara Messina, Alhambra, District 34, expressed unsatisfactory reaction on the proposed alignment and suggested that consideration be given to working with the communities of the San Gabriel Valley.

Councilmember Ed P. Reyes, Los Angeles, District 48, commented regarding the impacts of the project; how it is being assessed; if mitigation efforts are being considered; and understanding the silo effect of these agencies working or not working together, given the economic condition of the country as tax dollars will be utilized for the high-speed rail. Mr. Richard responded that in working on the project, CHSRA is committed to work in partnership with the agencies and communities.

Supervisor Brad Mitzelfelt, San Bernardino County, SANBAG, commented regarding the recitals in the draft MOU. Executive Director Hasan Ikhata clarified that the Regional Council will not be taking action on the draft MOU but is requesting to only authorize staff to send the comment letter on the draft business plan letter to CHSRA. In regard to the performance criteria for the draft candidate list, Mr. Ikhata noted that this is still being reviewed by all parties concerned while developing all performance criteria in the MOU.

Councilmember Paula Lantz, Pomona, District 38, recognized the improved working relationship with the agencies and CHSRA and stated her support, in concept, in utilizing Proposition 1A funds for local projects. However, Councilmember Lantz expressed concerns that the draft MOU was not available to be reviewed by the Regional Council in a timely manner; suggested refining the language in the MOU specifically regarding support of any alignment and ensuring that funds be spent locally; and suggested that staff include a matrix of projects and a project timeline. Lastly, Councilmember Lantz noted concern that the draft letter is presented as a “public comment letter on the draft business plan.” Mr. Ikhrata apologized for the lateness of sending the report and noted that the draft MOU will be reviewed by all parties involved and will then be forwarded to the Regional Council for review.

Councilmember Deborah Robertson, Rialto, District 8, commented regarding the high speed-rail and stated support in sending a letter regarding the draft business plan.

Supervisor Michael Antonovich, Los Angeles County, expressed concerns regarding the representation of his original motion regarding the Antelope Valley alignment in the draft MOU; the participation of all cities concerned; and consent with the alignment as noted in the motion. Mr. Ikhrata clarified that the intent of Supervisor Antonovich’s motion is reflected in the draft MOU, which is the support of the Antelope Valley alignment as opposed to the Grapevine alignment and to ensure investment in the “bookends” of the rail system.

A motion was made (Robertson) to authorize the SCAG Executive Director to submit a public comment letter regarding the draft business plan, as written, and included in the agenda packet and to finalize the Draft Memorandum of Understanding (MOU) with CHSRA and Southern California Transportation Agencies to ensure that it is consistent with the Regional Council’s original direction. Motion was SECONDED (McCallon) and approved by a MAJORITY VOTE with four (4) in OPPOSITION (Lantz, Clark, Nelson, Hyatt).

## **REPORT FROM LEGAL COUNSEL**

President Pam O’Connor announced that Item No. 23, California Redevelopment Association, et al. v. Ana Matosantos, et al. (Case No. S194861) will be discussed next as a result of reprioritizing the agenda.

Hasan Ikhrata, Executive Director, provided some background on the recent Supreme Court decision and noted that additional information regarding the decision to allow for the dissolution of redevelopment agencies in the State was included in the summary report prepared by Joann Africa, Chief Counsel, which was previously provided to the Regional Council. He also noted that the Legislative/Communications and Membership Committee will be reviewing SCAG’s role with respect to any future developments relating to the decision.

## **COMMITTEE REPORTS/ACTION ITEMS**

### **Executive/Administration Committee (EAC) Report**

A motion was made (O’Connor) to approve Item Nos. 8, 9 and 10. Motion was SECONDED (Morehouse) and approved by a UNANIMOUS vote.

#### **8. Audit Committee Charter Amendment**

9. Proposed Memorandum of Understanding (MOU) between the Southern California Association of Governments (SCAG) and the Center for Demographic Research (CDR) at California State University, Fullerton (CSUF)
10. Proposed Memorandum of Understanding (MOU) between the Southern California Association of Governments (SCAG) and the Daegu-Gyeongbuk Development Institute (DGI)

### **Community, Economic and Human Development Committee (CEHD) Report**

Councilmember Bill Jahn, Big Bear Lake, District 11, reported on the proposed policies for Regional Housing Needs Assessment (RHNA) transfers due to annexations and incorporations; approval of the distribution of the draft RHNA Allocation Plan to be presented to the Regional Council in February 2012; and that the procedures for addressing RHNA revision requests, appeals, and trade & transfers were reviewed and discussed at the CEHD meeting and will be forwarded to the Regional Council for approval, also in February.

### **Energy and Environment Committee (EEC) Report**

Councilmember Margaret Clark, Rosemead, District 32, stated that there was nothing to report at this time.

### **Transportation Committee (TC) Report**

Councilmember Paul Glaab, Laguna Niguel, District 12, stated that there was nothing to report at this time.

### **Legislative/Communications and Membership Committee (LCMC) Report**

*(Hon. Judy Mitchell, Chair)*

#### 11. Public Buses: Triple Bicycle Racks Legislation

A motion was made (Mitchell) to allow SCAG regional transportation commissions and/or transit providers within their respective counties to install triple bicycle racks on public buses. Motion was SECONDED (Finlay) and approved by a UNANIMOUS vote.

#### 12. SCAG Proposed Draft Public Participation Plan Amendment No. 3

A motion was made (Mitchell) to approve the SCAG proposed Draft Public Participation Plan Amendment No. 3. Motion was SECONDED (McCallon) and approved by a UNANIMOUS vote.

### **CONSENT CALENDAR**

A motion was made (Glaab) to approve the Consent Calendar. Motion was SECONDED (Lautenschlaeger) and approved by a UNANIMOUS vote.

#### 13. Minutes of the November 3, 2011 Meeting

#### 14. Minutes of the December 1, 2011 Meeting

#### 15. SCAG Sponsorship of Annual Events and Membership: 1. 2011-2012 Coalition for America's Gateways and Trade Corridors (\$6,500); 2. The Southern California Leadership Council (\$20,000); 3. Building Industry Association of Southern California Annual Installation & Awards Night (\$1,000); 4. ULI Orange County/Inland Empire Retrofitting TOD in Suburbia: Solutions for Orange County & Inland Empire (\$250); and 5. West Coast Corridor Coalition (\$500)

16. Amendments \$75,000 or Greater: Contract No. 10-026-C1, Alternative Analysis of the Pacific Electric Right-of-Way (PE ROW) / West Santa Ana Branch Corridor
17. Extension of iPad<sup>®</sup> Pilot Program/Paperless Agendas to Full Regional Council

### **Receive & File**

18. Contracts/Purchase Orders and/or Amendments Between \$5,000 - \$200,000
19. December 2011 State and Federal Legislative Update

### **INFORMATION ITEMS**

20. Draft 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and Program Environmental Impact Report (PEIR) Process—Next Steps

Hasan Ikhata, Executive Director, reported that the Draft 2012-2035 RTP/SCS and Draft PEIR was released in December 2011. To continue SCAG's outreach process, Mr. Ikhata announced that workshops and public hearings are scheduled throughout the region culminating in the Regional Council's consideration to adopt the Final 2012-2035 RTP/SCS in April 2012. He encouraged the Regional Councilmembers to attend a workshop scheduled in their counties.

Second Vice President Glen Becerra provided additional comments relating to the Draft PEIR, outreach workshops; and next steps; and suggested that the councilmembers listen to comments from their respective communities.

Supervisor Brad Mitzelfelt, San Bernardino County, SANBAG, expressed concern regarding the Draft PEIR, specifically that there was some language that could be viewed as not discretionary or not permissive and that it may be potentially open to a challenge. Mr. Ikhata responded that the Regional Councilmembers are charged with protecting the region and to consider moving the various regional plans forward while adhering to stringent deadlines. In regard to concerns on the Draft PEIR, Mr. Ikhata encouraged the councilmembers to contact staff to clarify issues or concerns that they may have.

21. FY 2010/11 External Financial Audit

Mr. Gilbert R. Vazquez, Managing Partner, Vazquez and Company, LLP, reported that an audit has been conducted as of June 30, 2011 and no material weaknesses or significant deficiencies were identified in regard to internal controls.

22. CFO Monthly Report

A written report was received.

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

None.

### **ADJOURNMENT**

There being no further business, the Regional Council meeting adjourned at 1:52 p.m. in memory of former Riverside Councilwoman and former SCAG President Rosanna Scott (1976).



Deby Salcido, Officer to the Regional Council

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**DATE:** February 2, 2012

**TO:** Executive/Administrative Committee (EAC)  
Regional Council (RC)

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, Moore@scag.ca.gov

**SUBJECT:** Draft FY 2012/13 Comprehensive Budget

**EXECUTIVE DIRECTOR'S APPROVAL:****RECOMMENDED ACTION:**

For information only; review and comment.

**EXECUTIVE SUMMARY:**

*Attached is a copy of the Draft FY 2012/13 Comprehensive Budget which includes the proposed work program for FY 2012/13. The Draft Comprehensive Budget is balanced and fully funded at \$46,870,720 (see page 11). The Draft Comprehensive Budget, as presented, is \$8,221,241 or 17% more than the FY 2012 budget. This increase is due primarily to a \$4 million FHWA grant for a congestion fee study; expansion of regional GIS services and the Green City's Initiative; and additional personnel costs to support expanded computer modeling capacity, Board policy implementation and regional office outreach services.*

*The proposed work program continues strategic initiatives started back in FY 2010/11 and builds upon successful programs completed in FY2011/12. The major strategic initiatives for FY 2012/13 are:*

- 1. Coordinate and monitor implementation of the adopted 2012 Regional Transportation Plan (RTP) and Sustainable Communities Strategies (SCS);*
- 2. Perform economic analysis impact of the 2012 RTP;*
- 3. Implement the approved Southern California Job Growth and Economic Recovery Strategy*
- 4. Pursue energy and water policy formulation for SCAG Board review;*
- 5. Enhance the Geographic Information System (GIS) Program to better serve the SCAG Region;*
- 6. Expanding video conferencing sites in the region;*
- 7. Assisting cities with Housing Element process and active transportation planning*
- 8. Compass Blueprint Program*

**FY 2011/12 Accomplishments:**

- Completed the release of the Draft 2012 Regional Transportation Plan and Sustainable Communities Strategy*
- Completed the Express Travel Choices Phase I Study*
- Completed the Comprehensive Regional Goods Movement Plan and Implementation Strategy*
- Continued work on the Southern California National Freight Gateway Collaboration*
- Initiated implementation of the approved Southern California Job Growth and Economic Recovery Strategy*
- Initiated the Regional Housing Needs Assessment process*
- Initiated the Southern California Economic Growth Strategy*

# REPORT

*workshops and outreach sessions within the SCAG Region*

- *Initiated an additional 30 Compass Demonstration Projects*
- *Launched interactive RTP on SCAG website*
- *Implemented RC iPad Pilot Program*

## **STRATEGIC PLAN:**

This item supports SCAG Strategic Plan Goal #3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

## **BACKGROUND:**

There are four components to the Comprehensive Budget:

1. Overall Work Program Budget (OWP)
2. General Fund Budget
3. Indirect Cost Budget
4. Fringe Benefit Budget

The Regional Council, Caltrans and the FHWA/FTA must approve each of these components before the FY 2012/13 work program can be implemented on July 1, 2012. The Regional Council must approve the General Fund Budget in March so that the General Assembly can approve it in April 2012. The other components, Overall Work Program Budget, Indirect Cost Budget and Fringe Benefit Budget must be approved by the Regional Council in May 2012.

The framework for developing the FY 2012/13 Comprehensive Budget was the SCAG Strategic Plan and Business Plan. All projects and programs funded in the budget support at least one of the five Strategic Plan Goals. The Strategic Plan Goals and Objectives are contained on pages 6-8. Highlights of the major budgeted activities and their strategic goal alignments are listed below:

### *Goal #1*

*Improve Regional Decision Making by Providing Leadership & Consensus Building on Key Plans & Policies*

- Regional Transportation Plan Implementation Strategy
- System Preservation
- Comprehensive Planning and Open-Space Strategic Plan
- Greenhouse Gas Reduction Project
- Corridor Performance Assessment and Bottleneck Analysis
- Economic Analysis of Adopted 2012 Regional Transportation Plan
- Urban Goods Movement
- East-West Freight Corridor/I-15 Study
- Evaluate opportunities to enhance Governance/Board Leadership
- Develop Energy and Water Policy consistent with the Regional Transportation Plan

### *Goal #2*

*Obtain Regional Transportation Infrastructure Funding & Promote Legislative Solutions for Regional Planning Priorities*

- Pursue leading energy and water policy formulation
- Mileage-Based User Fee-Groundwork Project

# REPORT

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- Regional Pavement Management System
- Implement the Southern California Job Growth and Economic Recovery Strategy

## *Goal #3*

### *Enhance the Agency's Long Term Financial Stability & Fiscal Management*

- Seek funding to enhance Compass Demonstration Projects
- Seek ways to provide funding or resources for affordable housing projects

## *Goal #4*

### *Develop, Maintain & Promote the Utilization of State of the Art Models, Information Systems & Communication Technologies*

- Additional video conference sites
- Enhance GIS Program (staffing and technology to provide additional resources)
- Add permanent staffing and restructure IT Department to support serving the region with state of the art IT.

## *Goal #5*

### *Optimize Organizational Efficiency & Cultivate an Engaged Workforce*

- Professional coaching for planning managers
- Automate training program
- Evaluate teleworking pilot program for potential broader implementation

## **FISCAL IMPACT:**

All components of the Draft Comprehensive Budget are balanced and fully funded.

## **ATTACHMENT:**

The Draft FY 2012/13 Comprehensive Budget

Southern California Association of Governments

**COMPREHENSIVE BUDGET**

Fiscal Year 2012/13

Southern California Association of Governments  
FY 2012/13 Comprehensive Budget

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# SECTION I - OVERVIEW

## INTRODUCTION

This document contains the Southern California Association of Governments' (SCAG) Comprehensive Budget for Fiscal Year 2012/13.

The total budget for the Association consists of:

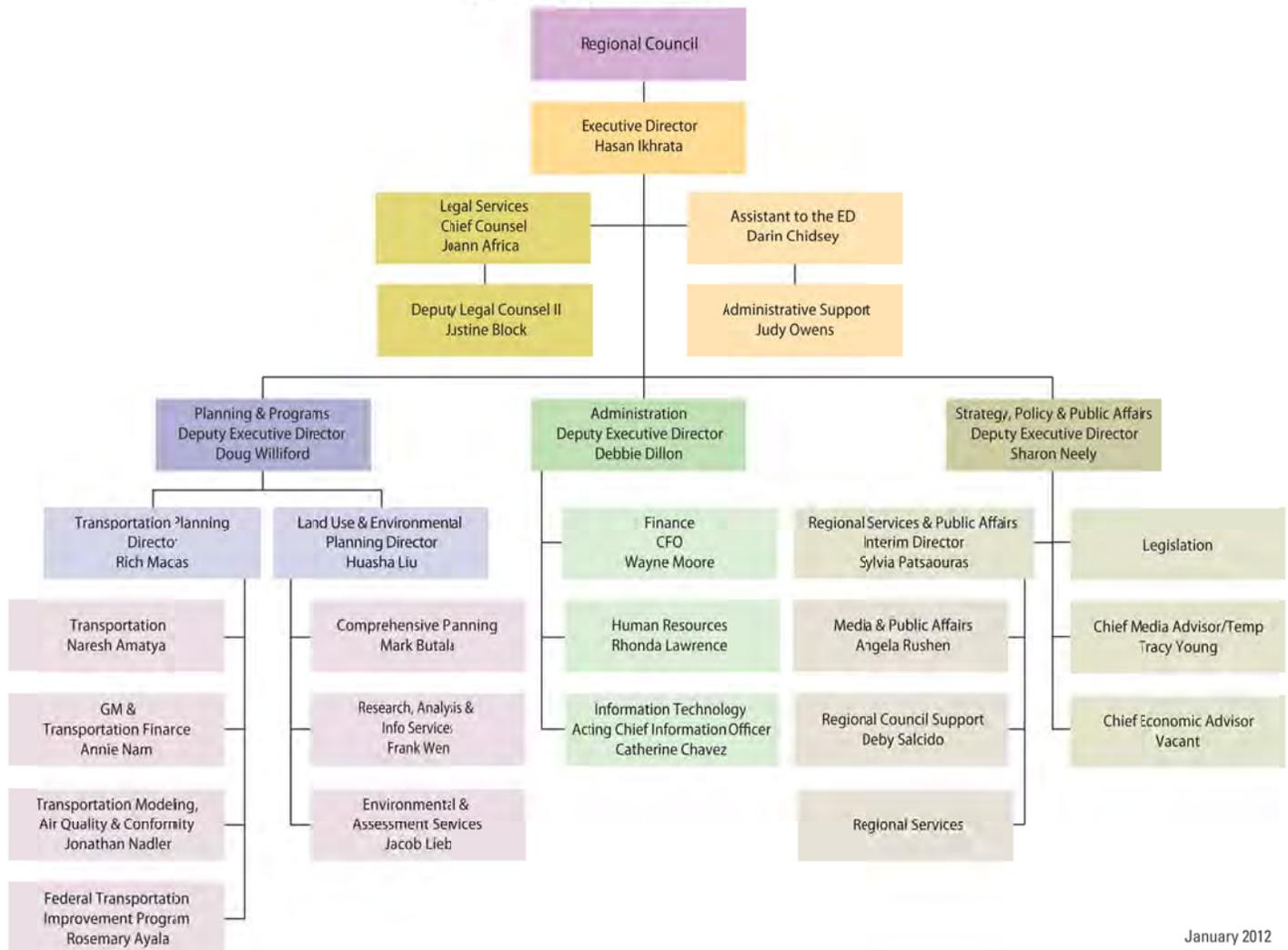
- **The Overall Work Program (OWP)**  
*A federal, state and locally funded budget consisting of projects related to regional planning in the areas of transportation, housing and the environment.*
- **The General Fund (GF)**  
*A budget that utilizes Association members' dues for activities not eligible for federal and State funding*
- **The Indirect Cost Budget (IC)**  
*The budget for the administrative and operations support of the Association*
- **The Fringe Benefit Budget (FB)**  
*The budget for the fringe benefits and leave time of Association employees*

This document is divided into three sections:

- An overview of the Association and its total budget
- A sub-section on each of the budget components
- A set of appendices that expand or provide more detailed information on budget content

# SCAG ORGANIZATIONAL CHART

## SCAG Organizational Chart



January 2012

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## The SCAG Organization

The Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization (MPO) for the six-county Southern California region and is the nation's largest MPO. Through SCAG, city and county governments throughout Southern California come together to develop solutions to common problems in transportation, housing, air quality, waste management and other issues. SCAG also acts as an information clearinghouse and service provider supplying cities and counties with a wide array of demographic, forecasting, mapping and other regional statistics and data.

Decision-making occurs through SCAG's Regional Council, a governing body composed of 84 city and county elected officials, transportation commissions, a tribal government representative, a representative of the business community as appointed by the President of SCAG and a representative from the Transportation Corridor Agencies. All issues considered by the Regional Council must first come through one or more of four policy committees (Transportation, Community, Economic and Human Development, Legislative/Communications & Membership, Energy and Environment) or the Executive/Administration Committee, which governs SCAG operations.

The agency also operates via a number of critical partnerships at the local, state and federal levels. In addition to its federal and state funding partners (Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, California Transportation Commission, California Department of Transportation, etc.) SCAG's planning efforts are closely coordinated with regional transit operators, Tribal Governments and fifteen sub-regional Councils of Governments (COGs) that represent SCAG's cities and counties.

There are a total of 191 cities, two Tribal Governments, six Counties and six commissions in the SCAG region. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles.

SCAG increasingly relies on input from its constituent members, community leaders, and the Southern California citizenry. It also employs a staff of professional planners, modelers and policy analysts who examine the region's challenges and works collaboratively with all stakeholders to develop potential solutions to improve the quality of life in the region.

The framework for developing the 2012/13 Comprehensive Budget is SCAG's multi-year Strategic Plan that focuses on SCAG's vision and priorities and improves the organization and its operations. The FY 2012/13 Comprehensive Budget supports Strategic Plan Goal #3 – Enhance the Agency's Long Term Financial Stability and Fiscal Management. All projects and programs funded in the budget support at least one of the five Strategic Plan Goals.

# SCAG STRATEGIC PLAN

## Strategic Plan Components

### *Vision Statement*

*An international and regional planning forum trusted for its leadership and inclusiveness in developing plans and policies for a sustainable Southern California.*

### *Mission Statement*

*Under the guidance of the Regional Council and in collaboration with our partners, our mission is to facilitate a forum to develop and foster the realization of regional plans that improve the quality of life for Southern Californians.*

### *Core Values*

#### **Collaboration**

*We foster collaboration through open communication, cooperation and a commitment to teamwork*

#### **Service**

*Our commitment to service and leadership is second to none*

#### **Trust**

*The hallmark of our organization is trust and is accomplished through a professional staff, transparency in decision making and objectivity and accuracy in our day-to-day work*

#### **Revolutionary**

*We are revolutionary in our thinking to achieve a cutting edge work program that is emulated by others*

#### **Sustainability**

*We work with our partners and local governments to achieve a quality of life that provides resources for today's generation while preserving an improved quality of life for future generations*

#### **Empowering**

*The empowering of staff occurs to reward initiative, confidence and creativity while promoting inclusionary decision-making*

#### **Rewarding**

*We promote a work environment that allows for professional and personal growth, recognizes astounding achievement, and makes a positive difference in the lives of the staff and the community*

## Strategic Plan Goals

### **GOAL #1**

*Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies*

#### **Objectives**

- Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans
- Develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process
- Provide practical solutions for moving new ideas forward

### **GOAL #2**

*Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities*

#### **Objectives**

- Identify new infrastructure funding opportunities with state, federal and private partners
- Identify and support legislative initiatives
- Maximize use of existing funding by working with state and federal regulators to streamline project delivery requirements

### **GOAL #3**

*Enhance the Agency's Long Term Financial Stability and Fiscal Management*

#### **Objectives**

- Maximize available resources and funds to the fullest extent possible
- Maintain adequate working capital to support Planning and Operations in accordance with SCAG's Investment Policy guidelines
- Monitor and continuously improve agency-wide and user defined budget variance and financial performance reporting system
- Optimize Procurement Process

## *Strategic Plan Goals ....cont'd*

### **GOAL #4**

*Develop, Maintain and Promote the Utilization of State of the Art Models, Information systems and Communication Technologies*

#### **Objectives**

- Develop and maintain planning models that support regional planning
- Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner
- Maintain a leadership role in the modeling and planning data/GIS communities
- Integrate advanced information and communication technologies

### **GOAL #5**

*Optimize Organizational Efficiency and Cultivate an Engaged Workforce*

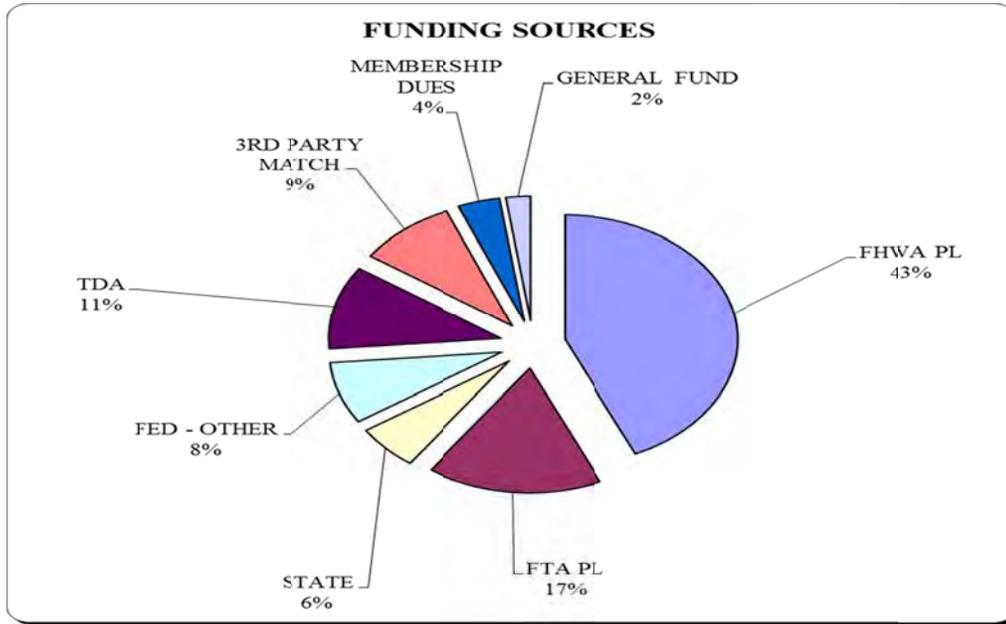
#### **Objectives**

- Identify and advocate methods to increase the free flow of information between staff, RC and Policy Committee Members
- Identify and advocate informal methods to share information that improve team building, camaraderie and relationships
- Routinely review and refine the roles and responsibilities at all levels of the organization
- Invest in employee development process
- Periodically review and enhance Project Management Practices

# THE FY 2012/13 COMPREHENSIVE BUDGET

## How the Budget is Funded

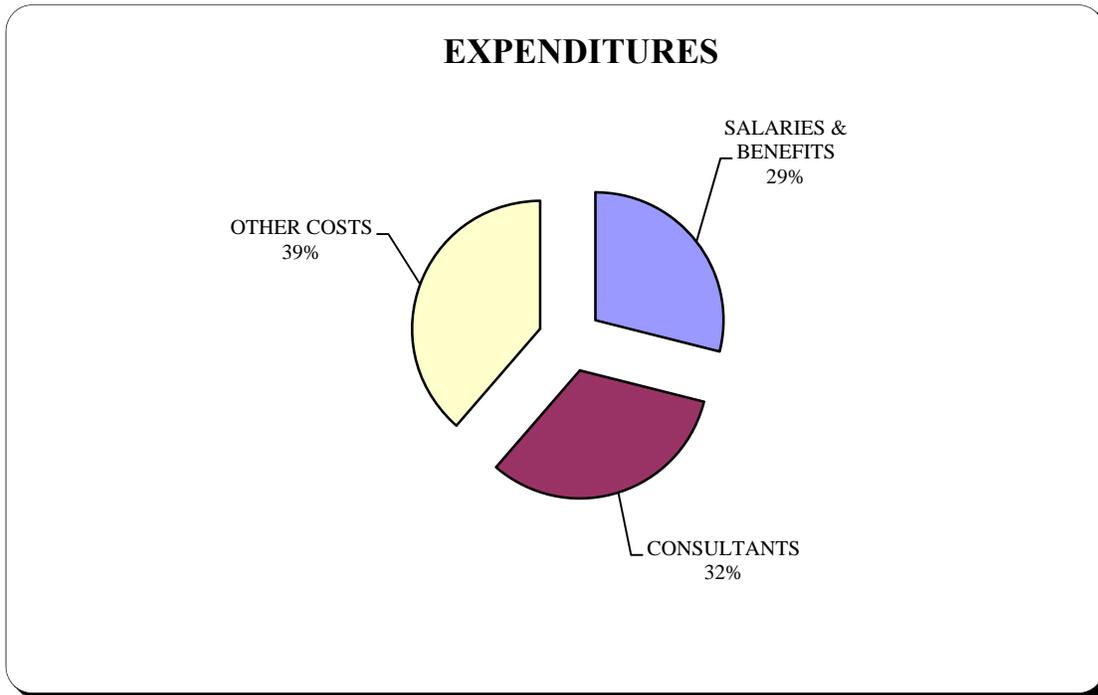
The Association receives most of its funding from the Federal Consolidated Planning Grant. The following chart illustrates the source and relative value funding sources.



