

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

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**No. 543
MEETING OF THE**

REGIONAL COUNCIL

**PLEASE NOTE TIME
Thursday, October 4, 2012
12:00 p.m. – 2:00 p.m.**

**SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at (213) 236-1993 or via email at 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

Agendas & Minutes for the Regional Council are also available at:
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SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1993. 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.

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SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Regional Council

Members Roster – October 2012

Members

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	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. Jerry Amante	<i>Tustin</i>	OCTA
	13. Hon. Mary Craton	<i>Canyon Lake</i>	RCTC
	14. Hon. Alan Wapner	<i>Ontario</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. Larry McCallon	<i>Highland</i>	District 7
	22. Hon. Deborah Robertson	<i>Rialto</i>	District 8
	23. Hon. Paul Eaton	<i>Montclair</i>	District 9
	24. Hon. Ed Graham	<i>Chino Hills</i>	District 10
	25. Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
	26. Hon. Paul Glaab	<i>Laguna Niguel</i>	District 12
	27. Hon. Joel Lautenschleger	<i>Laguna Hills</i>	District 13
	28. Hon. Sukhee Kang	<i>Irvine</i>	District 14
	29. Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
	30. Hon. Michele Martinez	<i>Santa Ana</i>	District 16
	31. Hon. John Nielsen	<i>Tustin</i>	District 17
	32. Hon. Leroy Mills	<i>Cypress</i>	District 18



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Regional Council

Members Roster – October 2012

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33. Hon. Kris Murray	<i>Anaheim</i>	District 19
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35. VACANT		District 21
36. Hon. Brett Murdock	<i>Brea</i>	District 22
37. Hon. Bruce Barrows	<i>Cerritos</i>	District 23
38. Hon. Gene Daniels	<i>Paramount</i>	District 24
39. Hon. David Gafin	<i>Downey</i>	District 25
40. Hon. Jim Morton	<i>Lynwood</i>	District 26
41. Hon. Frank Gurulé	<i>Cudahy</i>	District 27
42. Hon. Dan Medina	<i>Gardena</i>	District 28
43. Hon. Steven Neal	<i>Long Beach</i>	District 29
44. Hon. James Johnson	<i>Long Beach</i>	District 30
45. Hon. Stan Carroll	<i>La Habra Heights</i>	District 31
46. Hon. Margaret Clark	<i>Rosemead</i>	District 32
47. Hon. Keith Hanks	<i>Azusa</i>	District 33
48. Hon. Barbara Messina	<i>Alhambra</i>	District 34
49. Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
50. Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
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53. Hon. James Gazeley	<i>Lomita</i>	District 39
54. Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
55. Hon. Frank Quintero	<i>Glendale</i>	District 42
56. Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
57. Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
58. Hon. Bryan A. MacDonald	<i>Oxnard</i>	District 45
59. Hon. Ed P. Reyes	<i>Los Angeles</i>	District 48
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61. Hon. Dennis Zine	<i>Los Angeles</i>	District 50
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63. Hon. Paul Koretz	<i>Los Angeles</i>	District 52
64. Hon. Tony Cárdenas	<i>Los Angeles</i>	District 53



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Members Roster – October 2012

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65. Hon. Richard Alarcón	<i>Los Angeles</i>	District 54
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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. Hon. Joe Buscaino	<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. VACANT		District 65
77. Hon. Lupe Ramos Watson	<i>Indio</i>	District 66
78. Hon. Sylvia Ballin	<i>San Fernando</i>	District 67
79. VACANT		Tribal Government Representative
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)

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REGIONAL COUNCIL

AGENDA

OCTOBER 4, 2012

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. Glen Becerra, 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 President has the discretion to reduce this time limit based upon the number of speakers. The President may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

Page No.

EXECUTIVE DIRECTOR'S REPORT

(Hasan Ikhata, Executive Director)

Regional Council E-Voting System Update

Attachment 1

2013 Regional Council Meeting Schedule

Attachment 3

PRESIDENT'S REPORT

New Members

New Committee Appointments

COMMITTEE REPORTS/ACTION ITEMS

Community, Economic and Human Development Committee (CEHD) Report

(Hon. Paula Lantz, Chair)

1. Public Hearing Regarding Adoption of the Final 5th Cycle Regional Housing Needs Assessment (RHNA) Allocation Plan **Attachment 4**

Recommended Action: Following public testimony received as part of a public hearing, approve Resolution No. 12-543-1 adopting the Final 5th Cycle RHNA Allocation Plan.

REGIONAL COUNCIL

AGENDA

OCTOBER 4, 2012

COMMITTEE REPORTS/ACTION ITEMS

Page No.

Executive/Administration Committee (EAC) Report (Hon. Glen Becerra, Chair)

- | | | |
|--|-------------------|-----------|
| 2. <u>Approval of Resolution to Congress Averting FY 2013 Sequestration Cuts and Develop Budget Compromise</u> | Attachment | 17 |
|--|-------------------|-----------|

Recommended Action: Approve Resolution No. 12-543-2 which urges Congress to pass and the White House to sign legislation to avert across-the-board Fiscal Year 2013 sequestration cuts and to come together to develop a long-term budget compromise.

Energy and Environment Committee (EEC) Report (Hon. Cheryl Viegas-Walker, Chair)

Transportation Committee (TC) Report (Hon. Keith Millhouse, Chair)

Legislative/Communications and Membership Committee (LCMC) Report (Hon. Larry McCallon, Chair)

CONSENT CALENDAR

Approval Items

- | | | |
|---|-------------------|------------|
| 3. <u>Minutes of the July 5, 2012 Meeting</u> | Attachment | 30 |
| 4. <u>Minutes of the September 6, 2012 Meeting</u> | Attachment | 39 |
| 5. <u>2012 Investment Policy</u> | Attachment | 46 |
| 6. <u>Grant Application to Conduct a Health Impact Assessment Demonstration Project</u> | Attachment | 53 |
| 7. <u>Contracts \$200,000 or Greater: Contract No. 12-031-C1, Fullerton Transit Loop Feasibility Study, "Fullerton Forward"</u> | Attachment | 56 |
| 8. <u>Support of the SCAG/Metro Joint Work Program Resolution and the Metro Countywide Sustainability Planning Policy</u> | Attachment | 60 |
| 9. <u>Support of Cap-and-Trade Coalition Principles</u> | Attachment | 103 |

REGIONAL COUNCIL

AGENDA

OCTOBER 4, 2012

CONSENT CALENDAR

Page No.

- | | | |
|--|-------------------|------------|
| 10. <u>SCAG Sponsorship: Active Transportation Forum, October 26, 2012 at \$500</u> | Attachment | 121 |
| 11. <u>Proposed Memorandum of Understanding (MOU) Between the Southern California Association of Governments (SCAG) and Korea Research Institute for Human Settlements (KRIHS) to Promote Joint Research and Exchange Technical Information</u> | Attachment | 122 |
| 12. <u>Proposed Memorandum of Understanding (MOU) Between Southern California Association of Governments (SCAG) and the Myongji University (MJU) to Promote Joint Research and Exchange Technical Information</u> | Attachment | 127 |
| 13. <u>Proposed Memorandum of Understanding (MOU) Between the Southern California Association of Governments (SCAG) and the Institute of Policy and Management (IPM) of the Chinese Academy of Sciences (CAS) to Promote Joint Research and Exchange Technical Information</u> | Attachment | 131 |

Receive & File

- | | | |
|---|---|------------|
| 14. <u>Contracts/Purchase Orders and/or Amendments between \$5,000 – \$200,000</u> | Attachment | 136 |
| 15. <u>Existing Housing Needs Statistics Data to Support Local Jurisdictions' Housing Element Updates</u> | Attachment | 155 |
| 16. <u>October 2012 State and Federal Legislative Update</u> | To be distributed at the meeting | |

INFORMATION ITEMS

- | | | |
|-------------------------------|-------------------|------------|
| 17. <u>CFO Monthly Report</u> | Attachment | 160 |
|-------------------------------|-------------------|------------|

AB 109 – THE 2011 PUBLIC SAFETY REALIGNMENT ACT DISCUSSION **Attachment** **172**
(Will begin at approximately 12:45 p.m.)

FUTURE AGENDA ITEM(S)

ADJOURNMENT

The next Regional Council Meeting is scheduled for Thursday, November 1, 2012, at the SCAG Los Angeles Office.

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REPORT

DATE: October 4, 2012

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

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

SUBJECT: Regional Council E-Voting System Update

RECOMMENDED ACTION:

For Information Only – No Action Required

EXECUTIVE SUMMARY:

SCAG’s Information Technology division has completed market analysis and cost estimates for electronic voting systems for SCAG’s RC meetings. This analysis covered a wide range of systems, from standalone systems to comprehensive solutions that include advanced features to further increase agency transparency and potentially support multiple meeting locations to reduce travel costs. SCAG staff is proceeding with the e-voting project in 2 (two) phases: 1) staff will rent or procure a low-end, interim e-voting system to be installed and fully functional by February 2013; and 2) a competitive bid process for a longer-term solution will be completed by September 2013. Staff will provide the RC with a status update and possible demonstration of the interim solution in November 2012.

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: Integrate advanced information and communication technologies.

BACKGROUND:

Staff research has found that SCAG faces unique challenges when considering a voting system, such as the size of the Board and facility limitations. Staff has determined that the following features and capabilities are required:

- 1) Reasonable cost in relation to monthly use and functionality
- 2) Ability to support a large number of voting members with 100% accuracy
- 3) Ability to support ad hoc rather than assigned seating
- 4) Does not require extensive conference facility upgrades

Although not required, the following features and capabilities are desirable:

- 1) Option to integrate with other meeting systems including agenda and minutes management, as well as web streaming of RC meetings
- 2) Option to assist the Chair with speaker request feature
- 5) Option to expand voting capabilities to policy committees at a reasonable cost
- 6) Option to support geographically-distributed voting to reduce travel, if feasible

Voting System Options

SCAG staff has identified four types of voting systems that provide the required features and functionality. The following list indicates system options and total estimated costs inclusive of hardware and software required to implement the solution:

REPORT

- a. Voting Module that integrates with full Meeting and Agenda Suite - \$100 to \$150k up front + \$200 to \$430 monthly cost
- b. Custom Standalone Voting System - \$120 to \$160k
- c. Microphone-based Voting System - \$120 to \$170k
- d. Smart Card Audience Response System - \$60k (annual maintenance \$6k) or full service rent for \$5k per meeting

SCAG will acquire an interim solution based on Option d - Smart Card Audience Response System, as the interim solution. This will require little to no up-front cost with a per meeting rental fee. Any rental fees may be credited to the purchase of the system if such purchase is found to be cost-effective over the interim period.

SCAG staff has eliminated the following voting solution because it does not meet SCAG's requirements:

- a. Basic Audience Response System – intended for large audience polling. Accuracy not guaranteed

Schedule

SCAG staff will complete an informal bid for a Smart Card Audience Response System, or other equivalent interim system, in October 2012. If the selected system passes staff testing, staff will schedule a demonstration of the devices and system at the November 2012 RC meeting. Upon RC acceptance of the system, staff will implement this interim solution in early 2013. In a separate effort, staff will commence a formal, competitive bid for a long-term e-voting solution in November 2012.

FISCAL IMPACT:

It is anticipated that this item will be charged to the General Fund.

ATTACHMENT:

None



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Paula Lantz, Pomona

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Cheryl Viegas-Walker, El Centro

Transportation
Keith Millhouse, Ventura County Transportation Commission

**Regional Council
Executive/Administration Committee
and
Policy Committees**

2013 MEETING SCHEDULE*

Meetings are held on the 1st Thursday of each month

**Executive/Administration Committee 9:00 a.m. – 10:00 a.m.
CEHD – EEC – TC 10:00 a.m. – 12:00 p.m.
Regional Council 12:15 p.m. – 2:00 p.m.**

January 3, 2013

February 7, 2013

March 7, 2013

April 4, 2013

May 2-3, 2013 General Assembly

June 6, 2013

July 25, 2013

August – DARK

September 5, 2013 (Rosh Hashana) / (League of CA Cities Annual Conference, Sept. 18-20, 2013)

October 3, 2013

November 7, 2013

December 5, 2013

***Dates subject to change by the Regional Council**

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DATE: October 4, 2012

TO: Regional Council (RC)

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

SUBJECT: Public Hearing regarding the Adoption of the Final 5th Cycle Regional Housing Needs Assessment (RHNA) Allocation Plan

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Following public testimony received as part of a public hearing, approve Resolution No. 12-543-1 adopting the Final 5th Cycle RHNA Allocation Plan.

EXECUTIVE SUMMARY:

Attached for the Regional Council's review and adoption is the Proposed Final Allocation Plan for the 5th Cycle RHNA ("Proposed Final RHNA Plan"), which represents the projected housing need for each city and unincorporated county area in the SCAG region for the October 2013-October 2021 housing element planning period. The Proposed Final RHNA Plan was developed from the Draft RHNA Plan, which was approved for distribution by the RC on February 2, 2012, and revised based upon the results of the revision request and appeals process that concluded on July 24, 2012. After reviewing the proposed Final Allocation Plan at its August 24, 2012 meeting, the RHNA Subcommittee recommended that the CEHD Committee review and recommend approval by the RC. The CEHD Committee is reviewing the Proposed Final Allocation Plan today and is anticipated to provide a recommendation to the RC. In accordance with state law, the RC shall hold a public hearing to receive testimony on the Final RHNA Plan. Following the conclusion of the public hearing, the RC may then consider adoption of the Final RHNA Plan. Assuming that the Final RHNA Plan is adopted by the RC, SCAG will submit the Final RHNA Plan to the California Department of Housing and Community Development (HCD) for 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:

A. Summary of 5th Cycle RHNA process

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the "RHNA statute")] in 1977 to address the serious affordable housing shortage in California. The expressed intent of the Legislature in enacting the RHNA statute was as follows:

- “(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal;
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal;
- (c) To recognize that each locality is best capable of determining what efforts are

required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs; and

(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.” (Govt. Code § 65581).

In accordance with the state law, SCAG has been engaged in the development of the 5th Cycle RHNA Plan for the past few years. Specifically, the 5th Cycle RHNA began in May 2009, when SCAG staff began surveying each of the region’s jurisdictions population, household, and employment projections, as part of a collaborative process to develop the Integrated Growth Forecast, which would be used for all regional planning efforts including the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). These surveys continued through August 2011. During this time, SCAG staff engaged in extensive communication and data sharing with each jurisdiction in the SCAG region, including in-person meetings, to ensure the highest participation in gathering local input.

Beginning in January 2011, the RHNA Subcommittee held regular monthly meetings to discuss the RHNA process, policies, and methodology, and to provide recommended actions to the CEHD Committee. In August 2011, SCAG received its RHNA determination from HCD. HCD determined a range of housing need of 409,060 – 438,030 units for the SCAG region for the period between January 1, 2014 and October 1, 2021. HCD stated that “[t]his range considered the extraordinary uncertainty regarding national, State, and local economies and housing markets,” and that “[f]or this RHNA cycle only, [HCD] made an adjustment to account for abnormally high vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.” SCAG is required to maintain the regional total need throughout the RHNA process so that it is within the HCD range and is consistent with SCAG’s Integrated Growth Forecast.

At its August 26, 2011 meeting, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed and further recommended the proposed methodology to the RC, which approved the proposed Methodology for distribution on September 1, 2011. During the 60-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input and held public hearings to receive verbal and written comments on the proposed Methodology. After the close of the public comment period, on November 3, 2011, the RC adopted the RHNA Methodology.

On December 9, 2011, SCAG released the Draft RHNA Plan as part of the agenda for the RHNA Subcommittee meeting. The Draft RHNA Plan was recommended by the RHNA Subcommittee for further approval by the CEHD Committee and the RC. The CEHD Committee reviewed and recommended the Draft RHNA Plan to the RC on January 5, 2012 and the RC reviewed and approved for distribution the Draft RHNA Plan on February 2, 2012. SCAG received various email correspondence from the cities of Calabasas, Ojai, and Oxnard related to revision requests or appeals, which were addressed and responded to as part of the respective revision requests and/or appeals processes. The Draft RHNA Plan acknowledged a total future housing need of 412,721 units for the SCAG region. In addition, on April 4, 2012, the RC unanimously approved SCAG’s 2012-2035 RTP/SCS, including its jurisdictional level Integrated Growth Forecast.

The RHNA revision requests and appeals processes commenced immediately after the RC's approval for distribution of the Draft RHNA Plan. The RC delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the RC on June 2, 2011. In this capacity, the RHNA Subcommittee was designated as the RHNA Appeals Board. On February 2, 2012 (and amended on May 3, 2012), the RC also adopted Procedures Regarding Revision Requests, Appeals and Trade & Transfers (the "Appeals Procedure") for jurisdictions wishing to request a revision to their allocated housing need, to appeal their allocated housing need, or to trade and transfer their allocated housing need. The existing law and the procedures defined the parameters and basis for a successful revision or appeal. The Appeals Procedure was made available to all SCAG jurisdictions and posted on SCAG's website.

The RHNA Appeals Board reviewed, discussed and considered the revision requests of 14 jurisdictions and the appeals of 12 jurisdictions. Revision requests to the Draft RHNA Plan were heard by the RHNA Appeals Board on April 19, 2012 while appeals to the Draft RHNA Plan were heard by the RHNA Appeals Board as part of public hearings held over two days on July 12 and July 13, 2012. The RHNA Appeals Board ratified its written determinations on the appeals on July 24, 2012. The RHNA Appeals Board approved a reduction of 544 units in revision requests. The RHNA Appeals Board approved zero reduction of units in appeals, finding that the basis of the appeals could not be supported by the RHNA law. As previously indicated, the RHNA Appeals Board was delegated by the RC to review and make the final decisions regarding revision requests and appeals submitted by jurisdictions. These decisions are final, and are not subject to any further review of the CEHD Committee or the RC.

Additionally, the Final RHNA Plan includes a 40-unit correction to the regional total for the City of Glendora. This correction reflected units already accounted for in Los Angeles County unincorporated land. The result of this correction and the revision requests and appeals processes adjusted the total regional housing need to 412,137 units.

B. Summary of 5th Cycle Proposed Final RHNA

Per Government Code Section 65584.05(h), SCAG is required to adopt a final allocation of regional housing need for each local government in the region based on several processes: (1) the Draft RHNA Allocation Plan, which was approved for distribution by the RC on February 2, 2012; (2) the determinations of the revision requests and appeals process, which concluded on July 24, 2012; and (3) trade and transfer agreements between participating jurisdictions, which were due on August 17, 2012. It is noted that no trade and transfer agreements were received by SCAG. Prior to adoption of the final allocation plan, SCAG must hold a public hearing. Notice of this public hearing was given on September 4, 2012.

Staff has developed the Proposed Final RHNA Plan, which represents the proposed regional total housing need and its allocation by income category, for all the cities and unincorporated counties (see attachment). According to the proposed Final RHNA Plan, the regional total housing need for the projection period between January 1, 2014 and October 1, 2021 is 412,137 units.

REPORT

The Proposed Final RHNA Plan was reviewed by the RHNA Subcommittee at its August 24, 2012 meeting and was recommended by the Subcommittee to the CEHD Committee for further recommendation to the RC. Once the CEHD Committee makes its recommendation, the RC will hold a public hearing to receive public testimony on the proposed final allocation plan. Upon the conclusion of the public hearing, the RC will consider adoption of the Final RHNA Plan by way of the attached Resolution No. 12-543-1. Assuming the RC's adoption of the Final RHNA Plan, SCAG will thereafter submit the Final RHNA Plan to HCD. HCD will review the Final RHNA Plan and determine within 60 days its consistency with the existing and projected housing need for the region.

Following adoption of the Final RHNA Plan by SCAG, jurisdictions in the SCAG region will have one (1) year to complete and adopt their local housing element update based on respective comments and findings by HCD. The deadline for the jurisdictions to submit their 5th Cycle local housing element updates to HCD is October 15, 2013.

FISCAL IMPACT:

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

ATTACHMENTS:

1. Resolution No. 12-453-1
2. Proposed Final 5th Cycle RHNA Allocation Plan

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Policy Committee ChairsCommunity, Economic and
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Transportation

Keith Millhouse, Ventura County
Transportation Commission**RESOLUTION NO. 12-543-1**

**A RESOLUTION OF THE SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS ADOPTING
THE FINAL HOUSING NEED ALLOCATION PLAN
RELATED TO THE 5th CYCLE OF THE
REGIONAL HOUSING NEEDS ASSESSMENT**

WHEREAS, the Southern California Association of Governments (SCAG) is the federally designated Metropolitan Planning Organization (MPO) pursuant to 23 U.S.C. §134(d) for the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura; and

WHEREAS, as the region's council of governments, SCAG is responsible for allocating the state-determined regional housing need to all local jurisdictions within the SCAG region in accordance with state housing law, a process known as the development of the Regional Housing Needs Assessment ("RHNA"); and

WHEREAS, SCAG staff commenced work on the 5th cycle RHNA on or about May 2009, whereby SCAG staff began consulting with jurisdictions as part of the agency's Integrated Growth Forecast planning process; and

WHEREAS, on or about August 2011, the State Department of Housing and Community Development (HCD) provided SCAG with its regional housing need determination (i.e., SCAG's regional share of the statewide housing need). Specifically, HCD provided SCAG with a Regional Housing Need Determination of 409,060 to 438,030 units, for the period from January 1, 2014 through October 1, 2021. SCAG is required to adopt a final RHNA that allocates among all six counties and 191 cities within the region a total regional housing need at or above the minimum end of the range and which is proportional to applicable income category percentages; and

WHEREAS, SCAG's Regional Council delegated to the SCAG RHNA Subcommittee, who members are comprised of elected officials from each of the respective six (6) counties within the SCAG region, the authority to provide policy direction throughout the 5th cycle RHNA process and to provide recommendations to the SCAG Community Economic and Human Development (CEHD) Committee;

WHEREAS, on November 3, 2011, following review by the RHNA Subcommittee and the CEHD Committee as well as following the receipt of public input as part of public hearings, the Regional Council adopted the Final RHNA Allocation Methodology; and

WHEREAS, on February 2, 2012, the Regional Council reviewed and approved for distribution the 5th cycle Draft Regional Housing Need Allocation Plan (or Draft RHNA). The Draft RHNA set forth a total future construction need of 412,721 units and identified existing and future housing needs in all 191 cities and six counties in the SCAG region for the applicable planning period. The Regional Council also adopted at this time procedures for handling revision requests, appeals and trade and transfers related to the Draft RHNA, and directed staff to commence the revision request and appeals processes; and

WHEREAS, the revision request and appeals processes commenced immediately after the Regional Council's approval for distribution of the Draft RHNA; and

WHEREAS, the RHNA Subcommittee, acting as the "RHNA Appeals Board" was designated by the Regional Council as the body charged with considering and making final determinations regarding all revision requests and appeals filed. The RHNA Appeals Board reviewed, discussed and considered the revision requests of 14 jurisdictions and the appeals of 12 jurisdictions. Revisions requests to the Draft RHNA were heard by the RHNA Appeals Board on April 19, 2012, and appeals to the Draft RHNA were heard by the RHNA Appeals Boards as part of public hearings held over two days on July 12 and July 13, 2012; and

WHEREAS, the RHNA Appeals Board approved a reduction of 544 units in revision requests. The RHNA Appeals Board approved zero reduction of units in appeals, finding insufficient grounds under the RHNA law. The RHNA Appeals Board reviewed and approved final written decisions on the appeals on July 24, 2012, and directed staff to prepare the proposed Final Housing Need Allocation Plan, or proposed Final RHNA; and

WHEREAS, the proposed Final RHNA establishes the total regional housing need allocation of 412,137 units, which also includes a 40-unit correction to the regional total for the City of Glendora. The proposed Final RHNA maintains, by income group, the range established by HCD as SCAG's Regional Housing Need Determination. The proposed Final RHNA does not include any alternative distributions (also known as "trade and transfer agreements") by local jurisdictions pursuant to Government Code Section 65584.05(g), nor has any been proposed; and

WHEREAS, the proposed Final RHNA was presented to SCAG's CEHD Committee on October 4, 2012, who took action to recommend approval of the proposed Final RHNA by the Regional Council; and

WHEREAS, in accordance with Government Code Section 65584.05(h), adoption of the Final RHNA must be made by the Regional Council by way of a public hearing. Notice of a public hearing regarding the Regional Council's consideration of the adoption of the Final RHNA was properly posted on or about September 4, 2012. The Regional Council conducted the required public hearing on October 4, 2012.

NOW, THEREFORE, BE IT RESOLVED by the Regional Council of the Southern California Association of Governments as follows:

1. The Regional Council finds and determines that the above recitals are true and correct, and together with the SCAG's written staff report ("Staff Report"), staffs related oral presentation and public testimony received as part of the public hearing on October 4, 2012, have served as the basis, in part, for the actions of the Regional Council set forth in this Resolution.

2. The Regional Council hereby adopts the proposed Final Regional Housing Need Allocation Plan, or Final RHNA, in substantially the same form as included with the Staff Report and attached herein for reference purposes.

3. The Final RHNA is consistent with the following objectives, as set forth in more detail in Government Code Section 65584(d): (1) increasing the housing supply and the mix of housing types, tenure, and affordability; (2) promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns; (3) promoting an improve intraregional relationship between jobs and housing; and (4) balancing the distribution of households by income category. The Regional Council finds the total housing allocation of the Final RHNA is above the minimum end of the range established by HCD, which results in an increase in the housing supply. The Regional Council also finds that the Final RHNA is consistent with the 2012-2035 Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) in that the Final RHNA was developed concurrent with SCAG's development of the Integrated Growth Forecast. This Integrated Growth Forecast serves as the foundation of many of SCAG's regional planning efforts, including development of the 2012-2035 RTP/SCS.

4. Finally, the Final RHNA takes into account the information provided by member jurisdictions and the public via the various public meeting and consultation processes, in that the information received were reviewed and considered by SCAG as part of the development of the Integrated Growth Forecast, the Final Allocation Methodology, the Draft RHNA and the Final RHNA.

5. By adoption of the Final RHNA, the Regional Council directs staff to submit a copy of the Final RHNA, this resolution and other pertinent documentation to HCD for review and approval in accordance with state law.

APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at a regular meeting this 4th day of October, 2012.

[SIGNATURES ON FOLLOWING PAGE]

Hon. Glen Becerra
President, SCAG
Councilmember, City of Simi Valley

Attested by:

Hasan Ikhata
Executive Director

Approved as to Form:

Joann Africa
Chief Counsel

Southern California Association of Governments
5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 - 10/1/2021

Income Category Distribution*						Draft RHNA Components**				Final RHNA Allocation					
County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Imperial		25.2%	15.8%	15.5%	43.5%	100.0%	17,428	479	49	1,404	4,194	2,553	2,546	7,258	16,551
Los Angeles		25.3%	15.6%	16.8%	42.3%	100.0%	200,572	6,131	1,268	28,297	45,672	27,469	30,043	76,697	179,881
Orange		22.9%	16.8%	18.5%	41.8%	100.0%	41,530	1,143	414	6,150	8,734	6,246	6,971	16,015	37,966
Riverside		23.7%	16.5%	18.3%	41.5%	100.0%	120,308	2,948	175	22,059	24,117	16,319	18,459	42,479	101,374
San Bernardino		23.3%	16.6%	18.4%	41.7%	100.0%	70,623	1,890	469	16,833	13,399	9,265	10,490	24,053	57,207
Ventura		23.5%	16.5%	18.6%	41.4%	100.0%	19,628	523	41	647	4,516	3,095	3,544	8,003	19,158
SCAG		24.3%	16.2%	17.6%	41.9%	100.0%	470,089	13,113	2,416	75,390	100,632	64,947	72,053	174,505	412,137
County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	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	24.9%	15.9%	15.4%	43.8%	100%	3,080	90	4	141	760	470	466	1,338	3,034
Imperial	Calexico city	25.3%	15.5%	15.3%	43.9%	100%	3,139	91	8	13	817	489	490	1,428	3,224
Imperial	Calipatria city	25.9%	15.8%	15.5%	42.9%	100%	187	5	0	48	37	22	22	63	144
Imperial	El Centro city	25.2%	15.9%	15.5%	43.3%	100%	2,118	64	8	265	487	300	297	840	1,924
Imperial	Holtville city	25.5%	15.3%	15.4%	43.8%	100%	222	31	1	20	54	31	32	92	209
Imperial	Imperial city	26.5%	16.1%	15.5%	41.9%	100%	1,367	32	1	91	349	205	202	553	1,309
Imperial	Westmorland city	24.2%	15.5%	15.6%	44.6%	100%	230	7	3	8	57	35	36	105	233
Imperial	Unincorporated	25.1%	15.8%	15.5%	43.5%	100%	7,085	182	25	819	1,633	1,001	1,001	2,839	6,474
Los Angeles	Agoura Hills city	27.0%	16.6%	17.1%	39.4%	100%	113	2	0	0	31	19	20	45	115
Los Angeles	Alhambra city	25.4%	15.4%	16.6%	42.6%	100%	1,580	52	0	141	380	224	246	642	1,492
Los Angeles	Arcadia city	26.1%	16.2%	16.9%	40.8%	100%	1,141	30	0	117	276	167	177	434	1,054
Los Angeles	Artesia city	25.5%	15.1%	16.6%	42.8%	100%	112	3	5	0	31	18	20	51	120
Los Angeles	Avalon city	25.5%	15.0%	17.2%	42.3%	100%	149	6	3	79	20	12	14	34	80
Los Angeles	Azusa city	25.4%	15.5%	16.4%	42.7%	100%	868	25	6	120	198	118	127	336	779
Los Angeles	Baldwin Park city	25.3%	15.3%	16.2%	43.1%	100%	528	14	15	0	142	83	90	242	557
Los Angeles	Bell city	24.1%	15.2%	16.7%	44.0%	100%	40	1	6	0	11	7	8	21	47
Los Angeles	Bellflower city	25.3%	15.3%	16.5%	42.9%	100%	91	3	0	115	1	1	0	0	2
Los Angeles	Bell Gardens city	24.5%	15.0%	16.4%	44.1%	100%	33	1	12	0	11	7	8	20	46
Los Angeles	Beverly Hills city	26.0%	16.3%	17.1%	40.7%	100%	271	9	34	324	1	1	1	0	3
Los Angeles	Bradbury city	27.5%	17.1%	17.7%	37.7%	100%	7	0	1	7	1	1	0	0	2
Los Angeles	Burbank city	25.8%	15.8%	16.6%	41.9%	100%	2,767	88	62	234	694	413	443	1,134	2,684
Los Angeles	Calabasas city	26.7%	16.8%	17.5%	39.0%	100%	325	7	0	3	88	54	57	131	330
Los Angeles	Carson city	26.2%	15.9%	16.6%	41.3%	100%	1,662	36	0	0	447	263	280	708	1,698
Los Angeles	Cerritos city	26.5%	16.2%	17.0%	40.2%	100%	84	2	0	0	23	14	14	35	86
Los Angeles	Claremont city	26.2%	16.1%	17.1%	40.6%	100%	372	9	0	8	98	59	64	152	373
Los Angeles	Commerce city	25.1%	15.5%	15.9%	43.6%	100%	44	1	0	0	12	7	7	20	46
Los Angeles	Compton city	25.0%	25.0%	25.0%	25.0%	100%	11	0	4	302	1	1	0	0	2
Los Angeles	Covina city	26.0%	15.6%	16.6%	41.7%	100%	310	9	2	90	60	35	38	97	230
Los Angeles	Cudahy city	25.0%	14.7%	16.1%	44.2%	100%	303	12	3	0	80	46	51	141	318
Los Angeles	Culver City city	26.0%	16.0%	16.9%	41.1%	100%	180	5	0	0	48	29	31	77	185
Los Angeles	Diamond Bar city	26.8%	16.3%	16.7%	40.2%	100%	1,122	23	0	0	308	182	190	466	1,146
Los Angeles	Downey city	25.7%	15.4%	16.6%	42.2%	100%	854	25	19	84	210	123	135	346	814
Los Angeles	Duarte city	25.7%	16.0%	16.3%	42.0%	100%	329	8	0	0	87	53	55	142	337
Los Angeles	El Monte city	24.6%	15.0%	16.5%	43.8%	100%	2,069	67	34	28	529	315	352	946	2,142
Los Angeles	El Segundo city	26.5%	16.0%	17.3%	40.2%	100%	60	2	7	0	18	11	12	28	69
Los Angeles	Gardena city	24.7%	15.4%	16.6%	43.2%	100%	394	12	0	9	98	60	66	173	397
Los Angeles	Glendale city	25.1%	15.7%	16.8%	42.4%	100%	2,291	77	61	411	508	310	337	862	2,017
Los Angeles	Glendora city	26.4%	15.9%	16.8%	40.9%	100%	661	15	9	0	171	100	108	267	646
Los Angeles	Hawaiian Gardens city	24.9%	15.3%	16.4%	43.4%	100%	124	4	3	2	32	19	21	57	129

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County		% very low	% low income	% moderate	% above	Household	Base Vacancy	Total	Vacancy Credit	Number of very	Number of low	Number of	Number of	Total	
		income	households	income	income										total
		households	households	households	households	Growth (2014-2021)	Needs	Replacement		low income	income	income	income		
Los Angeles	Hawthorne city	24.8%	15.2%	16.5%	43.5%	100%	711	26	0	55	170	101	112	300	683
Los Angeles	Hermosa Beach city	26.8%	16.1%	17.4%	39.7%	100%	1	0	0	0	1	1	0	0	2
Los Angeles	Hidden Hills city	27.6%	17.0%	18.2%	37.2%	100%	18	0	3	2	5	3	3	7	18
Los Angeles	Huntington Park city	24.1%	14.7%	16.7%	44.5%	100%	845	31	18	0	216	128	149	402	895
Los Angeles	Industry city	25.0%	25.0%	25.0%	25.0%	100%	0	0	0	0	0	0	0	0	0
Los Angeles	Inglewood city	24.5%	15.2%	16.6%	43.7%	100%	1,159	39	75	261	250	150	167	446	1,013
Los Angeles	Irwindale city	25.9%	15.8%	16.4%	41.9%	100%	15	0	1	1	4	2	2	7	15
Los Angeles	La Canada Flintridge city	27.0%	16.5%	17.6%	38.8%	100%	110	2	0	0	30	18	20	44	112
Los Angeles	La Habra Heights city	26.8%	16.6%	17.5%	39.1%	100%	117	2	1	1	32	19	21	47	119
Los Angeles	Lakewood city	26.5%	16.0%	16.7%	40.8%	100%	425	10	0	32	107	63	67	166	403
Los Angeles	La Mirada city	26.2%	16.1%	17.0%	40.7%	100%	230	5	0	0	62	37	40	96	235
Los Angeles	Lancaster city	24.9%	15.7%	16.5%	42.9%	100%	3,980	107	33	1,610	627	384	413	1,086	2,510
Los Angeles	La Puente city	25.4%	15.1%	16.5%	43.0%	100%	942	25	0	0	208	121	135	354	818
Los Angeles	La Verne city	26.1%	16.1%	16.8%	41.0%	100%	585	13	3	39	147	88	94	233	562
Los Angeles	Lawndale city	25.0%	15.4%	16.4%	43.3%	100%	368	13	0	0	96	57	62	166	381
Los Angeles	Lomita city	25.8%	15.8%	16.8%	41.6%	100%	36	1	9	0	12	7	8	20	47
Los Angeles	Long Beach city	25.1%	15.5%	16.7%	42.8%	100%	9,487	309	0	2,748	1,773	1,066	1,170	3,039	7,048
Los Angeles	Los Angeles city	24.8%	15.5%	16.8%	42.8%	100%	95,023	3,186	0	16,207	20,427	12,435	13,728	35,412	82,002
Los Angeles	Lynwood city	24.9%	15.0%	16.5%	43.6%	100%	453	14	27	0	123	72	81	218	494
Los Angeles	Malibu city	26.4%	16.5%	17.4%	39.6%	100%	130	3	3	198	1	1	0	0	2
Los Angeles	Manhattan Beach city	26.9%	16.5%	17.5%	39.1%	100%	37	1	0	0	10	6	7	15	38
Los Angeles	Maywood city	24.3%	14.8%	16.7%	44.2%	100%	50	2	1	0	13	8	9	23	53
Los Angeles	Monrovia city	25.8%	15.9%	16.7%	41.6%	100%	388	12	14	25	101	61	65	162	389
Los Angeles	Montebello city	25.2%	15.5%	16.5%	42.8%	100%	1,031	32	3	0	269	161	175	461	1,066
Los Angeles	Monterey Park city	25.0%	15.5%	17.0%	42.5%	100%	755	21	41	2	205	123	137	350	815
Los Angeles	Norwalk city	25.8%	15.7%	16.3%	42.1%	100%	187	5	9	0	52	31	33	85	201
Los Angeles	Palmdale city	25.5%	15.5%	16.6%	42.4%	100%	6,432	158	0	1,139	1,395	827	898	2,332	5,452
Los Angeles	Palos Verdes Estates city	27.3%	16.8%	17.6%	38.3%	100%	3	0	15	2	4	3	3	6	16
Los Angeles	Paramount city	24.7%	15.2%	16.2%	43.9%	100%	151	5	0	51	26	16	17	46	105
Los Angeles	Pasadena city	25.4%	15.9%	16.9%	41.8%	100%	2,051	65	29	812	340	207	224	561	1,332
Los Angeles	Pico Rivera city	25.4%	15.8%	16.6%	42.2%	100%	829	20	0	0	217	131	140	362	850
Los Angeles	Pomona city	25.2%	15.3%	16.4%	43.0%	100%	3,862	110	0	346	919	543	592	1,572	3,626
Los Angeles	Rancho Palos Verdes city	26.9%	16.5%	17.4%	39.2%	100%	30	1	0	0	8	5	5	13	31
Los Angeles	Redondo Beach city	26.5%	16.4%	17.1%	40.0%	100%	1,293	38	121	56	372	223	238	564	1,397
Los Angeles	Rolling Hills city	27.3%	16.5%	17.8%	38.4%	100%	9	0	2	5	2	1	1	2	6
Los Angeles	Rolling Hills Estates city	27.1%	16.6%	17.9%	38.3%	100%	14	0	2	11	1	1	1	2	5
Los Angeles	Rosemead city	25.3%	15.0%	16.5%	43.2%	100%	550	17	35	0	153	88	99	262	602
Los Angeles	San Dimas city	26.1%	15.9%	16.8%	41.1%	100%	457	11	4	9	121	72	77	193	463
Los Angeles	San Fernando city	25.3%	15.3%	16.1%	43.3%	100%	221	6	5	15	55	32	35	95	217
Los Angeles	San Gabriel city	25.3%	15.6%	16.6%	42.4%	100%	958	29	0	57	236	142	154	398	930
Los Angeles	San Marino city	27.0%	16.6%	18.0%	38.4%	100%	2	0	0	0	1	1	0	0	2
Los Angeles	Santa Clarita city	26.4%	16.2%	17.0%	40.3%	100%	8,338	197	2	216	2,208	1,315	1,410	3,389	8,322
Los Angeles	Santa Fe Springs city	25.2%	15.8%	16.5%	42.5%	100%	350	9	0	35	82	50	53	139	324
Los Angeles	Santa Monica city	25.5%	16.1%	17.0%	41.5%	100%	1,745	64	83	218	428	263	283	700	1,674
Los Angeles	Sierra Madre city	26.3%	16.3%	17.1%	40.3%	100%	60	2	0	7	14	9	9	23	55
Los Angeles	Signal Hill city	26.1%	16.2%	16.5%	41.2%	100%	197	6	0	34	44	27	28	70	169
Los Angeles	South El Monte city	24.8%	14.9%	16.4%	43.9%	100%	162	5	6	0	43	25	28	76	172
Los Angeles	South Gate city	24.8%	15.1%	16.3%	43.8%	100%	1,172	37	53	0	314	185	205	558	1,262
Los Angeles	South Pasadena city	26.1%	16.2%	17.0%	40.7%	100%	130	4	3	74	17	10	11	25	63
Los Angeles	Temple City city	26.2%	15.8%	16.5%	41.5%	100%	531	14	61	2	159	93	99	252	603