FUNDING SOURCE	AMOUNT
FHWA PL	\$ 20,255,576
FTA PL	7,809,306
STATE	2,731,303
FED - OTHER	3,727,595
TDA	5,097,177
3RD PARTY MATCH	4,342,659
MEMBERSHIP DUES	1,833,105
GENERAL FUND	1,074,000
<b>TOTAL REVENUES</b>	<b>\$ 46,870,720</b>

## How the Budget is Allocated

The Association allocates its budget in four major categories. The following chart illustrates the relative values of each category.



EXPENDITURES	AMOUNT
SALARIES & BENEFITS	\$ 13,524,234
SCAG CONSULTANTS	15,160,309
OTHER COSTS*	18,186,177
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,870,720</b>

\*Other includes direct and indirect non-labor costs (see page 11)

## Comprehensive Line Item Budget: FY 10 thru FY 13 Proposed

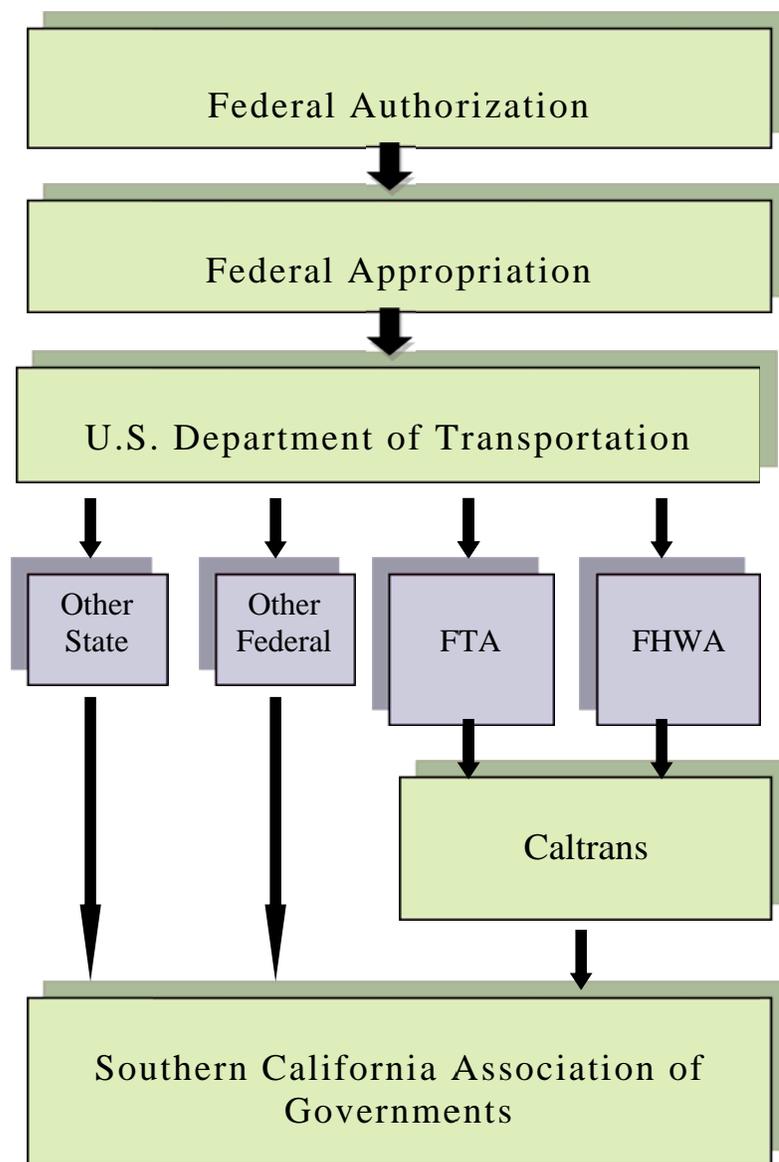
GL Account	Line Item	FY10 Actuals	FY11 Actuals	FY12 Adopted	FY13 Proposed
9001	Staff	10,599,949	11,714,752	\$ 11,765,428	\$ 13,524,234
54300	SCAG consultant	11,782,927	8,699,148	11,001,252	15,160,309
54330	Subregional cons	796,541	369,517	81,000	-
54340	Legal	151,566	50,206	325,000	375,000
54350	Professional Services	1,470,633	957,746	898,700	1,331,338
54400	Subregional staff	162,102	75,676	300,000	-
55210	Software support	528,739	439,248	442,188	509,603
55220	Hardware support	347,261	577,544	197,530	229,030
55240	Repair - maint	87,673	27,745	19,684	19,684
55270	CSC software purchases	69,335	-	-	-
5528X	3rd party contribution	2,977,564	2,979,714	2,755,975	3,311,709
55400	Office rent 818-offi	1,465,710	1,457,489	1,521,000	1,536,000
55410	Office rent satellite	135,299	141,809	155,000	222,000
55420	Equip ment leases	117,292	106,399	115,000	115,000
55430	Equip repair-maintenance	4,200	53,487	44,244	45,244
55440	Insurance	286,849	1,006,430	249,103	286,884
55441	Payroll / bank fees	34,926	21,575	13,932	22,500
55460	Materials & Equipment < \$5,000	77,645	45,930	168,500	180,000
55510	Office supplies	89,107	87,864	110,000	141,200
55520	Graphic Supplies	2,126	4,547	38,000	50,000
55530	Telephone	182,367	139,899	135,500	165,500
55540	Postage	25,562	32	30,000	20,000
55550	Delivery services	-	5,795	11,800	8,900
55600	SCAG memberships	143,932	131,551	77,000	153,000
55610	Professional memberships	5,068	4,005	2,910	7,610
55620	Resource Materials	160,607	140,580	186,850	511,185
55700	Dep - furniture & fixture	41,910	152,852	28,000	45,137
55710	Depreciation - comp	271,630	29,926	144,495	77,723
55720	Amortization - lease	45,893	49,186	16,330	7,402
55730	Capital outlay	-	-	1,049,833	734,444
55800	Recruitment - advertising	23,971	17,331	5,000	7,000
55801	Recruitment - other	-	2,340	5,000	30,000
55810	Public notices	9,127	17,719	5,000	13,000
55820	Staff training	142,776	75,393	160,000	160,000
55830	Conferences/Workshops	7,498	55,411	17,350	42,850
55910	RC/committee meetings	6,865	2,861	8,237	8,237
55914	RC general assembly	165,940	190,861	205,000	330,000
55920	Other meeting expense	100,541	79,730	115,982	122,600
55930	Misc. Other	25,764	64,410	178,000	35,526
55940	Stipend-RC meetings	188,317	153,600	190,000	175,000
55950	Temporary Help	281,480	370,426	122,000	58,500
55970	Interest on bank LOC	-	3,872	-	-
55972	Rapid pay fees	900	1,050	900	975
55980	Contingency	-	-	-	123,431
56100	Printing	10,867	26,552	184,330	116,000
58100	Travel	203,821	174,601	158,460	235,964
58101	Travel - Local	59,966	51,710	29,600	26,286
58110	Mileage	82,396	82,556	53,625	55,404
58150	Staff lodging expense	4,752	2,785	19,400	8,734
58200	Travel-registration	-	1,970	2,000	3,000
58450	Fleet Vehicle	3,750	3,555	8,200	8,200
58800	RC Sponsorships	26,000	48,650	43,500	69,650
60110	Retirement-PERS	1,932,293	2,258,157	2,781,889	3,148,326
60120	Retirement-PARS	79,067	64,626	65,000	65,000
60200	Health ins. - active employees	1,148,338	1,174,395	1,276,800	1,375,200
60201	Health ins. - retirees PAYGO	412,207	478,425	519,000	527,000
60202	Health ins. - retirees GASB 45	355,003	312,775	236,000	332,000
60225	Life insurance	86,489	100,860	97,493	100,159
60240	Medicare tax employers	141,689	158,731	169,877	192,643
60245	Social Security Tax employers	-	15,280	3,806	18,245
60300	Tuition reimbursement	10,996	16,929	16,416	16,416
60310	Transit passes	79,325	118,592	119,512	177,817
60320	Carpool reimbursement	2,900	1,750	2,100	2,100
60330	Transit passes - taxable	20,872	-	-	3,423
60400	Workers comp ins	72,596	2,889	87,774	87,774
60405	Unemployment comp ins	51,833	34,472	-	35,000
60410	Misc. employee benefits	23,751	57,736	6,431	8,739
60415	SCAG 457 match	78,590	104,482	102,500	102,500
60450	Benefits admin fees	3,347	3,722	7,402	7,716
60500	Automobile Allowance	-	19,250	22,800	22,800
	Indirect Cost Carry over			(261,162)	226,866
	<b>Total</b>	<b>37,908,439</b>	<b>35,821,105</b>	<b>38,649,476</b>	<b>46,870,720</b>

# SECTION II - BUDGET COMPONENTS

## THE OVERALL WORK PROGRAM (OWP)

### The Flow of Funds

In general, the majority of OWP funding comes to the Association via the Federal appropriations process. Some funding is directly allocated to the Association, and some is “passed through” via the California Department of Transportation (Caltrans).



## Summary of Revenue Sources

### Consolidated Planning Grant (CPG)

In 1997, FHWA/FTA instituted a transportation planning funds process called the Consolidated Planning Grant (CPG). In California, the four CPG fund sources are described below.

#### **1. Federal Highway Administration (FHWA) Metropolitan Planning Funds (FWWAPL)**

Metropolitan Planning Funds, otherwise known as PL funds, are available for MPOs to carry out the metropolitan transportation planning process required by 23 U.S.C. 134, including development of metropolitan area transportation plans and transportation improvement programs.

The state must make all federally authorized PL funds available to the MPOs in accordance with a formula developed by the state, in consultation with the MPOs and approved by the FHWA.

#### **2. Federal Transit Authority Metropolitan Planning Section 5303 (FTA §5303)**

All MPOs with an urbanized area receive FTA §5303 funds each year to develop transportation plans and programs. The percentage of the California apportionment of FTA §5303 each MPO receives is determined by a formula agreed to by the MPOs, Caltrans and FTA.

The FTA §5303 formula has two components, a base allocation and a population component which distributes funds according to the MPOs percentage of statewide urbanized area population as of the most recent decennial census.

#### **3. FHWA State Planning and Research – Partnership Planning Element (SP&R)**

Caltrans is authorized by FHWA to award grants to MPOs for regional transportation planning studies with a statewide or multi-regional perspective and benefit. Caltrans awards these grants through an annual, competitive selection process.

#### **4. FTA State Planning and Research Section 5304 (FTA §5304)**

The FTA authorized Caltrans to award grants to MPOs for projects that demonstrate consistency with the following state planning priorities:

- Ability to strengthen the economy
- Promote equity

- Protect the environment
- Promote public health and safety in the state
- Improve the jobs-housing imbalance
- Improve public participation
- Promote context sensitive planning; and
- Reduce congestion

Caltrans awards projects in categories based upon an annual competitive selection process:

- Statewide Transit Planning Studies
- Transit Professional Development; and
- Transit Technical Planning Assistance

## **Local Funds**

Each of the funding sources described above requires that local cash or in-kind services be provided as match. The Association uses a combination of the following sources for match:

### **Transportation Development Act (TDA)**

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate  $\frac{3}{4}$  of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. As the largest source of non-federal funding received by SCAG, TDA is used to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds.

### **Cash Match/Local Funding**

Funding from local agencies is provided to SCAG to serve as matching funds to the CPG and other grants that require local match as a condition of receiving grant funds. For example, the CPG requires a match of 11.47%. In addition, local agencies such as Transportation Commissions periodically provide funding for specific projects such as localized modeling work.

### **In-Kind Match**

The CPG and other grants accept in-kind match, as well as cash match, to fulfill the local match requirement that is a condition of receiving grant funds. In-kind match reflect services, such as staff time, provided by a local agency in support of the work funded by a grant.

## The OWP Document

The core regional transportation planning document is the OWP and its core product is completion of the Regional Transportation Plan (RTP). The OWP is developed by SCAG on an annual basis and:

- Introduces the agency;
- Provides users with an overview of the region; and
- Focuses on the region's transportation goals and objectives

The OWP serves as the transportation planning structure that SCAG must adhere to for the state fiscal year, which is July 1 through June 30th of the following calendar year. Other uses for the OWP include:

- SCAG's project budget
- A contract and monitoring tool for federal, state, and local entities (to track completion of annual transportation planning projects and expenditures of funds)
- An early reference for members of the public to know the "who/what/when/where/how much" of transportation planning activities in the region

The OWP includes three component pieces:

### 1. Prospectus

The prospectus section provides the context for understanding the work activities proposed and gives information about the region. It includes, but is not limited to:

- The region's transportation planning approach
- The agency's organizational structure and interagency arrangements
- An overview of governmental and public involvement
- The State Planning Emphasis Areas; and
- The progress made towards implementing the RTP

### 2. Work Elements

The Work Element identifies specific planning work to be completed during the term of the OWP, as well as a narrative of previous, on-going and future year's work to be completed. It also includes the sources and uses of funds.

### 3. Budget Revenue & Summary Reports

These summary reports are a listing of all the work elements in the OWP by funding sources and expenditure category.

The OWP, in conjunction with the Overall Work Program Agreement (OWPA) and the regional transportation planning Master Fund Transfer Agreement (MFTA), constitutes the annual funding agreement between the State and SCAG. Although the OWP includes all planning projects to be undertaken by SCAG during the fiscal year, the OWPA and MFTA do not include special federal grants.

## The OWP Budget

The OWP Budget can be viewed two ways: The first is a line item budget displaying how the OWP budget is allocated. The second is a chart showing the same budget by project and major budget category.

Following the budget tables are brief descriptions of each project in the OWP.

Cost Category	FY12	Draft FY13	Incr (Decr)
50010 Staff	\$ 6,595,654	\$ 7,509,644	\$ 913,990
54300 SCAG Consultant	10,434,836	14,472,638	\$ 4,037,802
54330 Subregional Consultant	81,000	-	\$ (81,000)
54350 Professional Svc	226,000	550,000	\$ 324,000
55210 Software support	30,000	90,000	\$ 60,000
55220 Hardware support	-	100,000	\$ 100,000
55280 Third Party Contribtion	2,755,975	3,311,709	\$ 555,734
55620 Resource Materials/Subscriptions	129,000	450,000	\$ 321,000
55810 Public Notices	-	8,000	\$ 8,000
55830 Conferences/Workshops	-	13,000	\$ 13,000
55920 Other Meeting Expense	14,582	20,000	\$ 5,418
55930 Miscellaneous Other	71,000	-	\$ (71,000)
55950 Temporary Help	50,000	-	\$ (50,000)
56100 Printing	122,830	18,500	\$ (104,330)
58100 Travel	88,810	108,350	\$ 19,540
58110 Mileage	26,600	2,000	\$ (24,600)
<b>Sub-total</b>	<b>\$ 20,626,287</b>	<b>\$ 26,653,841</b>	<b>\$ 6,027,554</b>
50011 Fringe Benefits	\$ 4,412,561	\$ 4,950,617	\$ 538,056
50012 Indirect Costs	\$ 10,277,888	\$ 12,359,157	\$ 2,081,269
<b>Total</b>	<b>\$ 35,316,737</b>	<b>\$ 43,963,615</b>	<b>\$ 8,646,879</b>

The next page shows the same budget by project and major budget category.

Work Elemnt		Total*	SCAG	SCAG Consultant
10	System Planning	\$ 2,098,492	\$ 1,498,492	\$ 600,000
15	Transportation Finance	694,659	494,659	200,000
20	Environmental Planning	1,160,362	1,010,362	150,000
25	Air Quality and Conformity	713,332	713,332	-
30	Federal Transportation Improvement Program	1,954,350	1,954,350	-
45	Geographic Information System (GIS)	3,089,819	2,579,819	510,000
55	Regional Forecasting and Policy Analysis	5,076,054	4,301,054	775,000
60	Corridor Planning	608,743	308,743	300,000
65	Compass Blueprint 2% Strategy	4,098,744	2,488,744	1,610,000
70	Modeling	4,584,981	2,904,981	1,680,000
80	Performance Assessment & Monitoring	1,357,978	877,978	480,000
90	Public Information & Communication	1,190,330	1,190,330	-
95	Regional Outreach and Public Participation	1,984,601	1,734,601	250,000
100	Intelligent Transportation System (ITS)	78,535	78,535	-
120	OWP Development & Administration	3,655,664	3,615,664	40,000
130	Goods Movement	1,835,426	1,335,426	500,000
140	Transit	578,498	578,498	-
145	Transit Planning Grant Studies & Programs	2,164,784	130,369	2,034,415
220	Strategic Growth Council (SGC) Proposition 84 Grant Award	598,691	130,468	468,223
225	Special Grant Projects	1,241,862	491,862	750,000
230	Airport Ground Access	479,045	479,045	-
250	Arroyo Seco Corridor Management Plan	100,590	25,590	75,000
260	JARC/New Freedom Program Administration	104,829	104,829	-
265	So. Calif. Value Pricing Pilot Program	4,000,000	-	4,000,000
266	TDA Funded Projects	415,480	365,480	50,000
267	Clean Cities Program	97,766	97,766	-
	<b>Total Direct Costs</b>	<b>\$ 43,963,615</b>	<b>\$ 29,490,977</b>	<b>\$ 14,472,638</b>

\*Includes indirect costs, fringe benefits, non-labor and in-kind match.

## OWP Program Summaries

The following section presents a brief description of each OWP Program objective and the Strategic Plan Goal it supports.

010

### SYSTEM PLANNING

**Manager:** Naresh Amatya

**Program Objective:**

Transportation System Planning involves long-term planning for system preservation, system maintenance, optimization of system utilization, and strategic system expansion of all modes of transportation for people and goods in the six-county region, including Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The Regional Transportation Plan (RTP) is the primary vehicle SCAG uses to achieve our transportation system planning goals and objectives. As the MPO for this region, one of SCAG's major responsibilities is to develop, administer, amend, and update the RTP. The primary objective of this work element is to ensure SCAG is fulfilling its roles and responsibilities in this area as the designated MPO and RTPA for this region. The focus of FY 2012/13 will be coordinate and monitor implementation of the adopted 2012 RTP/SCS.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

015

### TRANSPORTATION FINANCE

**Manager:** Annie Nam

**Program Objective:**

This work program is critical to addressing some of SCAG's core activities-specifically, satisfying federal planning requirements on financial constraint; ensuring a reasonably available revenue forecast throughout the RTP planning horizon, and addressing system level operation and maintenance cost analyses as well as capital cost evaluation of transportation investments in the RTP. In FY 2012/13, this work program will begin development of the 2016 RTP financial plan and continue to develop supporting business case/plans, facilitate work on efforts to evaluate alternative funding mechanisms for transportation and work with stakeholders on SAFETEA-LU re-authorization effort

related to technical input and analyses associated with transportation finance component.

**Strategic Plan:**

Supports Goal #2 – Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

**020 ENVIRONMENTAL PLANNING**

**Manager:** Jacob Lieb

**Program Objective:**

Review environmental plans and programs as required by applicable federal and state environmental laws. Staff work will also include internal coordination to integrate the most recent environmental policies into future planning programs such as environmental justice and intergovernmental review. Provide staff support to the Energy and Environment Policy Committee.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

**025 AIR QUALITY AND CONFORMITY**

**Manager:** Jonathan Nadler

**Program Objective:**

Oversee and/or provide support for SCAG air quality planning, analysis, documentation and policy implementation. This includes collaboration with the ARB and air districts in the SCAG region in developing SIPs, including developing emission budgets to meet federal conformity requirements. Staff will facilitate federally required interagency consultation via SCAG’s Transportation Conformity Working Group, including the processing and acting as clearinghouse for the Particulate Matter (PM) hot spot analysis for transportation projects within the region. Staff will continue the process to ensure the timely implementation of TCMs. Staff will continue to track and participate in relevant air quality rulemaking.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

030

**FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM (FTIP)**

**Manager:** Rosemary Ayala

**Program Objective:**

The Federal Transportation Improvement Program (FTIP) is a multimodal list of capital improvement projects programmed over a six-year period. The currently approved FTIP is the 2011 FTIP and was federally approved and found to conform on December 14, 2010. The program contains approximately \$30 billion worth of projects in FY 2010/2011 - 2015/2016. The FTIP must include all federally funded transportation projects in the region, as well as all regionally significant transportation projects for which approval from federal agencies is required regardless of funding source. The FTIP is developed to incrementally implement the programs and projects in the Regional Transportation Plan. The FTIP is amended on an on-going basis, as necessary, thereby allowing projects consistent with the Regional Transportation Plan to move forward toward implementation.

**Strategic Plan:**

Supports Goal #2 – Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

045

**GEOGRAPHIC INFORMATION SYSTEM (GIS)**

**Manager:** Frank Wen

**Program Objective:**

To facilitate the establishment of SCAG as a Regional Information Center, for all data and information related to Southern California and to provide data support and mapping capabilities to better serve the needs of the agency and our partner agencies. This program will also provide data and information to stakeholders to promote economic development and enhance the effectiveness of decision-makers. Additional goals include leveraging data sharing opportunities among public agencies throughout the region and maximizing data sharing while minimizing agency costs. A top priority will be continuing to provide training, data sharing and other GIS services to our local jurisdictions. Work will continue on the implementation of an Enterprise GIS system that will serve as the guide for meeting Objective #4 of the SCAG Strategic Plan. The program will play an integral part in the development of the Federal Transportation Improvement Program, amendments to the 2012 RTP/Sustainable Communities Strategy, Local Profiles and other planning activities.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

055

**REGIONAL FORECASTING & POLICY ANALYSIS**

**Manager:** Frank Wen

**Program Objective:**

Provide state-of-the-art forecasting methodology, programming, software, and data/statistics such that regional growth estimates and forecasts are technically sound, and set the standard for MPO growth forecasting practice. The key focus of this work element is to develop estimates and forecasts of population, household and employment used for the development of the 2016 Regional Transportation Plan and Sustainable Communities Strategy. This program also addresses the following: show growth forecasts in terms of population, employment, household and how underlying land uses are related to congestion and transportation investment. Additional program objectives include the collection, processing and analysis of data used in support of the planning activities of the agency.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

060

**CORRIDOR PLANNING**

**Manager:** Naresh Amatya

**Program Objective:**

Provide input to the RTP on the design concept and scope of major transportation investments, as identified upon the completion of corridor planning studies conducted under this work element and in partnership with other agencies. Ensure that corridor planning studies are completed in accordance with federal transportation planning requirements as identified in 23 CFR 450.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

**Manager:** Mark Butala

**Program Objective:**

Compass Blueprint is a core effort for implementing the 2012 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). Compass Blueprint demonstrates that the region can achieve both mobility and air quality goals through local land use changes along with targeted transportation investments. To date, over 100 Compass Blueprint Demonstration Projects have been successfully completed in local jurisdictions throughout the region.

Compass Blueprint efforts will target Transit Project Priority (TPP) areas as defined in the RTP/SCS and will ensure that measures are in place to realize the integrated transportation/land use vision of the 2012 RTP/SCS. The work effort will focus on developing and applying new regionally and locally applicable planning tools and providing member jurisdictions with technical assistance consistent with the RTP/SCS and other policies. Specific tasks will include: Partnerships for Demonstration Projects and local technical assistance; continued development and refinement of RTP/SCS policies; “Toolbox Tuesdays” training in advanced planning tools for local government planners; and Compass Blueprint Recognition Awards for outstanding local projects consistent with Compass Blueprint principles.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

**Manager:** Jonathan Nadler

**Program Objective:**

Provide modeling services in support of developing and implementing the RTP, FTIP, and other major transportation planning initiatives. Maintain and improve SCAG’s modeling tools to more effectively forecast travel demand and estimate resulting air quality. Maintain a leadership role in the regional modeling community by coordinating the Region’s modeling activities and by providing technical advice/assistance and data to SCAG’s modeling partners. Promote model consistency through an active subregional modeling program. Continue ongoing modeling collaboration with county transportation commissions, Caltrans, Metrolink, air quality agencies, and state and federal

transportation agencies.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

080

**PERFORMANCE ASSESSMENT & MONITORING**

**Manager:** Jacob Lieb

**Program Objective:**

Provide performance assessment and monitoring of the SCAG region including growth and development, transportation system performance, environmental quality, and the socioeconomic well-being of the residents (e.g., income and housing affordability). The results of the monitoring and assessment provide the basis for policy-making particularly in relation to regional transportation planning. This program also works with the California Department of Transportation in the coordination and data collection mandated under the Highway Performance Monitoring System (HPMS).

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

090

**PUBLIC INFORMATION & COMMUNICATIONS**

**Manager:** Angela Rushen

**Program Objective:**

Develop and execute a comprehensive internal and external communications program that informs key audiences about SCAG programs, plans, initiatives and services via public relations, media relations, video production, website content management and print/graphic design.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

**Manager:** Sylvia Patsouras

**Program Objective:**

Engage regional stakeholders in the SCAG planning and programming process through the support and enhancement of outreach efforts to local governments, Tribal Governments, and members of the various stakeholder entities, including community, environmental, business, and academic groups, as well as other interested parties. The SCAG Regional Offices are critical components in these efforts, with SCAG staff assigned to an office in each county in the SCAG region. SCAG has identified additional videoconferencing sites in remote parts of the SCAG region to facilitate participation in SCAG activities by a wider range of stakeholders, including member cities, partner agencies, and business and community groups.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

**Manager:** Naresh Amatya

**Program Objective:**

Coordinate and monitor implementation of the ITS Element of the 2012 RTP/SCS. Staff will also be monitoring progress of the adopted Regional ITS Architecture and documenting potential needs for future amendments to the Regional Architecture. Another objective is to provide training and educational opportunities to our stakeholders on ITS related topics in partnership with FHWA/Caltrans as opportunities become available.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

**Manager:** Bernice Villanueva

**Program Objective:**

Develop, administer, and monitor the Overall Work Program (OWP). The OWP is a required function of the Metropolitan Planning Organization (MPO) and provides a detailed description of the planning activities that will be completed by the MPO and its partners in the fiscal year.

**Strategic Plan:**

Supports Goal #3 – Enhance the Agency’s Long Term Financial Stability and Fiscal Management.

**Manager:** Annie Nam

**Program Objective:**

To integrate the movement of freight into regional transportation planning processes. In FY 2012/13, SCAG’s main focus will be on continuing efforts to refine and support the implementation of a comprehensive regional goods movement plan and strategy. This strategy intends to enhance performance of goods movement proposals set forth in the 2012 RTP through the application of new technologies, development of regional rail strategies, identification of environmental mitigation strategies, considerations between land use and freight movement, and establishment of potential mechanisms for improved regional mobility.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

**Manager:** Naresh Amatya

**Program Objective:**

Work with the stakeholders through the Regional Transit Task Force to coordinate implementation of the transit and rail recommendations provided in the Final 2012 RTP/SCS, which is expected to be adopted by the Regional Council in April 2012. Also, staff will continue to support and engage regional transit operators in further refining the transit strategies in preparation of the next RTP Update consistent with the SCAG MOU with the transit operators.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

**Manager:** Jonathan Nadler / Jacob Lieb

**Program Objective:**

As the MPO for the Region, SCAG is required pursuant to SB 375 to develop a Sustainable Communities Strategy (SCS) for inclusion in the 2012 RTP and must have in place appropriate modeling capabilities and data to support analyses of SCS scenarios and other transportation, land use and socio economic variables.

The SGS planning grant is centered upon policy analysis and planning demonstrations that reinforce the strategies included in the RTP/SCS, including analyzing the impacts of smart growth and creating usable demonstrations and templates for implementation. The awards are given by the Strategic Growth Council and the funds will be administered by Caltrans (modeling) and California Department of Conservation (planning). SCAG will be completing the projects during fiscal year 2012/13.