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County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	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	Torrance city	26.1%	16.0%	16.8%	41.0%	100%	1,416	40	38	43	380	227	243
Los Angeles	Vernon city	0.0%	0.0%	0.0%	0.0%	0%	0	0	0	0	1	1	0	0	2
Los Angeles	Walnut city	26.9%	16.3%	17.1%	39.6%	100%	892	17	0	0	246	144	155	363	908
Los Angeles	West Covina city	26.0%	15.8%	16.7%	41.5%	100%	806	20	5	0	217	129	138	347	831
Los Angeles	West Hollywood city	24.8%	15.7%	16.9%	42.7%	100%	408	16	0	347	19	12	13	33	77
Los Angeles	Westlake Village city	27.0%	16.3%	17.5%	39.2%	100%	44	1	0	0	12	7	8	18	45
Los Angeles	Whittier city	25.9%	15.8%	16.7%	41.6%	100%	911	25	3	60	228	135	146	369	878
Los Angeles	Unincorporated	25.6%	15.6%	16.8%	42.0%	100%	30,574	804	269	1,503	7,854	4,650	5,060	12,581	30,145
Orange	Aliso Viejo city	23.9%	17.0%	18.2%	40.9%	100%	38	1	0	0	9	7	7	16	39
Orange	Anaheim city	21.9%	16.3%	18.3%	43.5%	100%	6,877	209	0	1,385	1,256	907	1,038	2,501	5,702
Orange	Brea city	22.9%	16.9%	18.2%	42.0%	100%	1,826	47	4	26	426	305	335	785	1,851
Orange	Buena Park city	22.4%	16.1%	18.3%	43.2%	100%	349	10	7	27	76	53	62	148	339
Orange	Costa Mesa city	24.8%	24.8%	25.0%	25.4%	100%	174	6	24	312	1	1	0	0	2
Orange	Cypress city	23.1%	16.8%	18.2%	42.0%	100%	295	7	6	0	71	50	56	131	308
Orange	Dana Point city	23.0%	16.6%	18.6%	41.8%	100%	474	13	17	178	76	53	61	137	327
Orange	Fountain Valley city	23.1%	16.9%	18.2%	41.9%	100%	350	8	0	0	83	59	65	151	358
Orange	Fullerton city	22.2%	16.6%	18.4%	42.8%	100%	2,163	62	32	416	411	299	337	794	1,841
Orange	Garden Grove city	21.9%	16.4%	18.2%	43.5%	100%	715	20	12	0	164	120	135	328	747
Orange	Huntington Beach city	23.0%	16.7%	18.4%	41.9%	100%	1,478	40	11	175	313	220	248	572	1,353
Orange	Irvine city	23.1%	17.1%	18.5%	41.3%	100%	12,686	380	0	918	2,817	2,034	2,239	5,059	12,149
Orange	Laguna Beach city	24.8%	24.8%	25.0%	25.4%	100%	32	1	1	172	1	1	0	0	2
Orange	Laguna Hills city	24.8%	24.8%	25.0%	25.4%	100%	124	3	0	166	1	1	0	0	2
Orange	Laguna Niguel city	23.4%	17.1%	18.5%	41.0%	100%	158	4	21	0	43	30	34	75	182
Orange	Laguna Woods city	24.8%	24.8%	25.0%	25.4%	100%	129	3	0	443	1	1	0	0	2
Orange	La Habra city	22.4%	16.1%	18.1%	43.3%	100%	135	4	0	135	1	1	1	1	4
Orange	Lake Forest city	23.6%	16.9%	18.3%	41.2%	100%	2,663	63	0	0	647	450	497	1,133	2,727
Orange	La Palma city	23.2%	16.8%	18.3%	41.7%	100%	9	0	0	0	2	2	2	3	9
Orange	Los Alamitos city	22.6%	17.1%	17.7%	42.6%	100%	55	2	4	0	14	10	11	26	61
Orange	Mission Viejo city	23.4%	16.9%	18.5%	41.2%	100%	173	4	0	0	42	29	33	73	177
Orange	Newport Beach city	23.3%	17.2%	19.0%	40.6%	100%	533	15	0	608	1	1	1	2	5
Orange	Orange city	22.8%	16.6%	18.4%	42.2%	100%	394	11	7	49	83	59	66	155	363
Orange	Placentia city	22.6%	16.9%	18.3%	42.2%	100%	479	12	1	0	112	81	90	209	492
Orange	Rancho Santa Margarita city	23.9%	16.9%	18.4%	40.7%	100%	12	0	1	31	1	1	0	0	2
Orange	San Clemente city	23.0%	16.8%	18.7%	41.5%	100%	662	17	4	101	134	95	108	244	581
Orange	San Juan Capistrano city	22.9%	16.7%	18.9%	41.5%	100%	625	14	0	2	147	104	120	267	638
Orange	Santa Ana city	21.8%	16.1%	18.1%	44.0%	100%	503	15	25	339	45	32	37	90	204
Orange	Seal Beach city	24.8%	24.8%	25.0%	25.4%	100%	19	0	10	186	1	1	0	0	2
Orange	Stanton city	21.8%	16.1%	18.1%	44.0%	100%	329	10	2	28	68	49	56	140	313
Orange	Tustin city	22.9%	16.3%	18.3%	42.5%	100%	1,219	36	127	155	283	195	224	525	1,227
Orange	Villa Park city	24.5%	17.3%	19.2%	39.1%	100%	14	0	0	0	3	2	3	6	14
Orange	Westminster city	24.8%	24.8%	25.0%	25.4%	100%	110	3	5	297	1	1	0	0	2
Orange	Yorba Linda city	23.8%	17.3%	18.9%	40.1%	100%	633	13	24	0	160	113	126	270	669
Orange	Unincorporated	23.4%	17.1%	18.7%	40.8%	100%	5,094	111	67	0	1,240	879	979	2,174	5,272
Riverside	Banning city	23.0%	16.0%	18.2%	42.8%	100%	4,120	101	8	437	872	593	685	1,642	3,792
Riverside	Beaumont city	24.2%	16.7%	18.5%	40.6%	100%	5,415	122	2	289	1,267	854	969	2,160	5,250
Riverside	Blythe city	22.7%	16.4%	18.7%	42.2%	100%	565	17	15	194	91	64	75	172	402
Riverside	Calimesa city	23.2%	16.8%	18.6%	41.4%	100%	2,439	51	1	150	543	383	433	982	2,341
Riverside	Canyon Lake city	25.3%	17.0%	18.9%	38.7%	100%	141	3	0	61	21	14	16	32	83
Riverside	Cathedral City city	23.5%	18.4%	18.4%	41.8%	100%	1,241	32	19	693	141	95	110	254	600
Riverside	Coachella city	23.0%	16.0%	18.0%	43.0%	100%	6,871	181	1	283	1,555	1,059	1,212	2,945	6,771

Southern California Association of Governments
5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 - 10/1/2021

County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Riverside	Corona city	25.0%	17.0%	18.4%	39.5%	100%	1,081	27	5	343	192	128	142	308	770
Riverside	Desert Hot Springs city	22.6%	16.1%	18.5%	42.8%	100%	4,944	151	3	903	946	661	772	1,817	4,196
Riverside	Eastvale city	25.6%	17.1%	18.7%	38.6%	100%	1,578	32	0	147	374	250	274	565	1,463
Riverside	Hemet city	22.2%	16.3%	18.6%	43.0%	100%	2,797	74	0	2,267	134	96	112	262	604
Riverside	Indian Wells city	25.3%	17.3%	19.2%	38.2%	100%	291	6	1	138	40	27	31	62	160
Riverside	Indio city	23.6%	16.5%	18.4%	41.5%	100%	4,053	103	0	1,131	714	487	553	1,271	3,025
Riverside	Jurupa Valley city	23.9%	16.1%	17.9%	42.1%	100%	1,975	49	0	313	409	275	307	721	1,712
Riverside	Lake Elsinore city	24.3%	16.7%	18.3%	40.8%	100%	5,211	131	11	424	1,196	801	897	2,035	4,929
Riverside	La Quinta city	25.0%	17.1%	18.2%	39.7%	100%	1,336	30	18	1,020	91	61	66	146	364
Riverside	Menifee city	23.9%	16.5%	18.3%	41.3%	100%	6,842	150	0	748	1,488	1,007	1,140	2,610	6,245
Riverside	Moreno Valley city	24.3%	16.5%	18.1%	41.1%	100%	7,114	182	15	1,142	1,500	993	1,112	2,564	6,169
Riverside	Murrieta city	25.1%	17.1%	18.5%	39.3%	100%	2,174	52	4	657	395	262	289	627	1,573
Riverside	Norco city	25.0%	17.0%	18.6%	39.4%	100%	809	17	4	12	205	136	151	326	818
Riverside	Palm Desert city	23.9%	16.5%	18.6%	41.0%	100%	1,960	50	0	1,596	98	67	76	172	413
Riverside	Palm Springs city	23.3%	16.3%	18.5%	42.0%	100%	2,010	55	8	1,802	63	43	50	116	272
Riverside	Perris city	24.0%	16.3%	17.8%	41.9%	100%	4,693	118	4	536	1,026	681	759	1,814	4,280
Riverside	Rancho Mirage city	24.3%	17.1%	18.6%	40.0%	100%	594	12	0	511	23	15	18	39	95
Riverside	Riverside city	24.2%	16.5%	18.2%	41.0%	100%	9,534	270	35	1,556	2,002	1,336	1,503	3,442	8,283
Riverside	San Jacinto city	23.1%	16.6%	18.2%	42.1%	100%	3,000	74	5	646	562	394	441	1,036	2,433
Riverside	Temecula city	25.2%	17.2%	18.2%	39.4%	100%	1,903	46	14	470	375	251	271	596	1,493
Riverside	Wildomar city	24.5%	16.8%	18.3%	40.4%	100%	2,620	60	1	146	621	415	461	1,038	2,535
Riverside	Unincorporated	23.8%	16.6%	18.4%	41.3%	100%	32,994	752	0	3,443	7,173	4,871	5,534	12,725	30,303
San Bernardino	Adelanto city	22.2%	16.5%	18.1%	43.1%	100%	3,276	91	8	534	633	459	513	1,236	2,841
San Bernardino	Apple Valley town	22.8%	16.6%	18.8%	41.8%	100%	4,055	98	0	819	764	541	622	1,407	3,334
San Bernardino	Barstow city	22.2%	16.8%	18.4%	42.6%	100%	1,456	44	4	662	188	138	154	363	843
San Bernardino	Big Bear Lake city	25.0%	25.0%	25.1%	24.8%	100%	188	5	11	776	1	1	0	0	2
San Bernardino	Chino city	24.3%	16.9%	18.5%	40.2%	100%	3,008	73	0	187	707	478	533	1,176	2,894
San Bernardino	Chino Hills city	25.0%	17.6%	19.1%	38.3%	100%	844	18	0	0	217	148	164	333	862
San Bernardino	Colton city	23.0%	16.1%	18.1%	42.8%	100%	2,265	67	17	425	443	302	347	831	1,923
San Bernardino	Fontana city	24.0%	16.7%	18.3%	40.9%	100%	6,385	155	0	564	1,442	974	1,090	2,471	5,977
San Bernardino	Grand Terrace city	23.6%	16.9%	18.4%	41.1%	100%	158	4	0	44	28	19	22	49	118
San Bernardino	Hesperia city	23.1%	16.4%	18.4%	42.1%	100%	2,416	60	7	768	398	274	314	729	1,715
San Bernardino	Highland city	23.2%	16.8%	18.8%	41.2%	100%	1,744	44	3	291	349	246	280	625	1,500
San Bernardino	Loma Linda city	23.1%	16.6%	18.6%	41.7%	100%	1,354	45	3	308	254	177	202	462	1,095
San Bernardino	Montclair city	23.4%	16.7%	18.0%	41.9%	100%	709	19	3	35	164	114	125	294	697
San Bernardino	Needles city	21.0%	16.6%	18.9%	43.4%	100%	359	10	3	191	38	29	34	80	181
San Bernardino	Ontario city	23.8%	16.5%	18.3%	41.5%	100%	10,921	310	22	392	2,592	1,745	1,977	4,547	10,861
San Bernardino	Rancho Cucamonga city	24.5%	17.1%	18.7%	39.8%	100%	1,002	26	9	188	209	141	158	340	848
San Bernardino	Redlands city	23.8%	16.7%	18.7%	40.8%	100%	2,765	74	8	418	579	396	453	1,001	2,429
San Bernardino	Rialto city	23.4%	16.3%	18.3%	42.0%	100%	3,304	85	0	674	636	432	496	1,151	2,715
San Bernardino	San Bernardino city	22.3%	16.3%	18.5%	43.0%	100%	6,116	183	113	2,028	980	696	808	1,900	4,384
San Bernardino	Twentynine Palms city	22.5%	16.3%	18.6%	42.6%	100%	807	28	2	384	103	72	84	195	454
San Bernardino	Upland city	24.0%	16.7%	18.6%	40.7%	100%	1,945	54	3	412	382	260	294	653	1,589
San Bernardino	Victorville city	23.0%	16.8%	18.3%	42.0%	100%	8,679	230	42	1,579	1,698	1,207	1,342	3,124	7,371
San Bernardino	Yucaipa city	23.4%	16.7%	18.7%	41.2%	100%	1,942	44	13	395	376	261	299	669	1,605
San Bernardino	Yucca Valley town	22.4%	16.4%	18.6%	42.6%	100%	1,262	33	2	366	209	149	172	400	930
San Bernardino	Unincorporated	23.0%	16.5%	18.5%	41.9%	100%	3,662	89	197	4,392	9	6	7	17	39
Ventura	Camarillo city	24.1%	16.9%	18.6%	40.4%	100%	2,229	54	0	59	539	366	411	908	2,224
Ventura	Fillmore city	23.0%	16.6%	18.5%	41.9%	100%	714	18	2	40	160	112	128	294	694
Ventura	Moorpark city	24.7%	17.3%	18.7%	39.3%	100%	1,135	25	4	0	289	197	216	462	1,164

Southern California Association of Governments
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Ventura	Ojai city	23.3%	16.3%	19.0%	41.4%	100%	382	11	0	22	87	59	70	155	371
Ventura	Oxnard city	23.0%	16.3%	18.6%	42.1%	100%	7,090	200	11	0	1,688	1,160	1,351	3,102	7,301
Ventura	Port Hueneme city	23.1%	15.9%	18.2%	42.8%	100%	162	5	0	173	1	1	0	0	2
Ventura	San Buenaventura (Ventura) cit	23.5%	16.6%	18.5%	41.5%	100%	3,706	105	6	163	861	591	673	1,529	3,654
Ventura	Santa Paula city	22.3%	16.0%	18.9%	42.8%	100%	1,261	35	2	14	288	201	241	555	1,285
Ventura	Simi Valley city	24.6%	17.0%	18.4%	40.1%	100%	1,228	28	0	0	310	208	229	509	1,256
Ventura	Thousand Oaks city	24.6%	17.1%	18.8%	39.5%	100%	188	4	0	0	47	32	36	77	192
Ventura	Unincorporated	24.2%	16.9%	18.7%	40.3%	100%	1,534	37	15	177	246	168	189	412	1,015

*Final income category distribution is based on 2005-09 ACS data, HCD's regional income category distribution, 110% social equity adjustment, and adjustments resulting from any incorporation agreements. Due to rounding, the Final RHNA Allocation may not follow the exact percentage.

**The Draft RHNA Allocation components do not total the Final RHNA Allocation due to adjustments resulting from the revision request process (La Puente and County of Ventura), and a correction made due to the inclusion of unincorporated county growth (Glendora). In some local jurisdictions, the sum of the components may not equal to the Final RHNA Allocation.

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DATE: October 4, 2012

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

FROM: Glen Becerra, President SCAG Regional Council

SUBJECT: Approval of Resolution to Congress Averting FY 2013 Sequestration Cuts and Develop Budget Compromise

RECOMMENDED ACTION:

Approve Resolution No. 12-543-2 which urges Congress to pass and the White House to sign legislation to avert across-the-board Fiscal Year 2013 sequestration cuts and to come together to develop a long-term budget compromise.

EXECUTIVE SUMMARY:

Support the efforts of the Los Angeles County Economic Development Corporation (LAEDC) and local government, business and labor stakeholders to urge Congress and the President to reach a budget compromise that will avert the automatic Sequestration cuts that will otherwise occur pursuant to federal law on January 2, 2013, should further budget action not pass. LAEDC has reported an estimated near immediate loss of approximately 225,000 jobs statewide due to sequestration cuts, representing a loss of \$22 billion in the state's Gross Domestic Product (GDP). Avoiding further job loss in Southern California communities is consistent with adopted RC policy direction as part of the Southern California Job Recovery and Economic Strategy. Approval of the proposed Regional Council Resolution is recommended and it is suggested that SCAG member cities consider adopting a similar Resolution urging support (Resolution template attached).

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

The Budget Control Act of 2011 (BCA) (Pub.L. 112-25, S. 365) signed by the President on August 2, 2011 set the discretionary funding level for FY 2013 at \$1.047 trillion. Within that amount, the law set the discretionary spending limit at \$686 billion for the "security category" (everything in the Pentagon, DHS, the VA, the intelligence community, and the defense side of the Energy Department, as well as all foreign aid) and \$361 billion for the "non-security category" (everything else in the discretionary budget). The BCA also allows the cap to increase by \$1.05 billion in FY 2013 if disability fraud and Medicare fraud enforcement is increased by a certain amount.

More recently, following announcement on July 31, 2012 by House Speaker Jim Boehner (R-OH) and Senate Majority Leader Harry Reid (D-NV) of a bipartisan agreement with the White House on the outline of a six-month continuing resolution (CR) funding the discretionary spending of the federal government for the first half of fiscal year 2013 (October 2012 through March 2013), the Senate on September 22 passed a CR voting 62-30 to fund government activities and functions through March 27. The House passed its version of the CR on September 13. The \$524 billion CR adheres to the Budget Control Act stipulations that

REPORT

include a government-wide \$26.6 billion cut in discretionary spending from fiscal 2011 levels; it maintains a federal pay freeze through April and includes nearly \$90 billion for the war in Afghanistan and other global military operations. The CR, which must be enacted by September 30 to avert potentially a government shutdown, is expected to soon be signed into law by President Barack Obama.

Passage of the six-month stopgap measure, which for the most part essentially freezes spending at current levels, reflects recognition by Congress of the large number of important fiscal policy issues the Congress will attempt to address during the lame-duck session, including:

- The expiration of the 2001 and 2003 President Bush tax cuts at year end;
- The expiration of the ‘temporary’ payroll tax reduction from the 2009 ARRA law at year end;
- Numerous business tax credits that expired at the end of 2011 but which can be extended at any time before businesses file 2012 tax returns;
- The expiration of extended unemployment benefits at year end;
- The expiration of the Medicare provider “doc fix” at year end;
- Possible increase to the debt ceiling.

If the negotiations over all of the moving parts of federal fiscal policy in the post-election lame-duck session in November and December do not result in an agreement, then the BCA's automatic "sequestration" cuts will take place on January 2, 2013, resulting in automatic across-the-board 7.8 percent cuts in non-defense discretionary appropriations and cuts of at least 10 percent in defense discretionary programs. (The President can choose to exempt defense payroll accounts from sequestration, which would then cause the size of the cuts in non-payroll Pentagon accounts to increase sharply, the exact amounts have not yet been calculated by the Office of Management and Budget).

State and Local Economic Impacts

Automatic sequestration cuts would be devastating to the overall California economy and the Southern California economy in particular due the high concentration of defense and aerospace industries located within the region, including the ancillary industrial and service sectors supporting these industries. LAEDC has reported an estimated near immediate loss of approximately 225,000 jobs statewide due to sequestration cuts, representing a loss of \$22 billion in the state’s Gross Domestic Product (GDP). While all areas of the region would be significantly affected, cuts would be especially pronounced in Los Angeles County, resulting in revenue losses of \$2 billion for defense contracts alone. Further, it is estimated that total direct, indirect and induced impacts to Southern California would affect 276,000 jobs, \$20.6 billion in wages, more than \$66 billion in economic impact returning almost \$2.4 billion to state and local governments in tax revenue.

In recognition of the enormous negative impacts that sequestration cuts would have upon Southern California’s economy, on August 9, 2012 the LAEDC formed a strike team known as the L.A. Jobs Defense Council consisting of defense and aerospace-related industry leaders, jobs and community advocates, and regional public officials to mitigate the effects of sequestration cuts imposed by Congress. This group has prepared a letter to Senators Boxer and Feinstein with copies to members of the Armed Services Committees of the Senate and House, and to the California Congressional Delegation, to be signed by over 40 Southern California elected officials, business and labor leaders, urging all parties to come together to reach a balanced budget solution that will avert the severe sequestration cuts and its resulting damage to the state’s economy. SCAG supports the efforts of the L.A. Jobs Defense Council given their consistency with adopted RC policy regarding avoiding further job loss in Southern California communities as part of the

REPORT

Southern California Job Recovery and Economic Strategy. Attached is a proposed Regional Council resolution urging Congress and the White to take legislative action to avert sequestration cuts. Similarly, a draft resolution urging the same policy objective has also been prepared for adoption by any local government jurisdictions that wish to assist these efforts.

ATTACHMENTS:

1. Resolution No. 12-543-2
2. Stop Sequestration Cuts Congressional Letter
3. Stop Sequestration Cuts Template Resolution

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RESOLUTION NO. 12-543-2

**A RESOLUTION OF THE SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS (SCAG) URGING MEMBERS
OF CONGRESS TO PASS AND THE WHITE HOUSE TO SIGN
LEGISLATION TO AVERT ACROSS-THE-BOARD
FISCAL YEAR 2013 SEQUESTRATION CUTS AND TO
COME TOGETHER TO DEVELOP A LONG-TERM
BUDGET COMPROMISE**

WHEREAS, the impacts of the \$1.2 trillion in across-the-board, forced federal cuts proposed under sequestration will have serious and deleterious effects on our local, regional, state and national economies—putting at-risk hundreds of thousands of high-wage, high-skill aerospace and other defense-related jobs as well as tens of thousands of non-defense jobs and countless critical social services programs in education, housing, healthcare and other human services areas; and

WHEREAS, the George Mason University report titled “The Economic Impact of the Budget Control Act of 2011 on DOD & non-DOD Agencies” dated July 17, 2012 (GMU Report), states that the nation’s economy will lose \$215 billion in gross domestic product, shed 2.14 million jobs and swell the unemployment rate by as much as 1.5 percentage points due to sequestration cuts in the first two fiscal years alone; and

WHEREAS, the GMU Report states that California will be most directly and severely affected by these cuts, losing a total of 225,464 jobs (with 135,209 coming from defense-related cuts and 90,255 from non-defense related cuts) and \$22 billion in gross state product; and

WHEREAS, the current uncertainty surrounding the implementation of sequestration has already led many companies to issue layoff notices and reduce outlays in preparation of these looming cuts; and

WHEREAS, Southern California represents the heart of the nation’s aerospace industry, with total direct, indirect and induced impacts of 276,000 jobs, \$20.6 billion in wages, more than \$66 billion in economic impact and returning almost \$2.4 billion to state and local governments in tax revenue; and

WHEREAS, the County of Los Angeles has a long history with aerospace and other defense-related industries and currently has close to 60,000 direct jobs in aerospace and other defense-related industries with a significant wage premium, out-earning those in the manufacturing sector as a whole by 73%, on average; and

WHEREAS, local efforts are currently underway and being led by the L.A. Jobs Defense Council – a coalition comprised of business, government and labor leaders – to, first and foremost, avert sequestration from occurring effective January 2, 2013, but to also prepare the region for the impacts of sequestration should these forced cuts occur.

NOW, THEREFORE, BE IT RESOLVED by the Regional Council of the Southern California Association of Governments, to urge members of Congress to pass; and the White House to sign legislation to avert across-the-board fiscal year 2013 sequestration cuts and to come together to develop a long-term budget compromise.

APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at a regular meeting this 4th day of October, 2012.

Hon. Glen Becerra
President, SCAG
Councilmember, City of Simi Valley

Attested by:

Hasan Ikhata
Executive Director

Approved as to Form:

Joann Africa
Chief Counsel

September 24, 2012 (amended with additional signatures)

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

Re: Stop Sequestration Cuts and Save California Jobs

Dear Senators Feinstein and Boxer:

We, the undersigned, a network of civic stewards representing various organizations and sectors (e.g., business, labor, education, nonprofit, and public sectors) from California's diverse economic regions, who are dedicated to protecting the hundreds of thousands of workers, countless families and entire communities throughout the State that will be severely and cruelly affected by the automatic, across-the-board \$1.2 trillion in federal spending cuts (sequestration) set to trigger on January 2, 2013, urge your leadership to pass legislation to avert the fiscal year 2013 sequestration cuts and to bring together your Congressional colleagues to find a balanced, bipartisan and long-term budget compromise that protects California and the nation going forward.

Without your urgent attention and swift action, the \$1.2 trillion in federal spending cuts over 10 years will mercilessly shrink defense and non-defense discretionary spending (including critical programs in community development, education, health, housing, workforce development and numerous other discretionary grants to states and localities) and do so in a way that not only frustrates the still sluggish national and California economies, but that triggers the following near-term – almost immediate – threats to our economic security:

- A projected 2.14 million jobs lost in the United States, including 225,464 jobs lost in California.¹
- An estimated \$215 billion reduction in the nation's gross domestic product (GDP), including an almost \$23 billion reduction in California's gross state product (GSP).²

¹ Stephen S. Fuller, Ph.D., George Mason University, *The Economic Impact of the Budget Control Act of 2011 on DOD & non-DOD Agencies* (July 17, 2012).

² Id.

Here in California, especially in Southern California, the impacts of these draconian, forced spending cuts will affect almost every area of life for our residents. Bear in mind that California represents the heart of the nation's aerospace and other defense-related industries – which include aerospace products and parts as well as analytical instrument manufacturing. The estimated [direct, indirect and induced] economic and fiscal contributions (2010) of the aerospace industry in California are about \$93 billion in output (\$66 billion in Southern California), almost 393,000 annual jobs (276,000 in Southern California) with \$29.7 billion in labor income (about \$21 billion in Southern California), and an estimated \$9.9 billion in federal, state and local taxes.³ In San Diego County alone, more than 25 percent of the county's total jobs are supported by defense-related spending.⁴

What's more, the uncertainty surrounding sequestration has already had significant impacts on many companies' willingness to spend and hire. And can you think of a worse time to put Californians in uncertain risk with almost two million of our neighbors still out of work and with the nation's third highest unemployment rate (10.7 percent)? While we all understand and agree that the job and loss of GDP and GSP figures are overwhelming and scary, the other underlying effects of sequestration are similarly alarming, including:

- The very real likelihood that the U.S. economy could be pushed back into a recession in the first half of 2013 and that the federal unemployment rate could spike by as much as 1.5 percent nationally.⁵
- The loss of innovation-driving companies in various sectors of our economy and the lost technological spillover effects provided by these "incubators of innovation." (Indeed, the economic contribution of impacted industries reaches far beyond the dollar value of the products produced and the number of people employed.)
- California's ability to fund and deliver human and social services programs will not only be undermined directly by the discretionary cuts to state and local programs, but will also face severe budgetary shortfalls from an overall decline in economic output, hundreds of thousands of jobs lost (and the added stress that mass joblessness places on state and local social services programs) and a major reduction in personal earnings, savings and spending. In turn, this will result in plummeting quality of life, overall health and general well-being measures – all of which are so closely linked with increased unemployment.

There is simply no greater immediate threat to our economic recovery and longer-term economic wellbeing than these looming sequestration cuts. For the sake of both the California and national economies, we ask you to carry on your stellar records in DC of protecting jobs here at home in California and urge you to find a way to avert the fiscal year 2013 cuts and to help bring all sides together to ensure that a long-term, balanced and thoughtful budget solution is reached.

³ Source: Estimates by LAEDC Economic & Policy Analysis Department.

⁴ Source: San Diego Military Advisory Council, *San Diego Military Economic Impact Study* (June 20, 2012).

⁵ See generally, Fuller, note 2 above.

Sincerely,



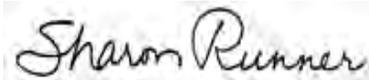
President/CEO
**Los Angeles County Economic
Development Corporation**



President/CEO
**San Diego Regional Economic
Development Corporation**



President
**Chambers of Commerce
Alliance of Ventura & Santa
Barbara Counties**



Honorable Sharon Runner
State Senator (R-17)
**District 17, California State
Senate**



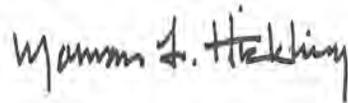
Ted W. Lieu
State Senator (D-28)
**District 28, California State
Senate**



John D. Welty
President
**California State University,
Fresno**



Bill Buratto
President/CEO
**Ventura County Economic
Development Association**



Norm Hickling
Co-Chair, LA Jobs Defense Council
**Senior Deputy, LA County
Supervisor Mike Antonovich**



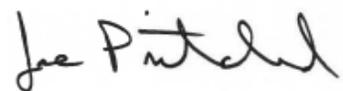
Jonas Peterson
President/CEO
**Santa Clarita Valley Economic
Development Corporation**



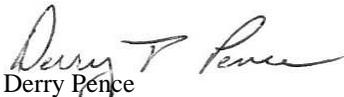
Robert N. Christensen
Vice President
4ward Sciences, Inc.



Steve Knight
State Assemblymember (R-36)
**District 36, California State
Assembly**



Joe Pritchard
Chairman
**Port of San Diego Ship Repair
Association**



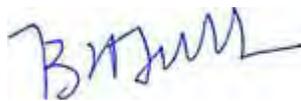
Derry Pence
President
**Port of San Diego Ship Repair
Association**



Michael Manchak
President/CEO
**Economic Vitality Corporation
of San Luis Obispo County**



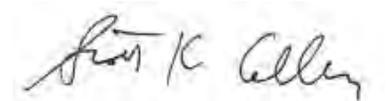
Vice President
**COM DEV International Ltd. -
USA**



Bradley H. Feldman
President
**Cubic Defense Applications,
Inc**



John Kelsall
Chairman
**BizFed, Los Angeles County
Business Federation**



Scott K. Celley
Vice President, External Affairs
TriWest Healthcare Alliance



Carl Guardino
President/CEO
**Silicon Valley Leadership
Group**



Robert Nascenzi
President/CEO
DefenseWeb Technologies



Thella Bowen
President
**San Diego County Regional
Airport Authority**



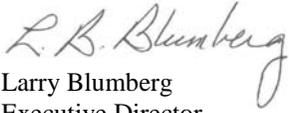
Barbara DeBoom
President/CEO
**Palm Desert Area Chamber of
Commerce**



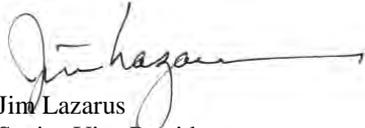
Cynthia Kurtz
President/CEO
**San Gabriel Valley Economic
Partnership**



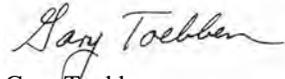
Paul Little
President/CEO
**Pasadena Chamber of
Commerce & Civic Association**



Larry Blumberg
Executive Director
**San Diego Military Advisory
Council**



Jim Lazarus
Senior Vice President
**San Francisco Chamber of
Commerce**



Gary Toebben
President/CEO
**Los Angeles Area Chamber of
Commerce**



Mel Layne
President
**Greater Antelope Valley
Economic Alliance**



Supervisor Don Knabe, Fourth
District
**Los Angeles County Board of
Supervisors**



George Burden
Co-Chair, LA Jobs Defense
Council
**Secretary Treasurer U.A.W.
Local 148, Long Beach, CA**



Duane Roth
CEO
CONNECT



Vicki Medina
Executive Director
Antelope Valley Board of Trade



Ruben Barrales
President/CEO
**San Diego Regional Chamber of
Commerce**



Lucy Dunn
President/CEO
**Orange County Business
Council**



George Nagy
President/CEO
Mojave Desert Bank



Patricia Donaldson
President
**South Bay Association of
Chambers of Commerce**



Matthew R. Mahood
President/CEO
**San Jose Silicon Valley Chamber
of Commerce**



Paul Granillo
President/CEO
**Inland Empire Economic
Partnership**



Joe Haraburda
President, Chief Executive Officer
**Oakland Metropolitan Chamber
of Commerce**



Randy Gordon
President/CEO
**Long Beach Area Chamber of
Commerce**



Jim Light
Vice President/General Manager
LinQuest



Ashley Hall
Chairman
Southwest Defense Alliance



Gurbax Sahota
President/CEO
**California Association for Local
Economic Development**



Sylvia Ballin
Councilmember
City of San Fernando



Rosa Perez
Councilmember
City of Huntington Park

cc:

Senator Carl Levin, Chair, Armed Services Committee
Representative Buck McKeon, Chair, Armed Services Committee
Representative Joe Baca
Representative Xavier Becerra
Representative Howard Berman
Representative Mary Bono Mack
Representative John Campbell
Representative Judy Chu
Representative Susan Davis
Representative David Dreier
Representative Sam Farr
Representative Elton Gallegly
Representative Janice Hahn
Representative Mike Honda
Representative Darrell Issa
Representative Jerry Lewis
Representative Daniel Lungren
Representative Kevin McCarthy
Representative Jerry McNerney
Representative George Miller
Representative Devin Nunes
Representative Laura Richardson
Representative Lucille Roybal-Allard
Representative Loretta Sanchez
Representative Adam Schiff
Representative Jackie Speier
Representative Mike Thompson
Representative Henry Waxman

Members of the U.S. Senate Armed Services Committee
Members of the U.S. House of Representatives Armed Services Committee
Representative Karen Bass
Representative Howard Berman
Representative Brian Bilbray
Representative Ken Calvert
Representative Lois Capps
Representative Jim Costa
Representative Jeff Denham
Representative Anna G. Eshoo
Representative Bob Filner
Representative John Garamendi
Representative Wally Herger
Representative Duncan Hunter
Representative Barbara Lee
Representative Zoe Lofgren
Representative Doris O. Matsui
Representative Tom McClintock
Representative Gary Miller
Representative Grace Napolitano
Representative Nancy Pelosi
Representative Dana Rohrabacher
Representative Ed Royce
Representative Linda Sanchez
Representative Brad Sherman
Representative Pete H. Stark
Representative Maxine Waters
Representative Lynn Woolsey

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MOBILIZING L.A. IN DEFENSE OF JOBS

Draft Resolution

“A RESOLUTION OF THE COUNCIL/BOARD OF THE CITY/COUNTY OF _____, URGING MEMBERS OF CONGRESS TO PASS AND THE WHITE HOUSE TO SIGN LEGISLATION TO AVERT ACROSS-THE-BOARD FISCAL YEAR 2013 SEQUESTRATION CUTS AND TO COME TOGETHER TO DEVELOP A LONG-TERM BUDGET COMPROMISE.”

WHEREAS, the impacts of the \$1.2 trillion in across-the-board, forced federal cuts proposed under sequestration will have serious and deleterious effects on our local, regional, state and national economies—putting at-risk hundreds of thousands of high-wage, high-skill aerospace and other defense-related jobs as well as tens of thousands of non-defense jobs and countless critical social services programs in education, housing, healthcare and other human services areas; and

WHEREAS, the George Mason University report titled “The Economic Impact of the Budget Control Act of 2011 on DOD & non-DOD Agencies” dated July 17, 2012 (GMU Report), states that the nation’s economy will lose \$215 billion in gross domestic product, shed 2.14 million jobs and swell the unemployment rate by as much as 1.5 percentage points due to sequestration cuts in the first two fiscal years alone; and

WHEREAS, the GMU Report states that California will be most directly and severely affected by these cuts, losing a total of 225,464 jobs (with 135,209 coming from defense-related cuts and 90,255 from non-defense related cuts) and \$22 billion in gross state product; and

WHEREAS, the current uncertainty surrounding the implementation of sequestration has already led many companies to issue layoff notices and reduce outlays in preparation of these looming cuts; and

WHEREAS, Southern California represents the heart of the nation’s aerospace industry, with total direct, indirect and induced impacts of 276,000 jobs, \$20.6 billion in wages, more than \$66 billion in economic impact and returning almost \$2.4 billion to state and local governments in tax revenue; and

WHEREAS, the County of Los Angeles has a long history with aerospace and other defense-related industries and currently has close to 60,000 direct jobs in aerospace and other defense-related industries with a significant wage premium, out-earning those in the manufacturing sector as a whole by 73%, on average; and

WHEREAS, local efforts are currently underway and being led by the L.A. Jobs Defense Council – a coalition comprised of business, government and labor leaders – to, first and foremost, avert sequestration but to also prepare the region for the impacts of sequestration should these forced cuts occur; and

NOW, THEREFORE, BE IT RESOLVED, by the council/board of the city/county of _____, that the council/board urge members of Congress to pass and the White House to sign legislation to avert across-the-board fiscal year 2013 sequestration cuts and to come together to develop a long-term budget compromise.”

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NO. 541
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
MINUTES OF THE MEETING
JULY 5, 2012

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A DIGITAL 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 SCAG Los Angeles Office. There was a quorum.

Members Present

Hon. Glen Becerra, President	<i>Simi Valley</i>	District 46
Hon. Greg Pettis, 1 st Vice-President	<i>Cathedral City</i>	District 2
Hon. Carl Morehouse, 2 nd Vice President	<i>Ventura</i>	District 47
Hon. Pam O'Connor, Immediate Past President	<i>Santa Monica</i>	District 41
Hon. Jack Terrazas		Imperial County
Hon. Michael D. Antonovich		Los Angeles County
Hon. Jeff Stone		Riverside County
Hon. Gary Ovitt		San Bernardino County
Hon. Mary Craton	<i>Canyon Lake</i>	RCTC
Hon. Alan Wapner	<i>Ontario</i>	SANBAG
Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
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. Ed Graham	<i>Chino Hills</i>	District 10
Hon. Paul Glaab	<i>Laguna Niguel</i>	District 12
Hon. Joel Lautenschleger	<i>Laguna Hills</i>	District 13
Hon. Sukhee Kang	<i>Irvine</i>	District 14
Hon. John Nielsen	<i>Tustin</i>	District 17
Hon. Leroy Mills	<i>Cypress</i>	District 18
Hon. Kris Murray	<i>Anaheim</i>	District 19
Hon. Brett Murdock	<i>Brea</i>	District 22
Hon. Bruce Barrows	<i>Cerritos</i>	District 23
Hon. David Gafin	<i>Downey</i>	District 25
Hon. Gene Daniels	<i>Paramount</i>	District 24
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
Hon. Barbara Messina	<i>Alhambra</i>	District 34

Members Present - continued

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. 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. Lupe Ramos Watson	<i>Indio</i>	District 66

Members Not Present

Hon. Shawn Nelson		Orange County
Hon. Linda Parks		Ventura County
Hon. Jerry Amante	<i>Tustin</i>	OCTA
Hon. Ronald Loveridge	<i>Riverside</i>	District 4
Hon. Larry McCallon	<i>Highland</i>	District 7
Hon. Paul Eaton	<i>Montclair</i>	District 9
Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
Hon. Leslie Daigle	<i>Newport Beach</i>	District 15
Hon. Michele Martinez	<i>Santa Ana</i>	District 16
Hon. Andy Quach	<i>Westminster</i>	District 20
Hon. Sharon Quirk-Silva	<i>Fullerton</i>	District 21
Hon. Jim Morton	<i>Lynwood</i>	District 26
Hon. Dan Medina	<i>Gardena</i>	District 28
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
Hon. Bryan A. MacDonald	<i>Oxnard</i>	District 45
Hon. Ed P. Reyes	<i>Los Angeles</i>	District 48
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. Joe Buscaino	<i>Los Angeles</i>	District 62
Hon. Mario F. Hernandez	<i>San Fernando</i>	District 67
Hon. Lisa Bartlett	<i>Dana Point</i>	TCA
Mr. Randall Lewis, Ex-Officio		Lewis Operating Group
Hon. Mark Calac		Pechanga Band of Luiseño Indians

Staff Present

Hasan Ikhata, Executive Director
Sharon Neely, Chief Deputy Executive Director
Joann Africa, Chief Counsel
Basil Panas, Acting Chief Financial Officer
Debbie Dillon, Deputy Executive Director, Administration
Catherine Chavez, Acting Chief Information Officer
Huasha Liu, Director of Land Use & Environmental Planning
Deby Salcido, Officer to the Regional Council
Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Glen Becerra, Simi Valley, District 46, called the meeting to order at approximately 12:22 p.m. Immediate Past President Pam O'Connor, Santa Monica, District 41, led the Pledge of Allegiance.

Presentation by Film Industry Executives and the Los Angeles Economic Development Corporation (LAEDC)

President Glen Becerra, Simi Valley, District 46, stated his appreciation for the Regional Councilmembers' commitment in the Southern California Economic Recovery and Job Creation Strategy to launch Phase II of the strategy through a Model Film Ordinance recently adopted by the California Film Commission (CFC) with the goal to retain entertainment industry jobs in California. President Becerra stated that the Model Film Ordinance would serve as a framework to create uniformity and streamline film permitting process for city and county governments to adopt a similar ordinance. President Becerra introduced William C. "Bill" Allen, President and CEO, Los Angeles County Economic Development Corporation (LAEDC). Mr. Allen provided remarks, stated that the partnership will increase filming activity throughout Southern California and introduced Amy Lemisch, Executive Director, California Film Commission (CFC).

Ms. Lemisch provided remarks and stated that as the primary liaison to all levels of governments, CFC's role is to facilitate production throughout the state to increase jobs and support businesses by streamlining the film permitting process. She stated that the CFC has a network of over 60 Regional Film Offices across the state to provide localized support, detailed location information and facilitate the permit process. Ms. Lemisch announced that the CFC offers incentive programs such as the California Film & Television Tax Credit Program that allows allocation of \$100 million annually of tax credit for four (4) fiscal years. Ms. Lemisch concluded her presentation and introduced, Paul Audley, President, FilmL.A.

Mr. Audley provided remarks and stated that FilmL.A. was created when the City and County of Los Angeles decided to privatize their film permit offices, allowing more flexibility in providing services to production companies and local communities. A private, not-for-profit organization, Mr. Audley stated that FilmL.A. was established to benefit the public and is funded primarily by permit coordination fees paid by production companies to help the region retain its status as the entertainment production capital of the world. Mr. Audley stated the importance of the Model Film Ordinance along with FilmL.A.'s assistance to provide expert, centralized coordination of multi-jurisdictional on-location filming permits and encouraged the councilmembers to adopt a similar ordinance in their jurisdictions.

William C. "Bill" Allen, President and CEO, Los Angeles County Economic Development Corporation (LAEDC), reiterated the importance of the film industry in the region's economy and noted that SCAG's adoption of the Model Film Ordinance, would help urge local communities and county governments to work within a framework of policies that can create a region that is attractive to the industry. Mr. Allen asked that the Regional Council to: 1) adopt the Model Film Ordinance and Best Practices document; 2) that SCAG—as aligned with the 2010 Business Friendly Principles document—urge its member cities in

the six-county SCAG region to formally adopt the Model Film Ordinance and Best Practices; and 3) propose that SCAG expressly include the Model Film Ordinance and Best Practices document in the Southern California Economic Recovery and Job Creation Strategy Phase II.

Councilmember Carl Morehouse, 2nd Vice-President, Ventura, District 47, asked how to design an ordinance that would mitigate the local community's concerns related to disruption, excessive noise and traffic while supporting the film industry. Ms. Lemisch responded that it is important to balance the needs of the industry and the needs of the community by establishing set hours and creating a structure of what is allowable.

Councilmember Barbara Messina, Alhambra, District 34, suggested utilizing the local businesses in the community as an incentive for allowing filming. Mr. Audley responded that the film industry supports utilizing local business during filming in the community.

Supervisor Gary Ovitt, San Bernardino County, stated support for keeping the film industry jobs in the region.

Councilmember Marsha McLean, Santa Clarita, stated that the City of Santa Clarita recently passed a film permit ordinance to expedite the process; commented that local businesses benefit from the film industry; and stated support for the industry.

Councilmember Cheryl Viegas-Walker, El Centro, District 1, asked how to address the federal jurisdiction's film permitting delays for still photography used for commercial filming and cited the U.S. Department of the Interior's Bureau of Land Management (BLM) as an example. Ms. Lemisch responded that they work with federal departments such as BLM, the U.S. National Parks Service and suggested that the Imperial County Film Commissioner contact the San Bernardino Film Commissioner who could assist in facilitating such film permits.