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

230

## AIRPORT GROUND ACCESS

**Manager:** Naresh Amatya

**Program Objective:**

Identify new in-house aviation forecasting tools for developing new regional aviation demand forecasts for the 2016 Regional Transportation Plan, and to conduct outreach activities to implement adopted aviation policies and action steps in the 2012 Regional Transportation Plan.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies

240

## HIGH-SPEED RAIL PROGRAM

**Manager:** Naresh Amatya

**Program Objective:**

Coordinate implementation of the Memorandum of Understanding (MOU) between the California High-Speed Rail Authority and SCAG, local transportation commissions, Metrolink and SANDAG for the programming of \$1 billion in high-speed rail (HSR) funds to the region's existing passenger rail services.

Another objective is to continue participating in the statewide HSR efforts to ensure the region's interests are protected. Staff will also provide support and analysis for the region's HSR planning efforts, including participation in the LOSSAN and Southern California Inland Corridor Group JPAs, and community meetings.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

250

**ARROYO SECO CORRIDOR MANAGEMENT PLAN**

**Manager:** Philip Law / Caltrans, District 7

**Program Objective**

Finalize a Corridor Management Plan (CMP) for the Arroyo Seco Parkway National Scenic Byway (State Route 110) from Downtown Los Angeles to Pasadena.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

260

**JARC/NEW FREEDOM PROGRAM ADMINISTRATION**

**Manager:** Naresh Amatya

**Program Objective:**

As the designated recipient of Job Access Reverse Commute (JARC) and New Freedom program funds, SCAG will be responsible for managing grant distribution and oversight for sub-recipients.

**Strategic Plan:**

Supports Goal #2 – Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

265

**EXPRESS TRAVEL CHOICES PHASE II**

**Manager:** Annie Nam

**Program Objective:**

Develop an implementation plan for value pricing, including build-out of the existing and planned managed network of Express/HOT lanes across Southern California and integration with one or more pilot projects for cordon/area pricing within specific major activity centers.

**Strategic Plan:**

Supports Goal #1 – Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

267

**CLEAN CITIES PROGRAM**

**Manager:** Sylvia Patsouras

**Program Objective:**

SCAG administers the U.S. Department of Energy (DOE) Clean Cities Program for the SCAG Clean Cities Coalition, including performing outreach and marketing in support of expanding alternative fuels in the SCAG region through stimulus grant awards of ARRA funds from DOE and funds from the California Energy Commission (CEC).

**Strategic Plan:**

Supports Goal #4 – Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communications Technologies.

# THE GENERAL FUND BUDGET (GF)

## What is the General Fund Budget?

The General Fund (GF) has been established to provide support to the Regional Council and its Subcommittees for the costs of stipends; travel; to fund costs not eligible for grant reimbursement (i.e., interest); to provide a source of working capital; to financial program expenditures, which must be paid prior to sending requisitions to certain federal and state grantors; and to authorize establishment of and borrowing from a line of credit. The General Fund is not an available resource to fund project costs otherwise chargeable to grants and/or contracts.

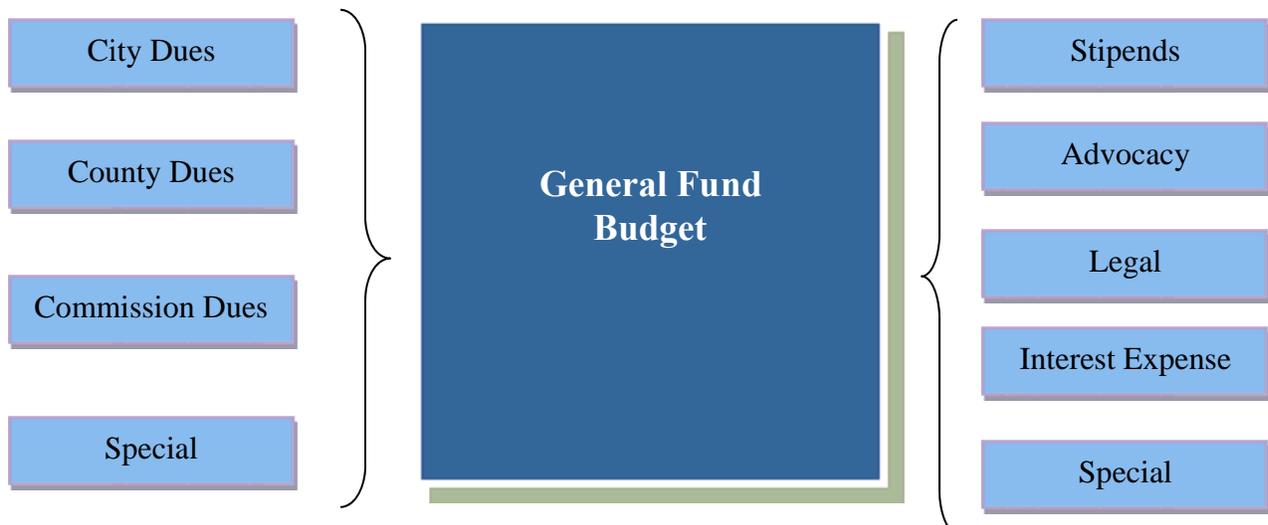
The Regional Council (RC) is responsible to conduct the affairs of the Association pursuant to Article V (A) 4 of the By-Laws. Among other duties, the RC reviews and may revise, amend, increase or decrease the proposed annual GF budget as prepared by the Executive Director. The RC submits the approved GF budget to members of the General Assembly (GA) at least thirty (30) days before the annual meeting for review. After adoption of the budget and the annual assessment schedule by the GA, the RC controls all Association expenditures in accordance with the budget.

## Membership Dues Assessments

The By-Laws require the Executive Director to annually submit the GF budget to the RC. Upon its adoption, the GA fixes membership assessment for all members of the Association in amounts sufficient to provide the funds required by the GF budget.

Budget staff prepares a proposed GF budget and submits it to the Chief Financial Officer (CFO) for review. The GF budget is submitted to the CFO in sufficient time to allow the items to be placed on the agendas for approval by the RC and the GA.

Member dues are calculated in accordance with the guidelines of the By-Laws.



# General Fund Line Item Budget

		FY11 ACTUAL	FY12 ADOPTED BUDGET	FY13 PROPOSED BUDGET	FY12 ADOPTED TO FY13 PROPOSED INCR (DECR)
<b>REVENUE:</b>	Membership Dues:				
	Counties	261,423	290,978	292,739	1,761
	Cities	1,209,583	1,354,527	1,420,366	65,839
	Commissions	95,000	85,000	85,000	-
	Transportation Corridor Agency		10,000	10,000	-
	Air Districts		25,000	25,000	-
	Sub-total	\$ 1,566,006	\$ 1,765,505	\$ 1,833,105	\$ 67,600
	Interest	51,647	60,000	60,000	-
	Other	48,267			-
	RHNA Assessments		120,000	-	(120,000)
	General Assembly Sponsorships	179,650	205,000	330,000	125,000
	Leasehold Improvements Reimbursement		1,050,000	684,000	(366,000)
Transfer from Reserves		132,234	-	(132,234)	
Sub-total	\$ 279,564	\$ 1,567,234	\$ 1,074,000	\$ (493,234)	
<b>Total Revenues</b>	<b>\$ 1,845,570</b>	<b>\$ 3,332,739</b>	<b>\$ 2,907,105</b>	<b>\$ (425,634)</b>	
<b>EXPENDITURES:</b>					
<b>Task .01 Regional Council</b>	<b>Regional Council:</b>				
	Stipends	153,600	190,000	175,000	(15,000)
	Committee Meetings	2,862	8,237	8,237	-
	Other Meeting Expense	48,332	44,400	44,400	-
	Travel - Outside	40,446	15,000	25,000	10,000
	Travel - Local	19,983	21,600	16,600	(5,000)
	Mileage - Local	11,526	18,000	13,000	(5,000)
	Travel > per diem	1,253	2,400	2,400	-
	Miscellaneous Other	6,170	-	-	-
	Staff Time	26,907	59,397	31,656	(27,741)
	Printing	12,110	-	-	-
	Conferences	15,517	-	-	-
	Stakeholder Summit	20,261	-	-	-
	Training	5,000	-	-	-
Task sub-total	\$ 363,967	\$ 359,034	\$ 316,293	\$ (42,741)	
<b>Task .02 Legislative</b>	<b>External Legislative:</b>				
	Federal Lobbyist	-	240,000	240,000	-
	Staff Time	80,030	16,412	17,414	1,002
	State Lobbyist	66,000	96,000	96,000	-
Task sub-total	\$ 146,030	\$ 352,412	\$ 353,414	\$ 1,002	
<b>Task .03 RHNA</b>	<b>RHNA:</b>				
	Legal Fees		75,000	100,000	25,000
	Professional Services			15,000	15,000
	Subregional Delegation		300,000	-	(300,000)
	SCAG Consultant		25,000	-	(25,000)
Staff Time	68,516	146,373	94,907	(51,466)	
Task sub-total	\$ 68,516	\$ 546,373	\$ 209,907	\$ (336,466)	
<b>Task .04 Other</b>	<b>Other:</b>				
	SCAG Memberships	76,335	59,000	93,000	34,000
	Capital Outlay		50,000	50,000	-
	Staff Time	54,078	-	-	-
	Fees paid to Caltrans	1,050	900	975	75
	Other Meeting Expense	15,244	7,000	7,000	-
	Miscellaneous Other	29,018	22,000	22,000	-
	Contingency			123,431	123,431
	Professional Services	2,628	-	-	-
	Resource Material/Subscription			3,330	3,330
	Travel	4,509	500	-	(500)
	Travel - Local			500	500
	Mileage - Local	1,868		2,000	2,000
	Trvl-Lodge >Per Diem			1,000	1,000
	Bank Fees	5,417	4,332	7,500	3,168
Interest on LOC	3,872	-	-	-	
Sponsorships	48,650	43,500	69,650	26,150	
Task sub-total	\$ 242,669	\$ 187,232	\$ 380,386	\$ 193,154	
<b>Task .05 - Clean Cities Coalition Coordination</b>	<b>Clean Cities Coalition Coordination</b>				
	Staff Time	\$ 17,576			
	SCAG Consultant	\$ 10,000			
Task sub-total	\$ 27,576	\$ -	\$ -	\$ -	
<b>Task .06 GA</b>	<b>General Assembly</b>				
	General Assembly	190,862	205,000	330,000	125,000
	Printing			6,000	
	Staff Time		8,697	9,352	655
Task sub-total	\$ 190,862	\$ 213,697	\$ 345,352	\$ 131,655	
<b>Task .07 LHI</b>	<b>Leasehold Improvements</b>				
	Leasehold Improvements		999,833	684,444	(315,389)
	Staff Time		50,167	79,844	29,677
Task sub-total	\$ -	\$ 1,050,000	\$ 764,288	\$ (285,712)	
<b>Total for all tasks</b>		<b>\$ 1,039,620</b>	<b>\$ 2,708,748</b>	<b>\$ 2,369,640</b>	<b>\$ (339,108)</b>
Allocated Fringe Benefits		156,885	188,023	153,716	(34,307)
Allocated Indirect Costs		387,913	435,969	383,749	(52,220)
<b>Total</b>		<b>\$ 1,584,418</b>	<b>\$ 3,332,740</b>	<b>\$ 2,907,105</b>	<b>\$ (425,635)</b>

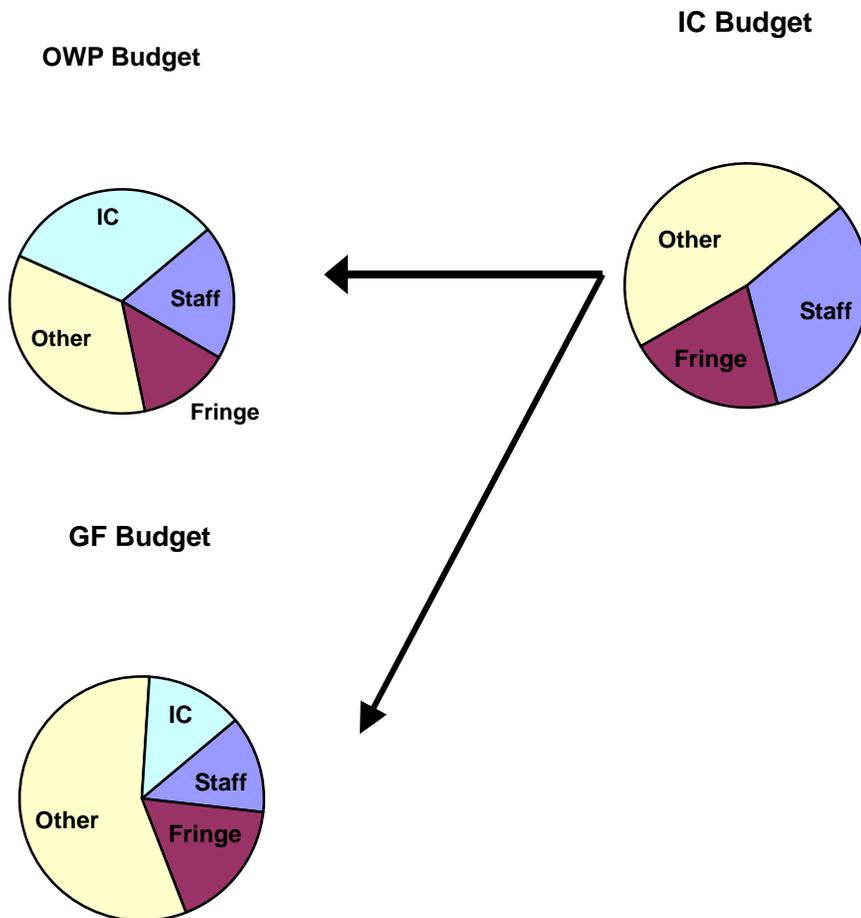
# THE INDIRECT COST BUDGET (IC)

## What is the Indirect Cost Budget?

The Indirect Cost Budget is established to provide funding for staff salaries, fringes and other non-labor costs that are not attributable to an individual direct program project, except on a pro-rata basis. The funding document is the basis for generating the Indirect Cost Allocation Plan (ICAP) which is forwarded to Caltrans for approval.

## How is the Indirect Cost Budget Funded?

An IC rate, approved by Caltrans, is applied to all productive staff salaries and fringe costs. For example, for every \$1,000 of direct salaries and fringe, the IC budget receives \$991.88 (99.18%). A review of the comprehensive line item budget chart on page 9 shows the impact of this concept. Notice that the OWP and General Fund budgets have each allocated funds for indirect costs which represents each budget component's share of funding the Indirect Cost program.



## The Indirect Cost Budget

Gl Account	Cost Category	FY12	FY13	Incr (Decr)
9001	Staff	\$ 3,476,877	\$ 4,158,509	\$ 681,632
54300	SCAG consultant	230,416	351,671	121,255
54340	Legal	250,000	275,000	25,000
54350	Professional Services	647,700	766,338	118,638
55210	Software support	412,188	419,603	7,415
55220	Hardware support	197,530	129,030	(68,500)
55240	Repair- maintenance	19,684	19,684	-
55400	Office rent 818-offi	1,521,000	1,536,000	15,000
55410	Office rent satellite	155,000	222,000	67,000
55420	Equipment leases	115,000	115,000	-
55430	Equip repair-maintenance	44,244	45,244	1,000
55440	Insurance	249,103	286,884	37,781
55441	Payroll / bank fees	9,600	15,000	5,400
55460	Materials & Equipment <\$5K	168,500	180,000	11,500
55510	Office supplies	110,000	141,200	31,200
55520	Graphic Supplies	38,000	50,000	12,000
55530	Telephone	135,500	165,500	30,000
55540	Postage	30,000	20,000	(10,000)
55550	Delivery Services	11,800	8,900	(2,900)
55600	SCAG memberships	18,000	60,000	42,000
55610	Professional memberships	2,910	7,610	4,700
55620	Resource Materials	57,850	57,855	5
55700	Dep - furniture & fixture	28,000	45,137	17,137
55710	Depreciation - comp	144,495	77,723	(66,772)
55720	Amortization - lease	16,330	7,402	(8,928)
55800	Recruitment notice	5,000	7,000	2,000
55801	Recruitment - other	5,000	30,000	25,000
55810	Public notices	5,000	5,000	-
55820	Staff training	160,000	160,000	-
55830	Conferences/workshops	17,350	29,850	12,500
55920	Other meeting expense	50,000	51,200	1,200
55930	Misc. Other	85,000	13,526	(71,474)
55950	Temporary Help	72,000	58,500	(13,500)
56100	Printing	61,500	91,500	30,000
58100	Travel	54,150	102,614	48,464
58101	Travel - local	8,000	9,186	1,186
58110	Mileage	9,025	38,404	29,379
58150	Staff lodging expense	17,000	5,334	(11,666)
58200	Travel-registration	2,000	3,000	1,000
58500	Fleet Vehicle	8,200	8,200	-
	Sub-total	\$ 8,648,952	\$ 9,774,604	\$ 1,125,652
50011	Fringe Benefits	2,326,067	2,741,433	415,366
	Unrecovered overhead	(261,162)	226,866	488,028
	Total	\$ 10,713,857	\$ 12,742,904	\$ 2,029,047

## IC Functional Activities

The Indirect Cost budget is spread across several functional areas within the agency. The following chart describes the functional areas.

Group	Area	Functional Activity
Administration	Finance	Finance is responsible for all financial activities of the agency, including accounting, budget & grants, investment policy, contracts, procurement, internal audits, and directing outside audits
	Human Resources	Human Resources is responsible for staff recruitment, employee relations, training, employee benefits, maintaining personnel records, and administration of personnel rules and systems.
	Information Technology	Information Technology supports IT operations, computers for office staff, modeling and GIS capabilities, phone systems, video conferencing and networks as well as Facilities/property management for all of SCAG offices.
Agency-wide Management		The Agency-wide Management section is responsible for the management of Association staff, the Association's budget, and day-to-day operations of the Association's departments. The Executive Director is the official representative of the Association and its policies.
Legal Services		Legal Services is responsible for all internal and external legal affairs of the Association.
Policy, Strategy & Public Affairs	Legislation	This unit is responsible for interfacing with the legislative processes at the federal and state level.
	Regional Services & Public Affairs	The primary responsibility of this unit is to maintain and expand governmental, community and private sector participation in the regional planning work of SCAG. This is done by working with cities and counties, local government officials, community and business interest groups.

# THE FRINGE BENEFIT BUDGET (FB)

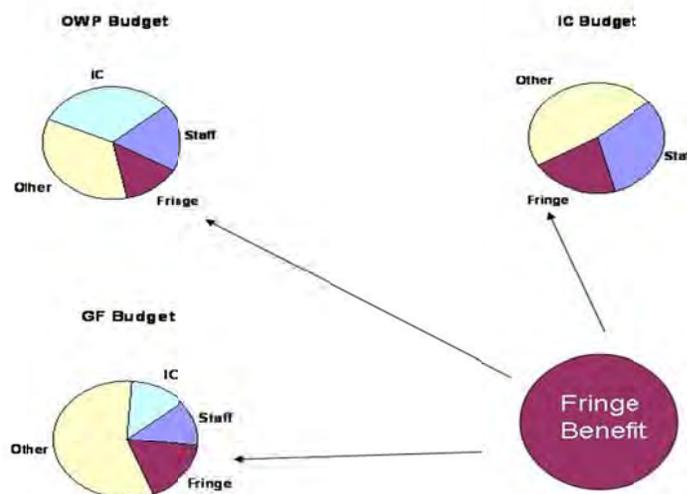
## What is the Fringe Benefit Budget?

Fringe benefits (FB) are employee-associated costs such as leave expenses (vacation, holidays, personal floating holidays, sick leave, etc.), health plan expenses, retirement plan expenses, workers' compensation insurance, unemployment insurance, bus/rail/carpool expenses, tuition reimbursement expenses, and deferred compensation expenses. These costs are expressed as a rate for full-time regular staff. The rate is the pooled costs of the fringe benefits divided by the total salaries for full-time regular staff.

To participate in SCAG's fringe benefits program, staff must hold benefits eligible positions as regular, at-will or limited-term positions. Some of these programs provide staff and their families with financial protection if they become ill or disabled. Others are designed to aid them in preparing for retirement or in meeting educational costs they incur for themselves. Others are designed to allow staff and their family's time to recreate and spend time together. Some part-time staff, interns, temporary employees and temporary agency workers are not eligible for SCAG's fringe benefits programs.

The employee-associated costs are related to SCAG's full-time staff to generate a fringe benefits burden rate. The fringe benefits burden is applied to all staff charges in OWP, General Fund and Indirect projects.

A rate is applied to all OWP, GF and IC salaries, e.g., for every \$1,000 of salaries, the FB receives \$659.23 (65.92%).



## The Fringe Benefit Budget

GL Account	Line Item	FY12	FY13	INCR (DECR)
60002	Sick leave	255,666	293,886	38,219
60004	PFH	179,732	206,601	26,868
60003	Holiday	400,594	460,478	59,885
60001	Vacation	575,858	661,943	86,085
60110	PERS	2,781,889	3,148,326	366,437
60120	PARS	65,000	65,000	-
60200	Health insurance - actives	1,276,800	1,375,200	98,400
60201	Health insurance - retirees PAYGO	519,000	527,000	8,000
60202	Health insurance - retirees GASB 45	236,000	332,000	96,000
60225	Life insurance	97,493	100,159	2,666
60240	Medicare tax - employers	169,877	192,643	22,766
60245	Social Security Tax employers	3,806	18,245	14,439
60300	Tuition reimbursement	16,416	16,416	-
60310	Bus passes	119,512	177,817	58,305
60320	Carpool reimbursement	2,100	2,100	-
60330	Taxable Bus Passes	-	3,423	3,423
60400	Workers Compensation	87,774	87,774	-
60405	Unemployment Comp Ins	-	35,000	35,000
60410	Miscellaneous Employee Benefits	29,231	31,539	2,308
60415	SCAG 457 match	102,500	102,500	-
60450	Benefits admin fees	7,402	7,716	314
		6,926,651	7,845,766	919,115

# SECTION III - APPENDIX

## DESCRIPTION OF SCAG BUDGET LINE ITEMS

Account/Line Item	Description
54300 SCAG Consultant	Outside experts retained to provide special expertise
54330 Sub-regional Consultant	Outside experts retained to provide special expertise to sub-regional agencies
54340 Legal	Outside legal experts retained to provide special expertise
54350 Professional Svc	Professional Services
54400 Sub-regional Staff	Sub-regional employees working on SCAG's sub-regional program
55210 Software Support	Fees paid for telephone support and updates of SCAG's high end desktop and network software
55220 Hardware Support	Fees paid for maintenance and repair contracts on SCAG's computer servers
55240 Repair Maintenance	Processes that do not enhance function or extend the useful life of an asset are expensed as repairs
55270 CSC Software Purchases	Purchase of small software packages
5528X 3rd Party Contribution	Like-kind contribution from other agencies that are match for SCAG's grants
55400 Office Rent 818-Offices	Rent paid for SCAG's main office
55410 Office Rent Satellite	Rent paid for SCAG's satellite offices
55420 Equipment Leases	Fees paid for copier, telephone, postage, etc. equipment
55430 Equipment Repairs And Maintenance	Fees paid to outside vendors to repair SCAG owned equipment
55440 Insurance	SCAG's liability insurance

Account/Line Item	Description
55441 Payroll / Bank Fees	Fees paid for payroll processing & bank services
55460 Small Office Purchases	Used to buy capital equipment with unit costs under \$5,000. (do not need to depreciate)
55510 Office Supplies	Routine office supplies and paper for copy machines
55520 Graphic Supplies	Materials used in the production of documents for agency communications, presentations, etc.
55530 Telephone	SCAG's monthly telephone fees paid for both voice and data lines
55540 Postage	Postage and delivery fees
55550 Delivery Services	Cost of outside courier delivery and other non-USPS services
55600 SCAG Memberships	Pays for SCAG to belong to various organizations
55610 Prof. Memberships	Fees paid on behalf of SCAG employees to belong to certain professional organizations
55620 Resource Material/Subscriber	Fees for book purchases., subscriptions and data acquisition
55700 Depreciation Furniture & Fixtures	The general fund buys assets that have a cost greater than \$5,000.00 using account 55730, Capital Outlay. The cost is recovered when depreciation is charged to a grant using this account
55710 Depreciation – Computer	See above
55720 Amortization-lease	To account for amortization of lease hold improvements.
55730 Capital Outlay	Fixed asset purchases greater than \$5,000. The cost is recovered when depreciation is charged to a grant
55800 Recruitment Advertising	Advertising in certain journals and publications regarding job opportunities at SCAG
55801 Recruitment – Other	Moving expenses and cost of sponsoring foreign employees (visas).
55810 Public Notices	Legal advertising that SCAG must undertake to support certain programs or grants

Account/Line Item	Description
55820 Staff Training	Used to provide access to outside training opportunities or to bring experts for in-house training
55830 Conferences/Workshops	Cost of educational and informational events attended by SCAG staff and elected officials
55910 RC/Committee Meetings	Pays for the food and other expenses associated with hosting RC and committee meetings
55912 RC Retreat	The RC holds an annual off-site retreat. This budget pays for the actual meeting expenses such as meals and conference facilities
55914 RC General Assembly	The by-laws require an annual meeting of the membership. This budget pays for the actual meeting expenses such as meals and conference facilities.
55920 Other Meeting Expense	Pays for other, non-food expenses related to meeting support
55930 Miscellaneous Other	Pays for other, minor expenses not categorized elsewhere
55940 Stipend-RC Mtg.	Stipends paid to RC Members for attending meetings
55950 Temporary Help	SCAG occasionally uses employment agencies to provide short term staffing
55970 Interest on bank LOC	Interest incurred on line of credit drawdowns.
55972 Rapid Pay Fees	Fees charged by the State Controller's to accelerate payment
55980 Contingency	Non-reimbursable project costs
56100 Printing	Pays for outside printing costs of SCAG publications and brochures
58100 Travel	Pays for staff and RC travel on behalf of SCAG projects
58101 Travel – Local	Travel inside the SCAG region
58110 Mileage	Cost of automobile travel at the IRS rate per mile
58150 Staff Lodging Expense	General funds used to pay for staff lodging expenses, under certain conditions, greater than state or federal guidelines.

Account/Line Item	Description
58200 Travel-Registration Fees	Pays conference and seminar registration fees
58450 Fleet Vehicle	Maintenance and repair of SCAG vehicles
58800 RC Sponsorships	General funds allocated to events supported by RC actions.
60110 Retirement-PERS	Pays for employee share of contributions to PERS
60120 Retirement-PARS	SCAG contribution to the supplemental defined benefit retirement plan
60200 Health Insurance	SCAG contribution for employee health insurance
60201 Health Ins.-Retirees PAYGO	Retiree health insurance premiums paid to CalPERS
60202 Health Ins.-Retirees GASB 45	Retiree health insurance premiums paid to the California Employers' Retiree Benefit Trust, as computed by an actuary
60225 Life Insurance	SCAG cost of life insurance for each benefit-eligible employee
60240 Medicare Tax Employer Share	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60245 Social Security Tax Employers	Employer's share of social security on wages paid
60300 Tuition Reimbursement	All employees can participate in a tuition reimbursement program for work related classes.
60310 Transit Passes	All employees who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60320 Carpool Reimbursement	Eligible employees who are members of a carpool receive a specified monthly allowance.
60330 Transit Passes-Taxable	Amount of the transit subsidy in excess of the tax-free amount
60400 Workers Comp Insurance	This is mandated insurance for employees that provides a benefit if the employee receives a work-related injury.
60405 Unemployment Comp Insurance	Payments for unemployment insurance claims filed by former employees.