Councilmember Dennis Zine, Los Angeles, District 50, asked how to regulate adult-themed filming in certain pockets of the community to mitigate the residents' concerns. Mr. Allen responded that the First Amendment precludes any government to impede the ability to film these types of production as any other type of film production.

Councilmember Mitch Englander, Los Angeles, District 59, stated support for the film industry and its benefits in utilizing local vendors in the community; asked how to mitigate altered street markers while filming on streets and cited an example of an automobile commercial filming incident. Mr. Allen responded that cities have requirements that impact filming and that the cities have been working closely with the film production crew to ensure better communication.

Councilmember Kathryn McCullough, City of Lake Forest, Orange County Council of Governments, commented regarding filming restrictions and the continued decrease of filming in the City of Lake Forest and in the southern part of Orange County. Mr. Allen responded that filming has been significant in Orange County and stated that film productions are not restrained to a particular city or county.

A motion was made (Becerra) that member jurisdictions adopt the Model Film Ordinance and Best Practices document, as appropriate. Motion was **SECONDED** (Barrows) and **UNANIMOUSLY APPROVED**.

On behalf of the Regional Council, President Becerra thanked William C. "Bill" Allen; Amy Lemisch; and Paul Audley for their presentation and presented them with a token of appreciation.

PUBLIC COMMENT PERIOD

President Glen Becerra, Simi Valley, District 46, opened the Public Comment Period.

Diane Moss, Nuclear Campaign Consultant, Friends of the Earth, commented in regard to the San Onofre Nuclear Generating System (SONGS) repair costs and urged that the replacement of the defective steam generators undergo a thorough and transparent public review prior to restarting the generators. Ms. Moss stated that Friends of the Earth filed a legal petition with the U.S. Nuclear Regulatory Commission (NRC) to launch a full license amendment process to review the design changes in the new steam generators.

Rye Baerg, Southern California Regional Policy Manager, Safe Routes to School National Partnership, stated support for the new subcommittees as part of the implementation of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

President Glen Becerra, Simi Valley, District 46, closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda items.

EXECUTIVE DIRECTOR'S REPORT

Hasan Ikhata, Executive Director, stated that he sent an email to the Regional Councilmembers reporting that Congress passed the Transportation Bill authorizing federal spending on highways and transit for the next two (2) years with the same level of funding. Mr. Ikhata clarified that the funds appropriated for the Central Valley High-Speed Rail Project will not be affected. As specified on the Memorandum of Understanding (MOU) with the California High-Speed Rail Authority (CHSRA), Mr. Ikhata reported that all agencies signed the MOU, with the exception of Orange County.

After much exploration and examination to obtain an electronic voting system that is accurate and reasonably priced for the Regional Council, Mr. Ikhata reported that this endeavor has been unsuccessful as there are several challenges for such a large Board. However, Mr. Ikhata reported that the Information Technology staff will continue to research alternatives and whether the use of iPads or Microsoft Surface tablets would be a possibility to capture accurate votes during meetings.

Mr. Ikhata reported that SCAG received notification that the Overall Work Program (OWP) for Fiscal Year 2012-2013 was approved by the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA). As a Metropolitan Planning Organization (MPO), this approval is required for SCAG to implement the Board priorities and planning activities included in the OWP.

PRESIDENT'S REPORT

President Glen Becerra, Simi Valley, District 46, reported that there were no new members or committee appointments and reiterated that there is no meeting in August. President Becerra stated that a letter will be sent to all the cities and counties in the SCAG region regarding the Southern California Economic Recovery and Job Creation Strategy Phase II as to how this relates to the recent adoption of the Model Film Ordinance and Business Practices as a first step towards specific actions that local governments could do to improve the economy. As part of the Phase II Strategy, President Becerra reported that 20 to 30 model ordinances will be reviewed by the Global Land Use and Economic (GLUE) Council and will select five (5) or six (6) business-friendly ordinances for the Regional Council and member agencies to consider and adopt.

President Becerra expressed his appreciation for Councilmember Ginger Coleman, Town of Apple Valley, District 65; First Vice President Greg Pettis, Cathedral City, District 2; Councilmember Dennis Zine, Los Angeles, District 50; Councilmember James Johnson, Long Beach, District 30; and Immediate Past President Pam O'Connor, Santa Monica, District 41, for attending the recent All Staff meeting and appreciation breakfast.

COMMITTEE REPORTS/ACTION ITEMS

Executive/Administration Committee (EAC) Report

1. New SCAG Subcommittees

Councilmember Marsha McLean, City of Santa Clarita, North L.A. County, asked for clarification on the new subcommittees to sunset after six (6) months; to reconsider not limiting the membership to one (1) representative per county; and stated concern that Los Angeles County is too large to be represented by one (1) member. President Becerra clarified that each subcommittee will be represented by one (1) member and one (1) alternate from each county with its work product to be reviewed by the full committee structure. In regard to the duration of the subcommittees, Mr. Ikhata clarified that the work involved and the deliverables will be reported and presented to the General Assembly as part of its Annual Conference scheduled for May 2013; hence, the need to sunset after six (6) months. President Becerra requested that the councilmembers complete and return the Participation Survey Form for New Subcommittees that staff had circulated.

Councilmember Cheryl Viegas-Walker, El Centro, District 1, stated that the EEC discussed the reporting structure of the subcommittees and unanimously preferred that the Public Health and Goods Movement Subcommittees report to the EEC.

Councilmember Alan Wapner, Ontario, SANBAG, commented on the reporting structure policy of subcommittees, task forces, or ad hoc committees and asked when the policy was changed that would require for these committees to report to the Regional Council for a full review. Joann Africa, Chief Counsel, responded that due to resource issues, the policy was changed in 2008 with the goal to improve efficiency. Mr. Ikhata clarified that while the Regional Council approved the formation of the new subcommittees, including the creation of its Charters; however, the reporting structure has not been approved.

Discussion ensued. Mr. Ikhata suggested that this item be discussed at the Policy Committees' meeting in September 2012 and recommendations will be forwarded to the Regional Council in October 2012 to allow ample discussion. President Becerra reiterated that the councilmembers may complete and submit the Participation Survey Form for New Subcommittees for review.

Councilmember Pam O'Connor, Immediate Past President, Santa Monica, District 41, cautioned that although the new subcommittees are intended to have a small membership and a short duration, no one will be precluded from participation; and to lose valuable time will cause delay in the implementation strategy of the 2012-2035 RTP/SCS and in setting the stage and framework of the next RTP.

Councilmember Paula Lantz, Pomona, District 38, stated concerns in the limited size of the new subcommittees' membership and exclusion of other councilmembers who are willing to participate and volunteer their time and intellect. Discussion ensued.

Councilmember Darcy Kuenzi, Menifee, District 63, expressed compliments regarding the formation of the new subcommittees, the proposed Charters, the duration of the subcommittees as indicated on the staff report; and echoed comments made by Immediate Past President O'Connor.

Councilmember Ginger Coleman, Town of Apple Valley, District 65, commented that the concerns being shared now were also discussed at the Special Executive/Administration Committee (EAC) meeting held July 27, 2012 and stated assurance that all councilmembers will be able to participate and provide input in the process.

A motion was made (Coleman) to approve the SCAG Subcommittee Charters as stated in the staff report. Motion was SECONDED (Craton).

Councilmember Barbara Messina, Alhambra, District 34, stated concerns in regard to the limited representation of Los Angeles County, a county much larger than the other counties; and requested reconsideration of the size of the membership of the subcommittees. Mr. Ikhrata responded and cited an example of a past subcommittee wherein 85% of the membership was from a single Policy Committee and explained the reasoning behind limiting the memberships of the new subcommittees.

Councilmember Keith Millhouse, Moorpark, VCTC, stated that due to time constraints, the Transportation Committee (TC) was not able to discuss this item at the meeting. In regard to the concerns on the reporting structure of the new subcommittees raised at the EAC meeting, Councilmember Millhouse stated that a suggestion was made that two (2) subcommittees will report to each of the Policy Committees. He echoed Immediate Past President O'Connor's comments; reiterated the assurance that the members will have an opportunity to participate in the discussions; and stated support for the motion.

Councilmember Leroy Mills, Cypress, District 18, expressed concerns on the unnecessary formation of the new subcommittees and its membership's redundancy while considering the draining resources; staff time; the amount of work involved in the preparation and coordination of the meetings; therefore, he stated he cannot support the motion.

Councilmember Deborah Robertson, Rialto, District 8, requested that the maker of the motion entertain an amendment to the motion that the new subcommittees will be represented by two (2) members from each county and one (1) alternate with a total of 18 members.

The maker of the motion, Councilmember Ginger Coleman, Town of Apple Valley, District 65, declined to amend the motion.

Councilmember Margaret Clark, Rosemead, District 32, asked for clarification in regard to the recommendations that will be made from the subcommittees to the Policy Committees, who will have authority to veto recommendations, and disagreed that four (4) of the six (6) new subcommittees will report to the Transportation Committee (TC). Mr. Ikhrata responded that the Policy Committees may veto the recommendations made prior to forwarding to the Regional Council.

A SUBSTITUTE MOTION was made (Clark) to amend the Charters such that the new subcommittees' membership include two (2) representatives, and one (1) alternate, from each county; and maintain the reporting structure, as stated on the staff report, with the exception of the Goods Movement Subcommittee to report to the Energy and Environment Committee (EEC) and not the TC. Motion was SECONDED (Viegas-Walker).

Councilmember Alan Wapner, Ontario, SANBAG, commented regarding the environmental-related impact of all the new subcommittees and its reporting structure solely to the EEC.

Councilmember Bruce Barrows, Cerritos, District 23, requested clarification regarding the number of subcommittee representatives per county. President Becerra responded that the substitute motion proposes that the subcommittees have two (2) representatives and one (1) alternate from each county.

Discussion ensued. Councilmember Pam O'Connor, Immediate Past President, Santa Monica, District 41; Councilmember Keith Millhouse, Moorpark, VCTC; and 2nd Vice President Greg Pettis, Cathedral City, District 2, stated support for the original motion.

President Glen Becerra asked the councilmembers to vote by a show of hands for those in favor of the substitute motion that is to amend the new subcommittees' membership to include two (2) representatives, and one (1) alternate, from each county; and retain the reporting structure, as stated on the staff report, with the exception of the Goods Movement Subcommittee to report to the EEC and not the TC. The SUBSTITUTE MOTION FAILED for lack of majority vote.

President Glen Becerra asked the councilmembers to vote by a show of hands for those in favor of the original motion that is to approve the SCAG Subcommittee Charters as stated in the staff report. The MOTION PASSED by a MAJORITY VOTE with twelve (12) in OPPOSITION (Pettis, Viegas-Walker, Johnson, Craton, Clark, Mills, Herrera, Carroll, Lantz, Gafin, Robertson, Hyatt).

Audit Committee

2. Peer Review of SCAG's Internal Audit Function

Richard Howard, Internal Auditor, reported that the Audit Committee requested that staff research a peer review of the internal audit functions to ensure that SCAG is compliant with the government auditing standards. Mr. Howard stated that the Association of Local Government Auditors (ALGA) is the only organization that reviews compliance with the Generally Accepted Government Auditing Standards (GAGAS) and would be best suited to perform a peer review of SCAG's internal audit function.

A motion was made (Morehouse) that the Regional Council adopt the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Motion was SECONDED (Mills) and UNANIMOUSLY APPROVED.

Community, Economic and Human Development Committee (CEHD) Report

Due to time constraints, no report was provided.

Energy and Environment Committee (EEC) Report

Due to time constraints, no report was provided.

Transportation Committee (TC) Report

Due to time constraints, no report was provided.

Legislative/Communications and Membership Committee (LCMC) Report

Due to time constraints, no report was provided.

CONSENT CALENDAR

A motion was made (Stone) to approve Consent Calendar, Item Nos. 3 through 11, with the exception of Item No. 6, pulled for a separate discussion by Supervisor Michael D. Antonovich, Los Angeles County. Motion was SECONDED (Lautenschleger) and APPROVED by a MAJORITY VOTE, with one (1) ABSTENTION (Craton) for Item No. 3.

3. Minutes of the June 7, 2012 Meeting
4. SCAG Sponsorship of Annual Event – Coalition for Clean Air's 2012 California Air Quality Awards, June 21, 2012 at \$1,000
5. ACA 23 (Perea) - Local Government Transportation Projects: Special Taxes-Voter Approval
7. Invitation and Sponsorship From the Chinese Academy of Science to Attend a Conference in Beijing
8. SCAG Executive Director Invitation to Participate in Sao Paulo, Brazil Workshop
9. SCAG Regional Council Meeting Schedule for 2013
10. Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000
11. July 2012 State and Federal Legislative Update

Pulled Consent Calendar Item No. 6: AB 1446 (Feuer): Los Angeles County Metropolitan Authority – Transactions and Use Tax

Supervisor Michael D. Antonovich, Los Angeles County, provided background on the November 2008 voter-approved Measure R. He stated that at the June 21, 2012 Metro Board meeting, he—along with Supervisors Mark Ridley-Thomas and Don Knabe—voted to oppose asking the Los Angeles County voters to extend the Measure R half-cent tax for 30 years beyond its 2039 expiration date, to possibly accelerate transit and road projects funded by the original Measure R. He stated concerns on the absence of funding for the current Measure R projects and emphasized the need to ensure that dedicated funding is available for these projects and for those programs indicated on the original Measure R and suggested to table or oppose this item.

Immediate Past President Pam O'Connor, Santa Monica, District 41, stated that at the June 21, 2012 Metro meeting, the Board voted (10-3) to support AB 1446 (Feuer) to allow Metro to indefinitely extend its existing half-cent transaction and use tax related to transportation subject to voter approval. Councilmember O'Connor suggested that the Regional Council take a position on this matter and allow the Los Angeles County voters to decide.

A motion was made (O'Connor) to support AB 1446 (Feuer): Los Angeles County Metropolitan Authority - Transactions and Use Tax. The motion was SECONDED (Coleman).

Councilmember Keith Hanks, Azusa, District 33, echoed the comments made by Supervisor Antonovich and stated support to table this item. He reported that the San Gabriel Valley Council of Governments (SGVCOG) Board recently voted to not take a position on this matter due to the lack of detailed financial analysis of the impacts of the legislation which would extend Measure R.

A SUBSTITUTE MOTION was made (Hanks) to table this item until the subregional Councils of Government (COGs) have an opportunity to take an official position. Motion was SECONDED (Voss). Chief Counsel Joann Africa clarified that under the Robert's Rules of Order that a motion to table an item is not debatable. Therefore, President Becerra called for a vote by a show of hands—without debate—on the substitute motion. The SUBSTITUTE MOTION passed by a MAJORITY VOTE with six (6) in OPPOSITION (Pettis, O'Connor, Harrison, Viegas-Walker, Coleman, Mitchell).

Councilmember Mary Craton, Canyon Lake, RCTC, inquired about the conflicting schedule of the September 6, 2012 Regional Council meeting and the League of California Cities' (LOCC) Annual Conference in San Diego in which several of the Regional Councilmembers will be attending.

First Vice-President Greg Pettis, Cathedral City, District 2, asked if the Regional Councilmembers who are attending the LOCC in San Diego will be permitted to participate in the September 6, 2012 Regional Council meeting via videoconference. Chief Counsel Joann Africa responded that this may be permitted in this instance if the Regional Council waives its policy prohibiting videoconferencing of regular meetings of the Regional Council as stated in the Bylaws.

INFORMATION ITEM

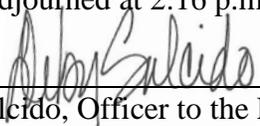
13. CFO Monthly Report

A written report was provided. There were no questions asked by the Regional Council.

FUTURE AGENDA ITEM(S)

ADJOURNMENT

There being no further business, the Regional Council meeting adjourned at 2:16 p.m.


Deby Salcido, Officer to the Regional Council

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NO. 542
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
MINUTES OF THE MEETING
SEPTEMBER 6, 2012

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A DIGITAL 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 SCAG Los Angeles Office with video-conferencing from the San Diego Marriott Marquis & Marina Del Mar Conference Room, 333 West Harbor Drive, San Diego, CA 92101. Those RC members present from the San Diego location are noted below with an asterisk (*). There was no quorum.

Members Present

Hon. Glen Becerra, President	<i>Simi Valley</i>	District 46
*Hon. Greg Pettis, 1 st Vice-President	<i>Cathedral City</i>	District 2
*Hon. Carl Morehouse, 2 nd Vice President	<i>Ventura</i>	District 47
Hon. Pam O'Connor, Immediate Past President	<i>Santa Monica</i>	District 41
*Hon. Jack Terrazas		Imperial County
Hon. Shawn Nelson		Orange County
Hon. Gary Ovitt		San Bernardino County
Hon. Linda Parks		Ventura County
*Hon. Mary Craton	<i>Canyon Lake</i>	RCTC
*Hon. Alan Wapner	<i>Ontario</i>	SANBAG
Hon. Keith Millhouse	<i>Moorpark</i>	VCTC
*Hon. Jim Hyatt	<i>Calimesa</i>	District 3
Hon. Larry McCallon	<i>Highland</i>	District 7
*Hon. Deborah Robertson	<i>Rialto</i>	District 8
Hon. Ed Graham	<i>Chino Hills</i>	District 10
*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. Bruce Barrows	<i>Cerritos</i>	District 23
Hon. Jim Morton	<i>Lynwood</i>	District 26
Hon. Dan Medina	<i>Gardena</i>	District 28
Hon. Steven Neal	<i>Long Beach</i>	District 29
*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
Hon. Barbara Messina	<i>Alhambra</i>	District 34
*Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
*Hon. Donald Voss	<i>La Cañada/Flintridge</i>	District 36
*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

Members Present - continued

Hon. Matthew Harper	<i>Huntington Beach</i>	District 64
*Hon. Lupe Ramos Watson	<i>Indio</i>	District 66
*Hon. Sylvia Ballin	<i>San Fernando</i>	District 67
*Hon. Lisa Bartlett	<i>Dana Point</i>	TCA

Members Not Present

Hon. Michael D. Antonovich		Los Angeles County
Hon. Jeff Stone		Riverside County
Hon. Jerry Amante	<i>Tustin</i>	OCTA
Hon. Cheryl Viegas-Walker	<i>El Centro</i>	District 1
Hon. Ronald Loveridge	<i>Riverside</i>	District 4
Hon. Ronald Roberts	<i>Temecula</i>	District 5
Hon. Jon Harrison	<i>Redlands</i>	District 6
Hon. Paul Eaton	<i>Montclair</i>	District 9
Hon. Bill Jahn	<i>Big Bear Lake</i>	District 11
Hon. Paul Glaab	<i>Laguna Niguel</i>	District 12
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. Brett Murdock	<i>Brea</i>	District 22
Hon. Gene Daniels	<i>Paramount</i>	District 24
Hon. David Gafin	<i>Downey</i>	District 25
Hon. Frank Gurulé	<i>Cudahy</i>	District 27
Hon. James Johnson	<i>Long Beach</i>	District 30
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Carol Herrera	<i>Diamond Bar</i>	District 37
Hon. Mark Rutherford	<i>Westlake Village</i>	District 44
Hon. Bryan A. MacDonald	<i>Oxnard</i>	District 45
Hon. Ed P. Reyes	<i>Los Angeles</i>	District 48
Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
Hon. Dennis Zine	<i>Los Angeles</i>	District 50
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. Mitchell Englander	<i>Los Angeles</i>	District 59
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. Joe Buscaino	<i>Los Angeles</i>	District 62
Hon. Darcy Kuenzi	<i>Menifee</i>	District 63
Mr. Randall Lewis, Ex-Officio		Lewis Operating Group

Staff Present

Hasan Ikhata, Executive Director
Sharon Neely, Chief Deputy Executive Director
Joann Africa, Chief Counsel
Joe Silvey, General Counsel
Basil Panas, Acting Chief Financial Officer
Debbie Dillon, Deputy Executive Director, Administration
Catherine Chavez, Acting Chief Information Officer
Huasha Liu, Director of Land Use & Environmental Planning
Sylvia Patsouras, Acting Director, Strategy, Policy and Public Affairs
Deby Salcido, Officer to the Regional Council
Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Glen Becerra, Simi Valley, District 46, called the meeting to order at approximately 12:20 p.m. Supervisor Gary Ovitt, San Bernardino County, led the Pledge of Allegiance.

President Becerra announced that the Regional Council did not obtain a quorum for this meeting as we do not have the required number of RC members present today at the Los Angeles office. He explained that in accordance with the Brown Act, the Regional Councilmembers participating by video-conference from San Diego cannot be counted towards the quorum as the San Diego location is outside of the SCAG region. Due to the lack of a quorum, President Becerra indicated the RC would meet today only for the purpose of hearing items of information. He also stated that all agenda items requiring action would not be acted upon by the RC today, and that staff is directed to schedule a special meeting of the Executive/Administration Committee (EAC) to review and approve agenda items that must be acted upon before the next regularly scheduled RC meeting.

PUBLIC COMMENT PERIOD

President Glen Becerra, Simi Valley, District 46, opened the Public Comment Period.

Gloria Ohland, Move L.A., thanked the Regional Councilmembers for the development of the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS); reported her media work around the RTP/SCS; commented regarding Measure J; and stated support for the implementation of the RTP/SCS.

Jerard Wright, Sierra Club Los Angeles Chapter, commented regarding the preliminary draft 2016-2040 RTP/SCS process as a very important piece and commented regarding funding and achieving near zero-emissions Goods Movement within the region.

Pauline Chow, Safe Routes to School National Partnership, commended the Regional Council for the creation of the new Subcommittees as part of the implementation of the 2012-2035 RTP/SCA; expressed enthusiasm in volunteering in the subcommittees; and invited the councilmembers to an event regarding the economics of bicycle and pedestrian development in the local and county levels to be held on September 27, 2012 at SCAG.

Kristin Eberhard, Natural Resources Defense Council, thanked the Regional Councilmembers for their efforts in the implementation of the 2012-2035 RTP/SCS.

President Becerra closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda items.

EXECUTIVE DIRECTOR'S REPORT

Hasan Ikhata, Executive Director, thanked the Regional Councilmembers for allowing him to take a vacation and to participate in a two-day workshop to compare metropolitan development challenges and policy responses in the State of Sao Paulo, Brazil, in collaboration with the University of Southern California, Price School of Public Policy.

Mr. Ikhata introduced Joe Silvey, General Counsel, who will directly support the Regional Council and assist in external legal matters of the agency.

Mr. Ikhata noted that new Subcommittees' Work Plans and Charters have been provided to the Regional Councilmembers and that President Becerra will confirm appointments to these Subcommittees. In response to an inquiry regarding the cost of the implementation and execution of the functions of these Subcommittees, Mr. Ikhata stated that it is estimated to be \$123,000 for the duration of the six-month period, with approximately \$63,000 for staff time and \$51,000 for stipend costs.

Mr. Ikhata reported that the South Coast Air Quality Management District (AQMD) released the Draft 2012 Air Quality Management Plan (AQMP) for public review and comment on July 19, 2012. The Plan includes the required regional transportation strategy and control measures prepared by SCAG. AQMD will continue to accept comments on a revised Draft until the final hearing by the AQMD Governing Board scheduled for November 2, 2012.

Mr. Ikhata announced that Dr. Barry Wallerstein, AQMD Executive Director, is scheduled to give a presentation on the 2012 AQMP to the Regional Council on October 4, 2012.

PRESIDENT'S REPORT

President Glen Becerra, Simi Valley, District 46, invited the Regional Councilmembers to the New Member Orientation scheduled for September 11, 2012, to learn more about SCAG's programs and initiatives.

President Becerra invited the Regional Councilmembers to Mobility 21's Transportation Summit on September 28, 2012 and announced that one of the highlights of the event includes a presentation of the "*Public Sector Leader of the Year Award*" to SCAG Immediate Past President Pam O'Connor for her work and leadership on the 2012-2035 RTP/SCS.

President Becerra announced that at the request of Councilmember Dennis Zine, Los Angeles, to have a forum and discussion regarding the impacts of compliance in the implementation of Assembly Bill (AB) 109 (Public Safety Realignment Act), the six-counties' regional Chief Executive Officers, District Attorneys, Probation Officers, and Sheriffs will be invited to attend the October 4, 2012 Regional Council meeting.

President Becerra indicated that on April 4, 2011, AB 109 was signed into law by Governor Jerry Brown and that the policy changes in the Act focus on alleviating overcrowding in the California State prisons and reducing the State's corrections budget. AB 109 went into effect October 1, 2011.

President Becerra noted that he sent a memo to the Regional Councilmembers providing an update regarding Subcommittee appointments along with a letter to our legislators regarding CEQA Modernization State Legislation and a fact sheet on SB 317 (Rubio).

PRESIDENT'S APPOINTMENTS

New Regional Councilmember

Hon. Sylvia Ballin, City of San Fernando, representing District 67

Representative to the EEC:

Hon. Diane Williams, Rancho Cucamonga, representing SANBAG

New Subcommittees

President Becerra provided information regarding preliminary appointments to the Subcommittees. He noted that County Alternates can vote if the County Member is unable to participate in the meeting and that ex-officio Members and ex-officio Alternates will not be able to vote.

President Becerra emphasized the importance of identifying cost-savings and mitigation for tax increases that will play an important role in the discussion of the Transportation Finance Subcommittee and that Councilmember Keith Hanks, Azusa, District 33, will forward recommendations to align to the official mission and goals of this subcommittee.

COMMITTEE REPORTS/ACTION ITEMS

Due to a lack of quorum, it was reported that the Executive/Administration Committee (EAC) and the Community, Economic and Human Development Committee (CEHD) took no action and there was nothing to report.

Hon. Margaret Clark, Rosemead, District 32, reported that the Energy and Environment Committee (EEC) also had no quorum but reviewed for information purposes only the Conformity Analysis for the 2013 Federal Transportation Improvement Program (FTIP) and approval of the Final 2013 FTIP. She noted that no action was taken by the EEC but she understood that the 2013 FTIP would be acted on by the EAC before the next RC meeting.

Hon. Keith Millhouse, Moorpark, VCTC, reported that Transportation Committee (TC) also had no quorum but reviewed for information purposes the 2012 AQMP and the Preliminary Draft 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Milestone Schedule. In addition, he reported that the Pacific Electric Right-of-Way (PE ROW)/West Santa Ana Branch Corridor Alternatives Analysis (AA) Study recommendations will be deferred to the October 4, 2012 TC meeting. In regard to the new Subcommittees, Councilmember Millhouse expressed enthusiasm on those subcommittees that will report to the TC. He also announced the Mobility 21 Transportation Summit on September 28, 2012 at the Disneyland Hotel that will be participated by transportation leaders from all over Southern California.

Legislative/Communications and Membership Committee (LCMC) Report

Hon. Larry McCallon, Highland, District 7, reported that at the August 21, 2012 LCMC meeting, the committee recommended approval of Agenda Item Nos. 7, 8, and 9. Due to a lack of a quorum of today's meeting, these items will be acted upon at a later date. He also noted the distribution of the Legislative Update and matrix with information regarding the November 6, 2012 statewide ballot measures.

CONSENT CALENDAR

Due to a lack of quorum, no action was taken on any agenda item on the Consent Calendar. Staff was directed to schedule a special meeting of the EAC to review items on the Consent Calendar that would require action before the next regularly scheduled RC meeting.

1. Minutes of the July 5, 2012 Meeting
2. Conformity Analysis for the 2013 Federal Transportation Improvement Program (FTIP)
3. Approval of Final 2013 Federal Transportation Improvement Program (FTIP)
4. Contracts \$200,000 or Greater: Contract No. 12-033-C1 – Integrated Transit and Land Use Planning for the Foothill Boulevard/5th Street Bus Rapid Transit (BRT) Corridor
5. Contracts \$200,000 or Greater: Contract No. 12-043-C1 – On-Call Economic Advisory and Outreach Services
6. 2012 Investment Policy
7. Support of Cap-and-Trade Coalition Principles
8. AB 939 (Perez): Salton Sea Restoration; AB 1410 (Perez): Salton Sea Restoration
9. SCAG Memberships and Sponsorships

Receive & File

10. Contracts/Purchase Orders and/or Amendments between \$5,000 – \$200,000
11. September 2012 State and Federal Legislative Update

INFORMATION ITEMS

12. Draft Subcommittees Work Plans
13. Preliminary Draft 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Milestone Schedule
14. Litigation Update
15. CFO Monthly Report

Hasan Ikhata, Executive Director, provided an update regarding the reduction of the planning allocation budget for FY 2013 in the amount of \$1.3M and noted a budget amendment will be provided to the Regional Council at a future meeting.

Mr. Ikhata respectfully requested the Regional Councilmembers to respond to surveys sent by staff, either by email or phone call, regarding scheduling of meetings to allow for the efficient planning of meetings and to ensure a quorum.

FUTURE AGENDA ITEM(S)

Hon. Shawn Nelson, Orange County, asked to agendaize the progress of logging RC members' votes at a meeting and to provide options in the implementation of an electronic voting system. Mr. Ikhata responded that an update was provided at the July 5, 2012 Regional Council meeting and another update will be provided at the next RC meeting.

Hon. Keith Millhouse, Moorpark, VCTC, commented regarding the lack of a quorum at today's Regional Council and Policy Committees' meetings in excluding those councilmembers participating in San Diego—being outside of the SCAG region—and suggested to reach out to the legislators in Sacramento to update the Brown Act requirements considering the emerging technologies and advances in innovation of different systems such as media and video thus creating new efficiencies in attending these meetings.

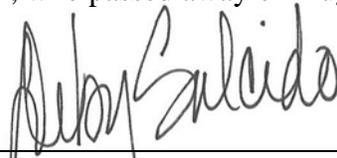
Hon. Dan Medina, Gardena, District 28, suggested that when polling for a survey in scheduling meetings, to set a firm date instead of providing several options of dates.

President Glen Becerra thanked the Regional Councilmembers in Los Angeles for attending the meeting and those present in San Diego for taking the time and making the videoconference worthwhile.

Hon. Gary Ovitt, San Bernardino County, introduced Christopher LeMarr, a resident of the City of Ontario and a Political Science student at UCLA, who provided brief complementary remarks.

ADJOURNMENT

There being no further business, the Regional Council meeting adjourned at 1:03 p.m. in memory of the daughter of Hon. Paul Glaab, Laguna Niguel, District 12, who passed away on August 30, 2012.



Deby Salcido, Officer to the Regional Council

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DATE: October 4, 2012

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

FROM: Basil Panas, Acting CFO, 213-236-1817, panas@scag.ca.gov

SUBJECT: 2012 Investment Policy

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Recommend that the Regional Council approve the 2012 Statement of Investment Policy as amended.

EXECUTIVE SUMMARY:

SCAG's Statement of Investment Policy is included as Article X of the Regional Council Policy Manual. This policy is currently subject to annual review and re-approval by the Regional Council. Staff recommends re-approval of this policy with amendments.

STRATEGIC PLAN:

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

BACKGROUND:

The Statement of Investment Policy (Section 17: Modification and Legislative Changes) states that the Executive/Administration Committee shall be responsible for modifying investment guidelines as conditions warrant and submit the modified guidelines for re-approval by the Regional Council on an annual basis.

The proposed changes to the Statement of Investment Policy are specifically underlined in the attachment and summarized as follows:

- The reporting frequency has been changed to monthly instead of quarterly and is not required to appear on the Consent Calendar (page 2). When the Investment Subcommittee was active, it met on a quarterly basis. The Investment Subcommittee is no longer active and information on SCAG's investments is instead included in the monthly CFO report which is not a Consent Calendar item.
- The funding vehicle for SCAG's other post-employment benefits has been named as the *California Employer's Retiree Benefit Trust* (page 3). Pay-as-you-go has been added as an option for funding SCAG's supplemental defined benefit pension plan. This is the option currently used by SCAG. SCAG pays the costs of the supplemental retirement benefits as they are paid to the retirees.
- The only option in the current policy is an annuity, which may not be the best choice for SCAG (page 3) because it requires a lump sum for prefunding.

FISCAL IMPACT:

None.

ATTACHMENT:

2012 Statement of Investment Policy

SCAG STATEMENT OF INVESTMENT POLICY

Section 1: Purpose

This SCAG Statement of Investment Policy is intended to provide standards and guidelines for the prudent investment of funds by SCAG in conducting its investment and cash management responsibilities. The goal is to strengthen the overall financial condition of SCAG, while earning a return on our investments with safety and liquidity.

Section 2: Objective

The Policy is designed to achieve and maintain adequate working capital to support our Planning and Support Operations, and to grow our available resources and funds to the fullest extent possible. **SCAG** attempts to obtain a market rate of interest without assuming undue risk to principal. The objectives of such investments are: 1) the long term preservation of capital, 2) adequate cash resources to meet our short term financial needs for liquidity; and 3) to earn a competitive rate of return on capital.

Section 3: Scope

This investment policy applies to activities of **SCAG** with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, and Trust Funds, and any other Funds that may be created from time to time.

Section 4: Investment Responsibility

Investments are the responsibility of the Chief Financial Officer and the Manager of Accounting. This includes the authority to select investments, engage professional services, to open accounts with banks, brokers and dealers, to establish safekeeping accounts or other arrangements for the custody of securities, and report to oversight bodies. Those persons authorized to execute transactions include: 1) Chief Financial Officer or his/her director designee, 2) Manager of Accounting or his/her staff designee, and 4) those specifically approved and added by the Executive/Administration Committee (**EAC**) of the Regional Council (**RC**). Brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions.

Section 5: Internal Controls

The Chief Financial Officer and the Manager of Accounting shall establish the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority, accountability and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliations are to be handled by separate persons to reduce the risk that a person is in a position to conceal errors or fraud in the normal course of duty.

While no internal control system, however elaborate, can guarantee absolute assurance that assets are safeguarded, it is the intent of the internal control system to provide reasonable assurance that management of the investment function meets our objectives. These internal controls shall be reviewed annually by the independent auditor.

Section 6: Reporting

The **EAC** shall be responsible for reporting the status of investments to the **RC** on a monthly basis. Reports are to be submitted by the Chief Financial Officer to the **EAC** and/or the Investment Subcommittee following the end of each reporting period. These reports shall show the type of investment, institution, interest rate, date of maturity, compliance to the investment policy, a verification of adequacy of working capital to meet our operating needs and market value for all investments. The reports shall appear in the consent calendar of all agendas.

Section 7: Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” rule and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs.

Section 8: Authorized Investments

A. Surplus Funds

Funds may be invested in any instrument allowable by the State of California Government Code Section 53600 et seq. so long as the investment is appropriate when **SCAG’s** investment objectives and policies are taken into consideration. Within the context of the limitations, the following are authorized:

- US Treasury Obligations (Bills, Notes and Bonds)
- US Government Agency Securities and Instrumentality’s of Government Sponsored Corporations
- Banker’s Acceptances
- Commercial Paper
- Repurchase Agreements
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Intermediate Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- Los Angeles County Investment Fund (County Pool)
- Shares of Beneficial Interest issued by a Joint Powers Authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in Section 53601 (a) through (n).
- Other investments that are, or may become, legal investments through the State of California Government Code.

B. Other Post-Employment Benefits Funding

All funding approved for this purpose shall be invested in the irrevocable trust for post-employment benefits administered by the California Public Employees Retirement System (CalPERS), also known as the California Employer's Retiree Benefit Trust (CERBT).

C. Supplemental Defined Benefit Pension Plan Funding

All funding approved for this purpose shall be invested in an annuity selected according to criteria prescribed by SCAG procurement policies and SCAG's financial and operational needs, or funded on a pay-as-you-go basis.

Section 9: Prohibited Investments

SCAG shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. **SCAG** shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Section 10: Investment Criteria

Criteria for selecting investments and order of priority are:

A. SAFETY

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. **SCAG** shall only invest in those financial instruments whose safety and quality comply with State law and SCAG's risk tolerance.

B. LIQUIDITY

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Since liquidity is an important investment quality, especially when the need for immediate access to funds may occur unexpectedly, potential fluctuations in market value are to be an important consideration when selecting an investment. SCAG's portfolio shall provide for adequate liquidity as indicated by SCAG's cash projections.

C. YIELD

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return. SCAG shall attempt to maximize return consistent with criteria A and B above.

Section 11: Diversification

SCAG will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Diversification strategies shall be established within the guidelines of Government Code Section 53600 et seq., and periodically reviewed.

Section 12: Investment Pools

SCAG has determined that use of investment pools is a practical investment option. **SCAG** will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools.

Section 13: Maturity Limitations

Every investment instrument purchased must have a term remaining to maturity of five years or less, unless RC approval was obtained three months in advance.

Section 14: Safeguarding of Assets and Records

Securities purchased from broker/dealers shall be held in third-party safekeeping in **SCAG's** name and control, whenever possible. Monthly statements received from the financial institution are reconciled to the investment reports by the Senior Accountant. Review of safety, liquidity, and yields of investment instruments; and reputation and financial condition of investment brokers is to be done by the **EAC**. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will also be performed by the **EAC**.

Section 15: Qualified Institutions

If **SCAG** decides not to use investment pools, **SCAG** shall prepare and maintain a listing of financial institutions which are approved for investment purposes. In addition, a list will be maintained of approved broker/dealers selected by credit worthiness, who maintain an office in the State of California. All financial institutions and broker/dealers who desire to become bidders for investment transactions must supply the following: audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read this Investment Policy. An annual review of the financial condition and registrations of qualified bidders will be conducted by the **EAC**.

Section 16: Monitoring and Adjusting the Portfolio

SCAG will monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly based on our Investment Policy. Investment counselors may be engaged to assist in the performance of this work with the approval of the **EAC**.

Section 17: Modification and Legislative Changes

The **EAC** shall be responsible for modifying investment guidelines as conditions warrant and submit same for re-approval by the **RC** on an annual basis. This annual approval may be on the consent agenda unless there are amendments to this Policy. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into **SCAG's** Statement of Investment Policy and supersede any and all previous applicable language.

Section 18: Segregation of Responsibilities

A. FUNCTION	B. RESPONSIBILITY
Develop Statement of Investment Policy	Chief Financial Officer Manager of Accounting
Recommend modifications to Statement of Investment Policy	Chief Financial Officer Legal Counsel Manager of Accounting Investment Subcommittee
Approve Statement of Investment Policy and appointment of Oversight Committee	Executive/Administration Committee
Adopt Statement of Investment Policy	Regional Council
Select Investments	Chief Financial Officer Manager of Accounting Outside Investment Manager
Approve transactions	Chief Financial Officer or Manager of Accounting
Execute investment transactions and fax completed trade information to SCAG	Outside Investment Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to SCAG investment records)	Senior Accountant
Record investment transactions into SCAG's accounting records	Senior Accountant – General Ledger
Reconcile investment records to accounting records and bank statements	Senior Accountant – General Ledger
Security	Time Certificates of Deposit will be maintained in SCAG's safe in the care of the Manager of Accounting. All other investment securities will be held in safekeeping in the trust department of SCAG's Depository bank, or other third party custodian as designated by the Chief Financial Officer.

Section 19: Executive/Administration Committee and Investment Subcommittee

The **EAC** is empowered to review and make recommendations on the Investment Policy and Investment Strategy of **SCAG** to strengthen the internal controls of the management of funds. The **EAC** may, in its discretion, establish an Investment Subcommittee to assist the **EAC** to achieve the goals and objectives of this Investment Policy.

19.1 Purpose of the Investment Subcommittee

- A. To review and make recommendations about this Investment Policy and Investment Strategy.
- B. To review investments on a periodic basis and to report any exceptions to this Investment Policy immediately to the RC.
- C. To be responsive to EAC requests.

19.2 Membership

The total membership shall consist of five (5) members: **EAC** Chairman and two (2) Members (selected by the **EAC** members), Chief Financial Officer, and Manager of Accounting.

19.3 Functions and Duties

A. Annually

To review and approve the Statement of Investment Policy; to review the financial condition of broker/dealers and financial institutions.

B. Quarterly

To review investments made during the previous quarterly period; to provide a status report to the **EAC**.

C. Monthly

To develop and carry out the ongoing investment strategy in accordance with the Investment Policy; to recommend amendments to the Statement of Investment Policy.

D. The function of the **EAC** and the Investment Subcommittee is to provide policy guidance that gives the operating staff standards and guidelines to work within on a day-to-day basis. By this, it is meant that each individual trade need not be approved by this Committee at the time it is transacted, provided that it falls within the scope of the Statement of Investment Strategy.

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DATE: October 4, 2012

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

FROM: Hasan Ikhata, Executive Director, ikhata@scag.ca.gov, 213-236-1944

SUBJECT: Grant Application to Conduct a Health Impact Assessment Demonstration Project

RECOMMENDED EAC ACTION:

Recommend that the Regional Council authorize SCAG Executive Director or his designee to apply for, and if awarded, accept grant funds for up to \$75,000 to conduct a health impact assessment demonstration project.

RECOMMENDED RC ACTION:

Authorize SCAG Executive Director or his designee to apply for, and if awarded, accept grant funds for up to \$75,000 conduct a health impact assessment demonstration project.

EXECUTIVE SUMMARY:

The Robert Wood Johnson Foundation and The Pew Charitable Trusts are sponsoring a grant opportunity entitled the “Health Impact Project: Advancing Smarter Policies for Healthier Communities” (the “Health Impact Project Grant”). The Health Impact Project Grant supports Health Impact Assessment (HIA) demonstration projects which help inform decision-making. SCAG staff proposes to submit a grant proposal that assesses the health impacts of High Quality Transit Areas (HQTAs) near freeway corridors. It is important to note that the HIAs define health more broadly than just the illness focus. Health determinants considered in the grant proposal may include: air quality; affordable housing; accessibility to jobs, educational opportunities, and health care facilities; physical activity opportunities using active transportation including walking and bicycling; and noise impacts. If awarded, staff anticipates that the HIA demonstration project will inform development of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy. To address the project needs and to increase the competitiveness of SCAG’s proposal, staff proposes an in-kind match of up to \$75,000 for staff work time to perform certain project tasks.

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.