Account/Line Item	Description
60410 Miscellaneous Employee Benefits	The cost of SCAG's Employee Assistance Program
60415 SCAG Match-Deferred Comp.	SCAG managers and directors can receive up to \$3,500 of matching funds for 457 Plan deferred compensation contributions.
60450 Benefits – Administrative Fees	These fees pay for third parties who administer SCAG's cafeteria plan.
60500 Automobile Allowance	Allowances payable to executives in accordance with employment contracts.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE  
FOR THE FISCAL YEAR 2012 - 13**

as of January 17, 2012

	UNINC POP COUNTIES/TOTAL <u>POP CITIES</u>	ASSESSMENTS <u>2012-13</u>
<b><u>COUNTIES (6)</u></b>		
IMPERIAL	37,708	6,581
LOS ANGELES	1,061,068	121,904
ORANGE	121,488	34,950
RIVERSIDE	457,320	62,455
SAN BERNARDINO	294,229	49,093
VENTURA	94,775	17,756
<b>SUB-TOTAL</b>	<b>2,066,588</b>	<b>292,739</b>
<b><u>CITIES &amp; TRIBES (185)</u></b>		
ADELANTO	28,540	2,845
AGOURA HILLS	23,387	2,159
ALHAMBRA	90,561	7,910
ALISO VIEJO	46,123	4,273
ANAHEIM	353,643	29,713
APPLE VALLEY	70,297	6,257
ARCADIA	56,719	5,144
ARTESIA	17,608	1,693
AVALON	3,559	386
AZUSA	49,207	4,528
BALDWIN PARK	81,604	7,188
BANNING	28,751	2,860
BARSTOW	24,281	2,234
BEAUMONT	34,217	3,296
BELLFLOWER	77,513	6,843
BELL GARDENS	47,002	4,348
BEVERLY HILLS	36,224	3,461
BIG BEAR LAKE	6,278	611
BLYTHE	22,625	2,099
BRADBURY	963	175
BRAWLEY	27,743	2,770
BREA	40,377	3,807
BUENA PARK	84,141	7,384
BURBANK	108,469	9,633
CALABASAS	23,788	2,204
CALEXICO	40,075	3,777
CALIMESA	7,555	716

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
 PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE  
 FOR THE FISCAL YEAR 2012 - 13  
 as of January 17, 2012**

<b>COUNTIES (6)</b>	<b>UNINC POP COUNTIES/TOTAL POP CITIES</b>	<b>ASSESSMENTS 2012-13</b>
CALIPATRIA	8,233	776
CAMARILLO	66,690	5,956
CANYON LAKE	11,225	1,167
CARSON	98,329	8,556
CATHEDRAL CITY	52,841	4,829
CERRITOS	55,074	5,009
CHINO	84,742	7,444
CHINO HILLS	78,971	6,963
CLAREMONT	37,780	3,596
COACHELLA	42,591	3,987
COLTON	51,918	4,754
COMMERCE	13,581	1,362
COMPTON	99,769	8,676
CORONA	150,416	13,075
COVINA	49,720	4,573
CUDAHY	26,029	2,634
CULVER CITY	40,870	3,852
CYPRESS	49,981	4,588
DANA POINT	37,326	3,551
DESERT HOT SPRINGS	26,811	2,694
DIAMOND BAR	61,019	5,490
DOWNEY	113,715	10,069
DUARTE	23,124	2,144
EASTVALE	41,225	3,882
EL CENTRO	45,365	4,212
EL MONTE	126,464	11,106
EL SEGUNDO	17,076	1,648
FILLMORE	15,787	1,543
FONTANA	190,356	16,336
FULLERTON	138,610	12,098
GARDEN GROVE	175,618	15,134
GARDENA	61,947	5,580
GLENDALE	207,902	17,779
GLENDORA	52,830	4,829
GRAND TERRACE	12,717	1,287
HAWAIIAN GARDENS	15,922	1,558
HAWTHORNE	90,145	7,880
HEMET	75,820	6,707
HERMOSA BEACH	19,608	1,858

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE  
FOR THE FISCAL YEAR 2012 - 13**

as of January 17, 2012

<b>COUNTIES (6)</b>	<b>UNINC POP COUNTIES/TOTAL</b>	<b>ASSESSMENTS</b>
	<b>POP CITIES</b>	<b>2012-13</b>
HESPERIA	88,479	7,745
HIDDEN HILLS	2,040	265
HIGHLAND	52,503	4,799
HOLTVILLE	6,641	641
HUNTINGTON BEACH	203,484	17,418
HUNTINGTON PARK	64,929	5,821
IMPERIAL	13,374	1,347
INDIAN WELLS	5,144	521
INDIO	83,675	7,354
INDUSTRY	804	160
INGLEWOOD	119,212	10,520
IRVINE	217,686	18,576
IRWINDALE	1,727	235
LA CANADA FLINTRIDGE	21,608	2,024
LA HABRA	63,184	5,670
LA HABRA HEIGHTS	6,193	611
LA MIRADA	50,477	4,633
LA PALMA	16,304	1,588
LA PUENTE	43,360	4,047
LA QUINTA	44,421	4,137
LA VERNE	34,051	3,296
LAGUNA BEACH	25,354	2,574
LAGUNA HILLS	33,811	3,266
LAGUNA NIGUEL	67,666	6,046
LAGUNA WOODS	18,747	1,783
LAKE ELSINORE	50,983	4,678
LAKE FOREST	78,720	6,948
LAKESWOOD	83,674	7,354
LANCASTER	145,875	12,699
LAWDALE	33,641	3,251
LOMA LINDA	22,760	2,114
LOMITA	21,153	1,978
LONG BEACH	494,709	41,271
LOS ALAMITOS	12,270	1,257
LOS ANGELES	4,094,764	336,609
LYNWOOD	73,295	6,497
MALIBU	13,765	1,377
MANHATTAN BEACH	36,843	3,521
MAYWOOD	30,034	2,965

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**  
**PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE**  
**FOR THE FISCAL YEAR 2012 - 13**  
as of January 17, 2012

<b>COUNTIES (6)</b>	<b>UNINC POP</b>	<b>ASSESSMENTS</b>
	<b>COUNTIES/TOTAL</b>	
	<b>POP CITIES</b>	<b>2012-13</b>
MENIFEE	67,705	6,046
MISSION VIEJO	100,725	9,002
MONROVIA	39,984	3,777
MONTCLAIR	37,535	3,581
MONTEBELLO	65,781	5,881
MONTEREY PARK	65,027	5,821
MOORPARK	37,576	3,581
MORENO VALLEY	188,537	16,186
MORONGO-MISSION INDIANS	1,109	190
MURRIETA	101,487	9,062
NEEDLES	5,809	581
NEWPORT BEACH	86,738	7,609
NORCO	27,370	2,739
NORWALK	110,178	9,768
OJAI	8,226	776
ONTARIO	174,536	15,044
OXNARD	200,004	17,133
PALM DESERT	52,067	4,769
PALM SPRINGS	48,040	4,438
PALMDALE	152,622	13,255
PALOS VERDES ESTATES	14,208	1,407
PARAMOUNT	58,109	5,265
PASADENA	151,576	13,165
PERRIS	55,133	5,009
PICO RIVERA	67,288	6,016
POMONA	163,683	14,157
PORT HUENEME	22,445	2,084
RANCHO CUCAMONGA	178,904	15,404
RANCHO MIRAGE	17,180	1,663
RANCHO PALOS VERDES	43,525	4,062
PECHANGA BAND OF LUISENO INDIANS	800	160
REDLANDS	71,926	6,392
REDONDO BEACH	68,105	6,076
RIALTO	100,260	8,956
RIVERSIDE	304,051	25,655
ROLLING HILLS	1,983	265
ROLLING HILLS ESTATES	8,191	776
ROSEMEAD	57,756	5,234
SAN BERNARDINO	205,493	17,584

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE  
FOR THE FISCAL YEAR 2012 - 13**

as of January 17, 2012

	UNINC POP COUNTIES/TOTAL	ASSESSMENTS
	<u>POP CITIES</u>	<u>2012-13</u>
<b><u>COUNTIES (6)</u></b>		
SAN BUENAVENTURA	109,946	9,753
SAN CLEMENTE	68,763	6,136
SAN DIMAS	37,011	3,536
SAN FERNANDO	25,366	2,574
SAN GABRIEL	42,984	4,017
SAN JACINTO	36,933	3,521
SAN JUAN CAPISTRANO	37,233	3,551
SAN MARINO	13,673	1,377
SANTA ANA	357,754	30,044
SANTA CLARITA	177,641	15,299
SANTA FE SPRINGS	17,997	1,723
SANTA MONICA	92,703	8,090
SANTA PAULA	30,048	2,965
SEAL BEACH	26,010	2,634
SIERRA MADRE	11,146	1,167
SIGNAL HILL	11,465	1,182
SIMI VALLEY	126,902	11,136
SOUTH EL MONTE	22,627	2,099
SOUTH GATE	102,816	9,167
SOUTH PASADENA	25,881	2,619
TEMECULA	105,029	9,347
TEMPLE CITY	35,892	3,446
THOUSAND OAKS	130,209	11,406
TORRANCE	149,717	13,015
TUSTIN	75,773	6,707
TWENTYNINE PALMS	30,832	3,025
UPLAND	76,106	6,737
VERNON	96	115
VICTORVILLE	112,097	9,933
VILLA PARK	6,307	611
WALNUT	32,659	3,175
WEST COVINA	112,953	9,994
WEST HOLLYWOOD	38,036	3,611
WESTLAKE VILLAGE	8,905	836
WESTMINSTER	94,294	8,225
WESTMORELAND	2,444	295
WILDOMAR	31,321	3,070
WHITTIER	87,250	7,639
YORBA LINDA	69,273	6,166

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
 PROPOSED 'MEMBERSHIP ASSESSMENT SCHEDULE  
 FOR THE FISCAL YEAR 2012 - 13**

as of January 17, 2012

	UNINC POP COUNTIES/TOTAL <u>POP CITIES</u>	ASSESSMENTS <u>2012-13</u>
<b><u>COUNTIES (6)</u></b>		
YUCCA VALLEY	21,292	1,993
YUCAIPA	52,063	4,769
SUB-TOTAL	<u>16,285,876</u>	<u>1,420,366</u>
GRAND TOTAL-ASSESSMENTS	<u>18,352,464</u>	<u>1,713,105</u>
<b><u>COMMISSIONS</u></b>		
SANBAG	2,052,397	25,000
RCTC	2,217,778	25,000
VCTC	828,383	10,000
Transportation Corridor Agency		10,000
OCTA	3,029,859	25,000
Air Districts		<u>25,000</u>
SUB-TOTAL		<u>120,000</u>
TOTAL MEMBERSHIP AND ASSESSMENTS		<u><u>1,833,105</u></u>

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**DATE:** February 2, 2012

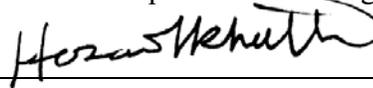
**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Sharon A. Neely, Deputy Executive Director, Strategy, Policy and Public Affairs,  
[neely@scag.ca.gov](mailto:neely@scag.ca.gov), (213)-236-1992

**SUBJECT:** SCAG Sponsorship of Annual Event: California State University of San Bernardino (CSUSB)  
Leonard Transportation Center's 2012 Transportation and Logistics Summit (\$1,250)

**EXECUTIVE DIRECTOR'S APPROVAL:**

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**RECOMMENDED ACTION:**

Approve.

**EXECUTIVE SUMMARY:**

*The Legislative/Communications & Membership Committee (LCMC) met on January 17, 2012 and recommended approval of up to \$1,250 for the sponsorship of the California State University San Bernardino (CSUSB) Leonard Transportation Center's 2012 Transportation and Logistics Summit to be held on March 9, 2012.*

**STRATEGIC PLAN:**

This item supports SCAG Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

**BACKGROUND:**

**CSUSB Leonard Transportation Center**

CSUSB Leonard Transportation Center's 2012 Transportation and Logistics Summit will be held on Friday, March 9, 2012 (7:30am – 2:30pm) at the Ontario Airport DoubleTree Hotel. The 2012 Summit will convene over 600 transportation industry experts and provide a forum of educational workshops, interactive panel sessions and presentations to examine and promote solutions of critical issues facing all stakeholders involved in the broad Transportation and Logistics Industry in Southern California. The \$1,250 Summit Sponsorship entitles SCAG to one (1) table with ten (10) event tickets; a SCAG listing on the website and event program; exhibitor tabletop at event along with event signage; and recognition of SCAG during the event.

**FISCAL IMPACT:**

Up to \$1,250 (These funds are included in the approved 2012 budget).

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**DATE:** February 2, 2012

**TO:** Executive /Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** Amendment \$75,000 or Greater/Amendment Requiring RC Approval: Contract No. 12-008-C1, Interactive Web Design for Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS); and Contract No. 11-034-C1, RTP/SCS Outreach

**EXECUTIVE DIRECTOR'S APPROVAL:** 

**RECOMMENDED ACTION:**

Approve amendment No. 1 to contract 12-008-C1 with Civic Resources Group, LLC, in an amount not-to-exceed \$270,000; and amendment No. 1 to contract 11-034-C1 with Lee Andrews Group, Inc., in an amount not-to-exceed \$50,000.

**EXECUTIVE SUMMARY:**

*Amendment No. 1 to contract 12-008-C1 will among other things allow Civic Resources Group to design new, interactive web applications and complete the detailed design of SCAG's main website. Amendment No. 1 to contract 11-034-C1 will among other things allow Lee Andrews Group to enhance SCAG's outreach efforts on the Draft 2012 RTP/SCS. In accordance with the SCAG Procurement Manual Section 1.4.5, dated 12/09/09, version 10, both amendment require the Regional Council's approval.*

**STRATEGIC PLAN:**

Contract 12-008-C1 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 d, Integrate Advanced Information and Communication Technologies.

Contract 11-034-C1 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:**

**Staff recommends amending the following contracts:**

<u>Consultant/Contract #</u>	<u>Amendment's Purpose</u>	<u>Amount</u>
1. Civic Resources Group, LLC (12-008-C1)	Amendment No. 1 adds funding to enable Civic Resources Group to design new, interactive web applications and complete the detailed design of SCAG's main website to provide dynamic planning scenarios for regional planners and the public.	\$270,000

# REPORT

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**Staff recommends amending the following contracts:**

<b><u>Consultant/Contract #</u></b>	<b><u>Amendment's Purpose</u></b>	<b><u>Amount</u></b>
2. Lee Andrews Group, (11-034-C1)	Amendment No. 1 adds funding to enable Lee Andrews Group to support the overall RTP goals for outreach coordination, as well as the goals of SCAG's recently updated Public Participation Plan.	\$50,000

**FISCAL IMPACT:**

Funding is available for each contract in the FY 2011/12 budget.

**ATTACHMENTS:**

1. Consultant Contract 12-008-C1
2. Consultant Contract 11-034-C1

**Consultant:** Civic Resource Group, LLC

**Background & Scope of Work:** In August 2011, SCAG awarded Contract 12-008-C1 to Civic Resource Group (CRG) to provide planning, technical design, development and testing of new Southern California Association of Governments (SCAG) websites. CRG completed the first phase, the website 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) that includes the Interactive RTP/SCS (“iRTP”). This project puts SCAG at the forefront of e-government and supports the federal initiative for transparent, open government. SCAG is the first Metropolitan Planning Organization (MPO) in the nation to launch a fully interactive site with advanced comment submittal by chapter and sub-section. This facilitates public participation while at the same time supports SCAG’s “think green” initiative by discouraging printing and reducing environmental impact. It supports SCAG’s core value of “revolutionary” regional planning.

The purpose of this amendment is to add hours and tasks to design new, interactive web applications and complete the detailed design of SCAG’s main website. For the first phase, SCAG leveraged a competitively bid contract through the City of Los Angeles. Staff proposes to use the same contract for the amendment. It is critical to the project to retain CRG throughout the project to maintain design consistency, support the “live” sites (including the final RTP/SCS publication in April 2012), and provide skilled staff and innovative approaches to complete the next set of complex websites. The next phase shall provide dynamic planning scenarios for regional planners and the public. CRG shall also coordinate with the development team to provide training and knowledge transfer to SCAG staff. These activities will require an extensive level of effort over the next 17 months and thus the reason for the \$270,000 increase in the contract’s value. Finally, this amendment will extend the contract end date from June 30, 2012 to June 30, 2013 to allow the consultant sufficient time to perform the additional work.

**Project’s Benefits & Key Deliverables:** The project’s benefits and key deliverables include, but are not limited to:

- Innovative and accessible web applications that use the latest e-government technology to encourage public participation
- Increases transparency and accountability of SCAG planning activities;
- Furthers SCAG’s “green” conservation efforts by expanding the distribution of SCAG information while reducing environmental impact; and
- Supports quick access using cell phones and tablets, to respond to the explosive growth in the use of mobile devices.

**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 d, Integrate Advanced Information and Communication Technologies

<b>Amendment</b>	Amendment 1	\$270,000
<b>Amount:</b>	Original contract value	<u>\$197,505</u>
	<b>Total contract value is not-to-exceed</b>	<b>\$467,505</b>

This amendment exceeds \$75,000, as well as 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, it requires the Regional Council’s approval.

**Contract Period:** August 11, 2011 through June 30, 2013

**Work Element:**

12-811.SCG01163.08	\$197,505
12-811.SCG01163.07	\$100,000
13-811.SCG01163.07	\$ 25,000
13-045.SCG00142.20	\$145,000

Funding sources: Consolidated Planning Grant – FHWA and FTA and Indirect

**Basis for the Amendment:** In accordance with SCAG’s Contract Manual Section 2.5, dated 12/09/09, version 10, to foster greater economy and efficiency, SCAG is authorized to procure goods and services by entering into State and local intergovernmental agreements (Master Service Agreements – MSA’s). The goods and services procured under an MSA were previously competitively procured by another governmental entity (SCAG is essentially “piggy backing” on the agreement.) SCAG utilized an MSA with the City of Los Angeles (RFP No. NP-9121, Contract No. 503388) that was competitively bid as the basis for originally awarding contract 12-008-C1. Staff proposes to continue to use this contract for the services required for amendment 1 to contract 12-008-C1.

This project is SCAG’s first successful web development that combines several advanced technologies to allow the public to easily read and visualize large, complex plans. CRG developed the RTP/SCS and iRTP sites using an iterative process. In the first phase, CRG resolved several complex technical challenges to convert text and media elements from the print format to the interactive web format. They worked with staff to “tag” content to enable easy searching and to facilitate online public commenting. CRG reviewed and corrected formatting errors that occurred during the test and live migrations from the internal to external network. These challenges delayed design work required for the main website conversion. However, CRG delivered the design for the new SCAG home page, as well as “audience gateways” to tailor SCAG content to the viewer. These will be enhanced and implemented in the second phase.

With this amendment, CRG shall design sites that integrate additional technologies to highlight specific planning areas. This includes a new Freightworks site and a GIS/data portal that enables scenario building. These activities will require an extensive level of effort over the next 17 months and thus the reason for the \$270,000 increase in the contract’s value. This amendment supports SCAG’s goals to increase public participation in the planning process, support conservation efforts, as well as make complex data, charts and maps more understandable to planners and the public.

**CONTRACT 11-034-C1 AMENDMENT 1**

**Consultant:** Lee Andrews Group, Inc.

**Background & Scope of Work:** In July 2011, SCAG awarded Contract 11-034-C1 to Lee Andrews Group, Inc. to coordinate the agency’s outreach approach with development of the 2012 Regional Transportation Plan and Sustainable Communities Strategy (RTP/ SCS).  
  
The purpose of this amendment is to enhance agency outreach efforts on the Draft 2012 RTP to comply with the updated Public Participation Plan and address issues arising during the Plan’s public review and comment period. The enhanced outreach efforts will require additional consultant assistance, including translation services and coordination with various media outlets.

**Project’s Benefits & Key Deliverables:** The Lee Andrews Group will provide additional outreach support and maximize media involvement as well as coordinate with SCAG staff to address issues related to the 2012 RTP/SCS that arise out of the outreach effort.

**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.

<b>Amendment</b>	Amendment 1	\$50,000
<b>Amount:</b>	Original contract value	<u>\$199,500</u>
	<b>Total contract value is not-to-exceed</b>	<b>\$249,500</b>

The aggregate value of the amended contract will exceed \$200,000 and therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, it requires the Regional Council’s approval.

**Contract Period:** July 8, 2011 through June 30, 2012

**Work Element:**

10-090.1533.01	\$199,500	
11-095.1533.01	\$50,000	

Funding sources: Consolidated Planning Grant – FHWA and FTA

**Basis for the Amendment:** Lee Andrews is currently conducting the outreach work contract and has gained tremendous experience and familiarity with the required tasks.  
  
SCAG has been coordinating with federal, state, transportation, and air quality partners and other stakeholders in the development of the Draft 2012 RTP to comply with state and federal requirements, including close collaboration in the development of a technically solid growth forecast, multimodal transportation and land use strategies, and a realistic financial plan. As noted above, the purpose of the amendment is to enhance the agency’s outreach efforts on the Draft 2012 RTP to comply with the updated Public Participation Plan (PPP). This amendment supports both the overall RTP goals for outreach and coordination and addresses the need to provide additional outreach to clarify issues of concern that arose during the Draft RTP development and initial outreach efforts, including additional media assistance and focused outreach to stakeholders.

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**DATE:** February 2, 2012

**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** Contracts \$200,000 or Greater: Contract No. 12-019-C1, Monthly Managed Information Technology (IT) Services

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Approve Contract No. 12-019-C1, with Allied Digital Systems, LLC, in an amount not-to-exceed \$1,912,960 to provide managed IT services for a five year period.

**EXECUTIVE SUMMARY:**

*This contract provides managed IT services (i.e., support, maintenance, and repair services for computers, network hardware and peripherals, and related system software; and professional service related to remote and on-site monitoring, data base administration, and web management).*

**OBJECTIVE:**

This contract shall replace the current IT Managed Systems contract. In October 2008, the Regional Council approved the first SCAG IT outsource contract to meet SCAG's needs for high performance, high demand information technology systems. This outsourcing strategy has been successful in securing a broad and reliable range of services for the performance, reliability, and integration of SCAG information systems.

**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 d: Integrate Advanced Information and Communication Technologies.

**BACKGROUND:**

**Staff recommends executing the following contract \$200,000 or greater**

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Allied Digital Systems, LLC, (12-019-C1)	The consultant shall provide managed IT services on a monthly basis, for a five year period.	\$1,912,960

**FISCAL IMPACT:**

Funding is available in the FY 2011/12 budget.

**ATTACHMENT:**

Consultant Contract No. 12-019-C1

## CONTRACT 12-019-C1

<b>Recommended Consultant:</b>	Allied Digital Systems, LLC (ADSL)										
<b>Background &amp; Scope of Work:</b>	<p>In October 2008, the Regional Council approved the first SCAG Information Technology (IT) outsource contract to meet SCAG's needs for high performance, high demand information technology systems. This outsourcing strategy has been successful in securing a broad and reliable range of services for the performance, reliability, and integration of SCAG information systems.</p> <p>This contract shall replace the current IT Managed Systems contract. ADSL has been selected to provide professional, timely, expert scheduled and on-demand twenty-four hours per day, seven (7) days per week ( 24/7) Managed Information Technology Services. ADSL attracts and maintains staff resources with broad IT experience and in-depth skills in a variety of technical and project management roles.</p>										
<b>Project's Benefits &amp; Key Deliverables:</b>	<p>The project's benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none"><li>• Innovative strategies and standardized systems to support SCAG's rapidly growing mission-critical planning activities;</li><li>• Certified processes and monitoring systems that increase system uptime, reliability, and performance; and</li><li>• Daily customer support of SCAG operations, including 24/7 service response.</li></ul>										
<b>Strategic Plan:</b>	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 d: Integrate Advanced Information and Communication Technologies.										
<b>Contract Amount:</b>	<table><tr><td><b>Total not-to-exceed</b></td><td style="text-align: right;"><b>\$1,912,960</b></td></tr><tr><td>Monthly services: \$24,826 x 60 months =</td><td style="text-align: right;">\$1,489,560</td></tr><tr><td>Optional Work</td><td style="text-align: right;">\$418,400</td></tr><tr><td>One Time Relocation Plan Fee</td><td style="text-align: right;"><u>\$5,000</u></td></tr><tr><td></td><td style="text-align: right;"><u>\$1,912,960</u></td></tr></table> <p>Note: ADSL originally proposed a monthly service cost of \$25,043 x 60 = \$1,502,580, but staff negotiated the price down to \$24,826 x 60 = \$1,489,560 without reducing the scope of work.</p>	<b>Total not-to-exceed</b>	<b>\$1,912,960</b>	Monthly services: \$24,826 x 60 months =	\$1,489,560	Optional Work	\$418,400	One Time Relocation Plan Fee	<u>\$5,000</u>		<u>\$1,912,960</u>
<b>Total not-to-exceed</b>	<b>\$1,912,960</b>										
Monthly services: \$24,826 x 60 months =	\$1,489,560										
Optional Work	\$418,400										
One Time Relocation Plan Fee	<u>\$5,000</u>										
	<u>\$1,912,960</u>										
<b>Contract Period:</b>	February 2012 through March 31, 2017										
<b>Work Element:</b>	12-811.SCG1163.08 \$1,912,960 Funding source: Indirect										
<b>Request for Proposal (RFP):</b>	<p>SCAG staff notified 641 firms of the release of RFP 12-019-C1. A total of 54 firms downloaded the RFP. SCAG received the following two (2) proposals in response to the solicitation:</p> <table><tr><td><b>Allied Digital Services, LLC (no subconsultants)</b></td><td style="text-align: right;"><b>\$1,502,580</b></td></tr><tr><td>SIGMANet, Inc. (no subconsultants)</td><td style="text-align: right;">\$1,282,560</td></tr></table>	<b>Allied Digital Services, LLC (no subconsultants)</b>	<b>\$1,502,580</b>	SIGMANet, Inc. (no subconsultants)	\$1,282,560						
<b>Allied Digital Services, LLC (no subconsultants)</b>	<b>\$1,502,580</b>										
SIGMANet, Inc. (no subconsultants)	\$1,282,560										

After receiving only two (2) proposals, staff surveyed twelve (12) firms that attended the Pre-Proposal Meeting to determine why each did not submit a proposal. Two (2) firms responded to staff's inquiry and stated that the main reason they did not respond to the RFP was that they had insufficient staff or resources.

**Selection Process:** The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed both offerors.

The PRC consisted of the following individuals:

Richard Castillon, Information Technology Manager & CIO, Orange County Sanitation District

Catherine Chavez, Information Technology Manager, SCAG

Charles Lau, Associate Transportation Planner, California Department of Transportation

Royalan Swanson, Facilities Supervisor, SCAG

**Basis for Selection:** The PRC recommended ADSL for the contract award because the consultant:

- Proposed the highest value for the price. Although ADSL proposed a higher price, they offer services not offered through SIGMAnet. For example, ADSL includes managed information security services, anti-virus software licenses and real-time 24/7 security incident correlation and unmanaged device discovery;

Further, ADSL maintains more stringent quality processes and controls than SIGMAnet, as evidenced by the fact that ADSL has the following industry standard certifications that SIGMAnet does not: ISO/IEC 27001 certification for Remote Management Services, and ISO/IEC 20000-1 for Desktop, Server, Network and Application Support;

- Offered lower per-hour pricing on optional, work-order based services. For example, the fee for an IT architect or lead engineer is 20-30% lower than SIGMAnet for the same level of expertise. Over the life of the contract, this represents approximately \$104,000 in additional cost savings if SCAG awards the contract to ADSL rather than SIGMAnet;
- Maintains a first class call center that includes single point of responsibility, advanced metrics, regular call monitoring and agent coaching, to ensure quality response to SCAG staff and management;
- In terms of staffing, has stronger "bench depth" than SIGMAnet, including experienced backup staff for all critical positions;
- Provides a proprietary help desk system that will be customized to enable coordinated customer service with other SCAG service organizations, such as Facilities; and
- Uses standard processes to control license and asset inventory, change management, and configuration management, to increase SCAG's internal and external system uptime.

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**DATE:** February 2, 2012

**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** Contracts \$200,000 or Greater: Contract No. 12-020-C1, On-Call Bench Contract for Transportation Modeling and Air Quality Related Services

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
Approve Contract No. 12-020-C1, with Sierra Research, Inc., Parsons Brinckerhoff, Inc., Cambridge Systematics, Inc., Caliper Corporation, and M.E. Consulting Services, in an amount not-to-exceed \$544,244 to provide a variety of transportation modeling and air quality related services to support SCAG's modeling and conformity functions.

**EXECUTIVE SUMMARY:**  
*This contract provides a variety of transportation modeling and air quality related services to support SCAG's modeling and conformity functions.*

**OBJECTIVE:**  
The purpose of this contract is to establish a bench (group of pre-qualified firms) to provide modeling and technical services for SCAG staff on an on-call basis.

**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:**  
Staff recommends executing the following contract \$200,000 or greater

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Sierra Research, Inc., Parsons Brinckerhoff, Inc., Cambridge Systematics, Inc., Caliper Corporation, and M.E. Consulting Services (12-020-C1)	The consultants shall provide a variety of transportation modeling and air quality related services to support SCAG's modeling and conformity functions, for approximately 18 months.	\$544,244* <i>(*subject to audit)</i>

**FISCAL IMPACT:**  
Funding is available in the FY 2011/12 budget.

**ATTACHMENT:**  
Consultant Contract No. 12-020-C1

## **CONSULTANT CONTRACT 12-020-C1**

<b>Recommended Consultants:</b>	Sierra Research, Inc., Parsons Brinckerhoff, Inc., Cambridge Systematics, Inc., Caliper Corporation, and M.E. Consulting Services												
<b>Background &amp; Scope of Work:</b>	<p>The development, maintenance, and application of SCAG’s travel demand and emissions models are complicated and often unpredictable. These activities would greatly benefit by having consultants available for quick turnaround of unforeseen modeling tasks. Thus, the purpose of this contract is to obtain a variety of transportation modeling and air quality related professional services to support SCAG’s modeling and conformity functions. The objective is to establish a “bench” (group) of pre-qualified consultants to provide modeling and air quality services to SCAG on an as needed basis. SCAG solicited consultants to provide the following services:</p> <p>Task 1 - Transportation Model Maintenance, Applications, and Technical Support; Task 2 - Transportation Model Development and Model Improvement; Task 3 - Transportation Model Software and Programming Support; Task 4 - Expertise for Air Quality and Conformity Analysis &amp; Evaluation, Review, Technical Support, and Training; Task 5 - Air Quality Modeling Tool Development and Enhancement; and Task 6 - Air Quality Software and Programming Support.</p> <p>SCAG provided detailed descriptions of the expected work tasks and required qualifications. Based on the evaluation criteria for each Task, the Proposal Review Committee selected a specific consultant to perform one of the six tasks listed above. Work associated with each task will be assigned to each consultant on an as needed basis.</p>												
<b>Project’s Benefits &amp; Key Deliverables:</b>	<p>The project’s benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none"><li>• Provide travel demand modeling support for SCAG’s plans, programs and projects, including the 2012 RTP;</li><li>• Conduct travel demand model improvement projects, perform technical studies, provide SCAG staff technical assistance, as well as provide software and programming support; and</li><li>• Provide advanced technical expertise to support SCAG’s plans, programs and projects as related to air quality planning and transportation conformity.</li></ul>												
<b>Strategic Plan:</b>	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.												
<b>Contract Amount:</b>	<table border="0" style="width: 100%;"><tr><td style="width: 70%;"><b>Total not to exceed</b></td><td style="text-align: right;"><b>\$544,244</b></td></tr></table> <p>Note: Contract award is subject to audit. Further, an initial amount of \$250,000 is allotted to be shared among the selected consultants. Each award shown below is a not-to-exceed maximum value for the respective consultant.</p> <table border="0" style="width: 100%;"><tr><td>Sierra Research, Inc.(Task 4 &amp; 5)</td><td style="text-align: right;">\$172,896</td></tr><tr><td>Parsons Brinckerhoff, Inc.(Task 2)</td><td style="text-align: right;">\$140,705</td></tr><tr><td>Cambridge Systematics, Inc.(Task 1)</td><td style="text-align: right;">\$133,143</td></tr><tr><td>Caliper Corporation (Task 3)</td><td style="text-align: right;">\$81,500</td></tr><tr><td>M.E. Consulting Services (Task 6)</td><td style="text-align: right;">\$16,000</td></tr></table>	<b>Total not to exceed</b>	<b>\$544,244</b>	Sierra Research, Inc.(Task 4 & 5)	\$172,896	Parsons Brinckerhoff, Inc.(Task 2)	\$140,705	Cambridge Systematics, Inc.(Task 1)	\$133,143	Caliper Corporation (Task 3)	\$81,500	M.E. Consulting Services (Task 6)	\$16,000
<b>Total not to exceed</b>	<b>\$544,244</b>												
Sierra Research, Inc.(Task 4 & 5)	\$172,896												
Parsons Brinckerhoff, Inc.(Task 2)	\$140,705												
Cambridge Systematics, Inc.(Task 1)	\$133,143												
Caliper Corporation (Task 3)	\$81,500												
M.E. Consulting Services (Task 6)	\$16,000												

**Contract Period:** February 2012 - June 30, 2013

**Work Element:** 12-070.SCG00130 \$250,000  
Funding sources: Consolidated Planning Grant – FHWA and FTA

**Request for Qualifications (RFQ):** SCAG staff notified 564 firms of the release of Request for Qualifications (RFQ 12-020). Staff also advertised the RFQ in the American Planning Association’s magazine, the Urban Transportation Monitor, as well as the Planning Institute, and posted it on SCAG’s bid management system. A total of 78 firms downloaded the RFQ. SCAG received the following 7 proposals in response to the solicitation:

Caliper (no subconsultants)	\$405,000
Iteris Inc. (no subconsultants)	\$236,289
Sierra Research (2 subconsultants)	\$198,980
Parsons Brinckerhoff (1 subconsultant)	\$140,705
Cambridge Systematics (no subconsultants)	\$133,000
Point Partners Inc. (no subconsultants)	\$88,000
M.E Consulting (no subconsultants)	\$48,000

**Selection Process:** The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFQ, and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC did not conduct interviews because the proposals contained sufficient information upon which to base a contract award.

The PRC consisted of the following individuals:

Tony Van Haagen, Senior Transportation Planner, Caltrans District 7  
Michael A. Krause, Program Supervisor, South Coast Air Quality Management District  
Robert Farley, Transportation Planning Manager, Los Angeles County Metropolitan Transportation Authority  
Mike Ainsworth, Modeling Program Manager, SCAG  
Rongsheng Luo, Program Manager 2, SCAG

**Basis for Selection:** The PRC recommended 5 of the 7 firms that proposed, namely, Sierra Research, Inc., Parsons Brinckerhoff, Inc., Cambridge Systematics, Inc., Caliper Corporation, and M.E. Consulting Services to the bench because each firm demonstrated:

- An excellent technical approach and a clear understanding of the proposed work tasks;
- Excellent knowledge and previous work experience related to the specific work task;
- Excellent knowledge and experience using SCAG’s models and an understanding of SCAG’s technical processes;
- Excellent understanding of State and Federal regulations regarding modeling and air quality;
- Qualifications and availability of key staff members and project manager;
- Capability to provide quality graphic materials and model documentation;
- Reasonable pricing structure and ability to meet the schedule.

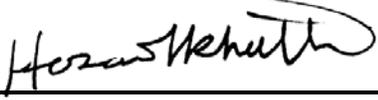
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**DATE:** February 2, 2012

**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)

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

**SUBJECT:** California Strategic Growth Council Sustainable Communities Planning Grant and Incentive Program Application

**EXECUTIVE DIRECTOR'S APPROVAL:** 

**RECOMMENDED ACTION:**

**For Executive/Administration Committee:**

Recommend the Regional Council approve the Resolution No. 12-536-1, authorizing SCAG to apply for, and if awarded, accept grant funds under the California Strategic Growth Council Sustainable Communities Planning Grant and Incentive Program.

**For Regional Council:**

Approve Resolution No. 12-536-1, authorizing SCAG to apply for, and if awarded, accept grant funds under the California Strategic Growth Council Sustainable Communities Planning Grant and Incentive Program.

**EXECUTIVE SUMMARY:**

*The California Strategic Growth Council (SGC) issued a Request for Proposals (RFP) for the second round of the Sustainable Communities Planning Grant and Incentive Program (“Grant Program”). SCAG was a successful first round applicant for the Grant Program in 2010. SCAG’s application, is currently under development, intends to expand the technical capacity and knowledge base to facilitate the development of sustainable communities in Southern California. The maximum application award is \$1,000,000 with a maximum grant period of 36 months. The RFP requires the resolution be approved by the Regional Council for application submittal due on February 15, 2012.*

**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:**

On November 3, 2011, the SGC issued an RFP for the second round of the Grant Program. The Grant Program is funded by Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. It authorizes the Legislature to appropriate funds for planning grants and incentives that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits.

# REPORT

A total of approximately \$18 million will be available for applicants of the second round of the grant program, addressing three focused areas:

1. Focused Area #1: Local Sustainable Planning  
Eligible Applicants: Cities and Counties
2. Focused Area #2: Regional SB 375 Plus  
Eligible Applicants: MPOs
3. Focused Area #3: Regional Planning Activities with Multiple Partners  
Eligible Applicants: Cities, Counties, Regional Transportation Planning Agencies, Joint Power Authorities and Council of Governments

SCAG's application of \$1,000,000 (maximum allowed), currently under development, is intended to focus on facilitating the development of sustainable communities in Southern California. The scope of work is anticipated to include, for example, the development of sustainability assessment and monitoring tools, creation of an implementation guide for sustainable development, and regional analysis and surveys of transit-oriented developments to support sustainable development strategies. The sustainability assessment and monitoring tools could be implemented at the small area, city, county and regional levels. Tools proposed in SCAG's application are intended to be a planning resource for all six (6) counties and 191 cities in the SCAG Region.

## **Key Dates Related to the Grant Application**

1. November 3, 2011 – SGC issued the RFP for the Sustainable Communities Grant Program
2. February 2, 2012 – SCAG Regional Council to Authorize staff to apply for the Grant Program
3. February 15, 2012 (by 5:00 p.m.) – Grant application due to SGC
4. May 2012 (specific date pending) – SGC to take action on grant award

## **FISCAL IMPACT:**

If awarded, the grant funds, in-kind match and the proposed scope of work will be incorporated into the Overall Work Program through budget amendment.

## **ATTACHMENT:**

Resolution No. 12-536-1



**ASSOCIATION of GOVERNMENTS**

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Energy & Environment  
Margaret Clark, Rosemead

Transportation  
Paul Glaab, Laguna Niguel

**RESOLUTION NO. 12-536-1**

**A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) TO APPROVE THE APPLICATION FOR, AND IF AWARDED, ACCEPT GRANT FUNDS UNDER THE SUSTAINABLE COMMUNITY PLANNING GRANT AND INCENTIVE PROGRAM ADMINISTERED BY THE CALIFORNIA STRATEGIC GROWTH COUNCIL**

**Name of Proposal: Building Sustainable Communities in Southern California**

**WHEREAS**, the Legislature and Governor of the State of California have provided funds for the Sustainable Communities Planning Grant and Incentives Program under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84); and

**WHEREAS**, the Strategic Growth Council has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

**WHEREAS**, said procedures require all award recipients commit to threshold requirements; and

**WHEREAS**, said procedures established by the Strategic Growth Council require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the State; and

**WHEREAS**, the applicant, if selected, will enter into an agreement with the State of California to carry out the development of the proposal.

**NOW, THEREFORE, BE IT RESOLVED** by the Regional Council of the Southern California Association of Governments that SCAG does hereby:

1. Approves the filing of an application for Building Sustainable Communities in Southern California in order to become a more sustainable community.
2. Certifies that applicant will have sufficient funds to develop the Proposal or will secure the resources to do so.
3. Certifies that the Proposal will comply with any applicable laws and regulations including being consistent with the State's Planning Priorities identified in Government Code section 65041.1 and summarized below:
  - a. Promote infill development and invest in existing communities
  - b. Protect, preserve and enhance agricultural land and natural resources; and
4. Encourage location and resource efficient new development; and

5. Certifies that threshold requirements outlined in the guidelines, including consideration of Ocean Protection Council Sea Level Rise Guidance will be met.
6. Agrees to reduce, on a permanent basis as feasible, greenhouse gas emissions consistent with California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 3850) of the Health and Safety Code) as part of the regional plan(s).
7. Agrees to meet the Collaboration Requirements of the focus area applicable to the Proposal; and includes all required documents in the application package.
8. Appoints the Executive Director, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

**APPROVED AND ADOPTED** by the Regional Council of the Southern California Association of Governments at its regular meeting on the 2<sup>nd</sup> day of February, 2012.

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Pam O'Connor  
President, SCAG  
Councilmember, Santa Monica

Attested by:

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Hasan Ikhata  
Executive Director

Approved as to Form:

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Joann Africa  
Chief Counsel

**DATE:** February 2, 2012  
**TO:** Regional Council  
**FROM:** Community, Economic & Human Development Committee (CEHD)  
**BY:** Joann Africa, Chief Counsel, 213-236-1928, [africa@scag.ca.gov](mailto:africa@scag.ca.gov)  
**SUBJECT:** Regional Housing Needs Assessment (RHNA) Procedures for Revision Requests, Appeals and Trade & Transfers

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
Approve the procedures for addressing RHNA revision requests, appeals and trades & transfers, as recommended by CEHD.

**EXECUTIVE SUMMARY:**  
*Staff presents for the Regional Council's review and consideration the procedures for handling the revision requests, appeals and trades & transfers processes related to the 5<sup>th</sup> cycle RHNA. Review of procedures coincides with the Regional Council's review of the Draft RHNA Plan, also included as part of today's meeting agenda.*

*The RHNA Subcommittee reviewed and approved the procedures on December 9, 2011, subject to staff incorporating minor suggested changes into the procedures which includes clarification with respect to the trade & transfers process, that the transfer group be comprised of local jurisdictions that are geographically contiguous and preferably located within the same county, except in cases where the jurisdictions are geographically contiguous but located in bordering counties. On January 5, 2012, the Community, Economic & Human Development Committee reviewed the procedures and recommended Regional Council approval.*

**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:**  
Attached for the CEHD Committee's review are the procedures for handling revision requests, appeals and trades & transfers related to the 5<sup>th</sup> cycle RHNA. Staff seeks approval of the procedures at this time in order to comply with the current RHNA schedule. The Draft RHNA Plan is scheduled to be reviewed and approved for distribution by the Regional Council on February 2, 2012. The attached procedures propose that the revision requests process commence shortly thereafter, followed by the appeals process. Therefore, it is advisable to have the procedures approved concurrently with the Draft RHNA Plan.

# REPORT

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As described in detail in the procedures, there are three (3) processes whereby local jurisdictions within SCAG region may seek to modify their draft housing allocations outlined in SCAG's Draft RHNA Plan. These processes are:

- (1) the revision request process where a jurisdiction may seek an adjustment based upon its planning factors (also known as the "AB 2158 planning factors");
- (2) the appeals process where jurisdiction may seek an adjustments based upon SCAG's failure to appropriately apply the adopted allocation methodology, SCAG's failure to consider information regarding the jurisdiction's local planning factors, or a significant and unforeseen change in circumstances that merits a revision of the information previously submitted by the local jurisdiction; and
- (3) the trade & transfer process where two or more local jurisdictions agree to an alternate distribution but maintain the total number of units by income category originally assigned to the group.

Staff intends to briefly go over the various aspects of the attached procedures, including the role of the RHNA Subcommittee with respect to addressing revision requests and appeals. The RHNA Subcommittee reviewed and approved the procedures on December 9, 2011, subject to staff incorporating minor suggested changes. Staff has incorporated the changes suggested by the RHNA Subcommittee, including clarifying within the guidelines of the trade & transfer process, that the transfer group be comprised by local jurisdictions that are geographically contiguous and preferably located within the same county. However, the exception may be made for jurisdictions that are geographically contiguous and located within counties that border one another.

On January 5, 2012, the Community, Economic & Human Development Committee reviewed the procedures and recommended Regional Council approval. The CEHD Committee also requested that the timeline included within the procedures (see, Exhibit "A" in the procedures) be made available as a stand-alone document so that it may be shared with local jurisdictions and others.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 11-12 General Fund Budget (12-800.0160.03: RHNA).

**ATTACHMENT:**

RHNA Procedures regarding Revision Requests, Appeals and Trades & Transfers



# 5<sup>TH</sup> CYCLE REGIONAL HOUSING NEED ASSESSMENT

## *PROCEDURES REGARDING REVISION REQUESTS, APPEALS AND TRADE & TRANSFERS*

In accordance with Government Code Section 65584.05, there are three (3) processes whereby local jurisdictions within the SCAG region may seek to modify their allocated share of the regional housing need included as part of SCAG’s Draft Regional Housing Needs Assessment (RHNA) Allocation Plan, hereinafter referred to as the “Draft RHNA Plan.”

The first process involves local jurisdictions requesting a revision of its draft allocation. This “revision process” is outlined in Section I herein.

As outlined in Section II, the second process involves a formal appeal with SCAG if the local jurisdiction’s draft allocation was not modified as part of the revision process.

The third process involves two or more local jurisdictions proposing a “trade and transfer” or alternative distribution of their draft RHNA allocations by way of a written agreement. This document sets forth the process and guidelines to accomplish trades and transfers, as outlined in Section IV herein.

In accordance with state law, local jurisdictions shall not be allowed to file more than one appeal, and no appeal shall be allowed relating to post-appeal reallocation adjustments made by SCAG, as further described in Section II, below.

### **I. REVISION PROCESS**

#### **A. DEADLINE TO FILE**

Under existing law<sup>1</sup>, SCAG can determine the period by which local jurisdictions may request a revision of its draft allocation. According to SCAG’s current schedule for the 5<sup>th</sup> cycle RHNA Plan, attached hereto as Exhibit “A,” the Draft RHNA Plan is currently projected to go before SCAG’s Regional Council for

<sup>1</sup> Unless otherwise stated, any reference to “existing law” herein shall mean a reference to California Government Code Section 65584.05.

review and distribution on February 2, 2012. The period to request revisions shall commence on February 9, 2012. In order to comply with SCAG's current RHNA schedule, any jurisdiction seeking to request a revision of its draft RHNA allocation must submit the request by March 15, 2012. Late revision requests shall not be accepted by SCAG, and any request shall be subject to the limits and alternative data requirements for appeals, as noted in Section II.D and E.

## **B. FORM OF REVISION REQUEST**

In accordance with existing law, local jurisdictions may "request a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) through (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (b) of that section." Specifically, a local jurisdiction may request a revision of its draft RHNA allocation based upon AB 2158 factors, including any information submitted by the jurisdiction regarding the AB 2158 factors as a result of SCAG's local survey process. These AB 2158 factors are outlined in Section II, subsection C herein, relating to the appeals process. A local jurisdiction shall submit its revision request using the form attached hereto as Exhibit "B."

SCAG staff shall consider and recommend what action should be taken regarding any revision request, subject to the approval of the RHNA Subcommittee. The RHNA Subcommittee was previously established by SCAG's Regional Council to guide the development of the 5<sup>th</sup> cycle RHNA plan. The RHNA Subcommittee is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region. There shall be a quorum of the RHNA Subcommittee when each county is represented, and while alternates are permitted to participate in the appeal hearing process, each county shall only be entitled to one vote.

Decisions regarding revision requests shall be made within sixty (60) days after the deadline to request revisions. During this period, SCAG staff shall review the revision request and make a formal recommendation related to the revision request to the RHNA Subcommittee. The RHNA Subcommittee shall thereafter review staff's recommendations as part of a RHNA Subcommittee public meeting. Local jurisdictions shall be notified in advance of the RHNA Subcommittee's review of their revision requests.

The decision of the RHNA Subcommittee regarding revision requests based upon SCAG staff's recommendation shall be to (1) grant the revision request and approve the total amount of housing units requested by the jurisdiction be revised as part of the request; (2) partially grant the revision request and approve part of the amount of housing units requested by the jurisdiction be revised as part of the request; or (3) deny the revision request and make no modification to the jurisdiction's draft share of regional housing need.

Any decision by the RHNA Subcommittee to grant or partially grant a revision request shall result in an adjustment to the total regional number provided in the Draft RHNA Plan. There will also be proportional adjustments made across the four income categories in the Draft RHNA Plan. In considering and determining any revision requests, the RHNA Subcommittee shall maintain the total regional housing need determined by the California Department of Housing and Community Development (HCD) of 409,060 to 438,030 housing units for the period of 2013-2021. Any revision requests granted by the RHNA Subcommittee shall not result in SCAG's total regional housing need to be lower than 409,060 housing units. Adjustments resulting from successful revision requests shall not be subject to reallocation. The local jurisdiction shall be notified in writing of the RHNA Subcommittee's decision regarding its revision request.

## **II. APPEALS PROCESS**

### **A. DEADLINE TO FILE**

A local jurisdiction may file an appeal of its draft RHNA allocation with SCAG if the jurisdiction requested a revision under the process described in Section I above and does not accept the decision regarding the request by the RHNA Subcommittee, except in the cases where the jurisdiction is filing an appeal based upon SCAG's application of the allocation methodology or a change in circumstances. The period to file appeals shall commence on April 23, 2012. In order to comply with SCAG's current RHNA schedule, any jurisdiction seeking to appeal its draft allocation of the regional housing need must file an appeal by May 29, 2012. Late appeals shall not be accepted by SCAG.

### **B. FORM OF APPEAL**

The local jurisdiction shall state the basis and specific reasons for its appeal on the appeal form prepared by SCAG, a copy of which is attached hereto as Exhibit "C". Additional documents may be submitted by the local jurisdiction as attachments, and all such attachments should be properly labeled and numbered.

### **C. BASES FOR APPEAL**

Local jurisdictions shall only file an appeal based upon the criteria listed below. In order to provide guidance to potential appellants, information regarding SCAG's allocation methodology approved by SCAG's Regional Council on November 3, 2011, and application of local factors in the development of SCAG's allocation methodology is attached hereto as Exhibit "D".

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the allocation methodology established and approved by SCAG.
2. AB 2158 Factors – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(b), including the following:
  - a. Each jurisdiction’s existing and projected jobs and housing relationship.
  - b. The opportunities and constraints to development of additional housing in each jurisdiction, including the following:
    - (1) lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
    - (2) the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities;
    - (3) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.
    - (4) County policies to preserve prime agricultural land, as defined pursuant to Government Code Section 56064, within an unincorporated area.

- c. The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
  - d. The market demand for housing.
  - e. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
  - f. The loss of units contained in assisted housing developments that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
  - g. High housing costs burdens.
  - h. The housing needs of farmworkers.
  - i. The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
3. Changed Circumstances – That a significant and unforeseen change in circumstances has recently occurred in the jurisdiction that merits a revision of the information previously submitted by the local jurisdiction.

**D. LIMITS ON SCOPE OF APPEAL**

Existing law limits SCAG’s scope of review of appeals. Specifically, in accordance with existing law, SCAG shall not grant any appeal based upon the following:

- 1. Any other criteria other than the criteria in Section II.C above.

2. A local jurisdiction's existing zoning ordinance and land use restrictions, including but not limited to, the contents of the local jurisdiction's current general plan. In accordance with Government Code Section 65504.04(d)(2)(B), SCAG may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. Any local ordinance, policy, voter-approved measure or standard limiting residential development. Pursuant to Government Code Section 65584.04(f), any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits shall not be a justification for a determination or a reduction in a city's or county's share of regional housing need.

#### **E. ALTERNATIVE DATA REQUIREMENTS**

To the extent a local jurisdiction submits alternative data or evidentiary documentation to SCAG in support of its appeal, such alternative data shall meet the following requirements:

1. The alternative data shall be readily available for SCAG's review and verification. Alternative data should not be constrained for use by proprietary conditions or other conditions rendering them difficult to obtain or process.
2. The alternative data shall be accurate, current, and reasonably free from defect.
3. The alternative data shall be relevant and germane to the local jurisdiction's basis of appeal.
4. The alternative data shall be used to support a logical analysis relating to the local jurisdiction's request for a change in its regional housing need allocation.

#### **F. HEARING BODY**

SCAG's Regional Council has delegated the responsibility of considering appeals regarding draft allocations to the RHNA Subcommittee. All provisions of the RHNA Subcommittee's charter shall apply with respect to the conduct of the

appeal hearings. In the event that a local jurisdiction has requested a revision and filed an appeal solely based on AB 2158 factors, the RHNA Subcommittee shall have the right to deny the appeal if it has previously granted or partially granted the jurisdiction's revision request.

#### **G. APPEAL HEARING**

Hearings related to appeals shall occur no later July 13, 2012. Notice shall be provided to the appealing jurisdiction in accordance with existing law. The appeal hearing(s) may take place provided that each county is represented either by a member or alternate of the RHNA Subcommittee. Alternates are permitted to participate in the appeal hearing, provided however, that each county shall only be entitled to one vote when deciding on the appeal. In the event the hearing involves the member's or alternate's respective jurisdiction, the member or alternate shall be disqualified and is not permitted to participate in the hearing, except as a member of the public.

The hearing(s) shall be conducted to provide the appealing jurisdiction with the opportunity to make its case regarding a change in its draft regional housing need allocation, with the burden on the appealing jurisdiction to prove its case. The RHNA Subcommittee need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Subcommittee. SCAG staff shall also be permitted to present its position and may make a recommendation on the technical merits of the appeal to the RHNA Subcommittee, subject to any rebuttal by the appealing jurisdiction.

#### **H. DETERMINATION OF APPEAL**

The RHNA Subcommittee shall issue a written decision to the appealing jurisdiction within one (1) week of the conclusion of the public hearing(s). The decision shall be to: (1) grant the appeal and approve the total amount of housing units requested by the jurisdiction to be modified as part of its appeal; (2) partially grant the appeal and approve part of the amount of housing units requested by the jurisdiction to be modified as part of its appeal; or (3) deny the appeal and reject any modification to the jurisdiction's draft regional housing need allocation. The decision of the RHNA Subcommittee shall be final, and local jurisdictions shall have no further right to appeal. In accordance with existing law, the final determination on an appeal by the RHNA Subcommittee may require the adjustment of allocation of a local jurisdiction that is not the subject of an appeal.

### **III. POST-APPEAL REALLOCATION OF REGIONAL HOUSING NEED**

In accordance with existing law (see, Government Code Section 65584.05(g)), after the conclusion of the appeals process, SCAG shall total the successfully

appealed housing need allocations. If the adjustments total seven percent (7%) or less of the regional housing need, SCAG shall distribute the adjustments proportionally to all local jurisdictions, including to those jurisdictions who filed appeals.

If the adjustments total more than seven percent (7%) of the regional housing need, existing law provides that SCAG can develop a methodology to distribute the amount greater than seven percent to local governments. In this situation, SCAG's methodology shall be to distribute the remainder proportionally to all local jurisdictions, including to those jurisdictions who filed appeals.