BACKGROUND:

The *Health Impact Project: Advancing Smarter Policies for Healthier Communities* is a collaborative effort between the Robert Wood Johnson Foundation and The Pew Charitable Trusts who recently announced grant opportunities to support the development of health impact assessment demonstration projects. These projects are intended to inform future policy decisions and demonstrate the value of HIAs. The national partners of the HIA demonstration projects under the Health Impact Project Grant include the U.S. Center for Disease Control and Prevention and the University of California, Los Angeles.

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The Health Impact Project Grant encourages the use of HIAs to help decision-makers identify potential health impacts of proposed policies, projects, and programs, and to make recommendations that enhance health benefits and reduce adverse consequences and any associated costs. Up to five (5) demonstration project grants will be awarded nationwide, with an additional project grant reserved for California. Grant awards will not exceed \$75,000 per demonstration project and must be completed within 18 months.

The 2012 -2035 RTP/SCS development process highlighted the increasing importance of public health issues in regional planning with the involvement of significantly more health stakeholders than previous RTPs. These public health issues include, for example, the potential health benefits of active transportation, and the potential health impacts of living within close proximity to roadways with high traffic volumes. Following the adoption of the 2012–2035 RTP/SCS, the RC directed staff to form subcommittees, including a Public Health Subcommittee, to further consider public health in regional planning in Southern California.

It is important to note that the HIAs define “health” broadly. Public health research has demonstrated the profound importance of social and economic factors in addition to environmental conditions to assess a community’s overall health. The following is SCAG’s draft proposal for the Health Impact Project Grant:

Project Title: Health Impact Assessment of High Quality Transit Areas (HQTAs) near Freeways in Southern California

Project Approach:

While the specific details of the grant proposal are still being developed, it will first assess the health impacts of HQTAs near selected freeways on specific health determinants. These health determinants may include: air quality; affordable housing; accessibility to jobs, educational opportunities, and health care facilities; physical activity opportunities using active transportation including walking and bicycling; and noise impacts. Health outcomes will also include cancer and respiratory-related diseases, pedestrian and bicycle injury and fatality rates.

The grant proposal will follow the process recommended by the National Research Council’s 2011 Report on *Improving Health in the United States*: 1) scoping, 2) assessment, 3) reporting, 4) recommendation, and 5) monitoring and evaluation.

A literature review will be conducted to identify relationships between changes in land use/transportation and selected health determinants and outcomes. Scenarios will reflect different levels of housing development, active transportation, transit investment, and community design. The grant proposal will also engage stakeholders throughout the process as well as enlisting their input in refining the overall scope. Utilizing different quantitative methods including sketch planning models and econometric modeling is expected to occur in the assessment phase.

Project Results Utilization:

The demonstration project is intended to inform the SCAG policy decision for the 2016-2040 RTP/SCS. SCAG staff will present project findings to the Policy Committees and RC as related to the 2016-2040 RTP/SCS. Project results are also expected to be valuable to other metropolitan regions, particularly those in the southern and western United States that have historically been allocating growth near its freeway systems.

REPORT

Project Partners:

The grant announcement encourages participation from organizations representing a range of fields and sectors, such as transportation, education, economics, agriculture and natural resources. Previous experience with HIAs is not required. However, as a requirement of the grant application, SCAG must seek partnership with entities with expertise in public health issues including agencies such as the county’s public health departments and universities. Partners are expected to provide health related data, consultation and advice throughout the Project period. Additional outside consultant assistance will also be needed to perform many of the project tasks.

In-Kind Match:

Though an in-kind match is not required, staff proposes to include up to \$75,000 of in-kind match to account for staff time in managing the grant and perform certain project tasks to increase the competitiveness of the proposal.

Project Schedule:

October 12, 2012 – Grant application due

January 31, 2013 – Grant award announcement

April 2013 – Estimated starting time of grant project activities, if awarded

October 2014 – Estimated grant project completion timeframe

FISCAL IMPACT:

If awarded, SCAG will receive up to \$75,000 to complete the demonstration project over an 18-month period. In addition, up to \$75,000 in staff time will be utilized as an in-kind match to support the project.

ATTACHMENT:

None

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DATE: October 4, 2012

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

FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: Contracts \$200,000 or Greater: Contract No. 12-031-C1, City of Fullerton Transit Loop Feasibility Study "Fullerton Forward"

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve Contract No. 12-031-C1, with The Planning Center/DC&E, Inc., in an amount not-to-exceed \$276,808 to prepare a transit feasibility study.

EXECUTIVE SUMMARY:

Staff recommends approval of contract 12-031-C1 in which the consultant shall prepare a feasibility analysis, plan, financing strategy, as well as an implementation program for the City of Fullerton. The Transit Loop will link together the Fullerton Transportation Center, Colleetown (includes California State University, Fullerton and Hope International University), Fullerton College, Fullerton High School, Raymond Elementary School, Downtown Fullerton, Fullerton Civic Center, Commonwealth and Chapman commercial corridors, as well as the surrounding neighborhoods.

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:

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

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
The Planning Center/DC&E, Inc. (12-031-C1)	The consultant shall prepare a feasibility analysis, plan, financing strategy, as well as an implementation program for the City.	\$276,808

FISCAL IMPACT:

Funding is available in the FY 2012/13 budget.

ATTACHMENTS:

Consultant Contract No. 12-031-C1

CONSULTANT CONTRACT 12-031-C1

Recommended Consultant:	The Planning Center/DC&E Inc.	
Background & Scope of Work:	<p>The objective of this grant project is to prepare a feasibility analysis, plan, financing strategy, and implementation program for a Town Gown Transit Loop. The Transit Loop will link together the Fullerton Transportation Center, Collegetown (includes California State University, Fullerton and Hope International University), Fullerton College, Fullerton High School, Raymond Elementary School, Downtown Fullerton, Fullerton Civic Center, Commonwealth and Chapman commercial corridors, as well as the surrounding neighborhoods.</p> <p>The consultant shall work in close coordination and collaboration with the City of Fullerton City Council, Planning and Transportation Commissions, staff, as well as Caltrans, Orange County Transportation Authority (OCTA) and other agency stakeholder partners to provide recommendations and an implementation plan.</p>	
Project's Benefits & Key Deliverables:	<p>The project will show the extent of economic benefit of implementing a new transit service in this corridor to the City. Key report deliverables include, but are not limited to, a current project area assessment, up to six possible alignments for the new transit service, an economic development analysis, and a funding and financing strategy.</p>	
Strategic Plan:	<p>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.</p>	
Contract Amount:	Total not-to-exceed	\$276,808
	The Planning Center/DC&E Inc (prime consultant)	\$82,071
	BAE Urban Economics (subconsultant)	\$94,150
	IBI Group (subconsultant)	\$57,653
	Lilley Planning Group (subconsultant)	\$32,679
	MindMixer URS Corporation (subconsultant)	\$10,255
	<p>Note: The Planning Center/DC&E Inc. originally proposed \$298,464 but the staff negotiated the price down to \$276,808 without reducing the scope of work. This contract is subject to a pre-award audit.</p>	
Contract Period:	Notice to Proceed through a period of 12 months	
Project Number:	145.SCG02021.01 \$276,808 Funding sources: FTA and Local	
Request for Proposal (RFP):	<p>SCAG staff notified 1,685 firms of the release of RFP 12-031-C1. Staff also advertised the RFP on The Planning Institute's website, American Planning Association's website, Transit Talent website, and posted it on SCAG's bid management system. A total of 135 firms downloaded the RFP. SCAG received the following twelve (12) proposals in response to the solicitation:</p>	

The Planning Center (4 subconsultants)	\$298,464
AECOM (1 subconsultant)	\$193,223
RBF Consulting (1 subconsultant)	\$249,516
HR&A Advisors, Inc. (2 subconsultants)	\$249,750
City Design Studio LLC (5 subconsultants)	\$269,925
Strategic Economics , Inc. (5 subconsultants)	\$270,097
The Arroyo Group (6 subconsultant)	\$279,465
Crandall Arambula PC (2 subconsultants)	\$279,771
Parsons Brinkerhoff, Inc. (2 subconsultants)	\$294,046
Gateway Planning (4 subconsultants)	\$299,784
Economic & Planning Systems, Inc. (2 subconsultants)	\$323,786
LSA Associates (4 subconsultants)	\$349,765

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 the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Jay Bond, Associate Vice President / Campus Architect, Cal State Fullerton
 Jay Eastman, Senior Planner, City of Fullerton
 Kelly Hart, Project Manager, Rail Programs Division, OCTA
 Maureen El Harake, Chief Public Transportation, Caltrans D12
 Stephen Fox, Senior Regional Planner, SCAG

Basis for Selection: The PRC recommended The Planning Center/DC&E for the contract award because the consultant:

- Demonstrated, more than any other proposer, a better technical approach to the issues faced by Fullerton relating to land use, economics and local issues. Specifically, the Planning Center:
 - A. Addressed the risks posed by economic realities that can affect the project implementation phase, with far more extensive detail than did other proposers.
 - B. Provided in-depth analysis of the importance of outreach activities by detailing the potential impediments that can occur as Fullerton is trying to implement the plan, which is intended to create a sense of place to improve student mobility and quality of life, and improve multi modal transportation planning.

- Demonstrated excellent experience and the best understanding of street cars, other potential transportation modes and the economic feasibility of the development-oriented transit that the City of Fullerton envisioned implementing through this study.
- Demonstrated more than any other proposer, the competence of the sub consultants proposed to meet the project's objectives with demonstrated understanding of the local issues, culture and the City's needs.

Although The Planning Center/DC&E did not propose the lowest price, they demonstrated a greater grasp of the scope, technical approach needed and the issues facing Fullerton. Especially the land-use economics, which is a critical factor for the City to establish a development-oriented transit plan. Lower priced firms would have likely been required to increase their cost to match the level of effort provided by The Planning Center/DC&E, to provide the desired high quality product.

DATE: October 4, 2012

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

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

SUBJECT: Support of the SCAG/Metro Joint Work Program Resolution and the Metro Countywide Sustainability Planning Policy

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED EEC/CEHD ACTION:

Recommend that the Regional Council support the Los Angeles County Metropolitan Transportation Authority's (Metro) Resolution authorizing collaboration between Metro and SCAG to implement the 2012-2035 RTP/SCS ("SCAG/Metro Joint Work Program Resolution"); and support the Metro Countywide Sustainability Planning Policy.

RECOMMENDED RC ACTION:

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

EXECUTIVE SUMMARY:

Metro staff has developed a set of policy recommendations on a Countywide Sustainability Planning Policy for consideration of the Metro Board of Directors at the October 2012 meeting. Further, in close collaboration, SCAG and Metro staff have developed a Joint Work Program Resolution to better coordinate the activities of the two agencies. Both of these efforts are consistent with and support the implementation of the approved 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans; b) Develop external communications and media strategy to promote partnerships, build consensus and foster inclusiveness in the decision making process; and c) Provide practical solutions for moving new ideas forward

BACKGROUND:

Both SCAG and Metro have been jointly working on sustainability policies, projects, and programs for the past several years. A major goal of these two efforts is to support Metro's Call for Projects toward implementation of the RTP/SCS. Both items were approved at Metro's Ad Hoc Sustainability Committee Meeting on July 18, 2012.

SCAG/Metro Joint Work Program Resolution

SCAG and Metro staff have developed a Joint Work Program consisting of activities that both agencies are interested in planning and implementing, subject to budgetary constraints. The Resolution identifies 11 areas for increased collaboration between SCAG and Metro staff:

1. Regional CEO Working Group
2. Sustainable Transportation Demo projects
3. First-Last Mile Strategic Plan
4. Safe Routes to School
5. Plug-in Electrical Vehicle Plan
6. Conservation Planning Policy
7. Active Transportation Funding
8. High Quality Transit Area Study
9. High Quality Transit Corridors Needs Assessment
10. Sustainability Performance Measurement
11. Develop Legislation Supporting Funding for Implementation Items

On July 18, 2012, the Metro Ad-Hoc Sustainability Subcommittee took action and recommended approval of the Resolution by the Metro Board of Directors. This recommendation will be forwarded to the October Metro Board of Directors meeting.

Metro Countywide Sustainability Planning Policy

Metro staff and consultants have developed a set of policy recommendations for the Metro Board in order to implement a Countywide Sustainability Planning Policy that implements the approved 2012-2035 RTP/SCS. They conducted a public agency workshop for input. It includes:

- Countywide Initiatives to plan and implement a countywide transportation system that increases mobility, fosters walkable and livable communities, and minimizes greenhouse gas and environmental impacts; and
- Sustainable Businesses Practices to minimize environmental impacts from the design, construction, operation, and maintenance of Metro's facilities and operations.

The proposed policy identifies Evaluation Metrics, Place-based Policies, and key Principles and Priorities of a sustainable transportation system. The policy is currently out for additional public review. The Ad-Hoc Sustainability Subcommittee heard a status update on July 18, 2012. The Metro Board of Directors will consider approval of the proposed policy at its October 2012 meeting.

CONCLUSION:

Both of the attached activities have been developed to support implementation of the approved 2012-2035 RTP/SCS. Staff recommends support of the Draft Resolution by Metro that authorizes the collaboration between SCAG and Metro with respect to the Joint Work Program and recognizes Metro's leadership in

REPORT

developing the county policy. Staff believes that these principles could be used as a model for other County Transportation Commissions contemplating similar actions.

FISCAL IMPACT:

None

ATTACHMENTS:

1. Draft “Resolution Authorizing Collaboration between Metro and SCAG to Implement 2012-2035 RTP/SCS”
2. Draft Metro Countywide Sustainability Planning Policy

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RESOLUTION AUTHORIZING COLLABORATION BETWEEN LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) AND THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) TO IMPLEMENT THE 2012-2035 REGIONAL TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY (RTP/SCS)

Whereas, the development of a regional Sustainable Communities Strategy is required by state law under California's Sustainable Communities Strategy and Climate Protection Act, commonly referred to as Senate Bill 375, and is a critical element of achieving statewide greenhouse gas (GHG) reduction goals established in the Global Warming Solutions Act of 2006 (Núñez, Chapter 488, Statutes of 2006);

Whereas, a regional Sustainable Communities Strategy is a component of the Regional Transportation Plan that specifies how the GHG reduction targets established for a region by the California Air Resources Board (CARB) will be achieved;

Whereas, on April 4, 2012 the Southern California Association of Governments (SCAG) Regional Council unanimously approved the region's first RTP/SCS;

Whereas, the adopted RTP/SCS includes land-use and transportation strategies that will support the region in meeting the established GHG reduction targets of 8% per capita by 2020 and 13% per capita by 2035;

Whereas the Air Resource Board on June 4, 2012 accepted the Sustainable Communities Strategy as having met the GHG target;

Whereas, by virtue of having met the state established GHG target, local governments in the SCAG region may choose to access a streamlined process under the California Environmental Quality Act (CEQA) for certain types of qualifying development projects;

Whereas, the RTP/SCS provides additional co-benefits including reducing land consumption, infrastructure costs, household costs, health incidences as well as improving mobility and creating jobs;

Whereas, SCAG developed the RTP/SCS in collaboration with the LACMTA, other County Transportation Commissions, and local governments from the six county Southern California region through a bottoms-up, collaborative process that engaged a wide range of stakeholder groups, elected officials, special interest groups, and the general public through a series of workshops and public meetings;

Whereas, the RTP/SCS addresses many challenges including projected growth, changing demographics, climate change adaptation, housing needs, and transportation demands;

Whereas, the RTP/SCS includes a land-use strategy and growth forecast that focuses growth in High-Quality Transit Areas and along main streets, downtowns and other appropriate infill locations; shifts development from single-family towards multi-family residential development to reflect recent market trends; and promotes the implementation of Compass Blueprint Demonstration projects and other supportive land use implementation;

Whereas, the RTP/SCS includes transportation policies and investments that reflect the investments being made by the County Transportation Commissions through 2035; triple the amount of funding available in the previous RTP to support Active Transportation; emphasize and provide additional resources for transportation demand management strategies and transportation systems management; maintain a focus on efficient goods movement; and establish a financial plan that addresses deferred maintenance and includes new revenue sources and innovative financing techniques to transition our fuel tax-based system to a more direct, user fee approach;

Whereas, while SCAG develops the RTP/SCS, the land-use and transportation changes within it are largely driven by the actions of local governments and County Transportation Commissions, like the LACMTA, that program the majority of transportation funds flowing into the region;

Whereas, it is therefore critical that the LACMTA be engaged in the implementation of the plan in order for the plan's benefits to be realized, as well as, to ensure the region continues to make progress that can be reflected in the 2016 RTP/SCS;

Whereas, CARB through the AB 32 Cap-and-Trade Program will be providing funding for programs and projects throughout the state that reduce GHG emissions and help implement local climate action plans;

Whereas, the LACMTA Board approved a motion (September 23, 2010) endorsing the GHG reduction targets established by CARB, committed staff support in the development of the RTP/SCS, and submitted a letter in support of the final plan;

Whereas, the LACMTA has demonstrated leadership and strong support for advancing sustainable transportation options in the region through a broad range of actions including: investing in transit, establishing an Ad Hoc Sustainability Committee, maintaining a strong commitment to clean fuel buses, programming additional funding through the Call for Projects for bicycle infrastructure, advancing bicycle policies, promoting the inclusion of sustainability as a criteria in the Call for Projects program, directing for the development of an Active Transportation Agenda, approving applications for sustainability grant programs, and adopting policies that reduce the agency's environmental footprint as well as promote cleaner air, GHG reduction,

healthier communities, and a stronger economy through transportation planning and programming, among others;

Whereas, to continue to demonstrate countywide leadership on sustainability issues, the LACMTA Ad Hoc Sustainability Committee has endorsed and is providing direction on the development of a Countywide Sustainability Planning Policy to better integrate sustainability principles and priorities into the agency's planning functions and to provide a framework for fostering the implementation of federal, state, regional, and local sustainability policies and plans—including the RTP/SCS—across Los Angeles County;

Whereas, implementation of the LACMTA's Countywide Sustainability Planning Policy, in conjunction with the implementation of the RTP/SCS, will advance the LACMTA's mission of creating a more efficient and effective transportation system in concert with a broad set of sustainability priorities that are increasingly important to the LACMTA's funders and constituents;

Whereas, the LACMTA and SCAG currently collaborate on a broad range of initiatives to advance common transportation objectives, and it is in the interest of both agencies to continue to leverage resources toward achieving the common goals expressed in the RTP/SCS and the LACMTA's Countywide Sustainability Planning Policy and toward creating a more sustainable transportation system.

Now, therefore, be it resolved by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the CEO is authorized to initiate and/or continue the following RTP/SCS implementation activities, to be referred to collectively as the **RTP/SCS Joint-Work Program**:

1. Appoint a representative to the **Regional Sustainability Working Group**, an effort initiated by the CEOs of County Transportation Commissions and led by SCAG, to actively work on the implementation of the RTP/SCS, document and monitor progress, and develop recommendations for opportunities in upcoming 2016-2040 RTP/SCS.
2. Develop and seek funding for a joint SCAG-LACMTA **Sustainable Transportation Demonstration Program** that will provide local agencies with planning, programming, and/or capital funds to implement Compass Blueprint projects or other innovative, multimodal approaches that exemplify the guidance in the LACMTA's Countywide Sustainability Planning Policy.
3. Continue with implementation of the **First-Last Mile Strategic Plan** to "extend" the station area and expand the reach of transit in the transit catchment area and at transit stops. The plan will include policies and guidelines that serve as a resource for local governments seeking to partner with the LACMTA and SCAG on improvements in transit catchment areas and inform the types and sizing of intermodal facilities (such as bicycle parking) that the LACMTA should aim to provide at its stations/stops. Additional funding will be sought for a second phase of the plan to implement demonstration projects that advance the guidance from the plan and to quantify the impact of these investments. Opportunities to

optimize access through programmatic, technology and/or marketing solutions in the transit catchment area will also be explored in future phases of the plan.

4. Continue to develop a **Countywide Safe Routes to School Strategic Plan** to identify a strategy to help local communities establish new Safe Routes to School (SRTS) programs and to sustain and enhance existing efforts. The strategic plan will include assessing current SRTS efforts and needs; coordinating with agencies, organizations, and stakeholders for exchange of information and ideas; identifying data needs and performance metrics; pursuing additional funding sources to increase SRTS investment in Los Angeles County and to provide technical resources to communities; and connecting agencies and organizations involved in SRTS with resources and information.
5. Continue to support SCAG and collaborate with regional stakeholders on the **Regional Plug-In Electric Vehicle (PEV) Readiness Plan**, to identify the best locations for charging infrastructure based on market demand and travel patterns. The Regional PEV Readiness Plan will become part of a larger effort to support regional sustainability while promoting economic development within the green technology sector. SCAG will continue to work with a diverse group of stakeholders to serve as a clearinghouse for zero and near-zero emission vehicle resources and implementation strategies. The key deliverables include a Regional PEV Readiness Plan and two model Subregional PEV Readiness Plans (South Bay and Western Riverside COGs). This effort is funded with grants obtained from the California Energy Commission and the U.S. Department of Energy.
6. Support SCAG in developing a **Conservation Planning Policy**, as recommended in the 2012-2035 RTP/SCS. This policy is intended to build upon already-established programs that assist with more efficient transportation project delivery, including but not limited to, OCTA's Measure M Environmental Mitigation Program and Riverside County's Multiple Species Habitat Conservation Plans (MSHCP). The policy will explore opportunities to optimize the use of transportation mitigation funds to support natural land restoration, conservation, protection and acquisition, and offers GHG emissions reduction benefits. The deliverables will likely include identification of priority conservation areas and the development of regional mitigation policies or approaches for the 2016 RTP/SCS.
7. Support SCAG to in exploring opportunities to **Expedite Active Transportation Funding** planned in the RTP/SCS to ensure local infrastructure is in place to support the expansion of the rail system at the time when new stations come on-line. This will include building off the First-Last Mile Strategic Plan to identify needs around new station areas and developing new financial tools to support these investments.
8. Support SCAG in conducting a **High Quality Transit Area Study** to review the incentive programs offered by the LACMTA and SCAG that could be better linked or leveraged to realize the RTP/SCS vision for reducing GHG emissions and capturing growth in High Quality Transit Areas (as defined in the RTP/SCS). The study should document existing rules and practices, consider best practices, and

provide recommendations for program modifications. The study will be initiated when additional funding or staff resources become available.

9. Support SCAG in pursuing funding for **High Quality Transit Corridors Needs Assessment** studies to better understand transit needs and transit capacity enhancements that will be required to accommodate additional growth planned for in the RTP/SCS.
10. Continue collaborative efforts to improve **Performance Measurement and Monitoring** of the benefits and co-benefits (health, greenhouse gas reduction, etc.) of transportation projects and plans through efforts such as the bicycle data clearinghouse and the Countywide Sustainability Planning Policy. Develop strategy to improve **Performance Measurement and Monitoring** of transportation projects and plans to provide a basis for quantifying the benefits of investments proposed in future RTP/SCSs.
11. Work with state and federal representatives to **Develop Legislation** in support of the above activities and the broader goals of the RTP/SCS.

Progress on these items shall be reported to the LACMTA Ad Hoc Sustainability Committee and SCAG's Energy and Environment Committee on a quarterly basis starting January 2013. A final report on the RTP/SCS Joint-Work Program shall be prepared by January 2014 and include recommendations to the LACMTA Board and SCAG Regional Council for inclusion in the 2016 RTP/SCS.

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Metro Countywide Sustainability Planning Policy

PUBLIC REVIEW DRAFT

July 11, 2012

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SECTION 1: OVERVIEW, PURPOSE & BACKGROUND

1.1 OVERVIEW

The Los Angeles County Metropolitan Transportation Authority (Metro) is dedicated to the sustainability of Los Angeles County's people, environment, and economy. Many people and organizations share these goals and are pursuing visions of sustainability in their own households, neighborhoods, businesses, cities, and region-wide. Metro's unique role in achieving a sustainable future is to plan, fund, construct, and operate a transportation system that improves residents' health and well-being, strengthens the economy, and enhances the natural environment.

The policy is a complement to Metro's efforts to improve air quality and increase transportation choices that have been underway for more than two decades. It is a tool for better defining the agency's long-term, desired sustainability outcomes in order to facilitate greater coordination and collaboration across transportation modes, planning disciplines (land-use, housing, environment, economic development, health, utilities), and government agencies.

The policy's focus on coordination and collaboration with respect to sustainability comes at a time of great opportunity, when Metro is significantly expanding its transit system and implementing highway improvements to enhance efficiency and effectiveness. To successfully implement these projects and gain support for future projects, Metro will be increasingly called upon to quantify its contributions to society, not just in terms of mobility, but with respect to a broad range of social, economic, and environmental indicators. This is evident from the Livability Principles¹ that influence funding decisions made by federal agencies, the addition of climate change metrics in Regional Transportation Plans (per Senate Bill 375), and the increased interest from local stakeholders in assessing the health impacts of transportation projects. The policy was developed in consideration of these factors to establish a planning framework for advancing the mission and goals of the agency in concert with a broader set of sustainability priorities.

1.2 PURPOSE

The Countywide Sustainability Planning Policy is a guide to:

- More fully integrate sustainability into the agency's planning functions,
- Complement and provide a framework for building upon federal, state, regional and local sustainability policies and plans, and
- Foster collaboration and inspire partnerships that will lead to more sustainable communities.

The policy demonstrates the agency's continued commitment to sustainability as a core business value and as a strategy for enhancing the quality, efficiency, and value of the transportation system for constituents.

¹<http://www.sustainablecommunities.gov/aboutUs.html#2>

The policy is organized into five sections:

1. Overview, Purpose & Background
2. Planning a Sustainable Transportation System
3. Planning Guidance
4. Policy Implementation & Impact
5. Conclusion

1.3 BACKGROUND

Metro is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County. Adhering to this mission, one of Metro's principal values is a commitment to sustainability, encompassing reducing, re-using, and recycling internal resources and reducing greenhouse gas ("GHG") emissions. This commitment to sustainability is reinforced in the agency's business goals, which include sustaining the environment by reducing greenhouse gas emissions and increasing energy efficiency. "Sustainability" became an official part of the agency's work program in 2007 when the Board of Directors, with guidance from the Ad Hoc Sustainability Committee, adopted the Sustainability Implementation Plan. The Plan included the following Sustainability Mission and Vision, accompanied by a list of short-term and long-term projects through Fiscal Year 2012.

Mission: We will provide leadership in sustainability within the Los Angeles region without compromising our core mission of moving people efficiently and effectively.

Vision: We will be the leader in maximizing the sustainability efforts and its benefits to Los Angeles County's people, finances, and environment.

Within this overarching guidance, the Ad Hoc Sustainability Committee and supporting staff have generally focused on advancing strategies in three primary areas:

1. Leadership, Coordination, and Outreach: Lead the region's sustainability efforts by supporting internal coordination and by collaborating with regional stakeholders.
2. Sustainable Agency and Practices: Minimize environmental impacts from the design, construction, operation, and maintenance of Metro's facilities and operations.
3. Sustainable Regional Transportation System: Plan and implement a regional transportation system that increases mobility, fosters walkable and livable communities, and minimizes GHG emissions and environmental impacts.

The Countywide Sustainability Planning Policy is intended to define outcomes and establish measurements related to the third focus area: developing a Sustainable Regional Transportation System and as a result will further the first focus area related to

Leadership, Coordination and Outreach. The policy broadens Metro’s approach to sustainability from focusing on a particular project or transportation mode to developing a more holistic and system-based framework for sustainability analysis and planning. It also more fully embraces the social and economic elements of sustainability, in addition to the environmental dimensions.

SECTION 2: PLANNING A SUSTAINABLE TRANSPORTATION SYSTEM

2.1 PRINCIPLES & PRIORITIES

Sustainability is broadly understood as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The Countywide Sustainability Planning Policy refines this definition in the context of transportation planning through endorsement of the principles and priorities below. Metro’s policy will be to use these principles and priorities to bring greater clarity, meaning, and consistency to its approach for implementing the “sustainability” commitments currently reflected in its principal values, business goals, and sustainability mission and vision.

The policy is based on the three themes of “Connect, Create, and Conserve.” These themes are the summation of the principles and priorities discussed below. The principles align with the areas of responsibility within which Metro’s planning practices have the opportunity to influence sustainability outcomes—as a regional mobility provider (Connect), a project manager (Create), and a steward of public funds (Conserve). As illustrated in Figure 2.1, there are three priorities associated with each principle that highlight key social, economic, and environmental dimensions of sustainability to be advanced through the transportation planning process. Over time, these principles and priorities will increasingly be embedded in planning activities to:

- Align and optimize transportation strategies implemented through various planning programs toward a common vision of sustainability
- Evaluate proposals
- Inspire project design, creativity, innovation, and
- Guide and communicate sustainability performance

Successful implementation of all of these actions will require additional engagement with regional stakeholders to optimize the countywide benefits of Metro’s programs and plans.

Figure 2.1 Principles and Priorities



2.2 KEY CONCEPTS

Several inter-related key concepts underlie the policy and its approach to achieve priority outcomes. These are introduced in this section.

Green Modes

The policy and supporting documentation use the term “Green Modes” to describe a growing category of clean mobility options. These include walking, biking, rideshare, transit, and clean fueled vehicles. All of these options will be part of sustainable planning approaches, and have varying ability to achieve the full range of sustainability aims. For example, accidents involving pedestrians and bicyclists must be reduced for healthy community objectives to be achieved, all vehicles should increasingly be zero or near-zero emissions to achieve climate and environmental aims, and greater transit ridership will be required from a system productivity perspective to maximize mobility while limiting congestion growth. Emerging technologies that complement or even replace conventional travel modes are also considered part of the Green Modes range of choices.

Transportation and Land Use Integration

Transportation is such a familiar part of our lives that we can easily take its complexity for granted. Going to school or work, visiting a friend or going to the doctor’s office, enjoying the beach or the mountains – all of these require moving about in a complicated web of inter-related systems. Land-use patterns and the dispersion of places we travel, shape people’s need to travel and inform investments in the transportation network. In turn, transportation investments impact land-use by providing mobility options that may accommodate growth and heightened activity in existing communities or open up new land for development.

The interactions of these two systems—and the resulting impacts on travel demand—have significant implications for the sustainability of communities. For this reason, greater coordination and strategic planning between transportation and land-use agencies is required to achieve the priorities of the policy. In an effort to be inclusive and fully capture the diverse communities within Los Angeles County, the policy introduces a place-based planning framework as a tool for integrated planning and policy development at Metro in addition to more universally applicable strategies. The framework is described in Section 2.3.

Focusing on integrated planning to achieve sustainability outcomes is supported by State climate change regulations and is required at the regional level under Senate Bill 375 (SB 375). SB 375 establishes a process to help achieve statewide greenhouse gas reduction goals required as part of Assembly Bill (AB) 32. The legislation charges each Metropolitan Planning Organization (MPO) with developing a Sustainable Communities Strategy (SCS) to specifically address how integrated land use, housing, and transportation planning will lead to greenhouse gas emissions reductions from passenger vehicles within their respective regions. The Southern California Association of Governments (SCAG), the MPO for this region, has prepared a SCS as part of the 2012 Regional Transportation Plan (RTP). The RTP presents a growth vision for the region, which compiles local land-use data for 2020 and 2035. This growth vision

supports greater transit-use, walking, and biking by increasing opportunities for people to live and work in transit corridors and more compact communities.

This RTP/SCS provides a strong foundation upon which Metro and its partners can build. While SCAG assembles the RTP/SCS, the land-use and transportation changes within it are largely driven by the actions of local governments and County Transportation Commissions, like Metro, that control the majority of transportation funds flowing into the region. This policy and the place-based framework it presents are resources to facilitate continued progress within Los Angeles County toward reducing the climate impacts of the transportation network and meeting SB 375 requirements.

Bundling Strategies for Greatest Impact

“Bundling” strategies refers to the practice of implementing complementary strategies together in order to have a cumulative impact and create multiple benefits. Bundling recognizes the complexity of transportation and land use systems by addressing multiple factors in unified programs. An extensive body of travel performance research conducted over decades has established the fact that multiple-strategy approaches are most effective in terms of reliability and magnitude of positive change. Combined scenarios involving land use, transit, and pricing strategies are consistently shown to result in greater reductions in vehicle miles traveled (VMT) than single-strategy scenarios, in both the short and long term. A synthesis of regional modeling outputs undertaken for the California Air Resources Board reported that combined strategies in the three arenas of land use, transit, and auto pricing policies demonstrated the long-term potential for VMT reduction with results ranging from -14.5% (10 years) to -24.1% (40 years).² Bundling is also supported by the results of the original data analysis performed by Metro to support development of this policy, which is documented in a supplemental Technical Document. These findings support Metro’s participation in a full range of strategies at various scales in order to derive the greatest return on major investments.

Network Optimization

The success of the technology industry has been driven by advances in computing hardware that exponentially increase system connectivity and performance within the same physical envelope, for example, a microchip. To serve a growing population with increasingly scarce resources, the transportation industry is similarly challenged to take a new look at its hardware—a complex network of local roads, arterials, highways and rights-of-way—and find ways to improve connectivity and performance within largely the same footprint. Complete streets, transit-oriented development, congestion pricing, signal prioritization, real-time ride share matching, and smart technologies are leading us to a more efficient and effective transportation system. These advancements respond to the demands of a 21st century lifestyle where connectivity and time saving are highly prized and can be achieved by many different means.

²Rodier, Caroline J. (2009). A Review of the International Modeling Literature: Transit, Land Use and Auto Pricing Strategies to Reduce Vehicle Miles Traveled and Greenhouse Gas Emissions. Institute of Transportation Studies, University of California, Davis, Research Report UCD-ITS-RR-09-39.

Act Regionally and Locally

As a countywide agency serving millions of people per day, many of Metro's planning activities have focused on regionally significant trips and corridors that span many miles and may cross city boundaries. However, an increased focus on sustainable communities and on improved accessibility suggests that Metro's direct or indirect sponsorship of localized strategies may also be needed to advance regional goals. By adopting the principles in Section 2.1, Metro is committing itself to supporting initiatives aimed at intermodal connectivity, green modes, urban greening, and healthy neighborhoods. These priorities require implementation and attention to detail at the local level. Desired outcomes include a higher number of trips made by walking or cycling and growth in transit trips that benefit from more attractive walk and bike access. Land use changes for greater connectivity similarly support a higher number of non-drive trips and shorter trips across all modes for travelers in the region. These changes reduce vehicle miles traveled overall, taking local trips off the regional roadway network, and increasing active travel with commensurate health benefits. How these objectives are met will be largely based on the local conditions, extent of transit investments serving local communities, and innovative local solutions informed by regional and national experience.

2.3 PLANNING FRAMEWORK

The policy is based on a planning framework that organizes guidance and strategies into two elements: universal and place-based. This section describes the analysis that informed the development of the place-based portion of the framework and discusses applications in the context of the policy.

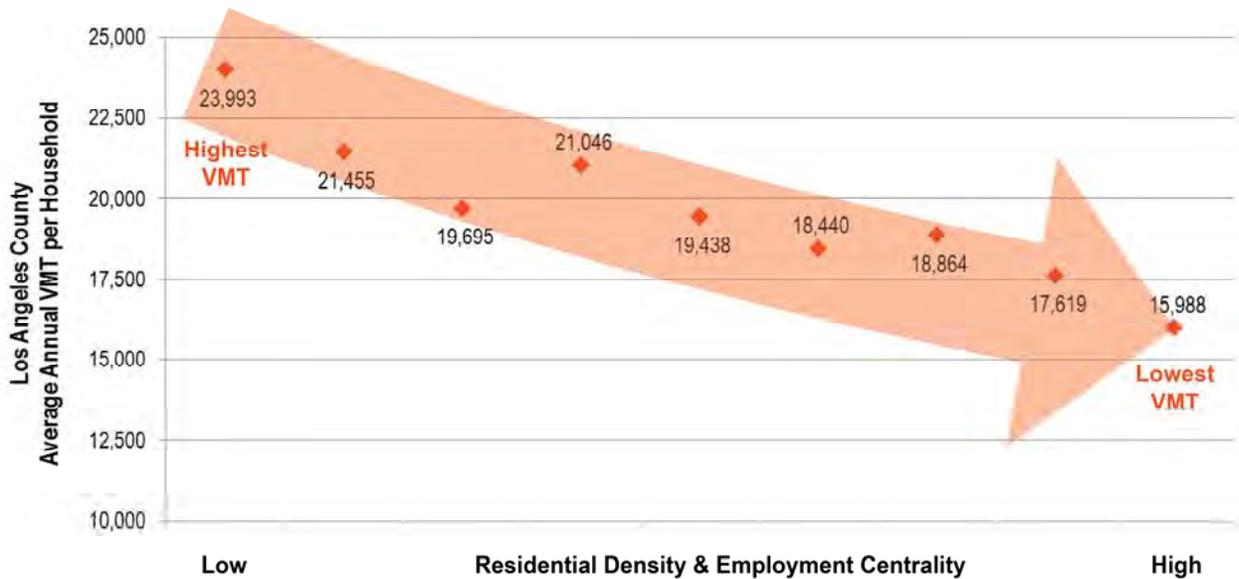
Place Types as a Tool for Integrated Planning

It is acknowledged that a county as large and diverse as Los Angeles County cannot and should not attempt to achieve sustainability outcomes through a prescriptive "one size fits all" approach. Recognizing this diversity the use of "place types" seeks to find solutions that are appropriate for areas with common characteristics. The place type is an increasingly popular foundation for better integrating transportation and land use planning. It allows planners to categorize a large number of places (e.g. station areas or neighborhoods) based on shared characteristics. The shared characteristics of neighborhoods grouped within a given place type can help illuminate shared issues or barriers, strategies to overcome these barriers, typical or desired performance on a range of measures, and particular types of investments that are needed.

Accessibility Clusters

This policy was developed using a place-sensitive approach that categorizes locations at the census tract level into four Accessibility Clusters. The clusters are defined by land-use conditions that were identified, through original local analysis, to have the greatest impact on travel behavior, as defined by vehicle miles traveled. These characteristics include net residential density (number of households per census tract) and job centrality (calculation based on the number of jobs and their distance from each tract). In general, the higher the residential density and job centrality for a given location, the less people need to drive to achieve their daily needs, as reflected in Figure 2.2.

Figure 2.2 Average Annual VMT for Typical Los Angeles County Household



The four clusters are illustrated below in Figure 2.3 and described in greater detail in Figure 2.4. Additional information on the methodology and analysis used to develop the clusters is included in Appendix A.

Figure 2.3 Accessibility Clusters

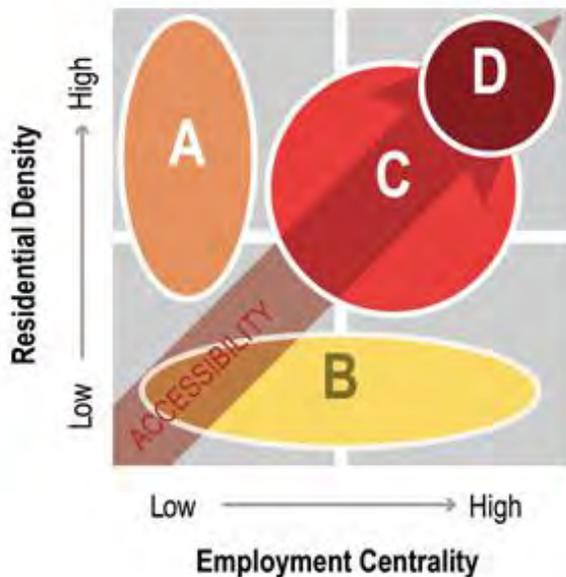


Figure 2.4 Summary of Accessibility Clusters

	Summary	Residential Density (HH/Res. Acre)	Job Centrality	Av. Annual VMT Per HH
<p>Cluster A</p> 	<p>Small districts and corridors with a higher density residential pattern, often serving as centers in lower density communities. While not as well-connected to the region's economic centers and the wide array of economic activity in the county, these areas are good candidates for sustainable local travel.</p> <p>Claremont, Pomona, Northeast Pasadena, many communities in the South Bay Cities</p>	Medium-High	Low	20,477
<p>Cluster B</p> 	<p>All locations in Cluster B have low average residential density. The job centrality of these places is varied, as shown to the right. Low density makes these places predominantly auto-oriented. Nearby downtowns and compact neighborhoods may be appropriate places for transit investments.</p> <p>Avocado Heights, Claremont-Indian Hill, Montebello, most communities in Palmdale</p>	Low	Low-High	23,275
<p>Cluster B <i>Special Use Areas</i></p>	<p>High job centrality places where there is no housing or where housing is a minor component, such as large industrial zones, warehousing, ports, and airports. Also includes places serving recreational or entertainment purposes.</p> <p>Port of Long Beach</p>	None/ Very Low	High	
<p>Cluster C</p> 	<p>Both residential and mixed-use areas near centers of economic activity and characterized by sufficient density to support growing use of walk, bike, and transit. Includes predominantly traditional single-family residential areas and historic downtown-adjacent neighborhoods with a compact feel.</p> <p>Venice, Van Nuys, Commerce, much of eastern San Fernando Valley</p>	Medium-High	Medium-High	18,717
<p>Cluster D</p> 	<p>Unique concentrations of economic, entertainment, and cultural activity, drawing large volumes of commuters and visitors every day. Host to a full range of horizontally- and vertically-mixed land uses, often with high capacity transit stations and corridors (present or planned).</p> <p>Downtown Long Beach, Downtown Los Angeles, Old Town Pasadena</p>	High	High	15,988

Understanding a place’s “accessibility” –residential density and job centrality—can help define appropriate sustainability strategies. For example, while walking to work may be a great option for more sustainable living in a location where many residents and jobs are close together (Clusters C and D); this option will likely not be widely available in locations where residents and jobs are far apart (Clusters A and B).

Applying the Framework to Real Places

The Accessibility Clusters are general. The policies presented in relation to each cluster will be relevant in many cases, but variation and a greater level of differentiation may be justified in particular circumstances. Any given corridor may traverse multiple Accessibility Clusters and judgment, data, and creativity will be needed to craft solutions and to customize strategies appropriate to the local community. Empirical data at a finer geographic scale should be used to confirm the relevance of the Accessibility Clusters and strategies.

SECTION 3: PLANNING GUIDANCE

3.1 INTRODUCTION

This section presents guidance to support Metro in implementing the principles and achieving the priorities established by the policy. The guidance recognizes that many of the priorities can be achieved simply by providing the opportunity for more people to drive less, and in more efficient vehicles. A reduction in vehicle miles traveled (VMT) is associated with the following benefits:

1. Reduced vehicular, bicycle, and pedestrian accidents
2. Reduced fuel use
3. Reduced traffic congestion, particularly during rush hour
4. Reduced emissions or criteria pollutants, resulting in reduced respiratory ailments especially for young children and older adults
5. Reduced greenhouse gas emissions (GHG)
6. Increased transit use, walking, and biking
7. Increased physical activity contributing to a reduction in diseases related to a sedentary lifestyle, such as obesity
8. Economic benefits through reduced transportation costs

When measures to reduce VMT are complemented by actions to increase the efficiency of vehicles, the whole range of sustainability priorities presented in the policy can be achieved. Even urban greening and environmental stewardship are optimized by providing opportunities for people to drive less, because reduced VMT allows for communities to build less infrastructure reducing energy, waste, land and water use, and emissions.

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Demographic and market trends suggest that more people would choose to drive less, if they had attractive alternatives. According to the 2012 RTP/SCS, as the Baby Boomer generation gets older (the share of the population 65 years or older will increase from 11 percent in 2010 to 18 percent in 2035), there will be a greater demand and need for alternative transportation to serve non-drivers. Additionally recent studies, such as a joint report conducted by the Frontier Group and the U.S. PIRG Education Foundation, have highlighted an emerging trend that young people are driving less. Reasons for this are many, but include improvements that support alternative transportation. From 2001 to 2009, the average annual number of vehicle miles traveled by young people (16 to 34-year-olds) decreased from 10,300 miles to 7,900 miles per capita—a drop of 23 percent.³

While helping more people to drive less, and in more efficient vehicles is a fairly simple goal, the size of the county and its diversity of land-use patterns make achieving this goal complex. The guidance addresses this complexity by presenting “universal” policies (3.2) that should be considered in all types of locations and “place-based” policies (3.3) that provide alternative strategies for improving the sustainability of the transportation system in differing types of locations. The Planning Framework, Section 2.3 provides greater detail on the Accessibility Clusters as well as Appendix A.

3.2 UNIVERSAL POLICIES

The universal policies have relevance in many locations throughout the county, regardless of accessibility. The policy topics as presented do not reflect an order of importance.

The following policies should guide Metro’s activities countywide:

Policy Topic	Universal Policy (UP)
Implementation of SCAG Regional Transportation Plan/ Sustainable Communities Strategy (RTP/SCS)	<p>UP I: Promote regional compliance with state climate change law by supporting SCAG’s efforts to implement the <u>regionally-adopted, land-use and transportation vision</u> in the Regional Transportation Plan/Sustainable Communities Strategy (and outlined below), and encourage local jurisdictions to adopt supportive local policies. <i>(Metro does not have jurisdiction over land-use, but can advance regionally adopted land-use strategies through incentive programs, like TOD planning grants, and supportive transportation investments).</i></p> <ul style="list-style-type: none"> a) Support SCAG’s efforts to advance the following <u>regionally adopted land-use strategies</u>: <ul style="list-style-type: none"> i) Focus growth in areas well served by transit (also referred to as High-Quality Transit Areas). ii) Focus growth along main streets, downtowns, and other appropriate infill locations iii) Shift development from single-family towards multi-family residential development to reflect recent market trends,

³Frontier Group and U.S. PIRG Education Fund. (2012). Transportation and the New Generation: Why Young People Are Driving Less and What it Means for Transportation Policy. Retrieved June 15, 2012 from <http://www.uspirg.org/reports/usp/transportation-and-new-generation>.

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	<p>and</p> <ul style="list-style-type: none"> iv) Promote supportive land use implementation activities, including Compass Blueprint Demonstration projects, which are planning efforts led by local jurisdictions and funded by SCAG <p>b) Support SCAG’s efforts to advance the following <u>regionally adopted transportation strategies</u></p> <ul style="list-style-type: none"> i) Continue investments to improve the transportation system through 2035 as reflected in the plans of the County Transportation Commissions ii) Implement regional funding strategy to triple the resources available for Active Transportation, as compared to the 2008 Regional Transportation Plan iii) Emphasize and provide additional resources for transportation demand management strategies to reduce solo driving, including carpooling, transit, biking, walking, and flexible work schedules iv) Emphasize and provide additional strategies to support improved transportation systems management, including Express Lanes, tolling, and signal synchronization v) Maintain a focus on efficient goods movement to support the growth of the regional economy vi) Advance financial policies that emphasize system preservation to address deferred maintenance and that consider new revenue sources and innovative financing techniques to transition the fuel tax-based system to a more direct, user fee approach. <p>UP II: Draw from the recommendations included in the RTP/SCS to implement appropriate transportation mitigation measures for all projects.</p>
Green Design	UP III: Implement and encourage local incorporation of green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening; consider requiring green design techniques as a condition of funding when these techniques can be implemented without additional cost to project sponsors (i.e. native landscaping).
Vehicle Technology	UP IV: Leverage project development to facilitate the early adoption of zero and near-zero emission vehicles (fleet services, transit vehicles, clean trucks, passenger vehicles) and promote supportive regional and local policies.
Local Access	UP VI: Encourage and support land-use policies and transportation projects that seek to reduce trip lengths by reconnecting the street grid, increasing the mix of land-uses, providing mid-block crossings, reducing set-backs, and breaking up superblocks in new or (re)development projects, among other strategies.
Performance Measurement	UP VII: Pursue alternatives and/or supplements to the use of level of service and delay metrics, which prioritize mobility for the single occupancy automobile, in project evaluation and encourage regional and local agencies to consider a broader range of metrics to assess multimodal impacts.
System Productivity	UP VIII: Encourage through regional planning, funding policies, infrastructure investments, and promotion of supportive local policies (including parking management policies, road pricing, and other demand management and systems

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	management policies/projects) strategies that seek to optimize transit service by increasing its competitiveness with automobiles.
Complete Streets	UP IX: Consistent with state law, explore opportunities in all projects to increase access for all users by making streets more “complete” and promote complete streets at the local level through partnerships and incentive programs.
Transit-Oriented Development	UP X: Pursue opportunities to realize appropriately-scaled, transit-oriented development in rail and bus corridors as part of corridor studies, project development, incentive programs and the promotion of supportive local policies (TOD Ordinances, land use and zoning changes, General Plan updates, etc).
Virtual Access	UP XI: Leverage project development to facilitate the early adoption of emerging technologies that complement or even replace conventional travel modes through virtual access, and promote supportive regional and local policies (telecommute programs).

3.3 PLACE-BASED POLICIES

Cluster A

Areas in Cluster A have moderate to high residential density with low job centrality. People living in these areas generally benefit from relatively short trip distances to local retail and services, but their limited access to major job centers and disparate geography often require long commutes to work. Some locations within this cluster include small commercial districts with higher density residential that serve as activity centers and/or sub-regional transportation hubs for surrounding low density communities. Areas falling into this cluster include many of the South Bay Cities, portions of the eastern San Fernando Valley such as the Reseda corridor, historic downtowns in places like Monrovia, and the area around the Newhall Metrolink station in Santa Clarita.

Residents in these communities should be able to easily access alternative commute options like commuter rail or bus, carpooling, and vanpooling. In many cases, residents should be able to take advantage of nearby retail districts without a car. Residents living along compact corridors such as Reseda can (and do) take rapid buses for their daily needs. However, in some cases walking and biking are unpleasant choices due to nearby auto-oriented corridors and a more suburban block pattern. Making these corridors more supportive of biking, walking, and reduced-speed vehicles can foster last mile connections to nearby regional transit options or commercial districts and may support community and economic development aims to capture a greater share of local spending.

Cluster A has the second-lowest rate of transit ridership (4.9%) for commute mode; 76% of commuters drive alone to work. These locations have the highest carpool share in LA County relative to locations within other clusters. If an additional 2% of solo driving commuters were to shift to 2-person carpools, nearly 10,000 single-occupant vehicle trips would come off the roads at peak hours. If the shift were to 3-person carpools, over 13,000 peak hour trips would come off the roads, compared to 2009 conditions.

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The following policies should guide Metro’s activities in Cluster A:

Policy Topics	Cluster A: Place-based Policies
Sustainable Transportation	A I: Support growing use of active and green modes through development and sponsorship of facilities and services promoting safe walking and biking, rideshare, transit, and low impact vehicles.
Local Government Planning	A II: Support local governments in planning and development activities that result in Transit-Oriented Development at select locations, focusing on mixed use centers.
Transit Services (Metro, Municipal and Local Transit Providers)	A III: Provide and encourage transit services reflecting area densities and design characteristics, focusing on commute and lifeline services to employment centers, key corridors, and feeder services.
Street Operations	<p>A IV: Implement, encourage and sponsor projects that create safe, attractive, and efficient conditions for walking, biking, transit-use, and slow speed vehicles.</p> <p>A V: In project development and sponsorship, prioritize efficiency projects that seek to better utilize existing capacity by all modes (i.e. signal timing, complete streets) over general capacity improvements.</p>

Cluster B

Cluster B includes locations that have in common an overall housing density lower than seven units per net acre. Within this classification are two distinct types:

- **Suburban/Rural Communities:** Communities meeting the low residential density criteria with low or medium job centrality, and
- **Special Use Areas:** Large industrial zones, ports and airports, and open space areas

This category includes places with a wide variety of conditions – from open space areas with almost no population, to low density outlying communities like most of Palmdale, to industrial areas such as the Port of Long Beach. These varied conditions require diverse transportation strategies, sometimes focused on goods movement, sometimes on responding to travel needs of residents and workers. Locations within Cluster B have the lowest rate of transit ridership (2.3%) for commute trips, less than half the rate of the Cluster A. Approximately, 83% of commuters within this cluster drive alone, while approximately 12% carpool to work.

Suburban/Rural Communities

Automobile travel will likely continue to be the most efficient means of local mobility for low density communities in Cluster B. Nonetheless, opportunities to drive less and in more efficient vehicles should be encouraged and supported by a variety of transportation policies and investments. Most of these communities have nearby compact neighborhoods, which can be the focal point for transit and ride-share opportunities.

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Actions to support telecommuting and the use of cleaner vehicles may be the most promising sustainable alternative for many low-density neighborhoods. This cluster has relatively high numbers of people working at home, and increasing the proportion of people working at home is an important strategy. Additionally, given the high percentage of drive alone work trips for this cluster, focusing on use of cleaner vehicles, including hybrids and electric, can have a considerable impact on emissions. If 5% of 2009 households in “B” cluster locations were to switch from conventional gasoline vehicles to electric or hybrid passenger cars, over 2.3 million daily and over 857 million annual vehicle miles would be driven in less carbon-intensive vehicles. Over 144,000 metric tons of CO₂ would be saved annually if these miles were traveled in hybrid cars, and over 284,000 metric tons if with electric cars (based on 2012 model year passenger vehicle averages).

Integrated land-use and transportation planning is of particular importance in these areas, where the transportation system may be less built out. If there is a local desire for greater development, Metro, through its partnership with SCAG, should support cities in undertaking visioning exercises in advance of capacity enhancements to determine the most effective strategies for limiting congestion and providing the transportation choices communities desire. Metro should discourage road capacity enhancements that may proceed or be inconsistent with the local land-use plans and the Regional Sustainable Communities Strategy.

The following policies should guide Metro’s activities in the Cluster B (Suburban/Rural Communities):

Policy Topics	Cluster B: Place-based Policies for Suburban/Rural Communities
Sustainable Transportation	B I: Support growing use of active modes for local trips and motorized green modes (rideshare, transit, clean fuel vehicles) for longer-distance trips through development and sponsorship of facilities and services.
Local Government Planning	B II: Work with local governments to identify specific transportation needs that can be met with green modes as well as opportunities to improve efficiency and safety of both goods movement and passenger travel. B III: Where greater development is desired, encourage cities to undertake planning exercises in advance of road capacity enhancements to determine the most effective strategies for limiting congestion and providing the transportation choices communities’ desire.
Transit Services (Metro, Municipal and Local Transit Providers)	B IV: Provide and encourage transit services reflecting area densities and design characteristics, focusing on lifeline services and commute services to employment centers, subregional transportation hubs, and feeder services.
Street Operations	B V: Implement, encourage, and sponsor projects that create safe, attractive, and efficient conditions for walking, biking, and transit use. B VI: In project development and sponsorship, prioritize efficiency projects that seek to better utilize existing capacity by all modes (i.e. signal timing, complete streets) over general capacity improvements.

Special Use Areas

Many areas of the county fall into the Special Use Areas category. These represent high job centrality places where there is no housing or where housing is a minor component of the place. Special Use Areas may include large industrial zones, ports, and airports, the latter of which has additional transit needs for users. The distinct mobility needs of these places, often focusing on goods movement, are recognized in the text below.

Sensitivity is needed to provide for goods movement in the more industrial areas in this cluster and related place type, particularly as trucks enter and exit these areas near population centers that are accommodating high volumes of people using all modes. As many of these industrial areas also fall adjacent to existing or planned fixed-guideway transit corridors, addressing these numerous mobility objectives is a high priority.

While mitigating potential mobility conflicts adjacent to centers or communities such as the Alameda Corridor, it is also critical to maximize the efficiency of major freeway and freight corridors in order to advance goals for economic prosperity. These places are more difficult to serve with transportation alternatives for commuters, but encouraging such alternatives can provide critical job access and support workforce development objectives.

It is important to note that open space areas are included in this category. While this type includes warehousing and manufacturing districts such as the City of Industry and areas around Los Angeles International Airport, it can also include a number of places serving recreational or entertainment purposes, such as the Arroyo Seco / Rose Bowl area of Pasadena.

Due to the unique nature of areas within the Cluster B: Special-Use Areas, the following policies should guide Metro’s activities in Cluster B only as they relate to industrial areas and goods movement corridors. No additional guidance for other types of Special Use Areas is provided beyond that recommended in the Universal Policies given the distinctiveness and specific characteristics of these locations.

Policy Topics	Cluster B: Place-based Policies for Special Use Areas (Industrial Areas and Goods Movement Corridors)
Sustainable Transportation	B VII: Support growing use of motorized green modes (clean fuel vehicles) through development and sponsorship of facilities and services.
Local Government Planning	<p>B VIII: Work with local governments to identify specific transportation needs that can be met with green modes as well as opportunities to improve efficiency and safety of both goods movement and passenger travel.</p> <p>B IX: Where greater development is desired, encourage cities to undertake planning exercises in advance of road capacity enhancements to determine the most effective strategies for limiting congestion and</p>

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	maximizing the efficiency of freight movement.
Transit Services (Metro, Municipal and Local Transit Providers)	B X: Provide and encourage transit services reflecting area densities and design characteristics, focusing on commute services to employment centers and subregional transportation hubs, and feeder services to fixed-guideway transit corridors.
Street Operations	B XI: Implement, encourage, and sponsor projects that give priority to goods movement through designated routes and corridors, while creating safe and efficient conditions for walking, biking, and transit use to address mobility conflicts in areas adjacent to population centers and nearby communities. B XII: In project development and sponsorship, prioritize efficiency projects that seek to better utilize existing capacity over general capacity improvements.

Cluster C

Cluster C includes sub-regional centers, neighborhoods, and districts where employment centers are nearby and residential densities are high enough to support local commercial activity. People living in these areas generally benefit from relatively short trip lengths, which make walking, biking, and transit use for a wide range of activities possible. The predominant development pattern in many of these places is the single-family detached home. As a result of its historic pre-war growth boom, Los Angeles County has a much higher single-family residential density pattern than most counties in major metropolitan regions and across the nation. These areas may be either residential or more mixed-use in nature. Cluster C includes historic downtown-adjacent neighborhoods with a compact feel like the Mid-City District of Los Angeles and the eastern San Fernando Valley including most of the City of Burbank.

Residents and workers in this cluster benefit from frequent and predictable transit service – including very high quality commute services. Transit-oriented development is a good fit in these communities with their established mix of relatively high housing density and proximity to jobs. Transit, walking, and biking facilities will help support the vibrant mix of uses that is possible in these places due to their density and proximity to jobs and other amenities.

Cluster C has the second-highest rate of transit ridership (7.1%) and second lowest rate of driving alone (76%) for commute travel. Nearly 11% of commuters in this cluster do not take an automobile to work. Households and businesses in these locations should see continued growth in attractive multimodal travel options, with a growing share of neighborhoods well-served by high quality all-day transit connecting to a wide variety of destinations.

Home to nearly 40% of the county’s residents, or 3.8 million people, locations within this cluster serve an important role in achieving the sustainability principles and priorities advanced by the policy. With wide participation, even small changes in travel behavior could lead to significant countywide progress. For example, if a 5 percent increase in transit commuters were achieved through a shift from solo drivers living in these

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locations, over 10,000 daily drive alone commute trips would be reduced, with a proportional increase in transit ridership.

The following policies should guide Metro’s activities in the Cluster C:

Policy Topics	Cluster C: Place-based Policies
Sustainable Transportation	C I: Provide mobility options to support car-free and one-car living through development and sponsorship of facilities and services promoting high levels of walk, cycling, and transit use for all types of trips.
Local Government Planning	C II: Support local governments in planning and development activities to create transit supportive densities and design features, with a focus on mixed use corridors and districts.
Transit Services (Metro, Municipal and Local Transit Providers)	C III: Provide and encourage local transit coverage, frequency, and reliability within close proximity to homes and businesses and with short headways or timed transfers, all-day; connect local service to high-quality transit investments (Bus Rapid Transit, Light and Heavy Rail) that provide access to destinations across LA County, Southern California, and the State.
Street Operations	C IV: Implement, encourage, and sponsor projects that give priority to transit and active modes except on key segments of through routes and goods movement corridors. C V: Implement, encourage, and sponsor projects that seek to increase the share of transit services operating in exclusive rights of way.

CLUSTER D

This cluster includes regional centers with concentrated economic, entertainment, and cultural activity. They are major destinations to which hundreds of thousands of commuters travel every day, and that also draw the region’s residents for more occasional activities like nightlife, cultural events, shopping, and dining. In some, but not all cases they offer 24-hour districts, where people can live, work, and play without ever stepping into a car. These places have a full range of horizontally- and vertically-mixed land uses with high capacity transit stops and corridors (present or planned). The urban character of residential and business districts in regional centers should complement the highest levels of multimodal connectivity at the local, regional, and statewide scale.

High levels of congestion are typical in regional centers, and peak hour conditions can last for much of the day. Relief comes when people can opt out of congestion by walking, biking, and taking transit operating in dedicated rights-of-way and given operating priority. Accessibility, which is the benefit of having places one needs to go located close by, is abundant, though mobility – conventionally understood as the ability to travel quickly in a private vehicle – may be in short supply.

This cluster covers areas with significant urban office centers such as the downtowns of Los Angeles, Pasadena, Century City, Glendale, Santa Monica, and Warner Center.

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This designation also includes more mixed-use but high-density locations such as Hollywood. A number of higher intensity industrial and entertainment areas such as Downtown Burbank – with large clusters of movie studio jobs - are also included.

Cluster D has the highest rate of transit ridership (17%--more than double the next cluster) and lowest rate of driving alone (66.2%) for commute travel. Additionally, over a quarter (23.7%) either walk, bike, or take transit to work. While households in these places also have the lowest VMT (15,988) in the county, these places don't consistently provide the mobility choices needed to make car-free and one-car living attractive and easy for all residents. Strategies in this cluster should emphasize increasing the attractiveness of walking and cycling, because of public health and environmental benefits and low cost relative to other transportation options. If solo drivers were to shift to those active travel modes so that the share of both walk and bike commute trips doubled relative to 2009 conditions, the drive alone commute would be reduced by over 62,000 people, nearly 10% of the number of drive alone commuters in this cluster in 2009.

The following policies should guide Metro's activities in Cluster D:

Policy Topics	Cluster D Place-Based Policy
Sustainable Transportation	D I: Provide mobility options to support car-free and one-car living through development and sponsorship of facilities and services promoting very high levels of walk, cycling, and transit use for all types of trips as well as carshare and rideshare.
Local Government Planning	D II: Support local governments in planning and development activities resulting in transit supportive densities and design features throughout Cluster D areas.
Transit Services (Metro, Municipal and Local Transit Providers)	D III: Provide and encourage local transit coverage, frequency, and reliability within close proximity to homes and businesses and with short headways or timed transfers, all-day (and potentially night owl service); connect local service to high-quality transit investments (Bus Rapid Transit, Light and Heavy Rail) that provide access to destinations across LA County, Southern California and the State.
Street Operations	D IV: Implement, encourage, and sponsor projects that give priority to transit and active modes, except on key segments of through routes and goods movement corridors. D V: Implement, encourage, and sponsor projects that seek to increase the share of transit services operating in exclusive right of way.

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SECTION 4: POLICY IMPLEMENTATION AND IMPACT

4.1 INTRODUCTION

As a core business value, sustainability should touch every aspect of transportation planning. This section provides direction for implementing the policy and evaluating its impact.

4.2 IMPLEMENTATION PLAN

The following implementation plan, though focused on Metro actions, will integrate sustainability into the agency's planning functions and foster collaboration and inspire partnerships that will lead to more sustainable communities.

Countywide Sustainability Planning Policy Implementation Plan		Initiation Timeframe	Participants
1. Performance Measurement and Monitoring			
1.1	Develop/Refine Sustainability Assessment Tools to evaluate the sustainability of projects and plans.	0-2 year	Countywide Planning
1.2	Include sustainability performance metrics in the Sustainability section of the Short Range Transportation Plan.	0-1 year	Countywide Planning
1.3	Evaluate and report on progress toward achieving policy goals by developing an annual report on the program and countywide performance metrics.	Annual	Countywide Planning
1.4	Include sustainability performance metrics in the Sustainability section of the Long Range Transportation Plan.	Next Cycle	Countywide Planning
1.5	Conduct before and after studies of projects funded through the Call for Projects to quantify impact.	Next Cycle	Countywide Planning, Highway Program
2. Integration of Sustainability Principles into Metro's Planning Functions			
2.1	Strengthen Call for Projects link to Metro's sustainability commitments.	0-1 years	Countywide Planning, Highway Program
2.2	Continue to offer the Transit Oriented Development Planning Grant Program and provide related technical support and resources to cities and the county, including a model TOD ordinance, to optimize the transit and sustainability benefits of land-use changes.	0-2 years	Countywide Planning
2.3	Per Board Direction, continue development of an Active Transportation and Design Policy that will advance the Context Sensitivity, Green Modes and Healthy Neighborhoods policy priorities.	0-2 years	Countywide Planning

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2.4 Organize staff webinars and briefings, as needed, to highlight trends and promote continuous learning within the department, as well as between departments, on sustainability issues.	Ongoing	Countywide Planning, Other Depts as applicable
2.5 Per Board Direction, develop Countywide Safe Routes to School initiative to promote active transportation among school-age children.	1-3 years	Countywide Planning
2.6 Per Board Direction, develop safe routes to transit programs that target youth, senior, and low-income populations.	1-4 years	Countywide Planning
3. Pilot Projects & Community Partnerships		
3.1 Subject to management and board approval, develop a Sustainable Transportation Grant Program to support city partners in implementing innovative capital or operations improvements that apply guidance from the policy. Seek funding from SCAG, AQMD, State Strategic Growth Council, and federal/state grants.	0-2 years	Countywide Planning
3.2 Per Board Resolution, partner with the Department of Public Health and Tree People to develop a Systemwide Urban Greening Plan to improve placemaking, increase environmental stewardship, and create livable streets around transit stations with funds awarded by the State Strategic Growth Council.	0-2 years	Countywide Planning
4. Outreach/Education		
4.1 External: Disseminate information on the policy, associated strategies, and tools to regional stakeholders and the greater public.	0-2 years	Countywide Planning
4.2 Internal: Disseminate information on the policy, associated strategies, and tools for inter- and intra-department coordination and collaboration.	0-2 years	Countywide Planning
4.3 Organize forums and workshops to promote and inform cities, industry professionals, and other stakeholders of best practices in the areas of active transportation, transportation demand management, and other sustainability topics.	Ongoing	Countywide Planning
5. Regional Planning & Policy Development		
5.1 Partner with SCAG to conduct a First-Last Mile Strategic Plan to explore opportunities to increase ridership through access improvements in the transit catchment area.	0-2	Countywide Planning
5.2 Serve on advisory committees to develop regional policies and plans that seek to implement the 2012 Regional Transportation Plan/Sustainable Communities Strategy.	0-4	Countywide Planning
5.3 Continue efforts to coordinate a Countywide Zero-Emissions Truck Collaborative to accelerate market adoption of zero and near-zero vehicles in Los Angeles County.	0-2	Highway Program, Countywide Planning

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	5.4 Provide leadership for the development of the 2016 Regional Transportation Plan/Sustainable Communities Strategy by working with SCAG and engaging other County Transportation Commissions to share best practices, advance innovation, and develop coalitions to advocate for greater federal and state funding.	0-4	CEO's Office, Countywide Planning
6. Funding			
	6.1 Seek federal, state, and local funds to implement planning guidance and strategies to advance both Metro's sustainability goals and those of the RTP/SCS.	0-4	Countywide Planning
Policy Updates			
	7.1 Review and consider updates to the policy at least every five years.		Metro Board, Countywide Planning

Draft

4.3 EVALUATION METRICS

The policy includes a performance evaluation component that will track progress toward achieving Metro's policies and priorities. Because of the many factors involved in advancing these aims, the performance evaluation has several key parts:

- Tracking Metro's success at implementing strategies to advance the policy, to be accomplished through **Program Metrics**
- Tracking outcomes across the county, to be accomplished through **Countywide Performance Metrics**

The time frame for influencing outcomes can be lengthy, and full strategy implementation can likewise take several years. Therefore, the monitoring program will have a set of metrics that are monitored annually, and another set that are monitored less frequently.

Metro will evaluate and report on progress toward policy goals by monitoring the program activities and performance metrics shown in Figure 4.1. Evaluation metrics track key indicators that reflect progress toward multiple priorities.

Program Metrics

In years 1-5 following adoption of the policy, program metrics will track progress in integrating the framework into Metro activities through the completion of activities in the Implementation Plan. In subsequent years, program metrics will track system change – for example, programming of funds for projects including green mode or urban greening components.

Countywide Performance Metrics

Performance metrics will also track the countywide outcomes, which are influenced by Metro's activities as well as factors beyond the agency's direct control. The majority of these will be tracked annually (e.g., accidents and fatalities; and VMT). Other candidate performance metrics could be tracked on a five-year basis, such as the percent of housing and jobs near transit. The candidate metrics will be finalized based on data availability.

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Figure 4.1: Preliminary Program and Performance Metrics

Metrics		Connect	Create	Conserve	Measurement Interval
Program Metrics					
1	Actions Completed on Implementation Plan	X	X	X	Annual
2	Projects Incorporating Strategies in Appropriate Accessibility Clusters	X	X	X	Annual
Countywide Performance Metrics					
3	Vehicle Miles Traveled	X	X	X	Annual
4	Accidents	X	X	X	Annual
5	Transportation Fuel Usage	X		X	Annual
6	Congestion	X		X	Annual
7	Emissions	X	X	X	Annual
8	Transit Ridership	X		X	Annual
9	Walking/Biking Trips	X		X	TBD
10	Environmental Enhancements		X	X	Annual
11	Jobs Adjacent to Transit	X	X		TBD
13	Population Adjacent to Transit	X	X		3-5 years
14	Transit Service in Accessibility Clusters C and D	X		X	Annual
15	Population and Employment in Accessibility Clusters C and D			X	3-5 years

SECTION 5: CONCLUSION

Metro is committed to being a leader in sustainability for the region, while also providing for the continuous improvement of an efficient and effective transportation system for Los Angeles County. Adhering to these roles presents a multitude of challenges and opportunities. The Countywide Sustainability Planning Policy responds to these challenges and opportunities with principles, priorities, and strategies for advancing sustainability in transportation, based on the following key ideas:

1. The projects implemented through Measure R in the coming decades should be complemented by regional and local strategies that will help get the greatest possible benefit from these once-in-a-generation investments.
2. Every opportunity should be taken to leverage and highlight the collective benefits of efforts underway to achieve a more sustainable countywide transportation system, including, but not limited to, implementation of Measure R projects, Transit-Oriented Development (TOD) Planning Grants, Call for Projects funding, etc.
3. LA County's innumerable distinctive places require strategies that are customized and tailored to local circumstance.
4. Despite the importance of recognizing the different characteristics of different locations, commonalities point the way to appropriate choices of transportation strategies as Metro works to move millions of people throughout the county as well as advance the recommendations included in the RTP/SCS.
5. Partnerships with regional, subregional, and local agencies are essential to optimize the countywide benefits of Metro's programs and plans.

Application and successful implementation of the policy will require ongoing communication and partnering with regional and local stakeholders as well as support from Metro staff and the Board of Directors. Recognizing the importance of coordination and collaboration, Metro has carried out an extensive internal and external review process as part of the development of this policy. Over the course of the creation of the policy and its related research and analysis, Metro staff has actively engaged the Ad Hoc Sustainability Committee and enlisted feedback and support from its members. Additionally, staff from different Metro Departments has been pivotal in providing input to enhance the policy. Through an external outreach process, Metro has also reached out to local, subregional, and regional agencies and hosted broader stakeholder workshops to solicit feedback on the policy.

APPENDIX A

Accessibility Clusters and Index (AI)

The Accessibility Clusters are based on an Accessibility Index (AI) that gauges the extent to which community characteristics enable local residents and workers to drive less, either by reducing trip lengths, or by taking transit, walking, and biking. Improving accessibility and the attractiveness of trips by walk, bike, rideshare, and transit is critical to advancing many of the policy’s principles and priorities.

The index measures community characteristics at the census tract level based on two features: *net residential density* and *job centrality*.

- *Residential density* is calculated using the number of households in each census tract divided by the total net acreage of residential land. Data sources are the 2009 U.S. Census American Community Survey 5-year estimates and SCAG’s 2008 parcel level land use data.
- *Job Centrality* is a measure of employment accessibility calculated for each census tract. For use in the Accessibility Index, job centrality was derived using a gravity model which considered both number of jobs and their distance from each tract, with jobs in or near the tract having more weight than those at further distance. The model uses 2007 Longitudinal Employer Dynamics (LED) data provided by the U.S. Census.

Both characteristics have a strong influence on average annual distance driven –known as vehicle miles traveled (VMT) – as demonstrated by national and international academic research. Residential density and proximity to jobs are two of the most significant built environment characteristics influencing VMT in Los Angeles County.

In an effort to establish a meaningful set of Accessibility Indexes to assign to each census tract in the county, census tracts are divided into three categories based on residential density and job centrality as shown in Figure 1. The thresholds for the “high,” “medium,” or “low” categories are shown in the Figure.

Figure 1: Accessibility Index Performance Thresholds

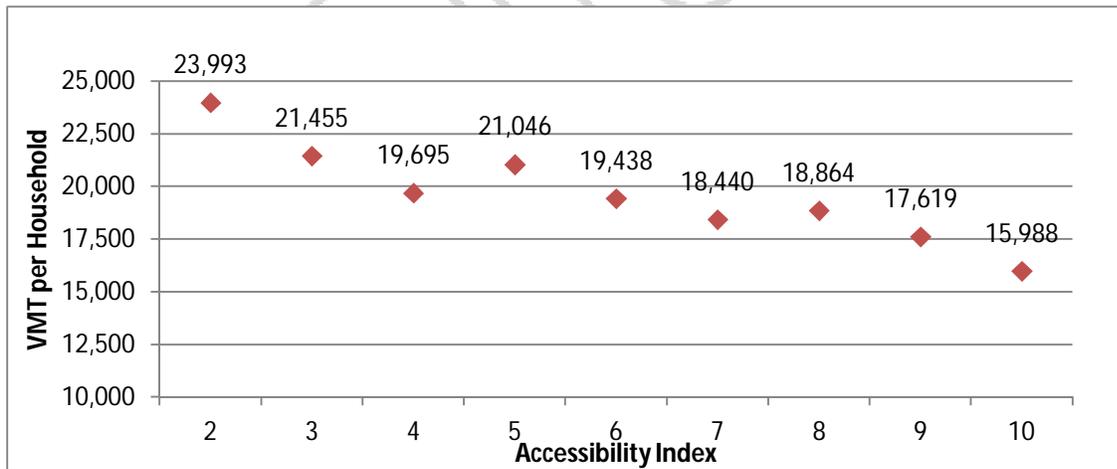
Bracket Threshold	Net Residential Density <i>Households / Res Acre</i>	Job Centrality <i>Gravity Model Index</i>
Low	0 to 7	0 to 52,300
Medium	7 to 14	52,300 to 71,500
High	14 and greater	71,500and greater

Each census tract is assigned an Index of 2 through 10, based on its residential density and job centrality characteristics. As shown in Figure 2, tracts can receive a maximum residential density score of 7 and a maximum job centrality score of 3. The scoring weighs residential density more strongly than job centrality because the analysis conducted for this policy indicates that it is more influential in reducing vehicle miles traveled. Figure 2 details how scores are assigned for each characteristic. Each of the Accessibility Index scores exhibits distinct average annual vehicle miles traveled for the typical Los Angeles County household (based on modeled results). The general trend is a negative correlation—as the Index increases to reflect higher density and greater job centrality, annual VMT decreases. This is shown in Figure 3.

Figure 2. Accessibility Index Calculation

Density	Centrality	Residential Density Points	Employment Centrality Points	Accessibility Index
High	High	7	3	10
	Medium	7	2	9
	Low	7	1	8
Medium	High	4	3	7
	Medium	4	2	6
	Low	4	1	5
Low	High	1	3	4
	Medium	1	2	3
	Low	1	1	2

Figure 3: Average Annual VMT for the Typical Los Angeles County Household by AI



Accessibility Clusters

The Accessibility Index serves as the foundation for grouping together the nine AI values into four clusters, as shown in Figure 4. The clusters are: A, B, C, D. The clusters are necessarily broad and cannot capture many important variations in local conditions. Subareas of local character are not well represented by the clusters given the county’s large size. Unique design, economic, cultural, and historic factors must be considered through the local planning process.

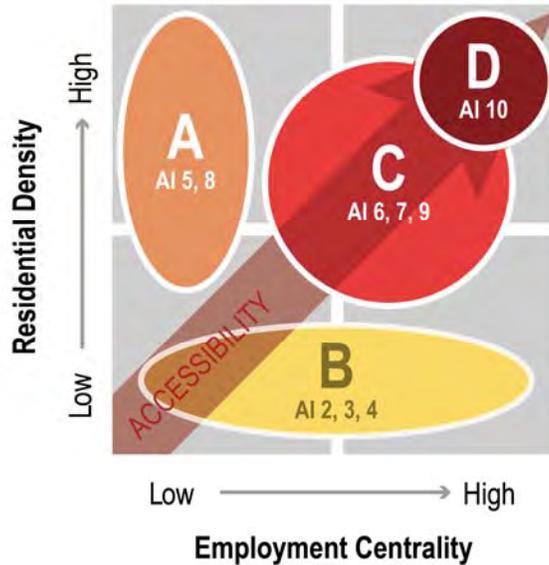


Figure 4: Accessibility Clusters

Each cluster matches distinct residential density and job centrality scores. Census tracts within each type are broadly characterized in Figure 4. The objective of the policy is not to move areas from lower to higher accessibility index clusters necessarily. Rather, it is to characterize clusters in such a way that “best fit” strategies can be identified that help advance the policy’s principles and priorities.

Figure 5: Summary of Accessibility Clusters

Cluster	Summary	AI	Residential Density (Hhd/Res. Acre)		Job Centrality	
Cluster A	Small districts and corridors with a higher density residential pattern, often serving as centers in lower density communities. While not as well-connected to the region’s economic centers and the wide array of economic activity in the county, these areas are good candidates for sustainable local travel.	5	7-14	Medium	Low	0-52,300
		8	14+	High	Low	0-52,300
Cluster B	All locations in this cluster have low average residential density. The job centrality of these places is varied, as shown in the data to the right and in Figure 2.4. Low density makes these places predominantly auto-oriented. Nearby downtowns and compact neighborhoods may be appropriate places for transit investments.	2	0-7	Low	Low	0-52,300
		3	0-7	Low	Medium	52,300-71,500
		4a	0-7	Low	High	71,500+
Cluster B <i>Special Use Areas</i>	High job centrality places where there is no housing or where housing is a minor component, such as large industrial zones, warehousing, ports, and airports. Also includes places serving recreational or entertainment purposes.	4b	0-7	None/ Very low	High	71,523+

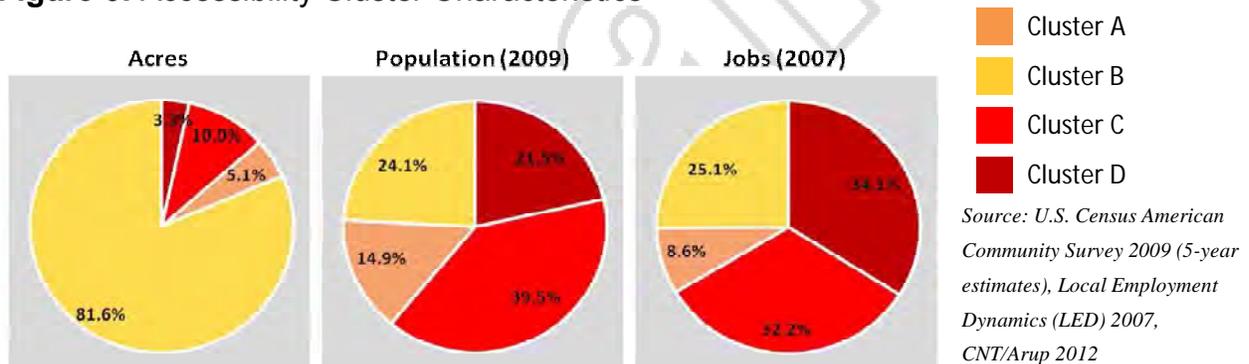
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Cluster C	Both residential and mixed-use areas near centers of economic activity and characterized by sufficient density to support growing use of green modes, including predominantly traditional single-family residential areas. Includes historic downtown-adjacent neighborhoods with a compact feel.	6	14+	High	Medium	52,300-71,500
		7	7-14	Medium	High	71,500+
		9	7-14	Medium	Medium	52,300-71,500
Cluster D	Unique concentrations of economic, entertainment, and cultural activity, drawing large volumes of commuters and visitors every day. Host to a full range of horizontally- and vertically-mixed land uses, with high capacity transit stations and corridors present or planned.	10	14+	High	High	71,500+

Source: CNT, Arup 2012

Each cluster represents a different share of the county's area, population, and jobs, as described by Figure 6. The clusters vary significantly across these metrics. For instance, areas in Cluster B cover over 81% of the county's land area but contain only about a quarter of the county's population and jobs. In contrast, areas in Cluster D contain over 34% of the jobs and 21.5% of the population, yet represent less than 3.3% of the acreage.

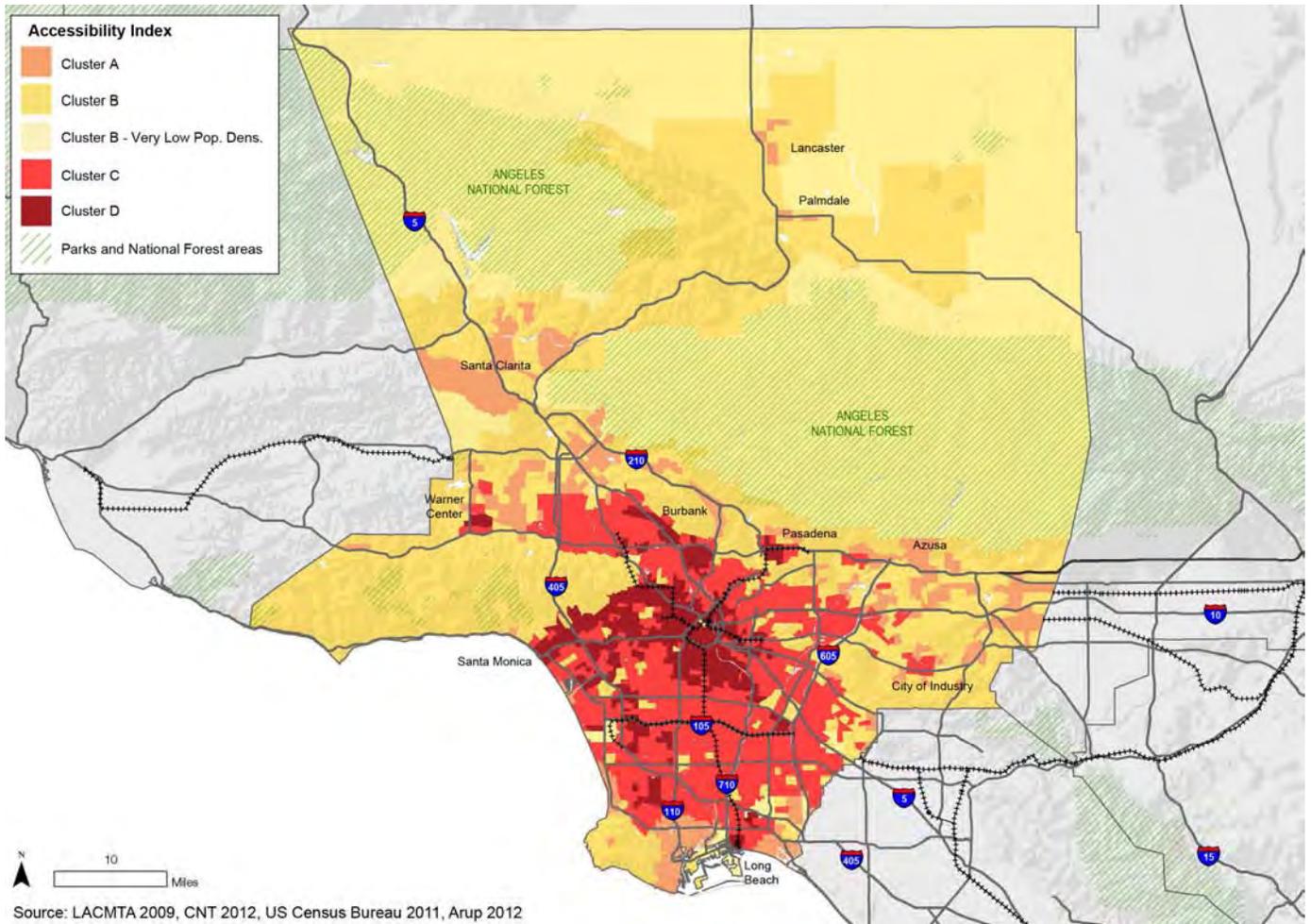
Figure 6: Accessibility Cluster Characteristics



Metro Countywide Sustainability Planning Policy

The four Accessibility Clusters are mapped below, in Figure 7, using residential density and employment centrality data at the census tract level. Residential density and employment centrality are dynamic and will change overtime. Metro and its partners should consider both current and future land-use plans when applying place-based policies. Empirical data at a finer geographic scale may also be necessary to confirm the relevance of Accessibility Clusters and associated strategies, especially in locations where census tracts cover large land areas.