#### **IV. TRADE AND TRANSFER PROCESS**

As an alternative to the revision request or appeals processes, a local jurisdiction may attempt a "trade and transfer" of its allocation with another jurisdiction(s), for the purpose of developing an alternative distribution of housing need allocations consistent with existing law. SCAG shall facilitate or assist in trade and transfer efforts by local jurisdictions, to the extent reasonably feasible. As such, local jurisdictions need not request a revision or file an appeal with SCAG in order to attempt trades and transfers. The alternative distribution shall be evidenced by way of a written agreement or other documentation outlining the respective jurisdictions' modified allocations. Any alternative distribution shall be submitted to SCAG prior to SCAG's issuance of the Final RHNA Plan, and shall be subject to any post-appeal reallocations as described in Section III above.

SCAG shall include the alternative distribution proposed by the local jurisdictions in the Final RHNA Plan, provided that the proposed alternative distribution maintains or accounts for the total housing need originally assigned to these jurisdictions and complies with the following guidelines:

- A. Transfer request shall have at least two willing parties and the total number of units originally assigned to the group requesting the transfer (hereinafter referred to as the "transfer group") cannot be reduced.
- B. All members of the transfer group are local jurisdictions that are geographically contiguous and preferably located within the same county; exceptions may be made where the local jurisdictions are geographically contiguous but located in counties that border one another.
- C. All members of the transfer group shall retain some allocation of very-low and low-income units. SCAG advises that a minimum of twenty percent (20%) of the original allocations be retained for very-low and low-income units.

- D. The proposed transfer includes a description of incentives and/or resources that will enable the jurisdiction(s) receiving an increased allocation to provide more housing choices absent the proposed transfer and accompanying incentives or resources.
- E. The proposed transfer shall be consistent with existing housing law, including the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- F. If the proposed transfer results in a greater concentration of very-low income or low-income units in a receiving jurisdiction which has a disproportionately high share of households in that income category, the transfer group shall provide a reasonable justification to SCAG so as to address the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- G. The proposed transfer shall not prohibit SCAG from making a determination that its Final RHNA Plan is consistent with SCAG's regional transportation plan (RTP) and related Sustainable Communities Strategy (SCS).
- H. The transfer group shall retain its originally assigned allocations in the event the agreement involving the proposed transfer is not completed by the respective deadline.

**V. FINAL RHNA PLAN**

After SCAG makes any adjustments resulting from the revision request process, reallocates units to all local jurisdictions resulting from successful appeals, and incorporates any alternative distributions of transferring jurisdictions, SCAG's Regional Council shall review and consider adoption of the Final RHNA Plan for SCAG's 5<sup>th</sup> cycle RHNA. This is scheduled to occur on October 4, 2012.

Exhibit "A" -- RHNA Timeline (February 2012-October 2013)

February 2, 2012	SCAG's Regional Council reviews and considers distribution of SCAG's Draft RHNA Plan.
February 9, 2012	Start of period for local jurisdictions to request revision of its draft allocation based upon AB 2158 factors.
March 15, 2012	Last day for local jurisdictions to request revision based upon AB 2158 factors.
April 19, 2012	Deadline to address all revision requests by SCAG staff and RHNA Subcommittee.
April 23, 2012	Start of period for local jurisdiction to file appeal of its draft allocation based upon application of SCAG's methodology, AB 2158 factors or changed circumstances.
May 29, 2012	Last day for local jurisdiction to file appeal based upon application of SCAG's methodology, AB 2158 factors or changed circumstances.
June 8, 2012	Deadline for SCAG to notify jurisdiction of public hearing date before RHNA Subcommittee regarding appeal.
July 9-13, 2012	Period in which public hearing(s) before RHNA Subcommittee can be held for appealing jurisdictions.
July 23, 2012	End of the appeals process; RHNA Subcommittee to issue written decisions regarding all appeals by this date.
August 17, 2012	Deadline for jurisdictions who have undertaken the trade & transfer process to submit alternative distribution of draft allocations to SCAG.
Month of August 2012	Staff to begin preparing the proposed final RHNA Allocation Plan (Final RHNA Plan), which shall include alternative distribution/transfers and adjustments resulting from post-appeal reallocation process.
September 4, 2012	RHNA Subcommittee to review and recommend approval of Final RHNA Plan by SCAG's CEHD Committee.
September 6, 2012	CEHD Committee to review and recommend approval of the Final RHNA Plan by SCAG's Regional Council. SCAG staff notifies jurisdictions of public hearing date relating to the adoption of the Final RHNA Plan.
October 4, 2012	SCAG's Regional Council holds a public hearing to review and consider adoption of the Final RHNA Plan.
October 5, 2012	SCAG submits its adopted 5 <sup>th</sup> cycle Final RHNA Plan to HCD.
Dec 3, 2012	Deadline for final approval of SCAG's Final RHNA Plan by HCD.
October 31, 2013	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.



**Fifth Regional Housing Needs Assessment (RHNA) Cycle Revision Request**

*All revision requests must be received by SCAG March 15, 2012, 5 p.m. Late submissions will not be accepted.*

Date: \_\_\_\_\_

Jurisdiction: \_\_\_\_\_

County: \_\_\_\_\_

Subregion: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

**REVISION REQUEST AUTHORIZED BY:**

**PLEASE CIRCLE BELOW:**

Name: \_\_\_\_\_

Mayor      Chief Administrative Officer      City Manager

Chair of  
County Board  
of Supervisors      Other: \_\_\_\_\_

**BASES FOR REVISION REQUEST**

- AB 2158 Factors (See Government Code Section 65584.04(d))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - Market demand for housing
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction

**Brief Description of Revision Request and Desired Outcome:**

**List of Supporting Documentation, by Title and Number of Pages:**

- 1.
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_



## 5<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA) Allocation Methodology

SB 375 requires SCAG's Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) and Regional Housing Needs Assessment (RHNA) to be developed under an integrated process—one process that will facilitate internal consistency amongst these policy initiatives, while also fulfilling the multiple objectives required by the applicable laws and planning regulations.

As the region's Council of Governments, SCAG is responsible for the development of the 2012 RTP/SCS and allocation of the state-determined regional housing needs among all local jurisdictions in the SCAG region. SCAG and the California Department of Housing and Community Development (HCD) officially started the consultation process to determine the total housing needs for the SCAG region on June 20, 2011. As a result of the consultation process, on August 17, 2011, HCD determined SCAG's regional housing need to be a range of 409,060 to 438,030 units for the period 2013-2021.

This report describes the Data/GIS and Integrated Growth Forecast process, methodology, and results that will serve as the framework and foundation for the 2012 RTP/SCS development, and will also be used to produce the 5<sup>th</sup> Cycle RHNA Allocation Methodology (also referred to as "Allocation Methodology" herein), which shall be applied to distribute the regional housing need to produce a draft housing allocation to all local jurisdictions within the SCAG region. All key elements of the 5<sup>th</sup> Cycle RHNA Allocation Methodology are presented in detail in the later portion of this report.

### *The Stepwise Procedure of 5<sup>th</sup> Cycle RHNA Allocation Methodology*

The RHNA Allocation Methodology includes the following components and steps:

- (1) Each jurisdiction's projected housing needs, or its RHNA allocation, is determined by three components: (a) projected household growth, (b) healthy market vacancy need, and (c) housing replacement need;
- (2) Projected household growth for each jurisdiction should be consistent with 2012 RTP/SCS Integrated Growth Forecast process and results. (*See, Appendix IV for Preliminary Allocation as of May 13, 2011, subject to further discussion with local jurisdictions, additional refinement and adjustment consistent with 2012 RTP/SCS development process and results*);
- (3) Healthy market vacancy need is determined by applying 1.5%-owner vacancy rate and 4.5%-renter vacancy rate to each jurisdiction's projected household growth, split by the proportion of owner occupied units and renter occupied units from the 2010 Census;
- (4) Replacement need is determined by applying each jurisdiction's share of SCAG's historical demolitions to the region's housing replacement need, as determined by HCD. A jurisdiction's share of the region's demolitions will be derived using historical demolitions data from the Department of Finance (DOF). The replacement need will then be adjusted by applying the share to the jurisdiction's input gathered through SCAG's Housing Unit Demolition Survey. (*See, Appendix V*). Due to limited data availability regionwide, the replacement need will be applied to the individual jurisdiction's total draft allocation, prior to determining housing need by income category;
- (5) Determine each jurisdiction's projected housing needs that can be met with "excess" vacant units in their existing housing stock. The excess vacant unit credit for the region is 69,105 for effective vacancies and 6,286 for "other" vacant unit types, as determined by HCD (*See, Appendix VIII for vacant unit statistics and credit determination*). Due to limited data availability regionwide, the excess vacancy credit will be applied to the individual jurisdiction's total draft allocation, prior to determining housing need by income category;

- and,
- (6) Provide income distribution for each jurisdiction to allocate housing needs into four income categories, consistent with the 110% fair-share/over-concentration adjustment policy as adopted by SCAG's RHNA Subcommittee (*See*, Appendix VI).

In addition, the Allocation Methodology will address potential RHNA transfers due to future annexations by assessing future growth within spheres of influence areas. For any annexation areas outside a sphere of influence, the Allocation Methodology recognizes the existence of the small area dataset used for RTP/SCS modeling as a framework to derive the potential RHNA transfers in those specific areas. The jurisdictional boundaries as the starting point for this analysis will be based on the dataset as of January 1, 2011 and any future changes thereafter.

The key RHNA Allocation Methodology components are summarized below:

- (1) Existing housing needs
- (2) Projected housing needs for the RHNA planning period (October 1, 2013 – October 1, 2021)
  - (i) Total Regional Housing Needs Determination (as determined through SCAG's consultation with HCD)
  - (ii) RHNA Allocation Methodology
    - Projected household growth and AB 2158 factors
    - Healthy market vacancy need
    - Housing replacement need
    - The number of excess vacant units in a jurisdiction's existing housing stock
- (3) The interactions between the RHNA process and the RTP/SCS development process
  - (i) Housing planning needs to be coordinated and integrated with the RTP/SCS
  - (ii) To achieve this goal, the RHNA allocation plan shall distribute housing units within the region consistent with the development pattern included in the SCS
  - (iii) The SCS shall identify areas within the region sufficient to accommodate an eight-year projection of the regional housing needs for the region pursuant to Government Code Section 65584 (RHNA); and
- (4) SCAG 2012 Integrated Growth Forecast Process and results for RTP/SCS and RHNA

### **Existing Housing Needs**

#### **Approach to addressing existing housing needs in the SCAG Region**

To meet the requirements of assessing existing housing needs and to help local jurisdictions prepare potential updates to their housing elements, SCAG has committed to collaborate with other government agencies, stakeholders, and local jurisdictions to process data from the 2010 Census along with housing related statistics from other sources for the purpose of providing value-added information as required by housing law. Statistics required to meet the existing housing needs include:

- (1) Local jurisdiction's share of the regional housing needs in accordance with Section 65584
- (2) Statistics on household characteristics, including over-payment, overcrowding, and housing stock condition
- (3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment

- (4) An analysis of any special housing needs, such as elderly, persons with disabilities, large families, farm workers, families with female heads of households, and families and persons in need of emergency shelter
- (5) Statistics on existing assisted housing developments

The data set described above was distributed in draft form to stakeholders, interested parties, and on SCAG's RHNA webpage in late July 2011 (*See, Appendix I*).

### **Projected Regional Total Housing Needs for RHNA Planning Period**

Before HCD determines the total housing needs and its allocation by income category for the SCAG region, Government Code 65584.01 provides a procedure and process to guide the consultation process between SCAG, DOF, and HCD to reach the determination. The stepwise methodologies are as follows:

- (1) Determine SCAG's regional population growth for the RHNA projection period
- (2) Determine the headship rate
- (3) Determine SCAG's regional household growth by applying the headship rate to population growth
- (4) Subtract population and household growth located on Tribal Lands
- (5) Determine the healthy market vacancy rates for both owner-occupied (1.5%) and renter-occupied (4.5%) housing units
- (6) Determine the data and methodology that will be used to estimate the housing replacement need (SCAG applied 0.7% to projected household growth)
- (7) Total SCAG regional housing needs = [household growth x (1 + healthy market vacancy rate)] + [housing replacement need]
- (8) Apply "excess" vacant units in existing housing stock to partially meet SCAG's total RHNA need
- (9) Total housing needs breakdown by income category [Above Moderate (>120%), Moderate (80%-120%), Low (50%-80%), and Very Low (<50%)] based on county median household income (MHI)<sup>1</sup> from the 2005-2009 American Community Survey (ACS)

Based on the 2012 RTP/SCS Integrated Growth Forecast process and results, staff presented the Draft HCD/DOF consultation packet to the RHNA Subcommittee on May 27, to CEHD on June 2, and officially begun the consultation process with HCD on June 20, 2011. HCD issued its final determination for the SCAG region in August 2011.

### **The RHNA Allocation Methodology**

The Allocation Methodology is the tool used to assign each jurisdiction in the SCAG region its share of the region's total housing needs. No more than six months before the adoption of the Allocation Methodology, SCAG has to conduct a survey of all local jurisdictions on the factors described below, which shall be used to develop the Allocation Methodology.

A survey was distributed to all local jurisdictions in mid-June 2011 requesting information on the factors listed in Section 65584.04(d). Ninety-four (out of 197) jurisdictions responded to the survey and staff reviewed the responses for developing the RHNA Allocation Methodology (*See, Appendix II for the complete survey responses of RHNA allocation planning factors from jurisdictions*).

<sup>1</sup> According to 5-year ACS average data, the estimated SCAG region MHI=\$58,271. The estimated MHI for SCAG region counties are: Imperial (\$37,595), Los Angeles (\$54,828), Orange (\$73,738), Riverside (\$58,155), San Bernardino (\$55,461), and Ventura (\$74,828). All figures are in 2009 dollars.

- (1) Existing and projected jobs and housing relationship
- (2) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
  - (i) Lack of capacity for sewer or water service
  - (ii) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities
  - (iii) Lands preserved or protected from urban development
  - (iv) County policies to preserve prime agricultural land
- (3) The distribution of household growth assumed for purposes of a comparable period of RTP and opportunities to maximize the use of public transportation and existing transportation infrastructure
- (4) The market demand for housing
- (5) Agreements between a county and cities in the county to direct growth toward incorporated areas of the county
- (6) The loss of units contained in assisted housing developments
- (7) High housing costs burdens
- (8) The housing needs of farmworkers
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction
- (10) Any other factors adopted by the Council of Governments

The RHNA Allocation Methodology must also address the goals of state housing law in Government Code Section 65584 (d), including:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns
- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Allocating a lower proportion of housing needs to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census

Housing goals #1 to #3 as well as all RHNA allocation planning factors were generally addressed through the 2012 RTP/SCS Integrated Growth Forecast process and the results are described in the following section. State housing goal #4 listed above was addressed by the RHNA Subcommittee in its meeting on June 24, 2011 through the adoption of moving 110% towards county distribution in each of its four income categories for all local jurisdictions in SCAG region, which was the same adjustment used in the 4th RHNA. For additional information regarding this regional overconcentration/fair-share adjustment, please refer to Appendix VI of this Allocation Methodology.

The goals of the RHNA aim to promote social equity and address housing issues for all income groups by allocating a fair share of projected household needs for the corresponding planning period. However, the RHNA process is limited in its ability to directly implement housing needs for all segments of the population. Rather, implementation of affordable housing is identified in individual housing elements through a variety of implementation tools that address various housing needs. Identifying and utilizing implementation tools so as to result in housing for all income groups are particularly important due to the

integration of the RHNA process with that of the RTP/SCS.

Moreover, as presented in the HCD/DOF consultation packet, the SCAG growth projection framework and methodology directly and explicitly call for providing adequate housing to accommodate all population growth, taking into account for natural increase, domestic and international migration, and employment growth. First, population growth is consistent with employment growth through labor force participation and implied unemployment. Second, appropriate headship rates benchmarked with the latest Census information were applied to convert population growth into household formation. As a result of this procedure, both population and workers are closely linked with employment growth, and their demands on housing opportunities are also adequately addressed.

In addition, historical data on the flow of commuters/workers indicates that the region has been housing an increasing number of workers for jobs located outside the SCAG region. The excess or the difference between the number of workers living in the SCAG region and taking jobs outside the region versus the number of workers commuting into the region for jobs increased 14 fold – from 4,280 in 1980 to 59,921 in 2008. Thus, the region continues to increase the housing supply and the mix of housing types, tenure, and affordability not only in all cities and counties within the region in an equitable manner, but also to address housing needs for workers commuting for jobs located outside the SCAG region.

The Integrated Growth Forecast process and results derived through the two-year (May 2009 to July 2011) top-down and bottom-up process basically provide one growth pattern scenario (along with an associated RHNA allocation plan). Local considerations and SCAG's survey of RHNA allocation planning factors were incorporated as part of the Allocation Methodology, with information and input received from SCAG workshops and additional discussions and comments with individual jurisdictions, after further assessment by SCAG staff and policy committees, shaping the Allocation Methodology.

### **Development of Allocation Methodology**

For the purposes of undertaking RHNA and developing an Allocation Methodology, SCAG utilized the information generated as part of the development of the regional Draft Integrated Growth Forecast. The Draft Integrated Growth Forecast of household growth in 2021 is the starting basis for RHNA planning. At the regional level, the total regional household growth that is projected between 2011 and 2021, plus vacancy and housing replacement adjustment, is the draft projected housing needs for the region (see below for details).

The household forecast for each county in the year 2021 provided by the Draft Integrated Growth Forecast is the foundation of the RHNA allocation plan at the county level. Similarly, the household forecast for each jurisdiction in the year 2021, including unincorporated areas within each county, forms the basis of the RHNA allocation plan at the jurisdictional level.

Each jurisdiction's household distribution, which uses county level median household income based on 2005-2009 5-year ACS data, is the starting point for the RHNA housing allocation plan by income category.

Based upon staff's evaluation and assessment of local jurisdictions' responses to the survey of RHNA allocation planning factors, it is concluded that all factors listed above have been adequately addressed through the 2012 RTP/SCS Integrated Growth Forecast process and are reflected in the current version of the regional housing needs allocation plan.

Consideration of several RHNA allocation planning factors has been incorporated in the Draft Integrated Growth Forecast by way of analysis of aerial land use data, employment and job growth data from InfoUSA's employment database, data from the Census Transportation Planning Package (CTPP), local general plan data, parcel level property data from each county's tax assessor's office, building permit data, demolition data and forecast surveys distributed to local jurisdictions.

However, because the Draft Integrated Growth Forecast alone arguably does not adequately address some of the RHNA allocation planning factors, such as the loss of units contained in assisted housing developments and the housing needs for farm workers, the Allocation Methodology depended on obtaining additional information from local jurisdictions regarding the RHNA allocation planning factors and also on the outcome of RTP/SCS development as a result of SCAG's subregional workshops.

As of October 27, 2011, 94 jurisdictions have responded to the local planning factor survey. Based on the comments received, SCAG concludes there is no need to further refine the Allocation Methodology. The RHNA allocation planning factors have been considered in the Integrated Growth Forecast process as follows:

*(1) Each member jurisdiction's existing and projected jobs and housing relationship*

Staff evaluation and assessment of responses from SCAG's survey to local jurisdictions indicated that the Integrated Growth Forecast process and results have adequately addressed and maintained the existing and projected jobs/housing balance for most of the counties, subregions, and cities in the SCAG region. However, the jobs/housing balance issue may need to be further discussed through the RTP/SCS process to credibly promote additional job growth in areas where desirable jobs/housing ratios are difficult to achieve.

The resulting jobs/housing relationships show a gradual improvement for all local jurisdictions throughout the forecasting/planning horizon. In addition, spatial distribution of SCAG's jobs/housing ratio can be analyzed by the Index of Dissimilarity (IOD). An IOD ranges from 0 to 1. If IOD is 0, then the region is perfectly balanced because each subarea will be exactly the same as the regional figure. If IOD is 1, then the region is completely imbalanced, meaning that there is great diversity from one zone to the next. Using the IOD to analyze the Integrated Growth Forecast, it can be seen that growth from 2011 to 2021 shows improvement in jobs/housing balance throughout the SCAG region (See, Appendix III: Jobs/Housing Balance and Index of Dissimilarity Analysis).

*(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following, (i) lack of sewer or water service due to laws or regulations, (ii) the availability of land suitable for urban development or for conversion to residential use, (iii) lands preserved or protected from urban development under governmental programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, and (iv) county policies to preserve prime agricultural land within an unincorporated area*

Consideration of the above planning factors has been incorporated into the Integrated Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data from tax assessor's office, open space, agricultural land and resources areas, and forecast surveys distributed to local jurisdictions. The Integrated Growth Forecast process started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All subregions and local jurisdictions were invited to provide SCAG their respective growth perspective and inputs. In addition, Transit Priority Project (TPP) growth opportunity areas defined

by Public Resources Code and transportation efficient places as defined by mortgage & transportation costs efficient areas are identified throughout the region to redirect growth that favors an urban form consistent with equity, efficiency, regional mobility, and air quality goals.

[ftp://javierm:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip)

Moreover, staff evaluation and assessment of responses from this survey of local jurisdictions concluded that the above factors may need to be further considered before a draft housing needs allocation is determined for a few jurisdictions. SCAG's Integrated Growth Forecast process and results have adequately incorporated these factors for almost all counties and cities in the SCAG region.

(3) *The distribution of household growth assumed for purposes of a comparable period of regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure*

The current version of projected household growth and distribution is consistent with the Integrated Growth Forecast process and results, and is also used to develop the 2012 RTP/SCS. As mentioned above, TPP growth opportunity areas defined by Public Resources Code and transportation efficient places as defined by mortgage and transportation costs efficient areas are identified throughout the region for each local jurisdiction to redirect growth favoring an urban form consistent with equity, efficiency, regional mobility, and air quality goals.

[ftp://javierm:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip)

(4) *The market demand for housing*

All indicators of market demand, such as trends of building permits, household growth, employment growth and population growth are built into the forecasting methodology and model throughout all geographic levels. In addition, SCAG's Integrated Growth Forecast process and results have incorporated the latest economic statistics and updated data from the 2010 Census. Based upon staff's evaluation and assessment of jurisdictions' responses to the AB 2158 factors survey, local jurisdictions are concerned with the continuing weakness and depressed state of the housing market, and anticipate very negative impacts on economic and job growth. All these point to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG researched the number of "excess" vacant units from for sale, for rent, and from other vacant units and it was proposed to HCD to use these "excess" units to partially meet the projected future housing needs in the region, which will help all counties and cities in the SCAG region to effectively address their concerns. As part of its RHNA need determination, HCD accepted SCAG's proposal to allow excess units of jurisdictions to address projected future housing needs.

(5) *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county*

This is addressed through an extensive survey of all local jurisdictions and subregion/local jurisdiction inputs/comments process. In addition, a GIS/Data packet including agricultural lands, Spheres of Influence (SOI), open space, etc., were produced and provided to each local jurisdiction and subregion as a basis to develop the RTP/SCS and RHNA.

Moreover, staff's evaluation of responses from the local jurisdiction survey concluded that agreement between a county and cities in a county to direct growth toward incorporated areas of the county only occurred in Ventura County, and it has been adequately addressed and incorporated into

the Integrated Growth Forecast process and results through bottom-up input received from Ventura County local jurisdictions.

*(6) The loss of units contained in assisted housing development.*

The conversion of low-income units into non-low-income units is not explicitly addressed through the Integrated Growth Forecast process. Staff has provided statistics to local jurisdictions on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

In addition, staff's assessment and evaluation of responses from the survey of this factor concluded that local jurisdictions had provided adequate documentation and discussion about their assisted affordable units and potential losses, and as was in last cycle of RHNA is best addressed through combining an existing housing needs statement giving local jurisdictions the discretion to deal with this factor. This factor will not be addressed as part of SCAG's Allocation Methodology. Instead, SCAG will provide the data for this factor to local jurisdictions to adequately plan for the loss of at risk low income units in preparing their housing elements.

*(7) High-housing costs burdens*

The collapse of the sub-prime mortgage market in 2007 was one of the key factors causing the Great Recession. Currently, the housing market remains severely depressed; the volume of transactions, prices, and permits issued are all at historical lows. In contrast, the housing affordability is at historical high due to high inventory of distressed properties from foreclosures. Thus current concerns on the housing market were translated into the Integrated Growth Forecast process and results are primarily focused on job growth and reductions in unemployment rates, such that people can afford housing in the future and will form new households. This is consistent with staff evaluation and assessment of jurisdictions' responses of the local planning factor survey that jurisdictions are concerned about the continuing weakness and depressed state of the housing market, and their negative impacts on economic and job growth. All these issues pointed to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG's analysis of "excess" vacant units from for sale, for rent, and from other vacant units and the proposal to HCD to use these "excess" units to partially meet the projected future housing needs in the region will help all local jurisdictions to effectively address their concerns. As part of its RHNA need determination, HCD accepted SCAG's proposal to allow excess units of jurisdictions to address projected future housing needs.

*(8) The housing needs of farm workers*

The Integrated Growth Forecast provides projection of agricultural jobs (wage and salary jobs plus self employment) by place of work. The corresponding requirements of workers were also provided by place of residence. There is no information regarding the forecasts of migrant workers.

The housing needs of farm workers are not always included in a housing Allocation Methodology. Farm worker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas. However, staff evaluation and assessment of responses from the local planning factor survey indicate that farm worker housing needs are only applicable to a few jurisdictions, and have been mostly addressed locally. As the policy adopted in

the last cycle of RHNA combines an existing housing needs statement with giving local jurisdictions the discretion to deal with farm worker housing needs, this factor will not be formally addressed in SCAG's Allocation Methodology. Instead, SCAG will provide the farm worker housing needs data for local jurisdictions to adequately plan for such need in preparing their housing elements. These data include:

- Farm workers by occupation
- Farm workers by industry
- Place of work for agriculture

(9) *The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction*

Staff prepared enrollment estimates for private universities or campuses of California State University or the University of California by SCAG region cities and counties as part of the statistics for existing housing needs. Also, from assessment and evaluation of local jurisdiction's responses to the local planning factor survey, most housing needs related to university enrollment are addressed and met by on-campus dormitories provided by universities; no jurisdictions expressed concerns about student housing needs due to presence of universities in their communities.

(10) *Others factors adopted by the council of governments.*

No other planning factors are being considered by SCAG as part of the Allocation Methodology.

### ***The Interactions between RHNA and the RTP/SCS Development Process***

As required by housing law, housing planning needs to be coordinated and integrated with the RTP/SCS process. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the SCS, and the SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing needs for the region pursuant to Section 65584.

SCAG, in cooperation with the respective subregions within the SCAG region, conducted 18 public workshops in July and August 2011 for local jurisdictions, members of the public, and interested parties to provide input to SCAG with regard to:

- Developing the draft 2012 RTP/SCS and RHNA
- Refining SCAG's initial assessment of the growth and housing capacity of cities as reflected in the Integrated Growth Forecast and land uses through development types as required for the development of the RTP/SCS and RHNA

Staff has incorporated accordingly input received from the workshops stated above as part of this Allocation Methodology.

Finally, although there are currently no programs that directly provide incentives for jurisdictions to accept more units than allocated in the draft RHNA plan, there are several programs that provide funding or assistance to jurisdictions that implement affordable housing. These programs, subject to available funding, include the HCD Housing Related Parks Program, which rewards jurisdictions with grant funds which can

be used to create new parks or rehabilitation or improvement to existing parks, as well as the federal Home Investment Partnerships Program, which provides housing rehabilitation, new construction, and acquisition and rehabilitation for projects serving lower income renters and owners.