Figure 7: 2009 Snapshot: Accessibility Clusters Across Los Angeles County



APPENDIX B

Sources

The planning framework offers an evidence-based approach to selecting transportation strategies based on policy objectives and on physical context. It relies on original analysis conducted specifically for the Metro Sustainable Community Planning Framework (SCPF) by the Chicago-based Center for Neighborhood Technology in order to establish the place types and Accessibility Index, and to illuminate the relationship between built environment, travel behavior, and socioeconomic factors. This analysis was conducted in the 4th quarter of 2011 and the first quarter of 2012, using data from a variety of sources. Further information can be found in the Metro Countywide Sustainability Planning Policy Technical Document.

The policy relies heavily on the following research and analysis, in addition to the original analysis undertaken for this effort:

LA County and SCAG regional activities focusing on implementation SB 375 and AB 32 as well as activities generally supporting improved transportation and land use integration. These include the many activities associated with the SCAG Sustainable Community Strategy and the Compass Blueprint, as well as sub-regional efforts such as the South Bay Cities Council of Government's *South Bay Sustainable Strategy: An Integrated Land Use and Transportation Strategy*.

Published research results that report on original analysis, such as Brian Taylor et al's, "Nature and/or nurture? Analyzing the determinants of transit ridership" in *Transportation Research Part A: Policy and Practice*, Volume 43, Issue 1, January 2009, in which the authors apply basic consumer economics theory to transit ridership, using the U.S. Census as a source for socioeconomic data, and the National Transit Database (NTD) compiled annually by the Federal Transit Administration as a source of transit data for 265 urbanized areas analyzed. Another study examining data from multiple regions is Garrick and Marshall's "Effect of Street Network Design on Walking and Biking" included in the Transportation Research Board's *Pedestrians 2010*.

Published professional guidance aimed specifically at providing an evidence-based foundation for application of an integrated transportation and land use strategy, such as the California Air Pollution Control Officers Association (CAPCOA) 2010 publication, *Quantifying Greenhouse Gas Mitigation Measures: A Resource for Local Government to Assess Emission Reductions from Greenhouse Gas Mitigation Measures*.

Published syntheses of prior work that draw conclusions based on multiple sources in order to support policy and implementation choices. This project benefits from the growth in this category of work following adoption in California of the Sustainable Communities and Climate Protection Act of 2008 (SB 375) which has led to sponsorship of a very useful body of synthesis research by the State of California. Work by Carolyn Rodier, Susan Handy, Marlon Boarnet, and others is included in this category and was commissioned specifically to support SB 375 implementation. There are a growing number of this type of publication, sometimes with a specific focus on supporting efforts aimed at the growing use of green modes. One valuable example is the article by Ann Forsyth and Kevin Krizek, "Promoting Walking and Bicycling:

Metro Countywide Sustainability Planning Policy

Assessing the Evidence to Assist Planners” in *Journal of the Built Environment* VOL 36 NO 4. While many recent compilations focus on strategies to reduce vehicle miles traveled in support of climate-related goals, others focus on objectives that relate to SCPF objectives. These include the UC Transportation Center’s 2009 *Performance Measures for Complete, Green Streets: A Proposal for Urban Arterials in California*, by Elisabeth MacDonald, Rebecca Sanders and Alia Anderson.

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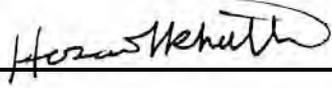
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DATE: October 4, 2012

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

FROM: Sharon A. Neely, Chief Deputy Executive Director, neely@scag.ca.gov, (213)-236-1992

SUBJECT: Support of Cap-and-Trade Coalition Principles

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
Support.

EXECUTIVE SUMMARY

The Legislative/Communications and Membership Committee at its August 2, 2012 meeting forwarded a recommendation of support of the coalition cap & trade principles for approval by the Regional Council. A stakeholder coalition group consisting of the League of California Cities, the California State Association of Counties, the California Alliance for Jobs, California Transit Association, and Transportation California, has been formed and have developed a set of principles to ensure that an equitable portion of collected revenues from the Cap-and-Trade Program be dedicated for transportation purposes.

As part of the implementation of AB 32 (the California Global Warming Solutions Act of 2006), the California Air Resources Board (ARB) has adopted regulations to establish a new Cap-and-Trade Program to cap greenhouse gas emissions statewide. AB 32 calls for the reduction of greenhouse gases to 1990 levels by the year 2020. Apart from the reduction of emissions, the cap-and-trade program stands to generate significant revenues. ARB plans to sell 66 million allowances in FY 2012-2013, generating an estimated \$660 million to \$3.3 billion (depending on the price per ton, which would range between a minimum of \$10 and maximum of \$50). There is currently legislation in both houses of the legislature focused on the allocation of Cap-and-Trade revenues.

BACKGROUND

This report summarizes an update on Cap-and-Trade activities by the ARB and the Legislature as well as activities by other entities to ensure that an equitable portion of collected revenues be dedicated for transportation purposes. CARB has adopted regulations to establish a new cap-and-trade program to cap greenhouse gas (GHG) emissions statewide as part of the implementation of AB 32 (Núñez and Pavley), Chapter 488, Statutes of 2006, the Global Warming Solutions Act of 2006. AB 32 calls for the reduction of GHG emissions to 1990 levels by the year 2020.

According to ARB, a total reduction of 80 million metric tons (MMT), or roughly 16% compared to business as usual, is necessary to achieve the 2020 limit. Approximately 78% of the reductions will be achieved through identified regulatory measures. ARB proposes to achieve the balance of reductions necessary to meet the 2020 limit (approximately 18 MMT) through a Cap-and-Trade Program. Producers of approximately 80% of the state's GHG emissions are subject to the cap, which reduces emissions by about 20% at a rate of 2% per year in 2013 and 2014 and 3% percent per year through

2020. Motor vehicle fuels will be subject to the cap starting in 2015. The remaining 20% of emissions derive from smaller entities and are uncapped sectors.

The first auction of emission allowances by the ARB is scheduled to be held in November 2012, with subsequent auctions to be held in February and May 2013. As part of its regulations, ARB has set a floor price of \$10 per ton and a ceiling of \$50 per ton. Based on the 66 million allowances that ARB plans to sell in FY 2012-13, this will generate between \$660 million to \$3.3 billion in FY 2012-13. Governor Brown's proposed 2012-13 budget assumes ARB will raise \$1 billion from the auctions for the budget year. ARB estimates annual revenue from the auction of GHG emission allowances to range from \$2 billion to \$5 billion in 2013, with that amount increasing to between \$17 billion and \$67 billion in later years.

Transportation comprises about 40% of the state's share of GHG emissions; thus, the sale of emissions allowances from Cap-and-Trade represent a significant new funding opportunity for the transportation sector, and low-carbon transportation improvements should receive a substantial share of proceeds from the Cap-and-Trade Program.

TRANSPORTATION FUNDING COALITION PRINCIPLES FOR CAP AND TRADE AUCTION REVENUES

A coalition group consisting of the League of California Cities, the California State Association of Counties, the California Alliance for Jobs, California Transit Association, and Transportation California, has been formed to ensure that an equitable portion of collected revenues from the cap-and-trade program be dedicated for transportation purposes. The principles provide policy input to determine how distribution of collected cap-and-trade revenues for transportation and infrastructure would be apportioned. Members of the Coalition have sent a letter to the ARB providing their input on broad areas of consensus concerning cap-and-trade revenue allocations. A copy of the letter is attached to this report.

San Diego Association of Governments (SANDAG), Metropolitan Transportation Commission (MTC) and CALCOG have also endorsed the Coalition principles. The LCMC, at its August 21, 2012 meeting, reviewed these principles and has forwarded a recommendation of support of the Coalition cap & trade principles to the EAC and the RC.

The Coalition principles consist of the following (more detail can be found in their attached letter):

1. Dedicate the allocation of revenues related to fuels to transportation investments. This is consistent with the longstanding policy of the state to dedicate revenues related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.
2. Invest a major portion of fuels related revenues to implement the AB 32 regulatory program by reducing GHG emissions from transportation. Dedicate revenues directly into transit and road operations and maintenance, as well as transit and complete streets infrastructure within existing urban infill and rural communities. These funds must be invested in a way that implements AB 32 using, where applicable, the SB 375 regional strategies. In regions not within an MPO where SB 375 does not apply, other measurable greenhouse gas reduction strategies can be developed within regional transportation plans.

3. Structure the investments to favor integrated transportation and land use strategies. Funds should be allocated regionally by population, recognizing that different strategies are needed to achieve GHG reductions in different areas of the state. To maximize cost effective GHG reduction, additional incentives for regions with Sustainable Community Strategies that exceed GHG reduction targets, or equivalent Blueprint Plans or other regional plans. Within each region, funding should be allocated primarily through a competitive grant program based on cost effectiveness of GHG emission reductions from combined land use and transportation infrastructure and operations investments.
4. Improve modeling and verification systems to evaluate GHG reduction potential. Funding should be allocated to the development of performance measurement tools for local and regional actions that will allow evaluation and prediction of the GHG reduction and cost effectiveness of investment and land use strategies.
5. Allow flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments.
6. Provide the incentives and assistance that local governments need to make SB 375 work.
7. Project-funding determinations should be done at the regional level under established statewide criteria to encourage local innovation and flexibility.

OTHER MPO ACTIONS

The Metropolitan Transportation Commission (MTC) approved cap-and-trade principles on June 27, 2012 (report attached). Their principles include:

- Authority of the Legislature to adjust the expenditure plan;
- A similar share of cap-and-trade allowance revenue to be allocated to transportation projects as the total GHGs attributable to transportation (40%);
- Distribution of cap-and-trade allowance revenues for transportation to MPOs to help achieve GHG reduction targets included in each region's Sustainable Communities Strategy;
- Each region's share of allowance revenue determined by formula based on a geographically equitable distribution of funds.

The San Diego Association of Governments (SANDAG) endorsed cap-and-trade principles at their July 27th Board meeting (report attached). Their principles include:

- Dedicate the allocation revenues related to fuel to transportation investments.
- Ensure revenues are dedicated to public transportation.
- Provide an equitable distribution of funds.
- Ensure revenues are invested consistent with regional plans and Sustainable Communities Strategies.
- Ensure project eligibility criteria are created in collaboration with Metropolitan Planning Organizations (MPOs).

PENDING LEGISLATION

The Assembly and Senate budget subcommittees have adopted language that would dedicate "at least \$500 million" of cap-and-trade revenues towards General Fund (GF) expenditures to help reduce the deficit. Both houses rejected the Administration's proposal to appropriate the balance of funds to an expenditure plan that would be developed by the Administration at a later date on the grounds that it

denies the Legislature the opportunity to adjust the expenditure plan. Instead, the draft budget includes language stating that the appropriation of additional funds beyond those used to offset GF expenditures will be contingent upon the enactment of future legislation.

There are currently two primary Cap-and-Trade bills pending in the Legislature to guide this process:

- AB 1532 – John A. Perez (D)
California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund

As amended, this bill would create the Greenhouse Gas Reduction Fund (GHGRF), and requires moneys in the GHGRF to facilitate the achievement of feasible and cost-effective reductions of Greenhouse Gas (GHG) emissions in the state. The bill requires administering agencies, including ARB and any other state agency identified by the Legislature to allocate those moneys to measures and programs that meet specified criteria. The bill would require ARB to develop three investment plans that identify the anticipated expenditures of moneys appropriated from the account, to submit each plan to the budget committees of each house of the Legislature, and to adopt each investment plan.

Additionally, the bill requires that each investment plan identify the anticipated expenditures of moneys appropriated from the fund. Each investment plan must list and describe the key measures and strategies that the state is relying on to achieve GHG emissions, reduction targets by sectors, analyze gaps, where applicable, in current state strategies to meeting the state's GHG emissions reduction goals by sector, and identify priority programmatic investments of moneys appropriated from the fund that will facilitate the achievement of feasible and cost-effective GHG emissions reductions toward achievement of reduction targets by sector.

The Governor would be required to submit a budget to the Legislature that includes specified appropriations consistent with each investment plan and would require the Legislature to consider these appropriations when adopting the Budget Act. The bill would require the state board to annually submit a report no later than December of each year to the appropriate committees of the Legislature on the status of projects and their outcomes and any changes ARB recommends need to be made to the investment plan.

As amended, prior bill provisions specifying that each investment plan adopted by ARB be exempt from the California Environmental Quality Act (CEQA) have been removed, thus no CEQA plan exemption provision remains in the bill.

Senate Floor Amendments of August 24, 2012 strike and add requirements and criteria for the expenditure of revenue and the development of investment plans for revenue collected pursuant to the California Global Warming Solutions Act. Specifically, the amendments (1) strike the requirement that the state determine a measure or program is consistent with requirements, as established by the California Supreme Court in *Sinclair Paint Co .v. State Board of Equalization*; (2) add specified investments to the purposes for the use of GHGRF moneys; (3) add specified criteria for the California Environmental Protection Agency (CalEPA) to consider when developing a methodology that identifies priority communities for investment; (4) strike duplicative requirements and adds new requirements related to investment in priority communities area to GHGRF investment

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plans; (5) require that if ARB and CalEPA find that less than 10% of all available moneys from a fiscal year was invested in priority community investment areas the Governor include in the annual budget additional allocations to projects in priority community investment areas equal to the difference between 25% of the prior year's allocation and the actual allocation; and (6) require ARB to hold one public hearing on the required report prior to its submission to the Legislature.

AB 1532 passed the Assembly by a vote of 49-27 on May 29, 2012. The bill was referred to the Senate Committee on Environmental Quality on June 7, 2012. The bill was amended by the author and Bill passed out of Senate Appropriations Committee (5-2) on August 20, 2012. On August 27, 2012 after substantive amendments on August 24, 2012 the bill was re-referred from Senate 3rd Reading File to Senate Committee on Environmental Quality, where absent rule waiver the bill must be heard and pass prior to floor session only beginning on August 29, 2012. Last day to amend bills on the floor is September 2, 2012; last day to pass bills is September 9, 2012. Staff will provide an oral update at the meeting.

The following summarizes support and opposition on record for the bill by the following organizations, agencies, and groups:

Support

American Federation of State, County and Municipal Employees, AFL-CIO
American Lung Association
American Society of Landscape Architects -California
Asian Pacific Environmental Network
Audubon California
Big Sur Land Trust
Bolsa Chica Land Trust
Breathe California
California Association of Local Conservation Corps
California Biomass Energy Alliance
California Clean DG Coalition
California Climate and Agriculture Network
California Housing Partnership Corporation
California Infill Builders Federation
California Interfaith Power & Light
California ReLeaf
California State Association of Counties
California Transit Association
California Urban Forests Council
California Watershed Coalition
California Watershed Network
Californians Against Waste
CALSTART
Coalition for Clean Air
Electrification Leadership Council

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Ella Baker Center, Green Collar Jobs Campaign
Energy Independence Now
Environmental Defense Center
Environmental Defense Fund
Friends of Harbors, Beaches and Parks
Global Green
Golden Gate Audubon Society
Greenlining Institute
Honda North America
Intelligent Transportation Society of California
Land Trust of Santa Cruz County
Los Angeles County Metropolitan Transportation Authority
Marin Agricultural Land Trust
Nature Conservancy
Natural Resources Defense Council
Non-Profit Housing Association of Northern California
Open Space District
Pacific Forest Trust
Peninsula Open Space Trust
San Francisco Bay Area Rapid Transit District
Santa Clara County Open Space Authority
Sensys Networks
Silicon Valley Leadership Group
Sonoma County Agricultural Preservation and Open Space
District
State Building and Construction Trades Council of
California
Sunrun
Trust for Public Land
Union of Concerned Scientists
Waste Management
Water Replenishment District of Southern California
Wilderness Society

Opposition

American Council of Engineering Companies of California
California Asian Pacific Chamber of Commerce
California Business Properties Association
California Chamber of Commerce
California Chapter of the American Fence Association
California Fence Contractors' Association
California Framing Contractors Association
California Grocers Association
California Independent Oil Marketers Association
California League of Food Processors

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California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
California Taxpayers Association
Can Manufacturers Institute
Chemical Industry Council of California
Engineering Contractors' Association
Flasher/Barricade Association
Golden State Builders Exchange
Marin Builders' Association
National Federation of Independent Business
United Contractors
Western State Petroleum Association

SB 1572 – Senator Fran Pavley (D)

California Global Warming Solutions Act of 2006: AB 32 Investment Fund

As amended, provides revised expenditure of funds derived from the auction of greenhouse gas (GHG) allowances pursuant to the cap-and-trade program adopted by ARB pursuant to AB 32 (Núñez), Chapter 488, statutes of 2006. As amended the bill appropriates auction revenues collected in the 2012-13 fiscal year, that are not used by the Department of Finance (DOF) to offset General Fund expenditures pursuant to the Budget Act, to ARB to be allocated as follows:

1. 60% to fund GHG reduction projects undertaken by industries covered by the Cap-and-Trade program.
2. 10% to the Strategic Growth Council to be awarded to Metropolitan Planning Organizations (MPOs) or councils of governments (COGs) for regional and local GHG reduction plans and local climate innovation projects.
3. Continuously appropriates to ARB any moneys collected by ARB from the sale of allowances to the University of California (UC) and the California State University (CSU) for ARB to expend on GHG reduction projects undertaken by UC or CSU.
4. Continuously appropriates to ARB any moneys collected by ARB from the sale of allowances to a water supplier for ARB to expend for purposes of reducing GHG emissions associated with water suppliers.

Funds awarded to MPOs or COGs for regional and local GHG reduction plans shall be awarded based on statewide criteria developed by the Strategic Growth Council, and ARB that prioritize investments in projects that cost-effectively reduce GHG emissions, integrate transportation infrastructure and land use strategies, and achieve additional greenhouse gas emissions reductions and community benefits through integration with local energy, water, public health, or resource conservation strategies.

The bill specifies that in regions with sustainable community strategies or an alternative planning strategy for which ARB has accepted a metropolitan planning organization's determination that the sustainable communities' strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emissions reduction targets.

REPORT

Funds allocated by the Strategic Growth Council may be used for any of the following:

- Integrated land use and transportation infrastructure development, design, construction, or planning, including, but not limited to, complete street retrofits, street scape improvements, multiuse trails, electric vehicle charging infrastructure, natural gas refueling infrastructure, and transit infrastructure implemented with complementary land use changes, including passenger or commuter rail, transit-oriented affordable housing, and other infrastructure that provides access to a diverse mix of housing types, jobs, schools, and recreational, commercial, retail, and other services of the neighborhood level, as well as other integrated infrastructure and land use strategies that demonstrate GHG emission reductions.
- Transportation efficiency measures that provide greenhouse gas emissions reduction benefits, including, but not limited to, expansion and greenhouse gas reduction of transit services, road and bridge maintenance with safety retrofits, roadway operations, and demand management strategies.
- Performance measurement systems to evaluate GHG emissions reductions from integrated projects and program administrative costs.

SB 1572 passed the Senate by a vote of 23-13 on May 31, 2012. The bill was amended by the author and passed out of Assembly Appropriations Committee (11-5) on August 16, 2012 and, following substantive amendments on August 24, 2012 was referred back to Assembly Natural Resources Committee on August 27, 2012 where a hearing was held on August 29, 2012. Floor session began August 29, 2012, last day to amend bills on the floor was September 2, 2012 and last day to pass bills is September 9, 2012. Staff will provide an oral update at the RC meeting.

On record support and opposition of the bill include:

Support

American Lung Association
California Energy Efficiency Industry Council
Coalition for Adequate School Housing
County School Facilities Consortium
Santa Clara County Open Space Authority
School Energy Coalition
University of California

Opposition

American Council of Engineering Companies
California Asian Pacific Chamber of Commerce
California Business Properties Association
California Chamber of Commerce
California Chapter of the American Fence Association
California Fence Contractors Association
California Grocers Association
California Independent Oil Marketers Association
California League of Food Processors

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California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
California Taxpayers Association
Can Manufacturers Institute
Chemical Industry Council of California
Engineering Contractors' Association
Flasher/Barricade Association
Golden State Builders Exchanges
Marin Builders' Association
National Federation of Independent Business
United Contractors

ATTACHMENTS:

1. Transportation Funding Coalition Cap-and-Trade Letter
2. MTC Staff Report: Cap-and-Trade Advocacy Principles
3. SANDAG Staff Report: Proposed Cap-and-Trade Principles

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July 27, 2012

Re: Transportation Funding Coalition for Cap and Trade Auction Revenues

The California Alliance for Jobs, Transportation California, California Transit Association, and more recently local and regional government associations have been exploring ways to invest cap and trade revenue to address both the greenhouse gas reduction goals of AB 32 and critical transportation system maintenance and operation needs identified in the California Transportation Commission's Statewide Transportation Needs Assessment over the next ten years.

Our unifying principle is that auction revenues derived from vehicle fuels should be used to fund transportation system needs in a way that achieves AB 32 objectives and builds on the framework of SB 375 and other GHG reduction strategies. We believe that by integrating investments in new mobility, new infrastructure, and new jobs we can create healthy communities and better quality of life for all – while measurably reducing greenhouse gas emissions consistent with AB 32 and legal requirements for spending allocation revenues.

By targeting revenues and incentives toward local governments in support of regional planning goals we can leverage a cost effective investment portfolio across both transportation infrastructure and efficiency measures to yield the greatest GHG reductions associated with the transportation sector. Allocating funding to promote combining strategies will maximize GHG reduction while reinforcing SB 375, regional blueprints, other regional plans and local innovation.

Implementing SB 375 and other GHG-reducing regional plans outside of metropolitan planning organizations (MPOs) requires rebuilding aging infrastructure within urban infill and rural areas targeted for more intense development. This includes the maintenance and operation needs of local roads and transit systems, as well as active transportation infrastructure for walking and bicycling. By investing in an integrated transportation system, cost effective GHG reductions can also be achieved from approaches like rural resource infrastructure, intercity rail, and roadway management strategies. All of these transportation investments can yield even greater GHG reductions when combined with supporting land use strategies.

All of these investments are consistent with AB 32 and with meeting California's transportation infrastructure needs. These investments will create jobs, improve the movement of goods and enhance the economic performance of the state. Overall, we think this program should:

- Create cost-effective greenhouse gas reduction investments
- Leverage infrastructure investments across transportation and related land use strategies
- Foster collaboration and performance measurement
- Promote innovation in GHG reduction beyond AB 32 regulations
- Invest in existing communities by offsetting the high cost of infill development
- Support co-benefits/goals related to health, equity, energy, jobs, water, and agriculture

We want to work with CARB to craft an effective strategy to achieve maximum GHG reductions and long term co-benefits under AB 32 by investing a major portion of revenues related to fuels in integrated transportation and land use strategies consistent with the SB 375, the California Regional Blueprint plans and other regional planning processes. As a starting point, we want to suggest a few concepts for consideration in the development of your investment strategy:

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

We hope you will give us the opportunity to work with you to refine these concepts and take advantage of this opportunity to make AB 32 a key component of California's transportation investment program.

Sincerely,

**California Alliance for Jobs
California Transit Association
Transportation California
California State Association of Counties
League of California Cities**



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: June 20, 2012

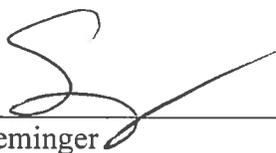
FR: Executive Director

W. I. 1131

RE: Cap-and-Trade Advocacy Principles

Attached are seven advocacy principles for how the state should spend allowance revenue generated from the “cap-and-trade” program, a new element of the state’s strategy to reduce greenhouse gas (GHG) emissions consistent with AB 32 (Nuñez) — the Global Warming Solutions Act of 2006. These principles are slightly revised from the version that was approved by the Legislation Committee at their June 8 meeting. Since that meeting, MTC legislative staff has been in discussions with representatives of various statewide organizations (including the California Alliance for Jobs, the California Transit Association, the California League of Cities, and the California State Association of Counties) that are advocating for transportation to receive 100 percent of allowance revenue from transportation fuels.

Given California’s longstanding commitment to investing taxes associated with gasoline and diesel fuel back into the transportation system, combined with the fact that the revenue potential from 100 percent of transportation fuel-related allowances is expected to be considerably higher than 40 percent of total allowances remaining after General Fund offsets (as proposed in the original recommendation), staff suggests that the Commission consider approving the attached revision to the Legislation Committee recommendation.



Steve Heminger

Attachment

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Legislative Advocacy Principles for the State's Cap-and-Trade Program

1. A multi-year expenditure plan for the use of cap-and-trade revenue should be developed by the Administration, with ample opportunity for public input. The Legislature should be empowered to make adjustments to the plan before final adoption by the Air Resources Board.
2. In addition to meeting the legal nexus requirement, the expenditure plan should seek to maximize other benefits to California, including improved mobility, livability, public health and social equity.
3. ~~Given that transportation contributes almost 40 percent of the state's GHG emissions, a similar share of the allowance revenue (remaining after General Fund-eligible expenditures are offset) should go towards projects that reduce emissions from the transportation sector.~~

Allowance revenue from transportation fuels should be dedicated to transportation investments. This is consistent with the longstanding policy of the state to dedicate revenue related to motor vehicle fuels to transportation. It also assures a political and legal nexus between the costs and benefits of the program.

4. To help implement SB 375, cap-and-trade revenue funds dedicated to transportation — other than those of a statewide nature, such as high-speed or intercity rail — should be distributed to MPOs to help them achieve the GHG reduction targets included in each region's Sustainable Communities Strategy (SCS).
5. Each region's share of allowance revenue should be determined on a formula basis that reflects a geographically equitable distribution of funds.
6. Project eligibility in the transportation sector should include any transportation project that can meet the legal nexus test for fees, including projects that reduce GHG emissions as well as those that mitigate the *effects* of GHG emissions, (such as climate adaptation projects). MPOs would be responsible for ensuring that projects funded by allowance proceeds satisfy all legal requirements.
7. Projects funded by MPOs must be consistent with each region's SCS. Project selection should be done competitively with priority given to projects that reduce GHG emissions in the near term, while also supporting other key state and regional goals.



BOARD OF DIRECTORS
JULY 27, 2012

AGENDA ITEM NO. 12-07-15
ACTION REQUESTED - APPROVE

PROPOSED CAP-AND-TRADE PRINCIPLES

File Number 7300400

Introduction

In fall 2011, the California Air Resources Board (CARB) adopted regulations to establish the first cap-and-trade program in the nation. The first auction for the cap-and-trade program is scheduled for November 2012, and this year the Legislature is expected to pass legislation to determine how the proceeds from the auction would be used. In order to respond to various proposals currently under consideration by the Legislature, staff has drafted proposed cap-and-trade principles. This report provides an overview on the state cap-and-trade program, discusses pending state legislation, and includes proposed principles, which would provide a guide as cap-and-trade bills move through the state legislative process and as future administrative guidelines and regulations are developed.

Recommendation

The Board of Directors is asked to approve the proposed SANDAG Cap-and-Trade Principles as included in this report.

Discussion

Assembly Bill 32 (AB 32) (Nunez, 2006), the Global Warming Solutions Act of 2006, calls for the reduction of greenhouse gas emissions to 1990 levels by 2020. To implement AB 32, the CARB Climate Scoping Plan report outlined strategies for meeting the greenhouse gas (GHG) emission reduction targets, including direct regulations, alternative compliance mechanisms, monetary and nonmonetary incentives, voluntary actions, market-based compliance mechanisms like a cap-and-trade system, and an implementation fee to fund the program.

In 2011, CARB adopted regulations to establish a new cap-and-trade program to cap GHG emissions statewide. Producers of about 80 percent of the state's GHG emissions are subject to the cap, which would reduce emissions by about 20 percent through 2020. Sectors subject to the cap include refineries, power plants, industrial facilities, and transportation fuels. Motor vehicle fuels will be subject to the cap starting in 2015.

As part of the regulation, CARB plans to auction 66 million allowances in FY 2012-2013, which is anticipated to generate \$660 million to \$3.3 billion. The first cap-and-trade auction is scheduled for November, with additional auctions scheduled for February and May 2013. The FY 2012-2013 budget authorizes at least \$500 million for use in offsetting existing General Fund costs of GHG mitigation activities. It also specifies that additional expenditures related to GHG emissions reductions be made pursuant to future legislation.

Full implementation of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy (2050 RTP/SCS) is dependent on stable funding sources. The 2050 RTP/SCS includes nearly \$21 billion (in year of expenditure) through 2020 for investments in major corridors, transportation

demand and system management projects and programs, active transportation projects, Safe Routes to Transit, Safe Routes to School, and Smart Growth Incentive programs. The 2050 RTP/SCS is based on current and reasonably available sources and levels of funding. It assumed continuation of existing levels of state and federal funding through the current Regional Transportation Improvement Program period (FY 2015), and some additional new revenues through FY 2020 (based on historic funding and revenue growth levels). Cap-and-trade revenues could provide a new source of state funds to assist in the implementation of the 2050 RTP/SCS.

As described in further detail below, the California Senate and Assembly have introduced legislation that would establish a cap-and-trade account and outline eligible recipients, projects, and programs for the funds. The Assembly version of the bill includes broad categories for cap-and-trade investments, and outlines a process for CARB to create three investment plans starting in 2013 until 2020 for the distribution of funds. The Senate version of the bill is more detailed; it requires projects that are funded to meet overall goals of reducing GHG emissions and includes a list of priority project categories, including a percentage for each priority project category to be funded by cap-and-trade proceeds.

Pending Legislation

AB 1532 (Perez) California Global Warming Solution Act of 2006: GHG Reduction Account

AB 1532 was introduced by Speaker John Perez (D-Los Angeles) on January 23, 2012, and was last amended June 18, 2012. This bill would establish the Greenhouse Gas Reduction Account and set goals for achieving feasible and cost-effective reductions in GHG emissions. The bill's stated goals include:

- Maximize economic, environmental, and public health benefits to the state
- Foster job creation by promoting in-state GHG emission reduction projects
- Complement efforts to improve air quality
- Direct investment toward the most disadvantaged communities and households in the state
- Provide opportunities for small business, schools, affordable housing developers, water agencies, local governments, and other community institutions to reduce GHG emissions

The bill also would provide that funds may be used to reduce GHG emissions through investments in the following areas:

- Clean and efficient energy
- Low-carbon transportation and infrastructure
- Natural resource protection
- Research, development, and deployment of innovative technology, measures, and practices

AB 1532 would require CARB to do the following:

- Adopt guidelines regarding the allocation and allowable uses of money, including establishing criteria for receiving funding, a process to verify qualifications of recipients, and monitoring requirements
- Develop and adopt three investment plans (FY 2013-2014, FY 2015-2017, and FY 2018-2020) with each investment plan identifying the anticipated expenditures, establishing priorities for allocation of moneys, identifying specific categories of programs and projects, identifying levels of expenditures for each category, and identifying the state agencies best qualified to implement the plan
- Coordinate with Natural Resources Agency, the California Environmental Protection Agency, Department of Food and Agriculture, and Business, Transportation, and Housing Agency
- Hold at least two public hearings prior to the adoption of the investment plan
- Submit the investment plan to the legislative budget committees prior to adoption of each investment plan for review
- Provide the Governor a plan detailing proposed appropriations from the Greenhouse Gas Reduction Account

AB 1532 would require the Governor to include a proposed appropriation in his annual budget and would allow the Legislature to consider adopting the appropriation as part of the annual budget process.

SB 1572 (Pavley) California Global Warming Solutions Act of 2006: AB 32 Investment Fund

SB 1572 was introduced by Senator Fran Pavley (D-Agoura Hills), and was last amended on June 25, 2012. This bill would create the Greenhouse Gas Reduction Account and would require all revenues collected by CARB from the auction or sale of allowances to be deposited into the account and available, upon appropriation by the Legislature.

SB 1572 would do the following:

- Provide that no funds will be expended if the total auction revenues in the FY 2012-13 are less than \$550 million
- Require that 50 percent of auction revenues collected in FY 2012-13, or \$250 million, whichever is less, go to priority projects listed in the bill; the other 50 percent would remain in the account
- Require projects funded by the bill to comply with the following:
 - Achieve GHG reductions at a reasonable cost
 - Achieve budgetary savings for families, businesses, schools, universities, companies regulated under cap-and-trade program, community institutions, and state, local, and regional governments

- o Protect existing jobs in the state by minimizing leakage
- o Benefit the most adversely impacted and disadvantaged communities
- o Provide opportunities for small businesses, schools, local governments, and other entities to participate in and benefit from statewide and regional efforts to reduce GHG emissions
- Create the following priority projects:
 - o K-12 Energy Projects, Public University Projects, Rapid Transition Assistance for Industrial Facilities, Residential Energy Efficiency, Energy in Agriculture Priority Projects, Sustainable Land Use and transportation, Good Movement, Lower-Emission School Bus Program, and Clean Vehicle Rebate Project

Proposed SANDAG Cap-and-Trade Principles

The SANDAG 2012 Legislative Program includes two priorities that support the overall goal of a cap-and-trade program at the state or federal level: Goal No. 3A, which supports access to resources and technical tools that will enable SANDAG to implement the 2050 RTP/ SCS; and Goal No. 12B, which supports energy-related legislation consistent the Regional Energy Strategy.

In order to respond to various proposals currently under consideration by the Legislature, staff drafted proposed cap-and-trade principles for consideration. On July 13, 2012, the Executive Committee discussed the proposed principles and directed staff to include an additional principle regarding the importance of providing funding for public transit from cap-and-trade auction proceeds. The Executive Committee also asked that the proposed principles be included for Board action in July, and that a presentation by CARB on cap-and-trade proposals be scheduled for a future Board Policy meeting.

The proposed cap-and-trade principles are:

- **Dedicate the allocation revenues related to fuel to transportation investments.** Since the transportation sector contributes about 40 percent of the state's greenhouse gas (GHG) emissions, a similar share of the allowance revenues should be dedicated to projects and programs that reduce GHG emissions from the transportation sector.
- **Ensure revenues are dedicated to public transportation.** In lawsuits filed on the 2050 Regional Transportation Plan and its Sustainable Communities Strategy, the Attorney General and other petitioners assert that SANDAG should accelerate investment in the region's public transportation system. The state should dedicate cap-and-trade auction revenues to public transportation, as a near-term source of state funds to advance the transit projects and programs included in regional plans.
- **Provide an equitable distribution of funds.** Each region's share of allowance revenues should be allocated on a formula basis to reflect a geographically equitable distribution of funds.
- **Ensure revenues are invested consistent with regional plans and Sustainable Communities Strategies.** Eligible projects should be consistent with a CARB-approved and regionally adopted Sustainable Communities Strategy.

- **Ensure project eligibility criteria are created in collaboration with Metropolitan Planning Organizations (MPOs).** MPOs should collaborate with CARB to develop statewide eligibility thresholds that provides maximum flexibility for implementation at the regional level.

Next Steps

Pending approval by the Board of Directors, staff will use the proposed principles to evaluate bills as they make their way through the legislative process and as future administrative guidelines and regulations are developed. Staff also will work with CARB to schedule a presentation at the September 14, 2012, Board Policy meeting, focusing on a more comprehensive discussion of cap-and-trade issues at the state level.

GARY L. GALLEGOS
Executive Director

Key Staff Contact: Genevieve Morelos, (619) 699-1994, Genevieve.Morelos@sandag.org

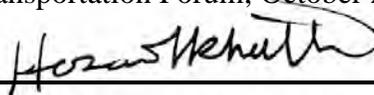
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DATE: October 4, 2012

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

FROM: Sylvia Patsaouras, Acting Director of Strategy, Policy & Public Affairs,
patsaour@scag.ca.gov, (213) 236-1806

SUBJECT: SCAG Sponsorship: Active Transportation Forum, October 26, 2012 at \$500

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

The Legislative/Communication and Membership Committee (LCMC) met on September 19, 2012 and recommended approval of up to \$500 sponsorship of the University of California, Irvine, Active Transportation Forum "Creating a Healthy Orange County: Enhancing our Active Transportation Network" on October 26, 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.

BACKGROUND:

The University of California, Irvine (UCI) Department of Public Health and the Alliance for Healthy Orange County (AHOC) will be holding a forum on October 26, 2012 at UCI from 10:00 am -1:30 pm. The forum will aim to make connections between policymakers, planners, traffic engineers, bicycle and pedestrian advocates, and healthcare leaders. The goals of the forum include: a) identify barriers and opportunities; b) share best practices; and c) develop priorities for Active Transportation as a region. A \$500 sponsorship will help underwrite the cost of the forum and provide funding for an ongoing campaign to promote healthy living in Orange County and includes SCAG's logo on the forum signage and materials, acknowledgment of the sponsorship during the event, and two forum registrations.

FISCAL IMPACT:

Up to \$500 (these funds are included in the approved FY13 budget).

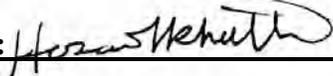
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DATE: October 4, 2012

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

FROM: Sharon A. Neely, Chief Deputy Executive Director, (213) 236-1992
neely@scag.ca.gov

SUBJECT: Proposed Memorandum of Understanding (MOU) Between the Southern California Association of Governments (SCAG) and Korea Research Institute for Human Settlements (KRIHS) to Promote Joint Research and Exchange Technical Information

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve the MOU between SCAG and the KRIHS to promote joint research and exchange technical information and authorize the SCAG Executive Director or his designee to execute the MOU.

EXECUTIVE SUMMARY:

The Korea Research Institute for Human Settlements (KRIHS), founded in October 1978 under the 'Act of KRIHS Establishment' by the Korean Government, is an official research agency for the government of the Republic of Korea. KRIHS is one of the affiliated research institutes administered by the Korea Research Council for Economics, Humanities and Social Sciences (KCESRI), which is supervised by the Prime Minister. KRIHS has conducted a wide array of research projects in the fields of national and regional planning, environmental planning, urban planning and design, transportation planning, construction economy, housing and land policies, and geospatial information system. KRIHS desires to develop a cooperative relationship with SCAG to promote joint research and exchange technical information.

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 a: Develop and maintain planning models that support regional planning and Objective c: Maintain a leadership role in the modeling and planning data/GIS communities.

BACKGROUND:

The mission of KRIHS is to provide Korean government with long-term and short-term plans and policies to lead to more efficient use of land resources and to improve the balance of development between urban and rural areas. KRIHS has nearly 300 research staff members who carry out various research projects in the areas of national and regional planning, the environment, regional and urban development, infrastructure, land use, transportation and geospatial information system.

KRIHS was established to address these spatial policy issues in October 1978. With the enactment of the Act on the Establishment, Management and Promotion of Government-Sponsored Research Institutes in 1999, KRIHS has become one of research institutes under the supervision of KCESRI. This is a supervisory body specially created to oversee those research institutes involved in the fields of economics and social studies under the Prime Minister.

REPORT

During Executive Director, Hasan Ikhata's visit to Korea in 2011, there was a general agreement that SCAG and KRIHS establish a cooperative relationship to exchange information and research. SCAG and KRIHS envision a collaborative relationship which will benefit both agencies in sharing best practices in planning processes and technology. That exchange of experiences in land use and transport related issues can also benefit both agencies in developing better solutions. The cooperative relationship could develop into joint research, joint seminars and workshops, and the exchange of technical information and publications.

FISCAL IMPACT:

Funding is not provided to any parties under this MOU.

ATTACHMENT:

Proposed MOU Between SCAG and KRIHS

Memorandum of Understanding

between

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

and

THE KOREA INSTITUTE FOR HUMAN SETTLEMENTS

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) and THE KOREA INSTITUTE FOR HUMAN SETTLEMENTS (KRIHS) (hereinafter referred to as “the Parties”) agree to the following Memorandum of Understanding (MOU) for the purpose of promoting mutual cooperation in the fields of public policy and urban and regional planning.

Article I

The purpose of this MOU is to foster research capabilities in the areas of public policy, and urban and regional planning on the basis of a cooperative, mutually beneficial relationship between the Parties.

Article II

The Parties shall mutually cooperate to perform the following activities and meet on a case-by-case basis to discuss additional details and terms as deemed necessary:

1. Co-hosting open forums and joint symposia, etc.
2. Exchanging information and periodical publications
3. Implementing joint research on public policy and urban and regional planning

Article III

Proposals for all cooperative activities may be initiated by either Party, but are subject to approval by both Parties. Activities including joint projects and conferences will be co-sponsored by both Parties as mutually agreed. The objective, content, form, duration, costs, and other terms and conditions of each cooperative activity shall be the subject of a separate agreement or instrument, as appropriate, to be concluded by the Parties.

Article IV

Scientific information derived from cooperative activities may be made available through customary channels according to the normal procedures of each Party. For publication of results derived from joint research projects, either Party shall obtain prior consent from the other Party.

Article V

This Memorandum of Understanding shall be effective from the date of signing and shall be valid for three years. It shall be automatically renewed on that date and will remain valid and effective unless either Party notifies in writing the other Party, at least six months before the renewal date, of its intention to terminate the agreement.

IN WITNESS WHEREOF, the Parties have caused this agreement, signed by their authorized representatives, to be executed in duplicate copies in English with each of the copies being equally authentic.

**For SOUTHERN CALIFORNIA
ASSOCIATION FOR GOVERNMENTS**

**For KOREA RESEARCH INSTITUTE
FOR HUMAN SETTLEMENTS**

**Hasan IKHRATA
Executive Director**

**Yang Ho PARK
President**

Date: _____

Date: _____

DRAFT

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DATE: October 4, 2012
TO: Executive/Administration Committee (EAC)
Regional Council (RC)
FROM: Sharon A. Neely, Chief Deputy Executive Director, (213) 236-1992, neely@scag.ca.gov
SUBJECT: Proposed Memorandum of Understanding (MOU) Between Southern California Association of Governments (SCAG) and the Myongji University (MJU) to Promote Joint Research and Exchange Technical Information

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the MOU between SCAG and MJU to promote joint research and exchange technical information, and authorize the SCAG's Executive Director or his designee to execute the MOU.

EXECUTIVE SUMMARY:

MJU was founded in 1948 and is located in South Korea. It is home to more than 25,000 students and nearly 500 full-time faculty. It makes an effort to conduct creative and innovative research on governance, community development, transportation, sustainability, globalization, etc., and to build global partnerships for improving the quality and effectiveness of the related public policies and planning around the world. MJU desires to develop a cooperative relationship with SCAG to promote joint research and exchange technical information. SCAG staff seeks approval by the EAC and RC of the attached MOU, and authority for the Executive Director or his designee to execute the MOU.

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 a: Develop and maintain planning models that support regional planning and Objective c: Maintain a leadership role in the modeling and planning data/GIS communities.

BACKGROUND:

"Myongji" means the genuine knowledge that lights up the world. MJU was founded in 1948 and is located in South Korea. It provides students with higher education in the fields of engineering, science, and the humanities. MJU is home to more than 25,000 students and approximately 500 full-time faculty. It has two (2) campuses: one in downtown Seoul and the other in the City of Yongin, 35 km south of Seoul. It is made up of six (6) colleges, encompassing 34 departments and divisions, a graduate school, and eight (8) specialized postgraduate programs. It contains top-notch faculty, curriculums, and cutting edge educational facilities. MJU makes an effort to conduct creative and innovative research on governance, community development, transportation, sustainability, globalization, and to build global partnerships for improving the quality and effectiveness of the related public policies and planning around the world.

During Executive Director Hasan Ikhata's visit to Korea in 2011, there was a general agreement that SCAG and MJU establish a cooperative relationship to exchange information and research. SCAG and MJU envision a collaborative relationship which will benefit both agencies in sharing research on governance, community development, transportation, sustainability, and globalization. That exchange of research can also benefit both institutions in developing better solutions. The cooperative relationship could develop into joint research, joint seminars and workshops, and the exchange of technical information and publications.

FISCAL IMPACT:

Funding is not provided to any parties under this MOU

ATTACHMENT: Proposed MOU Between SCAG and MJU

Memorandum of Understanding

between

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

and

MYONGJI UNIVERSITY

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) and MYONGJI UNIVERSITY (MJU) (hereinafter referred to as “the Parties”) agree to the following Memorandum of Understanding (MOU) for the purpose of promoting mutual cooperation in the fields of public policy and planning.

Article I

The purpose of this MOU is to foster research capabilities in the areas of public policy and planning on the basis of a cooperative, mutually beneficial relationship between the Parties.

Article II

The Parties shall mutually cooperate to perform the following activities and meet on a case-by-case basis to discuss additional details and terms as deemed necessary:

1. Co-hosting open forums and joint symposia, etc.
2. Exchanging information and periodical publications
3. Implementing joint research on governance, community development, transportation, sustainability, globalization, etc.

Article III

Proposals for all cooperative activities may be initiated by either Party, but are subject to approval by both Parties. Activities including joint projects and conferences will be co-sponsored by both Parties as mutually agreed. The objective, content, form, duration, costs, and other terms and conditions of each cooperative activity shall be the subject of a separate agreement or instrument, as appropriate, to be concluded by the Parties.

Article IV

Scientific information derived from cooperative activities may be made available through customary channels according to the normal procedures of each Party. For publication of results derived from joint research projects, either Party shall obtain prior consent from the other Party.

Article V

This Memorandum of Understanding shall be effective from the date of signing and shall be valid for three years. It shall be automatically renewed on that date and will remain valid and effective unless either Party notifies in writing the other Party, at least six months before the renewal date, of its intention to terminate the agreement.

IN WITNESS WHEREOF, the Parties have caused this agreement, signed by their authorized representatives, to be executed in duplicate copies in English with each of the copies being equally authentic.

**For SOUTHERN CALIFORNIA
ASSOCIATION FOR GOVERNMENTS**

For MYONGJI UNIVERSITY

**Hasan IKHRATA
Executive Director**

**Byong-Jin YOU
President**

Date: _____

Date: _____

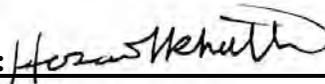
DRAFT

DATE: October 4, 2012

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

FROM: Sharon A. Neely, Chief Deputy Executive Director, (213) 236-1992
neely@scag.ca.gov

SUBJECT: Proposed Memorandum of Understanding (MOU) Between the Southern California Association of Governments (SCAG) and the Institute of Policy and Management (IPM) of the Chinese Academy of Sciences (CAS) to Promote Joint Research and Exchange Technical Information

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

Approve the MOU between SCAG and the IPM of the Chinese Academy of Sciences (CAS) to promote joint research and exchange technical information and authorize SCAG's Executive Director or his designee to execute the MOU.

EXECUTIVE SUMMARY:

The IPM of the Chinese Academy of Sciences is a top Chinese think-tank for macro-level decision-making on sustainable socioeconomic development and strategic policy formation. After an initial discussion during the Economic, Environmental, and Energy Discussion (EEED) conference in Beijing in July 2012, both parties desire to develop a cooperative relationship to promote joint research and exchange technical information on Greenhouse Gas (GHG) emission reduction strategies.

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 a: Develop and maintain planning models that support regional planning and Objective c: Maintain a leadership role in the modeling and planning data/GIS communities.

BACKGROUND:

The IPM of the CAS publishes the "China Sustainable Development Report" annually for Chinese Governments at all levels and is playing a key role in guiding and supporting China's political decision-making in low-carbon sustainable development through research, integration of resources, strategic planning and policy making. IPM has a total of 110 staff, including 99 academic professionals.

In July 2012, SCAG staff attended the EEED conference in Beijing sponsored by IPM. The goal of the conference was to bridge and incorporate global knowledge in economic development and data management, and to exchange knowledge in GHG emission reduction strategies through local policies on sustainable transportation, land use planning and environmental preservation. During the conference, IPM Senior Management indicated that SCAG's experience in regional planning would be very useful to both China and IPM, and looked forward to an enhanced collaboration with SCAG including signing an MOU.

REPORT

Through the conference, SCAG and IPM enhanced their understanding of each other's perspectives and challenges. We expect that future cooperation among nations, especially between SCAG and China, will benefit both countries in addressing the important global climate change issue.

FISCAL IMPACT:

Funding is not provided to any parties under this MOU.

ATTACHMENT:

Proposed MOU Between SCAG/IPM of CAS

Memorandum of Understanding

between

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

and

THE INSTITUTE OF POLICY AND MANAGEMENT

OF THE CHINESE ACADEMY OF SCIENCES

THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) and THE INSTITUTE OF POLICY AND MANAGEMENT OF THE CHINESE ACADEMY OF SCIENCES (IPM) (hereinafter referred to as “the Parties”) agree to the following Memorandum of Understanding (MOU) for the purpose of promoting mutual cooperation in the fields of climate change, energy and environment policy, and sustainable development strategy.

Article I

The purpose of this MOU is to foster research capabilities in the areas of climate change, energy and environment policy, and sustainable development strategy on the basis of a cooperative, mutually beneficial relationship between the Parties.

Article II

The Parties shall mutually cooperate to perform the following activities and meet on a case-by-case basis to discuss additional details and terms as deemed necessary:

1. Co-hosting open forums and joint symposia, etc.
2. Exchanging information and periodical publications
3. Implementing joint research on climate change, energy and environment policy, and sustainable development strategy

Article III

Proposals for all cooperative activities may be initiated by either Party, but are subject to approval by both Parties. Activities including joint projects and conferences will be co-sponsored by both Parties as mutually agreed. The objective, content, form, duration, costs, and other terms and conditions of each cooperative activity shall be the subject of a separate agreement or instrument, as appropriate, to be concluded by the Parties.

Article IV

Scientific information derived from cooperative activities may be made available through customary channels according to the normal procedures of each Party. For publication of results derived from joint research projects, either Party shall obtain prior consent from the other Party.

Article V

This Memorandum of Understanding shall be effective from the date of signing and shall be valid for three years. It shall be automatically renewed on that date and will remain valid and effective unless either Party notifies in writing the other Party, at least six months before the renewal date, of its intention to terminate the agreement.

IN WITNESS WHEREOF, the Parties have caused this agreement, signed by their authorized representatives, to be executed in duplicate copies in English with each of the copies being equally authentic.

**For SOUTHERN CALIFORNIA
ASSOCIATION FOR GOVERNMENTS**

**For INSTITUTE OF POLICY AND
MANAGEMENT OF THE CHINESE
ACADEMY OF SCIENCES**

**Hasan IKHRATA
Executive Director**

**Rongping MU
Director-General**

Date: _____

Date: _____

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DATE: October 4, 2012
TO: Executive/Administration Committee (EAC)
Regional Council (RC)
FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov
SUBJECT: Contracts/Purchase Orders and/or Amendments between \$5,000 - \$200,000

EXECUTIVE DIRECTOR'S APPROVAL: 

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>
1. Data Products, Research & Systems (12-030-C1)	The consultant shall provide the design, development, and implementation of SCAG's Geodatabase, a system of storing data and electronic maps.	\$148,573
2. Melendrez (12-022-C1)	As part of the Compass Blueprint program, the consultant shall conduct a study for the City of Glendale. Among other things, the study shall examine the possibilities for creating frontage roads along the State Route 134 (SR-134) freeway east of Space 134 (the identified project area), to connect residential neighborhoods to downtown Glendale.	\$124,453
3. AECOM Inc. (12-001-B19)	As part of the Compass Blueprint program, the consultant shall assist the Downtown Los Angeles Neighborhood Council (DLANC) with assessing transportation-related conditions and mobility improvements including parking, bicycle, and pedestrian planning to help develop strategies to reclaim streets and sidewalks for people, and to encourage trips in modes other than a car.	\$121,956

REPORT

SCAG executed the following Contracts between \$25,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Contract's Purpose</u>	<u>Contract Amount</u>
4. AECOM Inc. (12-001-B10)	As part of the Compass Blueprint program, the consultant shall assist the City of Rancho Palos Verdes with developing the Western Avenue Corridor Strategy and Vision Plan.	\$121,885
5. Burke, Williams, & Sorensen, LLP (12-045-SSG1)	The consultant shall provide the necessary General Counsel legal services to SCAG.	\$120,000
6. Regional Economic Models, Inc. (13-003-SS)	The consultant shall provide Transight Econometric software to assist staff with its modeling analysis.	\$53,000
7. Zepol Corporation (12-040-C1)	The consultant shall provide trade data information for use in SCAG's regional goods movement planning efforts.	\$29,916

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>
Qwest Communications Corp.	FY13 Internet and IT Connection Service	\$130,000
Canon Financial Services, Inc.	FY13 Copy Equipment Lease	\$72,000
SAS Institute, Inc.	FY13 SAS Support	\$50,142
Employment Development Dept.	FY13 Unemployment Insurance	\$50,000
Caliper Corporation	FY13 Transcad Software Support	\$49,683
New Horizons CLC of Southern Calif.	FY13 Computer & Other Training	\$49,500
Graycon, Inc.	FY13 Cooling Unit For Server Room Fee	\$45,756
United Imaging	FY13 Printer Cartridges	\$41,300
AT&T / CalNet	FY13 Voice & Data Service	\$40,000
Office Depot Business Services Div.	FY13 Office Supplies	\$40,000
Citycom Real Estate Services	FY13 San Bernardino Office Rent	\$36,500
Canon Business Solutions-West Inc.	FY13 Copy Maintenance	\$35,000
Microsoft Corporation	FY13 GP Dynamics Support	\$26,364
Ametron Audio/ Video Inc.	FY13 Regional Council Meeting Video Taping	\$26,000
Regional Economic Models, Inc.	Economic Modeling Software (13-002-S1)	\$22,500
Granicus, Inc.	FY13 Software Support	\$19,356
CDW Government, Inc.	FY13 HP EVA 4400 Renewal	\$16,248
CQ Roll Call Subscription	FY13 Subscription For Fednet	\$15,936
Sparkletts	FY13 Coffee & Beverage Services	\$15,000
Conferencing Advisors, Inc.	FY13 Video Conferencing Equipment Support	\$11,878
PlanetBids, Inc	Online Bid Management Svc	\$11,000
Xerox Corporation	FY13 Xerox Printer Lease & Maintenance	\$9,861

REPORT

<u>Vendor</u>	<u>PO Purpose</u>	<u>PO Amount</u>
Consiliant Technologies, LLC	FY13 Hitachi Storage Support	\$9,333
Xerox Corporation	FY13 Graphics Printer Supplies	\$8,000
University of Southern California	2012 Staff Retreat Facility Rental	\$8,000
Citilabs Inc.	FY13 Cubeland, Voyager Software Maintenance	\$7,811
Clean Sweep Janitor Service	FY13 Janitorial Service For Imperial	\$5,600
CDW Government, Inc.	FY13 Software Renewal	\$5,248
Westin Bonaventure Hotel & Suites	Deposit For 2012 Regional Council Summit	\$5,000
Tech Depot	FY13 IT Purchases	\$5,000
FedEx	FY13 Courier Service	\$5,000
The Pep Boys	FY13 Fleet Car Maintenance	\$5,000

SCAG executed the Amendment between \$5,000 and \$200,000

<u>Consultant/Contract #</u>	<u>Amendment's Purpose</u>	<u>Amendment Amount</u>
Capital Representation Group (11-009-G1)	This amendment will allow the consultant to provide additional support and analysis to issues pertaining to implementation of Phase II of the Southern California Economic Recovery & Job Creation Strategy. This has become necessary now that SCAG will be developing and supporting additional legislation related to Phase II of the Southern California Economic Recovery & Job Creation Strategy.	\$19,000
AgreeYa Solutions, Inc. (12-012-C1)	This amendment will enable the consultant to create a software solution that will allow users not located in SCAG offices to be able to securely access SCAG's various web-enabled resources that are currently limited only to individuals that are on-premise.	\$9,900

FISCAL IMPACT:

Funding is available in the FY 2012/13 budget.

ATTACHMENT:

Contract and Amendment Summaries

CONSULTANT CONTRACT 12-030-C1

Recommended Consultant:

Data Products, Research & Systems

Background & Scope of Work:

The purpose of this project is to provide SCAG with high quality, professional, and timely advanced Geographic Information System (GIS) data services and support to ensure that SCAG maintains a leadership position and utilizes current processes for the collection, storage and dissemination of data to both internal and external stakeholders. The advanced GIS data services will enhance SCAG's GIS system with high performance, scalability, efficiency, flexibility, and sustainability.

The consultant shall provide the design, development, and implementation of SCAG's Geodatabase (a system of storing data and electronic maps). They will provide technical advice on how SCAG should leverage additional functionalities from GIS technology products. They will provide on-site support, best practice documentation, training materials and bi-weekly progress reports with monthly face-to-face meetings.

Project's Benefits & Key Deliverables:

The project's benefits and key deliverables include, but are not limited to:

- Enhanced Geodatabase containing SCAG's major GIS files;
- Providing five (5) intermediate and (5) advanced GIS training sessions to SCAG's member jurisdictions; and
- Updated GIS datasets, including counties, cities, parcels, traffic analysis zones, and subregions.

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 a: Develop and maintain planning models that support regional planning; Objective b: Develop, maintain and enhance data and information to support planning and decision-making in a timely and effective manner; and Objective c: Maintain a leadership role in the modeling and planning data/GIS communities.

Contract Amount:

Total not-to-exceed	\$148,573
Data, Products, Research & Systems (prime consultant)	\$111,238
Cambridge Systematics (subconsultant)	\$37,335

Note: Data, Products, Research & Systems originally proposed \$151,749, but staff negotiated the price down to \$148,573 without reducing the scope of work.

Contract Period:

July 31, 2012 through July 31, 2013

Project Numbers:

12-045.SCG0694.01 \$20,000
12-045.SCG0142.12 \$100,313
13-045.SCG0142.12 \$28,260
Funding sources: Consolidated Planning Grant FHWA, FTA, and TDA

Request for Proposal (RFP):

SCAG staff notified 769 firms of the release of RFP 12-030-C1. Staff advertised the RFP on SCAG's bid management system. A total of 87 firms downloaded the RFP. SCAG received the following five (5) proposals in response to the solicitation:

Data, Products, Research & Systems (1 subconsultant)	\$151,749
VSolvit (1 subconsultant)	\$39,450
Multiregional Policy Analysis (1 subconsultant)	\$99,977
Statistical Research Inc. (2 subconsultants)	\$191,899
Quartic Solutions (no subconsultants)	\$575,070

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 the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Javier Minjares, Regional Planning Specialist, SCAG
Ping Wang, Regional Planning Specialist, SCAG
Alex Yu, Manager of Application Development, SCAG

Basis for Selection:

The PRC recommended Data, Products, Research & Systems for the contract award because the consultant:

- Was in the range of what the Proposal Review Committee (PRC) determined it would take to meet the required deliverables. Although the selected consultant did not propose the lowest price, the PRC members determined that the selected consultant demonstrated the best understanding of the Scope of Work (SOW) and clearly and fully described technical approaches for each task and subtask. The lower priced firms did not demonstrate a complete understanding of the SOW and did not propose a technical approach that fully addressed the requirements in the SOW. Specifically, one firm did not describe the American Community Survey data update in their technical approach or deliverables. The firm also did not describe a technical approach for Task 4, which provides GIS expertise on spatial statistical analysis, assisting and coordinating GIS workshops and seminars. Also, the PRC did not believe that the lower priced firms included enough hours to perform the work by the required schedule nor demonstrate the familiarity and breadth of experience of the selected vendor;
- Provided the best overall value to SCAG by their excellent record of past performance based on their references, financial and staff resources for timely performance, and their ability to provide SCAG with GIS Services and support comprehensively and professionally; and
- Demonstrated extensive experience dealing with large databases, such as those that SCAG maintains. They demonstrated a clear understanding of the interrelationship between the GIS effort involved in this project and how it folds into SCAG's Travel Demand Modeling, other SCAG data/information, and its ultimate part in the development of the Inter-Governmental Review (IGR) Database, long range transportation plan, integrated transportation land use model, etc.

CONSULTANT CONTRACT 12-022-C1

Recommended Consultant:

Melendrez

Background & Scope of Work:

The consultant shall provide consultant services for a Compass Blueprint Demonstration Project for the City of Glendale. Specifically, the consultant shall provide a feasibility study to create frontage roads along the State Route 134 (SR-134) freeway east of Space 134 (the identified project area), that will weave well-established residential neighborhoods to downtown Glendale. The consultant shall conduct workshops with the community stakeholders, including resident businesses, property owners, and staff. They will prepare three (3) preliminary concept plans, and prepare a cost benefit analysis for a freeway cap park (a park development over the freeway) identified in the preliminary concept plans.

Project's Benefits & Key Deliverables:

The project's benefits and key deliverables include, but are not limited to:

- Concept plans and visual renderings of Space 134 that will provide a visioning framework to reopen connections between well-established residential neighborhoods and the City's civic, cultural, and business core, expand open space access, and add value to downtown properties; and
- Workshops, reports, preliminary concept plans, cost benefit analysis, and a final report.

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.

Contract Amount:

Total not-to-exceed	\$124,453
Melendrez (prime consultant)	\$79,952
Metcalf Associates (subconsultant)	\$6,000
Dannenbrook Planning (subconsultant)	\$9,040
KPFF (subconsultant)	\$20,569
Rifkin - RTPG (subconsultant)	\$8,892

Note: Melendrez originally proposed \$166,174, but staff negotiated the price down to \$124,453 without reducing the scope of work.

Contract Period:

July 16, 2012 through July 16, 2013

Project Number:

12-065.SCG0137.01 \$124,453
Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP):

SCAG staff notified 1,655 firms of the release of RFP 12-001-B22. Staff also advertised the RFP in the American Planning Association's website and the Urban Transportation Monitor, and posted it on SCAG's bid management system. A total of 159 firms downloaded the RFP. SCAG received the following six (6) proposals in response to the solicitation:

Melendrez (4 subconsultants)	\$166,174
AECOM (2 subconsultants)	\$149,727
Cooper Carey (2 subconsultants)	\$164,305
SWA Group (3 subconsultants)	\$172,147
URS Corporation (2 subconsultants)	\$252,539
Roesling Nakamura (4 subconsultants)	\$296,202

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 the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Melanie Bradford, Associate Transportation Planner, Caltrans District 7
Michael Nilsson, Mobility Planner, City of Glendale
Jung A Uhm, Senior Regional Planner, SCAG
Annette Vartanian, Analyst, City of Glendale

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

- Provided the best overall value to SCAG. Other firms proposed lower prices but the PRC awarded the contract to the selected consultant because it was in the range of what the PRC determined it would take to meet the required deliverables. Specifically, the other firms did not provide creative and innovative approaches that were specific to the City’s social, economic, and physical context, nor did they demonstrate the knowledge and experience in working with various stakeholders for collaboration;
- Demonstrated a highly interactive and phased approach with a clear short-term and long-term vision centered on implementation. Also, their visioning approach, which involved the City, community members and stakeholders, demonstrated a very strong and strategic collaborative plan when compared to other firms;
- Provided an analysis and understanding of the scope of work that included a much more broad area, which covered cultural, social, environmental, and economic benefits to the City;
- Demonstrated the most extensive experience with projects of similar size and scope by assembling a team of experts for this project who demonstrated a comprehensive understanding of the scope of work that was gained from experience with prior relevant projects concerning open space, mobility, accessibility, transit corridors, and pedestrian bridges; and
- Offered an effective approach to meet SCAG’s requirements by acknowledging the importance of consensus building with the City in the early visioning process in order to move forward with the necessary political support when compared to other firms.

CONSULTANT CONTRACT 12-001-B19

**Recommended
Consultant:**

AECOM

**Background &
Scope of Work:**

The consultant shall provide consultant services for a Compass Blueprint Demonstration Project for the Downtown Los Angeles Neighborhood Council (DLANC). The consultant shall address issues of mobility, livability, prosperity and sustainability in the downtown Los Angeles community by providing an opportunity to engage local stakeholders about their unique issues and needs. They will assess transportation-related conditions and mobility improvements including parking, bicycle, and pedestrian planning to help develop strategies to reclaim streets and sidewalks for people to encourage trips in transportation modes other than a car. Further, long-term and short-term community greening goals will be identified with a focus on reducing environmental impacts, including greenhouse gas emissions.

**Project's Benefits
& Key Deliverables:**

The project's key benefits and deliverables include, but are not limited to:

- Addressing issues of mobility, livability, prosperity, and sustainability in the community;
- Identifying key issues within the community that degrade the environment, developing goals for a more sustainable future, and coming to a consensus on an overall vision for a greener Downtown Los Angeles through a series of interactive activities and an ongoing exhibit;
- A Sustainability Analysis to help participants evaluate various options and come to an informed consensus on the most sustainable future vision; and
- A list of key recommendations, priorities and strategies that will be used by community leaders and the City to improve mobility, environmental, economic, and physical conditions in Downtown Los Angeles through the Vision Downtown project.

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.

Contract Amount:

Total not-to-exceed	\$121,956
AECOM (prime consultant)	\$82,956
Robert Group (subconsultant)	\$10,000
Iteris, Inc. (subconsultant)	\$10,000
Devine Strategies (subconsultant)	\$8,000
Greg Fischer (subconsultant)	\$8,000
Gil Kelly (subconsultant)	\$3,000

Note: AECOM originally proposed \$151,026, but staff negotiated the price down to \$121,956 without reducing the scope of work.

Contract Period:

July 16, 2012 through July 16, 2013

Project Number: 12-065.SCG0137.01 \$121,956
Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP): SCAG staff notified 1,623 firms of the release of RFP 12-001-B19. Staff also advertised the RFP in the American Planning Association’s website and the Urban Transportation Monitor, and posted it on SCAG’s bid management system. A total of 188 firms downloaded the RFP. SCAG received the following nine (9) proposals in response to the solicitation:

AECOM (5 subconsultants)	\$151,026
Point C (3 subconsultants)	\$175,483
The Planning Center (5 subconsultants)	\$180,887
Moore Iacofano Goltsman (2 subconsultants)	\$192,918
Peter Ellis (3 subconsultants)	\$340,592
Interface (3 subconsultants)	\$362,052
Forma (9 subconsultants)	\$376,833
RTKL Associates (4 subconsultants)	\$396,744
Gensler (7 subconsultants)	\$433,060

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 the four (4) highest ranked offerors.

The PRC consisted of the following individuals:

Angus Chan, Associate Transportation Planner, Caltrans District 7
Philip Estes, Planner, Los Angeles County (DLANC)
Arlene Granadosin, Associate Regional Planner, SCAG
Gretchen Siemers, Planner, Los Angeles County (DLANC)
Veronica Siranosian, Senior Planner, URS

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

- Proposed the lowest price;
- Demonstrated the most comprehensive and broadest range of services and solutions that will meet SCAG’s requirements. Specifically, public outreach, sustainability, carbon-footprinting, urban design, and transportation;
- Demonstrated the best understanding of the proposed scope of work by demonstrating their knowledge of Downtown Los Angeles, and previous public outreach experience, expertise in carbon-footprinting, and approach to exploring additional funding resources to continue visioning efforts for downtown Los Angeles;
- Best described their extensive experience in similar projects completed in the Downtown Los Angeles Fashion District, Ventura, Los Angeles Clean Tech Corridor, 101 Hollywood Freeway’s Part 101 and various visioning efforts internationally; and
- Demonstrated the most innovative, and effective approach to meet SCAG’s requirements. Specifically, their previous experience and utilization of innovative and creative outreach tools and strategies.

CONSULTANT CONTRACT 12-001-B10

Recommended Consultant:

AECOM Inc.

Background & Scope of Work:

City of Rancho Palos Verdes seeks to develop the Western Avenue Corridor Strategy and Vision Plan, a corridor and streetscape revitalization strategy for a 2-mile stretch of Western Avenue that traverses the City.

Western Avenue is largely comprised of concrete and asphalt, and the City believes that it lacks community appeal. The Vision Plan will provide the City with a sustainability-oriented blueprint for transforming this commercial corridor into a vibrant streetscape with a coordinated approach for bicycle, pedestrian, and transit activity that will benefit the community and local businesses.

Project's Benefits & Key Deliverables:

The project's key benefits and deliverables include, but are not limited to:

- Developing an identity/brand for the Western Avenue corridor;
- Developing guidelines and policies that unify the overall vision and strengthen the core Western Avenue businesses and residences, and increase community appeal;
- A site analysis of existing conditions, and current vs. proposed usage of Western Avenue;
- A traffic analysis and inventory of the existing parcels and right-of-way on Western Avenue;
- Streetscape design improvements, including urban greening elements and complete streets concepts;
- Recommendations and strategies for implementation of the Vision Plan; and
- A strategic implementation plan for working with multiple agencies and coordinating with regional and State goals.

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.

Contract Amount:

Total not-to-exceed	\$121,885
AECOM Inc. (prime consultant)	\$113,872
Fransen Co. (subconsultant)	\$8,013

Note: AECOM originally proposed \$219,928, but staff negotiated the price down to \$121,885 without reducing the scope of work (they offered more than what the RFP requested).

Contract Period:

Notice to Proceed through February 15, 2013

Project Number:

12-065.0137.01 \$60,842
13-065.0137.01 \$61,043

Funding sources: Consolidated Planning Grant – FHWA and TDA

Request for Proposal (RFP):

SCAG staff notified 1,905 firms of the release of RFP 12-001-B10. Staff also advertised the RFP in the American Planning Association's website and the Urban

Transportation Monitor, as well as the Planning Institute, and posted it on SCAG's bid management system. A total of 207 firms downloaded the RFP. SCAG received the following twelve (12) proposals in response to the solicitation:

AECOM Inc. (1 subconsultant)	\$219,928
FORMA (no subconsultant)	\$98,785
Alta Planning + Design (3 subconsultants)	\$160,478
Gwynne Pugh Urban Studio(4 subconsultants)	\$167,504
The Planning Center (3 subconsultants)	\$207,280
Hogle -Ireland (3 subconsultants)	\$209,994
Gruen Associates (3 subconsultants)	\$215,374
MIG (2 subconsultants)	\$219,596
David Evans & Associates (3 subconsultants)	\$226,791
SWA Group (4 subconsultants)	\$297,628
Johnson Fain (5 subconsultants)	\$587,311
Gensler (5 subconsultants)	\$663,796

Selection Process: The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.

The PRC consisted of the following individuals:

Eduardo Schonborn , Senior Planner, City of Rancho Palos Verdes
 Joel Rojas, Community Development Director, City of Rancho Palos Verdes
 Peter Brandenburg, Senior Regional Planner, SCAG

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

- Demonstrated a depth of understanding, and knowledge of, the project area that was unmatched by any of the other firms;
- More than any other firm, AECOM outlined the challenges and opportunities facing the Western Avenue corridor and the City generally;
- Demonstrated the most sophisticated, detailed and comprehensive understanding of the planning context in which Western Avenue should be considered in. In particular, AECOM emphasized the project's existing and potential linkages to the ongoing San Pedro waterfront revitalization efforts and to other planning and political factors in the neighboring City of Los Angeles;
- Demonstrated the ability and experience in navigating and integrating the City of Los Angeles' attributes and making them an asset to Western Avenue revitalization rather than an impediment. None of the other respondents demonstrated this capacity;
- Included a specialized retail strategy subconsultant on its team to assist with the economic development aspects of the project. This was indicative of a more comprehensive and detailed approach to developing an economic development strategy required for this project; and
- Provided a robust economic development approach, which was not included by any of the other firms.

Although AECOM was not the lowest priced firm, AECOM offered more scopes than what was requested in the RFP. Negotiations reduced the price without reducing the integrity of the required scope of work.

CONSULTANT CONTRACT 12-045-SSG1

Recommended Consultant:	Burke, Williams, & Sorensen, LLP
Background & Scope of Work:	A General Counsel has served the Regional Council in the past. The position was established to help support the agency and Regional Council. Increased activities have led to the necessity of filling the General Counsel position. In the interim, the consultant shall provide the necessary personnel to provide General Counsel legal services to SCAG. Specifically, Joseph Silvey will serve as SCAG's General Counsel for Regional Council and External Affairs. Services in connection with this contract may include, but are not limited to: advising and consulting with the SCAG's Regional Council and its Committees on legal matters; attending Metropolitan Planning Organization (MPO) Executive Director's meetings with other MPO legal counsels; attending other meetings as directed by SCAG's Executive Director or Chief Deputy Executive Director; collaborating as needed on items of Regional Council interest; and reviewing, as necessary, SCAG Bylaws for future opportunities to improve clarity.
Project's Benefits & Key Deliverables:	The project's benefits and key deliverables include, but are not limited to: providing legal guidance and/or services to SCAG's Executive Director, Chief Deputy Executive Director and SCAG Regional Council, as requested.
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.
Contract Amount:	Total not-to-exceed \$120,000 Burke, Williams, & Sorensen, LLP (prime consultant)
Contract Period:	September 1, 2012 through September 30, 2013
Project Number:	800-0160.01 \$120,000 Funding source: General Fund
Request for Proposal (RFP):	Not Applicable
Basis for Selection:	SCAG awarded Burke, Williams, & Sorensen, LLP a sole source contract because of Mr. Silvey's extensive knowledge and expertise with advising and consulting public agencies on legal matters.

CONSULTANT CONTRACT 13-003-S1

Recommended Consultant:	Regional Economic Models, Inc.
Background & Scope of Work:	<p>As part of the development of the 2012-2035 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), SCAG staff needs to perform econometric analyses for the Goods Movement, Regional Economic Strategy development, and Transportation Finance programs. Staff used the REMI, Policy Insight software for these analyses. As SCAG continues forward with future analyses, especially as it relates to Goods Movement and SCAG's Economic Impact Analysis, staff must use the same analytical framework to ensure the work previously done is directly compatible and consistent with subsequent analyses.</p> <p>Staff initiated its modeling analysis using REMI's Policy Insight software, under a temporary license that was at no cost to SCAG. Due to the extensive and complex nature of the analysis, staff was not able to complete its work under the temporary license for two (2) reasons: 1) the free license expired on July 13, 2012; and 2) staff desires to complete the analysis at an enhanced level. Therefore, staff wishes to upgrade from REMI's Policy Insight software to REMI's Transight econometric software, which has more functionality.</p>
Project's Benefits & Key Deliverables:	The project's key benefit and deliverable is the REMI's Transight econometric software, which has more functionality than SCAG's current econometric software.
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.
Contract Amount:	Total not-to-exceed \$53,000 Regional Economic Models, Inc. (prime consultant)
Contract Period:	July, 17, 2012 through June 30, 2013
Project Number:	055-0704A.02 \$53,000 Funding source: Consolidated Planning Grant – FHWA and TDA
Request for Proposal (RFP):	Not Applicable
Basis for Selection:	The REMI Transight proprietary software is only available through REMI, Inc., as they have no authorized resellers of their software. If SCAG does not acquire the software, the analyses being performed by the Goods Movement and Economic Impact Analysis would be incomplete. The Goods Movement Study requires the Transight module (which also contains the Policy Insight Module) that is unique to the REMI model.

CONSULTANT CONTRACT 12-040-C1

Recommended Consultant:	Zepol Corporation						
Background & Scope of Work:	<p>The purpose of this procurement is to obtain trade data information for use in SCAG's regional goods movement planning efforts. Staff shall use the information to assess the cargo throughput trends associated with the Ports of Los Angeles, Long Beach and Port Hueneme. The data will also be compared with trends associated with Seaports in North America.</p> <p>The consultant shall provide SCAG staff with access to and permit use of its online database applications, TradeIQ and Tradeview.</p>						
Project's Benefits & Key Deliverables:	The online database will allow SCAG staff to conduct an in-depth study for all shipments to practically every importer in California. It will also allow access to specific California ports: Los Angeles, Long Beach, and Port Hueneme. The key deliverable is a 60 month subscription that allows five (5) user licenses to access the consultant's database over the internet.						
Strategic Plan:	This item supports SCAG's Strategic Plan, Goal 3: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication Technologies; Objective b: Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner.						
Contract Amount:	<table><tr><td>Total not-to-exceed</td><td style="text-align: right;">\$29,916</td></tr><tr><td>Zepol Corporation</td><td style="text-align: right;">\$29,916</td></tr></table> <p>Note: Zepol Corporation originally proposed \$30,095, but staff negotiated the price down to \$29,916 without reducing the scope of work.</p>	Total not-to-exceed	\$29,916	Zepol Corporation	\$29,916		
Total not-to-exceed	\$29,916						
Zepol Corporation	\$29,916						
Contract Period:	June 28, 2012 through June 27, 2017						
Project Number:	130.SCG00162.02 \$29,916 Funding sources: Consolidated Planning Grant – FTA and TDA						
Request for Proposal (RFP):	<p>SCAG staff notified three (3) firms of the release of RFP 12-040-C1. This was an Informal Procurement (i.e., a procurement that staff estimated to be less than \$50,000). SCAG received the following three (3) proposals in response to the solicitation:</p> <table><tr><td>Zepol Corporation</td><td style="text-align: right;">\$30,095</td></tr><tr><td>Datamyne, Inc.</td><td style="text-align: right;">\$118,560</td></tr><tr><td>PEIRS</td><td style="text-align: right;">\$193,800</td></tr></table>	Zepol Corporation	\$30,095	Datamyne, Inc.	\$118,560	PEIRS	\$193,800
Zepol Corporation	\$30,095						
Datamyne, Inc.	\$118,560						
PEIRS	\$193,800						
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.						

The PRC consisted of the following individuals:

Mike Jones, Senior Regional Planner, SCAG

Javier Minjares, Regional Planner Specialist, SCAG

Rajeev Seetharam, Senior Regional Planner, SCAG

Basis for Selection: The PRC recommended Zepol Corporation for the contract award because the consultant:

- Provided the lowest cost proposal;
- Included historical trade information data in the subscription;
- Allows trade data information to be accessed using any computer with a username and password, without Internet Protocol (IP) address restrictions;
- Provides access to U.S. Census Data (providing import and export data);
- Allows sharing and publication of the data; and
- Allows unlimited number of dataset downloads.

Other firms were deficient in the following areas:

- Higher cost, and charged a separate fee for additional users and historical data; and
- Had restrictions on number of downloads, sharing and publishing data, and Internet Protocol (IP) address (user is billed if data accessed from different IP address).

CONTRACT 11-009-C1 AMENDMENT 2

Consultant:	Capital Representation Group								
Background & Scope of Work:	<p>In December 2010, SCAG awarded Contract 11-009-G1 to Capital Representation Group (“Consultant”) to be the agency’s state government affairs legislative consultant/lobbyist and assist SCAG in Sacramento with identifying and implementing strategies through the California State Legislative appropriations process that supports SCAG adopted legislative activities.</p> <p>This year SGAG’s legislative priorities had expanded and consequently staff amended the contract to reflect the new legislative priorities. The consultant’s additional tasks include, but are not limited to: preparing and reviewing draft legislative language related to the Southern California Job Recovery & Economic Strategy, including suggesting amendments on key legislative priorities, arranging briefings and scheduling visits for Regional Council Members, SCAG executive management, and other SCAG staff with appropriate members of California State Legislature, legislative staff, and key Governor’s Administration officials, and preparing memos advising staff and the Regional Council on pending high priority legislative issues.</p>								
Project’s Benefits & Key Deliverables:	<p>The project’s benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none">• Monitoring of legislation of interest to SCAG, including committee hearings;• Having representation at State Transportation, Appropriations, Budget, and Economic and/or Jobs Committees, or any other legislative committees;• Having an advocate in Sacramento to actively promote SCAG’s priorities; and• Monitoring and reporting on legislation of interest to SCAG, as well as monitoring the project/programming/allocation discussions and actions of state government, specifically the California Transportation Commission, the California Department of Transportation (Caltrans), the California Air Resources Board (ARB), and the Strategic Growth Council.								
Strategic Plan:	This item supports SCAG’s Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective 1: Identify new infrastructure funding opportunities with state, federal and private partners; Objective 2: Identify and support legislative initiatives.								
Amendment Amount:	<table><tr><td>Amendment 2</td><td style="text-align: right;">\$19,000</td></tr><tr><td>Amendment 1 (administrative - no change to contract’s value)</td><td style="text-align: right;">\$0</td></tr><tr><td>Original contract value</td><td style="text-align: right;"><u>\$233,000</u></td></tr><tr><td>Total contract value is not-to-exceed</td><td style="text-align: right;">\$252,000</td></tr></table>	Amendment 2	\$19,000	Amendment 1 (administrative - no change to contract’s value)	\$0	Original contract value	<u>\$233,000</u>	Total contract value is not-to-exceed	\$252,000
Amendment 2	\$19,000								
Amendment 1 (administrative - no change to contract’s value)	\$0								
Original contract value	<u>\$233,000</u>								
Total contract value is not-to-exceed	\$252,000								
	<p>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, the amendment does not require the Regional Council’s approval.</p>								
Contract Period:	December 1, 2010 through June 30, 2014								
Project Number:	12-800-0160.0 \$78,000 Funding source: General Fund								

**Basis for the
Amendment:**

The consultant has significant and relevant experience already as SCAG's consultant/lobbyist for the past 21 months and has proved to be a vital asset in Sacramento. The consultant has a firm grasp of SCAG's legislative priorities and initiatives, and is well abreast of transportation, appropriations, and budget issues. The consultant has significant experience dealing with Metropolitan Planning Organizations (MPO) and similar areas of legislative objectives, including, but not limited to, transportation funding, safety, clean air, congestion management, congestion pricing, goods movement, etc. When the original contract was executed, SCAG had yet to develop the Southern California Economic Recovery & Job Creation Strategy. Staff required this amendment to allow the consultant's substantive input, analysis, and clarity to issues pertaining to the economy, economic development and job creation. The consultant has over 30 years of experience in Sacramento, and has forged relationships that have not only enabled them to continue with the scope of work outlined in the original contract, but to also perform the revised work tasks.

CONTRACT 12-012-C1 AMENDMENT 2

Consultant: AgreeYa Solutions, Inc.

Background & Scope of Work: In November 2011, SCAG awarded Contract 12-012-C1 to AgreeYa Solutions to assist with the redesign of SCAG’s main Internet site. Goals for this site are to increase interactive components; provide a more succinct message and content relevant to particular audiences; design a site that facilitates multiple contributors and approval workflows; and develop a SCAG brand across all of SCAG’s varied programs and activities.

The purpose of this amendment is to add funding that shall enable the consultant to create a software solution that will allow users not located in SCAG offices to be able to securely access SCAG’s various web-enabled resources that are currently limited only to individuals that are on site.

The consultant shall be responsible for completing all architecture, and development work associated with designing and building this security tool.

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

- Technical development effort of the overall redesign and website implementation;
- Review and implement any needed changes of the existing SharePoint architecture including design, configuration, and implementation of security and authentication solutions utilizing Claims Authentication and Microsoft Forefront Unified Access Gateway (UAG);
- Develop custom web parts and solutions within SharePoint 2010 to meet SCAG’s requirements and provide an interactive and dynamic website experience for SCAG visitors;
- Style all custom site elements including master pages, page layouts and web parts;
- Develop custom workflows in SharePoint using Nintex Workflow designer;
- Provide SharePoint development and architecture assistance to SCAG’s internal development team on other SharePoint related development activities such as custom workflows development; and
- Conduct knowledge transfer to SCAG’s webmaster, Administrator, and development team throughout the project.

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.

Amendment	Amendment 2	\$9,980
Amount:	Amendment 1 (administrative - no change to contract’s value)	\$0
	Original contract value	<u>\$189,600</u>
	Total contract value is not-to-exceed	\$199,580

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, the amendment does not require the Regional Council's approval.