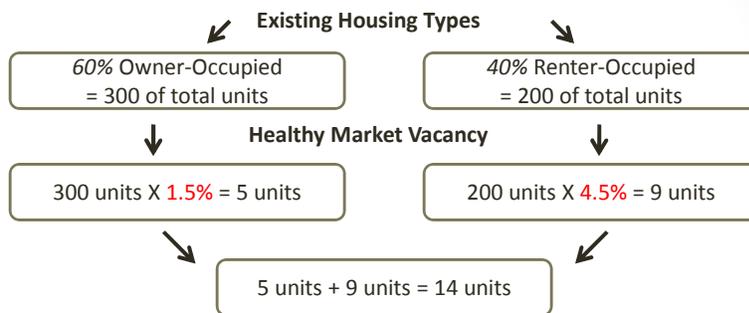
**APPENDICES:**

- I. **Statistics for Existing Housing needs: the 5th Cycle of Regional Housing Needs Assessment (RHNA)**
- II. **Complete Survey Responses of Local Planning Factors from Jurisdictions**
- III. **Jobs/Housing Balance and Index of Dissimilarity Analysis of SCAG Integrated Growth Forecast Results**
- IV. **Preliminary Projected Household Allocation as of May 13, 2011, subject to further discussion with local jurisdictions, additional refinement, and adjustment consistent with 2012 RTP/SCS process and results**
- V. **Replacement Need Allocation Methodology**
- VI. **Regional Fair-Share/Over-concentration Adjustment: 110% Move toward County Distribution of Each Income Category**
- VII. **Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA**
- VIII. **Vacant Unit Statistics and Excess Vacancy Credit Determination**

Due to their large size, the 5<sup>th</sup> Cycle RHNA Allocation Methodology appendices are available on the RHNA website ([www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna)), and a public copy will be made available at all public meetings and hearings related to the Allocation Methodology.

## Proposed RHNA Methodology: Example

City A = 500 units of Projected Household Growth



500 units + 14 units =  
**514 units of Growth and Vacancy Need**

## Proposed RHNA Methodology: Sample

514	Growth and vacancy need
+	
6	Replacement need
<hr/>	
520	Growth + vacancy need + replacement need

## Current Market Excess Vacancy Credit



- Two types
  - Effective Vacancy Credit
    - For sale and for rent units
    - Healthy market assumption depends on existing housing stock
    - Regional credit: 69,105
  - “Other” Vacant Units Credit
    - Vacant due to legal disputes, “shadow inventory”, unknown, etc.
    - Regional credit: 6,286
    - Healthy market assumption of 1.28% across the region

## Effective Vacancy Credit: City A

283	Total vacant units for rent and for sale (Census)
-14	Healthy market vacancy need
<hr/>	
269	Surplus vacant units above healthy market need



### Calculate City A's *share* of excess vacancy:

269	Surplus vacant units
÷	
<b>86,864</b>	Total regional excess vacancy [fixed]
<hr/>	
0.31%	City A's regional share



## Effective Vacancy Credit: City A

### Determine share of regional credit:

0.31%	City A's regional share
X	
<b>69,105</b>	Regional credit [fixed]
<hr/>	
216	Excess effective vacancy credit

## Excess "Other" Vacant Unit Credit: City A

### Determine normal market condition share:

5,000	City A's total housing units (Census)
X	
<b>1.28%</b>	Percentage of units that are "other"[fixed]
<hr/>	
64	Normal market condition assumption
↓	
77	City A's total "other" vacant units (Census)
-	
64	Normal market condition assumption
<hr/>	
13	"Other" vacant units above normal market

## Excess "Other" Vacant Unit Credit: City A

### Calculate City A's share of excess vacancy:

13 "Other" vacant units above normal market

÷

21,478 total regional excess vacancy [fixed]

---

0.06% City A's regional share



### Determine share of regional credit:

0.06% City A's regional share

X

6,286 Regional credit [fixed]

---

4 Excess other vacancy credit

## Total Excess Vacancy Credit: City A

216 Excess effective vacancy credit

+

4 Excess "other" vacancy credit

---

220 Total excess vacancy credit

## Proposed Methodology: City A

520	Growth + vacancy need + replacement need
-	
220	Total excess vacancy credit
<hr/>	
300	City A Total Draft RHNA Allocation

## RHNA Household Allocation (Adjusted for Equity)

### Existing Conditions:

Household Income Level	City A	County Distribution
Very Low Income	30.1%	22.9%
Low Income	27.9%	16.8%
Moderate Income	23.5%	18.5%
Above Moderate Income	18.5%	41.8%

To mitigate the over-concentration of income groups each jurisdiction will move 110% towards county distribution in all four categories:

Household Income Level	City A Adjusted Allocation
Very Low Income	$30.1\% - [(30.1\% - 22.9\%) \times 110\%] = 22.2\%$
Low Income	$27.9\% - [(27.9\% - 16.8\%) \times 110\%] = 15.7\%$
Moderate Income	$23.5\% - [(23.5\% - 18.5\%) \times 110\%] = 17.9\%$
Above Moderate Income	$18.5\% - [(18.5\% - 41.8\%) \times 110\%] = 44.2\%$

# Final RHNA Allocation

Income Category	City A Adjusted Distribution	RHNA Allocation (units)
Very Low	22.2%	67
Low	15.7%	47
Moderate	17.9%	54
Above Moderate	44.2%	132
Total	100%	300



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**DATE:** February 2, 2012

**TO:** Regional Council

**FROM:** Community, Economic & Human Development Committee (CEHD)

**BY:** Frank Wen, Manager, Research, Analysis and Information Services, 213-236-1854, [wen@scag.ca.gov](mailto:wen@scag.ca.gov);  
Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov)

**SUBJECT:** Policies for Regional Housing Needs Assessment (RHNA) Transfers Due to Annexations and Incorporations

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Approve the proposed policies for RHNA transfers due to annexations and incorporations, as recommended by CEHD.

**EXECUTIVE SUMMARY:**

*SCAG staff has developed policies to establish conditions and process that SCAG will follow for handling the transfer of RHNA allocations resulting from annexations or incorporations.*

**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:**

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 after the adoption of the final RHNA plan. If both parties reach a mutual agreement for the transfer of RHNA need, then the parties must submit their agreement to SCAG and the transfer agreement is effective immediately upon receipt.

However, if a transfer agreement cannot be reached by both parties, either party may submit a written request to SCAG to consider the facts, data, and methodology presented by both parties. Subsequently, SCAG would make a determination as to the number of units, by income category, that should be transferred from the county's allocation to the city. SCAG has 180 days from receipt of this written request to finalize the RHNA transfer for the city and county. The findings will be consistent with the final RHNA methodology, which was adopted by the Regional Council on November 3, 2011.

The SCAG region has recently experienced several incorporations and annexations, which occurred after the final 4<sup>th</sup> cycle RHNA plan was adopted. As a result, the provisions in Government Code Section 65584.07 were applied. SCAG staff anticipates that incorporations and annexations may also occur after the 5<sup>th</sup> cycle

# REPORT

RHNA plan is adopted in October 2012. For this reason, staff has developed proposed policies to guide the process for RHNA transfers due to incorporations and annexations.

The proposed Policies were distributed to all SCAG jurisdictions in mid-October 2011 to review and comment. Based on comments received, staff has added clarification to methodology Step #2 on page 4 of the Policies to explain that SCAG will consider General Plan designations and small area household figures for annexations occurring in areas not covered by spheres of influence. Based on comments received at the RHNA Subcommittee meeting on December 9, 2011, staff has clarified on Guideline #6 to note that when evaluating RHNA transfer calculations and disputes, SCAG will review the proportion of developable land designated by general plans. Furthermore, Guideline #7 has been clarified further to state that the disaggregation by income category will use the unincorporated county distribution. Guideline #7 has also been edited to include that final transfer determinations will be reviewed and approved by the SCAG Community, Economic & Human Development Committee (CEHD) and Regional Council. On January 5, 2011, CEHD reviewed the procedures and recommended Regional Council approval.

To maintain consistency between the 4<sup>th</sup> and 5<sup>th</sup> RHNA planning periods, the RHNA transfer methodology will apply to incorporations and annexations occurring after October 2012, and only upon the written request by either the respective county or city for SCAG to make the determination regarding the number of RHNA units to be transferred. For incorporations and annexations occurring before October 2012, SCAG will use the 2008 RTP Small Area Growth Forecast dataset utilized for the 4<sup>th</sup> RHNA cycle. SCAG will follow a similar process described above, but use the 2008 RTP Growth Forecast.

## **FISCAL IMPACT:**

Work associated with this item is included in the current FY 11-12 General Fund Budget (12-800.0160.03: RHNA).

## **ATTACHMENTS:**

1. Policies for RHNA Transfers Due to Annexations and Incorporations
2. Government Code Section 65584.07

## **Policies for RHNA Transfers Due to Annexations and Incorporations**

The following policies will establish the conditions and process that SCAG will follow for handling the transfer of RHNA allocations resulting from annexations and incorporations. The Regional Council shall accept a mutual agreement on a RHNA transfer signed by both a county and city within the SCAG region or make the final decision on a RHNA transfer when there is a written request for SCAG to intervene by either a county or city within the SCAG region, based upon the recommendation of the CEHD Policy Committee. After making a determination in response to a written request, SCAG will report its determination to HCD as well as the respective parties in the matter.

### **Nine RHNA Transfer Policies**

1. In cases of annexation or incorporation of a new city and where a city and county may reach a mutually acceptable agreement for transfer of a portion of the county's RHNA allocation to the city, SCAG shall accept such an agreement and the transfer shall be effective immediately upon receipt by SCAG. The transfer shall not reduce the total regional housing needs and can only occur between a county and a city within that county.
2. SCAG will accept a transfer agreement or make a determination, if necessary, on a RHNA transfer related to an annexation or new city only after an annexation or incorporation has occurred per the requirements contained in Government Code 65584.07(c) and (d).
3. SCAG encourages cities and counties to engage in negotiations over RHNA transfers during the annexation or incorporation process to reach a mutually acceptable agreement and SCAG is willing to help facilitate those discussions.
4. A city or county can request for SCAG to facilitate meetings between both parties in order to reach a mutual agreement during the RHNA transfer process. SCAG will facilitate an initial meeting between the city and county within thirty (30) days of a written request for information or meeting facilitation by either party. SCAG may also provide information to the city and county to guide the negotiation process. This information will be consistent with the current adopted RHNA methodology. But in no case shall SCAG make any determination before the respective incorporation or annexation is completed in accordance with Government Code 65584.07, subsections (c) and (d).
5. SCAG will not “approve” a single county or city methodology for purposes of RHNA transfers in the case of annexation or incorporation. Since the RHNA allocation is not adopted below the city and county level per Government Code 65584(b), SCAG must reserve its authority to consider all reasonable approaches for disaggregating the county’s RHNA allocation as part of the annexation or incorporation process. The current adopted RHNA methodology will be used to guide the process.
6. In evaluating RHNA transfer calculations and disputes, SCAG shall apply the following methodology: (1) Determine the transfer units based on household

- growth assigned in the Spheres of Influence (SOI) areas through Integrated Growth Forecasting; (2) For annexations occurring in areas not covered by the SOI, determine the transfer units based on General Plan designations and small area household figures at the Tier 2 Transportation Analysis Zone (TAZ) level used for corresponding modeling analysis of RTP/SCS, and distribute them based on proportion of developable land based on general plan designations of the county, if necessary; (3) Adjust above household figures with healthy market vacancy allowance and replacement needs, if any; and (4) SCAG shall ensure that its determination is consistent with adopted RHNA allocation methodology used to distribute the share of regional housing need in accordance with Government Code Section 65584.04.
7. In evaluating RHNA affordable housing requirements by income category, SCAG shall disaggregate the transfer of units by income level of the annexed areas using the income distribution of the unincorporated county. SCAG's final determination in response to a written transfer request will include an income breakdown of the total number of units transferred. Final transfer determinations will be reviewed and approved by the SCAG Community, Economic & Human Development Committee and Regional Council.
  8. If the annexed or incorporated land is subject to a development agreement authorized under subdivision (b) of Government Code Section 65865 that was entered into by a city or county and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement, per Government Code Section 65584.07(d).
  9. In regards to the 4th RHNA cycle, spheres of influence were not included as part of the Integrated Growth Forecast used to determine each jurisdiction's RHNA allocation. Therefore, with respect to annexations related to the 4<sup>th</sup> RHNA cycle, SCAG will determine the transfer units based on consideration of General Plan designations and small area household figures at the appropriate TAZ level used for corresponding modeling analysis of the RTP and distribute them based on proportion of developable land, if necessary.

## Summary Table of the Process Regarding RHNA Transfers after an Annexation or Incorporation

<b>RHNA Transfers for Incorporations – Portion of county’s allocation shall be transferred to new city</b>			
	<b>Submittal</b>	<b>Submittal Deadline</b>	<b>Effective</b>
<b>Mutually agreed upon RHNA transfer by city and county</b>	<b>Mutually agreed upon transfer agreement</b> <ul style="list-style-type: none"> <li>• Specifies agreed upon RHNA transfer, by income category</li> </ul>	<b>Within 90 days after incorporation; can be extended by SCAG if appropriate</b>	<b>Upon SCAG’s receipt of RHNA transfer agreement</b>  <b>SCAG sends copy of transfer agreement to HCD</b>
<b>SCAG-determined RHNA transfer</b>	<b>Written request by city or county for SCAG to determine RHNA transfer</b> <ul style="list-style-type: none"> <li>• Both parties present facts, data and methodologies</li> <li>• SCAG determines transfer, by income category, and based on SCAG’s adopted RHNA allocation methodology</li> <li>• Copy of written request to SCAG is submitted to HCD</li> </ul>	<b>Within 90 days after incorporation; can be extended by SCAG if appropriate</b>	<b>180 days after SCAG’s receipt of written request for SCAG to determine RHNA transfer</b>  <b>SCAG notifies all parties and HCD of its final determination</b>
<b>RHNA Transfers for Annexations – Portion of county’s allocation maybe transferred to annexing city</b>			
	<b>Submittal</b>	<b>Submittal Deadline</b>	<b>Effective</b>
<b>Mutually agreed upon RHNA transfer by city and county</b>	<b>Mutually agreed upon transfer agreement</b> <ul style="list-style-type: none"> <li>• Specifies agreed upon RHNA transfer, by income category</li> </ul>	<b>Within 90 days after annexation; can be extended by SCAG if appropriate</b>	<b>Upon SCAG’s receipt of RHNA transfer agreement</b>  <b>SCAG sends copy of transfer agreement to HCD</b>
<b>SCAG-determined RHNA transfer</b>	<b>Written request by city or county for SCAG to determine RHNA transfer</b> <ul style="list-style-type: none"> <li>• Both parties present facts, data and methodologies</li> <li>• SCAG determines transfer, by income category, and based on SCAG’s adopted RHNA allocation methodology</li> <li>• Copy of written request to SCAG is submitted to HCD</li> </ul>	<b>Within 90 days after annexation; can be extended by SCAG if appropriate</b>	<b>180 days after SCAG’s receipt of written request for SCAG to determine RHNA transfer</b>  <b>SCAG notifies all parties and HCD of its final determination</b>

## **Methodology for RHNA Transfers Due to Annexations or Incorporations**

The SCAG proposed allocation methodology for the 5<sup>th</sup> RHNA cycle, which was approved by the Regional Council on November 3, 2011, provides two key policies for determining housing need at the sub- jurisdictional level for cases of incorporation and annexation. The two principles described are:

1. Potential RHNA transfers will assess future growth within spheres of influence (SOI) areas; and
2. For areas outside a sphere of influence, the proposed methodology recognizes the existence of the small area dataset used for the Regional Transportation Plan (RTP)/ Sustainable Communities Strategy (SCS) modeling as a framework to derive RHNA transfers in those specific areas.

The jurisdictional boundaries that serve as the starting point for analysis for the 5<sup>th</sup> RHNA cycle will be based on the dataset as of January 1, 2011 and any future relevant changes.

After the 5<sup>th</sup> cycle RHNA plan is adopted, either a county or city may request that SCAG make the determination as to the number of RHNA units to be transferred. SCAG staff proposes to apply the following steps, consistent with the 5<sup>th</sup> cycle proposed allocation methodology:

1. Determine the transfer units based on household growth assigned in the SOI areas through the Integrated Growth Forecast;
2. For annexations occurring in areas not covered by SOI, determine the transfer units based on consideration of General Plan designations and small area household figures at Tier 2 Transportation Analysis Zone (TAZ) level used for corresponding modeling analysis of RTP/SCS, and distribute those households based on proportion of developable land, if applicable;
3. Adjust above household figures with healthy market vacancy allowance and replacement needs, if any; and
4. Ensure that the transfer determination is consistent with the adopted RHNA methodology used to distribute the share of regional housing need pursuant to Government Code Section 65584.04.

Government Code Section 65584.07

**Effective: January 1, 2009**

**➔ § 65584.07. Reduction of county share of regional housing needs; conditions; amended housing elements; revision upon incorporation of new city; revision upon annexation**

(a) During the period between adoption of a final regional housing needs allocation and the due date of the housing element update under [Section 65588](#), the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b)(1) The county and cities that have executed transfers of regional housing needs pursuant to subdivision (a) shall use the revised regional housing need allocation in their housing elements and shall adopt their housing elements by the deadlines set forth in [Section 65588](#).

(2) A city that has received a transfer of a regional housing need pursuant to subdivision (c) shall adopt or amend its housing element within 30 months of the effective date of incorporation.

(3) A county or city that has received a transfer of regional housing need pursuant to subdivision (d) shall amend its housing element within 180 days of the effective date of the transfer.

(4) A county or city is responsible for identifying sites to accommodate its revised regional housing need by the deadlines set forth in paragraphs (1), (2), and (3).

(5) All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c)(1) If an incorporation of a new city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under [Section 65584.03](#), [65584.04](#), [65584.06](#), or [65584.08](#), a portion of the county's allocation shall be transferred to the new city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the new city.

(2) Within 90 days after the date of incorporation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, or to the department, whichever allocated the county's share. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. A copy of a written transfer request submitted to the council of governments shall be submitted to the department. The council of governments, subregional entity, or the department, whichever allocated the county's share, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to [Section 65584.04](#) or [65584.08](#). If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to [Section 65584.03](#). If the department allocated the county's share, the transfer shall be based on the considerations specified in [Section 65584.06](#). The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(d)(1) If an annexation of unincorporated land to a city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under [Section 65584.03](#), [65584.04](#), [65584.06](#), or [65584.08](#), a portion of the county's allocation may be transferred to the city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the city.

(2)(A) Except as provided under subparagraph (B), within 90 days after the date of annexation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, and to the department. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. The council of governments, subregional entity, or the department for areas with no council of governments, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to [Section 65584.04](#) or [65584.08](#). If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to [Section 65584.03](#). If the department allocated the county's share, the transfer shall be based on the considerations specified in [Section 65584.06](#). The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department for areas with no council of governments. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(B) If the annexed land is subject to a development agreement authorized under [subdivision \(b\) of Section 65865](#) that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A transfer shall not be made when the council of governments or the department, as applicable, confirms that the annexed land was fully incorporated into the methodology used to allocate the city's share of the regional housing needs.

**DATE:** February 2, 2012

**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
For Information Only - No Action Required.

**STRATEGIC PLAN:**  
This item supports SCAG'S Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

**BACKGROUND:**  
SCAG executed the following Contracts between \$25,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
None		

SCAG executed the following Purchase Orders (PO's) between \$5,000 and \$200,000

<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
SAS Institute, Inc.	SAS Server Software Licenses	\$128,000
IntelliBridge Partners, LLC	Agency temp worker - N. Andres	\$25,000
ESRI	ArcGIS SW license	\$22,838
County of Riverside - TMLA	Update RTP12 Small Area	\$20,000
Source Graphics	HP Design Jet Plotter	\$18,278
Trader Vic's	All Staff Appreciation Luncheon	\$5,316

SCAG executed the Amendment between \$5,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Amendment's Purpose</u>	<u>Amendment Amount</u>
1. SDS Associates (12-006-T1)	The consultant shall develop a video to illustrate the story of the 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) for the December Regional Council Meeting and to provide six (6) additional county-specific videos for the purpose of relaying the story of the 2012-2035 RTP/SCS during the public workshops and hearings that will be conducted between January and February 2012.	\$14,739

**FISCAL IMPACT:**  
Funding is available in the FY 2011/12 budget.

**ATTACHMENTS:** Amendment Summary

## CONTRACT 12-006-T1 AMENDMENT 1

**Consultant:** SDS Associates

**Background & Scope of Work:** In June 2011, SCAG awarded Contract 12-006-T1 to SDS Associates to develop a series of videos to communicate to the general public the purpose of the Draft 2012 - 2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) and SCAG's role in order to solicit participation in developing the Draft 2012 - 2035 RTP/SCS.

The purpose of this amendment is to modify the original scope and develop one 17-minute video to illustrate the story of the Draft 2012 - 2035 RTP/SCS during the December Regional Council Meeting and provide six (6) additional county-specific videos for the purpose of relaying the story of the Draft 2012 - 2035 RTP/SCS during the workshops and public hearings that will be conducted between January and February 2012. This will maintain the contract end date of April 30, 2012.

**Project's Benefits & Key Deliverables:** The project's benefits and key deliverables include, but are not limited to:

- Development of the video framework, including key challenges, solutions, potential outcomes and benefits, and strategic plan;
- Video recording of visual images and interviews;
- A 17-minute video; and
- Six (6) county-specific videos for the Draft 2012 - 2035 RTP/SCS workshop/public hearings

**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 b: Develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process.

<b>Amendment</b>	Amendment 1	\$14,739
<b>Amount:</b>	Original contract value	<u>\$49,273</u>
	<b>Total contract value is not-to-exceed</b>	<b>\$64,012</b>

This amendment does not exceed \$75,000 or 30% of the contract's original value. Therefore, in accordance with the SCAG Procurement Manual Section 1.4.5, version 10, it does not require the Regional Council's approval.

**Contract Period:** September, 1, 2011 through April, 30, 2012

**Work Element:** 266.SCG.00715.01 \$49,273 (original)  
266.SCG.00715.01 \$14,739 (amendment)

Funding sources: TDA

**Basis for the Amendment:** SDS made the necessary revisions to produce the 17-minute video for the December Regional Council meeting and has been requested to produce six (6) additional county-specific videos for the Draft 2012 - 2035 RTP/SCS public workshops/hearings.

This amendment supports the overall RTP goals for improved regional decision making and external communication. This amendment will substantially enhance the overall public participation and produce regionally-significant videos in support of SCAG's outreach efforts. These revisions were necessary to provide a more comprehensive video of the Draft 2012 - 2035 RTP/SCS for the December Regional Council meeting. The creation of the six (6) county-specific videos will enhance the workshops and public hearings by providing relevant connections between the Draft 2012 - 2035 RTP/SCS and the six (6) counties.

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**DATE:** February 2, 2012  
**TO:** Executive/Administration Committee (EAC)  
Regional Council (RC)  
**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov  
**SUBJECT:** CFO Monthly Report

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
For Information Only-No Action Required.

**STRATEGIC PLAN:**  
This item supports SCAG's Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

**ACCOUNTING**  
SCAG published and distributed its FY 2010/11 Comprehensive Annual Financial Report and Single Audit Report to all of the Regional Councilmembers. The auditors' opinions were unqualified, therefore, no exceptions were found. The auditors made two (2) recommendations to management to improve internal processes within the Accounting Department and these have been implemented.

Caltrans informed SCAG that they have accepted the recommendation of the State Controller's Office (SCO) to adjust SCAG's FY 2010/11 Indirect Cost Allocation Rate from 97.38% to 96.02%. The SCO had conducted an audit and made two adjustments to the FY 2010/11 Indirect Cost Allocation Plan totaling \$155,922, which indicated the reduced rate.

**BUDGET & GRANTS (B&G)**  
B&G staff continues to work on the preparation of the FY 2012/13 Comprehensive Budget and Overall Work Program documents.

B&G staff completed and submitted to Caltrans the FY 2011/12 2nd Quarter Progress Reports for the following grant programs: Proposition 84 Modeling Incentive Funds (Strategic Growth Council); Proposition 84 Sustainable Communities Planning Grant (Strategic Growth Council); and Section 5304 Transportation Planning Grants (Federal Highway Administration and Federal Transit Administration). In addition, Milestones Quarterly Reports and Federal Financial Reports were submitted to the Federal Transit Administration for the Section 5316 JARC and Section 5317 New Freedom programs.

Staff also assisted Caltrans on announcing the Call for Projects for the FY 2012/13 Transportation Planning Grant Program, which is available for planning projects that improve mobility and lead to the planning, programming, and implementation of transportation improvement projects. The program categories are Environmental Justice/Community-Based Transportation Planning Grants and Partnership Planning/Transit Planning Grants. Applications for the Environmental Justice/Community-Based Transportation Planning Grants are due directly to Caltrans on April 2, 2012. As for the Partnership

# REPORT

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Planning/Transit Planning Grants, applications are due to SCAG on February 17, 2012. SCAG will review and screen applications and act as the Lead Applicant for all applications within the region.

Staff is also finalizing seven (7) MOUs for the FY 2012 Transportation Planning Grant Program. In late July, Caltrans notified SCAG that a total of \$1,243,465 was awarded to the SCAG region for Partnership Planning/Transit Planning Grants.

## **CONTRACTS**

During the month of December 2011, the Contracts Department issued 12 Requests for Proposal (RFP's); awarded three (3) contracts; issued five (5) contract amendments; and issued 34 Purchase Orders to support ongoing business and enterprise operations. Staff is administering 82 consultant contracts, and five (5) Continuing Cooperative Agreements. Staff continues to implement the FY 2011/12 workplan (approximately 10 new contracts).