Contract Period: November 15, 2011 through July 31, 2012

Project Number(s): 090.SCG0148.01 \$199,580
811.SCG01163.07 \$9,980
Funding source: Consolidated Planning Grant – FHWA and Indirect

Basis for the Amendment: A Microsoft tool which would allow users to sign-on to various SCAG websites was determined to be inadequate; therefore, the most effective option was to have the consultant customize a generic software tool to meet SCAG's needs.

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DATE: October 4, 2012

TO: Community, Economic & Human Development (CEHD) Committee
Regional Council (RC)

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

SUBJECT: Existing Housing Needs Statistics Data to Support Local Jurisdictions' Housing Element Updates

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

For Information Only – No Action Required.

EXECUTIVE SUMMARY:

To comply with California state housing law, jurisdictions within California must update their housing element every eight (8) years. In addition to providing a sites and zoning analysis to accommodate projected housing need as determined by the Regional Housing Needs Assessment (RHNA), jurisdictions are required to assess their existing housing needs. Housing elements for the 5th planning cycle (October 2013 to October 2021) must be submitted by jurisdictions to the California Department of Housing and Community Development (HCD) by October 15, 2013.

As part of member services, SCAG staff has processed data from the 2010 decennial Census, 2005-2009 American Community Survey along with housing related statistics from other sources. The SCAG region specific data provides value-added information to our member jurisdictions and other stakeholders. Specifically, the data will help local jurisdictions prepare updates to their housing elements, particularly with respect to the information on the existing housing needs. The data sets were distributed as part of the technical appendix to the adopted Final RHNA Methodology, which was approved by the SCAG RC on November 3, 2011. These data will be made available on SCAG webpage at: <http://rtpscs.scag.ca.gov/Pages/Housing-Elements-2012.aspx> following the October 4, 2012 CEHD and RC 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 a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

SCAG has processed data from the 2010 decennial Census, 2005-2009 American Community Survey along with housing related statistics from other sources for the purpose of providing value-added information to member jurisdictions and other stakeholders.

FISCAL IMPACT:

Work associated with this item is included in the current FY 12-13 Web Development Budget (13-045.0142.20).

ATTACHMENT:

PowerPoint presentation: "Housing Element Assistance: Existing Housing Needs Data"

Local Housing Element Assistance: Existing Housing Needs Data

October 4, 2012



SCAG Website Home Page

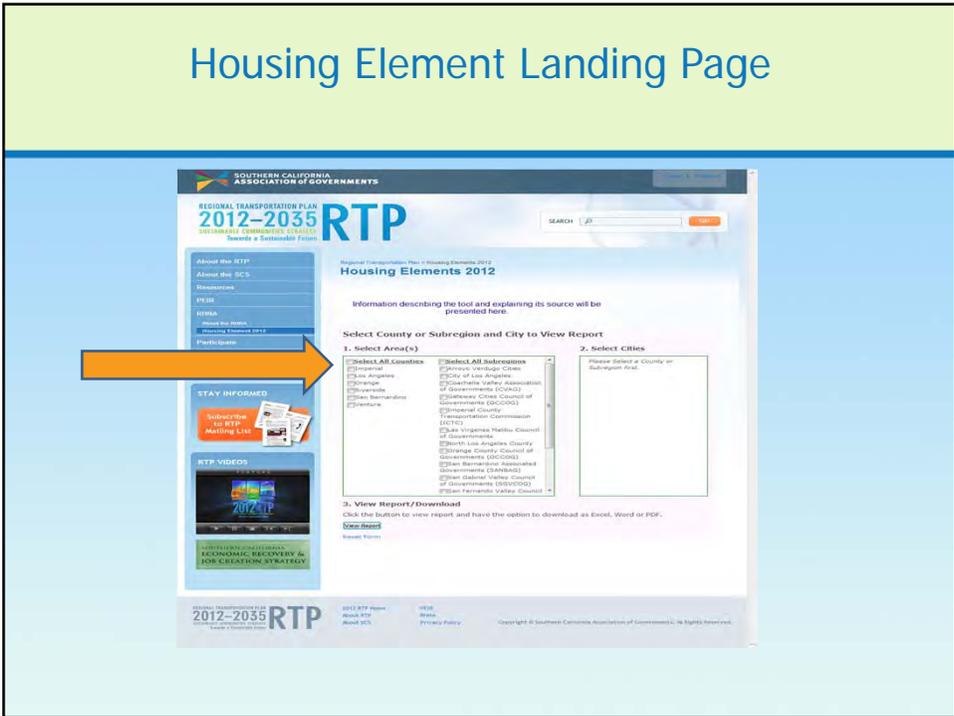
The information is available...



SCAG Website Home Page



Housing Element Landing Page



Housing Element Landing Page



Report Page

You can export this information to Excel.



Thank you for your attention

For more information, please contact:

Ma'Ayn Johnson

213-236-1975

johnson@scag.ca.gov



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DATE: October 4, 2012

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

FROM: Basil Panas, Acting Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov

SUBJECT: CFO Monthly Report

EXECUTIVE DIRECTOR'S APPROVAL: 

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 submitted the final FY 2011/12 Consolidated Planning Grant (CPG) invoice to the California Department of Transportation (Caltrans) along with the Statement of Expenditures and 4th Quarter In-kind Match report. The final expenditures for FY 2011/12 were:

Metropolitan Planning (PL/FHWA)	\$21,352,979
FTA Sec. 5303	\$ 7,336,388
FTA Sec. 5304	\$ 398,015
State Planning and Research (Discretionary)	\$ 504,092
State Planning and Research (Planning)	\$ 11,673
Blueprint Planning Study, Year 4	\$ 496,579
Proposition 85	\$ 193,701
TOTAL	\$30,293,427

BUDGET & GRANTS (B&G):
B&G staff submitted the Final FY 2011/12 4th Quarter Progress Report to Caltrans. This report included Fiscal Year 2011/12 year-end final expenditures. A meeting with Caltrans to review the report and the 2011/12 Overall Work Program (OWP) Accomplishments is scheduled for 9:00 a.m. on October 18, 2012, at the SCAG Los Angeles offices.

B&G staff, in collaboration with the Planning Departments, organized, labeled and completed all OWP products for Fiscal Year 2011/12 and submitted them to Caltrans on September 14, 2012.

Caltrans awarded six (6) Federal Transportation Planning Grants for Fiscal Year 2012/13. The combined funding award for Fiscal Year 2012/13 will authorize SCAG to receive \$627,654. The funds will be sub-allocated to local governments/agencies within the region for transportation planning related activities. B&G staff is the process of finalizing the related grant scopes of work and timelines and schedules; as well as adding the six (6) projects to the Fiscal Year 2012/13 OWP.

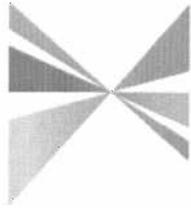
REPORT

CONTRACTS:

During the month of August 2012, the Contracts Department issued three (3) Requests for Proposal (RFP's); awarded one (1) contract; issued six (6) contract amendments; and issued 51 Purchase Orders to support ongoing business and enterprise operations. Staff also administered 91 consultant contracts, as well as five (5) Continuing Cooperative Agreements (CCA's).

Contracts staff continued to negotiate better pricing and reduced costs for services. During the month of August 2012, staff realized approximately \$20,841 in budget savings, thus bringing the current fiscal year cumulative budget savings total to approximately \$21,958.

ATTACHMENT: August 2012 CFO Monthly Status Report



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

Office of the Chief Financial Officer

Monthly Status Report

AUGUST 2012



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

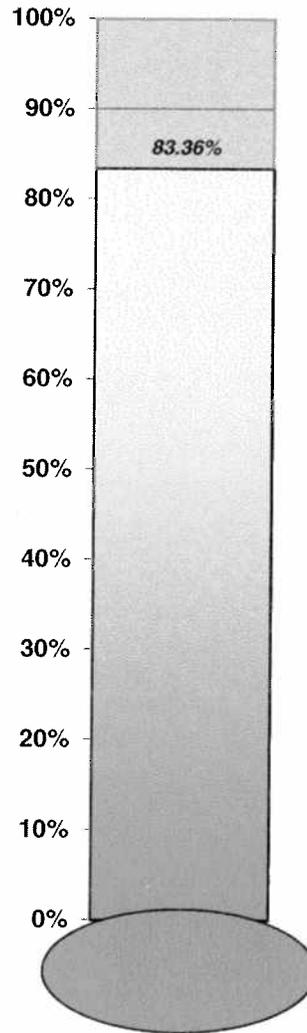
OVERVIEW

As of September 13, 2012, there are 158 paid members and 26 memberships pending. There are 7 cities in the SCAG region who are still being recruited for membership.

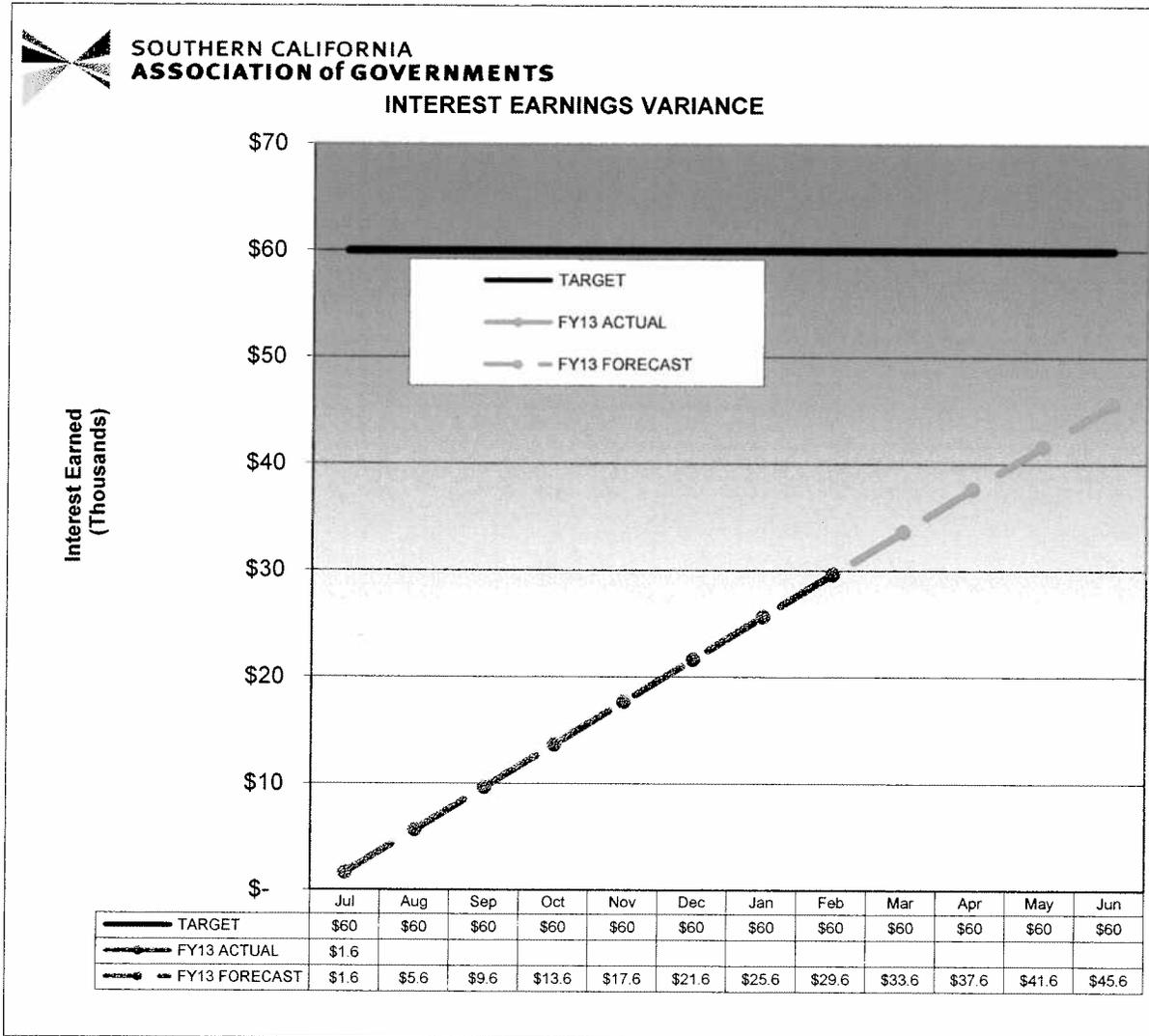
SUMMARY

FY13 Membership Dues	<u>\$ 1,820,868.00</u>
Total Collected	<u>\$ 1,517,918.00</u>
Percentage Collected	<u>83.36%</u>

**FY13 Membership
Dues Collected**



Office of the CFO
Interest Earnings Variance



OVERVIEW

Actual interest income is plotted against the target amount. The amount earned through July was \$1,638. The LA County Pool earned 0.77% in July.

SUMMARY

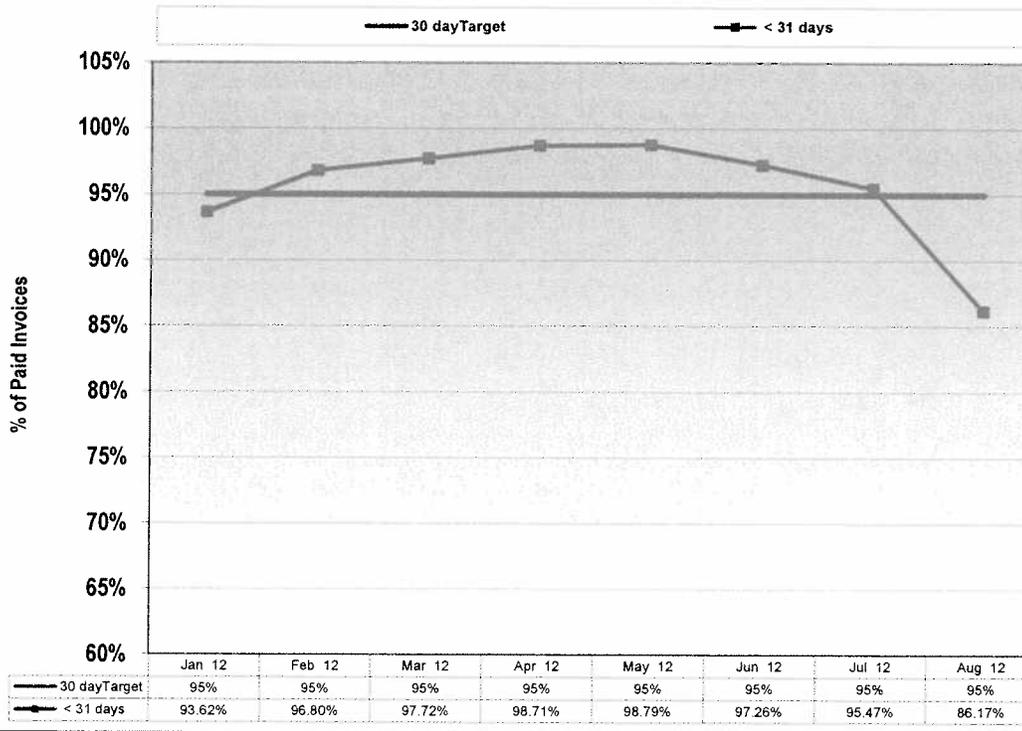
The amount projected for FY13 is \$45,000 which is \$15,000 less than the target.

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

86.17% of August 2012's payments were made within 30 days of invoice receipt.

At month-end, 34 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

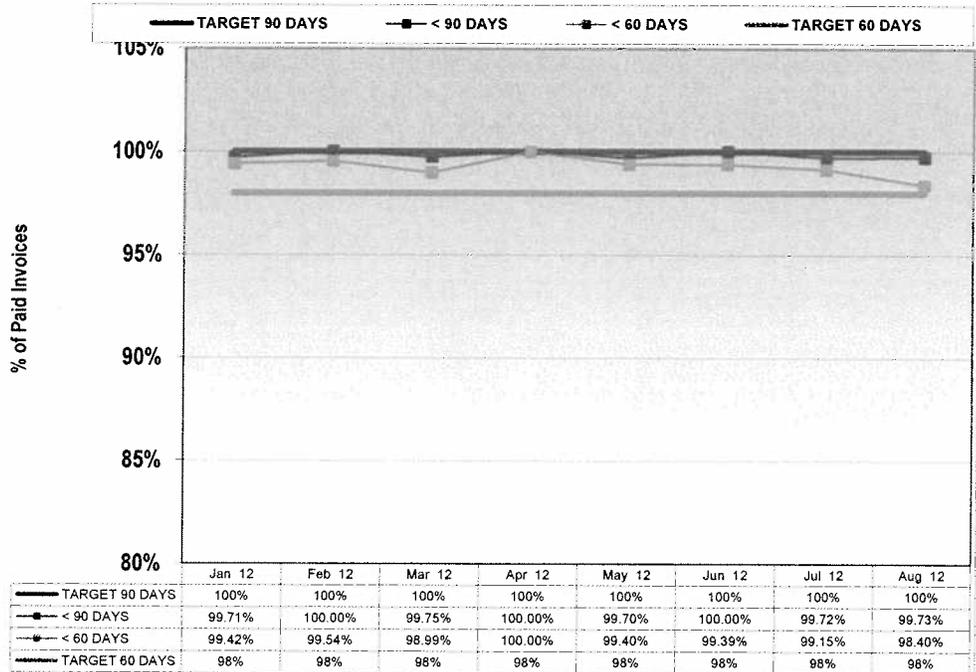
These goals were partially met during this period.

98.40% of August 2012's payments were within 60 days of invoice receipt and 99.73% within 90 days. Invoices unpaid 30-60 days totaled 1; 60-90 days: 0; >90 days: 0.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

INVOICE AGING



Office of the CFO
Fiscal Year-To-Date Expenditure Report Through August 31, 2012



COMPREHENSIVE BUDGET

		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget
1	Staff & Fringe Benefits	412,794	412,794	75,465		337,329	18.3%
2	51001 Indirect Costs	405,201	405,201	73,684		331,517	18.2%
3	54300 SCAG Consultants	336,000	336,000	6,500	213,121	116,379	1.9%
4	54340 Legal costs	100,000	100,000	-	10,203	89,798	0.0%
5	54350 Professional Services	15,000	15,000	2,974		12,026	19.8%
6	54400 Subregional Delegation	-	-	-		0	
7	55441 Payroll, bank fees	7,500	7,500	277		7,223	3.7%
8	55460 Materials & Equipment < \$5K	-	1,187	1,187		0	100.0%
9	55600 SCAG Memberships	93,000	93,000	9,250		83,750	9.9%
10	55620 Res/Materials Subscriptions	3,330	3,330	-		3,330	0.0%
11	55730 Capital Outlay	665,382	665,382	-		665,382	0.0%
12	55830 Conference - Registration	-	-	-		0	
13	55910 RC/Committee Meetings	8,237	8,237	-		8,237	0.0%
14	55914 RC General Assembly	330,000	330,000	21,344		308,656	6.5%
15	55920 Other Meeting Expense	51,400	51,400	4,826		46,574	9.4%
16	55930 Miscellaneous other	206,140	204,953	2,037		202,916	1.0%
17	55940 Stipend - RC Meetings	175,000	175,000	17,160		157,840	9.8%
18	55972 Rapid Pay Fees	975	975	-		975	0.0%
19	56100 Printing	6,000	6,000	-		6,000	0.0%
20	58100 Travel - outside SCAG region	25,000	25,000	1,342		23,658	5.4%
21	58101 Travel - local	17,100	17,100	3,966		13,134	23.2%
22	58110 Mileage - local	15,000	15,000	2,843		12,157	19.0%
23	58150 Staff Lodging Expense	3,400	3,400	146		3,254	4.3%
24	58800 RC Sponsorships	69,650	69,650	2,100		67,550	3.0%
25	Total General Fund	2,946,109	2,946,109	225,102	223,323	2,497,684	7.6%
26							
27	Staff & Fringe Benefits	12,566,821	12,566,821	1,842,685		10,724,136	14.7%
28	51001 Indirect Costs	12,335,615	12,335,615	1,799,198		10,536,417	14.6%
29	54300 SCAG Consultants	14,634,378	14,634,378	73,128	7,368,932	7,192,318	0.5%
30	54330 Subregional Consultants	-	-	-	0	0	
31	54350 Professional Services	550,000	550,000	7,500	39,449	503,051	1.4%
32	55210 Software Support	90,000	90,000	84,649	710	4,640	94.1%
33	55220 Hardware Support	100,000	100,000	-	26,040	73,960	0.0%
34	55280 Third Party Contribution	2,834,820	2,834,820	-		2,834,820	0.0%
35	55620 Resource Materials - subscrib	450,000	450,000	3,650	280	446,070	0.8%
36	55810 Public Notices	8,000	8,000	-	1,127	6,873	0.0%
37	55830 Conference - Registration	13,000	13,000	1,665		11,335	12.8%
38	55920 Other Meeting Expense	20,000	20,000	-	40	19,960	0.0%
39	55930 Miscellaneous - other	-	-	-	0	0	
40	55950 Temporary Help	-	-	-	0	-	
41	56100 Printing	18,500	18,500	-	0	18,500	0.0%
42	58100 Travel	110,350	110,350	6,809		103,541	6.2%
43	58110 Mileage	-	-	-		0	
44	Total OWP	43,731,484	43,731,484	3,819,285	7,436,578	32,475,621	8.7%
45							
46	Comprehensive Budget	46,677,593	46,677,593	4,044,387	7,659,901	34,973,305	8.7%

Office of the CFO

Fiscal Year-To-Date Expenditure Report Through August 31, 2012



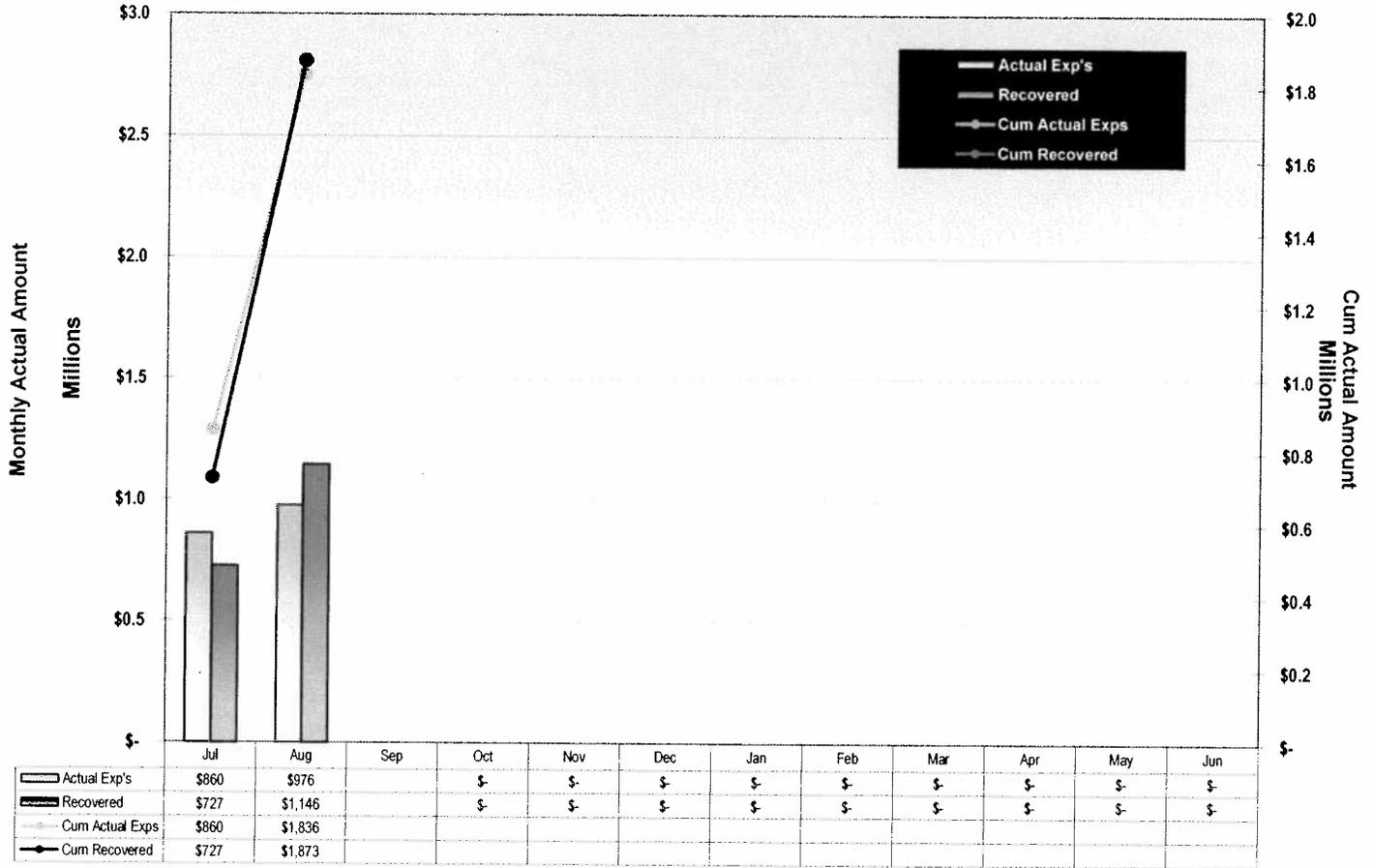
INDIRECT COSTS

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	4,277,611	4,277,415	610,364		3,667,051	14.3%
2	50013	Regular OT	-	66	66		0	99.4%
3	50014	Interns, Temps, Annuity	-	130	130		0	100.0%
4	51000	Allocated Fringe Benefits	2,924,747	2,924,747	438,788		2,485,959	15.0%
5	54300	SCAG Consultants	351,671	351,671	-	145,160	206,511	0.0%
6	54340	Legal	275,000	275,000	240	51,640	223,120	0.1%
7	54350	Prof Svcs	766,338	766,338	158,153	608,185	0	20.6%
8	55210	Software Support	419,603	419,603	105,841	68,776	244,986	25.2%
9	55220	Hardware Supp	129,030	121,686	54,314	39,242	28,130	44.6%
10	55230	Computer Maintenance	-	7,344	7,344		0	100.0%
11	55240	Repair & Maint Non-IT	19,684	19,684	1,952	17,732	0	9.9%
12	55400	Office Rent 818 Offices	1,536,000	1,536,000	250,057	1,285,943	0	16.3%
13	55410	Office Rent Satellite	222,000	222,000	24,772	172,383	24,844	11.2%
14	55420	Equip Leases	115,000	115,000	17,888	97,112	0	15.6%
15	55430	Equip Repairs & Maint	45,244	45,244	1,594	3,589	40,061	3.5%
16	55440	Insurance	175,299	175,299	29,910		145,389	17.1%
17	55441	Payroll / Bank Fees	15,000	15,000	530		14,470	3.5%
18	55460	Mater & Equip < \$5,000	180,000	180,000	8,072	12,591	159,337	4.5%
19	55510	Office Supplies	141,200	141,200	7,107	126,118	7,975	5.0%
20	55520	Graphic Supplies	50,000	50,000	-	723	49,277	0.0%
21	55530	Telephone	165,500	165,500	27,749	137,751	0	16.8%
22	55540	Postage	20,000	20,000	-		20,000	0.0%
23	55550	Delivery Services	8,900	8,900	1,330	7,569	0	14.9%
24	55600	Scag Memberships	60,000	60,000	-		60,000	0.0%
25	55610	Prof Memberships	7,610	7,610	630	430	6,550	8.3%
26	55620	Res Mats/Subscrip	57,855	57,855	328	5,482	52,045	0.6%
27	55700	Deprec - Furn & Fixt	45,137	45,137	-		45,137	0.0%
28	55710	Deprec - Computer Equipment	77,723	77,723	-		77,723	0.0%
29	55720	Amortiz - Leasehold Improvements	7,402	7,402	-		7,402	0.0%
30	55800	Recruitment Notices	7,000	7,000	31	1,818	5,152	0.4%
31	55801	Recruitment - other	30,000	30,000	-	18,275	11,725	0.0%
32	55810	Public Notices	5,000	5,000	-		5,000	0.0%
33	55820	Training	160,000	160,000	41,358	103,715	14,927	25.8%
34	55830	Conference/workshops	29,850	29,850	339	45	29,466	1.1%
35	55920	Other Mtg Exp	51,200	51,200	4,125	4,000	43,075	8.1%
36	55930	Miscellaneous - other	13,526	13,526	8,806	4,720	0	65.1%
37	55950	Temp Help	58,500	58,500	215	58,284	0	0.4%
38	56100	Printing	91,500	91,500	24,486	3,038	63,977	26.8%
39	58100	Travel - Outside	102,614	102,614	6,297		96,317	6.1%
40	58101	Travel - Local	9,186	9,186	810		8,376	8.8%
41	58110	Mileage - Local	38,404	38,404	1,335		37,069	3.5%
42	58150	Staff lodging Expense	5,334	5,334	-		5,334	0.0%
43	58200	Travel - registration	3,000	3,000	-		3,000	0.0%
44	58400	Travel - Car Rentals	-	-	-		0	
45	58450	Fleet Vehicle	8,200	8,200	1,077	7,123	0	13.1%
46		Total Indirect Cost	12,706,868	12,706,868	1,836,035	2,981,442	7,889,391	14.4%



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

FY13 INDIRECT COST & RECOVERY



OVERVIEW

A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

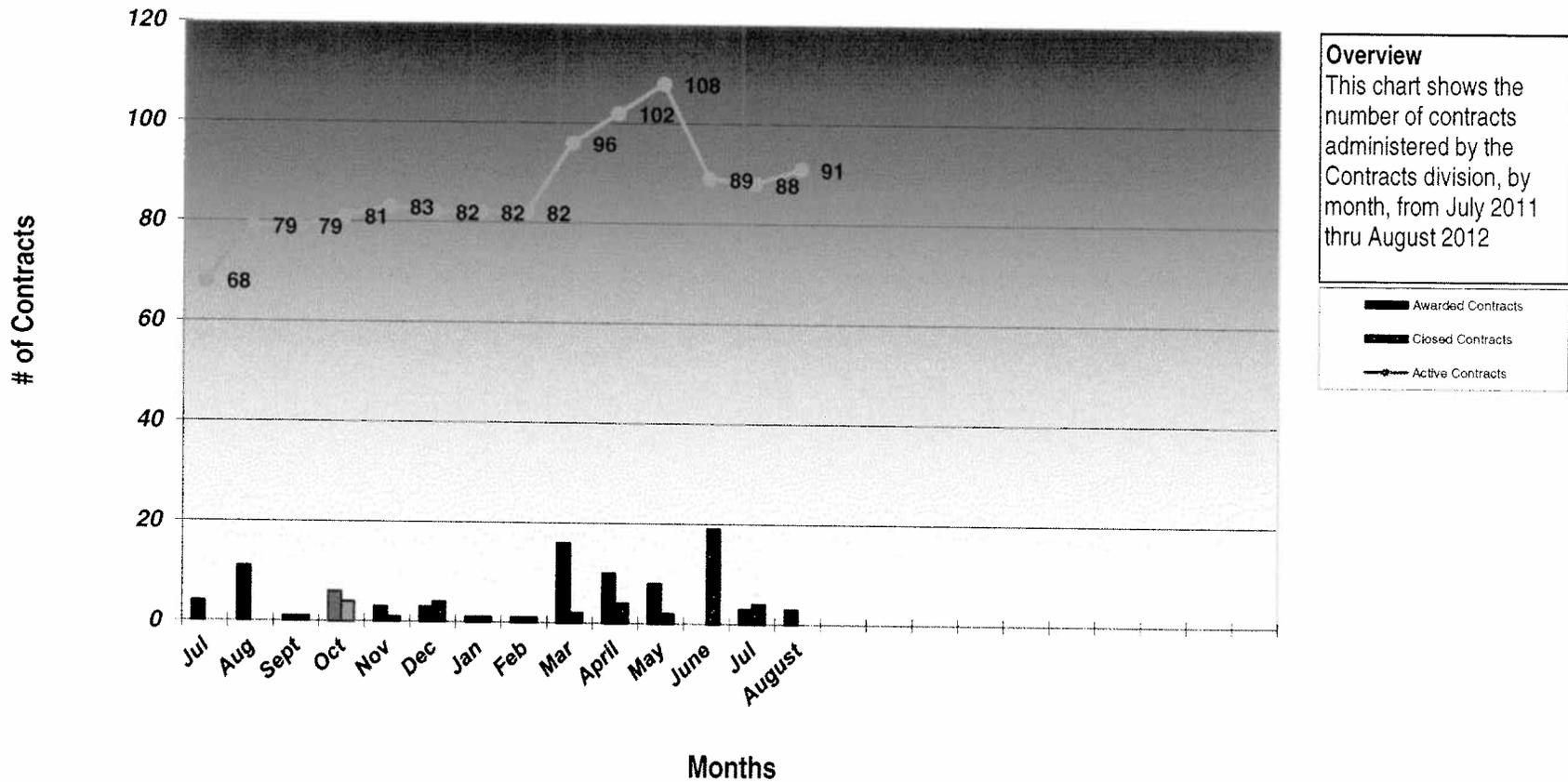
SUMMARY

Through August 2012, SCAG was over-recovered by \$36,847. This was because the Indirect Cost budget was underspent.

Office of the CFO
Consolidated Balance Sheet

	7/31/2012	8/31/2012	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 1,798,270	\$ 412,274		
LA County Investment Pool	\$ 3,076,157	\$ 4,439,542		
Cash & Investments	\$ 4,874,427	\$ 4,851,816	\$ (22,612)	Minimal change
Accounts Receivable	\$ 8,530,655	\$ 7,793,697	\$ (736,958)	June, July and Aug CPG invoices
Other Current Assets	\$ 521,074	\$ 408,275	\$ (112,799)	FY12 prepaids were expensed in FY13
Fixed Assets - Net Book Value	\$ 395,901	\$ 395,901	\$ -	No change
Total Assets	\$ 14,322,057	\$ 13,449,689	\$ (872,368)	
Accounts Payable	\$ (3,731,537)	\$ (53,703)	\$ 3,677,834	FY12 invoices have all been paid.
Employee-related Liabilities	\$ (483,931)	\$ (261,128)	\$ 222,804	Last paydate in Aug was closer to month-end (Aug 30) than in July (July 19)
Deferred Revenue	\$ (144,087)	\$ (109,237)	\$ 34,850	Minimal change
Total Liabilities and Deferred Revenue	\$ (4,359,555)	\$ (424,068)	\$ 3,935,487	
Fund Balance	\$ 9,962,502	\$ 13,025,620	\$ 3,063,119	
WORKING CAPITAL				
	7/31/2012	8/31/2012	Incr (decr) to working capital	
Cash	\$ 4,874,427	\$ 4,851,816	\$ (22,612)	Minimal change
Accounts Receivable	\$ 8,530,655	\$ 7,793,697	\$ (736,958)	Aug CPG invoice was less than May
Accounts Payable	\$ (3,731,537)	\$ (53,703)	\$ 3,677,834	FY12 invoices have all been paid.
Employee-related Liabilities	\$ (483,931)	\$ (261,128)	\$ 222,804	Last paydate in Aug was closer to month-end (8-30-12) than in July (July 19)
Working Capital	\$ 9,189,614	\$ 12,330,682	\$ 3,141,068	

SCAG Contracts (Year to Date)



Overview
This chart shows the number of contracts administered by the Contracts division, by month, from July 2011 thru August 2012

- Awarded Contracts
- Closed Contracts
- Active Contracts



Summary

The chart shows that the Contract Division is managing 91 active consultant contracts. Twenty-four of these contracts are fixed price, 50 are Cost Plus Fixed Fee contracts, and the remaining 17 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Division anticipates issuing approximately 30 contracts for FY 2012/13. 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.



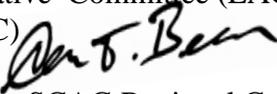
GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive	6	5	1
Legal	3	2	1
Strategy, Policy & Public Affairs	23	19	4
Administration	48	43	5
Planning & Programs	66	62	4
Total	146	131	15

OTHER POSITIONS

GROUPS	Limited Term Positions	Temp Positions	Agency Temps
Executive	1	0	0
Legal	0	0	0
Strategy, Policy & Public Affairs	1	1	0
Administration	3	1	0
Planning & Programs	0	4	0
Total	5	6	0

REPORT

DATE: October 4, 2012

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

FROM: Glen Becerra, President SCAG Regional Council

SUBJECT: AB 109 – The 2011 Public Safety Realignment Act Discussion

BACKGROUND:

Per the discussion at the September 6, 2012 RC meeting, letters have been sent inviting Sheriffs, District Attorneys, Chief Probation Officers, and County Executive Officers to the October 4, 2012 meeting for discussion regarding the impacts of AB 109, the 2011 Public Safety Realignment Act, chaptered into law April 4, 2011. A copy of the bill may be accessed online from the legislative counsel website at: http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0101-0150/ab_109_bill_20110404_chaptered.html. We are expecting a good response from our invited guests to attend and discuss this matter with you.

The enacted legislation contains numerous statutory and technical changes to implement changes to the Budget Act of 2011. The bill expands the authority of local correctional administrators to use alternative custody methods for low level/non-violent offenders, and establishes day for day credit for offenders serving time in jail.

With respect to Post-Release Supervision, bill provisions include:

- Specifies the population to be released onto post-release supervision (non-violent/serious, no third strike conviction, no high risk sex offenders);
- Requires the Local Corrections Community partnership to create an implementation plan for post release supervision of offenders and to make recommendations to county board of supervisors;
- Requires the county board of supervisors to designate a county agency to be responsible for post-release supervision;
- Requires notification by the California Department of Corrections and Rehabilitation (CDCR) to counties regarding who is being released into post release supervision;
- Requires the court to establish a process to determine violations of conditions of post-release supervision and revocations;
- Sets parameters for one time offenders to be on post-release supervision and provides authority for release.

Regarding State Parole statutes, significant provisions are:

- Specifies who remains on state parole (violent/serious conviction, third strike conviction, high risk sex offenders);
- Specifies that only ‘lifers’ can be returned to state prison for a parole violation;
- Adds the courts as the authority for determining revocations.

REPORT

For Low Level Offenders, the bill provisions are as follows:

- Redefine a felony to include imprisonment in a county jail for more than a year;
- Amend PC Section 1170 to providing that punishment incarcerations of 16 months, two, or three years be served in county jail unless the person has a prior violent, serious, or sex offense (in which case they serve time in state prison);
- Provides that counties can contract with the state to house felony offenders;
- Stop state intake and allows local agencies to contract with state corrections department for housing juvenile offenders.

The bill stipulates the act will become operative only upon creation of a community corrections grant program and upon an appropriation to fund the grant program.

Meeting Discussion

Dr. Katherine Telles, Assistant Professor from Cal-State University, Los Angeles who has been gathering available information regarding AB 109 impacts to counties and cities, has been invited to provide a presentation. She will provide brief comments and then our invited guests will share their impacts and solutions with the members. I have scheduled time for you to ask questions of our guests and discuss potential next steps.

ATTACHMENT:

Powerpoint Presentation: AB 109

AB 109: WHAT IS IT AND HOW CAN WE UNDERSTAND ITS IMPACT?

Katharine Tellis, PhD MSW ktellis@calstatela.edu

Assistant Professor, Cal State LA School of Criminal Justice & Criminalistics

Legal Context

- Brown v. Plata (2011)
 - CA's 33 prisons must reduce population to 137.5% of design capacity by May 24, 2013
- AB 109 enacted in October 2011 as a solution to reduce overcrowding, costs, and recidivism
 - Administrated via Community Corrections Partnerships (CCP) throughout CA counties
 - Counties assume responsibility for Post-release Community Supervision of non-serious, non-violent, non-sexual offenders

In Los Angeles County as of August 2012

- 9,823 individuals were on Postrelease Community Supervision
- 26% of individuals released October – December 2011 were arrested for a new crime within 6 months
- On September 30, 2011, LA County Jail population was 15,463. By July 31, 2012 it was 18,928; realigned population accounted for 30% of this population (5,035 (27%) N3 offenders and 602 (3%) parole violators)
- SOURCE: CCJCC Realignment Update Report, August 31, 2012

But, average citizens hear about it this way...

- “Man suspected in attempted sexual assault in Merced had been freed early” Merced Sun Star, 9/5/12
- A convicted sex offender accused of attempting to sexually assault a 20-year-old woman Saturday had been released early from the Merced County Jail just days before the incident. The suspect, Gabriel Fuentes, was released under the guidelines of Assembly Bill 109, the state's prison realignment law.

Other examples

- “New charges for sex offenders, free despite parole violations” ABC30.com, 9/20/12
- “Prison realignment blamed for more fights, drugs in county jails” KGET.com, 9/20/12
- “Ventura County wrestles with justice realignment plan” Ventura County Star, 9/11/12
- “Midyear Spike in Violent Crime Raises Concerns About Causes” NBC 7 San Diego, 8/30/12
- “California calls prison release plan unsafe” LA Times, 9/17/12

Issues raised for policy makers and criminal justice professionals

- The nation’s, and California’s, persistent fiscal crises have made corrections a prime focus for policy makers
- Data-driven, evidenced-based findings are critical to inform policy development
- The true impact of AB 109 remains an empirical question to be answered systematically rather than anecdotally

How can we systematically evaluate the impact of AB 109?

- | | |
|--|---|
| <ul style="list-style-type: none"> □ Process Evaluation □ <i>Is AB 109 being implemented as intended and with fidelity?</i> <ul style="list-style-type: none"> ▣ Eligibility criteria ▣ Consequences of “no shows” ▣ Risk assessment process ▣ Responses to new violations | <ul style="list-style-type: none"> □ Outcome Evaluation □ <i>What are the effects of AB 109?</i> <ul style="list-style-type: none"> ▣ Local jails? ▣ Probation departments? ▣ Crime rates? ▣ Type and extent of recidivism? |
|--|---|

Important considerations

- Active engagement from stakeholders
- Recognition of variation in implementation across counties
- Build upon existing efforts
- Hearing your thoughts/concerns/suggestions specific to your agencies and communities

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Questions

- What was supposed to happen under AB 109 vs. what is happening in your county? What have been the biggest challenges in implementation?
- What types of interagency collaboration has AB 109 fostered in your county?
- What other factors are critical to understand any changes in the crime rate?
- What's the most important thing you would like to learn from an evaluation study of AB 109?