**ATTACHMENT:** December 2011 CFO Monthly Status Report



SOUTHERN CALIFORNIA  
**ASSOCIATION of GOVERNMENTS**

# **Office of the Chief Financial Officer**

Monthly Status Report

**DECEMBER 2011**



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**

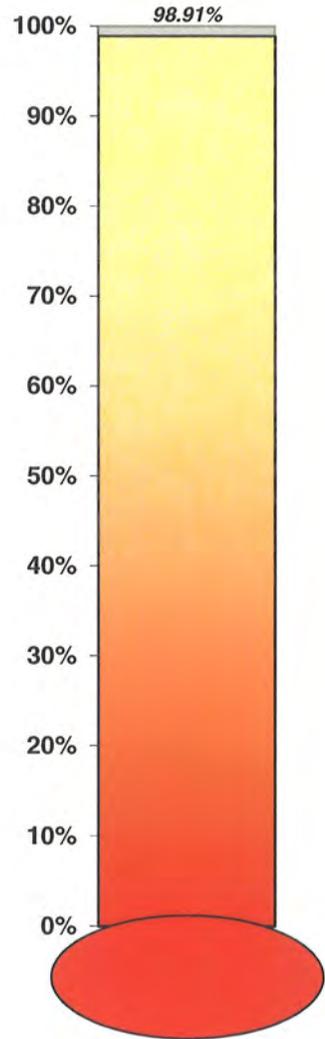
**OVERVIEW**

As of January 11, 2012, there are 189 paid members and 2 memberships pending. There are 5 cities in the SCAG region who are still being recruited for membership

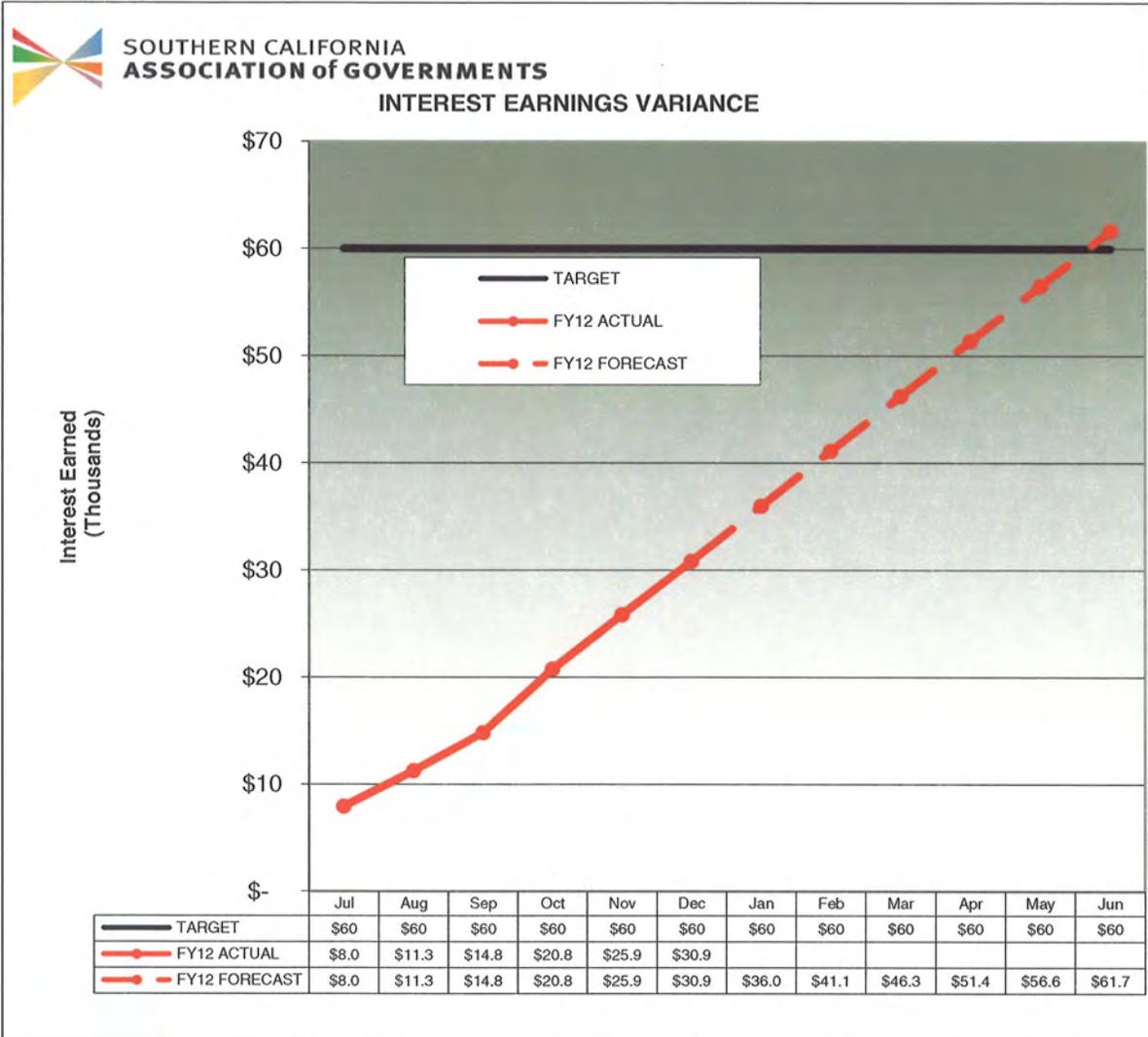
**SUMMARY**

FY12 Membership Dues	<u>\$ 1,777,526.65</u>
Total Collected	<u>\$ 1,758,127.90</u>
Percentage Collected	<u>98.91%</u>

**FY12 Membership  
Dues Collected**



**Office of the CFO**  
Interest Earnings Variance



**OVERVIEW**

Actual interest income is plotted against the target amount. The amount earned through November was \$30,850. The LA County Pool earned 1.18% in October.

**SUMMARY**

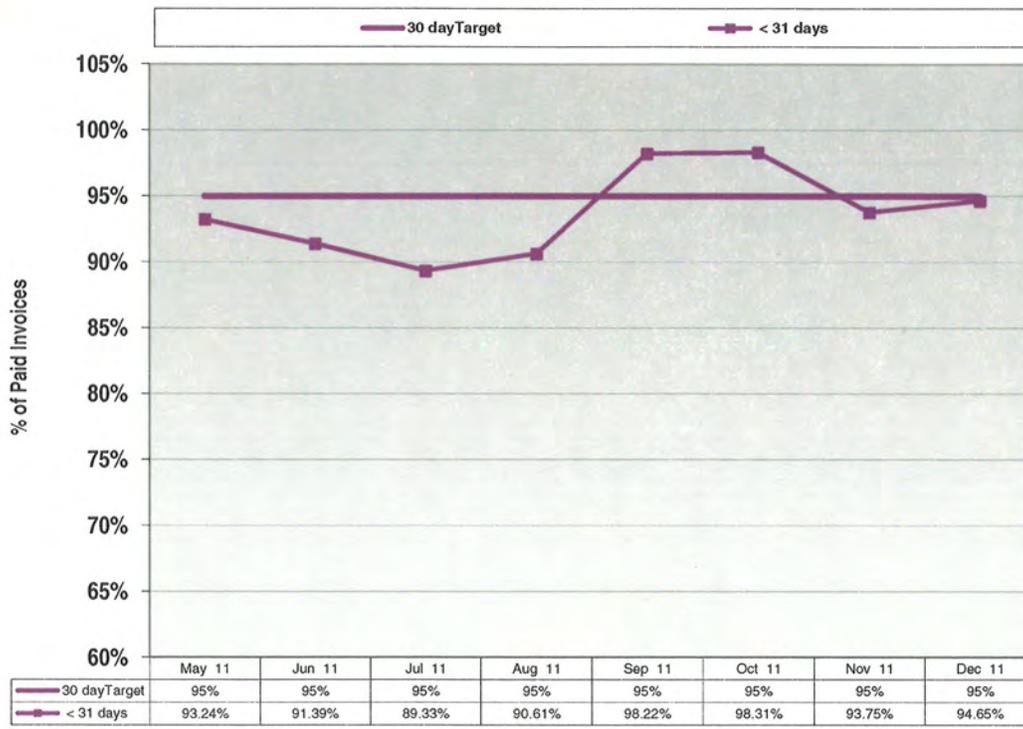
The amount projected for FY12 is \$61,700 which is more than the target of \$60,000.

Office of the CFO  
Invoice Aging



SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS

INVOICE AGING



OVERVIEW

The percent of total invoices paid within 30 days. The target is to pay 95% of all invoices within 30 days. This goal was not met.

SUMMARY

94.65% of December 2011's payments were made within 30 days of invoice receipt.

At month-end, 54 invoices remained unpaid less than 30 days.

Actual

OVERVIEW

The percent of total invoices paid within 60 and 90 days. The target is to pay 98% of invoices within 60 days and 100% within 90 days.

SUMMARY

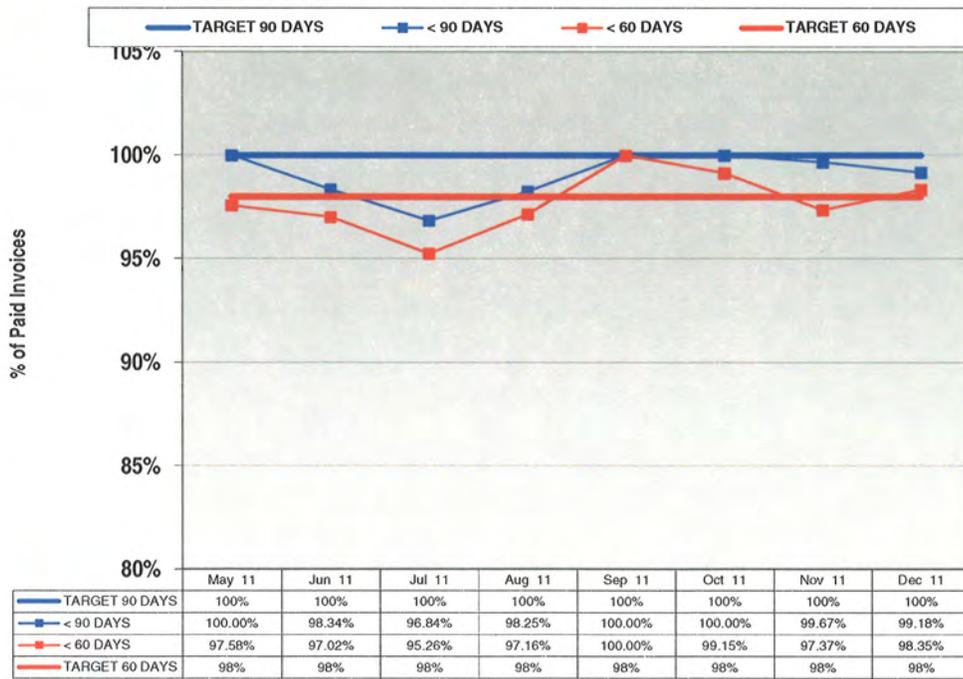
These goals were partially met during this period.

98.35% of December 2011's payments were within 60 days of invoice receipt and 99.18% within 90 days. Invoices unpaid 30-60 days totaled 10; 60-90 days: 2; >90 days: 1.



SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS

INVOICE AGING



Office of the CFO

Fiscal Year-To-Date Expenditure Report Through December 31, 2011



COMPREHENSIVE BUDGET

		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	Staff & Fringe Benefits	469,069	469,069	353,198		115,871	75.3%
2	51000 Indirect Costs	435,969	435,969	328,263		107,706	75.3%
3	54300 SCAG Consultants	336,000	320,215	46,437	188,606	85,172	14.5%
4	54340 Legal costs	75,000	75,000			75,000	0.0%
5	54350 Professional Services	25,000	25,000	2,500		22,500	10.0%
6	54400 Subregional Delegation	300,000	175,000			175,000	0.0%
7	55441 Payroll, bank fees	4,332	4,332			4,332	0.0%
8	55460 Materials & Equipment < \$5K		10,774	10,460		314	97.1%
9	55600 SCAG Memberships	59,000	71,455	71,455		(0)	100.0%
10	55620 Res/Materials?subscriptions		3,330			3,330	0.0%
11	55730 Capital Outlay	1,049,833	996,833	17,691	1,610	977,532	1.8%
12	55830 Conference - Registration		350	350		-	100.0%
13	55910 RC/Committee Meetings	8,237	49,237	48,866		371	99.2%
14	55914 RC General Assembly	205,000	330,000			330,000	0.0%
15	55920 Other Meeting Expense	51,400	41,276	37,788		3,488	91.6%
16	55930 Miscellaneous other	22,000	33,000	32,577		423	98.7%
17	55940 Stipend - RC Meetings	190,000	190,000	100,680		89,320	53.0%
18	55972 Rapid Pay Fees	900	900	450		450	50.0%
19	58100 Travel - outside SCAG region	15,500	15,500	9,859		5,641	63.6%
20	58101 Travel - local	21,600	21,600	7,103		14,497	32.9%
21	58110 Mileage - local	18,000	18,000	9,770		8,230	54.3%
22	58150 Staff Lodging Expense	2,400	2,400	1,346		1,054	56.1%
23	58800 RC Sponsorships	43,500	43,500	31,900		11,600	73.3%
24	<b>Total General Fund</b>	<b>3,332,740</b>	<b>3,332,740</b>	<b>1,110,694</b>	<b>190,216</b>	<b>2,031,830</b>	<b>33.3%</b>
25							
26	Staff & Fringe Benefits	11,008,215	11,169,990	5,370,517		5,799,473	48.1%
27	51000 Indirect Costs	10,277,888	10,277,911	4,991,358		5,286,553	48.6%
28	54300 SCAG Consultants	10,434,836	20,281,237	1,948,874	9,127,614	9,204,749	9.6%
29	54330 Subregional Consultants	81,000	106,000	45,351	60,649	(0)	42.8%
30	54350 Professional Services	226,000	726,000	84,509	110,042	531,449	11.6%
31	55210 Software Support	30,000	63,566	35,382	710	27,474	55.7%
32	55280 Third Party Contribution	2,755,975	3,105,945			3,105,945	0.0%
33	55620 Resource Materials - subscriber	129,000	421,000	18,477	299	402,224	4.4%
34	55920 Other Meeting Expense	14,582	10,016	9,610	120	286	95.9%
35	55930 Miscellaneous - other	71,000	316,500	16,313		300,187	5.2%
36	55950 Temporary Help	50,000	50,000	87,558	1,751		175.1%
37	56100 Printing	122,830	125,830	4,613	80,120	41,097	3.7%
38	58100 Travel	88,810	146,410	16,372		130,038	11.2%
39	58110 Mileage	26,600	25,000	23,143		1,857	92.6%
40	<b>Total OWP</b>	<b>35,316,736</b>	<b>46,825,405</b>	<b>12,652,077</b>	<b>9,381,306</b>	<b>24,831,331</b>	<b>27.0%</b>
41							
42	<b>Comprehensive Budget</b>	<b>38,649,476</b>	<b>50,158,145</b>	<b>13,762,771</b>	<b>9,571,522</b>	<b>26,863,161</b>	<b>27.4%</b>

Office of the CFO

Fiscal Year-To-Date Expenditure Report Through December 31, 2011



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS

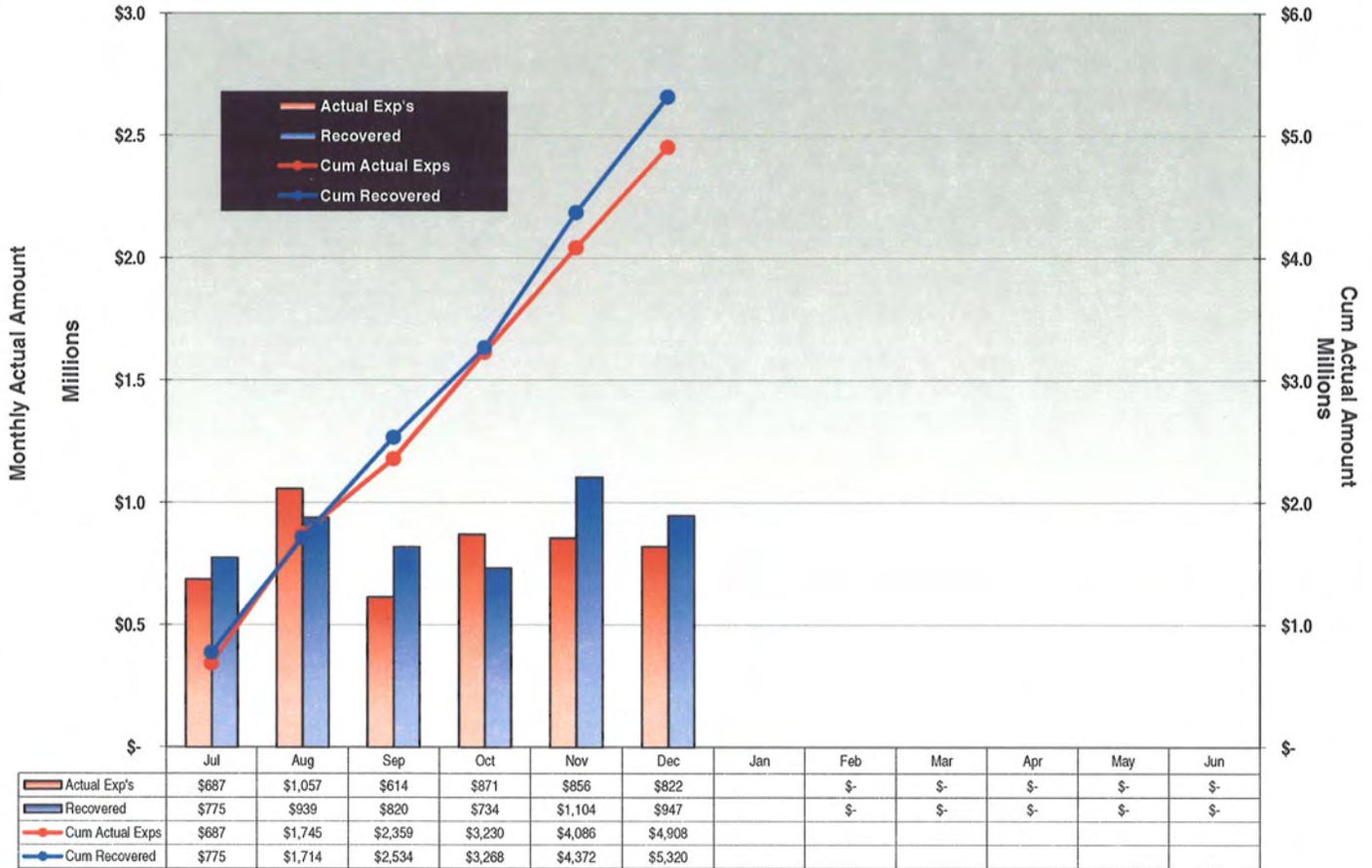
INDIRECT COSTS

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	3,476,877	3,457,087	1,741,312		1,715,775	50.4%
2	50013	Regular OT		2,000	1,003		997	50.1%
3	50014	Interns, Temps, Annuit		12,000	9,601		2,399	80.0%
4	51000	Allocated Fringe Benefits	2,326,067	2,322,192	1,044,473		1,277,719	45.0%
5	54300	SCAG Consultants	230,416	230,416	-	123,853	106,563	0.0%
6	54340	Legal	250,000	250,000	5,199	44,790	200,011	2.1%
7	54350	Prof Svcs	647,700	672,700	170,762	329,923	172,014	25.4%
8	55210	Software Support	412,188	412,188	258,832	58,984	94,373	62.8%
9	55220	Hardware Supp	197,530	197,530	68,949	13,515	115,066	34.9%
10	55240	Repair & Maint Non-IT	19,684	19,684	9,244	10,440	(0)	47.0%
11	55400	Office Rent 818 Offices	1,521,000	1,521,000	761,353	759,647	(0)	50.1%
12	55410	Office Rent Satellite	155,000	155,000	88,558	66,442	(0)	57.1%
13	55420	Equip Leases	115,000	115,000	50,409	51,890	12,702	43.8%
14	55430	Equip Repairs & Maint	44,244	44,244	21,789	22,455	0	49.2%
15	55440	Insurance	249,103	249,103	126,746		122,357	50.9%
16	55441	Payroll / Bank Fees	9,600	9,600	4,703		4,897	49.0%
17	55460	Mater & Equip < \$5,000	168,500	98,500	46,178	11,754	40,568	46.9%
18	55510	Office Supplies	110,000	110,000	52,821	57,179	0	48.0%
19	55520	Graphic Supplies	38,000	38,000	7,176	1,091	29,732	18.9%
20	55530	Telephone	135,500	135,500	71,490	64,010	(0)	52.8%
21	55540	Postage	30,000	30,000	20,000	10,000	0	66.7%
22	55550	Delivery Services	11,800	11,800	2,001		9,799	17.0%
23	55600	Scag Memberships	18,000	18,000	16,461		1,539	91.4%
24	55610	Prof Memberships	2,910	5,654	5,654		(0)	100.0%
25	55620	Res Mats/Subscrip	57,850	57,850	15,742	639	41,469	27.2%
26	55700	Deprec - Furn & Fixt	28,000	28,000	-		28,000	0.0%
27	55710	Deprec - Computer Equipment	144,495	144,495	-		144,495	0.0%
28	55720	Amortiz - Leasehold Improvement	16,330	16,330	-		16,330	0.0%
29	55800	Recruitment Notices	5,000	6,000	5,102		898	85.0%
30	55801	Recruitment - other	5,000	40,000	1,628	3,372	35,000	4.1%
31	55810	Public Notices	5,000	5,000	-		5,000	0.0%
32	55820	Training	160,000	140,000	52,243	74,860	12,897	37.3%
33	55830	Conference/workshops	17,350	17,350	2,939		14,411	16.9%
34	55920	Other Mtg Exp	50,000	50,000	551		49,449	1.1%
35	55930	Miscellaneous - other	85,000	85,000	18,800	950	65,249	22.1%
36	55950	Temp Help	72,000	162,000	160,181		1,819	98.9%
37	56100	Printing	61,500	57,756	6,541	2,846	48,369	11.3%
38	58100	Travel - Outside	54,150	64,150	37,901		26,249	59.1%
39	58101	Travel - Local	8,000	8,000	4,485		3,515	56.1%
40	58110	Mileage - Local	9,025	16,025	14,389		1,636	89.8%
41	58150	Staff lodging Expense	17,000	6,000	482		5,518	8.0%
42	58200	Travel - registration	2,000	2,000	-		2,000	0.0%
43	58450	Fleet Vehicle	8,200	12,200	2,189	8,920	1,090	17.9%
44		<b>Total Indirect Cost</b>	<b>10,975,019</b>	<b>11,035,354</b>	<b>4,907,887</b>	<b>1,717,561</b>	<b>4,409,906</b>	<b>44.5%</b>



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**

**FY12 INDIRECT COST & RECOVERY**



**OVERVIEW**

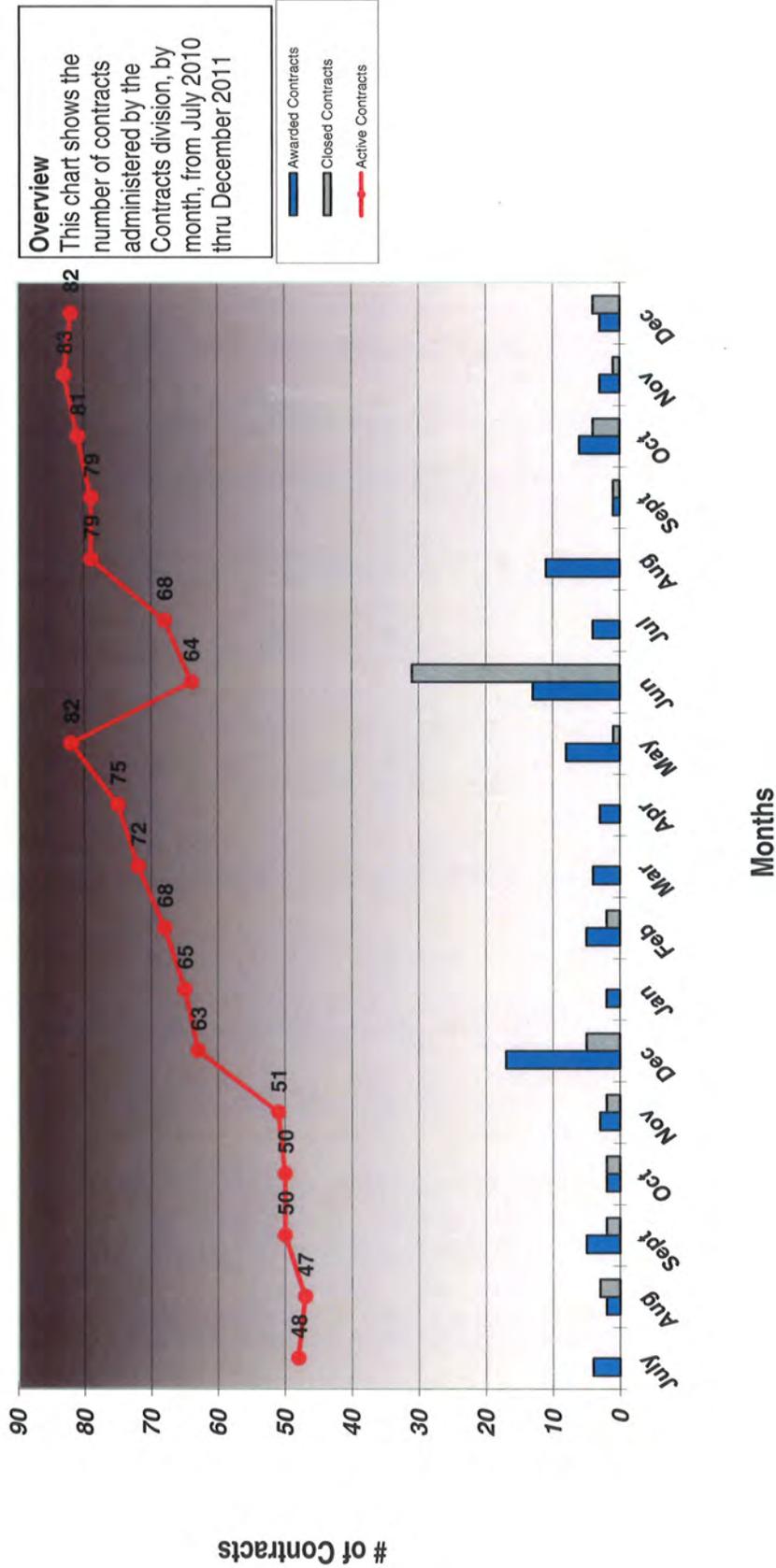
A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

**SUMMARY**

Through December 2011, SCAG was over-recovered by \$411,734. This was due to lower than expected indirect cost expenditures.

	11/30/2011	12/31/2011	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ (62,974)	\$ 2,229,651		
L.A County Investment Pool	\$ 6,316,769	\$ 3,222,981		
Cash & Investments	\$ 6,253,795	\$ 5,452,632	\$ (801,163)	AR increased
Accounts Receivable	\$ 4,516,876	\$ 5,243,337	\$ 726,461	Nov. Dec CPF invoices still outstanding
Other Current Assets	\$ (116,374)	\$ (222,848)	\$ (106,474)	Dec saw IC over-recovery of \$125K
Fixed Assets - Net Book Value	\$ 1,272,892	\$ 1,272,892	\$ -	No change
<b>Total Assets</b>	<b>\$ 11,927,190</b>	<b>\$ 11,746,014</b>	<b>\$ (181,176)</b>	
Accounts Payable	\$ (250,597)	\$ (237,100)	\$ 13,497	Minimal change
Employee-related Liabilities	\$ (442,837)	\$ (513,142)	\$ (70,305)	Minimal change
Deferred Revenue	\$ (42,786)	\$ (42,786)	\$ 0	No change
Total Liabilities and Deferred Revenue	\$ (736,220)	\$ (793,028)	\$ (56,808)	
<b>Fund Balance</b>	<b>\$ 11,190,970</b>	<b>\$ 10,952,985</b>	<b>\$ (237,984)</b>	
<b>WORKING CAPITAL</b>				
	11/30/2011	12/31/2011	Incr (decr) to working capital	
Cash	\$ 6,253,795	\$ 5,452,632	\$ 801,163	
Accounts Receivable	\$ 4,516,876	\$ 5,243,337	\$ (726,461)	
Accounts Payable	\$ (250,597)	\$ (237,100)	\$ (13,497)	
Employee-related Liabilities	\$ (442,837)	\$ (513,142)	\$ 70,305	
<b>Working Capital</b>	<b>\$ 10,077,237</b>	<b>\$ 9,945,727</b>	<b>\$ 131,511</b>	

# SCAG Contracts (Year to Date)



**Summary**  
 The chart shows that the Contract Division is managing 82 active consultant contracts. Twenty-two of these contracts are fixed price, 48 are Cost Plus Fixed Fee contracts, and the remaining 12 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Division anticipates issuing approximately 10 more contracts for FY 2011/12. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.

**Office of the CFO**  
*Staffing Report as of January 1, 2012*

<b>GROUPS</b>	<b>Authorized Positions</b>	<b>Filled Positions</b>	<b>Vacant Positions</b>
Executive	3	3	0
Legal	3	2	1
Strategy, Policy & Public Affairs	20	18	2
Administration	34	33	1
Planning & Programs	50	50	0
<b>Total</b>	<b>110</b>	<b>106</b>	<b>4</b>

**OTHER POSITIONS**

<b>GROUPS</b>	<b>Limited Term Positions</b>	<b>Temp Positions</b>	<b>Agency Temps</b>
Executive	0	0	0
Legal	1	0	0
Strategy, Policy & Public Affairs	2	4	3
Administration	9	2	1
Planning & Programs	11	8	0
<b>Total</b>	<b>23</b>	<b>14</b>	<b>4</b>